



ADMINISTRATOR'S REPORT
Kevin Bronson
OFFICE OF THE CITY ADMINISTRATOR
WESTMINSTER, SOUTH CAROLINA

March 21, 2025

GENERAL INFORMATION

Statement of Economic Interests (SEI) for the South Carolina Ethics Commission

A reminder to all city councilmembers to file 2024 SEI's prior to noon on March 30th. The website is <https://ethics.sc.gov/>

Sewer Improvements Invitation to Bid

The City published an advertisement for bids for the second phase of the SCIIP Sewer Project, the installation of 8" gravity sewer line and manholes. Bids are due on April 9, 2025 at 2:00pm at City Hall. The advertisement can be found at www.westminstersc.org/departments/administration/#bids.

This Week in Rec: An Update from Recreation Director Herb Poole

- Volleyball games will resume on Monday, March 24, after spring break.
- WRD provided meals for kids on spring break. The meals program is paid for by sponsors.
- T-ball, baseball, and softball season will open on April 5.
- Several of our baseball and softball teams will participate in the Seneca Pre-Season Tournament this coming week.

SCIIP Sewer Project

Tugaloo/McClam have begun working on Green St. The City has moved all water services to the 6" water line across the road. The 2" water main can now be removed from service to make room for the new sewer install.

Anderson Park

The contractor received the furniture, picnic tables, trash cans and benches. for the park this week. The contractor plans to be back on-site next week to make a final push to complete the scope of work by the second week of April. Once the contractor completes their work, the city staff will install the fencing along the boundary of Abbey Street.

Horton Outdoor Recreational Area

Grading on the site is nearly complete. Deliveries of materials to construct the fields continued this week as well. The concession building design edits are expected to be completed and the building bid within the next three weeks. The current schedule for the concession building is to have it ready for city council consideration at its May 13, 2025, meeting.

Heirloom Farms

J&M has begun construction and installing new water pipes. They have not tied into City system yet.

Long and sons began sewer construction from the County connection through the marshlands to the Subdivision. The Service Road is almost complete so they can finish construction. The manhole is set at the OJRSA Sewer collection line, and they are progressing quickly through the remainder of the project.

Long Creek Highway Chauga River Bridge (*from Utilities Director Scott Parris*)

Two bridge columns have been constructed. They will be setting the form in the next week for the two columns.

Westminster Planning Commission

Nothing to report.

OJRSA

The OJRSA Ad-hoc Sewer Feasibility Implementation Committee met March 13, 2025; the draft meeting minutes are attached. Members of the committee discussed various scenarios for a new governance model for OJRSA. The discussion included a consolidation of sewer services in Oconee County. A consolidation, as contemplated in the discussion, includes each member city and Oconee County divesting of their sewer assets to the OJRSA. Additionally, the committee discussed various ways in which a new OJRSA Board could be constituted.

Attached is a copy of the summary for the proposed revisions to the Sewer Use Regulation (SUR) by OJRSA. Customers can also see <https://ojrsa.org/wp-content/uploads/Board-2025-2-3-Agenda-Exhibit-C-SUR-Revision.pdf> with rationale for the changes and exactly what's being modified in the SUR.

PMPA

The PMPA Board met Thursday, March 20, 2025; the agenda is attached. The Financial Statements and Supplementary Information for December 31, 2024 and 2023 are included, this may also be referred to as the annual audit. The Financial statements attached were approved by the PMPA Board with amendments to include appropriate disclosure of the 2024 Settlement agreement in which eight of the participant cities paid Rock Hill and Greer \$55 million (combined). The amended language is also attached.

Of note is Rock Hill and Greer's vote at the Board Meeting to not include the amended language. The two cities did not want the information disclosed in the audit. The eight cities that paid the settlement will pay annualized cost for the next decade with significant balloon payments at the end of the ten years.

PLEASE MARK YOUR CALENDARS

March 25, 2025 at 9:00 am Finance & Administration Committee at OJRSA

April 7, 2025 at 4:00 pm OJRSA Board Meeting at OJRSA

April 8, 2025 at 4:00 pm City Council Budget Workshop at the Westminster Fire Department

April 8, 2025 at 6:00 pm City Council Meeting at the Westminster Fire Department

April 10, 2025 at 9:00 am OJRSA Ad-hoc Feasibility Implementation Committee at OJRSA

April 15, 2025 at 8:30 am Operations & Planning Committee at OJRSA

April 17, 2025 at 10:00 am PMPA Board Meeting at PMPA

April 29, 2025 at 4:00 pm Called City Council Budget Workshop at the Westminster Fire Department

City Council Meeting Schedule

January 14, 2025		6:00 PM	City Council Meeting
February 11, 2025	4:00 PM	6:00 PM	Budget Workshop/City Council Meeting
March 11, 2025	4:00 PM	6:00 PM	Budget Workshop/City Council Meeting
April 8, 2025	4:00 PM	6:00 PM	Budget Workshop/City Council Meeting
April 29, 2025	4:00 PM		Budget Workshop
May 13, 2025		6:00 PM	City Council Meeting
June 17, 2025		6:00 PM	City Council Meeting
July 8, 2025		6:00 PM	City Council Meeting
August 12, 2025		6:00 PM	City Council Meeting
September 9, 2025		6:00 PM	City Council Meeting
October 14, 2025		6:00 PM	City Council Meeting
November 18, 2025		6:00 PM	City Council Meeting
December 9, 2025		6:00 PM	City Council Meeting

Special Events Calendar

April 18, 2025 Three Crosses at Retreat Street Park

Good Friday event hosted by Cross Roads #2 Baptist Church at Retreat Street Park beginning at 5:00pm. Food and music will be apart of the community event.

May 17, 2025 Music on Main in Downtown Westminster

Westminster Music Centre presents Music on Main. Car Show will begin at 3:00.



Oconee Joint Regional Sewer Authority

623 Return Church Road
Seneca, South Carolina 29678
Phone (864) 972-3900
www.ojrса.org

OCONEE JOINT REGIONAL SEWER AUTHORITY Ad-Hoc Sewer Feasibility Implementation Committee March 13, 2025

The Ad-Hoc Feasibility Implementation Committee meeting was held at the Coneross Creek Wastewater Treatment Plant.

Commissioners/Committee Members that were present:

- Joel Jones (ReWa) – Committee Chair
- Amanda Brock (Oconee County)
- Chris Eleazer (Oconee Joint Regional Sewer Authority)
- Scott McLane (City of Seneca)
- Celia Myers (City of Walhalla)
- Scott Parris (City of Westminster)
- Sue Schneider (Citizen - formerly worked for Spartanburg Water) – *via webcam*
- Scott Willett (Anderson Regional Joint Water System)

Committee Members that were not present:

- Rivers Stilwell (Attorney, Maynard Nexsen)

OJRSA appointments and staff present were:

- Lynn Stephens, Secretary/Treasurer to the Board and Office Manager
- Allison McCullough, Regulatory Services Coordinator

Others present were:

- Lawrence Flynn (Pope Flynn - OJRSA Attorney) – *via webcam*
- Kevin Bronson, City of Westminster Administrator (also serves as OJRSA Board Chairman)
- Angie Mettlen (Vice President, WK Dickson)
- Katherine Amidon (Environmental Planner, Bolton & Menk)
- Tony Adams, Oconee Co. Citizen

A. Call to Order – Mr. Jones called the meeting to order at 9:03 a.m. He stated that he is going to ask the committee to consider amending the agenda after the public comments, as the approval of last month's minutes was left off the agenda in error.

B. Public Comment – Mr. Bronson thanked everyone for what they are doing on the committee, and then he apologized to the committee for having received a memorandum last month from Mr. Michael Traynham (and given to them by Mr. Chris Eleazer) that was full of what he felt were misstatements, conjecture, and inflammatory statements. Mr. Bronson said the board was asked at this month's meeting to release it to the public, and the board chose not to.

Mr. Bronson said some of the items in this memo were "flat out wrong." The document did not have specific names or places mentioned which condemned everyone on the board as if they were guilty of that act. The memo also states that the Cities did not take some of the things that the OJRSA requires to do seriously, and on behalf of the City of Westminster, the city took it very seriously and

has done its best to provide all the information that was requested and on time in the manner it was requested. Mr. Bronson said he will be working with Mr. Traynham and Mr. Eleazer to ensure the document is corrected and then given back to this committee. Mr. Bronson stated that he wanted this committee to know his opinion on the memo and that he feels the board chose not to release the memo to the public for the same reasons.

Ms. Schneider asked Mr. Bronson if he wanted this memo to be recalled from the committee. Mr. Bronson replied that the accusations are out there, and he prefers to have the Member Cities and people called out by name in a revised version of the memo. Mr. Jones stated he read the memo, and it did not sway his vote in any way, so this didn't matter to him either way; however, it is a board-level decision on what to do with it.

C. Approval of Ad Hoc Committee Minutes – As discussed at the beginning of the meeting, Mr. Jones asked the committee to amend this agenda for minutes approval for last month's meeting on February 13, 2025.

Ms. Brock made a motion, seconded by Mr. Willett, to amend the agenda to approve last month's Ad Hoc Feasibility Implementation Committee Meeting minutes. The motion carried.

- **February 13, 2025** – Mr. Willett asked Mr. Adams if his public comments were accurate in the minutes; Mr. Adams was good with them.

Mr. Willett made a motion, seconded by Ms. Myers, to approve the February 13, 2025 Ad Hoc Feasibility Implementation Committee Meeting minutes as presented. The motion carried.

D. Presentation and Discussion Items

1. Update on SC RIA Timeline and Process Schedule – Mr. Jones asked Ms. Mettlen to update the committee on the timeline and schedule. Ms. Mettlen said she spoke with Ms. Bonnie Ammons of the Rural Infrastructure Authority (RIA) several times since last month's meeting. Ms. Ammons is amenable and is fine if a couple more months are needed to get to the end of the Ad Hoc Committee. Ms. Ammons said her approval is not needed for a time extension, because the timeline came out of the study and is not mandated by the RIA.

Ms. Mettlen added that the reason for the tight timeline was to keep things from dragging on and to keep making progress on a path forward. Ms. Mettlen suggested getting some of the items, that could cause a stumbling block later, flushed out early in the process.

Mr. Jones said he would like to leave today with the understanding that the next step is for this committee to draft a recommendation, but first there must be consensus within the group to move it forward.

2. Review Summary of Reconstitution Memo and Discuss Next Steps – Mr. Eleazer stated that the OJRSA board released Attorney Lawrence Flynn's memo, *included as Exhibit A*, to the public in their March board meeting. Mr. Jones feels the different portions of this memo need to be discussed and stated that the last item was to consider consolidation. Mr. Jones stated that he feels that the top priority is how the organization will be set up.

Ms. Mettlen said that Mr. Chip Bentley apologized for not being here today, as he got sick while attending a conference. Mr. Bentley told her and Mr. Jones that there was a discussion about the reconstitution of the board and the number of people on the board, and it seemed to be okay with everyone. It also sounded like everyone agreed that a consolidation of the collection systems would be on the table.

Ms. Mettlen said there was also some discussion with Ms. Myers and the Walhalla City Council about some questions about the valuation of the system. This will need to be worked out.

As long as the committee follows Mr. Flynn's path forward (what is detailed in his memo), things that need to be worked on and discussed first can be called out. If there are things needing to be done that require money, Ms. Ammons is open to discussions about funding them as long as progress is continuing to be made.

Mr. Jones said he feels that consolidation must be done for the success of this organization. He asked for a discussion to be opened up to see if the committee has a consensus on this.

Mr. McLane stated that the City of Seneca is willing to consider consolidation but there would have to be meetings set up to have questions answered. Mr. Jones asked what the reasons would be that they would not want to consolidate. Mr. McLane said he couldn't answer that; meetings need to be set up with Mr. Scott Moulder (City Administrator) and Mr. Bob Faires (Utilities Director) to further discuss this and the costs associated with it. Ms. Mettlen said that there are several models (such as a franchise agreement) that can be looked at.

Mr. Willett said he has no stake in a wastewater system (his experience has been with a drinking water utility only), and from the outside looking in, he does not know how you can run a wastewater treatment facility without having control over the collection system, so he feels it is essential to consolidate. Mr. Willett added that how that consolidation takes place is a different question. Mr. Willett says he answers to a board but he serves 200,000 people, and he tries to convince the 14-member board to do the right thing for those 200,000 people. He said he is asking this committee and the city councils to focus on the needs of the citizens of Oconee County.

Ms. Myers said the City of Walhalla is not opposed to consolidation, but the sewer system is considered an asset which is part of a bond. Unless there is going to be a \$20,000,000 buyout to pay the bond, there must be some legal work to disassociate that from the bond before the city can hand over control. The city is already talking to legal representatives on how that could look, but it would be up to the bond investors.

Mr. Willett asked Mr. Flynn if this would be a refinance or is there a way to assume responsibility for the outstanding bonds. Mr. Flynn started by saying he does not represent any of the Member Cities as their bond counsel, and he recommended each city speak to their bond counsels about the process. He stated that Westminster and Seneca have a combined water/sewer/electric system, and Walhalla has a combined water/sewer system. Generally, most of the master bond resolutions pledge the revenues on a combined basis for those combined systems. The revenue of each component of the combined system is pledged exclusively as the security for those bonds that are then issued, meaning that the bond holders stand shoulder to shoulder.

From review of the cities' financial audits, each municipality has debt, but it is unknown how the improvements were originally funded. Generally, the way public utilities work is that the water and electric systems largely subsidize the sewer system. Rate consultants say to make sure that each component of the combined system operates on a stand-alone basis, and then the sewer system is being subsidized by another component of the system. Even though it's permitted by state law and generally appreciated by the rating agencies and the bond holders, they need to get an even footing through rate adjustments or expense reductions.

The typical language in the master bond resolutions is in order to stealth portions of the system (assets in the ground, service area, etc.) or an entire component (water, sewer, or electric system proper) of the system, there is a procedure built out that would dictate the terms by which you could decouple that component of the system from the pledged assets and can, in some circumstances, be done without redeeming all the debt. Typically, you can make a finding that the reduction or removal of the assets from the system does not affect the interest of the bond holders. It's easier done on the sewer system since it is being subsidized by another component, but it does take a detailed dive by a third-party consultant (like Willdan, Raftelis, or some other feasibility or

rate consultant) to make a financial justification for each of the municipalities to decouple the system without hurting the bond holders.

Mr. Flynn added that if consolidation is part of the discussion, identifying the amount of debt and where the value is, and whether OJRSA acquires the systems and redeems or pays off certain portions of the debt as compensation, this is going to be a high-level math problem needing a third-party consultant to figure out how that debt gets paid.

Ms. Schneider said in her experience running a sewer utility is hard. Compliance is hard, the cost to expand systems is more expensive, and making customers happy is hard. She said she hopes Oconee County considers consolidation of collection lines into preferably one (1) system that can assume or pay off debt, take on assets, make sure the lines are maintained, and deal with customer and regulatory issues. Consolidation just makes more sense for long-term success than multiple systems. Mr. Jones said there is no value to sewer except the ability to provide service.

Mr. Parris stated the City of Westminster is open and willing to go down the road to consolidation and has been looking at this for quite some time.

Mr. Flynn added there is a recent example of a broad-scale consolidation in Greenville County, which is Metropolitan Sewer. There were engaged professionals (including Willdan) who did a deep dive analysis to identify how to resolve the debt math problems. Ms. Mettlen said the OJRSA is working with the Member Cities on the Capital Improvement (CIP) and Corrective Action Plans for rehab, but there should be some additional information coming forward. This is for compliance issues, but it could help inform for some of this discussion as well.

Mr. Willett said he hopes people realize that all pipe isn't the same foot by foot. The condition of the pipe matters. The information from the CIP would be critical in determining the true value.

Mr. Eleazer said Mr. Dyke Spencer was involved in the development of the 20-year Master Plan and spoke about Beaufort/Jasper going through consolidation, and they feared the loss of using sewer for annexation purposes. Mr. Eleazer thinks there is a method for that to stay in place. Mr. Flynn replied that is correct and suggested Ms. Schneider, who has some experience with that, speak a little about it.

Ms. Schneider stated that when doing a consolidation or annexation, depending on the relationship between the parties, you want both parties to win. That is a successful thing. Often with small communities, there is concern about how much they are spending (some going into debt), loss of potential revenue, and/or determining their future (decisions about annexation and how they wanted to grow). Each community has its own identity and ideas. A contract can be designed to address these issues.

Ms. Schneider added there are franchise models to review. You can address how you do annexation and inputs with communities. You can also address the county. There is a way to address everyone.

Mr. Jones said it sounds like the entire community would support consolidation as a recommendation from this group.

Mr. Jones said he was going to go through Mr. Flynn's memo now, and the first item is the governance structure and including Oconee County as a member. Mr. Jones asked if anyone was opposed to having the County as a member. No one objected.

Mr. Jones said the best thing this committee can do is to set up a board that will serve the rate payers, not necessarily the communities, the county, nor the municipalities. He said he thinks this provides a greater level of service when the allegiance is to the rate payers; however, the committee may be under some legal restraints to appoint members beyond what is laid out here. He said the goal should be to have a board that is as unified and serving the people at the end of the pipes. Ms. Brock added "and who are going to be at the end." Mr. Jones agreed.

Mr. Jones said the structure was laid out with five (5) members, including one (1) from Oconee County. He asked if there were any comments on this. Ms. Schneider said she wants Oconee County engaged in some way; and if consolidating for the good of the rate payer, you want the three-to-five (3-5) members being from that district of the rate payers and not necessarily representative of the Member Cities if they divested of their assets and debt. You can create a sewer district based on who has sewer. Who do you think would be represented? The cities, but you're calling it out as a whole.

Mr. Willett asked if the assets are seated or if the liabilities are assumed to reside with the consolidation (whatever form that may be), what would be the rationale for providing weighted voting as the memo states? Several members said there shouldn't be. Mr. Willett continued by saying if the OJRSA owns the debt, each member of the board would be equal, because they won't have any greater stake than the other folks.

Mr. Jones asked Mr. Flynn what would representation look like in a consolidated authority. Mr. Flynn said when this memo was drafted, it was before the discussion about consolidation of the collection systems. If consolidation is recommended, this will change several of the items in the memo, and the OJRSA would operate more in the construct of the traditional special purpose district (SPD) like Spartanburg Sanitary Sewer where there is a collection network and treatment assets, so you control everything for the entire system and not the constituent membership. The weighted voting would happen if you don't take over the collection system (and continue to have independently owned satellite sewer systems).

Ms. Schneider hopes for the consolidation for Oconee County and that the board looks at the big picture of addressing public health, regulatory issues, and what is the future of Oconee County.

Mr. Jones said it looks like consolidation is the first priority, and the second priority should be the representation of this consolidated utility. He added that he didn't think the discussion should get into an appointed versus elected members yet until the recommended governance structure is determined. Everyone agreed.

Mr. Jones asked if there were any comments about the operating agreement. Ms. Schneider asked if there would be an operating agreement. Mr. Flynn replied that is a requirement of the statute to have an operating agreement or governance agreement that lays out the procedures for adopting bylaws and implementing powers, so that would be the vehicle by which restricting who the members can appoint as members.

Mr. Willett asked if that would also cover how the municipalities want to handle growth. Mr. Flynn replied that would be a separate agreement between the Cities and OJRSA, and you may want to have something that is subject to change as there is turnover on the councils. You don't want to bind the future councils to a memorialized governance. Mr. Willett said the operating agreement has a minimum term of forty (40) years, and he likes that Anderson Regional's operating agreement is evergreen (meaning it automatically renews). As long as Anderson Regional is issuing debt and performing the service it was constructed for, everyone is in.

Ms. Mettlen asked if Mr. Flynn could revise the memo to line out the steps of what would be needed if this committee is going to recommend consolidation moving forward, as a lot of what is in there would be non-issues at that point. This would further clarify what needs to be addressed to avoid future roadblocks. Mr. Flynn replied that he has some of this in electronic form, and it won't be hard to change the terms; it's just a matter of prioritizing the items to be addressed and restructuring according to the Ad Hoc committee's recommendations.

Mr. Jones said the committee doesn't need to spend much more time on this memo at this point and asked if there were any other comments or questions.

Ms. Brock said her only concern is the words “shall be” in regard to members of the board not being an officer or employee of an appointing member. Oconee County would be limited for representation.

Ms. Myers said the City of Walhalla has some concerns with having someone with knowledge of wastewater or financials be their representation. Other committees (such construction board of appeals, planning commission, architectural review) have requirements that members have some sort of knowledge.

Mr. Jones said he was going to push back on that a little. The board does not need to know how to operate wastewater utilities; that is for staff to do. The board is meant to set policy. He said he understands Walhalla’s view, but if this is consolidated for the community, you need a board to operate that way.

Ms. Brock replied that the Cities have funding decisions that would be required. Mr. Jones replied that the utility would fund the decisions. Mr. Willett said the role of the board is to ask good questions and make sure staff is being held accountable.

Ms. Brock said part of the purpose of coming here is for Oconee County to have representation, and Oconee County Council is pushing the County as an entity and not as its citizens. Mr. Jones said he hears that and will see how Mr. Flynn lays that out, but in his opinion, that does not provide the best long-term value for a wastewater utility.

Ms. Schneider acknowledged that Oconee County has an enormous role in this process, but she added that all the entities and Oconee County have councils that do not have a minimum requirement to be a councilmember except age. If you have a board that’s goal is to move the sewer district, it’s not the board doing it. Boards that you see throughout various states just oversee: They make sure audits are done and that the bigger picture is done.

Ms. Schneider added that the county has a huge role as it approves certain types of annexation. Ms. Brock said the county doesn’t have to approve annexations. Ms. Schneider said you may not have to, but the County can choose to. If the sewer district wanted to annex an area that was not contiguous, the County could require its approval. Ms. Brock said that is why she feels the County Council would find it important for the board member to be an inside person at county government. If there are economic development pushes in one direction or another, the County Council is not going to want to pick a person to provide that possibly confidential information to. Ms. Schneider replied that she didn’t think it was going to get to a consolidated board then if an entity must be identified like that. Ms. Brock said she didn’t know if it was a must, but she wasn’t sure about the “shall not.”

Ms. Schneider asked if the path was to have an elected board from within the area. Mr. Flynn replied that they cannot currently be elected according to the proposed legislation. They can only be appointed by members who are constituent members of the body. There is no authorization for a separate election unless we amend or add that the authorization to the statutory act. Ms. Schneider asked for the county and cities not to look at the OJRSA as a separate entity, but rather as a partner in economic development. Having an entity on the board negates the advantage of moving the sewer district as a whole.

Mr. Flynn said in his experience there has been a strong board overreach in many of the places he’s counseled, but most boards do not end up with people who have specific knowledge. If you are concerned with having someone who is in tune with the business community, you appoint the president of the Chamber of Commerce, and he does your bidding accordingly, but you remove the immediate problem of having someone who “wears two (2) hats” (an individual who represents two (2) separate entities simultaneously) and doesn’t know which hat to wear when setting policy.

Ms. Myers suggested the “shall not” be taken out of the text and let the councils decide on their own and then advocate for why you don’t want an employee to be on the board. Mr. Flynn replied this creates a “tragedy of the commons” where why would one (1) city appoint someone truly independent when another city (or the county) appoints someone who is only acting on their municipality’s behalf. Each municipality will subsequently go back to their own corners and appoint people that are acting in the best interest of their municipality (similar to how it is now).

Ms. Mettlen said the OJRSA is still operating under the Joint Agency Act; however, there are some amendments going on there; however, that is still in effect regardless of whether there is a consolidation of collection systems or not. Mr. Flynn said that is correct. Ms. Mettlen told Ms. Myers that the cities are still member entities.

Mr. Eleazer asked how the other utilities represented on this committee address economic development. Ms. Schneider said Spartanburg County liked economic development, because it gave them new customers. It’s all about “housetops” when it comes to revenue (like what Mr. Jones mentioned in an earlier meeting). It’s important and provides jobs, but it does not exist without sewer. Spartanburg County would provide information to Spartanburg Water such as location of the facility and how much water they would use per day. Once it was determined that the plant had the capacity and ability to treat the waste, Spartanburg County would make the deal. If it’s not currently in the sewer district, you work with the county to get it annexed. Mr. Jones said it’s similar for Greenville County; however, the county will secure funding, but ReWa will participate in it and may contribute to it.

Mr. Jones is looking for the committee to come up with a recommendation. It is not for the committee to determine what people are going to do with it. It seems like people are divided on this today. Ms. Brock said she could take the comments today back to her council. Mr. Jones said the committee needs a workable solution, but it may not be ideal for everybody.

- 3. Update on Potential Legislative Amendment to the South Carolina Joint Authority Water and Sewer Systems Act** – Mr. Jones said the legislation was touched on a little already but asked Mr. Eleazer if he had anything to add. Mr. Eleazer replied that Mr. Bronson (OJRSA Board Chairman) and he met with Senator Alexander last Friday afternoon and presented him with the proposed changes to the legislation. It was a good meeting and well received. Senator Alexander may be reaching out to the Member Cities to discuss it and see what their thoughts are. There may be more information to share at next month’s meeting.

Mr. Jones asked if the committee should consider an alternative to the election process. Mr. Flynn said it could be added, but it would require further edits to the legislation. Mr. Jones said he is concerned that as the system grows, is the member appointee from their district, their customer, or are they people within the service area – and how is it determined? Mr. Parris replied the memo says “customer,” and then asked is it a customer of the member or a customer of the whole system? Mr. Willett said if the Joint Water System Act is not modified, it would have to be a customer of the entity doing the appointment.

Mr. Jones said if the board consolidates, members are no longer customers of the municipalities, but rather the new entity. He asked if there is another alternative process that needs to be considered, because this committee doesn’t want to create a new entity that members cannot be appointed to.

Mr. Eleazer asked if it was in the current statute, or the proposed statute, that it must be a customer. Mr. Flynn replied that it was in the language regarding the fifth member that is appointed by the legislative delegation, and in his prior memo, it reads that the person needs to be an “elector” to be qualified to serve. However, there is nothing in there about who the members are and nothing that requires them to be a sewer customer. Mr. Jones said an “elector” would imply someone who

lives within the voting district. He added that the entities are serving outside the voting district and therefore would have a growing population of people who wouldn't have representation. He said he doesn't think the committee is going to get to this today, but it needs to be given serious thought.

Mr. Willett suggested gerrymandering the districts where the municipalities are at the center, so that people can be added and pulled according to electoral requirements rather than dividing the county where one city can get to appoint more due to population. Ms. Brock replied that Oconee County just redistricted, and it could be done by council district.

Ms. Schneider asked if it was consolidated into one entity where you could see all the assets, can this entity raise funds through an ad valorem tax like an SPD can do? Mr. Flynn said the joint agencies under the statute are expressly prohibited from levying taxes, so it will not be a taxing entity like the original SPDs. Mr. Flynn cautioned that if this committee tried to attempt to add taxing authority to the joint agency act, it probably would kill any amendments this committee is contemplating. Ms. Schneider said the success for anything long term is how you are going to pay for anything, and that should be considered in a reconstitution. Once you take on all the assets and all the problems and want to build a capital plan outward, that will continue to be a challenge. Ms. Schneider apologized to the committee saying she had to leave the meeting now due to other scheduling conflicts.

Ms. Schneider left the meeting at 10:20 a.m.

Mr. Jones asked Mr. Flynn to try to revise this memo for a consolidated entity and the representation on it. Mr. Flynn asked if the committee wants to layer in elected authorization into the proposed legislative amendments as well and throw that in as an additional route for governance.

Mr. Willett asked what Mr. Flynn's opinion is on the level of effort to do that. Mr. Flynn said the drafting side is not difficult; Mr. Willett said he meant getting it approved. Mr. Flynn said it was not discussed with Senator Alexander, and he said if you go to an elected board, you are wholly removing any appointment authority from those members who have now given over their collection system and would have zero say in the member that would otherwise be serving for that area. It's probably a question more for the board. Anything that is added that would make flexibility to a statute is a net positive, but whether the membership would be happy with that remains to be seen.

Mr. Jones asked everyone on the committee to put some thought into this and determine what is your preferred method and what is best served by that today and in the future.

- 4. Rate and Cost of Service Study** – The Director reported that Mr. Daryll Parker of Willdan Financial made a presentation to the board last Thursday night. The focus on what he presented had to do with the existing structure. Currently it requires all three (3) Member City councils to approve the OJRSA to borrow funds, which has been tried a couple times in the past without success. Mr. Parker showed what the rates need to be to raise the revenues to bite off the largest chunk (if not all) of the projects on the spreadsheet. Mr. Parker's focus was on the next ten (10) years, and what he came up with was a 74% rate increase in back-to-back years to fund pay-as-you-go for O&M and capital expenses. Mr. Eleazer added that was not the way to go. Mr. Jones asked if that was just for the OJRSA's system and not the Member Cities; Mr. Eleazer replied that was correct.

Ms. Mettlen said it has been tried, but there was never unanimous approval for the OJRSA to take on debt, so Willdan had to assume something and created a model for pay-as-you-go. The model can have other data put into it.

Mr. Willett asked if some of the municipalities' debt is not to do with the collection system. He wanted to know what percentage was for wastewater improvements. Mr. Flynn replied that the debt for wastewater is relatively minute. Walhalla's current debt is only for the water system (Ms. Myers said it was for the new water plant). Seneca obtained financing in 2007 for sewer through

the water pollution fund at the SRF, and the rest is for the water system. Westminster has no sewer debt at all. Mr. Willett said you can run a sewer system with revenue bonds. Ms. Mettlen said the major hurdle is that the OJRSA cannot finance without unanimous approval.

Mr. Flynn said there needs to be a definitive position, or a two-part term sheet, where the collection system acquisition becomes the pivot point on which direction this takes. Consolidation makes this a completely different organization rather than the status quo of being a wastewater treatment operator. He said he needs direction on whether the acquisition is the test case here or should the analysis be segregated for a consolidated approach and a status quo approach. Mr. Jones said that everyone agreed that consolidation is a priority, if not a key, to success. Even if there is not a consolidation, there needs to be an independent treatment agency with regulatory oversight. Ms. Brock replied this committee needs to explore alternatives, because if consolidation is the only thing put in the basket, and the entities responsible for funding it aren't capable of funding it, there needs to be a Plan B. Mr. Jones replied that no one is capable of funding it now. Ms. Brock said there should be an alternative in case the plan on the table isn't feasible financially. Mr. Willett said that financially it's not a question of if but a question of when. Ms. Brock said maybe she worded that wrong and she meant steps. Mr. Willett agreed with this and what you have to do is what you have to do.

Mr. Willett said that running a wastewater system has regulatory responsibilities and, in his opinion, if you run the plant, you've got to run the collection system. Ultimately the costs don't change, it's just a question of who is paying the costs. In his opinion, the Joint Water System Act was meant to be a financing authority. The utility takes the debt so the members don't. You will never be paid off.

- 5. Update of Discussion with Partner Communities About Conveyance of Systems to New Joint Authority** – Ms. Mettlen said Mr. Flynn has one alternative laid out: Reconstitution under the current Joint Water System Authorities Act with the status quo that everybody operates their own collection systems and this being a trunk sewer and treatment entity. Option 2 is consolidating all the sewer systems under one (1) agency and reconstitute under the Joint Water System Authorities Act. The pivot point is the consolidation.

Mr. Jones asked what the committee should do in preparation for the next meeting. Ms. Mettlen replied is to decide if more is to be added to potentially change the act itself or to leave it as is. Mr. Willett agreed and added if he were a member right now, he thinks some effort needs to be made on how assets will be valued. Each entity should be made whole and equal to the other members.

Ms. Mettlen said she doesn't think everyone fully understands what a franchise agreement looks like, what it can do, and how it's beneficial. She thinks there needs some context around the different options regarding valuation and asset versus a franchise agreement. Ms. Brock said she is not familiar with that at all and asked if Mr. Flynn could have this prepared by the next meeting. Mr. Willett said the biggest difference is if someone is due \$10 million to be made whole, does OJRSA borrow the \$10 million and pay it, or do they enter an agreement to repay that debt over 20 years. Who is doing the funding? Do you go to a financial institution or do you let the entity pay them back.

Mr. Flynn added that the sale of sewer systems can be done by ordinance and not referendum. There are a couple ways to do this: 1) A snapshot can be taken on the book value of the system on paper or 2) They can hire a third-party consultant to do a system appraisal. The valuation can be subjective, but the greater good here is that the systems need to be operated on a consolidated basis to best serve Oconee County and receive sewer service in the highest quality at the best value and cost. Some entities have decided to turn their systems over for one (1) dollar and were granted a franchise fee back against the system to recover some portion of the value over time. Some

entities who have a lot of customers requested the value to be based on the cash flow of the system. The memo will identify the valuation (or the appraisal piece) of those systems on the acquisition as being a prerequisite that needs to happen before any consolidation efforts can occur, because that will be a fundamental question if that pivot is practical.

6. **Public Comments Following Discussion Items** – Mr. Adams stated this was a good discussion. He said it looks like we must pay for our sins of the past and thanked the committee for their help with it. Ms. Mettlen said this is not a unique problem to just Oconee County.
7. **Consider Agenda Items for Next Meeting** – Mr. Jones said that the role of the committee is to come up with a recommendation; not for figuring out the details. He would like to wrap up this committee's work in the next couple of meetings. It was decided, and all members agreed, that a recommendation will be drafted at the next meeting with a logical list of the next steps. If the board wants to create another small committee to work out the details, that is fine, but this committee's job will be done.

Ms. Mettlen asked if Mr. Flynn should massage the act or leave it alone. Mr. Jones never fully understood what the limitations are. If the appointees must be elected, and the system grows much faster than the municipalities provide services outside their areas, how do those people get represented over time. Mr. Flynn replied that they would be represented by the county representative and potentially the gubernatorial appointment. Do we need to do anything to allow that representation? Mr. Willett said nothing must be done now, because the current proposal has the three (3) municipalities and the County having representatives and the legislative delegation appoints a fifth member. The proposal gives the ability to elect the members using the County Council voting districts.

Mr. Willett added that this committee's goal was to listen to what was out here, and based on the committee's combined experience, make a reasonable recommendation for the desired outcomes. This was not to negotiate among the members and determine what is possible. We're close to the recommendation, but the system cannot run long-term without consolidation.

Mr. Eleazer asked if the recommendation is going to have parallel paths where if the entity consolidates, there is recommendation for how that goes forward and another if consolidation is not implemented. Mr. Jones said he struggled with this, but he feels that this committee is to make their preferred recommendation. If the board decides to do something different, then they can look at the alternatives. Ms. Mettlen said that alternative is already out there. Mr. Willett said this committee needs to identify what the preferred alternative is and recommend it. There are other alternatives out there, but this committee is recommending one of them – the preferred one.

Mr. Eleazer said his concern is if the consolidation does not happen, the underlying problems that the OJRSA faces currently will continue. What is the recommendation to address those? Mr. Willett says it's okay to list a non-preferred alternative; Ms. Mettlen said that is already laid out. Mr. Jones said the presentation of the recommendation should be formulated in such a way that the committee believes success is solely dependent upon this recommendation and why.

Mr. Eleazer asked Mr. Flynn what he feels about going back to Senator Alexander with another recommended change. Mr. Flynn said he couldn't speak to the Senator's mindset on it, but he believes he would understand that the OJRSA is taking directions from the Ad Hoc Committee. Mr. Willett added that the Senator would understand pivoting.

8. **Confirm Date for Next Meeting, which is Scheduled for Thursday, April 10, 2025 at 9:00 a.m.** – The meeting date and time were noted.

Mr. Jones asked what resources will be available to the Ad Hoc committee to articulate the recommendation. Ms. Mettlen said, with Mr. Flynn's help, she can draft something for the

committee. Maybe the committee can focus on making a skeleton of the recommendation at the next meeting.

Mr. Flynn asked if he needed to wait to work on his revised term sheet. Mr. Jones and Ms. Mettlen said no. Mr. Flynn asked if some language should be drafted around the election statute. Mr. Jones said yes.

E. Upcoming Meetings

1. **Operations & Planning Committee** – Tuesday, March 25, 2025 at 8:15 a.m. *Special meeting date.*
2. **Finance & Administration Committee** – Tuesday, March 25, 2025 at 9:00 a.m.
3. **Board of Commissioners** – Monday, April 7, 2025 at 4:00 p.m.
4. **Sewer Feasibility Implementation Ad Hoc Committee** – Thursday, April 10, 2025 at 9:00 a.m.

F. Adjourn - The meeting adjourned at 11:04 a.m.

Approved By: _____
Joel Jones
Committee Chair

Date Approved: _____

Approved By: _____
Lynn M. Stephens
OJRSA Secretary/Treasurer

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



Ad Hoc Sewer Feasibility Implementation Committee

OJRSA Operations & Administration Building

Lamar Bailes Board Room

March 13, 2025 at 9:00 AM

This advisory committee was established by the OJRSA Board of Commissioners at its November 4, 2024 meeting to consider recommendations and report to the OJRSA Board and Oconee County as identified in the [Regional Feasibility Planning Study](#) as adopted by the OJRSA on September 9, 2024. The committee can neither create policy nor make decisions on behalf of the OJRSA or other wastewater service providers within the area. See the study at www.ojrsa.org/info for more information.

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

Agenda

- A. Call to Order** – Joel Jones, Committee Chair
- B. Public Comment** – Receive comments relating to topics that may or may not be on this agenda. Session is limited to a maximum of 30 minutes with no more than 5 minutes per speaker.
- C. Presentation and Discussion Items** – Led by Joel Jones, Committee Chair, unless otherwise noted [*May include vote and/or action on matters discussed*]
 - 1. Update on SC RIA timeline and process schedule
 - 2. Review summary of reconstitution memo and discuss next steps (Exhibit A)
 - 3. Update on potential legislative amendment to the South Carolina Joint Authority Water and Sewer Systems Act – Chris Eleazer, OJRSA
 - 4. Rate and cost of service study – Chris Eleazer, OJRSA
 - 5. Update of discussion with partner communities about conveyance of systems to new joint authority – Chip Bentley, ACOG
 - 6. Public comments following discussion items
 - 7. Consider agenda items for next meeting
 - 8. Confirm date for next meeting, which is scheduled for Thursday, April 10, 2025 at 9:00 a.m.
- D. Upcoming Meetings** *All meetings to be held in the Lamar Bailes Board Room unless noted otherwise.*
 - 1. Operations & Planning Committee – March 25, 2025 at 8:15 AM
 - 2. Finance & Administration Committee – March 25, 2025 at 9:00 AM
 - 3. Board of Commissioners – April 7, 2025 at 4:00 PM
 - 4. Sewer Feasibility Implementation Ad Hoc Committee – April 10, 2025 at 9:00 AM
- E. Adjourn**



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PRIVILEGED AND CONFIDENTIAL
 ATTORNEY-CLIENT COMMUNICATION

MEMORANDUM

To: Oconee Joint Regional Sewer Authority, South Carolina

From: Pope Flynn, LLC

Re: Summary of Reconstitution, including Acquisition of Sewer Collection Infrastructure

Date: February 25, 2025

Oconee Joint Regional Sewer Authority, South Carolina (the “*Authority*” or “*Joint Authority*”) is a body politic and corporate, and a joint authority sewer system organized under Title 6, Chapter 25 of the Code of Laws of South Carolina 1976, as amended (the “*Joint Authority Act*”). The Authority was created in 2007 under the provisions of the Joint Authority Act by its three member-municipalities (collectively, the “*Members*”)¹: the City of Seneca, South Carolina (“*Seneca*”), the City of Walhalla, South Carolina (“*Walhalla*”), and the City of Westminster, South Carolina (“*Westminster*”).

Based on funding from the South Carolina Rural Infrastructure Authority, the Joint Authority engaged a team comprised of W.K. Dickson & Co., Inc., Willdan Financial Services, and Bolton & Menk, Inc. to prepare a regional feasibility planning study, which was formally adopted by the Oconee Joint Regional Sewer Authority Commission, as the governing body of the Authority, on September 9, 2024 (the “*Study*”). The purpose of the Study was to determine long-term sewer service options within Oconee County, South Carolina (the “*County*”). Contemporaneously with the Study, the Joint Authority also undertook its “Oconee County and Western Anderson County Sewer Master Plan” (the “*Master Plan*”). Major infrastructure recommendations in the Master Plan include: developing plans to expand the Coneross Creek Wastewater Reclamation Facility (the “*Coneross WRF*”); updating the regulatory checkbook to gain permitted capacity at Coneross WRF; reducing pump station infrastructure and wastewater travel time; and working with Members to improve collection infrastructure.

Based on the terms of the Study and the Master Plan, Pope Flynn, LLC, prepared a memorandum dated November 26, 2024 to describe options for the reorganization of the Joint Authority. The material determination of such memo was that the Joint Authority be reconstituted with a complete revision of its governance documents. Additionally, and subsequent to the release

¹ For purposes of the reconstituted Joint Authority, such term would also include the County (as defined herein) once or if it is added as a Member.

of the memo, the ad hoc committee studying the Joint Authority recommended that the sewer collection systems owned and maintained by Seneca, Walhalla, Westminster, and any other contributing public satellite sewer system be conveyed to the Authority such that all sewer treatment and collection services in the County would be performed exclusively by the Joint Authority. This memorandum attempts to outline (at a high level) the steps for reconstitution of the Joint System, and conveyance of the Members' collection systems to the Joint Authority.

1. Governance Structure

- The Authority shall be reconstituted to include the County as a Member.
- The governing body of the Authority shall be a five-member commission (the "New Commission"), with representatives as follows:
 - One representative from the County;
 - One representative from Seneca;
 - One representative from Walhalla;
 - One representative from Westminster; and
 - One additional member, with the method of appointment to be determined.
- Draft legislation has been proposed to amend the Joint Authority Act to permit the fifth member to be appointed by the Governor upon the recommendation of the legislative delegation from Oconee County.

2. Operating Agreement

- A new operating agreement shall be executed with a minimum term of 40 years.
- The agreement shall define governance, financial obligations, operational responsibilities, and dispute resolution mechanisms.
- Operating agreement shall require the board member to be a customer, and shall include a restriction that no representative of a Member serving on the New Commission may be an officer or employee of the appointing member. Further, no ex officio appointments shall be permitted.

3. Voting Mechanism

- General matters shall be determined by per capita voting.
- Debt-related matters shall be subject to weighted voting based on an agreed-upon formula.

4. Expansion & Debt Parameters

- A framework shall be established for funding system growth, including capital improvements and infrastructure expansions.
- Preapproval mechanisms shall be established for financing certain projects.
- Member approval requirements shall be clearly defined for all other debt issuances.

5. Addition of New Members

- The Authority shall establish clear parameters and a defined mechanism for admitting new members.

6. Rate Structure

- An equitable rate structure shall be developed, ensuring fairness across all Members and customers.

7. Regulatory

- Joint Authority to develop stringent sanitary sewer permit requirements that clearly define system requirements for all Members (and any other dischargers).
- Authority to conduct regular inspections of sewer collection network (based on Department of Environmental Services standards) and establish clear rules and enforcement requirements.

8. Acquisition of Municipal Collection Systems

- Reconstitution shall provide that the Authority shall have the power to provide retail sewer services within its service area.
- The Authority shall acquire the respective sewer collection systems currently owned and operated by Seneca, Walhalla, Westminster and any other contributing public satellite sewer system.
 - Phased implementation may be considered if immediate acquisition is not practicable.
- Conveyance of systems to be conducted by ordinance of each respective Member. No referendum is required as a result of the Supreme Court's determination in *Sojourner v. St. George*, 383 S.C. 679 S.E.2d 182 (2009).
- Review of outstanding utility debt obligations of each Member is required, and consideration must be made as to limitations for sale of system components secured by revenues of sewer systems, respectively:
 - Walhalla (combined water and sewer)²
 - \$17,945,000 principal amount still outstanding on originally issued \$20,620,000 Water and Sewer System Revenue Bonds, Series 2018.
 - Various capital leases secured by utility system assets.
 - Seneca (combined water, sewer and electric)³
 - \$890,000 principal amount still outstanding on originally issued \$8,350,000 Combined Utility System Refunding Revenue Bonds, Series 2012.
 - \$460,015 principal amount still outstanding on originally issued \$3,762,930 Combined Utility System Refunding Revenue Bonds, Series 2020.
 - \$537,729 principal amount still outstanding on originally issued \$1,993,633 Combined Utility System Revenue Bond, Series 2007 (South Carolina Drinking Water Revolving Loan Fund).
 - \$6,943,035 principal amount still outstanding on originally issued \$11,528,750 Combined Utility System Revenue Bond, Series 2014 (South Carolina Drinking Water Revolving Loan Fund).
 - \$4,791,937 principal amount still outstanding on originally issued \$6,031,455 Combined Utility System Revenue Bond, Series 2007 (South Carolina Drinking Water Pollution Control Revolving Fund).
 - Potential capital leases secured by combined utility system assets.

² Source: 2023 Audited Financial Statements

³ Source: 2024 Annual Comprehensive Financial Report

- Westminster (combined water, sewer and electric)⁴
 - \$8,260,000 principal amount still outstanding on originally issued \$8,260,000 Combined Utility System Revenue Bond Anticipation Note, Series 2023⁵.
 - Originally issued \$369,947 Combined Utility System Revenue Bond, Series 2022 (ConserFund Loan).
 - Various capital leases secured by combined utility system assets.
- The terms and conditions of acquisition, including valuation, financial considerations, and transfer processes shall be reviewed and considered.

Next Steps:

- Finalization of governance details and appointment process for the fifth New Commission member.
- Make arrangements to file proposed amendments to the Joint Authority Act.
- Confirm approval/consent of Members for conveyance of sewer collection system.
- Development of financial models and legal framework for asset transfers and debt structuring.
- Create timeline for implementation of reconstitution.

⁴ Source: 2024 Audited Financial Statements

⁵ To be taken out by long-term financing with United States Department of Agriculture, Rural Development.



Finance & Administration Committee Meeting

OJRSA Operations & Administration Building

Lamar Bailes Board Room

March 25, 2025 at 9:00 AM

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

Agenda

- A. Call to Order** – Celia Myers, Committee Chair
- B. Public Session** – Receive comments relating to topics on this agenda. Session is limited to a maximum of 30 minutes with no more than 5 minutes per speaker.
- C. Presentation and Discussion Items** *[May include vote and/or action on matters brought up for discussion]*
 - 1. Update on current projects (Exhibit A) – Chris Eleazer, Director
 - 2. Consider possible increases to impact fees based on discussion at March 6, 2025 board meeting (Exhibit B) – Chris Eleazer, Director
 - 3. Priorities for compliance and capital projects for FY 2026 (Exhibit C)– Chris Eleazer, Director
- D. Committee Action Items**
 - Review February and Year-to-Date Financial Reports (Exhibit D) – Chris Eleazer, Executive Director and Lynn Stephens, Secretary/Treasurer and Office Manager
- E. Action Items to Recommend to the Board for Consideration**
 - None
- F. Executive Director’s Discussion and Compliance Matters** – Chris Eleazer, Director
 - Miscellaneous *(if any)*
- G. Committee Members’ Discussion** – Led by Celia Myers, Committee Chair
Discussion can be related to matters addressed in this meeting or for future consideration by the Board or Committee. Voting is not permitted during this session.
- H. Upcoming Meetings** *All meetings to be held in the OJRSA Lamar Bailes Board Room unless noted otherwise.*
 - Board of Commissioners – April 7, 2025 at 4:00 PM
 - Sewer Feasibility Implementation Ad Hoc Committee – April 10, 2025 at 9:00 AM
 - Operations & Planning Committee – April 16, 2025 at 8:30 AM
 - Finance & Administration Committee – April 22, 2025 at 9:00 AM
- I. Adjourn**

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

3/18/2025 15:36

Row #	FY 2025 O&M Project (Project # (if applicable); PM) <u>CANNOT CARRY OVER TO NEXT FISCAL YEAR WITHOUT BUDGET APPROVAL</u>	Approx % Complete	Anticipated Completion	Budget/PO/ Contract Amount (\$)	O&M PROJECT MILESTONES				Obligated/ Spent (\$)	Budget Remaining (\$)	GL Code (XXXXX = get from Office Mgr)
					Bids/RFQ/etc. Issue/Advertised	Req/Contract Signed	Started Work	Completed			
1	Consent Order 21-025-W Project: Biannual Compliance Report (CE)	0%	5/9/2025	N/A	N/A	N/A	N/A	11/8/2024	0	0	N/A
2	GIS Update and Upgrade (CE)	100%	11/10/2024	32,000	N/A	7/30/2024	8/1/2024	12/18/2024	38,641	(6,641)	Con Sys: Prof Svcs 601-02430
3	For Feasibility Study: Establish Sewer Feasibility Implementation Ad Hoc Committee (CE)	100%	11/13/2024	0	N/A	N/A	9/9/2024	11/4/2024	0	0	N/A
4	For Feasibility Study: Legal counsel prepare new governance and consolidation evaluations (CE)	100%	12/6/2024	0	N/A	N/A	9/10/2024	11/26/2024	0	0	Admin Services 501-02420
5	For Feasibility Study: Financial/Rate Cost of Service Study (CE)	100%	3/10/2025	29,800	N/A	N/A	10/21/2024	3/6/2025	20,860	8,940	Admin Services 501-02420
6	For Feasibility Study: Ad Hoc Committee to Report to Board and County its Recommendations (CE)	0%	5/13/2025	0	N/A	N/A			0	0	N/A
7	ISS PS Generator Installation (JG)	0%	3/31/2025						0	0	Conv Sys R&M: PS 601-05090
8	Coneross Creek PS Pump Control Upgrade (JG)	0%	4/30/2025	47,353	N/A Prof Services	3/6/2025			47,353	0	Con Sys R&M: PS 601-05030
9	Martin Creek PS Pump Restraint System (JG)	100%	3/31/2025	35,000	In-kind replacement	2/9/2024	7/30/2024	7/30/2024	32,017	2,983	Con Sys R&M: PS 601-05100
10	Martin Creek Storage Aerator Motor Replacement (JG)	0%	4/25/2025	12,422 also need crane	N/A OEM Equip/Svc				0	0	Con Sys R&M: PS 601-05100
11	Pelham Creek PS Manual Transfer Switch Installation (JG)	0%	4/30/2025	24,134	9/11/2024	11/6/2024			0	24,134	Con Sys R&M: PS 601-05120
12	Perkins Creek PS Wet Well Cleanout (KL, MD)	0%	12/15/2024	N/A	N/A	N/A	N/A	N/A	0	0	Con Sys R&M: PS 601-05130
13	Richland Flow Meter Station Electrical Rewiring (JG)	0%	4/30/2025	13,000	9/4/2024	11/13/2024			0	13,000	Con Sys R&M: FMS 601-04030
14	Paint Flow Meter Stations (JG)	0%	5/30/2025	3,800	2/17/2025				0	3,800	Con Sys Bldgs & Grnds 601-02550
15	Martin Creek PS/FM H2S Control ENGINEERING AND PERMITTING (KL)	0%	FY 2026	For FY 2026	For FY 2026	For FY 2026	For FY 2026	For FY 2026	0	0	Con Sys R&M: PS 601-05100
16	Southern Oconee Sewer PS/FM H2S Control STUDY (CE, KL)	90%	1/31/2025	22,500	N/A	10/31/2024	11/4/2024		14,625	7,875	Retail O&M: Prof Svcs 1301-02430
17	Martin Creek PS Basin and Southern Westminster Trunk Sewer CCTV/Clean (KL, CE)	100%	12/20/2024	264,202	6/6/2024	8/6/2024	8/6/2024	9/19/2024	237,926	26,276	Con Sys: Prof Svcs 601-02430
18	Seneca Creek FM Replacement Constr Administration/Inspect (#2023-05; CE, KL)	5%	TBD	140,000	N/A	4/29/2024	2/3/2025		4,000	136,000	O&M CIP: Con Sys 1401-06071
19	WRF Replace Disinfection System Lightning Mixer (JM)	100%	5/30/2025	49,381	12/4/2024	12/4/2024	2/27/2025	2/27/2025	49,381	0	WRF R&M 701-03000
20	WRF Util Water Pump (1 unit only)/Valve, Flow Eq Flow Control, RAS/WAS Pump/Mag Meter/Valve Install (JM)	5%	5/30/2025	362,100	RFB #2025-05 11/1/2024	1/8/2025	1/8/2025		0	362,100	WRF R&M 701-03000
21	WRF Waterproofing Admin Building Roof/Walls and Chloring Building Roof (KL)	60%	6/1/2025	125,145	RFB #2025-07 11/18/2024	1/9/2025	3/5/2025		47,793	77,353	Admin Contingency 501-02440

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

3/18/2025 15:36

22	WRF Paving Around Biosolids Storage Pad and Solids Processing Building (KL)	0%	5/30/2025	31,500	12/6/2024				0	31,500	WRF Bldgs & Grnds 701-02550	
23	WRF Tank & Wet Well Clanouts (Primary Splitter Box and Digester #1) (JM)	100%	2/28/2025	40,680	RFB #2025-04 10/24/2024	12/16/2024	2/17/2025	3/8/2025	0	40,680	WRF R&M 701-03000	
24	WRF Replace/Paint Walkway Handrails (continued from FY 2024) (JM)	100%	11/30/2024	N/A	N/A	N/A	As time allows	As time allows	N/A	N/A	WRF R&M 701-03000	
25	WRF Digesters/Solids Handling Tanks Grinder Rebuild (JG)	100%	10/31/2024	17,000	8/26/2024	8/26/2024	9/30/2024	10/4/2024	16,999	1	WRF R&M 701-03000	
26	WRF Biological Reactor Basin Oxidation Zone Gearbox Replacement (JM)	100%	5/30/2025	46,848	12/4/2024	12/4/2024	1/6/2025	1/28/2025	46,848	0	WRF R&M 701-03000	
27	EMERGENCY Hurricane Helene Debris Removal (KL, MM)	100%	2/28/2025	262,500	Emergnecy Procurement	1/13/2025	1/13/2025	1/24/2025	54,350	208,150	Con Sys: Prof Svcs 601-02430	
28	EMERGENCY Hurricane Helene Debris & FEMA Management (KL, MM)	60%	6/30/2025	99,000	Emer 10/18/2024 RFP 12/30/2024	Emer 10/18/2024 RFP 1/23/2025	Emer 10/18/2024 RFP 1/23/2025		0	99,000	Con Sys: Prof Svcs 601-02430	
29	Operating Agreement (Draft) for Oconee County/OJRSA I-85 Sewer O&M (CE)	0%	5/31/2025	TBD	N/A	N/A	2/3/2025		0	0		
30									0	0		
31									0	0		
TOTAL AWARDED				1,645,942	TOTAL FUNDS OBLIGATED/ACTUAL TO DATE:				610,791	1,035,151	TOTAL AWARDED BUDGET REMAINING	

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

3/18/2025 15:36

Row #	FY 2025 O&M Project (Project # (if applicable); PM) <u>CANNOT CARRY OVER TO NEXT FISCAL YEAR WITHOUT BUDGET APPROVAL</u>	Comp. Performing (and Project Mgr)	Notes
1	Consent Order 21-025-W Project: Biannual Compliance Report (CE)	OJRSA Chris Eleazer	DUE TO SCDES EVERY SIX MONTHS. Reports submitted: 11/14/2021, 5/9/2022, 11/10/2022, 5/9/2023, 11/9/2023, 5/10/2024, 11/8/2024. Next report due 5/10/2025.
2	GIS Update and Upgrade (CE)	Weston & Sampson Danny Gant	Project to begin updating OJRSA, Satellite Sewer System, and other User assets and information for asset management and compliance purposes. 9/18: Met with D Gant to review easement progress. 11/22: Progress meeting with D Gant. 2/17: Training today.
3	For Feasibility Study: Establish Sewer Feasibility Implementation Ad Hoc Committee (CE)	OJRSA Chris Eleazer	10/7: Discussed at board meeting. Will consider committee at next meeting. 11/4: List approved by Board. COMPLETE. Update sent to Bonnie Ammons and Sophia Mazza with RIA on 11/13. First meeting to be held 12/2.
4	For Feasibility Study: Legal counsel prepare new governance and consolidation evaluations (CE)	OJRSA Chris Eleazer	11/26: Received from Pope Flynn. COMPLETE. Shared memo with ad hoc committee at 12/2 meeting. Update sent to Bonnie Ammons and Sophia Mazza with RIA on 12/9.
5	For Feasibility Study: Financial/Rate Cost of Service Study (CE)	Willdan Daryll Parker	1/24/2025: To be presented to board on 3/6. 3/6: Presented to board. COMPLETE. Update sent to Bonnie Ammons and Sophia Mazza with RIA on 3/11. Will also update ad hoc committee at 3/13 meeting.
6	For Feasibility Study: Ad Hoc Committee to Report to Board and County its Recommendations (CE)	Ad Hoc Comm Comm Chair	
7	ISS PS Generator Installation (JG)	OJRSA OJRSA Maint	12/2: We're considering making it a portable generator. KL to speak with A Maddox to find out how to make this happen. 3/18/2025: No longer planning on making it portable and will now put it at ISS PS.
8	Coneross Creek PS Pump Control Upgrade (JG)	Border States Stuart Reynolds	9/17: Expect quote later today. 10/8: Border States came out to look at site. 11/5: Still waiting for update. 12/11: Waiting on revised quote. 2/4/2025: Waiting on new Maint Super to start. 3/18: Waiting on Border States to do site visit before set-up.
9	Martin Creek PS Pump Restraint System (JG)	TBD	Ordered during FY 2024 but did not receive until FY 2025. 7/15/2024: Ordered as in-kind unit with new pump head assembly. 7/30: COMPLETE
10	Martin Creek Storage Aerator Motor Replacement (JG)	OJRSA OJRSA Maint	12/11: Ordered. Expected to arrive in January. \$11,243 for motor, need to rent crane. 1/7/2025: Motor to be delivered tomorrow. Likely need to contract out install. 2/4: Delivery will now be April. Total cost \$12,422.
11	Pelham Creek PS Manual Transfer Switch Installation (JG)	Mason Electric TBD	11/4. Approved low bid for equipment and installation. 12/11: Ordered. We purchased ATS for WW Williams (5,664). Mason will do install (\$18,470). 2/4/2025: KL will call to make sure they have us on schedule. 2/17: Scheduled 3/25.
12	Perkins Creek PS Wet Well Cleanout (KL, MD)	TBD	8/6: Will need to bid. Will do with splitter box and digeter #1. 9/3: KL nearly complete with RFB. 9/17: After further evaluation, do not need to perform and money will be better spent on Coneross PS. REMOVED.
13	Richland Flow Meter Station Electrical Rewiring (JG)	Davis Power TBD	9/3: Staff met with electrician last week to get quote. 9/17: Waiting on 1 more quote. 11/5: Approved low bid. 12/11: Waiting on contractor to begin work. 2/4/2025: KL will call to make sure they have us on schedule. 2/17: Scheduled 3/31.
14	Paint Flow Meter Stations (JG)	TBD	9/3: Waiting on quotes. 9/17: Need 2 more quotes. 11/5: Still waiting on quotes. 12/11: Met with painters for stations. 2/5/2025: Received low bid. Will schedule soon. 2/17: Received quotes. Will award - \$3,800. 3/18: Scheduled 4/18.
15	Martin Creek PS/FM H2S Control <u>ENGINEERING AND PERMITTING</u> (KL)	Garver Will Nading	9/3: KL to reach out to Garver for next steps. 9/17: Need to determine permanent fix to this and where it goes in overall OJRSA priority list. 10/10: Spoke with W Nading and he is putting together scope. 11/4: OJRSA will need to publicly solicit work (est. \$140,000)
16	Southern Oconee Sewer PS/FM H2S Control <u>STUDY</u> (CE, KL)	Garver Will Nading	Project #2025-06 1/31: Received draft report. 2/10: Provided comments to Garver. 3/3: Sent message asking for update. 3/18: Haven't received update, called Nading and scheduled visit for next week.
17	Martin Creek PS Basin and Southern Westminster Trunk Sewer CCTV/Clean (KL, CE)	Secure Sewer & Svc Michael Bevelle	10/1: All contracted work is complete. OJRSA staff have to finish inspecting manholes and smoketest. 12/5: Finished additional work. 1/17: Smoke testing complete by OJRSA. COMPLETE.
18	Seneca Creek FM Replacement Constr Administration/Inspect (#2023-05; CE, KL)	GMC Daniel Mosher	Reimbursible by Fountain Residential Properties LLC per agreement. 11/4: Board approved Corrective Easement for force main. 1/17/2025: Preconstruction meeting scheduled for 1/29. 2/3: Contractor began mobilization.
19	WRF Replace Disinfection System Lightning Mixer (JM)	OJRSA OJRSA Maint	10/14: Receive updated quote but it did not include upper bearing cost. 12/11: Ordered and expect to receive in February. \$44,432. Still need motor, which is easy to get. 2/4: Delivery date at end of February. 2/27: COMPLETE.
20	WRF Util Water Pump (1 unit only)/Valve, Flow Eq Flow Control, RAS/WAS Pump/Mag Meter/Valve Install (JM)	Cove Utility Jeff Caffrey	1/8/2025: Board approved earlier in week, executed agreement. 1/10: Longer lead items have been ordered by Cove. 2/17: Cove verified items at site. Everything has now been ordered. 3/18: Waiting on equipment to arrive.
21	WRF Waterproofing Admin Building Roof/Walls and Chloring Building Roof (KL)	CE Bourne Kenneth Fennell	To be funded with O&M Contingency \$110,145 plus owner contingency of NTE\$15,000. 2/13: Pre-con meeting held. Items are now on order. 3/5: Started work on chlorine building. Once finished, will work on admin bldg. 3/10: Began work on admin bldg.

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

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22	WRF Paving Around Biosolids Storage Pad and Solids Processing Building (KL)	TMS Asphalt TBD	9/17: May need this money for dewatering project concrete. 10/14: KL cannot get anyone to return calls or come see site. Will need to begin again. 12/11: Have 3 quotes, will award soon. 2/4/2025: Have awarded. 2/17: Work to be done in March or April.
23	WRF Tank & Wet Well Clanouts (Primary Splitter Box and Digester #1) (JM)	Greenstone Const TBD	10/18: KL finalizing draft solicitation for bid. 10/24: Ad on SCBO. 11/26: Issued Addendum #1. 12/4: Received bids. Low bid--Greenstone Construction. 12/16: Contract executed. 2/17/2025: Started work on Digester 1. 3/8: COMPLETE .
24	WRF Replace/Paint Walkway Handrails (continued from FY 2024) (JM)	TBD	8/6: Purchased more paint. 10/14: Front end of plant complete. Now painting some items on back end of plant.
25	WRF Digesters/Solids Handling Tanks Grinder Rebuild (JG)	TBD	8/6: Getting updated quotes. 9/3: Has been ordered. 9/17: Rebuild kit arrived last week. 10/4: COMPLETE .
26	WRF Biological Reactor Basin Oxic Zone Gearbox Replacement (JM)	OJRSA OJRSA Maint	9/17: Need updated quote for this and WRF Disinfection System Lightning Mixer. 10/14: KL to review. 12/11: Ordered. \$42,187. Still need motor, which is easy to get. 1/28/2025: COMPLETE .
27	EMERGENCY Hurricane Helene Debris Removal (KL, MM)	Strick's Forestry Donald Strickland	Contract not to exceed \$262,500. Grinding/removing debris from OJRSA easements. 1/24/2025: COMPLETE .
28	EMERGENCY Hurricane Helene Debris & FEMA Management (KL, MM)	ICF Incorporated Larry Hughes	Have multi-term contract with ICF Incorporated LLC (1/23/2025 through 1/23/2028 with possibility for extension Contract NTE \$99K/FY. 2/12/2025: Cat A debris removal documentation presented to FEMA. 3/18: FEMA did site visit.
29	Operating Agreement (Draft) for Oconee County/OJRSA I-85 Sewer O&M (CE)	Bryan Kelley & Michael Traynham	
30			
31			

FY2025 RESTRICTED FUND PROJECTS

PROJECTS MAY CARRY ACROSS BUDGET YEARS

3/18/2025 15:37

Row #	Restricted Fund Projects (Project Manager)	OJRSA Project #	Approx % Complete	Anticipated Completion	OJRSA Funding Amount (\$)	Max Funding by Others (\$)	PO/Contract Amount (\$)	RESTRICTED FUND PROJECT MILESTONES				Obligated/ Spent Curr + Prev Years (\$)	Budget Remaining (\$)	GL Code (XXXXX = get from Office Mgr)	Comp. Performing (and Project Mgr)
								Bids/RFQ/etc. Issue/Advertised	PO/Contract Signed	Started Work	Completed				
A	Consent Order SSES/Rehab 2022 CONSTRUCTION SCIIP MATCH (CE, KL)	2024-02	100%	4/30/2024	351,291	0	351,291	7/28/2023	10/17/2023	12/4/2023	7/15/2024	316,577	34,714	PROJ & CONT 1501-09008	Tugalo Pipeline Ed Hare
B	Consent Order SSES/Rehab 2023 ENGINEERING SCIIP MATCH (CE, KL)	2024-08	75%	9/29/2025	398,000	0	398,000	N/A	9/15/2023	10/3/2023		204,585	193,415	PROJ & CONT 1501-09009	WK Dickson Priya Verravalli
C	Consent Order SSES/Rehab 2023 CONSTRUCTION SCIIP GRANT (CE, KL)		3%	9/29/2025	0	4,076,461	4,076,461	8/14/2024	11/20/2024	1/27/2025		0	4,076,461	PROJ & CONT 1501-09009	Frank Brinkley Bio-Nomic Services
D	Dewatering Equipment Replacement ENGINEERING SCIIP MATCH (KL)	2024-06	75%	PHASE II 6/30/2026	440,300	0	440,300	9/15/2023	12/19/2023	1/11/2024		213,249	227,051	PROJ & CONT 1501-09011	KCI Technologies Tom Vollmar
E	Dewatering Equipment Replacement CONSTRUCTION SCIIP GRANT (KL)		5%	PHASE II 6/30/2026	0	4,201,858	30,000	3/22/2024	7/30/2024	7/26/2024		0	30,000	PROJ & CONT 1501-09011	Harper GC Justin Jones
F	Exit 4/Oconee Manufacturing Park ("Sewer South Phase III") PS/Sewer ENGINEERING (CE)	TBD	99%	11/1/2024	0	0	N/A OCONEE CO PROJ	N/A OCONEE CO PROJ	N/A OCONEE CO PROJ	Sometime in 2022		0	0	TBD	Thomas & Hutton Lee Brackett
G	Flat Rock PS Replacement ENGINEERING/CONST SVCS SCIIP MATCH (CE)	2022-03	100%	10/23/2024	177,800	0	177,800	2/14/2022	7/5/2055	7/1/2022	10/10/2024	151,548	26,252	PROJ & CONT 1501-09005	KCI Technologies Tom Vollmar
H	Flat Rock PS Replacement CONSTRUCTION SCIIP GRANT (CE)	2024-03	100%	9/30/2024	0	1,321,656	1,321,656	6/7/2023	8/29/2023	3/25/2024	8/27/2024	1,321,656	0	PROJ & CONT 1501-09005	Cove Utilities Jeff Caffery
I	Oconee County & Western Andeson County Sewer Master Plan (CE)	2022-01	100%	6/3/2024	217,800	100,000	317,800	N/A	8/9/2023	9/12/2023	7/1/2024	317,476	324	PROJ & CONT 1501-09007	Weston & Sampson Kip Gearhart
J	Regional Sewer Feasibility Study RIA GRANT (CE)	2024-01	100%	11/29/2024	0	100,000	100,000	5/26/2023	10/10/2023	11/8/2023	9/9/2024	100,000	0	PROJ & CONT 1501-09010	WK Dickson Angie Mettlen
K	I-85 Corridor Phase II ENG/INSPECT SVCS COUNTY FUNDED (CE)	2019-XX	99%	10/31/2024	0	480,850	480,850	Inherited from Oconee Co	5/4/2023	5/4/2023		392,859	87,991	SSF: CIP 1401-06050	Davis & Floyd John Reynolds
L	I-85 Corridor Phase II CONSTRUCTION EDA/RIA/COUNTY FUNDED (CE)	2023-06	100%	10/31/2024	0	12,311,447	11,687,329	9/27/2022	3/23/2023	6/1/2023	2/4/2025	11,687,329	(0)	SSF: CIP 1401-06050	Kevin Moorhead Moorhead Construct
M	Martin Creek PS Basin Trunk Sewer CCTV Engineer Review (KL, CE)	2025-03	90%	3/31/2025	96,000	0	96,000	Consent Order Prof Svcs	9/30/2024			24,488	71,512	PROJ & CONT 1501-09012	Priya Verravalli WK Dickson
N	Southern Westminster Basin Trunk Sewer CCTV Engineer Review (KL, CE)	2025-03	90%	3/31/2025	76,000	0	76,000	Consent Order Prof Svcs	9/30/2024			23,790	52,210	PROJ & CONT 1501-09012	Priya Verravalli WK Dickson
O	Martin Crk PS Basin Flow Study and Compare to Perkins Crk PS Basin to Quantify I/I (CE)	2025-03	10%	3/31/2025	45,000	0	45,000	Consent Order Prof Svcs	9/30/2024			9,815	35,185	PROJ & CONT 1501-09013	Priya Verravalli WK Dickson
P	Speeds Creek PS Force Main Replacement ENGINEERING (CE, KL)	TBD	0%	TBD								0	0	PROJ & CONT 1501-TBD	TBD
Q	Speeds Creek PS Force Main Replacement CONSTRUCTION (CE, KL)		0%	TBD									0	0	PROJ & CONT 1501-TBD
R	I-85 Corridor Phase II Streambank Stabilization & Welcome Center Waterline (CE)	2019-XX	0%	TBD	0	78,650	78,650	Contract Amend #3	2/20/2025			0	78,650	SSF: CIP 1401-06050	Davis & Floyd John Reynolds
S			0%									0	0		
T			0%									0	0		
U			0%									0	0		
V			0%									0	0		
W			0%									0	0		
X			0%									0	0		
Y			0%									0	0		
Z			0%									0	0		
					1,802,191	22,670,922	19,677,137	TOTAL RESTRICTED FUNDS OBLIGATED/ACTUAL TO DATE:				14,763,372	4,913,765	TOTAL AWARDED BUDGET REMAINING	

FY2025 RESTRICTED FUND PROJECTS

PROJECTS MAY CARRY ACROSS BUDGET YEARS

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Row #	Restricted Fund Projects (Project Manager)	Notes
A	Consent Order SSES/Rehab 2022 CONSTRUCTION SCIIP MATCH (CE, KL)	Carryover from FY 2023 OJRSA CONG: \$40,000 . 5/20: COMPLETE . Used \$6,785.98 of budgeted/approved Owner Contingency for additional concrete work on final repair.
B	Consent Order SSES/Rehab 2023 ENGINEERING SCIIP MATCH (CE, KL)	PO/Contract Amount includes \$700,000 owner contingency 11/20: Pre-con held today. NTP for 1/2/2025. Bio-Nomic to send out construction schedule and shop drawings for engineer review. 1/21/2025: Bio-Nomic was scheduled to start this week but delayed one week due to incoming winter weather. 1/27: Began CCTV work. 3/5: Pre-CCTV work is complete and in process of review. 3/11: Engineer says project is behind schedule. 3/18: \$0 change order processed to allow for schedule modification
C	Consent Order SSES/Rehab 2023 CONSTRUCTION SCIIP GRANT (CE, KL)	11/7: Authorized KCI to use \$3,000 of project contingency for redoing layout for Schwing presses. 12/2: Signed Construction Permit Application, etc. 1/6/2025: Received 90% plans, Jackson Electric visited site to assess. 1/22: Received SCDES construction permit application payment request of \$550. 2/4: Board approved contracts. Signed, submitted stormwater permit application. 3/10: Received feedback from SCRIA on contract. KCI will need to oversee a few items and respond.
D	Dewatering Equipment Replacement ENGINEERING SCIIP MATCH (KL)	2/19: G Hart mentioned that he found that A Brock had submitted it and they haven't heard anything from SCDES yet. 3/18: Issued revised Conditional Acceptance letter to A Brock for her to send to T&H if she agreed with conditions.
E	Dewatering Equipment Replacement CONSTRUCTION SCIIP GRANT (KL)	9/3: Rain over weekend caused washing. Contractor to better stabilize area. 9/17: Cove/KCI have identified some solutions for stabilization. 9/18: Received SCDES Permit to Operate. Need record drawings, electronic files, site stabilization completion, etc. 10/10: Received final engineering invoice. 10/14: Received GIS information. COMPLETE. Retained approx. \$26,252 for PM and inspection funds not used, making OJRSA funding amount \$151,548.
F	Exit 4/Oconee Manufacturing Park ("Sewer South Phase III") PS/Sewer ENGINEERING (CE)	To continue under #2022-01 (Fair Play and Townville Area Sewer Basin Plan). 6/26: Provided W&S comments on draft. Have received 1/2 of "grant" for study. 7/1: Presented to Board and report finalized and put on website. 8/5: Board adopted. COMPLETE .
G	Flat Rock PS Replacement ENGINEERING/CONST SVCS SCIIP MATCH (CE)	8/5: Presented to Board as draft. Needs to be finalized. Will be considered 9/9. 9/9: Board approved. Next phase is implementation. This will be tracked in FY2025 O&M Projects. COMPLETE . 10/31: Received RIA Grant Close Out Letter.
H	Flat Rock PS Replacement CONSTRUCTION SCIIP GRANT (CE)	2/5: Still need GIS from D&F. 2/5: Received message from A Brock saying county approved Amendment #3 contract for streambank stabilization and water line. She will sign. Amount-\$78,650. 2/6: Received update letter from Justin Brooks w/ Moorhead. 2/26: Received SCRIA Final Closeout letter. 3/5: Signed , submitted Stormwater Notice of Termination
I	Oconee County & Western Andeson County Sewer Master Plan (CE)	1/2/2025: KL to see if it is complete or if they still need smoke test info. Need to now look at flow study analysis. 1/9: Received prelim report from WKD. Will review and provide comments. 1/27: Provided comments to Priya.
J	Regional Sewer Feasibility Study RIA GRANT (CE)	1/2/2025: Engineer now has all CCTV data. They still need smoke testing. 1/27: Provided smoke test data to engineer. 3/11: Prefinal report expected for comments by end of week. 3/18: Received draft report for review.
K	I-85 Corridor Phase II ENG/INSPECT SVCS COUNTY FUNDED (CE)	12/12: Rainfall event on 12/10 considered first qualifying event. WKD continuing to monitor flow meters. 12/27: Second qualifying rain event. 2/12/2025: This is possibly the 3rd qualifying event. WKD is assessing data.
L	I-85 Corridor Phase II CONSTRUCTION EDA/RIA/COUNTY FUNDED (CE)	CONSENT ORDER ITEM 7/15/2024: As identified in the 20 Year Master Plan, this force main should be replaced with similar sized pipe. 2/3/2025: Mentioned during board meeting that we had another break on line and it was mentioned that OJRSA will have to begin design during next fiscal year. B Faires asked to have this added as an agenda item for O&P Comm meeting.
M	Martin Creek PS Basin Trunk Sewer CCTV Engineer Review (KL, CE)	2/10/2025: Received signed agreement from A Brock, CE executed agreement and sent to D&F. 2/10: Roger Sears responded to R Love's email saying water line will need to be handled through encroachment process.
N	Southern Westminster Basin Trunk Sewer CCTV Engineer Review (KL, CE)	
O	Martin Crk PS Basin Flow Study and Compare to Perkins Crk PS Basin to Quantify I/I (CE)	
P	Speeds Creek PS Force Main Replacement ENGINEERING (CE, KL)	
Q	Speeds Creek PS Force Main Replacement CONSTRUCTION (CE, KL)	
R	I-85 Corridor Phase II Streambank Stabilization & Welcome Center Waterline (CE)	
S		
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Example: 100 home subdivision (As discussed during February 20, 2024 Finance & Administration (F&A) Committee meeting)

The costs in the example below are based on the current impact fees collected by OJRSA for treatment plant capacity expansion and upgrades only, not those associated with the conveyance system improvements necessary to deliver additional flow due to growth. This calculation to determine the “Treatment Only” portion of current \$15.25/gallon total impact fee¹ is:

$$\frac{\$15.25 \text{ per gallon}}{1.25\%} = \$12.20 \text{ per gallon for Treatment Only}$$

OJRSA METHOD OF CALCULATING TREATMENT ONLY IMPACT FEES DUE

OJRSA Impact Fee Policy uses a calculation that generally says that homes with a 2-inch water meter use 150 gallons per day (gpd).

$$100 \text{ Homes} \times 150 \frac{\text{gpd}}{\text{meter}} = 15,000 \text{ gpd for subdivision}$$

The total “Treatment Only” portion of the impact fees of \$12.20 per gallon per water meter is \$183,000.

$$\frac{\$12.20}{\text{gal}} \times 15,000 \text{ gpd} = \$183,000 \text{ collected for development}$$

SC DEPARTMENT OF ENVIRONMENTAL SERVICES (SCDES) METHOD OF CALCULATING TREATMENT ONLY IMPACT FEES DUE

SCDES Regulation 61-67 Appendix A says subdivisions are to be constructed using 300 gpd, not 150 gpd like OJRSA uses based on its Impact Fee Policy.

$$100 \text{ Homes} \times 300 \frac{\text{gpd}}{\text{meter}} = 30,000 \text{ gpd for subdivision}$$

The total “Treatment Only” portion of the impact fees of \$12.20 per gallon per water meter is \$366,000 **BUT** if were to use the approximate cost of \$19.60 per gallon for plant expansion as presented by Weston & Sampson (W&S) to the OJRSA F&A Committee on September 26, 2023, the cost to expand the treatment facility would be \$570,000.²

$$\frac{\$12.20}{\text{gal}} \times 30,000 \text{ gpd} = \$366,000 \text{ (based on OJRSA fee)}$$

$$\frac{\$19.60}{\text{gal}} \times 30,000 \text{ gpd} = \$588,000 \text{ (W&S suggested fee)}$$

There is a difference (deficit) of \$387,000 between what the OJRSA is collecting in impact fees for this development and what the projected cost will be to add the SCDES-based flow to the treatment facility via plant expansion. The calculation below does not include costs for conveyance system improvements, which are estimated by consultant to cost additional \$4.90/gallon in the W&S August 2023 memo.

\$183,000 collected by OJRSA – \$588,000 needed to add SCDHEC R. 61 – 67 Appendix A capacity per home = **-\$405,000**

$$[\text{Per home: } \left(\frac{\$12.20}{\text{gal}} \times 150 \frac{\text{gpd}}{\text{meter}} \right) - \left(\frac{\$19.60}{\text{gal}} \times 300 \frac{\text{gpd}}{\text{home}} \right)] = \$1,830 \text{ collected by OJRSA method} - \$5,880 \text{ per DHEC \& W\&S method} = \mathbf{-\$4,050/home}$$

¹ As approved by OJRSA Board of Commissioner on October 2, 2023.

² W&S suggested \$19.60 per gallon for Treatment Plant Improvements and an additional 25% above this for Conveyance System Improvements (equal to an additional \$4.90 per gallon) needed to accommodate growth as stated in its August 21, 2023 memo to the OJRSA as presented to F&A Committee on September 26, 2023. Total recommended cost was \$24.50 per gallon.



3453 Pelham Road, Suite 204, Greenville, SC 29615
Tel: 864.686.5774

MEMORANDUM

TO: Chris Eleazer, Executive Director, Oconee Joint Regional Sewer Authority

FROM: Jason Gillespie, P.E.

DATE: August 21, 2023

SUBJECT: Recommendations for Impact Fee

Weston and Sampson (WSE) was contracted to update a technical memorandum prepared by Gillespie Engineering in May 2020 that provided recommendations for impact fee structure. Due to the significant increase in capital improvement costs since then, WSE revisited the cost assumptions and updated the fee structure recommendations accordingly. In 2020, OJRSA performed a significant amount of research regarding existing impact fee structures of other South Carolina utilities, as well as receiving meter counts from SJWD (Startex Jackson Wellford Duncan) Water District. Additionally, SJWD provided OJRSA with typical water consumption per meter size per an AWWA water utility survey. Water consumption per meter size is shown below in Table 1:

Table 1: Water Consumption Data Per Meter Type and Size (source: AWWA)

Meter Type / Size	Typical Flow (gpd)	
Residential	5/8"	150
	3/4"	150
	1"	365
Commercial / Industrial	5/8"	225
	3/4"	225
	1"	365
	1 1/2"	1,630
	2"	3,305
	3"	9,815
	4"	12,340
	6"	23,630
8" ¹	22,832	

In addition to the information obtained by OJRSA regarding SJWD meter counts, Gillespie Engineering also obtained similar information from the City of Anderson, Powdersville Water District, and Lexington Joint Municipal Water and Sewer Commission (JMWSC). All four utilities have what would be considered customer bases similar to what is served by OJRSA. None of the three utilities that Gillespie Engineering

¹ The typical ADF from the AWWA survey (as shown in Table 1) for an 8" meter was lower than that of a 6" meter. It is assumed this is just from a smaller sample size for 8" meters in the study. As a result, for the purposes of calculating a proposed impact fee for an 8" meter, the 6" meter fee was increased by 57% (the difference between the maximum flow rates of the two meter sizes).

obtained data from had data on average flow per meter size and type. Therefore, the information shown in Table 1 is assumed to be typical for all utilities in the study. Meter count data is as shown in Table 2:

Table 2: Meter Count Data for Similar Sized Utilities in South Carolina

Meter Type / Size	SJWD (gpd)	City of Anderson ² (gpd)	Powdersville Water District ² (gpd)	JMWSC (gpd)	Average (gpd)
Residential	5/8"	24,350	0	0	12,175
	3/4"	0	16,564	13,568	11,782
	1"	134	0	17	76
Commercial / Industrial	5/8"	690	0	0	345
	3/4"	0	0	356	178
	1'	245	3,741	235	1,100
	1 1/2"	110	201	76	106
	2"	96	187	107	131
	3"	31	37	10	22
	4"	7	8	1	8
	6"	6	31	1	12
	8"	1	3	0	1
	10"	0	1	0	0

It is assumed that water consumption data and meter size distribution have not changed significantly since 2020; thus, the values shown in Tables 1 and 2 are used for the current update.

In the original 2020 analysis, a rule-of-thumb capital improvement cost per gallon per day (gpd) of average daily flow was used: \$9 per gpd for treatment and \$2.25 per gpd for conveyance (equal to 25% of the treatment gpd cost). Using these assumptions, an impact fee structure was developed as shown in Table 3, for a combined \$11.25 per gpd ADF.

WSE evaluated the capital improvement costs in the current construction market climate in 2023, which have escalated considerably since the original assumptions above which date back to 2018. Current costs have increased due to supply chain issues and inflation as illustrated in the estimates below:

Treatment Plant Construction	\$14/gpd
Soft Costs – Design, Permitting, Construction Administration and Inspection, Legal, etc. (20%)	\$2.8/gpd
Project Contingency (20%)	\$2.8/gpd
TOTAL TREATMENT PLANT COSTS	\$19.6/GPD
TOTAL CONVEYANCE SYSTEM COSTS (25% OF TREATMENT)	\$4.9/GPD
TOTAL RECOMMENDED IMPACT FEE BASIS	<u>\$24.5/GPD</u>

Using the above cost assumptions, the proposed impact fees for FY2024 are shown below in Table 3:

² City of Anderson and Powdersville Water District did not have meter data broken out between residential and commercial / industrial. Therefore, all 3/4" meters were assumed to be residential.

Table 3: Proposed and Current Impact Fee Structure Based on Meter Type and Size

Meter Type / Size		Combined Impact Fee PROPOSED FY 2024	Combined Impact Fee CURRENT (approved April 5, 2021)
Residential	5/8" or 3/4"	\$3,700	\$1,700
	1"	\$8,900	\$4,100
Commercial / Industrial	5/8" or 3/4"	\$5,500	\$2,500
	1"	\$15,300	\$7,000
	1 1/2"	\$39,900	\$18,300
	2"	\$81,000	\$37,200
	3"	\$240,500	\$110,400
	4"	\$302,300	\$138,800
	6"	\$578,900	\$265,800
8"	\$908,900	\$417,700	

The proposed impact fees would put OJRSA within the upper range of impact / capacity fees with other upstate South Carolina utilities. In general, OJRSA's system is smaller than most of the utilities shown below, and as a result, incremental capacity increases to the system are more expensive than in other locations. Additionally, some utilities choose to subsidize a portion of the impact / capacity fees and spread some of the cost across the existing customer base. A summary of impact fee structures is shown in Table 4 below. Where a utility has both water and sewer, the sewer portion of the impact fee is shown.

Table 4: Impact Fee Comparison Among Upstate Sewer Utilities

Meter Type / Size	OJRSA Current Impact Fee	OJRSA Proposed Impact Fee	ReWa	Spartanburg Water (Sewer Only)	Anderson County	City of Anderson	Laurens County Water & Sewer (Sewer Only)	Easley Combined Utilities ³	Average (Excluding OJRSA)	Median (Excluding OJRSA)
Residential	5/8" or 3/4"	\$1,700	\$2,500	\$1,200	\$4,500	\$600	\$1,500	\$2,500	\$2,060	\$1,500
	1"	\$4,100	\$5,000	\$1,200	\$4,500	\$600	\$6,240	\$2,500	\$3,508	\$4,500
Commercial / Industrial	5/8"	\$2,500	\$2,500	\$1,200			\$1,500		\$1,733	\$1,500
	3/4"	\$2,500	\$5,500				\$1,500		\$3,250	\$3,250
	1"	\$7,000	\$15,300	\$3,000			\$6,240		\$5,580	\$6,240
	1 1/2"	\$18,300	\$39,900	\$15,000	\$6,000		\$10,410		\$10,470	\$10,410
	2"	\$37,200	\$81,000	\$22,500	\$9,600		\$29,170		\$20,423	\$22,500
	3"	\$110,400	\$240,500	\$50,000	\$21,600		\$55,570		\$42,390	\$50,000
	4"	\$138,800	\$302,300	\$100,000	\$34,800		\$219,510		\$118,103	\$100,000
	6"	\$265,800	\$578,900	\$300,000	\$129,600				\$214,800	\$214,800
8"	\$417,700	\$908,900	\$400,000	\$158,400				\$279,200	\$279,200	

³Easley Combined Utilities assess capacity fees based on REUs (flow based) rather than water meter size. Therefore, while impact fees increase proportional to flow, it is not directly related to meter size.

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DEFINITIONS, ACRONYMS, AND FORMAT

This Section of the *OJRSA Impact Policy* contains definitions, acronyms, abbreviations, and formatting that are specific to this document.

DEFINITIONS

The following words, unless the context, custom or intent clearly indicates otherwise, shall mean:

Board means the OJRSA Board of Commissioners.

Capacity Permit means a Permit for OJRSA Wastewater System Capacity (or other document that serves this purpose) issued to a User or facility after January 1, 1990.

Construction Permit means a permit issued by SCDHEC that conditionally allows for a wastewater project to be built.

Customer means a User who, according to the records of a Member City or the OJRSA, receives wastewater service at a site that is directly or indirectly served by the OJRSA via a sewer service connection.

Executive Director means the Executive Director of Oconee Joint Regional Sewer Authority, South Carolina.

Impact Fee (also commonly referred to as “Capacity Fee”) means a one-time charge assessed to all new sewer customers of OJRSA under an “Incremental Expansion Method” whereby the charge has been calculated to ensure there are no existing infrastructure deficiencies or surplus capacity in infrastructure. Additionally, existing customers may be charged an Impact Fee if the initial capacity associated with their building or structure is insufficient for such original use due to a renovation or rehabilitation of such facility.

Industrial User means a User or facility that introduces pollutants from any non-domestic wastewater source as regulated by the Federal Water Pollution Control Act (also known as the Clean Water Act), Title 40 of the Code of Federal Regulations, and/or stat/local laws and regulations.

Land Use means the utilization condition of a property and for purposes of this Impact Fee Policy shall be either Residential Use or Nonresidential Use.

Master Meter means a water meter that serves multiple tenants. This practice is often utilized in conjunction with Multi-Family Developments (e.g., apartments, condominiums, etc.), subdivisions, and mobile home parks but can include other types of users.

Member City means the cities of Seneca, Walhalla, and Westminster and others as defined by legally binding Intergovernmental Agreement(s).

Multi-Family Development means a structure or complex of buildings intended for multiple families to reside in for extended periods of time. Examples include apartments, townhomes, condominiums, duplexes/multi-plexes, etc. Multi-Family Developments where each residential unit is served by its own water meter is treated as a Residential User.

Nonresidential Use means any use other than a Residential Use, which may include, but is not limited to: Commercial Users, Industrial Users, health care facilities, religious establishments, educational facilities, assisted living facilities, and other establishments. *It shall also include apartments, condominiums, and other multi-unit housing complexes served by a Master Meter and/or with a common sewer service lateral or system serving multiple units prior to connecting with a public sewer.*

OJRSA Service Area means the area that OJRSA is permitted to provide service, as may be amended from time to time.

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OJRSA Retail System means, in reference to OJRSA’s wastewater treatment and/or conveyance system, the portion of the wastewater collection system, trunk sewer, and/or treatment plant where OJRSA is the sole wastewater utility providing services to the end user.

OJRSA Wholesale System means, in reference to OJRSA’s wastewater treatment and/or conveyance system, the portion of OJRSA wastewater trunk sewer and/or treatment system that serves the Member Cities, as well as the Town of West Union, which are considered to be the users’ retail sewer provider.

Residential Use means a freestanding residential structure and is intended to be used as a single unit with un-shared utilities. Includes detached homes (regardless of its location in a subdivision), mobile homes, Multi-Family Developments (*if units have individual sewer plumbing that is not combined prior to connection to the public sewer system*), and recreational vehicle/camper site with an individual water meter and sewer connection. It shall not include those served by a Master Meter or those defined as a Nonresidential Use.

Retail Impact Fund means the banking and investment account to be used for the renovation, modernization, and expansion of OJRSA Retail System, the funding source of which is impact fees collected and expended pursuant to Title 6 Chapter 1 Article 9 of the Code of Laws of South Carolina 1976, as amended and the Impact Fee Policy.

User means any person or entity who directly or indirectly discharges, causes, or permits the discharge of domestic or nondomestic wastewater to any wastewater conveyance system directly or indirectly connected to an OJRSA facility. Users consist of Residential and Nonresidential Users as defined herein. A User can have water and/or sewer service provided by a Member City, OJRSA, or can be a Well Customer.

Well Customer means a Customer that utilizes sewer service that receives potable or non-potable water from any hole that is drilled, dug, or excavated. Such Customers shall be classified as Residential or Nonresidential Users.

Wholesale Impact Fund means the banking and investment account to be used for the renovation, modernization, and expansion of OJRSA Wholesale System, the funding source of which is impact fees collected and expended pursuant to Title 6 Chapter 1 Article 9 of the South Carolina Code of Laws 1976, as amended and the Impact Fee Policy.

Willingness and Capability Letter means an executed letter from OJRSA providing its initial commitment to provide sewer service to a developer or owner. This letter may also be titled by the following: Willingness & Ability to Serve, Commitment to Own, Commitment to Own & Operate, of other similar title as required by SCDHEC prior to the issuance of a Construction Permit that will allow for the construction of a wastewater system.

ACRONYMS AND ABBREVIATIONS

etc.: *Et Cetera*, Latin for “and other things”

ERU: Equivalent Residential Unit

GPD: Gallons Per Day

OCSC: Oconee County Sewer Commission, predecessor to the Oconee Joint Regional Sewer Authority

OJRSA: Oconee Joint Regional Sewer Authority

SCDHEC: South Carolina Department of Health and Environmental Control or any successor agency

DOCUMENT FORMAT

This manual contains fonts and styles that mean certain things, including points of emphasis or reference other sections or materials. Below is a list of the types used within this manual and what it represents when encountered in the *OJRSA Impact Fee Policy*.

Italics

Title of books, manuals, and other documents

MIX-SIZED CAPITAL LETTERS

Name of sections or appendices in a book, manual, or other document

Underlined Italics

A note of caution or warning

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SECTION 1 – ADOPTION

The *OJRSA Impact Fee Policy* (the “Impact Fee Policy” or “Policy”) shall become effective in accordance with OJRSA Resolution 2024-04. All resolutions or policies (including former impact fee policies) that are in conflict with the provisions of this Resolution or the Policy are hereby repealed to the extent of the conflict or inconsistency or in their entirety where the conflict or inconsistency is not severable from such document.

SECTION 2 – PURPOSE

The purpose of this Policy is to establish the method by which Impact Fees, as defined herein, shall be calculated and assessed within the Oconee Joint Regional Sewer Authority, South Carolina (“OJRSA”). This Impact Fee Policy is based upon the conclusions and recommendations found in the Technical Memorandum dated May 19, 2020 prepared by Gillespie Engineering (the “Impact Fee Consultant”).

SECTION 3 – POLICY

3.1 ASSESSMENT

An Impact Fee shall be assessed on all new development and redevelopment, including a change in Land Use, located within the OJRSA Service Area for which new sewer service is necessary or additional sewer service is needed, except for the following:

- A. Rebuilding or replacing a structure (Residential or Nonresidential) on a parcel of land that contains an existing sewer service of sufficient size and capacity to meet the requirements of the new use;
- B. Remodeling or repairing a structure with the same Land Use that does not result in an increase in the volume of wastewater discharged or place additional demands on OJRSA’s facilities and equipment;
- C. Construction of an addition to a structure (Residential or Nonresidential) that does not increase the volume of wastewater discharge; or
- D. Changing or adding uses or equipment, unless it is clearly demonstrated that the use creates no new or increased volume of wastewater discharge for OJRSA’s facilities and equipment.

3.2 NONTRANSFERABLE

The capacity purchased via an Impact Fee shall remain with the real property regardless of ownership. The capacity shall not be transferred to an alternate property location, nor can it be sold, purchased from someone else, or traded as a commodity.

3.3 IMPACT FEE RATES AND REASSESSMENT

- A. The rates for Impact Fees are based on advice received from the Impact Fee Consultant, and have been approved by the Board. The rates are set forth in the *OJRSA Schedule of Fees* adopted and periodically updated by the Board. The rates may be subject to change based upon future legislative action undertaken by the Board. Except as noted for Nonresidential Users in SECTION 3.4(C), Impact Fee rates are based on Land Use and water meter size as set forth below.

Use	Water Meter Size (in inches)	Average Daily Use (GPD)
Residential	3/4 and 5/8	150
	1	365
Nonresidential	3/4 and 5/8	225
	1	625
	2	1,630
	6	3,305

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	3	9,815
	4	12,340
	6	23,630
	8	37,100

- B. Impact Fees shall be reassessed no less frequently than every two (2) years and an update on these costs shall be provided to the Board for implementation consideration.

3.4 PAYMENT AND TIMING

Impact Fees will be paid as described below:

- A. Impact Fees shall be paid prior to the issuance of a Capacity Permit in accordance with the rates set forth in the *OJRSA Schedule of Fees*.
- B. Payment of the Impact Fee is a condition of development approval and the issuance of a Capacity Permit shall not be issued until Impact Fees are paid in full.
- C. For Nonresidential Users that discharge wastewater from water sources other than strictly a potable supply (e.g., direct surface withdrawal, groundwater wells, etc.) and/or if there is an anticipated difference greater than five percent (5%) between the potable water used by an industry and the amount to be discharged (e.g., evaporation through cooling, beverage bottling operations, etc.), then it will be necessary for OJRSA establish the Impact Fee on a case by case basis and to consult an engineering firm of its choice to determine what the appropriate Impact Fees shall be. All costs for process water shall be calculated at a per gallon rate as stated in the *OJRSA Schedule of Fees*. All costs of the engineer's assessment shall be the applicable nonresidential user's sole expense. If, after one (1) year of substantially completed operation, the actual volume of wastewater discharge differs by more than five percent (5%) from the potable water used, the owner or tenant will be assessed additional Impact Fees to cover the increased wastewater volume.
- D. For subdivisions, as of July 1, 2021, the property developer shall pay Impact Fees for all lots within the subdivision with the assumption that all lots will have a 5/8- or 3/4-inch meter. Impact Fees for subdivisions must be paid prior to OJRSA issuing a Willingness and Capability Letter that is necessary for the permitting of a wastewater collection system extension serving a development. To the extent that an Impact Fee was not paid for a property within a subdivision prior to July 1, 2021, all new development shall be subject to the Impact Fees as set forth in this Impact Fee Policy.
- E. Impact Fees for Well Customers or other unmetered connections for their water supply shall be charged in the following manner:
1. Residential Users shall be charged a fee equal to that of a 5/8- or 3/4-inch meter, and
 2. Nonresidential Users shall be charged a fee equivalent to the appropriate water meter size for each well as determined by an engineer of OJRSA's choosing, and the customer shall be responsible for any engineering costs.
- F. In limited circumstances, a fee payor may request to provide services, monetary contributions, or facilities in lieu of the payment of Impact Fees. In such event, any services, monetary contributions, or facilities paid in lieu of the payment of Impact Fees shall be evaluated and if necessary, in the Board's sole discretion valued by a consultant chosen in the discretion of OJRSA, acting through its Executive Director. Subsequent to any such valuation as necessary, the Impact Fees may be reduced or waived by vote of the Board as applicable. The authority to reduce or waive Impact Fees is in the Board's sole discretion.
- G. Unusual situations and conditions not addressed in this Impact Fee Policy shall be considered in consultation with the OJRSA's engineer on a case-by-case basis. Such decisions made by the OJRSA shall not establish precedence for similar circumstances that may occur in the future.

3.5 USAGE

- A. Impact Fees shall be imposed only to fund wastewater system improvement costs reasonably related to new development. Impact Fees cannot be used to offset OJRSA's operating costs or maintenance of existing public facilities.

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- B. Based on the calculations performed by Impact Fee Consultants, the Impact Fees shall not exceed the costs of wastewater system improvement costs reasonably related to such development.
- C. The Executive Director, or his/her designee, shall make periodic reports to the Board and/or any designated committee regarding the collection and use of Impact Fees. Consideration shall be given as to how the Impact Fees are being spent for the benefits of new developments or replacing existing capacity within the OJRSA Service Area.

3.6 DISPOSITION

All monies paid by the fee payor pursuant to this Impact Fee Policy shall be identified as Impact Fees and promptly deposited in either the Retail Impact Fund or the Wholesale Impact Fund. Impact Fees shall be deposited in the Retail Impact Fund if the additional capacity is required from the OJRSA Retail System. Impact Fees shall be deposited in the Wholesale Impact Fund if the additional capacity is required from the OJRSA Wholesale System. Any Impact Fees on deposit in the either the Retail Impact Fund or the Wholesale Impact Fund that are not immediately necessary for expenditure shall be maintained and be invested (in accordance with South Carolina law and OJRSA's Financial Policies) prior to expenditure on authorized projects. Interest earned within the Retail Impact Fund or the Wholesale Impact Fund shall be treated as Impact Fees subject to all restrictions placed on the use of Impact Fees pursuant to this Impact Fee Policy.

3.7 REFUNDS

- A. OJRSA shall refund, to the current owner of record of the property for which an Impact Fee has been paid, all Impact Fees paid with respect to such property if the development for which the Impact Fees were imposed did not occur and no financial impact to OJRSA has occurred in preparation to increase capacity to serve the property; provided that, if some, but not all, of the development for which Impact Fees were imposed occurred, the amount of Impact Fees shall be refunded and shall be pro-rated accordingly. Such refunds must be approved by the Operations & Planning Committee, which is a standing committee of the OJRSA Board.
- B. Subject to the provisions of 3.7(A) set forth above, property owners seeking a refund of Impact Fees must submit a written request for a refund of Impact Fees to the Executive Director within one (1) year of the date of abandonment of the development for which a Willingness and Capability Letter was issued. This notification to OJRSA must occur following confirmation that the SCDHEC Construction Permit has been canceled and flow associated with the project that was allocated by SCDHEC to OJRSA facilities has been removed by SCDHEC. Refunds of Impact Fees shall not include any interest earnings or other revenues derived from the Impact Fees from the initial date of payment. Any Impact Fees, subject to the provisions of this section for which no application for a refund has been made within the one (1) year refund claim period, shall be retained by OJRSA and expended on public facilities of the type for which such Impact Fees were collected.

3.8 APPEALS

- A. A fee payor may pay Impact Fees under protest. Payment under protest is a condition precedent to appealing any Impact Fees described herein. Additionally, a fee payor, at his/her option, may also post a bond or submit an irrevocable letter of credit for the amount of Impact Fees due instead of making a cash payment under protest, pending the outcome of an appeal.
- B. A fee payor may file an administrative appeal with the Executive Director regarding the payment of Impact Fees by filing a written notice of appeal. Said notice shall be filed within ten (10) calendar days of the payment of the Impact Fees. The filing of an appeal will immediately halt all sewer services unless the fee payor posts a bond or submits an irrevocable letter of credit for the full amount of the Impact Fees as calculated by OJRSA to be due. All notices of appeal shall include a full explanation of the reasons for the appeal, specifying the grounds therefor, and containing any documentation that the fee payor desires to be considered. The appeal shall contain the name and address of the fee payor filing the appeal and shall state their capacity to act as representative or agent if they are not the owner of the property to which recovery fees pertain. By no later than twenty (20) calendar days following receipt of the written notice of appeal, the Executive Director will review the appellant's written report, supporting documentation and departmental staff reports. The review period may be extended in the discretion of the Executive Director if additional information is needed from

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- the appellant in order to render a decision. Upon completion of the administrative review, the Executive Director will provide a written response to the Appellant constituting a final administrative determination.
- C. Any person desiring to appeal the final administrative determination of the Executive Director regarding payment of Impact Fees shall file a written notice of appeal to the Board. Said notice of appeal to the Board shall be filed with the Secretary of the Board within five (5) business days following receipt of the final administrative determination. Receipt shall be construed to have occurred when the final administrative decision is deposited in the United States mail postage prepaid to the person whose name and address is identified in the original notice of appeal. Thereafter, the Board shall conduct a hearing at its next regularly scheduled meeting, or such other meeting time as may be agreeable to OJRSA and the appellant, and shall allow the appellant, in person or acting through counsel, to present an oral presentation to the Board regarding its appeal. After hearing such appeal, the Board, within ten (10) business days, shall make a written finding as to the appeal and either accept the findings appeal, reject it or proffer a compromise. If any refund is determined, OJRSA shall refund the required amount within ten (10) business days of the written determination by the Board. The findings and determination of the Board shall constitute the final judicial determination as to the payment of Impact Fees.
- D. Only after all administrative appeals have been exhausted under the provisions of this Impact Fee Policy, the aggrieved fee payor may determine to file a suit in a court of competent jurisdiction to challenge the payment of the disputed Impact Fees.

REVISION HISTORY

This and previous editions must be maintained in accordance with the *OJRSA Records Retention Policy*.

Table 1: OJRSA Impact Fee Policy revision history

Revision Number	Date	Description of Changes
N/A	11/21/1989	Oconee County Ordinance [19]89-6 established first wastewater impact fee at rate of \$300 per equivalent residential unit (ERU) of 200 gallons of wastewater per day. The effective date of the fee to be midnight, 12/31/1989.
N/A	05/13/1991	OCSC Board approves changes to impact fee policy, including a change to the residential ERU to 400 GPD, what constitutes new construction that must pay fees, multiple residences on a single connection, fees for larger users, and exemptions.
N/A	07/06/1998	OCSC Board policy states the agency can neither waive nor lower impact fees.
N/A	10/05/1998	OCSC Board policy requires payment of impact fees before facility can get a building permit.
N/A	03/01/1999	OCSC Board policy adopted that considers "sweet shops" (dessert and ice cream stores) to be charged impact fees based on them being a "recreation-type facility" of five (5) GPD per seat plus twenty-five (25) GPD per employee.
N/A	01/10/2000	OCSC policy adopted that requires Industrial Pretreatment staff to take an average of the number of employees for an industry during the previous year to complete the audit for determining impact fees. This number is to include temporary employees.
N/A	04/01/2002	OCSC Board passed policy to bill Oconee County for impact fees associated with the Newry community.
N/A	10/04/2004	OCSC Board approved transferring impact fees from the old School District of Oconee County Administration Building to the new building but they must pay some fees for additional staff.
N/A	05/01/2006	OCSC Board addressed requirements necessary to provide refund for a facility that constructed a smaller facility than was originally permitted.
N/A	07/03/2006	OCSC approved increasing impact fee to \$450 per ERU and approved reviewing the fee annually and increasing it based on changes in the Consumer Price Index.
N/A	08/07/2006	OCSC adopted policy on how to calculate impact fees on buildings without dividing walls ("shell buildings").
N/A	02/04/2008	OJRSA Board authorized creation of an additional impact fee for the transportation and trunk line system of \$300 per ERU. The effective date to be 04/01/2008.

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Revision Number	Date	Description of Changes
N/A	10/05/2015	OJRSA Board continued former SCDHEC method to calculate grocery stores, offices, small stores/businesses/administration buildings, and shopping centers/large department stores/malls.
N/A	11/07/2016	OJRSA Board provided a grant to cover impact fees for Walhalla American Legion Post #214.
N/A	12/07/2020	OJRSA Resolution 2021-06 addressed how to handle non-permitted and under-permitted residential and nonresidential facilities regarding payment of impact fees.
N/A	04/05/2021	OJRSA Resolution 2021-12 changed the way impact fees are calculated, which is to use water meter size and type use instead of SCDHEC hydraulic loading, which uses ERUs. It also established "grandfathering" certain existing customers. The effective date to be 07/01/2021.
N/A	05/02/2022	OJRSA Board approved policy to collect impact fees for its retail sewer service area in southern Oconee County. The fees collected for this fund are to be used solely for growth-related projects associated with the OJRSA Retail Wastewater System. If used for a commonly-shared asset, such as the Coneross Creek Water Reclamation Facility, project expenses paid by the Member Cities and retail sewer customers shall be equal to the percentage of impact fees collected from the Wholesale and Retail users beginning January 1, 2023.
0000	10/02/2023	Initial issue of comprehensive <i>OJRSA Impact Fee</i> by <i>OJRSA Resolution 2024-04</i> .

OCONEE JOINT REGIONAL SEWER AUTHORITY 20-YEAR CAPITAL IMPROVEMENT PLAN & REHABILITATION PLAN

Includes projects identified in Oconee County & Western Anderson County Sewer Master Plan Scenario 4 as recommended by Weston & Sampson/Bolton & Menk (2024) and known/anticipated O&M and rehabilitation projects. All costs in July 2024 Dollars.

December 2024 (priorities updated February 2025)

Priorities -- 1A: Critical O&M/Consent Order with No/Limited Growth **1B:** Critical O&M/Consent Order with More Significant Growth

PRIORITY	PROJECT	LOCATION	FUNDING SOURCE	FISCAL YEAR(S)	CONSENT ORDER	TOTAL COST (\$)
1A	Systemwide Improvements (Rehab 100% of System Plus Misc. Gravity Sewer Improvements)	Conveyance	Primary Debt	ALL YEARS = \$1,228,750/Yr	YES	1,228,750
	CCTV/Cleaning	Conveyance	Annual (O&M)	ALL YEARS = \$200,000/Yr	YES	200,000
	Engineering/Flow Metering	Conveyance	Annual (O&M)	ALL YEARS = \$800,000/Yr	YES	800,000
	GIS/Mapping	Conveyance	Annual (O&M)	ALL YEARS = \$29,550/Yr	YES	29,550
	Choestoea Creek PS Replacement	Conveyance	Cash &/or Debt	2026-2027	YES	2,887,500
	Speeds Creek Force Main Replacement	Conveyance	Cash &/or Debt	2026-2027	YES	2,713,000
	Coneross Influent PS Replace Soft Starts	WRF	Annual (O&M)	2026	No	104,650
	Primary Clarifiers: Prim Clarifier Sludge #3 Pump Replacement	WRF	Annual (O&M)	2026	No	30,000
	Pelham Creek PS Replacement CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	Conveyance	Cash &/or Debt	2026-2027	No	2,000,000
	Aeration: Gate Replacements	WRF	Cash &/or Debt	2026-2027	No	300,000
	Aeration: Motor Repair / Replacement	WRF	Cash &/or Debt	2026-2027	No	107,620
	Biological Reactor Basin: Valve / Gate Replacements	WRF	Cash &/or Debt	2026-2027	No	293,020
	Digesters / Sludge Holding Tanks: Mixer Replacement for #1	WRF	Cash &/or Debt	2026-2027	No	273,000
	Digesters / Sludge Holding Tanks: Replace Blowers	WRF	Cash &/or Debt	2026-2027	No	560,300
	Electrical: Backup Power - Portable Generator Connection (inc. Engineering)	WRF	Cash &/or Debt	2026-2027	No	212,875
Flow Equalization & Storage: Day Tank Mixing and Control Equipment	WRF	Cash &/or Debt	2026-2027	No	232,473	
Secondary Clarifiers: Rebuild / Replace Mechanical Equipment	WRF	Cash &/or Debt	2026-2027	No	375,800	
Perkins Creek PS Replacement	Conveyance	Primary Debt	2026-2027	YES	6,930,000	
Milbrook PS Upgrade CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	Conveyance	Cash &/or Debt	2026-2027	No	2,000,000	
Martin Creek H2S Control	Conveyance	Cash &/or Debt	2026-2027	No	1,000,000	
Seneca Creek PS Upgrade POSSIBLE ELIMINATION BY DAVIS CREEK SEWER PROJECT	Conveyance	Primary Debt	2026-2027	No	3,750,000	
						\$26,028,538

All Priority 1A and 1B projects for FY 2026 and FY2026+FY2027

See reverse for Priority 1A and 1B sorted by funding source

Cumulative cost for all Priority 1A

BY FUNDING SOURCE THEN CONSENT ORDER		COST (\$)
Annual (O&M)		1,164,200
No		134,650
	Coneross Influent PS Replace Soft Starts	104,650
	Primary Clarifiers: Prim Clarifier Sludge #3 Pump Replacement	30,000
YES		1,029,550
	CCTV/Cleaning	200,000
	Engineering/Flow Metering	800,000
	GIS/Mapping	29,550
Cash &/or Debt		12,955,588
No		7,355,088
	Aeration: Gate Replacements	300,000
	Aeration: Motor Repair / Replacement	107,620
	Biological Reactor Basin: Valve / Gate Replacements	293,020
	Digesters / Sludge Holding Tanks: Mixer Replacement for #1	273,000
	Digesters / Sludge Holding Tanks: Replace Blowers	560,300
	Electrical: Backup Power - Portable Generator Connection (inc. Engineering)	212,875
	Flow Equalization & Storage: Day Tank Mixing and Control Equipment	232,473
	Martin Creek H2S Control	1,000,000
	Millbrook PS Upgrade CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	2,000,000
	Pelham Creek PS Replacement CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	2,000,000
	Secondary Clarifiers: Rebuild / Replace Mechanical Equipment	375,800
YES		5,600,500
	Choestoea Creek PS Replacement	2,887,500
	Speeds Creek Force Main Replacement	2,713,000
Primary Debt		11,908,750
No		3,750,000
	Seneca Creek PS Upgrade POSSIBLE ELIMINATION BY DAVIS CREEK SEWER PROJECT	3,750,000
YES		8,158,750
	Perkins Creek PS Replacement	6,930,000
	Systemwide Improvements (Rehab 100% of System Plus Misc. Gravity Sewer Improvements)	1,228,750
Grand Total		26,028,538

Oconee Joint Rsa
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Revenue Report
Level 4 Summary for February 2025

010 OJRSA FUND
004 REVENUE
00401 REVENUE

Accounts	Budget Appropriation	Supplemental Appropriation	Adjusted Budget	Current Pd Revenue	Curr Pct	Year To Date Revenue	YTD Pct	Budget Balance
010 OJRSA FUND								
004 REVENUE								
00401 REVENUE								
00401 REVENUE								
01770 CONNECTION FEES	\$0.00	\$0.00	\$0.00	\$0.00	0	\$3,552.20	0	(\$3,552.20)
01790 UNRESTRICTED INTEREST	\$25,000.00	\$0.00	\$25,000.00	\$15,713.53	63	\$99,275.45	397	(\$74,275.45)
01820 GRANTS	\$0.00	\$0.00	\$0.00	\$0.00	0	\$1,305,492.29	0	(\$1,305,492.29)
01830 HAULED WASTE SVCS	\$213,308.00	\$0.00	\$213,308.00	\$18,315.00	9	\$139,362.30	65	\$73,945.70
01840 OTHER REVENUE	\$158,622.00	\$0.00	\$158,622.00	\$3,156.30	2	\$15,861.10	10	\$142,760.90
01880 CAPACITY FEES	\$0.00	\$0.00	\$0.00	\$0.00	0	(\$3,400.00)	0	\$3,400.00
01910 USER FEES	\$5,717,028.00	\$0.00	\$5,717,028.00	\$515,527.30	9	\$4,070,964.82	71	\$1,646,063.18
Total Revenue	\$6,113,958.00	\$0.00	\$6,113,958.00	\$552,712.13	9	\$5,631,108.16	92	\$482,849.84
00801 PRETREATMENT								
01850 INDUSTRIES	\$174,852.00	\$0.00	\$174,852.00	\$16,523.47	9	\$130,495.06	75	\$44,356.94
Total Pretreatment	\$174,852.00	\$0.00	\$174,852.00	\$16,523.47	9	\$130,495.06	75	\$44,356.94
01001 CAPITAL REPLACEMENT								
01880 CAPACITY FEES	\$5,000.00	\$0.00	\$5,000.00	\$3,400.00	68	\$3,400.00	68	\$1,600.00
Total Capital Replacement	\$5,000.00	\$0.00	\$5,000.00	\$3,400.00	68	\$3,400.00	68	\$1,600.00
01101 IMPACT FEES								
01780 RESTRICTED INTEREST	\$100,000.00	\$0.00	\$100,000.00	\$25,554.51	26	\$160,334.85	160	(\$60,334.85)
01880 CAPACITY FEES	\$1,000,000.00	\$0.00	\$1,000,000.00	\$6,900.00	1	\$455,000.00	46	\$545,000.00
01930 UNUSED CAPACITY FEES	\$150,000.00	\$0.00	\$150,000.00	\$28,349.45	19	\$93,339.99	62	\$56,660.01
Total Impact Fees	\$1,250,000.00	\$0.00	\$1,250,000.00	\$60,803.96	5	\$708,674.84	57	\$541,325.16
01201 CONTRACT OPERATIONS								
01900 INTERGOV. REIMBURSEMENT	\$44,072.00	\$0.00	\$44,072.00	\$0.00	0	\$37,837.15	86	\$6,234.85
Total Contract Operations	\$44,072.00	\$0.00	\$44,072.00	\$0.00	0	\$37,837.15	86	\$6,234.85
01301 RETAIL SERVICES								
01780 RESTRICTED INTEREST	\$0.00	\$0.00	\$0.00	\$5,990.08	0	\$11,915.05	0	(\$11,915.05)
01821 GRANTS - SEWER SOUTH	\$0.00	\$0.00	\$0.00	\$0.00	0	\$2,411,022.50	0	(\$2,411,022.50)
01880 CAPACITY FEES	\$0.00	\$0.00	\$0.00	(\$3,400.00)	0	\$0.00	0	\$0.00
01900 INTERGOV. REIMBURSEMENT	\$0.00	\$0.00	\$0.00	\$0.00	0	\$89,910.82	0	(\$89,910.82)
Total Retail Services	\$0.00	\$0.00	\$0.00	\$2,590.08	0	\$2,512,848.37	0	(\$2,512,848.37)
Total REVENUE	\$7,587,882.00	\$0.00	\$7,587,882.00	\$636,029.64	8	\$9,024,363.58	119	(\$1,436,481.58)
Total OJRSA FUND	\$7,587,882.00	\$0.00	\$7,587,882.00	\$636,029.64	8	\$9,024,363.58	119	(\$1,436,481.58)
TOTAL ALL FUNDS	\$7,587,882.00	\$0.00	\$7,587,882.00	\$636,029.64	8	\$9,024,363.58	119	(\$1,436,481.58)

Expenditure Report

Oconee Joint Rsa
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Level 4 Summary for February 2025

010 OJRSA FUND
005 EXPENSES
00501 ADMINISTRATION

Accounts	Budget Appropriation	Supplemental Appropriation	Current Pd Expenditures	Curr Pct	Year To Date Expenditures	YTD Pct	Encumbered Balance	Unencumbered Balance	Une Pct
010 OJRSA FUND									
005 EXPENSES									
00501 ADMINISTRATION									
00501 ADMINISTRATION									
01140 100% DEPRECIATION EXPENSE	\$1,222,487.00	\$0.00	\$101,873.92	8	\$814,991.36	67	\$0.00	\$407,495.64	33
01300 PAYROLL: SALARIES	\$1,154,105.00	\$0.00	\$77,385.22	7	\$763,946.21	66	\$0.00	\$390,158.79	34
01310 OVERTIME	\$41,194.00	\$0.00	\$3,644.10	9	\$24,734.36	60	\$0.00	\$16,459.64	40
01350 PAYROLL: FICA/MEDICARE WH	\$97,367.00	\$0.00	\$6,545.48	7	\$62,799.81	64	\$0.00	\$34,567.19	36
01380 PAYROLL: RETIREMENT	\$221,848.00	\$0.00	\$23,439.89	11	\$144,229.08	65	\$0.00	\$77,618.92	35
02200 COMMISSIONER EXPENSES	\$13,680.00	\$0.00	\$1,800.00	13	\$7,920.00	58	\$0.00	\$5,760.00	42
02220 GROUP INSURANCE	\$215,280.00	\$0.00	\$19,663.48	9	\$158,433.38	74	\$0.00	\$56,846.62	26
02240 WORKERS' COMPENSATION	\$20,791.00	\$0.00	\$0.00	0	\$10,922.00	53	\$0.00	\$9,869.00	47
02250 INSURANCE-PROPERTY/GENERAL	\$81,363.00	\$0.00	\$80,884.99	99	\$81,521.73	100	\$0.00	(\$158.73)	0
02260 EMPLOYEE WELLNESS	\$2,600.00	\$0.00	\$794.74	31	\$6,489.15	250	\$0.00	(\$3,889.15)	(150)
02270 UNIFORMS	\$31,475.00	\$0.00	\$1,813.71	6	\$13,387.41	43	\$161.22	\$17,926.37	57
02280 TRAVEL & POV MILEAGE	\$8,650.00	\$0.00	\$0.00	0	\$210.00	2	\$0.00	\$8,440.00	98
02290 AGENCY MEMBERSHIPS	\$11,715.00	\$0.00	\$0.00	0	\$2,650.00	23	\$0.00	\$9,065.00	77
02300 LICENSES/CERTIFS/MEMBERSHIPS	\$4,563.00	\$0.00	\$165.00	4	\$2,143.00	47	\$0.00	\$2,420.00	53
02310 SEMINARS/WKSHOPS & TRAINING	\$42,020.00	\$0.00	\$1,115.00	3	\$14,531.10	35	\$0.00	\$27,488.90	65
02320 EVENTS & MEETING EXPENSES	\$4,300.00	\$0.00	\$163.57	4	\$2,907.33	68	\$0.00	\$1,392.67	32
02340 PUBLIC RELATIONS & ADVERTISING	\$16,250.00	\$0.00	\$750.00	5	\$6,439.42	40	\$0.00	\$9,810.58	60
02360 MAILING/SHIPPING	\$750.00	\$0.00	\$0.00	0	\$337.92	45	\$0.00	\$412.08	55
02370 SAFETY EQUIPMENT	\$33,050.00	\$0.00	\$125.94	0	\$29,013.04	88	\$0.00	\$4,036.96	12
02380 OFFICE SUPPLIES	\$79,822.00	\$0.00	\$619.12	1	\$26,641.97	33	\$0.00	\$53,180.03	67
02410 TECHNOLOGY: PHONES/INTERNET/TV	\$14,436.00	\$0.00	\$1,442.26	10	\$10,544.47	73	\$0.00	\$3,891.53	27
02420 ADMINISTRATION SERVICES	\$237,823.00	\$0.00	\$21,201.00	9	\$234,407.24	99	\$0.00	\$3,415.76	1
02440 O&M CONTINGENCY	\$150,000.00	\$0.00	\$1,137.50	1	\$4,853.76	3	(\$1,137.50)	\$146,283.74	98
02520 FUEL: VEHICLES & EQUIPMENT	\$37,250.00	\$0.00	\$0.00	0	\$18,088.90	49	\$0.00	\$19,161.10	51
02530 R&M: VEHICLES/TRAILERS/EQUIP	\$38,500.00	\$0.00	\$4,986.33	13	\$38,279.08	99	\$102.78	\$18.14	0
02560 FEES & PENALTIES	\$4,487.00	\$0.00	\$118.41	3	\$3,750.82	84	\$0.00	\$736.18	16
Total Administration	\$3,785,806.00	\$0.00	\$349,669.66	9	\$2,484,172.54	66	(\$873.50)	\$1,302,506.96	34
00601 CONVEYANCE SYSTEM									
02400 SUPPLIES/TOOLS	\$15,000.00	\$0.00	\$1,328.01	9	\$11,198.62	75	\$129.94	\$3,671.44	24
02401 MAINTENANCE TOOLS & SUPPLIES	\$13,000.00	\$0.00	\$152.28	1	\$9,296.85	72	\$59.47	\$3,643.68	28
02411 TECHNOLOGY: SCADA	\$22,100.00	\$0.00	\$0.00	0	\$15,269.20	69	\$0.00	\$6,830.80	31
02430 SERVICES: PROFESSIONAL/CONSULT	\$476,110.00	\$0.00	\$8,379.23	2	\$365,152.69	77	(\$232.69)	\$111,190.00	23
02450 CHEMICALS: SODIUM HYPOCHLORITE	\$35,834.00	\$0.00	\$3,324.16	9	\$16,726.80	47	\$0.00	\$19,107.20	53
02455 CHEMICALS: HERBICIDE/PESTICIDE	\$1,500.00	\$0.00	\$360.29	24	\$360.29	24	\$0.00	\$1,139.71	76
02490 ELECTRICITY	\$266,700.00	\$0.00	\$29,395.62	11	\$163,055.60	61	\$0.00	\$103,644.40	39
02500 WATER	\$8,950.00	\$0.00	\$2,497.19	28	\$7,648.76	85	\$0.00	\$1,301.24	15
02521 FUEL: GENERATORS	\$6,800.00	\$0.00	\$0.00	0	\$5,843.20	86	\$0.00	\$956.80	14
02540 EQUIPMENT RENTALS	\$12,000.00	\$0.00	\$2,714.73	23	\$2,714.73	23	\$0.00	\$9,285.27	77
02550 BUILDINGS & GROUNDS	\$5,500.00	\$0.00	\$0.00	0	\$1,292.94	24	\$0.00	\$4,207.06	76

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Oconee Joint Rsa
Expenditure Report
Level 4 Summary for February 2025

010 OJRSA FUND
005 EXPENSES
00601 CONVEYANCE SYSTEM

Accounts	Budget Appropriation	Supplemental Appropriation	Current Pd Expenditures	Curr Pct	Year To Date Expenditures	YTD Pct	Encumbered Balance	Unencumbered Balance	Une Pct
02590 ROLLING STOCK & EQUIPMENT	\$275,080.00	\$0.00	\$0.00	0	\$272,529.86	99	\$0.00	\$2,550.14	1
04000 FLOW MONITOR STAS	\$16,500.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$16,500.00	100
04010 FLOW MONITOR STAS: COL'S FORK	\$0.00	\$0.00	\$0.00	0	\$13.03	0	\$0.00	(\$13.03)	0
05000 PUMP STATIONS	\$228,450.00	\$0.00	\$2,105.71	1	\$11,667.67	5	\$4,837.84	\$211,944.49	93
05010 PUMP STATIONS: CANE PS	\$0.00	\$0.00	\$0.00	0	\$2,273.71	0	\$0.00	(\$2,273.71)	0
05020 PUMP STATIONS: CHOESTOE PS	\$0.00	\$0.00	\$0.00	0	\$10,465.84	0	\$0.00	(\$10,465.84)	0
05030 PUMP STATIONS: CONERROSS PS	\$0.00	\$0.00	\$0.00	0	\$52.96	0	\$0.00	(\$52.96)	0
05040 PUMP STATIONS: CRYOVAC PS	\$0.00	\$0.00	\$0.00	0	\$223.59	0	\$0.00	(\$223.59)	0
05050 PUMP STATIONS: DAVIS CRK 1 PS	\$0.00	\$0.00	\$0.00	0	\$1,501.97	0	\$1,417.84	(\$2,919.81)	0
05060 PUMP STATIONS: DAVIS CRK 2 PS	\$0.00	\$0.00	\$2,710.33	0	\$20,790.99	0	\$3,532.73	(\$24,323.72)	0
05080 PUMP STATIONS: HALFWAY BR PS	\$0.00	\$0.00	\$0.00	0	\$51.24	0	\$0.00	(\$51.24)	0
05090 PUMP STATIONS: ISS PS	\$0.00	\$0.00	\$0.00	0	\$20.17	0	\$0.00	(\$20.17)	0
05100 PUMP STATIONS: MARTIN CREEK PS	\$0.00	\$0.00	\$0.00	0	\$35,833.61	0	\$0.00	(\$35,833.61)	0
05110 PUMP STATIONS: MILLBROOK PS	\$0.00	\$0.00	\$148.65	0	\$339.17	0	\$0.00	(\$339.17)	0
05120 PUMP STATIONS: PELHAM CREEK PS	\$0.00	\$0.00	\$0.00	0	\$1,115.05	0	\$0.00	(\$1,115.05)	0
05130 PUMP STATIONS: PERKINS PS	\$0.00	\$0.00	\$0.00	0	\$24,901.83	0	\$11,508.44	(\$36,410.27)	0
05140 PUMP STATIONS: SENECA PS	\$0.00	\$0.00	\$0.00	0	\$2,604.62	0	\$0.00	(\$2,604.62)	0
05160 PUMP STATIONS: WEXFORD PS	\$0.00	\$0.00	\$0.00	0	\$5,701.93	0	\$0.00	(\$5,701.93)	0
05210 DUCK POND ROAD PS	\$0.00	\$0.00	\$0.00	0	\$1,770.66	0	\$0.00	(\$1,770.66)	0
05230 GRAVITY SEWER & FORCE MAINS	\$130,000.00	\$0.00	\$10,607.57	8	\$83,540.96	64	\$155.33	\$46,303.71	36
Total Conveyance System	\$1,513,524.00	\$0.00	\$63,723.77	4	\$1,073,958.54	71	\$21,408.90	\$418,156.56	28
00701 WRF OPERATIONS									
02400 SUPPLIES/TOOLS	\$12,000.00	\$0.00	\$76.44	1	\$4,826.78	40	\$0.00	\$7,173.22	60
02411 TECHNOLOGY: SCADA	\$12,500.00	\$0.00	\$0.00	0	\$2,666.80	21	\$0.00	\$9,833.20	79
02430 SERVICES: PROFESSIONAL/CONSULT	\$18,102.00	\$0.00	\$0.00	0	\$35,932.66	199	\$0.00	(\$17,830.66)	(99)
02451 CHEMICALS: CHLORINE	\$60,242.00	\$0.00	\$0.00	0	\$39,660.34	66	\$0.00	\$20,581.66	34
02452 CHEMICALS: POLYMER	\$66,450.00	\$0.00	\$3,795.00	6	\$34,456.43	52	\$0.00	\$31,993.57	48
02454 CHEMICALS: SODIUM BISULFITE	\$21,474.00	\$0.00	\$12,984.58	60	\$18,676.38	87	\$0.00	\$2,797.62	13
02457 CHEMICALS: OTHER	\$6,000.00	\$0.00	\$0.00	0	\$1,380.12	23	\$0.00	\$4,619.88	77
02470 GARBAGE	\$2,067.00	\$0.00	\$27.75	1	\$222.00	11	\$0.00	\$1,845.00	89
02480 NATURAL GAS	\$1,855.00	\$0.00	\$548.55	30	\$1,081.21	58	\$0.00	\$773.79	42
02490 ELECTRICITY	\$336,000.00	\$0.00	\$28,354.62	8	\$208,571.96	62	\$0.00	\$127,428.04	38
02500 WATER	\$3,710.00	\$0.00	\$0.00	0	\$12,378.62	334	\$0.00	(\$8,668.62)	(234)
02510 SLUDGE DISPOSAL	\$319,289.00	\$0.00	\$10,330.90	3	\$75,540.35	24	\$0.00	\$243,748.65	76
02521 FUEL: GENERATORS	\$4,000.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$4,000.00	100
02540 EQUIPMENT RENTALS	\$5,000.00	\$0.00	\$1,071.38	21	\$1,071.38	21	\$0.00	\$3,928.62	79
02550 BUILDINGS & GROUNDS	\$83,400.00	\$0.00	\$526.26	1	\$10,380.93	12	\$10.11	\$73,008.96	88
03000 WATER RECLAMATION FACILITY	\$619,450.00	\$0.00	\$897.97	0	\$74,966.86	12	\$51,218.94	\$493,264.20	80
Total Wrf Operations	\$1,571,539.00	\$0.00	\$58,613.45	4	\$521,812.82	33	\$51,229.05	\$998,497.13	64
00801 PRETREATMENT									
01300 PAYROLL: SALARIES	\$77,472.00	\$0.00	\$6,115.38	8	\$54,250.71	70	\$0.00	\$23,221.29	30
01380 PAYROLL: RETIREMENT	\$14,379.00	\$0.00	\$1,702.52	12	\$9,972.24	69	\$0.00	\$4,406.76	31

010 OJRSA FUND
005 EXPENSES
00801 PRETREATMENT

Oconee Joint Rsa
Expenditure Report
Level 4 Summary for February 2025

Accounts	Budget Appropriation	Supplemental Appropriation	Current Pd Expenditures	Curr Pct	Year To Date Expenditures	YTD Pct	Encumbered Balance	Unencumbered Balance	Unencumbered Pct
02220 GROUP INSURANCE	\$7,522.00	\$0.00	\$679.96	9	\$5,139.08	68	\$0.00	\$2,382.92	32
02300 LICENSES/CERTIFS/MEMBERSHIPS	\$425.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$425.00	100
02310 SEMINARS/WKSHOPS & TRAINING	\$2,975.00	\$0.00	\$259.00	9	\$649.00	22	\$0.00	\$2,326.00	78
02380 OFFICE SUPPLIES	\$3,700.00	\$0.00	\$8.47	0	\$4,045.27	109	\$0.00	(\$345.27)	(9)
02410 TECHNOLOGY: PHONES/INTERNET/TV	\$748.00	\$0.00	\$107.18	14	\$481.86	64	\$0.00	\$266.14	36
02430 SERVICES: PROFESSIONAL/CONSULT	\$38,489.00	\$0.00	\$500.00	1	\$14,133.72	37	\$0.00	\$24,355.28	63
Total Pretreatment	\$145,710.00	\$0.00	\$9,372.51	6	\$88,671.88	61	\$0.00	\$57,038.12	39
00901 LABORATORY									
02400 SUPPLIES/TOOLS	\$6,000.00	\$0.00	\$0.00	0	\$2,787.11	46	\$0.00	\$3,212.89	54
02430 SERVICES: PROFESSIONAL/CONSULT	\$73,377.00	\$0.00	\$3,527.65	5	\$20,393.78	28	\$0.00	\$52,983.22	72
02456 CHEMICALS: LABORATORY	\$5,000.00	\$0.00	\$0.00	0	\$1,791.02	36	\$0.00	\$3,208.98	64
Total Laboratory	\$84,377.00	\$0.00	\$3,527.65	4	\$24,971.91	30	\$0.00	\$59,405.09	70
01201 CONTRACT OPERATIONS									
02411 TECHNOLOGY: SCADA	\$625.00	\$0.00	\$0.00	0	\$707.40	113	\$0.00	(\$82.40)	(13)
02430 SERVICES: PROFESSIONAL/CONSULT	\$20,610.00	\$0.00	\$0.00	0	\$10,422.50	51	\$0.00	\$10,187.50	49
02500 WATER	\$1,365.00	\$0.00	\$38.05	3	\$384.06	28	\$0.00	\$980.94	72
02521 FUEL: GENERATORS	\$500.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$500.00	100
02550 BUILDINGS & GROUNDS	\$500.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$500.00	100
05170 PUMP STATIONS: GCCP-PS	\$10,500.00	\$0.00	\$0.00	0	\$1,475.75	14	\$0.00	\$9,024.25	86
Total Contract Operations	\$34,100.00	\$0.00	\$38.05	0	\$12,989.71	38	\$0.00	\$21,110.29	62
01301 RETAIL SERVICES									
02400 SUPPLIES/TOOLS	\$500.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$500.00	100
02411 TECHNOLOGY: SCADA	\$1,250.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$1,250.00	100
02430 SERVICES: PROFESSIONAL/CONSULT	\$7,406.00	\$0.00	\$0.00	0	\$5,145.00	69	\$0.00	\$2,261.00	31
02490 ELECTRICITY	\$2,100.00	\$0.00	\$612.27	29	\$6,086.44	290	\$0.00	(\$3,986.44)	(190)
02500 WATER	\$1,050.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$1,050.00	100
05180 PUMP STATIONS: WELCOME CTR	\$725.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$725.00	100
05190 PUMP STATIONS: BROOMWAY LN	\$0.00	\$0.00	\$0.00	0	\$860.66	0	\$0.00	(\$860.66)	0
Total Retail Services	\$13,031.00	\$0.00	\$612.27	5	\$12,092.10	93	\$0.00	\$938.90	7
01401 CAPITAL PROJECTS									
06050 SEWER SOUTH PHASE II	\$3,700,000.00	\$0.00	\$684,291.17	18	\$2,394,247.62	65	\$0.00	\$1,305,752.38	35
06060 CONVEYANCE SYSTEM	\$140,000.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$140,000.00	100
06071 SENECA PS & FM UPGRADE/SPEEDS	\$0.00	\$0.00	\$0.00	0	\$0.00	0	\$0.00	\$0.00	0
Total Capital Projects	\$3,840,000.00	\$0.00	\$684,291.17	18	\$2,394,247.62	62	\$0.00	\$1,445,752.38	38
01501 CONTINGENCY FUND									
09005 FLAT ROCK PS UPGRADE	\$485,000.00	\$0.00	\$0.00	0	\$596,905.76	123	\$0.00	(\$111,905.76)	(23)
09007 CENTRAL OCONEE SWR MASTER PLAI	\$25,000.00	\$0.00	\$0.00	0	\$6,580.00	26	\$0.00	\$18,420.00	74
09009 COLLECTION SYSTEM REHAB	\$5,187,357.00	\$0.00	\$9,604.84	0	\$57,299.88	1	\$0.00	\$5,130,057.12	99
09010 REG SEWER FEASIBILITY STUDY	\$20,000.00	\$0.00	\$0.00	0	\$26,542.50	133	\$0.00	(\$6,542.50)	(33)
09011 DEWATERING EQUIP REPLACEMENT	\$3,440,000.00	\$0.00	\$33,624.00	1	\$133,649.00	4	\$0.00	\$3,306,351.00	96
09012 MARTIN CRK & WESTMINSTER CCTV	\$210,000.00	\$0.00	\$8,858.40	4	\$40,329.05	19	\$0.00	\$169,670.95	81

010 OJRSA FUND
 005 EXPENSES
 01501 CONTINGENCY FUND

Oconee Joint Rsa
 Expenditure Report
 Level 4 Summary for February 2025

Accounts	Budget Appropriation	Supplemental Appropriation	Current Pd Expenditures	Curr Pct	Year To Date Expenditures	YTD Pct	Encumbered Balance	Unencumbered Balance	Une Pct
09013 MARTIN/PERKINS CRK FLOW STUDY	\$15,000.00	\$0.00	\$0.00	0	\$3,093.60	21	\$0.00	\$11,906.40	79
Total Contingency Fund	\$9,382,357.00	\$0.00	\$52,087.24	1	\$864,399.79	9	\$0.00	\$8,517,957.21	91
Total EXPENSES	\$20,370,444.00	\$0.00	\$1,221,935.77	6	\$7,477,316.91	37	\$71,764.45	\$12,821,362.64	63
Total OJRSA FUND	\$20,370,444.00	\$0.00	\$1,221,935.77	6	\$7,477,316.91	37	\$71,764.45	\$12,821,362.64	63
TOTAL ALL FUNDS	\$20,370,444.00	\$0.00	\$1,221,935.77	6	\$7,477,316.91	37	\$71,764.45	\$12,821,362.64	63



Operations & Planning Committee Meeting

OJRSA Operations & Administration Building

Lamar Bailes Board Room

March 25, 2025 at 8:15 AM

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

Agenda

- A. Call to Order** – Bob Faires, Committee Chair
- B. Public Session** – Receive comments relating to topics on this agenda. Session is limited to a maximum of 30 minutes with no more than 5 minutes per speaker.
- C. Presentation and Discussion Items** *[May include vote and/or action on matters brought up for discussion]*
 - 1. Update on current projects (Exhibit A) – Chris Eleazer, Director
 - 2. Consider possible increases to impact fees based on discussion at March 6, 2025 board meeting (Exhibit B) – Chris Eleazer, Director
 - 3. Priorities for compliance and capital projects for FY 2026 (Exhibit C) – Chris Eleazer, Director
- D. Action Items to Recommend to the Board for Consideration**
 - None
- E. Executive Director’s Discussion and Compliance Matters** – Chris Eleazer, Director
 - 1. Environmental and regulatory compliance matters
 - 2. Miscellaneous *(if any)*
- F. Committee Members’ Discussion** – Led by Bob Faires, Committee Chair
Discussion can be related to matters addressed in this meeting or for future consideration by the Board or Committee. Voting is not permitted during this session.
- G. Upcoming Meetings** *All meetings to be held in the OJRSA Lamar Bailes Board Room unless noted otherwise.*
 - 1. Finance & Administration Committee – March 25, 2025 at 9:00 AM
 - 2. Board of Commissioners – April 7, 2025 at 4:00 PM
 - 3. Sewer Feasibility Implementation Ad Hoc Committee – April 10, 2025 at 9:00 AM
 - 4. Operations & Planning Committee – April 16, 2025 at 8:30 AM
- H. Adjourn**

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

3/18/2025 15:36

Row #	FY 2025 O&M Project (Project # (if applicable); PM) <u>CANNOT CARRY OVER TO NEXT FISCAL YEAR WITHOUT BUDGET APPROVAL</u>	Approx % Complete	Anticipated Completion	Budget/PO/ Contract Amount (\$)	O&M PROJECT MILESTONES				Obligated/ Spent (\$)	Budget Remaining (\$)	GL Code (XXXXX = get from Office Mgr)
					Bids/RFQ/etc. Issue/Advertised	Req/Contract Signed	Started Work	Completed			
1	Consent Order 21-025-W Project: Biannual Compliance Report (CE)	0%	5/9/2025	N/A	N/A	N/A	N/A	11/8/2024	0	0	N/A
2	GIS Update and Upgrade (CE)	100%	11/10/2024	32,000	N/A	7/30/2024	8/1/2024	12/18/2024	38,641	(6,641)	Con Sys: Prof Svcs 601-02430
3	For Feasibility Study: Establish Sewer Feasibility Implementation Ad Hoc Committee (CE)	100%	11/13/2024	0	N/A	N/A	9/9/2024	11/4/2024	0	0	N/A
4	For Feasibility Study: Legal counsel prepare new governance and consolidation evaluations (CE)	100%	12/6/2024	0	N/A	N/A	9/10/2024	11/26/2024	0	0	Admin Services 501-02420
5	For Feasibility Study: Financial/Rate Cost of Service Study (CE)	100%	3/10/2025	29,800	N/A	N/A	10/21/2024	3/6/2025	20,860	8,940	Admin Services 501-02420
6	For Feasibility Study: Ad Hoc Committee to Report to Board and County its Recommendations (CE)	0%	5/13/2025	0	N/A	N/A			0	0	N/A
7	ISS PS Generator Installation (JG)	0%	3/31/2025						0	0	Conv Sys R&M: PS 601-05090
8	Coneross Creek PS Pump Control Upgrade (JG)	0%	4/30/2025	47,353	N/A Prof Services	3/6/2025			47,353	0	Con Sys R&M: PS 601-05030
9	Martin Creek PS Pump Restraint System (JG)	100%	3/31/2025	35,000	In-kind replacement	2/9/2024	7/30/2024	7/30/2024	32,017	2,983	Con Sys R&M: PS 601-05100
10	Martin Creek Storage Aerator Motor Replacement (JG)	0%	4/25/2025	12,422 also need crane	N/A OEM Equip/Svc				0	0	Con Sys R&M: PS 601-05100
11	Pelham Creek PS Manual Transfer Switch Installation (JG)	0%	4/30/2025	24,134	9/11/2024	11/6/2024			0	24,134	Con Sys R&M: PS 601-05120
12	Perkins Creek PS Wet Well Cleanout (KL, MD)	0%	12/15/2024	N/A	N/A	N/A	N/A	N/A	0	0	Con Sys R&M: PS 601-05130
13	Richland Flow Meter Station Electrical Rewiring (JG)	0%	4/30/2025	13,000	9/4/2024	11/13/2024			0	13,000	Con Sys R&M: FMS 601-04030
14	Paint Flow Meter Stations (JG)	0%	5/30/2025	3,800	2/17/2025				0	3,800	Con Sys Bldgs & Grnds 601-02550
15	Martin Creek PS/FM H2S Control <u>ENGINEERING AND PERMITTING</u> (KL)	0%	FY 2026	For FY 2026	For FY 2026	For FY 2026	For FY 2026	For FY 2026	0	0	Con Sys R&M: PS 601-05100
16	Southern Oconee Sewer PS/FM H2S Control <u>STUDY</u> (CE, KL)	90%	1/31/2025	22,500	N/A	10/31/2024	11/4/2024		14,625	7,875	Retail O&M: Prof Svcs 1301-02430
17	Martin Creek PS Basin and Southern Westminster Trunk Sewer CCTV/Clean (KL, CE)	100%	12/20/2024	264,202	6/6/2024	8/6/2024	8/6/2024	9/19/2024	237,926	26,276	Con Sys: Prof Svcs 601-02430
18	Seneca Creek FM Replacement Constr Administration/Inspect (#2023-05; CE, KL)	5%	TBD	140,000	N/A	4/29/2024	2/3/2025		4,000	136,000	O&M CIP: Con Sys 1401-06071
19	WRF Replace Disinfection System Lightning Mixer (JM)	100%	5/30/2025	49,381	12/4/2024	12/4/2024	2/27/2025	2/27/2025	49,381	0	WRF R&M 701-03000
20	WRF Util Water Pump (1 unit only)/Valve, Flow Eq Flow Control, RAS/WAS Pump/Mag Meter/Valve Install (JM)	5%	5/30/2025	362,100	RFB #2025-05 11/1/2024	1/8/2025	1/8/2025		0	362,100	WRF R&M 701-03000
21	WRF Waterproofing Admin Building Roof/Walls and Chloring Building Roof (KL)	60%	6/1/2025	125,145	RFB #2025-07 11/18/2024	1/9/2025	3/5/2025		47,793	77,353	Admin Contingency 501-02440

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

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22	WRF Paving Around Biosolids Storage Pad and Solids Processing Building (KL)	0%	5/30/2025	31,500	12/6/2024				0	31,500	WRF Bldgs & Grnds 701-02550	
23	WRF Tank & Wet Well Clanouts (Primary Splitter Box and Digester #1) (JM)	100%	2/28/2025	40,680	RFB #2025-04 10/24/2024	12/16/2024	2/17/2025	3/8/2025	0	40,680	WRF R&M 701-03000	
24	WRF Replace/Paint Walkway Handrails (continued from FY 2024) (JM)	100%	11/30/2024	N/A	N/A	N/A	As time allows	As time allows	N/A	N/A	WRF R&M 701-03000	
25	WRF Digesters/Solids Handling Tanks Grinder Rebuild (JG)	100%	10/31/2024	17,000	8/26/2024	8/26/2024	9/30/2024	10/4/2024	16,999	1	WRF R&M 701-03000	
26	WRF Biological Reactor Basin Oxidation Zone Gearbox Replacement (JM)	100%	5/30/2025	46,848	12/4/2024	12/4/2024	1/6/2025	1/28/2025	46,848	0	WRF R&M 701-03000	
27	EMERGENCY Hurricane Helene Debris Removal (KL, MM)	100%	2/28/2025	262,500	Emergnecy Procurement	1/13/2025	1/13/2025	1/24/2025	54,350	208,150	Con Sys: Prof Svcs 601-02430	
28	EMERGENCY Hurricane Helene Debris & FEMA Management (KL, MM)	60%	6/30/2025	99,000	Emer 10/18/2024 RFP 12/30/2024	Emer 10/18/2024 RFP 1/23/2025	Emer 10/18/2024 RFP 1/23/2025		0	99,000	Con Sys: Prof Svcs 601-02430	
29	Operating Agreement (Draft) for Oconee County/OJRSA I-85 Sewer O&M (CE)	0%	5/31/2025	TBD	N/A	N/A	2/3/2025		0	0		
30									0	0		
31									0	0		
TOTAL AWARDED				1,645,942	TOTAL FUNDS OBLIGATED/ACTUAL TO DATE:				610,791	1,035,151	TOTAL AWARDED BUDGET REMAINING	

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

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Row #	FY 2025 O&M Project (Project # (if applicable); PM) <u>CANNOT CARRY OVER TO NEXT FISCAL YEAR WITHOUT BUDGET APPROVAL</u>	Comp. Performing (and Project Mgr)	Notes
1	Consent Order 21-025-W Project: Biannual Compliance Report (CE)	OJRSA Chris Eleazer	DUE TO SCDES EVERY SIX MONTHS. Reports submitted: 11/14/2021, 5/9/2022, 11/10/2022, 5/9/2023, 11/9/2023, 5/10/2024, 11/8/2024. Next report due 5/10/2025.
2	GIS Update and Upgrade (CE)	Weston & Sampson Danny Gant	Project to begin updating OJRSA, Satellite Sewer System, and other User assets and information for asset management and compliance purposes. 9/18: Met with D Gant to review easement progress. 11/22: Progress meeting with D Gant. 2/17: Training today.
3	For Feasibility Study: Establish Sewer Feasibility Implementation Ad Hoc Committee (CE)	OJRSA Chris Eleazer	10/7: Discussed at board meeting. Will consider committee at next meeting. 11/4: List approved by Board. COMPLETE. Update sent to Bonnie Ammons and Sophia Mazza with RIA on 11/13. First meeting to be held 12/2.
4	For Feasibility Study: Legal counsel prepare new governance and consolidation evaluations (CE)	OJRSA Chris Eleazer	11/26: Received from Pope Flynn. COMPLETE. Shared memo with ad hoc committee at 12/2 meeting. Update sent to Bonnie Ammons and Sophia Mazza with RIA on 12/9.
5	For Feasibility Study: Financial/Rate Cost of Service Study (CE)	Willdan Daryll Parker	1/24/2025: To be presented to board on 3/6. 3/6: Presented to board. COMPLETE. Update sent to Bonnie Ammons and Sophia Mazza with RIA on 3/11. Will also update ad hoc committee at 3/13 meeting.
6	For Feasibility Study: Ad Hoc Committee to Report to Board and County its Recommendations (CE)	Ad Hoc Comm Comm Chair	
7	ISS PS Generator Installation (JG)	OJRSA OJRSA Maint	12/2: We're considering making it a portable generator. KL to speak with A Maddox to find out how to make this happen. 3/18/2025: No longer planning on making it portable and will now put it at ISS PS.
8	Coneross Creek PS Pump Control Upgrade (JG)	Border States Stuart Reynolds	9/17: Expect quote later today. 10/8: Border States came out to look at site. 11/5: Still waiting for update. 12/11: Waiting on revised quote. 2/4/2025: Waiting on new Maint Super to start. 3/18: Waiting on Border States to do site visit before set-up.
9	Martin Creek PS Pump Restraint System (JG)	TBD	Ordered during FY 2024 but did not receive until FY 2025. 7/15/2024: Ordered as in-kind unit with new pump head assembly. 7/30: COMPLETE
10	Martin Creek Storage Aerator Motor Replacement (JG)	OJRSA OJRSA Maint	12/11: Ordered. Expected to arrive in January. \$11,243 for motor, need to rent crane. 1/7/2025: Motor to be delivered tomorrow. Likely need to contract out install. 2/4: Delivery will now be April. Total cost \$12,422.
11	Pelham Creek PS Manual Transfer Switch Installation (JG)	Mason Electric TBD	11/4. Approved low bid for equipment and installation. 12/11: Ordered. We purchased ATS for WW Williams (5,664). Mason will do install (\$18,470). 2/4/2025: KL will call to make sure they have us on schedule. 2/17: Scheduled 3/25.
12	Perkins Creek PS Wet Well Cleanout (KL, MD)	TBD	8/6: Will need to bid. Will do with splitter box and digeter #1. 9/3: KL nearly complete with RFB. 9/17: After further evaluation, do not need to perform and money will be better spent on Coneross PS. REMOVED.
13	Richland Flow Meter Station Electrical Rewiring (JG)	Davis Power TBD	9/3: Staff met with electrician last week to get quote. 9/17: Waiting on 1 more quote. 11/5: Approved low bid. 12/11: Waiting on contractor to begin work. 2/4/2025: KL will call to make sure they have us on schedule. 2/17: Scheduled 3/31.
14	Paint Flow Meter Stations (JG)	TBD	9/3: Waiting on quotes. 9/17: Need 2 more quotes. 11/5: Still waiting on quotes. 12/11: Met with painters for stations. 2/5/2025: Received low bid. Will schedule soon. 2/17: Received quotes. Will award - \$3,800. 3/18: Scheduled 4/18.
15	Martin Creek PS/FM H2S Control <u>ENGINEERING AND PERMITTING</u> (KL)	Garver Will Nading	9/3: KL to reach out to Garver for next steps. 9/17: Need to determine permanent fix to this and where it goes in overall OJRSA priority list. 10/10: Spoke with W Nading and he is putting together scope. 11/4: OJRSA will need to publicly solicit work (est. \$140,000)
16	Southern Oconee Sewer PS/FM H2S Control <u>STUDY</u> (CE, KL)	Garver Will Nading	Project #2025-06 1/31: Received draft report. 2/10: Provided comments to Garver. 3/3: Sent message asking for update. 3/18: Haven't received update, called Nading and scheduled visit for next week.
17	Martin Creek PS Basin and Southern Westminster Trunk Sewer CCTV/Clean (KL, CE)	Secure Sewer & Svc Michael Bevelle	10/1: All contracted work is complete. OJRSA staff have to finish inspecting manholes and smoketest. 12/5: Finished additional work. 1/17: Smoke testing complete by OJRSA. COMPLETE.
18	Seneca Creek FM Replacement Constr Administration/Inspect (#2023-05; CE, KL)	GMC Daniel Mosher	Reimbursible by Fountain Residential Properties LLC per agreement. 11/4: Board approved Corrective Easement for force main. 1/17/2025: Preconstruction meeting scheduled for 1/29. 2/3: Contractor began mobilization.
19	WRF Replace Disinfection System Lightning Mixer (JM)	OJRSA OJRSA Maint	10/14: Receive updated quote but it did not include upper bearing cost. 12/11: Ordered and expect to receive in February. \$44,432. Still need motor, which is easy to get. 2/4: Delivery date at end of February. 2/27: COMPLETE.
20	WRF Util Water Pump (1 unit only)/Valve, Flow Eq Flow Control, RAS/WAS Pump/Mag Meter/Valve Install (JM)	Cove Utility Jeff Caffrey	1/8/2025: Board approved earlier in week, executed agreement. 1/10: Longer lead items have been ordered by Cove. 2/17: Cove verified items at site. Everything has now been ordered. 3/18: Waiting on equipment to arrive.
21	WRF Waterproofing Admin Building Roof/Walls and Chloring Building Roof (KL)	CE Bourne Kenneth Fennell	To be funded with O&M Contingency \$110,145 plus owner contingency of NTE\$15,000. 2/13: Pre-con meeting held. Items are now on order. 3/5: Started work on chlorine building. Once finished, will work on admin bldg. 3/10: Began work on admin bldg.

FY2025 O&M FUND PROJECTS

CONSENT ORDER ENGINEERING AND OPERATIONS AND MAINTENANCE TASKS

3/18/2025 15:36

22	WRF Paving Around Biosolids Storage Pad and Solids Processing Building (KL)	TMS Asphalt TBD	9/17: May need this money for dewatering project concrete. 10/14: KL cannot get anyone to return calls or come see site. Will need to begin again. 12/11: Have 3 quotes, will award soon. 2/4/2025: Have awarded. 2/17: Work to be done in March or April.
23	WRF Tank & Wet Well Clanouts (Primary Splitter Box and Digester #1) (JM)	Greenstone Const TBD	10/18: KL finalizing draft solicitation for bid. 10/24: Ad on SCBO. 11/26: Issued Addendum #1. 12/4: Received bids. Low bid--Greenstone Construction. 12/16: Contract executed. 2/17/2025: Started work on Digester 1. 3/8: COMPLETE .
24	WRF Replace/Paint Walkway Handrails (continued from FY 2024) (JM)	TBD	8/6: Purchased more paint. 10/14: Front end of plant complete. Now painting some items on back end of plant.
25	WRF Digesters/Solids Handling Tanks Grinder Rebuild (JG)	TBD	8/6: Getting updated quotes. 9/3: Has been ordered. 9/17: Rebuild kit arrived last week. 10/4: COMPLETE .
26	WRF Biological Reactor Basin Oxic Zone Gearbox Replacement (JM)	OJRSA OJRSA Maint	9/17: Need updated quote for this and WRF Disinfection System Lightning Mixer. 10/14: KL to review. 12/11: Ordered. \$42,187. Still need motor, which is easy to get. 1/28/2025: COMPLETE .
27	EMERGENCY Hurricane Helene Debris Removal (KL, MM)	Strick's Forestry Donald Strickland	Contract not to exceed \$262,500. Grinding/removing debris from OJRSA easements. 1/24/2025: COMPLETE .
28	EMERGENCY Hurricane Helene Debris & FEMA Management (KL, MM)	ICF Incorporated Larry Hughes	Have multi-term contract with ICF Incorporated LLC (1/23/2025 through 1/23/2028 with possibility for extension Contract NTE \$99K/FY. 2/12/2025: Cat A debris removal documentation presented to FEMA. 3/18: FEMA did site visit.
29	Operating Agreement (Draft) for Oconee County/OJRSA I-85 Sewer O&M (CE)	Bryan Kelley & Michael Traynham	
30			
31			

FY2025 RESTRICTED FUND PROJECTS

PROJECTS MAY CARRY ACROSS BUDGET YEARS

3/18/2025 15:37

Row #	Restricted Fund Projects (Project Manager)	OJRSA Project #	Approx % Complete	Anticipated Completion	OJRSA Funding Amount (\$)	Max Funding by Others (\$)	PO/Contract Amount (\$)	RESTRICTED FUND PROJECT MILESTONES				Obligated/ Spent Curr + Prev Years (\$)	Budget Remaining (\$)	GL Code (XXXXX = get from Office Mgr)	Comp. Performing (and Project Mgr)
								Bids/RFQ/etc. Issue/Advertised	PO/Contract Signed	Started Work	Completed				
A	Consent Order SSES/Rehab 2022 CONSTRUCTION SCIIP MATCH (CE, KL)	2024-02	100%	4/30/2024	351,291	0	351,291	7/28/2023	10/17/2023	12/4/2023	7/15/2024	316,577	34,714	PROJ & CONT 1501-09008	Tugalo Pipeline Ed Hare
B	Consent Order SSES/Rehab 2023 ENGINEERING SCIIP MATCH (CE, KL)	2024-08	75%	9/29/2025	398,000	0	398,000	N/A	9/15/2023	10/3/2023		204,585	193,415	PROJ & CONT 1501-09009	WK Dickson Priya Verravalli
C	Consent Order SSES/Rehab 2023 CONSTRUCTION SCIIP GRANT (CE, KL)		3%	9/29/2025	0	4,076,461	4,076,461	8/14/2024	11/20/2024	1/27/2025		0	4,076,461	PROJ & CONT 1501-09009	Frank Brinkley Bio-Nomic Services
D	Dewatering Equipment Replacement ENGINEERING SCIIP MATCH (KL)	2024-06	75%	PHASE II 6/30/2026	440,300	0	440,300	9/15/2023	12/19/2023	1/11/2024		213,249	227,051	PROJ & CONT 1501-09011	KCI Technologies Tom Vollmar
E	Dewatering Equipment Replacement CONSTRUCTION SCIIP GRANT (KL)		5%	PHASE II 6/30/2026	0	4,201,858	30,000	3/22/2024	7/30/2024	7/26/2024		0	30,000	PROJ & CONT 1501-09011	Harper GC Justin Jones
F	Exit 4/Oconee Manufacturing Park ("Sewer South Phase III") PS/Sewer ENGINEERING (CE)	TBD	99%	11/1/2024	0	0	N/A OCONEE CO PROJ	N/A OCONEE CO PROJ	N/A OCONEE CO PROJ	Sometime in 2022		0	0	TBD	Thomas & Hutton Lee Brackett
G	Flat Rock PS Replacement ENGINEERING/CONST SVCS SCIIP MATCH (CE)	2022-03	100%	10/23/2024	177,800	0	177,800	2/14/2022	7/5/2055	7/1/2022	10/10/2024	151,548	26,252	PROJ & CONT 1501-09005	KCI Technologies Tom Vollmar
H	Flat Rock PS Replacement CONSTRUCTION SCIIP GRANT (CE)	2024-03	100%	9/30/2024	0	1,321,656	1,321,656	6/7/2023	8/29/2023	3/25/2024	8/27/2024	1,321,656	0	PROJ & CONT 1501-09005	Cove Utilities Jeff Caffery
I	Oconee County & Western Andeson County Sewer Master Plan (CE)	2022-01	100%	6/3/2024	217,800	100,000	317,800	N/A	8/9/2023	9/12/2023	7/1/2024	317,476	324	PROJ & CONT 1501-09007	Weston & Sampson Kip Gearhart
J	Regional Sewer Feasibility Study RIA GRANT (CE)	2024-01	100%	11/29/2024	0	100,000	100,000	5/26/2023	10/10/2023	11/8/2023	9/9/2024	100,000	0	PROJ & CONT 1501-09010	WK Dickson Angie Mettlen
K	I-85 Corridor Phase II ENG/INSPECT SVCS COUNTY FUNDED (CE)	2019-XX	99%	10/31/2024	0	480,850	480,850	Inherited from Oconee Co	5/4/2023	5/4/2023		392,859	87,991	SSF: CIP 1401-06050	Davis & Floyd John Reynolds
L	I-85 Corridor Phase II CONSTRUCTION EDA/RIA/COUNTY FUNDED (CE)	2023-06	100%	10/31/2024	0	12,311,447	11,687,329	9/27/2022	3/23/2023	6/1/2023	2/4/2025	11,687,329	(0)	SSF: CIP 1401-06050	Kevin Moorhead Moorhead Construct
M	Martin Creek PS Basin Trunk Sewer CCTV Engineer Review (KL, CE)	2025-03	90%	3/31/2025	96,000	0	96,000	Consent Order Prof Svcs	9/30/2024			24,488	71,512	PROJ & CONT 1501-09012	Priya Verravalli WK Dickson
N	Southern Westminster Basin Trunk Sewer CCTV Engineer Review (KL, CE)	2025-03	90%	3/31/2025	76,000	0	76,000	Consent Order Prof Svcs	9/30/2024			23,790	52,210	PROJ & CONT 1501-09012	Priya Verravalli WK Dickson
O	Martin Crk PS Basin Flow Study and Compare to Perkins Crk PS Basin to Quantify I/I (CE)	2025-03	10%	3/31/2025	45,000	0	45,000	Consent Order Prof Svcs	9/30/2024			9,815	35,185	PROJ & CONT 1501-09013	Priya Verravalli WK Dickson
P	Speeds Creek PS Force Main Replacement ENGINEERING (CE, KL)	TBD	0%	TBD								0	0	PROJ & CONT 1501-TBD	TBD
Q	Speeds Creek PS Force Main Replacement CONSTRUCTION (CE, KL)		0%	TBD									0	0	PROJ & CONT 1501-TBD
R	I-85 Corridor Phase II Streambank Stabilization & Welcome Center Waterline (CE)	2019-XX	0%	TBD	0	78,650	78,650	Contract Amend #3	2/20/2025			0	78,650	SSF: CIP 1401-06050	Davis & Floyd John Reynolds
S			0%									0	0		
T			0%									0	0		
U			0%									0	0		
V			0%									0	0		
W			0%									0	0		
X			0%									0	0		
Y			0%									0	0		
Z			0%									0	0		
					1,802,191	22,670,922	19,677,137	TOTAL RESTRICTED FUNDS OBLIGATED/ACTUAL TO DATE:				14,763,372	4,913,765	TOTAL AWARDED BUDGET REMAINING	

FY2025 RESTRICTED FUND PROJECTS

PROJECTS MAY CARRY ACROSS BUDGET YEARS

3/18/2025 15:37

Row #	Restricted Fund Projects (Project Manager)	Notes
A	Consent Order SSES/Rehab 2022 CONSTRUCTION SCIIP MATCH (CE, KL)	Carryover from FY 2023 OJRSA CONG: \$40,000 . 5/20: COMPLETE. Used \$6,785.98 of budgeted/approved Owner Contingency for additional concrete work on final repair.
B	Consent Order SSES/Rehab 2023 ENGINEERING SCIIP MATCH (CE, KL)	PO/Contract Amount includes \$700,000 owner contingency 11/20: Pre-con held today. NTP for 1/2/2025. Bio-Nomic to send out construction schedule and shop drawings for engineer review. 1/21/2025: Bio-Nomic was scheduled to start this week but delayed one week due to incoming winter weather. 1/27: Began CCTV work. 3/5: Pre-CCTV work is complete and in process of review. 3/11: Engineer says project is behind schedule. 3/18: \$0 change order processed to allow for schedule modification
C	Consent Order SSES/Rehab 2023 CONSTRUCTION SCIIP GRANT (CE, KL)	11/7: Authorized KCI to use \$3,000 of project contingency for redoing layout for Schwing presses. 12/2: Signed Construction Permit Application, etc. 1/6/2025: Received 90% plans, Jackson Electric visited site to assess. 1/22: Received SCDES construction permit application payment request of \$550. 2/4: Board approved contracts. Signed, submitted stormwater permit application. 3/10: Received feedback from SCRIA on contract. KCI will need to oversee a few items and respond.
D	Dewatering Equipment Replacement ENGINEERING SCIIP MATCH (KL)	2/19: G Hart mentioned that he found that A Brock had submitted it and they haven't heard anything from SCDES yet. 3/18: Issued revised Conditional Acceptance letter to A Brock for her to send to T&H if she agreed with conditions.
E	Dewatering Equipment Replacement CONSTRUCTION SCIIP GRANT (KL)	9/3: Rain over weekend caused washing. Contractor to better stabilize area. 9/17: Cove/KCI have identified some solutions for stabilization. 9/18: Received SCDES Permit to Operate. Need record drawings, electronic files, site stabilization completion, etc. 10/10: Received final engineering invoice. 10/14: Received GIS information. COMPLETE. Retained approx. \$26,252 for PM and inspection funds not used, making OJRSA funding amount \$151,548.
F	Exit 4/Oconee Manufacturing Park ("Sewer South Phase III") PS/Sewer ENGINEERING (CE)	To continue under #2022-01 (Fair Play and Townville Area Sewer Basin Plan). 6/26: Provided W&S comments on draft. Have received 1/2 of "grant" for study. 7/1: Presented to Board and report finalized and put on website. 8/5: Board adopted. COMPLETE.
G	Flat Rock PS Replacement ENGINEERING/CONST SVCS SCIIP MATCH (CE)	8/5: Presented to Board as draft. Needs to be finalized. Will be considered 9/9. 9/9: Board approved. Next phase is implementation. This will be tracked in FY2025 O&M Projects. COMPLETE. 10/31: Received RIA Grant Close Out Letter.
H	Flat Rock PS Replacement CONSTRUCTION SCIIP GRANT (CE)	2/5: Still need GIS from D&F. 2/5: Received message from A Brock saying county approved Amendment #3 contract for streambank stabilization and water line. She will sign. Amount-\$78,650. 2/6: Received update letter from Justin Brooks w/ Moorhead. 2/26: Received SCRIA Final Closeout letter. 3/5: Signed , submitted Stormwater Notice of Termination
I	Oconee County & Western Andeson County Sewer Master Plan (CE)	1/2/2025: KL to see if it is complete or if they still need smoke test info. Need to now look at flow study analysis. 1/9: Received prelim report from WKD. Will review and provide comments. 1/27: Provided comments to Priya.
J	Regional Sewer Feasibility Study RIA GRANT (CE)	1/2/2025: Engineer now has all CCTV data. They still need smoke testing. 1/27: Provided smoke test data to engineer. 3/11: Prefinal report expected for comments by end of week. 3/18: Received draft report for review.
K	I-85 Corridor Phase II ENG/INSPECT SVCS COUNTY FUNDED (CE)	12/12: Rainfall event on 12/10 considered first qualifying event. WKD continuing to monitor flow meters. 12/27: Second qualifying rain event. 2/12/2025: This is possibly the 3rd qualifying event. WKD is assessing data.
L	I-85 Corridor Phase II CONSTRUCTION EDA/RIA/COUNTY FUNDED (CE)	CONSENT ORDER ITEM 7/15/2024: As identified in the 20 Year Master Plan, this force main should be replaced with similar sized pipe. 2/3/2025: Mentioned during board meeting that we had another break on line and it was mentioned that OJRSA will have to begin design during next fiscal year. B Faires asked to have this added as an agenda item for O&P Comm meeting.
M	Martin Creek PS Basin Trunk Sewer CCTV Engineer Review (KL, CE)	2/10/2025: Received signed agreement from A Brock, CE executed agreement and sent to D&F. 2/10: Roger Sears responded to R Love's email saying water line will need to be handled through encroachment process.
N	Southern Westminster Basin Trunk Sewer CCTV Engineer Review (KL, CE)	
O	Martin Crk PS Basin Flow Study and Compare to Perkins Crk PS Basin to Quantify I/I (CE)	
P	Speeds Creek PS Force Main Replacement ENGINEERING (CE, KL)	
Q	Speeds Creek PS Force Main Replacement CONSTRUCTION (CE, KL)	
R	I-85 Corridor Phase II Streambank Stabilization & Welcome Center Waterline (CE)	
S		
T		
U		
V		
W		
X		
Y		
Z		

Example: 100 home subdivision (As discussed during February 20, 2024 Finance & Administration (F&A) Committee meeting)

The costs in the example below are based on the current impact fees collected by OJRSA for treatment plant capacity expansion and upgrades only, not those associated with the conveyance system improvements necessary to deliver additional flow due to growth. This calculation to determine the “Treatment Only” portion of current \$15.25/gallon total impact fee¹ is:

$$\frac{\$15.25 \text{ per gallon}}{1.25\%} = \$12.20 \text{ per gallon for Treatment Only}$$

OJRSA METHOD OF CALCULATING TREATMENT ONLY IMPACT FEES DUE

OJRSA Impact Fee Policy uses a calculation that generally says that homes with a 2-inch water meter use 150 gallons per day (gpd).

$$100 \text{ Homes} \times 150 \frac{\text{gpd}}{\text{meter}} = 15,000 \text{ gpd for subdivision}$$

The total “Treatment Only” portion of the impact fees of \$12.20 per gallon per water meter is \$183,000.

$$\frac{\$12.20}{\text{gal}} \times 15,000 \text{ gpd} = \$183,000 \text{ collected for development}$$

SC DEPARTMENT OF ENVIRONMENTAL SERVICES (SCDES) METHOD OF CALCULATING TREATMENT ONLY IMPACT FEES DUE

SCDES Regulation 61-67 Appendix A says subdivisions are to be constructed using 300 gpd, not 150 gpd like OJRSA uses based on its Impact Fee Policy.

$$100 \text{ Homes} \times 300 \frac{\text{gpd}}{\text{meter}} = 30,000 \text{ gpd for subdivision}$$

The total “Treatment Only” portion of the impact fees of \$12.20 per gallon per water meter is \$366,000 **BUT** if were to use the approximate cost of \$19.60 per gallon for plant expansion as presented by Weston & Sampson (W&S) to the OJRSA F&A Committee on September 26, 2023, the cost to expand the treatment facility would be \$570,000.²

$$\frac{\$12.20}{\text{gal}} \times 30,000 \text{ gpd} = \$366,000 \text{ (based on OJRSA fee)}$$

$$\frac{\$19.60}{\text{gal}} \times 30,000 \text{ gpd} = \$588,000 \text{ (W&S suggested fee)}$$

There is a difference (deficit) of \$387,000 between what the OJRSA is collecting in impact fees for this development and what the projected cost will be to add the SCDES-based flow to the treatment facility via plant expansion. The calculation below does not include costs for conveyance system improvements, which are estimated by consultant to cost additional \$4.90/gallon in the W&S August 2023 memo.

\$183,000 collected by OJRSA – \$588,000 needed to add SCDHEC R. 61 – 67 Appendix A capacity per home = **-\$405,000**

$$\text{[Per home: } \left(\frac{\$12.20}{\text{gal}} \times 150 \frac{\text{gpd}}{\text{meter}} \right) - \left(\frac{\$19.60}{\text{gal}} \times 300 \frac{\text{gpd}}{\text{home}} \right) = \$1,830 \text{ collected by OJRSA method} - \$5,880 \text{ per DHEC \& W\&S method} = \mathbf{-\$4,050/home}$$

¹ As approved by OJRSA Board of Commissioner on October 2, 2023.

² W&S suggested \$19.60 per gallon for Treatment Plant Improvements and an additional 25% above this for Conveyance System Improvements (equal to an additional \$4.90 per gallon) needed to accommodate growth as stated in its August 21, 2023 memo to the OJRSA as presented to F&A Committee on September 26, 2023. Total recommended cost was \$24.50 per gallon.



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MEMORANDUM

TO: Chris Eleazer, Executive Director, Oconee Joint Regional Sewer Authority

FROM: Jason Gillespie, P.E.

DATE: August 21, 2023

SUBJECT: Recommendations for Impact Fee

Weston and Sampson (WSE) was contracted to update a technical memorandum prepared by Gillespie Engineering in May 2020 that provided recommendations for impact fee structure. Due to the significant increase in capital improvement costs since then, WSE revisited the cost assumptions and updated the fee structure recommendations accordingly. In 2020, OJRSA performed a significant amount of research regarding existing impact fee structures of other South Carolina utilities, as well as receiving meter counts from SJWD (Startex Jackson Wellford Duncan) Water District. Additionally, SJWD provided OJRSA with typical water consumption per meter size per an AWWA water utility survey. Water consumption per meter size is shown below in Table 1:

Table 1: Water Consumption Data Per Meter Type and Size (source: AWWA)

Meter Type / Size	Typical Flow (gpd)	
Residential	5/8"	150
	3/4"	150
	1"	365
Commercial / Industrial	5/8"	225
	3/4"	225
	1"	365
	1 1/2"	1,630
	2"	3,305
	3"	9,815
	4"	12,340
	6"	23,630
8" ¹	22,832	

In addition to the information obtained by OJRSA regarding SJWD meter counts, Gillespie Engineering also obtained similar information from the City of Anderson, Powdersville Water District, and Lexington Joint Municipal Water and Sewer Commission (JMWSC). All four utilities have what would be considered customer bases similar to what is served by OJRSA. None of the three utilities that Gillespie Engineering

¹ The typical ADF from the AWWA survey (as shown in Table 1) for an 8" meter was lower than that of a 6" meter. It is assumed this is just from a smaller sample size for 8" meters in the study. As a result, for the purposes of calculating a proposed impact fee for an 8" meter, the 6" meter fee was increased by 57% (the difference between the maximum flow rates of the two meter sizes).

obtained data from had data on average flow per meter size and type. Therefore, the information shown in Table 1 is assumed to be typical for all utilities in the study. Meter count data is as shown in Table 2:

Table 2: Meter Count Data for Similar Sized Utilities in South Carolina

Meter Type / Size	SJWD (gpd)	City of Anderson ² (gpd)	Powersville Water District ² (gpd)	JMWSC (gpd)	Average (gpd)
Residential	5/8"	24,350	0	0	12,175
	3/4"	0	16,564	13,568	11,782
	1"	134	0	0	76
Commercial / Industrial	5/8"	690	0	0	345
	3/4"	0	0	0	178
	1"	245	3,741	235	1,100
	1 1/2"	110	201	76	106
	2"	96	187	107	131
	3"	31	37	10	22
	4"	7	8	1	8
	6"	6	31	1	12
	8"	1	3	0	1
	10"	0	1	0	0

It is assumed that water consumption data and meter size distribution have not changed significantly since 2020; thus, the values shown in Tables 1 and 2 are used for the current update.

In the original 2020 analysis, a rule-of-thumb capital improvement cost per gallon per day (gpd) of average daily flow was used: \$9 per gpd for treatment and \$2.25 per gpd for conveyance (equal to 25% of the treatment gpd cost). Using these assumptions, an impact fee structure was developed as shown in Table 3, for a combined \$11.25 per gpd ADF.

WSE evaluated the capital improvement costs in the current construction market climate in 2023, which have escalated considerably since the original assumptions above which date back to 2018. Current costs have increased due to supply chain issues and inflation as illustrated in the estimates below:

Treatment Plant Construction	\$14/gpd
Soft Costs – Design, Permitting, Construction Administration and Inspection, Legal, etc. (20%)	\$2.8/gpd
Project Contingency (20%)	\$2.8/gpd
TOTAL TREATMENT PLANT COSTS	\$19.6/GPD
TOTAL CONVEYANCE SYSTEM COSTS (25% OF TREATMENT)	\$4.9/GPD
TOTAL RECOMMENDED IMPACT FEE BASIS	<u>\$24.5/GPD</u>

Using the above cost assumptions, the proposed impact fees for FY2024 are shown below in Table 3:

² City of Anderson and Powersville Water District did not have meter data broken out between residential and commercial / industrial. Therefore, all 3/4" meters were assumed to be residential.

Table 3: Proposed and Current Impact Fee Structure Based on Meter Type and Size

Meter Type / Size		Combined Impact Fee PROPOSED FY 2024	Combined Impact Fee CURRENT (approved April 5, 2021)
Residential	5/8" or 3/4"	\$3,700	\$1,700
	1"	\$8,900	\$4,100
Commercial / Industrial	5/8" or 3/4"	\$5,500	\$2,500
	1"	\$15,300	\$7,000
	1 1/2"	\$39,900	\$18,300
	2"	\$81,000	\$37,200
	3"	\$240,500	\$110,400
	4"	\$302,300	\$138,800
	6"	\$578,900	\$265,800
8"	\$908,900	\$417,700	

The proposed impact fees would put OJRSA within the upper range of impact / capacity fees with other upstate South Carolina utilities. In general, OJRSA's system is smaller than most of the utilities shown below, and as a result, incremental capacity increases to the system are more expensive than in other locations. Additionally, some utilities choose to subsidize a portion of the impact / capacity fees and spread some of the cost across the existing customer base. A summary of impact fee structures is shown in Table 4 below. Where a utility has both water and sewer, the sewer portion of the impact fee is shown.



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Table 4: Impact Fee Comparison Among Upstate Sewer Utilities

Meter Type / Size	OJRSA Current Impact Fee	OJRSA Proposed Impact Fee	ReWa	Spartanburg Water (Sewer Only)	Anderson County	City of Anderson	Laurens County Water & Sewer (Sewer Only)	Easley Combined Utilities ³	Average (Excluding OJRSA)	Median (Excluding OJRSA)
Residential	5/8" or 3/4"	\$1,700	\$2,500	\$1,200	\$4,500	\$600	\$1,500	\$2,500	\$2,060	\$1,500
	1"	\$4,100	\$5,000	\$1,200	\$4,500	\$600	\$6,240	\$2,500	\$3,508	\$4,500
Commercial / Industrial	5/8"	\$2,500	\$2,500	\$1,200			\$1,500		\$1,733	\$1,500
	3/4"	\$2,500	\$5,000				\$1,500		\$3,250	\$3,250
	1"	\$7,000	\$15,300	\$3,000			\$6,240		\$5,580	\$6,240
	1 1/2"	\$18,300	\$39,900	\$15,000	\$6,000		\$10,410		\$10,470	\$10,410
	2"	\$37,200	\$81,000	\$22,500	\$9,600		\$29,170		\$20,423	\$22,500
	3"	\$110,400	\$240,500	\$50,000	\$21,600		\$55,570		\$42,390	\$50,000
	4"	\$138,800	\$302,300	\$100,000	\$34,800		\$219,510		\$118,103	\$100,000
	6"	\$265,800	\$578,900	\$300,000	\$129,600				\$214,800	\$214,800
8"	\$417,700	\$908,900	\$400,000	\$158,400				\$279,200	\$279,200	

³Easley Combined Utilities assess capacity fees based on REUs (flow based) rather than water meter size. Therefore, while impact fees increase proportional to flow, it is not directly related to meter size.

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October 2, 2023

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DEFINITIONS, ACRONYMS, AND FORMAT

This Section of the *OJRSA Impact Policy* contains definitions, acronyms, abbreviations, and formatting that are specific to this document.

DEFINITIONS

The following words, unless the context, custom or intent clearly indicates otherwise, shall mean:

Board means the OJRSA Board of Commissioners.

Capacity Permit means a Permit for OJRSA Wastewater System Capacity (or other document that serves this purpose) issued to a User or facility after January 1, 1990.

Construction Permit means a permit issued by SCDHEC that conditionally allows for a wastewater project to be built.

Customer means a User who, according to the records of a Member City or the OJRSA, receives wastewater service at a site that is directly or indirectly served by the OJRSA via a sewer service connection.

Executive Director means the Executive Director of Oconee Joint Regional Sewer Authority, South Carolina.

Impact Fee (also commonly referred to as “Capacity Fee”) means a one-time charge assessed to all new sewer customers of OJRSA under an “Incremental Expansion Method” whereby the charge has been calculated to ensure there are no existing infrastructure deficiencies or surplus capacity in infrastructure. Additionally, existing customers may be charged an Impact Fee if the initial capacity associated with their building or structure is insufficient for such original use due to a renovation or rehabilitation of such facility.

Industrial User means a User or facility that introduces pollutants from any non-domestic wastewater source as regulated by the Federal Water Pollution Control Act (also known as the Clean Water Act), Title 40 of the Code of Federal Regulations, and/or stat/local laws and regulations.

Land Use means the utilization condition of a property and for purposes of this Impact Fee Policy shall be either Residential Use or Nonresidential Use.

Master Meter means a water meter that serves multiple tenants. This practice is often utilized in conjunction with Multi-Family Developments (e.g., apartments, condominiums, etc.), subdivisions, and mobile home parks but can include other types of users.

Member City means the cities of Seneca, Walhalla, and Westminster and others as defined by legally binding Intergovernmental Agreement(s).

Multi-Family Development means a structure or complex of buildings intended for multiple families to reside in for extended periods of time. Examples include apartments, townhomes, condominiums, duplexes/multi-plexes, etc. Multi-Family Developments where each residential unit is served by its own water meter is treated as a Residential User.

Nonresidential Use means any use other than a Residential Use, which may include, but is not limited to: Commercial Users, Industrial Users, health care facilities, religious establishments, educational facilities, assisted living facilities, and other establishments. *It shall also include apartments, condominiums, and other multi-unit housing complexes served by a Master Meter and/or with a common sewer service lateral or system serving multiple units prior to connecting with a public sewer.*

OJRSA Service Area means the area that OJRSA is permitted to provide service, as may be amended from time to time.

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OJRSA Retail System means, in reference to OJRSA’s wastewater treatment and/or conveyance system, the portion of the wastewater collection system, trunk sewer, and/or treatment plant where OJRSA is the sole wastewater utility providing services to the end user.

OJRSA Wholesale System means, in reference to OJRSA’s wastewater treatment and/or conveyance system, the portion of OJRSA wastewater trunk sewer and/or treatment system that serves the Member Cities, as well as the Town of West Union, which are considered to be the users’ retail sewer provider.

Residential Use means a freestanding residential structure and is intended to be used as a single unit with un-shared utilities. Includes detached homes (regardless of its location in a subdivision), mobile homes, Multi-Family Developments (*if units have individual sewer plumbing that is not combined prior to connection to the public sewer system*), and recreational vehicle/camper site with an individual water meter and sewer connection. It shall not include those served by a Master Meter or those defined as a Nonresidential Use.

Retail Impact Fund means the banking and investment account to be used for the renovation, modernization, and expansion of OJRSA Retail System, the funding source of which is impact fees collected and expended pursuant to Title 6 Chapter 1 Article 9 of the Code of Laws of South Carolina 1976, as amended and the Impact Fee Policy.

User means any person or entity who directly or indirectly discharges, causes, or permits the discharge of domestic or nondomestic wastewater to any wastewater conveyance system directly or indirectly connected to an OJRSA facility. Users consist of Residential and Nonresidential Users as defined herein. A User can have water and/or sewer service provided by a Member City, OJRSA, or can be a Well Customer.

Well Customer means a Customer that utilizes sewer service that receives potable or non-potable water from any hole that is drilled, dug, or excavated. Such Customers shall be classified as Residential or Nonresidential Users.

Wholesale Impact Fund means the banking and investment account to be used for the renovation, modernization, and expansion of OJRSA Wholesale System, the funding source of which is impact fees collected and expended pursuant to Title 6 Chapter 1 Article 9 of the South Carolina Code of Laws 1976, as amended and the Impact Fee Policy.

Willingness and Capability Letter means an executed letter from OJRSA providing its initial commitment to provide sewer service to a developer or owner. This letter may also be titled by the following: Willingness & Ability to Serve, Commitment to Own, Commitment to Own & Operate, of other similar title as required by SCDHEC prior to the issuance of a Construction Permit that will allow for the construction of a wastewater system.

ACRONYMS AND ABBREVIATIONS

etc.: *Et Cetera*, Latin for “and other things”

ERU: Equivalent Residential Unit

GPD: Gallons Per Day

OCSC: Oconee County Sewer Commission, predecessor to the Oconee Joint Regional Sewer Authority

OJRSA: Oconee Joint Regional Sewer Authority

SCDHEC: South Carolina Department of Health and Environmental Control or any successor agency

DOCUMENT FORMAT

This manual contains fonts and styles that mean certain things, including points of emphasis or reference other sections or materials. Below is a list of the types used within this manual and what it represents when encountered in the *OJRSA Impact Fee Policy*.

Italics

Title of books, manuals, and other documents

MIX-SIZED CAPITAL LETTERS

Name of sections or appendices in a book, manual, or other document

Underlined Italics

A note of caution or warning

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SECTION 1 – ADOPTION

The *OJRSA Impact Fee Policy* (the “Impact Fee Policy” or “Policy”) shall become effective in accordance with OJRSA Resolution 2024-04. All resolutions or policies (including former impact fee policies) that are in conflict with the provisions of this Resolution or the Policy are hereby repealed to the extent of the conflict or inconsistency or in their entirety where the conflict or inconsistency is not severable from such document.

SECTION 2 – PURPOSE

The purpose of this Policy is to establish the method by which Impact Fees, as defined herein, shall be calculated and assessed within the Oconee Joint Regional Sewer Authority, South Carolina (“OJRSA”). This Impact Fee Policy is based upon the conclusions and recommendations found in the Technical Memorandum dated May 19, 2020 prepared by Gillespie Engineering (the “Impact Fee Consultant”).

SECTION 3 – POLICY

3.1 ASSESSMENT

An Impact Fee shall be assessed on all new development and redevelopment, including a change in Land Use, located within the OJRSA Service Area for which new sewer service is necessary or additional sewer service is needed, except for the following:

- A. Rebuilding or replacing a structure (Residential or Nonresidential) on a parcel of land that contains an existing sewer service of sufficient size and capacity to meet the requirements of the new use;
- B. Remodeling or repairing a structure with the same Land Use that does not result in an increase in the volume of wastewater discharged or place additional demands on OJRSA’s facilities and equipment;
- C. Construction of an addition to a structure (Residential or Nonresidential) that does not increase the volume of wastewater discharge; or
- D. Changing or adding uses or equipment, unless it is clearly demonstrated that the use creates no new or increased volume of wastewater discharge for OJRSA’s facilities and equipment.

3.2 NONTRANSFERABLE

The capacity purchased via an Impact Fee shall remain with the real property regardless of ownership. The capacity shall not be transferred to an alternate property location, nor can it be sold, purchased from someone else, or traded as a commodity.

3.3 IMPACT FEE RATES AND REASSESSMENT

- A. The rates for Impact Fees are based on advice received from the Impact Fee Consultant, and have been approved by the Board. The rates are set forth in the *OJRSA Schedule of Fees* adopted and periodically updated by the Board. The rates may be subject to change based upon future legislative action undertaken by the Board. Except as noted for Nonresidential Users in SECTION 3.4(C), Impact Fee rates are based on Land Use and water meter size as set forth below.

Use	Water Meter Size (in inches)	Average Daily Use (GPD)
Residential	3/4 and 5/8	150
	1	365
Nonresidential	3/4 and 5/8	225
	1	625
	2	1,630
	6	3,305

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	3	9,815
	4	12,340
	6	23,630
	8	37,100

- B. Impact Fees shall be reassessed no less frequently than every two (2) years and an update on these costs shall be provided to the Board for implementation consideration.

3.4 PAYMENT AND TIMING

Impact Fees will be paid as described below:

- A. Impact Fees shall be paid prior to the issuance of a Capacity Permit in accordance with the rates set forth in the *OJRSA Schedule of Fees*.
- B. Payment of the Impact Fee is a condition of development approval and the issuance of a Capacity Permit shall not be issued until Impact Fees are paid in full.
- C. For Nonresidential Users that discharge wastewater from water sources other than strictly a potable supply (e.g., direct surface withdrawal, groundwater wells, etc.) and/or if there is an anticipated difference greater than five percent (5%) between the potable water used by an industry and the amount to be discharged (e.g., evaporation through cooling, beverage bottling operations, etc.), then it will be necessary for OJRSA establish the Impact Fee on a case by case basis and to consult an engineering firm of its choice to determine what the appropriate Impact Fees shall be. All costs for process water shall be calculated at a per gallon rate as stated in the *OJRSA Schedule of Fees*. All costs of the engineer's assessment shall be the applicable nonresidential user's sole expense. If, after one (1) year of substantially completed operation, the actual volume of wastewater discharge differs by more than five percent (5%) from the potable water used, the owner or tenant will be assessed additional Impact Fees to cover the increased wastewater volume.
- D. For subdivisions, as of July 1, 2021, the property developer shall pay Impact Fees for all lots within the subdivision with the assumption that all lots will have a 5/8- or 3/4-inch meter. Impact Fees for subdivisions must be paid prior to OJRSA issuing a Willingness and Capability Letter that is necessary for the permitting of a wastewater collection system extension serving a development. To the extent that an Impact Fee was not paid for a property within a subdivision prior to July 1, 2021, all new development shall be subject to the Impact Fees as set forth in this Impact Fee Policy.
- E. Impact Fees for Well Customers or other unmetered connections for their water supply shall be charged in the following manner:
1. Residential Users shall be charged a fee equal to that of a 5/8- or 3/4-inch meter, and
 2. Nonresidential Users shall be charged a fee equivalent to the appropriate water meter size for each well as determined by an engineer of OJRSA's choosing, and the customer shall be responsible for any engineering costs.
- F. In limited circumstances, a fee payor may request to provide services, monetary contributions, or facilities in lieu of the payment of Impact Fees. In such event, any services, monetary contributions, or facilities paid in lieu of the payment of Impact Fees shall be evaluated and if necessary, in the Board's sole discretion valued by a consultant chosen in the discretion of OJRSA, acting through its Executive Director. Subsequent to any such valuation as necessary, the Impact Fees may be reduced or waived by vote of the Board as applicable. The authority to reduce or waive Impact Fees is in the Board's sole discretion.
- G. Unusual situations and conditions not addressed in this Impact Fee Policy shall be considered in consultation with the OJRSA's engineer on a case-by-case basis. Such decisions made by the OJRSA shall not establish precedence for similar circumstances that may occur in the future.

3.5 USAGE

- A. Impact Fees shall be imposed only to fund wastewater system improvement costs reasonably related to new development. Impact Fees cannot be used to offset OJRSA's operating costs or maintenance of existing public facilities.

OJRSA Impact Fee Policy

October 2, 2023

- B. Based on the calculations performed by Impact Fee Consultants, the Impact Fees shall not exceed the costs of wastewater system improvement costs reasonably related to such development.
- C. The Executive Director, or his/her designee, shall make periodic reports to the Board and/or any designated committee regarding the collection and use of Impact Fees. Consideration shall be given as to how the Impact Fees are being spent for the benefits of new developments or replacing existing capacity within the OJRSA Service Area.

3.6 DISPOSITION

All monies paid by the fee payor pursuant to this Impact Fee Policy shall be identified as Impact Fees and promptly deposited in either the Retail Impact Fund or the Wholesale Impact Fund. Impact Fees shall be deposited in the Retail Impact Fund if the additional capacity is required from the OJRSA Retail System. Impact Fees shall be deposited in the Wholesale Impact Fund if the additional capacity is required from the OJRSA Wholesale System. Any Impact Fees on deposit in the either the Retail Impact Fund or the Wholesale Impact Fund that are not immediately necessary for expenditure shall be maintained and be invested (in accordance with South Carolina law and OJRSA's Financial Policies) prior to expenditure on authorized projects. Interest earned within the Retail Impact Fund or the Wholesale Impact Fund shall be treated as Impact Fees subject to all restrictions placed on the use of Impact Fees pursuant to this Impact Fee Policy.

3.7 REFUNDS

- A. OJRSA shall refund, to the current owner of record of the property for which an Impact Fee has been paid, all Impact Fees paid with respect to such property if the development for which the Impact Fees were imposed did not occur and no financial impact to OJRSA has occurred in preparation to increase capacity to serve the property; provided that, if some, but not all, of the development for which Impact Fees were imposed occurred, the amount of Impact Fees shall be refunded and shall be pro-rated accordingly. Such refunds must be approved by the Operations & Planning Committee, which is a standing committee of the OJRSA Board.
- B. Subject to the provisions of 3.7(A) set forth above, property owners seeking a refund of Impact Fees must submit a written request for a refund of Impact Fees to the Executive Director within one (1) year of the date of abandonment of the development for which a Willingness and Capability Letter was issued. This notification to OJRSA must occur following confirmation that the SCDHEC Construction Permit has been canceled and flow associated with the project that was allocated by SCDHEC to OJRSA facilities has been removed by SCDHEC. Refunds of Impact Fees shall not include any interest earnings or other revenues derived from the Impact Fees from the initial date of payment. Any Impact Fees, subject to the provisions of this section for which no application for a refund has been made within the one (1) year refund claim period, shall be retained by OJRSA and expended on public facilities of the type for which such Impact Fees were collected.

3.8 APPEALS

- A. A fee payor may pay Impact Fees under protest. Payment under protest is a condition precedent to appealing any Impact Fees described herein. Additionally, a fee payor, at his/her option, may also post a bond or submit an irrevocable letter of credit for the amount of Impact Fees due instead of making a cash payment under protest, pending the outcome of an appeal.
- B. A fee payor may file an administrative appeal with the Executive Director regarding the payment of Impact Fees by filing a written notice of appeal. Said notice shall be filed within ten (10) calendar days of the payment of the Impact Fees. The filing of an appeal will immediately halt all sewer services unless the fee payor posts a bond or submits an irrevocable letter of credit for the full amount of the Impact Fees as calculated by OJRSA to be due. All notices of appeal shall include a full explanation of the reasons for the appeal, specifying the grounds therefor, and containing any documentation that the fee payor desires to be considered. The appeal shall contain the name and address of the fee payor filing the appeal and shall state their capacity to act as representative or agent if they are not the owner of the property to which recovery fees pertain. By no later than twenty (20) calendar days following receipt of the written notice of appeal, the Executive Director will review the appellant's written report, supporting documentation and departmental staff reports. The review period may be extended in the discretion of the Executive Director if additional information is needed from

OJRSA Impact Fee Policy

October 2, 2023

- the appellant in order to render a decision. Upon completion of the administrative review, the Executive Director will provide a written response to the Appellant constituting a final administrative determination.
- C. Any person desiring to appeal the final administrative determination of the Executive Director regarding payment of Impact Fees shall file a written notice of appeal to the Board. Said notice of appeal to the Board shall be filed with the Secretary of the Board within five (5) business days following receipt of the final administrative determination. Receipt shall be construed to have occurred when the final administrative decision is deposited in the United States mail postage prepaid to the person whose name and address is identified in the original notice of appeal. Thereafter, the Board shall conduct a hearing at its next regularly scheduled meeting, or such other meeting time as may be agreeable to OJRSA and the appellant, and shall allow the appellant, in person or acting through counsel, to present an oral presentation to the Board regarding its appeal. After hearing such appeal, the Board, within ten (10) business days, shall make a written finding as to the appeal and either accept the findings appeal, reject it or proffer a compromise. If any refund is determined, OJRSA shall refund the required amount within ten (10) business days of the written determination by the Board. The findings and determination of the Board shall constitute the final judicial determination as to the payment of Impact Fees.
- D. Only after all administrative appeals have been exhausted under the provisions of this Impact Fee Policy, the aggrieved fee payor may determine to file a suit in a court of competent jurisdiction to challenge the payment of the disputed Impact Fees.

REVISION HISTORY

This and previous editions must be maintained in accordance with the *OJRSA Records Retention Policy*.

Table 1: OJRSA Impact Fee Policy revision history

Revision Number	Date	Description of Changes
N/A	11/21/1989	Oconee County Ordinance [19]89-6 established first wastewater impact fee at rate of \$300 per equivalent residential unit (ERU) of 200 gallons of wastewater per day. The effective date of the fee to be midnight, 12/31/1989.
N/A	05/13/1991	OCSC Board approves changes to impact fee policy, including a change to the residential ERU to 400 GPD, what constitutes new construction that must pay fees, multiple residences on a single connection, fees for larger users, and exemptions.
N/A	07/06/1998	OCSC Board policy states the agency can neither waive nor lower impact fees.
N/A	10/05/1998	OCSC Board policy requires payment of impact fees before facility can get a building permit.
N/A	03/01/1999	OCSC Board policy adopted that considers "sweet shops" (dessert and ice cream stores) to be charged impact fees based on them being a "recreation-type facility" of five (5) GPD per seat plus twenty-five (25) GPD per employee.
N/A	01/10/2000	OCSC policy adopted that requires Industrial Pretreatment staff to take an average of the number of employees for an industry during the previous year to complete the audit for determining impact fees. This number is to include temporary employees.
N/A	04/01/2002	OCSC Board passed policy to bill Oconee County for impact fees associated with the Newry community.
N/A	10/04/2004	OCSC Board approved transferring impact fees from the old School District of Oconee County Administration Building to the new building but they must pay some fees for additional staff.
N/A	05/01/2006	OCSC Board addressed requirements necessary to provide refund for a facility that constructed a smaller facility than was originally permitted.
N/A	07/03/2006	OCSC approved increasing impact fee to \$450 per ERU and approved reviewing the fee annually and increasing it based on changes in the Consumer Price Index.
N/A	08/07/2006	OCSC adopted policy on how to calculate impact fees on buildings without dividing walls ("shell buildings").
N/A	02/04/2008	OJRSA Board authorized creation of an additional impact fee for the transportation and trunk line system of \$300 per ERU. The effective date to be 04/01/2008.

OJRSA Impact Fee Policy

October 2, 2023

Revision Number	Date	Description of Changes
N/A	10/05/2015	OJRSA Board continued former SCDHEC method to calculate grocery stores, offices, small stores/businesses/administration buildings, and shopping centers/large department stores/malls.
N/A	11/07/2016	OJRSA Board provided a grant to cover impact fees for Walhalla American Legion Post #214.
N/A	12/07/2020	OJRSA Resolution 2021-06 addressed how to handle non-permitted and under-permitted residential and nonresidential facilities regarding payment of impact fees.
N/A	04/05/2021	OJRSA Resolution 2021-12 changed the way impact fees are calculated, which is to use water meter size and type use instead of SCDHEC hydraulic loading, which uses ERUs. It also established "grandfathering" certain existing customers. The effective date to be 07/01/2021.
N/A	05/02/2022	OJRSA Board approved policy to collect impact fees for its retail sewer service area in southern Oconee County. The fees collected for this fund are to be used solely for growth-related projects associated with the OJRSA Retail Wastewater System. If used for a commonly-shared asset, such as the Coneross Creek Water Reclamation Facility, project expenses paid by the Member Cities and retail sewer customers shall be equal to the percentage of impact fees collected from the Wholesale and Retail users beginning January 1, 2023.
0000	10/02/2023	Initial issue of comprehensive <i>OJRSA Impact Fee</i> by <i>OJRSA Resolution 2024-04</i> .

OCONEE JOINT REGIONAL SEWER AUTHORITY 20-YEAR CAPITAL IMPROVEMENT PLAN & REHABILITATION PLAN

Includes projects identified in *Oconee County & Western Anderson County Sewer Master Plan Scenario 4* as recommended by Weston & Sampson/Bolton & Menk (2024) and known/anticipated O&M and rehabilitation projects. All costs in **July 2024 Dollars**.

December 2024 (priorities updated February 2025)

Priorities -- 1A: Critical O&M/Consent Order with No/Limited Growth **1B:** Critical O&M/Consent Order with More Significant Growth

PRIORITY	PROJECT	LOCATION	FUNDING SOURCE	FISCAL YEAR(S)	CONSENT ORDER	TOTAL COST (\$)
1A	Systemwide Improvements (Rehab 100% of System Plus Misc. Gravity Sewer Improvements)	Conveyance	Primary Debt	ALL YEARS = \$1,228,750/Yr	YES	1,228,750
	CCTV/Cleaning	Conveyance	Annual (O&M)	ALL YEARS = \$200,000/Yr	YES	200,000
	Engineering/Flow Metering	Conveyance	Annual (O&M)	ALL YEARS = \$800,000/Yr	YES	800,000
	GIS/Mapping	Conveyance	Annual (O&M)	ALL YEARS = \$29,550/Yr	YES	29,550
	Choestoea Creek PS Replacement	Conveyance	Cash &/or Debt	2026-2027	YES	2,887,500
	Speeds Creek Force Main Replacement	Conveyance	Cash &/or Debt	2026-2027	YES	2,713,000
	Coneross Influent PS Replace Soft Starts	WRF	Annual (O&M)	2026	No	104,650
	Primary Clarifiers: Prim Clarifier Sludge #3 Pump Replacement	WRF	Annual (O&M)	2026	No	30,000
	Pelham Creek PS Replacement CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	Conveyance	Cash &/or Debt	2026-2027	No	2,000,000
	Aeration: Gate Replacements	WRF	Cash &/or Debt	2026-2027	No	300,000
	Aeration: Motor Repair / Replacement	WRF	Cash &/or Debt	2026-2027	No	107,620
	Biological Reactor Basin: Valve / Gate Replacements	WRF	Cash &/or Debt	2026-2027	No	293,020
	Digesters / Sludge Holding Tanks: Mixer Replacement for #1	WRF	Cash &/or Debt	2026-2027	No	273,000
	Digesters / Sludge Holding Tanks: Replace Blowers	WRF	Cash &/or Debt	2026-2027	No	560,300
Electrical: Backup Power - Portable Generator Connection (inc. Engineering)	WRF	Cash &/or Debt	2026-2027	No	212,875	
Flow Equalization & Storage: Day Tank Mixing and Control Equipment	WRF	Cash &/or Debt	2026-2027	No	232,473	
Secondary Clarifiers: Rebuild / Replace Mechanical Equipment	WRF	Cash &/or Debt	2026-2027	No	375,800	
Perkins Creek PS Replacement	Conveyance	Primary Debt	2026-2027	YES	6,930,000	
Milbrook PS Upgrade CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	Conveyance	Cash &/or Debt	2026-2027	No	2,000,000	
Martin Creek H2S Control	Conveyance	Cash &/or Debt	2026-2027	No	1,000,000	
Seneca Creek PS Upgrade POSSIBLE ELIMINATION BY DAVIS CREEK SEWER PROJECT	Conveyance	Primary Debt	2026-2027	No	3,750,000	
						\$26,028,538

All Priority 1A and 1B projects for FY 2026 and FY2026+FY2027

See reverse for Priority 1A and 1B sorted by funding source

Cumulative cost for all Priority 1A \$ 7,858,800

BY FUNDING SOURCE THEN CONSENT ORDER		COST (\$)
Annual (O&M)		1,164,200
No		134,650
	Coneross Influent PS Replace Soft Starts	104,650
	Primary Clarifiers: Prim Clarifier Sludge #3 Pump Replacement	30,000
YES		1,029,550
	CCTV/Cleaning	200,000
	Engineering/Flow Metering	800,000
	GIS/Mapping	29,550
	Cash &/or Debt	12,955,588
No		7,355,088
	Aeration: Gate Replacements	300,000
	Aeration: Motor Repair / Replacement	107,620
	Biological Reactor Basin: Valve / Gate Replacements	293,020
	Digesters / Sludge Holding Tanks: Mixer Replacement for #1	273,000
	Digesters / Sludge Holding Tanks: Replace Blowers	560,300
	Electrical: Backup Power - Portable Generator Connection (inc. Engineering)	212,875
	Flow Equalization & Storage: Day Tank Mixing and Control Equipment	232,473
	Martin Creek H2S Control	1,000,000
	Millbrook PS Upgrade CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	2,000,000
	Pelham Creek PS Replacement CAN BE ELIMINATED BY DAVIS CREEK SEWER PROJECT	2,000,000
	Secondary Clarifiers: Rebuild / Replace Mechanical Equipment	375,800
YES		5,600,500
	Choestoea Creek PS Replacement	2,887,500
	Speeds Creek Force Main Replacement	2,713,000
	Primary Debt	11,908,750
No		3,750,000
	Seneca Creek PS Upgrade POSSIBLE ELIMINATION BY DAVIS CREEK SEWER PROJECT	3,750,000
YES		8,158,750
	Perkins Creek PS Replacement	6,930,000
	Systemwide Improvements (Rehab 100% of System Plus Misc. Gravity Sewer Improvements)	1,228,750
	Grand Total	26,028,538



Piedmont Municipal Power Agency

BOARD PACK

for

PMPA Board Meeting

Thursday, March 20, 2025

10:00 AM (EDT)

Held at:

PMPA Office

121 Village Drive, Greer, SC 29651

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Agenda

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AGENDA

PMPA BOARD MEETING



Name:	Piedmont Municipal Power Agency
Date:	Thursday, March 20, 2025
Time:	10:00 AM to 2:00 PM (EDT)
Location:	PMPA Office, 121 Village Drive, Greer, SC 29651 https://pmpa.zoom.us/j/85204090947?pwd=D9fNBZtbYeuyEytodef2obvNOU8Fq3.1
Board Members:	Blake Stone, Andy Sevic (Chair), Mayor Brian Ramey, David Vehaun, Donnie Hardin, Eric Goodwin, Mayor Foster Senn, Jason Taylor, Jimmy Bagley, Joe Nichols, John Young, Keith Wood, Kevin Bronson, Lance Davis, Marc Regier, Mike Richard, Ronnie Roth, Steve Bratton, Tim Hall, Mayor Randy Randall
Attendees:	Angie Hoover, Brandon Audet, Cindy Frierson, Dedra Howell, Dennis Cameron, Gary Brunault, Joel Ledbetter, JulieAnne London, Kenny Bradley, Lynn Price, Mike Frazier, Rion Foley, Robby Townsend, Tom Gressette, Tracy Quinn, Will Blanton

1. Call to Order

1.1 Identify Virtual Attendees

1.2 Declaration of Quorum

1.3 Invocation

2. Approval of Minutes

2.1 Confirm Minutes

Supporting Documents:

2.1.a	Minutes : PMPA Board Meeting - 20 Feb 2025	6
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2.2 Vote to Approve Minutes of February 20, 2025 Board Meeting and Workshop

Supporting Documents:

2.2.a	February 20 2025 Workshop Minutes.pdf	10
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3. Acceptance of Financial Report

3.1 February 2025

Supporting Documents:

3.1.a	February 2025 Financial Board Mailing.pdf	11
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4. Reports

4.1 Finance

4.2 Engineering

Supporting Documents:

4.2.a	2025_02_Demand Response Report.pdf	18
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4.3 Catawba

Supporting Documents:

4.3.a	Catawba Report March 20, 2025 Board Meeting.pdf	21
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4.4 Management

5. Action Items

5.1 Presentation and acceptance of the 2024 Financial Audit

For Decision

Supporting Documents:

5.1.a	PMPA 12-31-24 Audit Pres - Client.pdf	22
5.1.b	PMPA 2024 Financials Final.pdf	43

5.2 Consideration and approval of a policy for allocation of G&A expenses

For Decision

Supporting Documents:

5.2.a	Policy for Allocation of PMPA GA Expenses_Proposed.pdf	95
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6. Participant Discussion

7. Executive Session

7.1 Vote to enter into Executive Session

7.2 Discuss matters pertaining to contractual negotiations

7.3 Vote to return to Regular Session

8. Actions to be taken based on discussion in Executive Session

8.1 Action based on discussion in Executive Session

For Decision

9. Other Business

9.1 Other Business

10. Adjourn

10.1 Adjourn

Next meeting: PMPA Board Meeting - Apr 17, 2025, 10:00 AM

MINUTES (in Review)

PMPA BOARD MEETING



Name:	Piedmont Municipal Power Agency
Date:	Thursday, February 20, 2025
Time:	10:00 AM to 1:28 PM (EST)
Location:	PMPA Office, 121 Village Drive, Greer, SC 29651
Board Members:	Andy Sevic (Chair), Blake Stone, Mayor Randy Randall, Ronnie Roth, Eric Goodwin, Steve Bratton, Mike Richard, Marc Regier, John Young, Keith Wood, Mayor Foster Senn, Jason Taylor, Jimmy Bagley, David Vehaun, Joe Nichols, Kevin Bronson
Attendees:	Joel Ledbetter, Tracy Quinn, Lynn Price, JulieAnne London, Will Blanton, Kenny Bradley, Mike Frazier, Dennis Cameron, Tom Gressette, Rion Foley, Gary Brunault
Apologies:	Tim Hall, Donnie Hardin, Lance Davis, Mayor Brian Ramey, Cindy Frierson, Angie Hoover, Brandon Audet, Dedra Howell, Robby Townsend
Guests:	Tim Baker, Scott Motsinger, Mark White, and Andrea Kelley
Notes:	Virtual Attendees: Eric Goodwin, Mike Richard, Rion Foley, Tom Gressette, Gary Brunault, and Andrea Kelley.

1. Call to Order

1.1 Identify Virtual Attendees

1.2 Declaration of Quorum

Chairman Sevic declared that a quorum is present and the Board can conduct business.

1.3 Invocation

Chairman Sevic gave the invocation.

1.4 Recognition of Blake Stone

Chairman Sevic presented Blake Stone with a plaque to recognize his service as Board Chairman from 2020 to 2024.

2. Approval of Minutes

2.1 Confirm Minutes

PMPA Board Meeting Jan 16, 2025, the minutes were confirmed as presented.

2.2 Vote to Approve Minutes of January 16, 2025 Board Meeting and Workshop



Vote to Approve Minutes of January 16, 2025 Board Meeting and Workshop

10 Supported
0 Opposed
0 Abstained

Decision Date: Feb 20, 2025
Mover: John Young
Seconder: Mayor Foster Senn
Outcome: Approved

3. Acceptance of Financial Report

3.1 January 2025



January 2025

Motion unanimously approved to accept the financial report as submitted.

10 Supported
0 Opposed
0 Abstained

Decision Date: Feb 20, 2025
Mover: Kevin Bronson
Seconder: Blake Stone
Outcome: Approved

4. Reports

4.1 Finance

Nothing to report this month.

4.2 Engineering

Mr. Frazier reviewed the standard engineering reports for January that were included in the Board Pack.

Mr. Frazier advised the Board of several items that included the current status of the Laurens Transmission Line, Load Management System switches, Apogee on-line energy audit software, and the discontinuing of the Member's section of the PMPA web site. All of the information formally on the Member's only section of the website is now on BoardPro.

4.3 Catawba

Mr. Cameron reviewed the Catawaba and McGuire report that was included in the Board Pack and any updates since that report.

4.4 Management

Mr. Ledbetter noted that the PMPA/SCAMPS Legislative Breakfast was last week and was well attended.

Mr. Ledbetter also advised the Board of current legislative issues and noted that Burr Forman is now sending a monthly report. The staff is posting that report to Board Pro, and he encouraged the Board to review those reports.

5. Action Items

6. Participant Discussion

6.1 Discussion of Participant Excess Catawba Capacity

Mr. Ledbetter discussed Participants Abbeville, Clinton, Laurens, Newberry, Union, and Westminster's discussion and decision to request PMPA market their excess Catawba generation and provided the dates that their respective governing bodies took action on that decision.

Easley did not take action to market its excess Catawba.

7. Executive Session

7.1 Vote to enter into Executive Session



Vote to enter into Executive Session

A motion was made to enter into Executive Session and allow Mark White, attorney representing Rock Hill, to attend the Executive Session. This motion was made by Jimmy Bagley and seconded by Marc Regier. Motion failed.

3 Supported (Greer, Rock Hill, Union)

7 Opposed

0 Abstained

A motion was made to amend the above motion to allow Tim Baker of Greer CPW to attend Executive Session along with Mark White. Motion was made by Marc Regier and seconded by Joe Nichols. Motion failed.

3 Supported (Greer, Rock Hill, Union)

7 Opposed

0 Abstained

A motion was made to enter into Executive Session. Motion passed.

8 Supported

2 Opposed (Greer, Rock Hill)

0 Abstained

Decision Date: Feb 20, 2025

Mover: Blake Stone

Second: John Young

Outcome: Approved

7.2 Discuss matters pertaining to contractual negotiations

7.3 Vote to return to Regular Session



Vote to return to Regular Session

10 Supported

0 Opposed

0 Abstained

Decision Date: Feb 20, 2025

Mover: Kevin Bronson
Second: Joe Nichols
Outcome: Approved

8. Actions to be taken based on discussion in Executive Session

8.1 Action based on discussion in Executive Session



Contract Negotiations Discussed in Executive Session

Mr. Ledbetter stated that due to exigent circumstances and a compressed time schedule, action should be taken based on the conversations held in Executive Session.

Per the Policy for Sale of Excess Catawba Output, a motion was made to begin the 90 day period for negotiations on March 1, 2025, for Participants interested in acquiring excess Catawba capacity from Participants that are offering excess. A Non-Disclosure Agreement will be distributed to Participants to allow them to receive a copy of the documents discussed in the Executive Session.

8 Supported
2 Opposed (Greer and Rock Hill)
0 Abstained

Decision Date: Feb 20, 2025
Mover: Kevin Bronson
Second: Blake Stone
Outcome: Approved

9. Other Business

9.1 Other Business

No other business this month.

10. Adjourn

10.1 Adjourn

Next meeting: PMPA Board Meeting - Mar 20, 2025, 10:00 AM

A motion was made by Randy Randall with a second by John Young to adjourn the meeting. Motion passed.

Signature: _____

Date: _____

**Board of Directors Meeting
Piedmont Municipal Power Agency
General & Administrative Budget Allocation Workshop
February 20, 2025
Greer SC**

**VOTING
DIRECTORS
PRESENT**

Blake Stone	Abbeville
Randy Randall	Clinton
Andy Sevic	Easley
Mike Richard	Greer
Jimmy Bagley	Rock Hill
Kevin Bronson	Westminster

OTHERS

Ronnie Roth, Marc Regier, Scott Motsinger, Gary Brunault, Rion Foley, Dennis Cameron, JulieAnne London, Lynn Price, Mike Frazier, Joel Ledbetter, Tim Baker, Mark White

CALL TO ORDER

Chairman Stone called the meeting of the PMPA Board of Directors to order.

EXECUTIVE SESSION

A motion was made by Randy Randall to enter into Executive Session to discuss contractual and personnel matters related to the Catawba Project Power Sales Agreement Renewal. Motion was seconded by Jimmy Bagley. Motion carried 5 to 1 with Mr. Bronson voting no.

A motion was made by Kevin Bronson to exit Executive Session. The motion was seconded by Blake Stone. Motion carried.

ADJOURNMENT

A motion was made by Kevin Bronson to adjourn the meeting. Motion was seconded by Jimmy Bagley. Motion carried.

Respectfully submitted,

Joel D. Ledbetter
Board Secretary

PIEDMONT MUNICIPAL POWER AGENCY
COMPARATIVE STATEMENT OF NET POSITION
AS OF FEBRUARY 28, 2025
(DOLLARS IN THOUSANDS)

	<u>LAST MONTH</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>THIS MONTH</u>
ASSETS				
CURRENT UNRESTRICTED ASSETS:				
Cash And Markable Debt Securities (W/C)	\$65,471	\$1,431	\$0	\$66,902
Revenue Fund Valuation	(4)	0	0	(4)
Fuel	(8,229)	3,242	0	(4,988)
Participants Accounts Receivable (W/C)	19,017	0	1,970	17,047
Other Accounts Receivable (W/C)	159	437	0	596
Materials & Supplies	20,521	80	0	20,602
TOTAL CURRENT UNRESTRICTED ASSETS	96,935	3,220	0	100,155
CURRENT RESTRICTED ASSETS:				
Debt Service	7,397	7,195	0	14,593
Debt Service Reserve	46,187	0	0	46,187
Reserve and Contingency	2,966	0	220	2,746
Decommissioning	140,394	504	0	140,898
Supplemental Power Reserve	1,600	0	0	1,600
Restricted Funds Valuation	(2,931)	0	0	(2,931)
TOTAL CURRENT RESTRICTED ASSETS	195,613	7,480	0	203,093
TOTAL CURRENT ASSETS	292,548	10,700	0	303,248
CAPITAL ASSETS, NET:				
Generation	334,449	0	744	333,705
Transmission	4,099	0	11	4,088
LDMS/SCADA	162	0	6	156
General	533	0	9	523
Nuclear Fuel - In Stock And Prgress	27,567	0	2,148	25,419
Nuclear Fuel - In Reactor	24,874	0	1,094	23,780
Construction In Progress	42,690	2,334	0	45,023
TOTAL CAPITAL ASSETS, NET	434,374	0	1,680	432,695
OTHER NON CURRENT ASSETS:				
Net Costs Recoverable From Future Participants Billings	227,024	0	4,093	222,931
Participant Settlement Receivable	45,400	0	0	45,400
TOTAL NON CURRENT ASSETS	706,798	0	5,772	701,026
TOTAL ASSETS	\$999,347	\$4,928	\$0	\$1,004,274
DEFERRED OUTFLOWS:				
Asset Retirement Obligation	\$36,815	\$0	\$79	\$36,736
Redemption Losses, Net	4,171	0	54	4,117
Losses On Advanced Refunding Of Debt, Net	4,625	0	81	4,544
TOTAL DEFERRED OUTFLOWS	\$45,611	\$0	\$214	\$45,397

PIEDMONT MUNICIPAL POWER AGENCY
COMPARATIVE STATEMENT OF NET POSITION
AS OF FEBRUARY 28, 2025
(DOLLARS IN THOUSANDS)

	<u>LAST MONTH</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>THIS MONTH</u>
LIABILITIES				
CURRENT LIABILITIES:				
Accounts Payable - General (WC)	\$17	\$0	\$17	\$0
Accounts Payable - Duke (WC)	937	191	0	1,128
Accounts Payable - Other (WC)	2,166	0	1,456	710
Accrued Expenses - Payroll (W/C)	0	0	0	0
Accrued Expenses - Vacation (W/C)	88	0	0	88
Accrued Expenses - Sick (W/C)	178	0	0	178
Accrued Expenses - Property Taxes (W/C)	844	844	0	1,688
TOTAL CURRENT LIABILITIES	4,231	0	438	3,793
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS:				
Accrued Interest Payable	177,756	2,776	0	180,532
TOTAL CURRENT LIABILITIES	181,987	2,337	0	184,324
LONG-TERM LIABILITIES:				
Bonds - Including Current Installment	340,015	0	0	340,015
Bonds - Settlement	48,330	0	0	48,330
Bond Discounts	(30)	0	0	(30)
Bond Premium	36,560	0	553	36,008
CAB	80,330	0	0	80,330
Asset Retirement Obligation	183,162	495	0	183,657
Participants Interest Payable (W/C)	117	6	0	124
Other Postemployment Benefits	1,724	0	0	1,724
TOTAL LONG-TERM LIABILITIES	690,209	0	52	690,157
TOTAL LIABILITIES	\$872,196	\$2,286	\$0	\$874,481
DEFERRED INFLOWS:				
Postemployment Benefits	\$216	\$0	\$0	\$216
NET POSITION				
Net Investments In Capital Assets	(\$13,705)	\$0	\$1,262	(\$14,967)
Restricted For Other	1,600	0	0	1,600
Unrestricted	184,650	3,690	0	188,341
TOTAL NET POSITION	\$172,546	\$2,428	\$0	\$174,974
INFORMATIONAL PURPOSES:				
Working Capital	\$80,299	\$330	\$0	\$80,629

PIEDMONT MUNICIPAL POWER AGENCY
FINANCIAL SUMMARY
AS OF FEBRUARY 28, 2025

MAJOR DEVIATIONS FROM THE BUDGET WERE:

(In Millions)	FEBRUARY VARIANCES		
	\$	%	Comments
Working Capital	(\$0.11)	24.66%	
Participant Power Sales	(\$0.34)	-1.90%	
Surplus Sales	\$0.34	56.11%	Higher energy sales and pricing received for sales than budgeted
Miscellaneous Income/Expense	\$0.03	5.03%	Lower than budgeted Duke fees
Interest Income	(\$0.06)	-9.05%	Lower yields than budgeted in DCOM and R&C, partially offset by higher yields in Revenue
Catawba Project Costs	\$0.12	1.96%	
Supplemental Power Costs	(\$0.25)	-7.54%	Primarily related to Duke generation imbalance error; working with Duke to resolve
Catawba Capital Additions	(\$0.27)	-14.16%	Higher than budgeted expenses related to Fall 2024 refueling outage
PMPA Capital Additions	\$0.08	32.56%	Timing of Laurens Transmission line project
Other	\$0.24	3.70%	

(In Millions)	YEAR-TO-DATE VARIANCES		
	\$	%	Comments
Working Capital	\$0.03	1.92%	
Participant Power Sales	\$1.00	2.73%	
Surplus Sales	(\$0.02)	-1.33%	
Miscellaneous Income/Expense	(\$0.12)	-8.87%	Primarily higher than budgeted Duke fees (January) related to Fall 2024 refueling outage adjustment
Interest Income	(\$0.05)	-3.27%	
Catawba Project Costs	\$0.40	2.58%	
Supplemental Power Costs	(\$1.36)	-20.29%	Higher purchases in January due to colder temperatures & February Duke generation imbalance error
Catawba Capital Additions	(\$0.24)	-4.30%	
PMPA Capital Additions	\$0.25	54.16%	Timing of Laurens Transmission line project
Other	\$0.16	1.46%	

Favorable >5%
Near Budget +/- 5%
Unfavorable < 5%

PIEDMONT MUNICIPAL POWER AGENCY
STATEMENT OF REVENUE & EXPENSE PER THE BOND RESOLUTION
As of February 28, 2025
(DOLLARS IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			
	ACTUAL	BUDGET	OVER(UNDER)	ACTUAL	BUDGET	OVER(UNDER)	%
CATAWBA PROJECT:							
CATAWBA POWER SALES							
Participant	\$14,115	\$14,638	(\$523)	\$29,474	\$29,609	(\$135)	(0.5%)
Duke-Exchange Energy	937	932	5	1,951	1,952	(1)	0.0%
Other-Surplus	932	597	335	1,183	1,199	(16)	(1.3%)
TOTAL	15,984	16,167	(183)	32,609	32,760	(151)	(0.5%)
CATAWBA POWER COSTS							
Operations & Maintenance	1,883	2,081	(198)	6,265	6,737	(472)	(7.0%)
Fuel Amort(Fuel Acct Deposit)	1,094	1,112	(18)	2,245	2,343	(98)	(4.2%)
Purch Power-Duke-McGuire Cap	19	19	0	40	40	0	(1.2%)
-McGuire Energy	961	952	9	2,058	2,023	35	1.7%
Customer Acct and G&A-Duke	826	759	67	1,713	1,517	196	12.9%
Customer Acct and G&A-Agency	388	396	(8)	817	927	(110)	(11.8%)
Property Tax Equivalent	835	835	0	1,671	1,670	1	0.0%
Tax Other-Duke	131	106	25	260	211	49	23.1%
TOTAL	6,136	6,260	(124)	15,068	15,468	(400)	(2.6%)
FUNDS AVAILABLE FROM OPERATIONS	9,848	9,907	(59)	17,541	17,292	249	1.4%
INTEREST INCOME	643	707	(64)	1,362	1,408	(46)	(3.3%)
MISCELLANEOUS INCOME(EXPENSE)	(642)	(676)	34	(1,473)	(1,353)	(120)	8.8%
FUNDS AVAILABLE FOR CAPITAL NEEDS	9,849	9,938	(89)	17,430	17,347	83	0.5%
OTHER AVAILABLE FUNDS							
Debt Service-Principal	0	0	0	66,565	66,565	0	0.0%
-Interest	0	0	0	10,952	10,946	6	0.1%
Reserve & Contingency - Capital Additions	2,160	1,892	268	5,753	5,516	237	4.3%
Fuel	(2,148)	1,161	(3,309)	3,225	6,534	(3,309)	(50.6%)
DEPOSITS							
Debt Service-Principal	2,255	2,255	0	4,511	4,510	1	0.0%
-Interest	4,738	4,738	0	9,477	9,476	1	0.0%
Reserve & Contingency	1,940	1,940	0	3,880	3,880	0	0.0%
Decommissioning	504	527	(23)	1,088	1,078	10	0.9%
Inventory	80	40	40	(150)	(191)	41	(21.3%)
PAYMENTS							
Debt Service-Principal	0	0	0	66,565	66,565	0	0.0%
-Interest	0	0	0	10,952	10,946	6	0.1%
Capital Additions	2,160	1,892	268	5,753	5,516	237	4.3%
Fuel	(2,148)	1,161	(3,309)	3,225	6,534	(3,309)	(50.6%)
TRANSFERS (TO) FROM							
Reserve & Contingency	0	0	0	0	0	0	0.0%
DSR Release/Special Transfers	0	0	0	0	0	0	0.0%
Catawba Working Capital	330	438	(108)	(1,376)	(1,406)	30	(2.2%)
Supplemental Working Capital	0	0	0	0	0	0	0.0%
WORKING CAP INCREASE(DECREASE)	\$330	\$438	(\$108)	(\$1,376)	(\$1,406)	\$30	(2.2%)

PIEDMONT MUNICIPAL POWER AGENCY
STATEMENT OF REVENUE & EXPENSE PER THE BOND RESOLUTION
As of February 28, 2025
(DOLLARS IN THOUSANDS)

	CURRENT MONTH			YEAR TO DATE			
	ACTUAL	BUDGET	OVER(UNDER)	ACTUAL	BUDGET	OVER(UNDER)	%
SUPPLEMENTAL:							
SUPPLEMENTAL POWER SALES							
Participants-Supplemental Power	3,614	3,435	179	8,056	6,924	1,132	16.3%
-Leased Facilities	26	28	(2)	53	56	(3)	(5.8%)
-Other	101	114	(13)	201	221	(20)	(9.2%)
TOTAL	3,741	3,577	164	8,309	7,201	1,108	15.4%
SUPPLEMENTAL POWER COSTS							
Purch Power-Supp Capacity	848	878	(30)	1,697	1,756	(59)	(3.4%)
-Supp Energy	412	164	248	1,634	338	1,296	383.5%
Purch Power-Participants	1,020	1,092	(72)	2,146	2,211	(65)	(2.9%)
Purch Power-Other	326	247	79	563	436	127	29.1%
Transmission	811	779	32	1,672	1,560	112	7.2%
Transmission-Agency	0	4	(4)	0	8	(8)	(100.0%)
Leased Facilities-Duke	38	37	1	76	75	1	0.8%
Meter-Agency	0	1	(1)	71	77	(6)	(8.4%)
Customer Acct and G&A-Duke	0	0	0	0	0	0	0.0%
Customer Acct and G&A-Agency	103	106	(3)	217	249	(32)	(12.8%)
Property Tax Equivalent	9	9	0	17	18	(1)	(3.6%)
TOTAL	3,566	3,317	249	8,092	6,728	1,364	20.3%
FUNDS AVAILABLE FROM OPERATIONS	175	260	(85)	217	473	(256)	(54.1%)
MISCELLANEOUS INCOME(EXPENSE)	200	200	0	401	400	1	0.2%
FUNDS AVAILABLE FOR CAPITAL NEEDS	376	460	(84)	618	873	(255)	(29.2%)
PAYMENTS							
Debt Service-Interest	202	202	0	404	404	0	(0.1%)
Capital Additions-Transmission	174	211	(37)	174	421	(247)	(58.7%)
-LDMS/SCADA	0	46	(46)	41	46	(5)	(12.0%)
-General	0	1	(1)	0	2	(2)	(100.0%)
WORKING CAP INCREASE(DECREASE)	\$0	\$0	\$0	\$0	\$0	\$0	0.0%

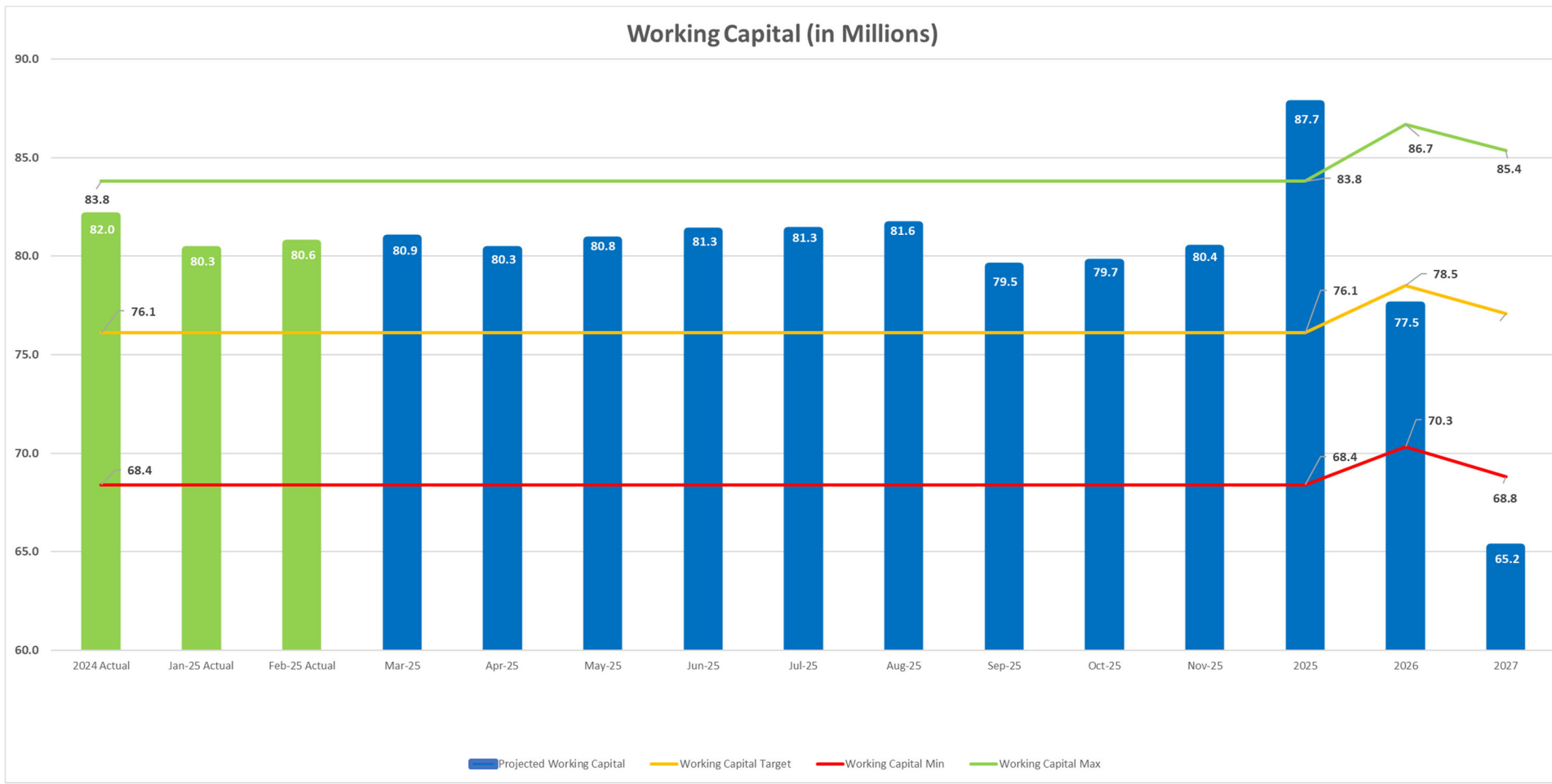
PIEDMONT MUNICIPAL POWER AGENCY STATEMENT OF G&A EXPENSE AS OF FEBRUARY 28, 2025

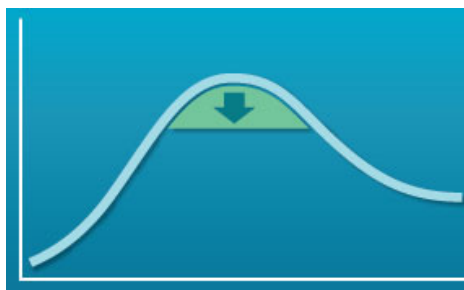
CURRENT MONTH				YEAR TO DATE				
ACTUAL	BUDGET	OVER(UNDER)	%	ACTUAL	BUDGET	OVER(UNDER)	%	% ANNUAL BUDGET
				<u>G&A-OFFICE EXPENSE</u>				
\$133,586	\$138,200	(\$4,614)	(3.3)	\$264,541	\$291,800	(\$27,259)	(9.3)	14.7
9,982	10,800	(818)	(7.6)	24,696	27,000	(2,304)	(8.5)	21.5
23,110	19,200	3,910	20.4	39,317	38,400	917	2.4	17.1
12,751	12,700	51	0.4	31,844	31,700	144	0.5	19.3
145	0	145	0.0	623	400	223	55.8	31.2
78,634	28,800	49,834	173.0	266,069	266,900	(831)	(0.3)	70.2
2,060	2,100	(40)	(1.9)	4,146	4,200	(54)	(1.3)	16.6
1,222	1,400	(178)	(12.7)	2,507	2,800	(293)	(10.5)	14.7
259	2,100	(1,841)	(87.7)	259	4,200	(3,941)	(93.8)	1.0
0	200	(200)	(100.0)	500	400	100	25.0	25.0
0	100	(100)	(100.0)	49	200	(151)	(75.5)	2.5
1,454	1,200	254	21.2	1,940	2,500	(560)	(22.4)	3.4
2,397	200	2,197	1,098.5	2,397	500	1,897	379.4	79.9
1,046	600	446	74.3	1,881	1,200	681	56.8	26.9
2,578	38,100	(35,522)	(93.2)	5,157	40,800	(35,643)	(87.4)	5.1
8,380	48,200	(39,820)	(82.6)	12,721	64,000	(51,279)	(80.1)	4.2
635	1,000	(365)	(36.5)	2,835	2,100	735	35.0	9.5
2,248	2,900	(652)	(22.5)	4,173	6,300	(2,127)	(33.8)	11.6
0	0	0	0.0	0	0	0	0.0	0.0
11,247	0	11,247	0.0	11,277	0	11,277	0.0	86.7
10,126	0	10,126	0.0	10,126	0	10,126	0.0	9.1
248	100	148	148.0	(172)	200	(372)	(186.0)	(0.2)
0	0	0	0.0	0	0	0	0.0	0.0
24,000	40,100	(16,100)	(40.1)	84,000	80,700	3,300	4.1	16.7
8,860	9,400	(540)	(5.7)	17,306	18,800	(1,494)	(7.9)	15.3
0	500	(500)	(100.0)	0	1,000	(1,000)	(100.0)	0.0
81,441	19,400	62,041	319.8	108,942	39,100	69,842	178.6	27.0
416,409	377,300	39,109	10.4	897,134	925,200	(28,066)	(3.0)	19.7
				<u>G&A-OUTSIDE SERVICES</u>				
47,881	76,300	(28,419)	(37.2)	82,558	152,600	(70,042)	(45.9)	9.0
3,239	27,500	(24,261)	(88.2)	3,732	55,000	(51,268)	(93.2)	1.1
23,500	18,000	5,500	30.6	44,500	36,000	8,500	23.6	63.6
0	1,100	(1,100)	(100.0)	5,840	2,200	3,640	165.5	2.4
0	0	0	0.0	0	0	0	0.0	0.0
0	2,400	(2,400)	(100.0)	701	4,800	(4,099)	(85.4)	2.4
74,620	125,300	(50,680)	(40.4)	137,331	250,600	(113,269)	(45.2)	8.6
\$491,029	\$502,600	(\$11,571)	(2.3)	\$1,034,465	\$1,175,800	(\$141,335)	(12.0)	16.8
				<u>TRANSMISSION EXPENSE-AGENCY</u>				
\$0	\$4,000	(\$4,000)	(100.0)	\$0	\$8,000	(\$8,000)	(100.0)	0.0
0	1,000	(1,000)	(100.0)	70,506	77,000	(6,494)	(8.4)	51.8
\$0	\$5,000	(\$5,000)	(100.0)	\$70,506	\$85,000	(\$14,494)	(17.1)	37.9
				TOTAL XMSN EXPENSE				

PIEDMONT MUNICIPAL POWER AGENCY

AS OF FEBRUARY 28, 2025

After this month's operations, PMPA had \$80.6 million in working capital, which was \$0.03 million better than the YTD budget.





PMPA Demand Response System Report

To: Board of Directors and Alternates
 From: Mike Frazier *MTF*
 Date: March 12, 2025

PMPA did not call for any Demand Response events during February.

PMPA Monthly Peak¹: 423.5 MW @ Hour Ending 8:00 a.m. on Feb 21st

- DOES coincide with the Duke Energy Transmission Peak on Feb 21st @ Hour Ending 8:00 a.m.
- Monthly Minimum GSP Airport Temperature – 21° F at 3:54 a.m. on Feb 21st

PMPA Total Participant Load³: 456.6 MW @ Hour Ending 8:00 a.m. on Feb 21st

PMPA Ratchet Quantity: 507.9 MW – based on Jul. 15, 2024 @ HE 5:00 p.m.

All loads are reflected at the transmission level, which includes 2.12% losses as of June 1, 2024.

¹ PMPA Monthly Peak – Used by Santee Cooper to determine PMPA’s capacity charge. This peak includes the load served by nine Participants (does not include Union) and generation (added back to the load) produced by the load-side generators. It also does not include Greer CPW’s load served from the leased Laurens EMC delivery points.

² On average, February temperatures were much warmer than normal. That said, there were several days where temperatures dipped down into the low twenties. The coldest morning contributed to the highest demand on the PMPA system.

³ PMPA Total Participant Load – includes load served by all ten Participants including the Greer CPW’s load served from leased Laurens EMC delivery points and generation produced by the load-side generators.

<u>Month</u>	<u>HDD</u>	<u>% of Normal</u>
Feb 2025	451	118
Normal	536	
Feb 2024	443	104

ENERGY REPORT ^{*}

Piedmont Municipal Power Agency

FEBRUARY, 2025

The Energy Authority (Surplus Energy Sold and Gross Revenue)

3,085	MWh	120,049	\$	38.91	\$ / MWh
3,085	MWh - YTD	120,049	\$ - YTD	38.91	\$ / MWh - YTD

Duke Energy (Surplus Energy Sold and Gross Revenue)

16,266	MWh	473,990	\$	29.14	\$ / MWh
19,757	MWh-YTD	596,358	\$-YTD	30.18	\$ / MWh - YTD

Santee Cooper (Surplus Energy Sold and Gross Revenue)

12,360	MWh	357,337	\$	28.91	\$ / MWh
16,396	MWh-YTD	472,143	\$-YTD	28.80	\$ / MWh - YTD

Total Surplus Sales Revenue

951,376	\$		
1,188,551	\$ - YTD	39,238	MWh-YTD

Generation Imbalance Charge

274,858	\$
271,412	\$ - YTD

Deviation Band 1 - +/- 1.5%	Deviation Band 2 - Between +/-1.5% & 7.5%	Deviation Band 3 - Greater than +/- 7.5%
\$12,775	\$35,064	\$227,020

Energy Imbalance Charge

3,561	\$
32,533	\$ - YTD

Deviation Band 1 - +/- 1.5%	Deviation Band 2 - Between +/-1.5% & 7.5%	Deviation Band 3 - Greater than +/- 7.5%
\$3,073	\$415	\$73

Supplemental Energy Purchased

Santee Cooper	TEA Backstand ^{&}	Total	
3,192	0	3,192	MWh
19,346	1,958	21,304	MWh - YTD
127,233	0	127,233	\$
1,249,283	66,623	1,315,906	\$ - YTD
39.86	---	39.86	\$ / MWh
64.58	34.03	61.77	\$ / MWh - YTD

* All MWh are measured at the bus bar (generation level)

[&] Includes energy and transmission costs



PMPA Load-Side Generation Report

To: Board of Directors and Alternates
From: Mike Frazier *MTF*
Date: February 12, 2025

Santee Cooper called upon PMPA to run the Load-Side Generators on one day in January due to system conditions.

Load-Side Generation Operation during the month of January:

23 Jan. – 2:00 a.m. to 10:00 a.m. – 8.00 hrs.

TOTAL – 8.00 Hrs.

TOTAL YTD – 8.00 Hrs.

Load-side generation is called for during times of energy deficiency, adverse system conditions, or high economic energy prices.

Current Load-Side Generators are owned by the City of Clinton, Easley Combined Utilities, Gaffney Board of Public Works, Greer Commission of Public Works, and the City of Rock Hill.

Catawba and McGuire Report – March 13, 2025

Since the last Board meeting, Catawba Unit 1, Catawba Unit 2, McGuire Unit 1, and McGuire Unit 2 have operated continuously without any concerns.

McGuire Unit 1 began a coast down in power on March 3, 2025 in preparation for the refueling outage starting on April 2. The unit is currently operating at 95.2% power and will continue to drop approximately 0.3% per day in power. Duke expects the reactor power at the end of coast down to be 84% power prior to the start of the refueling outage.

<u>February 2025</u>	<u>Capacity Factor</u>	<u>Generation (MWhs)</u>	<u>PMPA's Entitlement (MWhs)</u>
Catawba 1	102.91%	802,185	50,137
Catawba 2	101.31%	782,916	48,932
McGuire 1	102.76%	799,686	48,501
McGuire 2	102.03%	794,009	48,157

2025 Planned Refueling Outages

<u>Unit</u>	<u>Outage Start Date</u>	<u>Budgeted Duration</u>
McGuire 1	April 2, 2025	25 Days
Catawba 2	September 6, 2025	29 Days

Piedmont Municipal Power Agency **Audit Executive Summary**

March 11, 2025

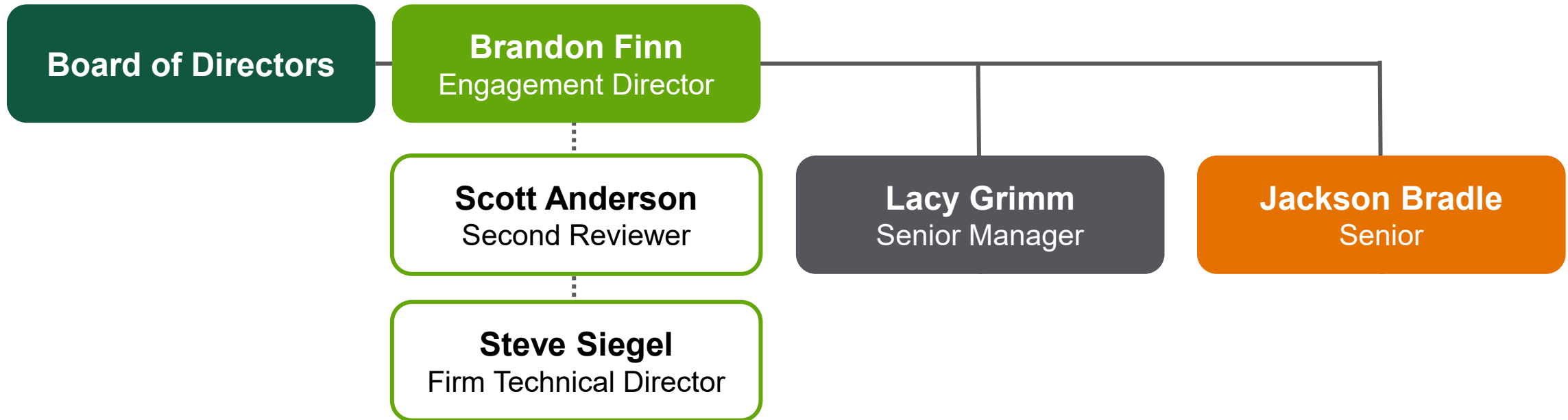
Agenda

- ▶ Client Service Team
- ▶ Results of the Audit
- ▶ Internal Control Communication
- ▶ Corrected and Uncorrected Misstatements
- ▶ Qualitative Aspects of Accounting Practices
- ▶ Independence Considerations
- ▶ Other Required Communications
- ▶ Other Matters
- ▶ Upcoming Financial Reporting Changes

This information is intended solely for the use of the Board of Directors of Piedmont Municipal Power Agency and is not intended to be, and should not be, used by anyone other than these specified parties.



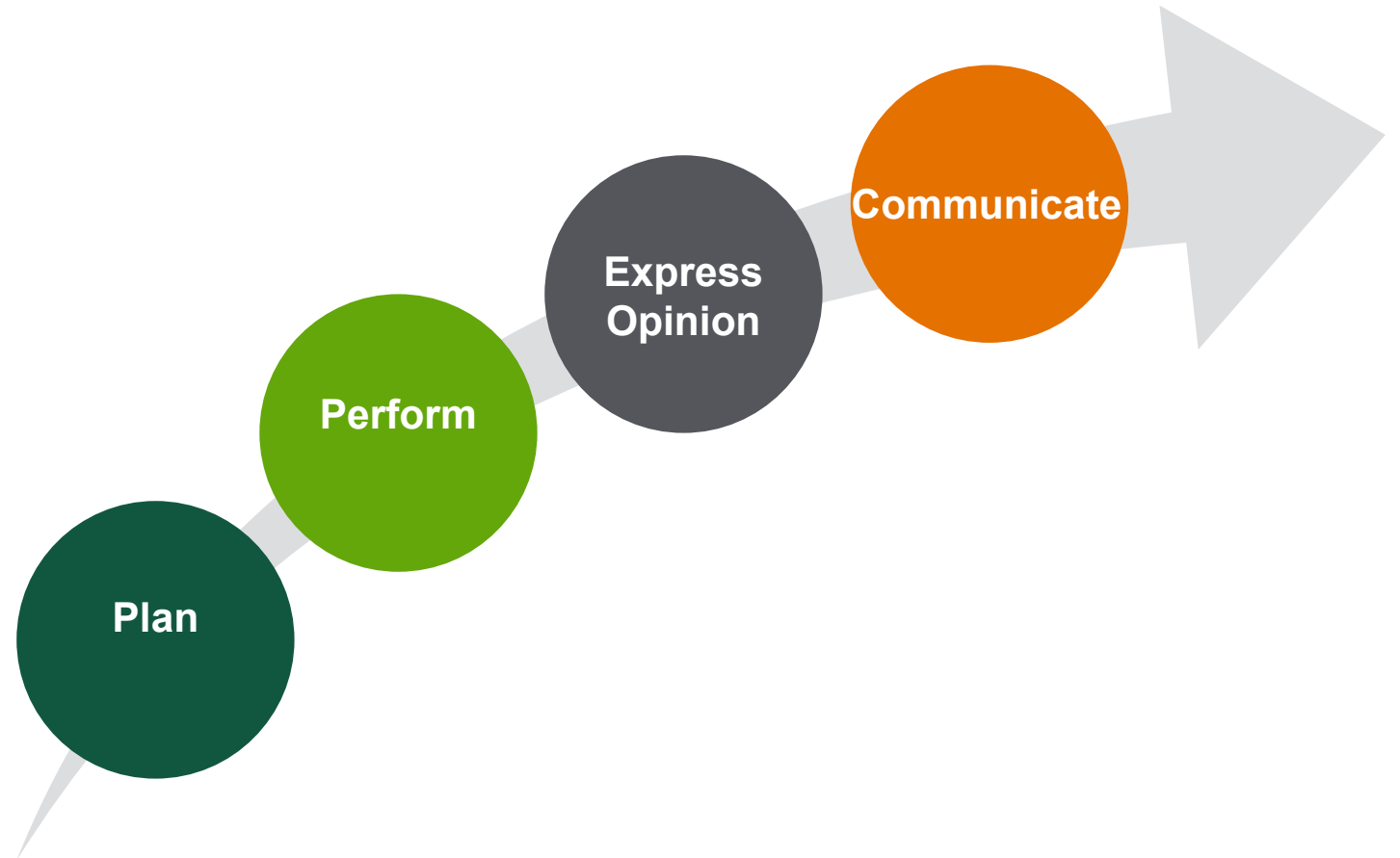
Client Service Team



Results of the Audit

We have audited the financial statements of Piedmont Municipal Power Agency (“PMPA”) for the year ended December 31, 2024, and we have issued our report thereon dated March 11, 2025.

We have issued an unmodified opinion on the financial statements.



Internal Control Communication

In planning and performing our audit, we considered internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PMPA’s internal control. Accordingly, we do not express an opinion on the effectiveness of PMPA’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.



Internal Control Communication

Material Weakness

- ▶ A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the PMPA's financial statements will not be prevented, or detected and corrected, on a timely basis.

Significant Deficiency

- ▶ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We did not identify any control deficiencies that we believe to be material weaknesses.



Internal Control Communication

Other Control Recommendations

Certain controls lack segregation of duties due to the size of the accounting staff. PMPA should, when possible, have a second person involvement in approval and review of transactions to reduce the possibility that errors, either unintentional or intentional, would not be detected in a timely fashion. Certain compensating controls are present, including, but not limited to, management and Board review of financial data. While such compensating controls may be present, they do not fully eliminate the segregation of duties risk.

We recommend duties be segregated to the extent practical and cost beneficial with an emphasis on review, approval, and oversight of transactions that may be incompatible with other duties.



Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

Corrected and Uncorrected Misstatements

- ▶ None noted.

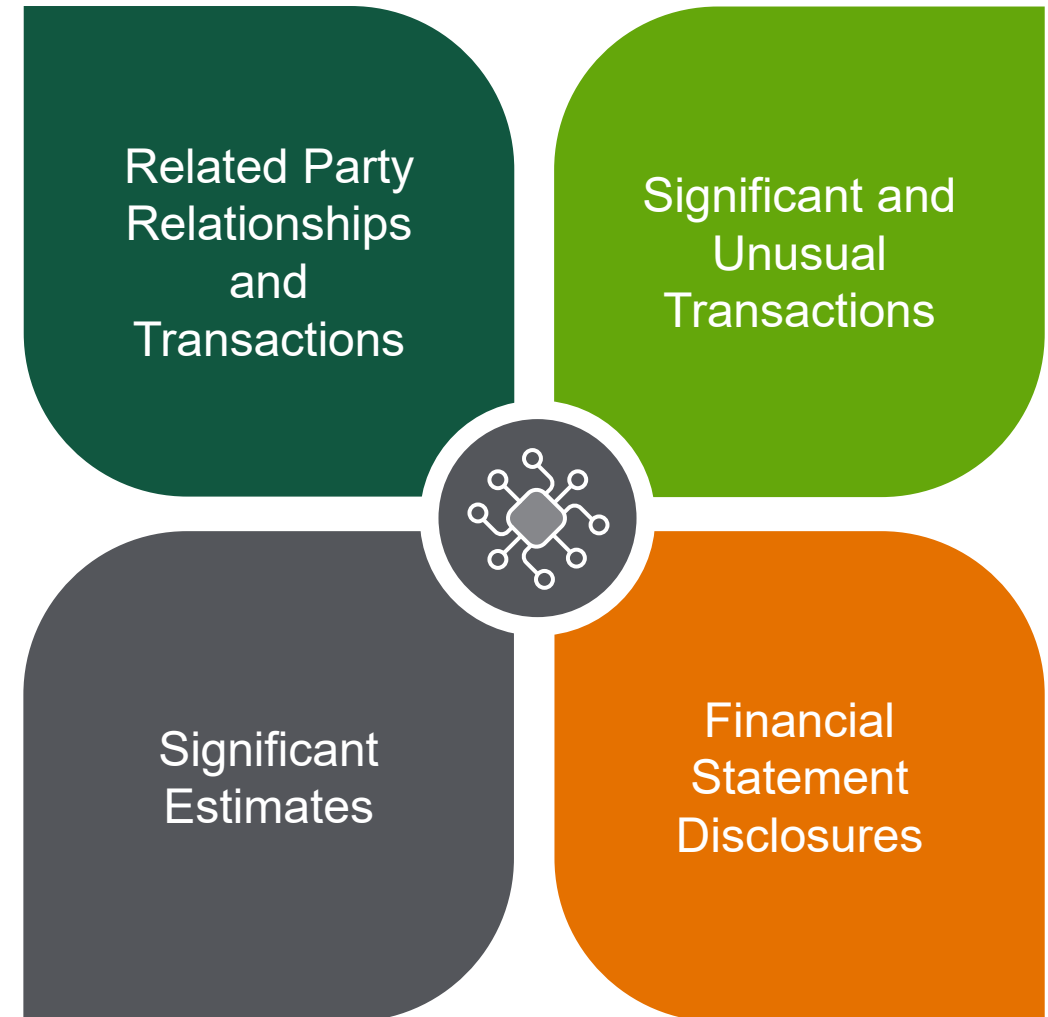


Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by PMPA are described in Note 2 to the financial statements.

During the year ended December 31, 2024, PMPA adopted Government Accounting Standards Board (“GASB”) Statement No. 101, *Compensated Absences*. There was no material impact to the financial statements as a result of adopting this standard.

The application of other existing policies was not changed during the year. We noted no inappropriate accounting policies or practices.

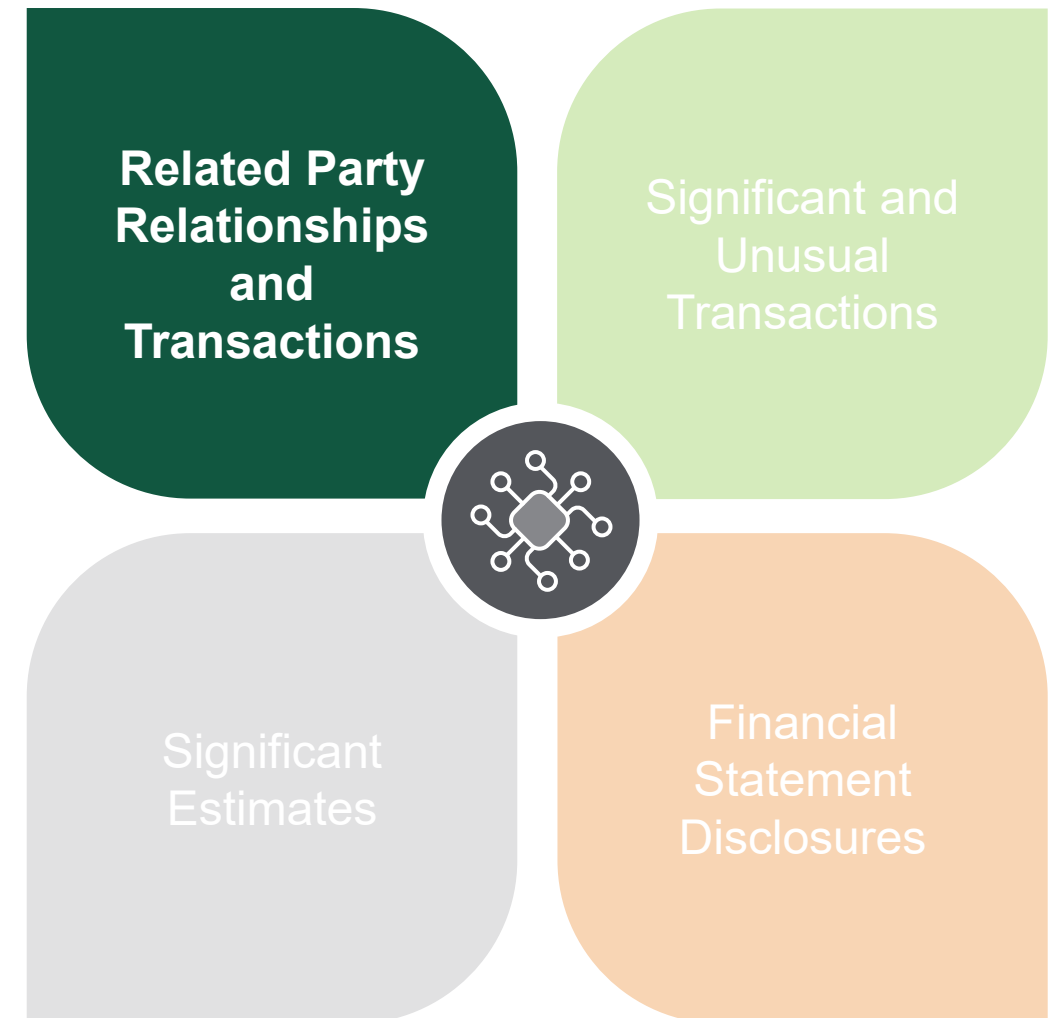


Qualitative Aspects of Accounting Practices

As part of our audit, we evaluated the PMPA's identification of, accounting for, and disclosure of the PMPA's relationships and transactions with related parties as required by professional standards.

We noted none of the following:

- Related parties or related party relationships or transactions that were previously undisclosed to us;
- Significant related party transactions that have not been approved in accordance with PMPA's policies or procedures or for which exceptions to PMPA's policies or procedures were granted;
- Significant related party transactions that appeared to lack a business purpose;
- Noncompliance with applicable laws or regulations prohibiting or restricting specific types of related party transactions; and
- Difficulties in identifying the party that ultimately controls PMPA.

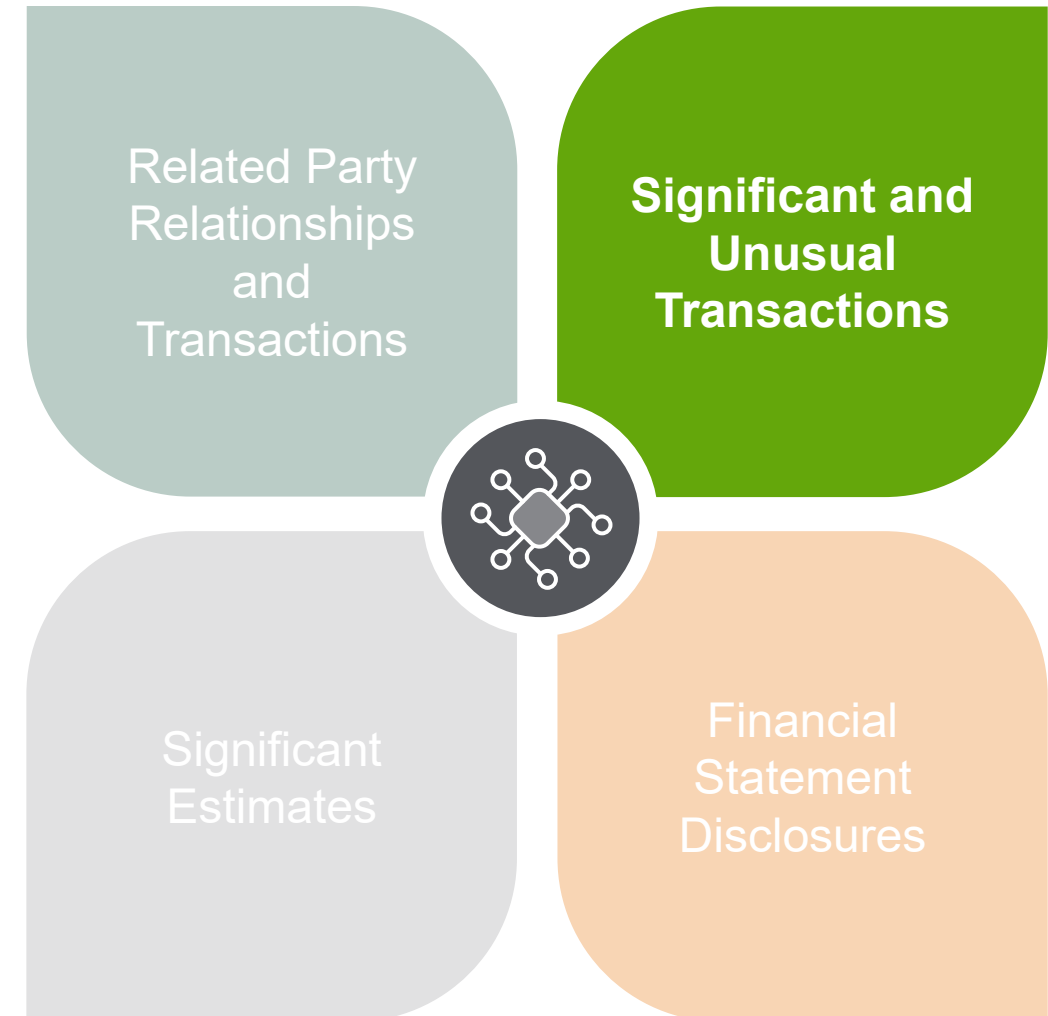


Qualitative Aspects of Accounting Practices

We noted no transactions entered into by PMPA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

For purposes of this presentation, professional standards define significant unusual transactions as transactions that are outside the normal course of business for PMPA or that otherwise appear to be unusual due to their timing, size, or nature. We noted the following significant transactions during our audit:

- Recognition of the change in decommissioning period, from 2043 to 2063, resulting in approximately \$29.6m of additional assets and liabilities.
- Recognition of approximately \$45.4m of Participant settlement receivable, offset by a related bond, resulting from the settlement agreement with PMPA and participants.

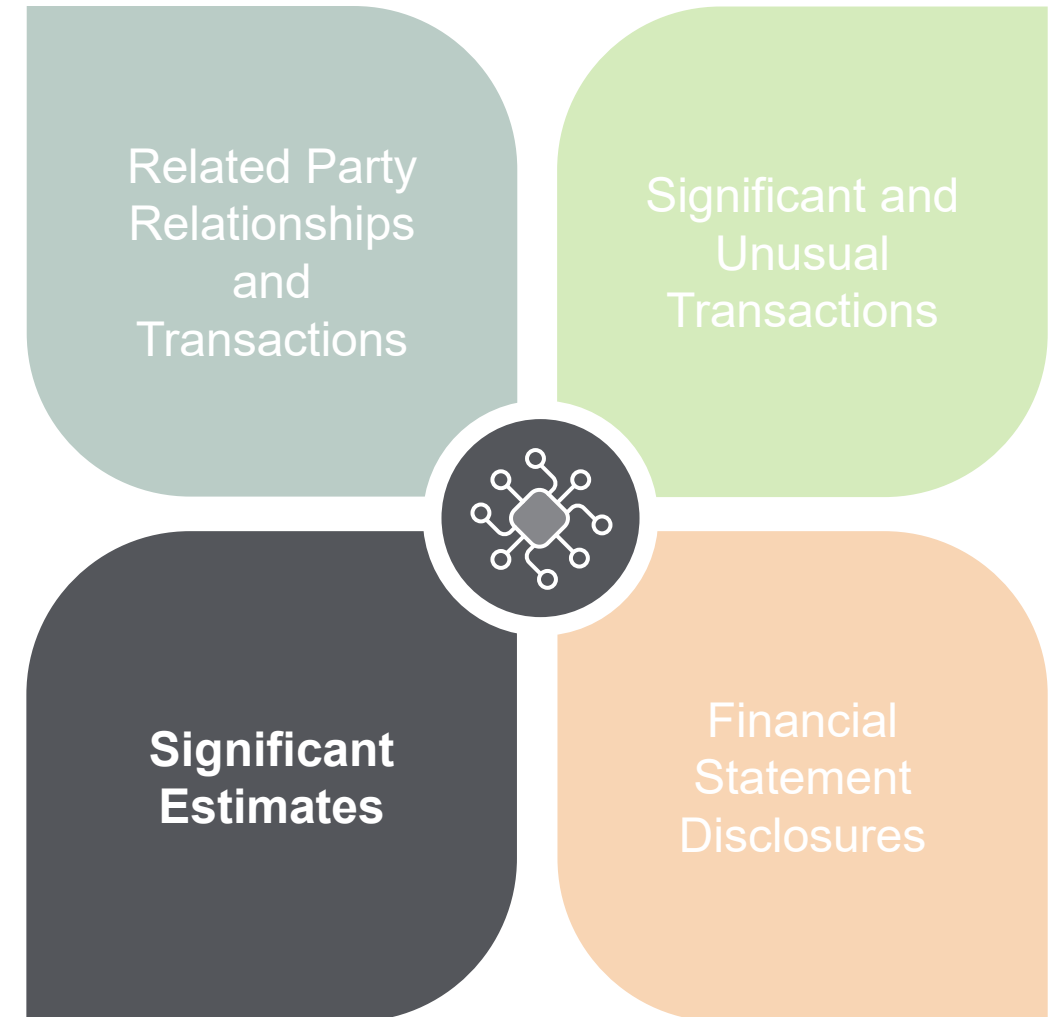


Qualitative Aspects of Accounting Practices

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the net cost to be recovered from future participant billings is based on an analysis of cost and billing information available at the present time, as well as current and anticipated economic conditions. We evaluated the key factors and assumptions used to develop the net cost to be recovered from future participant billings, determining that amounts seem reasonable in relation to the financial statements taken as a whole. While the procedures used by management and the amount of the net cost to be recovered from future participant billings seem reasonable at this time, there will usually be differences between the amount recorded and actual results, and these differences may be material.

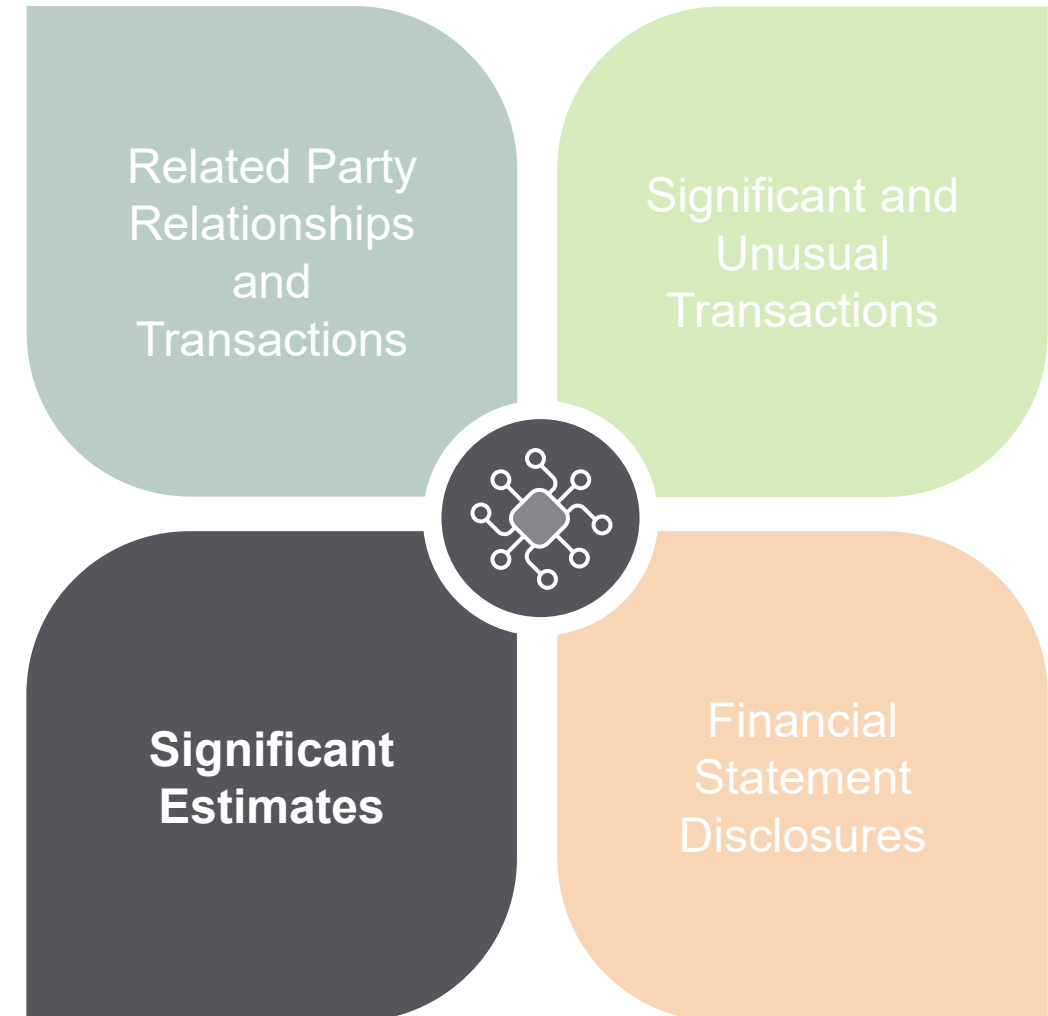
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Qualitative Aspects of Accounting Practices

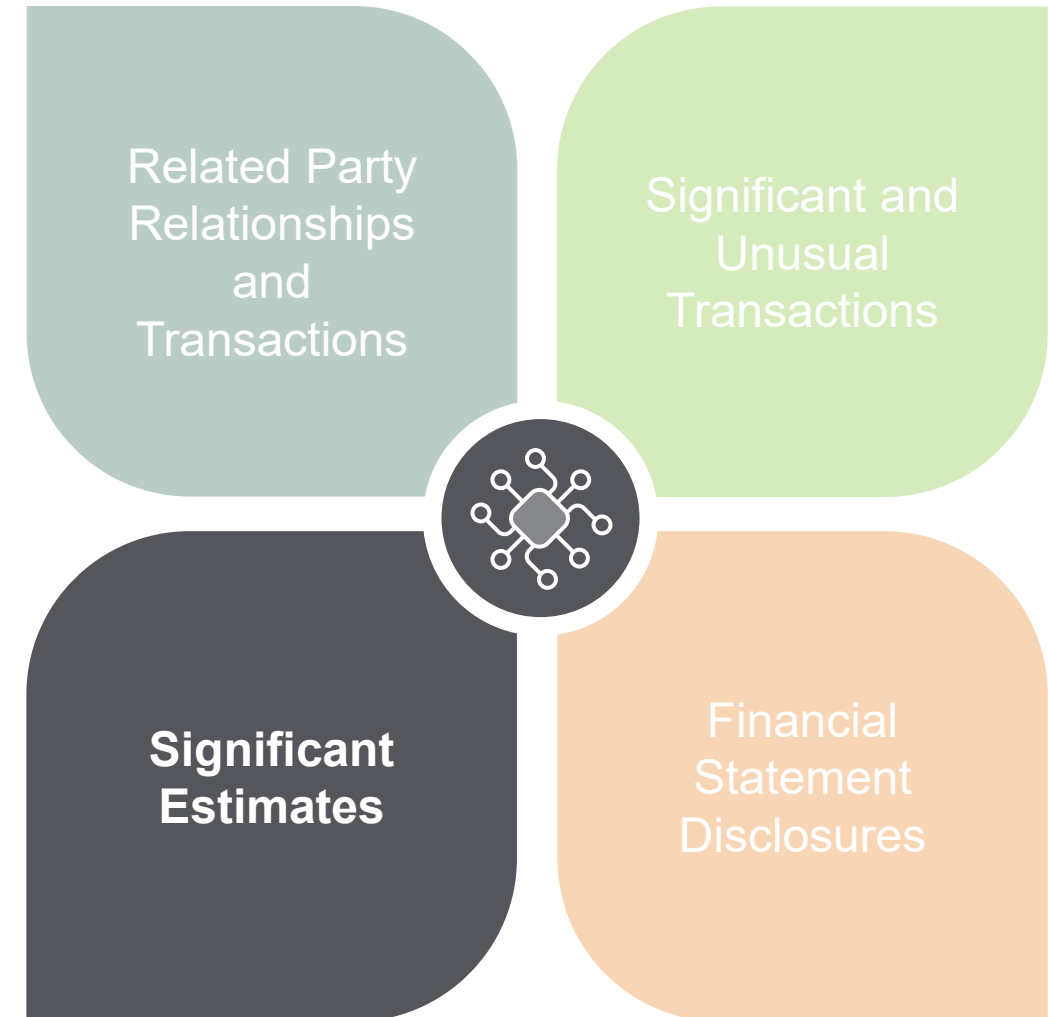
- Management's estimate of the reserve for decommissioning is based on an analysis of cost to decommission and current inflation and discount rates. The expected cost to decommission is updated every five years (latest as of October 2023) and inflation and discount rates are reviewed annually for reasonableness as compared to each five-year study. We evaluated key factors and assumptions used to develop the reserve for decommissioning, determining that amounts seem reasonable in relation to the financial statements taken as a whole. While the procedures used by management and the amount of the reserve for decommissioning seem reasonable at this time, there will usually be differences between the amount recorded and the actual results, and these differences may be material.
- Management's estimate of depreciation lives and methods is based on standard business practices and guidelines. We evaluated the lives and methods used to maintain the fixed asset records in determining that they seem reasonable in relation to the financial statements taken as a whole. While the lives and methods used by management seem reasonable at this time, there may be differences between the estimated lives and methods used and actual experience, and these differences may be material.

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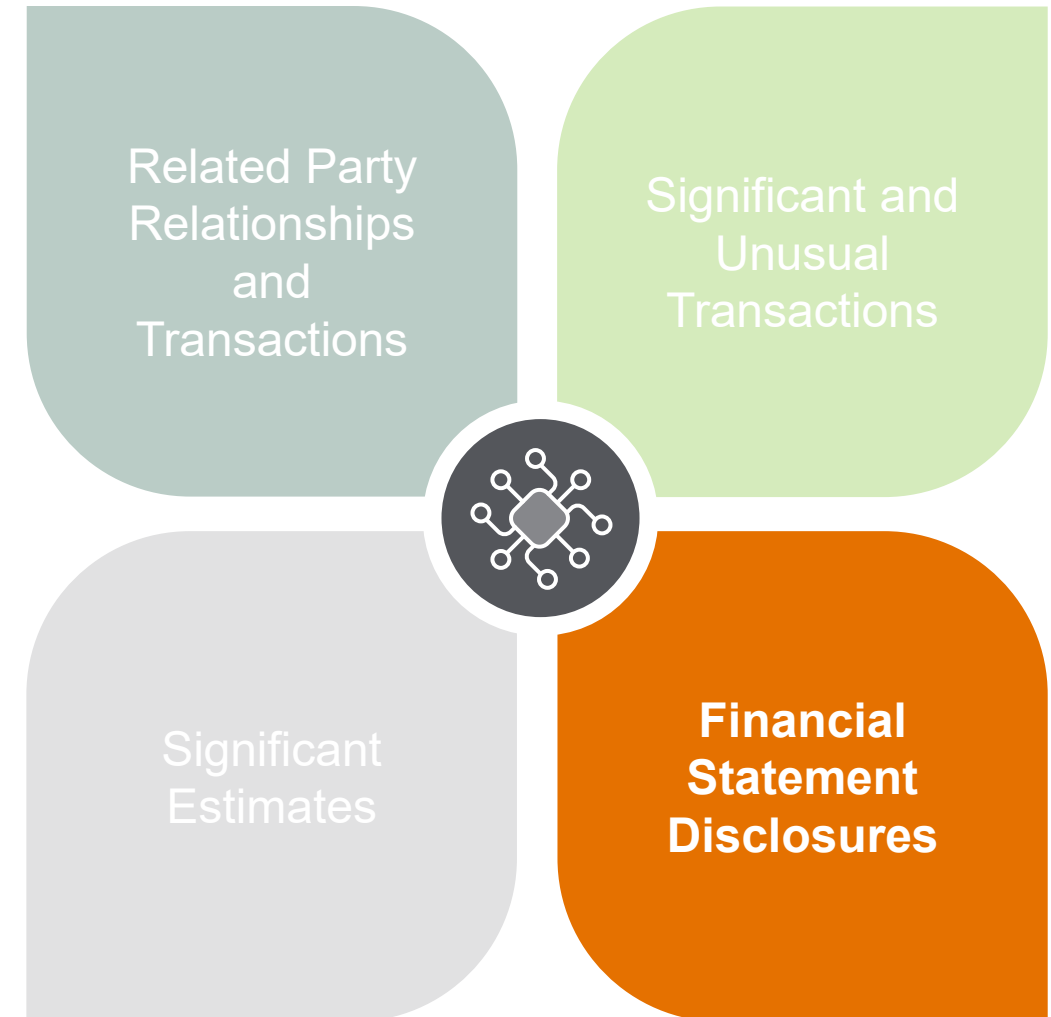
Qualitative Aspects of Accounting Practices

- Management's estimate of investment valuation is based on analysis of information gathered readily available market data and from fund managers and advisors. We evaluated the key factors and assumptions used to develop the fair values in determining that they seem reasonable in relation to the financial statements taken as a whole. While the procedures used by management and the valuation seems reasonable at this time, there may be differences between the amount recorded and the actual results, and these differences may be material.



Qualitative Aspects of Accounting Practices

The financial statement disclosures are neutral, consistent, and clear.



Independence Considerations

Nonattest Services

- ▶ No nonattest services were performed during 2024.
- ▶ For all nonattest services we perform, you are responsible for designating a competent employee to oversee the services, make any management decisions, perform any management functions related to the services, evaluate the adequacy of the services, and accept overall responsibility for the results of the services.



Independence Conclusion

- ▶ We are not aware of any circumstances or relationships that create threats to auditor independence.
- ▶ We are independent of PMPA and have met our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.



Other Required Communications

Difficulties Encountered

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

Includes disagreements on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report no such disagreements arose during the course of our audit.

Auditor Consultations

We noted no matters that are difficult or contentious for which the auditor consulted outside the engagement team.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 11, 2025.



Other Required Communications

Management Consultations

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. To our knowledge, there were no such consultations with other accountants.

Other Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year. These discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Fraud and Illegal Acts

As of the date of this presentation, no fraud, illegal acts, or violations of laws and regulations noted.

Going Concern

No events or conditions noted that indicate substantial doubt about PMPA’s ability to continue as a going concern.



Other Matters

Supplementary Information

Required Supplementary Information (“RSI”)

We applied certain limited procedures to RSI (management’s discussion and analysis), which supplements the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Supplementary Information

With respect to the supplementary information accompanying the financial statements (Schedules 1 and 2), we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



Upcoming Financial Reporting Changes

These standards will be effective for PMPA in the upcoming years and may have an impact on the PMPA's financial reporting.

We would be happy to discuss with management the potential impacts on PMPA's financial statements and how we may be able to assist in the implementation efforts.

- ▶ GASB Statement No. 102, *Certain Risk Disclosures*
- ▶ GASB Statement No. 103, *Financial Reporting Model Improvements*
- ▶ GASB Statement No. 104, *Disclosure of Certain Capital Assets*



Questions

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PIEDMONT MUNICIPAL POWER AGENCY

Financial Statements and Supplementary Information

December 31, 2024 and 2023

(With Report of Independent Auditor Thereon)

PIEDMONT MUNICIPAL POWER AGENCY

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Report of independent Auditor

To the Board of Directors
of Piedmont Municipal Power Agency

Opinion

We have audited the accompanying financial statements of Piedmont Municipal Power Agency (“PMPA”), as of December 31, 2024 and 2023, and the related and the related notes to financial statements, which collectively comprise PMPA’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PMPA as of December 31, 2024 and 2023, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of PMPA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PMPA’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PMPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PMPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise PMPA's basic financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Cherry Bekaert LLP

Greenville, South Carolina
March 11, 2025

PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2024 and 2023

Overview of the Financial Statements

This section of Piedmont Municipal Power Agency's ("PMPA") annual financial statements presents our analysis of PMPA's financial performance during the fiscal years ended December 31, 2024 and 2023. Please read this discussion and analysis in conjunction with the financial statements that follow this section.

Financial Highlights

Year Ended December 31, 2024:

- PMPA's wholesale rates to Participants remain unchanged in 2024.
- On April 30, 2024, on behalf of eight Participants, PMPA issued the \$48.3 million 2024A Electric Revenue Bond associated with the settlement of the 2019 lawsuit naming PMPA a defendant by two Participants with respect to the allocation of costs amongst all Participants. The bond is excluded from PMPA's wholesale rates and net costs recoverable from future Participant billings, and will be paid by the eight Participants during the life of the bond. Refer to Note 16 for additional settlement information.
- In 2024, net cash generated from operating and investing activities was \$123.4 million and \$9.5 million, respectively, offsetting cash used in financing activities of \$132.2 million.

Year Ended December 31, 2023:

- PMPA's wholesale rates to Participants remain unchanged in 2023.
- In 2023, net cash generated from operating activities was \$133.3 million, offsetting cash used in investing and financing activities of \$5.6 million and \$128.8 million, respectively.

PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2024 and 2023

Overview of the Financial Activities

The following is an overview of the financial activities of PMPA for the years ended December 31, 2024 and 2023.

PMPA's financial statements, which include the statements of net position, the statements of revenues, expenses and changes in net position, and the statements of cash flows, are presented to display information about the reporting entity as a whole. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

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PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2024 and 2023

Financial Information

The following summarizes the activities of PMPA for the years ended December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
	(In thousands)		
Revenues:			
Sales of electricity to Participants	\$ 223,172	\$ 220,132	\$ 215,668
Sales of electricity to other utilities and other operating revenues	18,314	18,833	23,161
Total operating revenues	<u>241,486</u>	<u>238,965</u>	<u>238,829</u>
Interest income	9,413	7,230	2,890
Net change in fair market value of investments	1,717	5,202	(9,143)
Total Revenues	<u>252,616</u>	<u>251,397</u>	<u>232,576</u>
Expenses:			
Operation, maintenance, and nuclear fuel amortization	36,741	37,539	38,322
Purchased power, transmission, and power delivery	59,394	54,443	65,683
Administrative, general, and payments in lieu of property taxes	24,370	25,554	24,001
Net decrease in net costs recoverable from future Participant billings	48,777	46,721	48,055
Depreciation	9,022	8,779	10,634
Interest and bond amortization expense	29,533	30,448	31,894
Postemployment benefits	-	132	-
Other	13,302	23,214	13,882
Total Expenses	<u>221,139</u>	<u>226,830</u>	<u>232,471</u>
Increase in net position	31,477	24,567	105
Net position at beginning of year	141,042	116,475	116,370
Net position at end of year	<u>\$ 172,519</u>	<u>\$ 141,042</u>	<u>\$ 116,475</u>

PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2024 and 2023

Results of Operations

Revenues

- Sales of electricity to Participants, PMPA's primary source of revenue, increased in 2024 by 1.4%, or approximately \$3.0 million. This increase was driven by an increase in energy sold to Participants. Sales of electricity to Participants increased in 2023 by 2.1%, or approximately \$4.5 million. In 2023, sales of electricity to Participants did not include any billing credits to Participants, resulting in a \$10.8 million increase in revenue from 2022. This increase was partially offset by a decrease in energy sold to Participants.
- Sales of electricity to other utilities and other operating revenues decreased by 2.8% in 2024 due to a decrease in surplus energy rates, partially offset by an increase in energy available to sell in the market. Sales of electricity to other utilities and other operating revenues decreased by 18.7% in 2023 due to a decrease in surplus energy rates, partially offset by an increase in energy available to sell in the market. PMPA's surplus energy was contractually sold to Santee Cooper and The Energy Authority as part of supplemental purchased power agreements and Duke Energy Carolinas, LLC.

Expenses

- Purchased power, transmission and power delivery expenses increased by 9.1%, or approximately \$5.0 million, in 2024 due to an increase in supplemental energy purchased, partially offset by a decrease in purchase prices during 2024. Purchased power, transmission and power delivery expenses decreased by 17.1%, or approximately \$11.2 million, in 2023 due to a decrease in purchase prices coupled with a decrease in supplemental energy purchased in the market during 2023.
- In 2023, when it became probable and estimable, PMPA recorded a \$10.0 million settlement liability associated with a 2019 lawsuit naming PMPA a defendant by two Participants with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with two Participants receiving a combined cash payment of \$55 million, of which \$10 million was paid by PMPA out of working capital funds and \$45 million was paid by the remaining eight Participants through the issuance of the 2024A Electric Revenue Bond. Refer to Note 16 for additional settlement information.

PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2024 and 2023

Net Position

The following summarizes the net position of PMPA for the years ended December 31, 2024, 2023, and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
	(In thousands)		
Assets:			
Current unrestricted assets	\$ 110,700	\$ 123,023	\$ 117,133
Current restricted assets	267,004	252,035	240,123
Noncurrent assets	703,807	683,784	715,605
Total Assets	<u>\$ 1,081,511</u>	<u>\$ 1,058,842</u>	<u>\$ 1,072,861</u>
Deferred outflows:	<u>\$ 45,824</u>	<u>\$ 19,299</u>	<u>\$ 30,461</u>
Liabilities:			
Current liabilities	\$ 264,339	\$ 258,012	\$ 247,779
Long-term liabilities	690,261	678,899	739,068
Total Liabilities	<u>\$ 954,600</u>	<u>\$ 936,911</u>	<u>\$ 986,847</u>
Deferred inflows:	<u>\$ 216</u>	<u>\$ 188</u>	<u>\$ -</u>
Net position:			
Net investment in capital assets	\$ (87,772)	\$ (168,303)	\$ (239,406)
Restricted for other	1,600	1,600	1,600
Unrestricted	258,691	307,745	354,281
Total Net Position	<u>\$ 172,519</u>	<u>\$ 141,042</u>	<u>\$ 116,475</u>

Current unrestricted assets fluctuate with the changes in marketable debt securities held in PMPA's revenue fund. Revenue fund fluctuations result from the timing of Participant cash receipts, payments made to third parties and deposits into restricted funds.

Current restricted assets primarily include assets restricted for decommissioning and debt service. Assets restricted for decommissioning increase each year due to PMPA's regular deposits into the decommissioning fund. Assets restricted for debt service fluctuate each year depending on PMPA's debt service obligation on January 1 of the following year. As such, PMPA's assets restricted for debt service increased on December 31, 2024 when compared to December 31, 2023 and decreased on December 31, 2023 when compared to December 31, 2022.

Noncurrent assets include capital assets of \$427.3 million and \$403.9 million at December 31, 2024 and 2023, respectively, net costs recoverable from future Participant billings and a Participant settlement receivable. Net costs recoverable from future Participant billings decreased by \$48.8 million and \$46.7 million in 2024 and 2023, respectively. This decrease was driven by \$66.6 million and \$52.1 million of principal deposits made during 2024 and 2023, respectively, partially offset by the deferrals of interest, depreciation, and amortization expenses. The Participant settlement receivable of \$45.4 million was

PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2024 and 2023

established in April of 2024 resulting from the 2019 lawsuit settlement. Refer to Note 16 for additional settlement information.

Deferred outflows primarily consist of the asset retirement obligation, redemption losses and losses on advance refundings of debt. Deferred outflows increased \$26.5 million in 2024 and decreased \$11.2 million in 2023 primarily related to changes in assumptions related to the asset retirement obligation, refer to Note 11 for further information on the asset retirement obligation.

Long-term liabilities primarily include bonds payable, net and an asset retirement obligation. Long-term bonds payable, net decreased by \$26.0 million and \$61.2 million in 2024 and 2023, respectively, due to bond payments and the amortization of bond premiums, partially offset in 2024 by the \$48.3 million 2024A Electric Revenue Bond issuance. The asset retirement obligation, related to the decommissioning of Catawba, increased by \$37.2 million and \$1.5 million in 2024 and 2023, respectively, due to the continued accretion to the total decommissioning requirement as well as changes in assumptions. Changes in these assumptions resulted in a \$29.6 million increase in 2024 and a \$5.8 million decrease in 2023.

Current liabilities primarily reflect PMPA's debt service requirement on January 1 of the following year. As such, current liabilities increased by \$6.3 million and \$10.2 million in 2024 and 2023, respectively.

PMPA calculates net investment in capital assets as the difference between capital assets and bonds payable, including losses on advance refunding of debt. Capital assets includes accumulated depreciation and amortization, causing the net investment in capital assets to reflect a negative balance.

Capital Assets

Capital assets include structures and improvements, reactor plant equipment, turbo generator units, other equipment, and nuclear fuel. Such amounts are detailed as follows:

	2024	2023	2022
	(In thousands)		
Structures and improvements	\$ 176,702	\$ 176,047	\$ 174,077
Reactor plant equipment	299,383	297,657	297,376
Turbo generator units	89,136	83,259	76,988
Other equipment	118,141	116,280	116,233
Nuclear fuel	77,547	79,063	73,348
Other	28,237	25,114	29,845
Construction work-in-progress	39,056	34,083	23,688
Total	828,202	811,503	791,555
Less accumulated depreciation and amortization	(400,912)	(407,640)	(402,621)
Total, net	\$ 427,290	\$ 403,863	\$ 388,934

PIEDMONT MUNICIPAL POWER AGENCY

Management's Discussion and Analysis

December 31, 2024 and 2023

PMPA's investment in capital assets on December 31, 2024 totaled \$427.3 million (net of accumulated depreciation and amortization), a \$23.4 million increase from 2023. Significant capital transactions during 2024 included \$22.0 million in nuclear fuel purchases and \$23.3 million of capital additions, partially offset by depreciation and amortization expense of \$21.8 million.

PMPA's investment in capital assets on December 31, 2023 totaled \$403.9 million (net of accumulated depreciation and amortization), an \$14.9 million increase from 2022. Significant capital transactions during 2023 included \$15.4 million in nuclear fuel purchases and \$21.0 million of capital additions, partially offset by depreciation and amortization expense of \$21.5 million.

Bonds Payable

Net bonds payable, including current installments, were \$572.3 million and \$583.8 million at December 31, 2024 and 2023, respectively. With the exception of the 2024A Electric Revenue Bond, all principal payments are due on January 1 and are required to be deposited during the prior year. The 2024A Electric Revenue Bond principal payment is due on April 30, 2035. Principal payments of \$52.1 million and \$51.3 million were made on January 1, 2024 and 2023 respectively. PMPA's next principal payment of \$66.6 million is due on January 1, 2025. Refer to Note 9 for additional information regarding PMPA's bonds payable.

Economic Factors and Next Year's Rates

Because the retail customers of PMPA Participants are primarily residential and small commercial accounts, PMPA is much less affected by economic downturns than a utility with larger commercial and industrial retail customers. The 2025 budget does not include an increase in PMPA's wholesale rates to the Participants.

Request for Information

This financial report is provided as an overview of PMPA's finances. Questions concerning any of the information in this report or requests for additional information should be directed to the Office of the Finance Director, Piedmont Municipal Power Agency, 121 Village Drive, Greer, South Carolina 29651.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Net Position

December 31, 2024 and 2023

(Dollars in thousands)

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current Unrestricted Assets:		
Cash	\$ 739	\$ 47
Marketable debt securities	71,179	84,516
Participant accounts receivable	17,640	17,488
Other accounts receivable	390	956
Materials and supplies	20,752	20,016
Total Current Unrestricted Assets	110,700	123,023
Current Restricted Assets (Note 7):		
Restricted investments for debt service	127,694	124,255
Restricted investments for decommissioning	137,710	126,180
Restricted investments for other	1,600	1,600
Total Current Restricted Assets	267,004	252,035
Total Current Assets	377,704	375,058
Noncurrent Assets:		
Capital assets, net (Note 5)	427,290	403,863
Net costs recoverable from future Participant billings (Note 8)	231,117	279,894
Participant settlement receivable (Note 16)	45,400	-
Other	-	27
Total Noncurrent Assets	703,807	683,784
Total Assets	\$ 1,081,511	\$ 1,058,842
Deferred Outflows:		
Asset retirement obligation (Note 11)	\$ 36,893	\$ 7,629
Redemption losses, net	4,225	4,928
Losses on advance refundings of debt, net	4,706	6,742
Total Deferred Outflows	\$ 45,824	\$ 19,299

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Net Position (continued)

December 31, 2024 and 2023

(Dollars in thousands)

<u>Liabilities</u>	<u>2024</u>	<u>2023</u>
Current Liabilities:		
Accounts payable and other accrued liabilities	\$ 11,841	\$ 11,889
Accrued settlement liability (Note 16)	-	10,000
Total Current Liabilities	11,841	21,889
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	185,933	184,037
Current installments of bonds payable	66,565	52,086
Total Current Liabilities Payable from Restricted Assets	252,498	236,123
Total Current Liabilities	264,339	258,012
Long-Term Liabilities:		
Bonds payable, net (Notes 9 and 10)	505,758	531,750
Asset retirement obligation (Note 11)	182,667	145,510
Participant interest payable	112	-
Total other postemployment benefits (Note 13)	1,724	1,639
Total Long-Term Liabilities	690,261	678,899
Total Liabilities	\$ 954,600	\$ 936,911
Deferred Inflows:		
Postemployment benefits	\$ 216	\$ 188
 <u>Net Position</u>		
Net investment in capital assets	\$ (87,772)	\$ (168,303)
Restricted for other	1,600	1,600
Unrestricted	258,691	307,745
Total Net Position	\$ 172,519	\$ 141,042

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY
Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31, 2024 and 2023
(Dollars in thousands)

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Sales of electricity to Participants	\$ 223,172	\$ 220,132
Sales of electricity to other utilities	16,707	17,412
Other	1,607	1,421
Total Operating Revenues	<u>241,486</u>	<u>238,965</u>
Operating Expenses:		
Operation and maintenance	23,966	24,837
Nuclear fuel amortization	12,775	12,702
Purchased power	48,892	44,974
Transmission	9,921	8,861
Power delivery	581	608
Administrative and general	14,734	15,672
Depreciation	9,022	8,779
Asset retirement obligation accretion and amortization	7,893	7,984
Payments in lieu of property taxes	9,636	9,882
Total Operating Expenses	<u>137,420</u>	<u>134,299</u>
Net Operating Income	<u>104,066</u>	<u>104,666</u>
Other Nonoperating Revenues and (Expenses):		
Net decrease in net costs recoverable from future Participant billings	(48,777)	(46,721)
Interest income	9,413	7,230
Net change in fair market value of investments	1,717	5,202
Interest expense	(35,575)	(36,660)
Bond amortization	6,042	6,212
Postemployment benefits	-	(132)
Other	(5,409)	(15,230)
Total Other Nonoperating Revenues and Expenses, net	<u>(72,589)</u>	<u>(80,099)</u>
Increase in net position	31,477	24,567
Net position at beginning of year	<u>141,042</u>	<u>116,475</u>
Net position at end of year	<u>\$ 172,519</u>	<u>\$ 141,042</u>

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

(Dollars in thousands)

	2024	2023
Cash flows from operating activities:		
Receipts from customers	\$ 241,900	\$ 238,762
Payments for operations and maintenance	(24,702)	(25,467)
Payments for purchased power, transmission, and power delivery	(69,030)	(64,325)
Payments for administrative and general	(24,782)	(15,660)
Net cash from operating activities	123,386	133,310
Cash flows from investing activities:		
Purchase of investment securities	(470,026)	(424,189)
Proceeds from sales and maturities of investments	468,815	409,805
Interest received on investments	10,709	8,743
Net cash from (used in) investing activities	9,498	(5,641)
Cash flows from capital and related financing activities:		
Payment of bond principal	(52,086)	(51,290)
Proceeds from bond issuance	48,330	-
Participant settlement payment (Note 16)	(45,400)	-
Interest received on settlement debt	1,614	-
Interest payment on bonds	(32,656)	(35,906)
Expenditures for utility plant in service	(23,257)	(21,009)
Expenditures for nuclear fuel	(21,967)	(15,401)
Payment to Duke Energy for other charges	(6,794)	(5,339)
Other	24	172
Net cash used in capital and related financing activities	(132,192)	(128,773)
Net change in cash	692	(1,104)
Cash, beginning of year	47	1,151
Cash, end of year	\$ 739	\$ 47
Noncash investing and financing activities:		
Loss on sale of investment	\$ (1,274)	\$ (1,796)
Amortization expense on discounts and premiums	\$ 7,757	\$ 9,117
Amortization of net redemption loss	\$ (2,739)	\$ (4,233)
Net change in fair market value of investments	\$ 1,717	\$ 5,202
Change in decommissioning liability due to change in assumptions	\$ (29,646)	\$ 5,795

See accompanying notes to financial statements.

PIEDMONT MUNICIPAL POWER AGENCY

Statements of Cash Flows (continued)

Years Ended December 31, 2024 and 2023

(Dollars in thousands)

	2024	2023
Reconciliation of net operating income to net cash from operating activities:		
Net operating income	\$ 104,066	\$ 104,666
Adjustments to reconcile net operating income to net cash from operating activities:		
Depreciation	9,022	8,779
Nuclear fuel amortization	12,775	12,702
Asset retirement obligation accretion and amortization	7,893	7,984
(Increase) decrease in:		
Participant accounts receivable	(152)	(675)
Other accounts receivable	566	472
Materials and supplies	(736)	(630)
(Decrease) increase in:		
Accounts payable and other accrued liabilities	(10,048)	12
Net cash from operating activities	\$ 123,386	\$ 133,310

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(1) Description of the Entity, Industry Restructuring Developments, and Related Uncertainties

(a) *Description of the Entity*

Piedmont Municipal Power Agency (“PMPA”) was incorporated in 1979 under the South Carolina Joint Municipal Electric Power and Energy Act (the “Act”). The Act, adopted in April 1978, enabled the formation, by South Carolina municipalities and municipal commissions of public works, of a joint agency to plan, finance, develop, own, and operate electric generation and transmission facilities. Ten municipal utility systems (“Participants”) comprise PMPA’s membership. The Participants, located in northwestern South Carolina, are the cities of Abbeville, Clinton, Easley, Gaffney, Greer, Laurens, Newberry, Rock Hill, Union, and Westminster. PMPA is not a component unit of any other governmental entity.

PMPA has a 25% undivided ownership interest in Unit 2 of the Catawba Nuclear Station (“Catawba”). Pursuant to the Operating and Fuel Agreement between PMPA and Duke Energy Carolinas, LLC (“Duke”), Duke operates both Units 1 and 2 at Catawba. PMPA’s power output entitlements (approximately 285 MW) come from both Catawba Units. PMPA pays 12.5% of the costs and receives 12.5% of the power output associated with each of these 1,145 MW units. The current operating licenses for Catawba Unit 1 and Unit 2 expire on December 5, 2043.

Duke is seeking a 20-year license extension for both units allowing both units to operate through 2063. The United States Nuclear Regulatory Commission (“NRC”) directs the subsequent license renewal process. Although the renewal process cannot be formally completed with the NRC until the current license is closer to expiration, PMPA deems it probable the 20-year extension will be approved. This determination was based on, among other things, Catawba’s outstanding operating performance and the information available surrounding the subsequent license renewals approved by the NRC for current reactors that have completed the NRC renewal process.

Additionally, the terms of the McGuire Reliability Exchange Agreement (“MREA”) allow transfers of energy between PMPA’s entitlements from the Catawba Units and Duke’s two nuclear units at the McGuire Nuclear Station (“McGuire”). The result spreads PMPA’s entitlements across four similar nuclear units. The operating license for McGuire Unit 1 expires on June 12, 2041 and the operating license for McGuire Unit 2 expires on March 3, 2043.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(2) Summary of Significant Accounting Policies

(a) *Basis of Accounting*

PMPA's accounting records are maintained on an accrual basis in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") and substantially in conformity with the Federal Energy Regulatory Commission's Uniform System of Accounts.

PMPA follows the accounting practices set forth in U.S. GAAP, which allows PMPA to capitalize or defer certain costs or revenues based on PMPA's ongoing assessment that it is probable that such items will be recovered through future revenues based on the rate-making authority of PMPA's Board of Directors. The criteria require consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized cost.

PMPA's General Bond Resolution requires that its rate structure be designed to produce revenues sufficient to pay operating, debt service, and other specified costs. PMPA's Board of Directors, which is comprised of representatives of the Participants, is responsible for reviewing and approving the rate structure. The application of a given rate structure to a given period's electricity sales may produce revenues not intended to pay that period's costs, and conversely, that period's costs may not be intended to be recovered in period revenues. The affected revenues and/or costs are, in such cases, deferred for future recognition. The ultimate recognition of deferred items is correlated with specific future events, primarily payment of debt principal.

PMPA maintains a single enterprise fund to record its activities, which consists of a self-balancing set of accounts. Enterprise funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(2) Summary of Significant Accounting Policies – Continued

(b) *Losses on Advanced Refundings of Debt and Redemption Losses, net*

Losses on advanced refundings of debt and redemption losses, net at December 31, 2024 and 2023 of \$8,931 and \$11,670, respectively, which have been deferred in accordance with U.S. GAAP and are being amortized over the term of the debt issued on refunding using the effective interest method. The remaining costs on advanced refundings will be amortized over the next 9 years (2025 through 2033) based on the shorter of the original debt maturity dates or the maturity dates of the new debt.

(c) *Discounts on Bonds Payable*

The discounts on bonds payable at December 31, 2024 and 2023 of \$30 and \$81, respectively, (net of accumulated amortization of \$1,058 and \$1,007, respectively) are being amortized on the bonds outstanding method, which approximates the effective interest method.

(d) *Premiums on Bonds Payable*

The premiums on bonds payable at December 31, 2024 and 2023 of \$37,113 and \$44,921, respectively, (net of accumulated amortization of \$39,263 and \$31,455, respectively) are being amortized on a method that approximates the effective interest method.

(e) *Income Taxes*

PMPA is recognized as a public utility for federal income tax purposes. As such, the gross income of PMPA is excluded from federal income taxes under Internal Revenue Code (“IRC”) Section 115.

(f) *Marketable Debt Securities*

As authorized by the General Bond Resolution, investment securities at December 31, 2024 and 2023 consist only of direct obligations of the United States government and obligations of United States government agencies. These investments are uninsured and unregistered and are held by PMPA’s trustee in PMPA’s name.

Marketable debt securities are recorded at fair value based on market prices. Unrealized holding gains and losses on marketable debt securities are included in income. Interest income is recognized when earned.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(2) Summary of Significant Accounting Policies – Continued***(g) Capital Assets, net***

Utility plant assets are stated at cost and are depreciated on a straight-line basis at rates calculated to depreciate the composite assets over their respective estimated useful lives. Depreciation begins when assets are placed into service. PMPA's annual provision for depreciation expressed as a percentage of the average balance of depreciable utility plant assets was 1.2% in both 2024 and 2023.

Utility plant assets are depreciated over the estimated useful life of Catawba, which is 39 years. Nuclear fuel is amortized over its estimated useful life, which is approximately 4.5 years.

(h) Materials and Supplies

Materials and supplies inventories are stated at the lower of cost or net realizable value using the average cost method.

(i) Asset Retirement Obligation

PMPA has recorded an asset retirement obligation related to the decommissioning of Catawba. Subsequent to the initial measurement of the asset retirement obligation, the obligation will be adjusted to reflect the passage of time and changes in estimated future cash flows underlying the obligation. Any such adjustments, will also be capitalized and amortized over the remaining life of the asset.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(2) Summary of Significant Accounting Policies – Continued

(j) *Net Position*

Equity is classified into net positions and is displayed in three components:

- *Net Investment in Capital Assets* – consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted for Other* – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provision or enabling legislation.
- *Unrestricted* – all other net position that does not meet the definition of “restricted for other” or “net investment in capital assets.”

(k) *Revenue Recognition*

PMPA recognizes revenue on sales when the electricity is delivered to the Participants and other utilities. See Note 8 for additional information related to revenue and future costs to be recovered.

(l) *Operating and Nonoperating Revenues and Expenses*

PMPA distinguishes operating revenues and expenses from nonoperating items. Nonoperating items include revenues and expenses related to financing, the disposal of capital assets and investment income and expenses. All other revenues and expenses not meeting this definition are reported as operating revenues and expenses. The principal operating revenues of PMPA are charges to Participants and other utilities for sales and services. Operating expenses for PMPA include the costs of sales and services, general and administrative services and depreciation of capital assets.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(2) Summary of Significant Accounting Policies – Continued

(m) *Recent Pronouncements*

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement aligns the recognition and measurement guidance for compensated absences under a unified model and amends certain previously required disclosures. PMPA adopted this statement effective January 1, 2024. There was no material impact on PMPA's financial statements as a result of the adoption.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. This Statement is not expected to have a material impact on PMPA.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. This Statement is not expected to have a material impact on PMPA.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. This Statement is not expected to have a material impact on PMPA.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(2) Summary of Significant Accounting Policies – Continued

(n) Reclassifications

In order to more accurately reflect the financial reporting presentation, certain reclassifications have been made to the 2023 financial statement presentation to correspond to the current year's format. The following table summarizes the changes to PMPA's financial statements as a result of the reclassifications:

	Capital assets, net	Asset retirement obligation	Net investment in capital assets	Unrestricted net position
As previously presented, December 31, 2023	\$ 411,492	\$ -	\$ (165,602)	\$ 305,044
Reclassification	(7,629)	7,629	(2,701)	2,701
As presented, December 31, 2023	<u>\$ 403,863</u>	<u>\$ 7,629</u>	<u>\$ (168,303)</u>	<u>\$ 307,745</u>

	Depreciation	Asset retirement obligation accretion and amortization
As previously presented, December 31, 2023	\$ 9,450	\$ 7,313
Reclassification	(671)	671
As presented, December 31, 2023	<u>\$ 8,779</u>	<u>\$ 7,984</u>

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(3) Power Sales Agreements

(a) *Catawba Project Power Sales Agreements*

PMPA and each Participant are parties to Catawba Project Power Sales Agreements (“Power Sales Agreements”). These Power Sales Agreements obligate PMPA to provide each Participant a share of the undivided 25% interest in Unit 2 of Catawba power output. In turn, each Participant must pay its share of the Catawba costs. Participants make their payments on a “take-or-pay” basis whether or not Catawba is operable or operating. Such payments are not subject to reduction or offset and are not conditioned upon performance by PMPA or any given Participant. The Power Sales Agreements are in effect until the earlier of August 1, 2035 or the completion of payments on the bonds and satisfaction of obligations under the Project agreements.

Each Participant is entitled to the following percentages of PMPA’s Catawba output:

Abbeville	2.68
Clinton	7.84
Easley	13.24
Gaffney	10.05
Greer	9.34
Laurens	6.49
Newberry	10.47
Rock Hill	28.04
Union	10.01
Westminster	1.84
	<u>100.00</u>

(b) *Supplemental Power Sales Agreements*

PMPA and each Participant are also parties to Supplemental Power Sales Agreements (“Supplemental Agreements”) under which each Participant has agreed to pay, in exchange for All Requirements Bulk Power Supply, its share of All Requirements Bulk Power Supply costs. A Participant may terminate its Supplemental Agreement with ten years advance notice. On December 31, 2018 the Participants Greer, Rock Hill and Westminster turned in the ten-year written notice to terminate their Supplemental Agreements with PMPA. The effective date of termination will be December 31, 2028. In December 2019, the remaining seven Participants turned in the ten-year written notice to terminate their Supplemental Agreements with PMPA. The effective date of termination will be December 31, 2029.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(4) Project and Other Agreements

Project Agreements between PMPA and Duke consist of the Purchase, Construction, and Ownership Agreement (“Sales Agreement”), the Operating and Fuel Agreement (the “Operating Agreement”), the Joint Ownership Support Agreement, (the “JOSA”), and the MREA.

(a) Sales Agreement

The Sales Agreement generally provides for (i) the purchase of Catawba by PMPA; (ii) PMPA’s contract with Duke to act as engineer contractor for PMPA for completion of construction, initial fueling, and placing Catawba into commercial operation; (iii) PMPA’s payment to Duke for construction completed to the date of closing on Catawba and for construction thereafter; and (iv) PMPA’s payment to Duke of certain profits and fees.

(b) Operating Agreement

The Operating Agreement generally provides that PMPA employs Duke, as operator of Catawba, to be responsible for the (i) operation, maintenance, and fueling of Catawba; (ii) making of renewals, replacements, and capital additions to Catawba; and (iii) ultimate decommissioning of Catawba at the end of its useful life.

(c) JOSA

The JOSA generally provides for certain joint ownership rights and obligations, including the Catawba Reliability Exchange. This agreement became effective on January 1, 2006.

(d) MREA

The MREA generally provides for the continued exchange of energy from PMPA’s entitlements to the Catawba units for energy from Duke’s McGuire Nuclear Station units. This agreement became effective January 1, 2006, and can be terminated by either party by giving a three-year written notice.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(4) Project and Other Agreements – Continued

Other Agreements

(a) *Requirements Service Agreement*

On December 13, 2010, PMPA entered into a Power Sales Agreement with the South Carolina Public Service Authority (“Santee Cooper”). This agreement became effective on January 1, 2014. The contract requires that PMPA purchase power from Santee Cooper to meet all of its load demand beyond the amounts served by Catawba, the Participants’ share of electricity, excluding backstand services, from SEPA (“Southeastern Power Administration”) hydroelectric facilities, and load requirements met by individual generating resources owned by certain Participants. On January 28, 2020, PMPA provided the required ten-year notice of termination to Santee Cooper for the Requirements Service Agreement. This cancellation is a result of all Participants providing notice to cancel their Supplemental Agreements, as discussed in Note 3.

(b) *Transmission Services*

PMPA entered into a service agreement with Duke to begin taking transmission service under Duke’s Open Access Transmission Tariff (“OATT”) on January 1, 2006.

(c) *The Energy Authority Resource (“TEA”) Management Agreement*

PMPA entered into a Resource Management Agreement with TEA effective January 1, 2021, renewing annually. The Resource Management Agreement generally provides for PMPA to obtain backstand services for PMPA’s entitlement to capacity and energy from the Catawba and McGuire Nuclear Stations.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(5) Capital Assets

The following is a summary of capital asset activity for the years ended December 31, 2024 and 2023:

	December 31, 2024			Ending Balance
	Beginning Balance	Increase	Decrease	
Utility plant being depreciated:				
Structures and improvements	\$ 176,047	\$ 1,255	\$ (600)	\$ 176,702
Reactor plant equipment	297,657	2,229	(503)	299,383
Turbo generator units	83,259	7,509	(1,632)	89,136
Accessory electric equipment	67,317	985	(182)	68,120
Miscellaneous plant equipment	37,026	1,316	(3)	38,339
Station equipment	5,754	8	(263)	5,499
Transmission equipment	6,183	-	-	6,183
Other	24,578	17,001	(13,878)	27,701
Nuclear fuel	79,063	21,967	(23,483)	77,547
Total utility plant assets being depreciated	776,884	52,270	(40,544)	788,610
Accumulated depreciation and amortization:				
Utility plant asset depreciation	(367,603)	(9,022)	5,041	(371,584)
Nuclear fuel amortization	(40,037)	(12,775)	23,484	(29,328)
Total utility plant assets being depreciated, net	369,244	30,473	(12,019)	387,698
Utility plant assets not being depreciated:				
Land	536	-	-	536
Construction work-in-progress	34,083	23,257	(18,284)	39,056
Total utility plant assets not being depreciated	34,619	23,257	(18,284)	39,592
Total capital assets, net	<u>\$ 403,863</u>	<u>\$ 53,730</u>	<u>\$ (30,303)</u>	<u>\$ 427,290</u>

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(5) Capital Assets – Continued

	December 31, 2023			Ending Balance
	Beginning Balance	Increase	Decrease	
Utility plant being depreciated:				
Structures and improvements	\$ 174,077	\$ 2,651	\$ (681)	\$ 176,047
Reactor plant equipment	297,376	1,305	(1,024)	297,657
Turbo generator units	76,988	8,219	(1,948)	83,259
Accessory electric equipment	66,526	1,028	(237)	67,317
Miscellaneous plant equipment	35,988	1,044	(6)	37,026
Station equipment	7,536	146	(1,928)	5,754
Transmission equipment	6,183	-	-	6,183
Other	29,309	9,631	(14,362)	24,578
Nuclear fuel	73,348	15,401	(9,686)	79,063
Total utility plant assets being depreciated	767,331	39,425	(29,872)	776,884
Accumulated depreciation and amortization:				
Utility plant asset depreciation	(365,600)	(8,779)	6,776	(367,603)
Nuclear fuel amortization	(37,021)	(12,702)	9,686	(40,037)
Total utility plant assets being depreciated, net	364,710	17,944	(13,410)	369,244
Utility plant assets not being depreciated:				
Land	536	-	-	536
Construction work-in-progress	23,688	21,009	(10,614)	34,083
Total utility plant assets not being depreciated	24,224	21,009	(10,614)	34,619
Total capital assets, net	\$ 388,934	\$ 38,953	\$ (24,024)	\$ 403,863

Nuclear fuel represents costs associated with acquiring and processing reload fuel assemblies as well as the cost of nuclear fuel in the reactor. Nuclear fuel is amortized based on burn rates using a unit of production basis. PMPA regularly removes fully amortized nuclear fuel costs when fuel batches are replaced during core refueling operations. Fully amortized fuel costs of \$23,483 and \$9,686 were removed during 2024 and 2023, respectively.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(6) Cash and Investments

On December 31, 2024, the carrying value of deposits included in cash was \$739. Insured and collateralized bank deposits were \$805 on December 31, 2024.

As of December 31, 2024, PMPA held the following investments (all are listed at fair value):

<u>Investment Type</u>	<u>Time Segmented Distribution</u>					<u>Total</u>
	<u>Under 1 Year</u>	<u>1-2 Years</u>	<u>2-3 Years</u>	<u>3-4 Years</u>	<u>>4 Years</u>	
Cash/Money Market	\$ 157,270	\$ -	\$ -	\$ -	\$ -	\$ 157,270
Government Treasury	4,891	57,328	45,287	36,562	35,766	179,834
Mortgage Backed Securities	-	-	-	-	216	216
Total fair value	<u>\$ 162,161</u>	<u>\$ 57,328</u>	<u>\$ 45,287</u>	<u>\$ 36,562</u>	<u>\$ 35,982</u>	<u>\$ 337,320</u>

On December 31, 2023, the carrying value of deposits included in cash was \$47. Insured and collateralized bank deposits were \$173 on December 31, 2023.

As of December 31, 2023, PMPA held the following investments (all are listed at fair value):

<u>Investment Type</u>	<u>Time Segmented Distribution</u>					<u>Total</u>
	<u>Under 1 Year</u>	<u>1-2 Years</u>	<u>2-3 Years</u>	<u>3-4 Years</u>	<u>>4 Years</u>	
Cash/Money Market	\$ 153,552	\$ -	\$ -	\$ -	\$ -	\$ 153,552
Government Agency	-	13,913	-	-	-	13,913
Government Treasury	15,701	40,721	40,454	38,001	33,071	167,948
Mortgage Backed Securities	-	-	-	-	252	252
Total fair value	<u>\$ 169,253</u>	<u>\$ 54,634</u>	<u>\$ 40,454</u>	<u>\$ 38,001</u>	<u>\$ 33,323</u>	<u>\$ 335,665</u>

Refer to Note 14 for additional fair value disclosures.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(6) Cash and Investments – Continued

A reconciliation of investments on December 31, 2024 and 2023 shown in the statements of net position is as follows:

	2024	2023
Investments	\$ 337,320	\$ 335,665
Accrued interest receivable	863	886
Total	\$ 338,183	\$ 336,551
Statements of Net Position:		
Marketable debt securities	\$ 71,179	\$ 84,516
Restricted investments for debt services	127,694	124,255
Restricted investments for decommissioning	137,710	126,180
Restricted investments for other	1,600	1,600
Total investments, including accrued interest receivable	\$ 338,183	\$ 336,551

The following represents the fair value of securities in an unrealized loss position and the associated unrealized loss as of December 31, 2024 and 2023:

	Less than 12 months		12 months or more		Total	
	Fair Value of Securities	Unrealized Loss	Fair Value of Securities	Unrealized Loss	Fair Value of Securities	Unrealized Loss
As of December 31, 2024	\$ 12,379	\$ (188)	\$ 55,063	\$ (2,177)	\$ 67,442	\$ (2,365)
As of December 31, 2023	\$ 10,544	\$ (57)	\$ 92,439	\$ (5,121)	\$ 102,983	\$ (5,178)

Credit Risk

PMPA's investment policy for managing credit risk is in accordance with the statutes of the State of South Carolina. The policy allows for the investment of money in the following investments:

- a) Direct obligations of, or obligations for, which the principal and interest are unconditionally guaranteed by the United States or its Agencies.
- b) Direct and general obligations, to the payment of which the full faith and credit of the issuer is pledged, of the State of South Carolina or any political subdivision thereof that at the time of investment are assigned a rating of at least "A."
- c) Certificates of deposit issued by any bank, trust company, or national banking association whose principal place of business is in the State of South Carolina or that is a member of the Federal Reserve System and authorized to do business in any state of the United States.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(6) Cash and Investments – Continued

- d) Bills of exchange or time drafts drawn on and accepted by a domestic or foreign bank, otherwise known as Bankers' Acceptances, which are eligible for purchase by the Federal Reserve, the short-term commercial paper of which is rated in the highest category.
- e) Investments in repurchase agreements and reverse repurchase agreements with any bank, savings and loan association, credit union, or trust company organized under the laws of any state of the United States or any national banking association or government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which are collateralized by securities as set forth in (a) and (b).

PMPA's investments in U.S. Agencies and U.S. Government Sponsored Enterprises, including Federal Home Loan Bank System, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation, are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. U.S. Treasury and Agency Mortgage-Backed Securities are unrated but are considered equivalent to an AAA rating.

Concentration of Credit Risk

The investment policy of PMPA permits a maximum portfolio percentage of 100% for U.S. Treasuries, Federal Agencies and U.S. Government-sponsored enterprises and permits a maximum portfolio percentage of 50% in any one federal agency or government-sponsored enterprise.

Custodial Credit Risk

PMPA's policy for managing custodial risk requires all securities owned by PMPA to be held in safekeeping by a third party custodian bank in PMPA's name under a custody agreement. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, PMPA will not be able to recover the value of its investments or collateral that is in the possession of an outside party.

Interest Rate Risk

Interest rate risk is the risk that rising interest rates will adversely affect the fair value of PMPA's investments. As outlined in PMPA's investment policy, investment maturities shall be less than 20 years and maturities shall be staggered in a way that avoids undue concentration in a specific maturity sector and provides for stability of income and reasonable liquidity.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(7) Restricted Assets

The General Bond Resolution and Project agreements restrict the use of bond proceeds, PMPA revenues, and PMPA funds on hand. Certain restrictions define the order in which available funds may be used to pay costs; other restrictions require minimum balances or accumulation of balances for specific purposes. On December 31, 2024 and 2023, management believes PMPA was in compliance with all such restrictions and held the following restricted assets:

	2024		2023	
	Fair Value	Amortized Cost	Fair Value	Amortized Cost
Debt services - bond principal	\$ 66,732	\$ 66,732	\$ 64,562	\$ 64,562
Debt services - bond fixed rate interest	10,987	10,987	10,862	10,862
Debt service reserve	45,356	46,187	44,263	45,679
Reserve and contingency	4,619	4,619	4,568	4,568
Decommissioning	137,710	139,810	126,180	129,411
Special reserve	1,600	1,600	1,600	1,600
	\$ 267,004	\$ 269,935	\$ 252,035	\$ 256,682
Funds are comprised of:				
Marketable debt securities	\$ 266,141	\$ 269,072	\$ 251,149	\$ 255,796
Accrued interest receivable	863	863	886	886
	\$ 267,004	\$ 269,935	\$ 252,035	\$ 256,682

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(8) Net Costs Recoverable from Future Participant Billings

As described in Notes 1 and 2, rates charged to Participants are structured to systematically provide for debt requirements and operating costs of PMPA. The expenses and revenues excluded from rates are capitalized and expensed in such periods as they are intended to be included in rates.

Net costs recoverable from future Participant billings on December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>	<u>Change</u>
	(Cumulative totals)		
Items to be recovered in future Participant billings:			
Interest expense	\$ 523,168	\$ 509,088	\$ 14,080
Depreciation expense	415,323	411,681	3,642
Amortization of redemption and defeasance losses	368,863	366,125	2,738
Debt issuance costs and amortization of bond discounts and premiums	47,100	54,858	(7,758)
Nuclear fuel expenses	873	873	-
Letter of credit fees	5,649	5,649	-
Other	2,390	2,390	-
	<u>1,363,366</u>	<u>1,350,664</u>	<u>12,702</u>
Items reducing future Participant billings:			
Investment income	(76,528)	(76,528)	-
Reserve and contingency deposits	(117,840)	(117,840)	-
	<u>(194,368)</u>	<u>(194,368)</u>	<u>-</u>
Revenues (expenses) recognized:			
Interest, depreciation, amortization expense included in Participant billings for debt principal payments	(966,095)	(899,530)	(66,565)
Capital appreciation bond interest deposits	(37,735)	(37,735)	-
Reserve and contingency revenue applied to expenses	65,949	60,863	5,086
	<u>(937,881)</u>	<u>(876,402)</u>	<u>(61,479)</u>
Net costs recoverable from future Participant billings	<u>\$ 231,117</u>	<u>\$ 279,894</u>	<u>\$ (48,777)</u>

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(8) Net Costs Recoverable from Future Participant Billings – Continued

The following expenses will be recognized in future periods when rates charged to Participants produce revenues sufficient to retire the debt that funded those costs:

- Interest expense on PMPA's bonds and variable rate demand obligations along with an associated letter of credit, banking, and remarketing fees (except interest and fees related to capital appreciation bonds) paid from bond proceeds during a defined "Construction Period" (net of income earned on the temporary investment of those bond proceeds);
- Interest expense on capital appreciation bonds accrued but not paid until maturity;
- Debt issuance expenses, amortization of bond discounts and premiums, defeasance losses, redemption losses, and organization costs paid from or included in bond proceeds;
- Depreciation on utility plant constructed with bond proceeds and amortization of nuclear fuel acquired with bond proceeds; and
- Certain other project costs paid from bond proceeds.

Additionally, PMPA's General Bond Resolution requires Participant revenues to be established at levels sufficient to provide specified deposits into a Reserve and Contingency fund. Monies in that fund can be used to construct or acquire utility plant assets. The recognition of such revenues is considered unearned until the depreciation is recorded on the assets constructed or acquired with those monies.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(9) Bonds Payable

Bonds payable, net on December 31, 2024 and 2023 consist of the following:

	<u>2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>2024</u>	<u>Due within one year</u>
1993 Refunding Series Electric Revenue Bonds, payable from 2024 to 2025 with interest at 5.38%	\$ 31,760	\$ -	\$ 450	\$ 31,310	\$ 31,310
2004A Capital Appreciation Electric Revenue Bonds, payable annually from 2024, 2026 to 2032 and 2034 with interest ranging from 5.54% to 5.80%	86,861	-	6,531	80,330	-
2009B Electric Revenue Bonds (Build America Bonds), payable 2031 to 2034 with interest at 7.036% (35% interest federally refunded yielding net interest at 4.57%)	26,490	-	-	26,490	-
2015A Series Electric Revenue Bonds, payable annually from 2024 to 2034 with interest ranging from 3.50% to 5.00%	45,295	-	5,425	39,870	5,695
2017A Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	9,565	-	7,755	1,810	1,810
2017B Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	22,625	-	19,135	3,490	3,490

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(9) Bonds Payable – Continued

	<u>2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>2024</u>	<u>Due within one year</u>
2021A Refunding Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 4.00%	\$ 27,895	\$ -	\$ 10,870	\$ 17,025	\$ 17,025
2021B Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest ranging from 4.00% to 5.00%	97,420	-	-	97,420	-
2021C Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest at 5.00%	90,520	-	-	90,520	-
2021D Refunding Series Electric Revenue Bonds, payable annually from 2026 to 2034 with interest at 4.00%	91,410	-	-	91,410	-
2021E Refunding Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	9,155	-	1,920	7,235	7,235
2024A Electric Revenue Bond payable 2035 with interest at 5.01%	-	48,330	-	48,330	-
Total bonds payable	<u>538,996</u>	<u>48,330</u>	<u>52,086</u>	<u>535,240</u>	<u>66,565</u>
Less unamortized discounts	(81)	-	(51)	(30)	-
Plus unamortized premiums	<u>44,921</u>	<u>-</u>	<u>7,808</u>	<u>37,113</u>	<u>-</u>
Bonds payable, net	<u>\$ 583,836</u>	<u>\$ 48,330</u>	<u>\$ 59,843</u>	<u>\$ 572,323</u>	<u>\$ 66,565</u>

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(9) Bonds Payable – Continued

Bonds payable, net on December 31, 2023 and 2022 consist of the following:

	<u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>2023</u>	<u>Due within one year</u>
1993 Refunding Series Electric Revenue Bonds, payable from 2023 to 2025 with interest at 5.38%	\$ 32,185	\$ -	\$ 425	\$ 31,760	\$ 450
2004A Capital Appreciation Electric Revenue Bonds, payable annually from 2023 to 2024, 2026 to 2032 and 2034 with interest ranging from 5.46% to 5.80%	95,091	-	8,230	86,861	6,531
2009B Electric Revenue Bonds (Build America Bonds), payable 2031 to 2034 with interest at 7.036% (35% interest federally refunded yielding net interest at 4.57%)	26,490	-	-	26,490	-
2012C Refunding Series Electric Revenue Bonds	4,485	-	4,485	-	-
2015A Series Electric Revenue Bonds, payable annually from 2023 to 2034 with interest ranging from 3.50% to 5.00%	50,460	-	5,165	45,295	5,425
2017A Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	9,565	-	-	9,565	7,755
2017B Series Electric Revenue Bonds, payable annually from 2024 to 2025 with interest at 5.00%	22,625	-	-	22,625	19,135

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(9) Bonds Payable – Continued

	<u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>2023</u>	<u>Due within one year</u>
2021A Refunding Series Electric Revenue Bonds, payable annually from 2023 to 2025 with interest at 4.00%	\$ 38,870	\$ -	\$ 10,975	\$ 27,895	\$ 10,870
2021B Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest ranging from 4.00% to 5.00%	97,420	-	-	97,420	-
2021C Refunding Series Electric Revenue Bonds, payable annually from 2027 to 2034 with interest at 5.00%	90,520	-	-	90,520	-
2021D Refunding Series Electric Revenue Bonds, payable annually from 2026 to 2034 with interest at 4.00%	91,410	-	-	91,410	-
2021E Refunding Series Electric Revenue Bonds, payable annually from 2023 to 2025 with interest at 5.00%	31,165	-	22,010	9,155	1,920
Total bonds payable	590,286	-	51,290	538,996	52,086
Less unamortized discounts	(134)	-	(53)	(81)	-
Plus unamortized premiums	54,091	-	9,170	44,921	-
Bonds payable, net	<u>\$ 644,243</u>	<u>\$ -</u>	<u>\$ 60,407</u>	<u>\$ 583,836</u>	<u>\$ 52,086</u>

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(9) Bonds Payable – Continued

The bonds, with the exception of the 2024A Electric Revenue Bond, are special obligations of PMPA and are secured by future revenue and pledged monies and securities as provided by the Bond Resolution. Proceeds from these bonds provided financing for the initial construction and continued capital additions of Catawba. The bonds are payable solely from electrical net revenues and are payable through 2034. Refer to Note 16 for additional information on the issuance of the 2024A Electric Revenue Bond.

PMPA has advanced refunded certain bond issues as described in Note 10. PMPA is in compliance with its covenants under the Bond Resolution.

The following is a summary of bonds outstanding as of December 31, 2024. With the exception of the 2024A Electric Revenue Bond, all principal payments are due on January 1 and are required to be deposited during the year prior. The 2024A Electric Revenue Bond payment is due on April 30, 2035.

Payment Due 1/1	Principal	Interest	Total
2025	\$ 66,565	\$ 10,947	\$ 77,512
2026	27,064	58,666	85,730
2027	37,397	48,697	86,094
2028	37,863	48,228	86,091
2029	38,507	47,590	86,097
2030-2034	279,514	153,213	432,727
2035	48,330	800	49,130
	\$ 535,240	\$ 368,141	\$ 903,381

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(10) Refunding and Defeasance of Debt

In prior years, PMPA defeased in-substance certain Electric Revenue Bonds by placing the proceeds of new bonds in an irrevocable trust fund to provide for future debt service payments on the old debt. Accordingly, the trust account asset and the liability for the defeased bonds are not included in the accompanying financial statements. On December 31, 2024 and 2023, \$24,345 and \$24,695 of the bonds are considered defeased in-substance, respectively.

(11) Asset Retirement Obligation

As a co-owner of Catawba, PMPA has an obligation to decommission the station after its operating licenses expire. Management believes PMPA complies with the Nuclear Regulatory Commission requirements for funding future decommissioning costs. Since 1985, PMPA has been making regular deposits to segregated decommissioning accounts. Deposits pertaining to contaminated portions of the Project are held by a trustee. As of December 31, 2024 and 2023, the fair value of PMPA's assets that are legally restricted for settling the decommissioning obligation is \$137,710 and \$126,180, respectively.

Planned deposits into the decommissioning fund, together with interest earnings, are expected to be sufficient to pay PMPA's share of the projected cost of decommissioning the entire Catawba Station.

PMPA receives updated decommissioning studies every five years, with the most recent study completed in December 2023. The latest study included two scenarios (1) decommissioning occurs as soon as possible following the expiration of its current operating license in 2043 and (2) decommissioning occurs as soon as possible after the expiration of the operating license renewal in 2063. In 2023 dollars, the decommissioning costs are estimated to be \$1,846,942 and \$1,765,923 following the expiration of the operating license in 2043 and 2063, respectively. At December 31, 2024, PMPA determined the operating license renewal extending life to 2063 was both probable and estimable. As such, the PMPA updated its underlying asset retirement obligation to reflect the change in assumption. Refer to Note 1 for additional information on the operating license renewal.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(11) Asset Retirement Obligation – Continued

PMPA used the following assumptions in determining its asset retirement obligation:

	<u>2024</u>	<u>2023</u>
Period in which decommissioning liability was incurred	1985	1985
Agency's share of decommissioning costs per study (in 2023 dollars)	\$220,740	\$230,868
Estimation of inflation	2.75%	2.75%
Credit adjusted risk-free interest rate	3.25%	3.0%
Estimated remaining life of corresponding asset	39 years	20 years

The following is a roll forward of the asset retirement obligation for the years ended December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Asset retirement obligation at January 1	\$ 145,510	\$ 143,992
Accretion	7,511	7,313
Change in asset retirement obligation due to updated assumptions	29,646	(5,795)
Asset retirement obligation at December 31	<u>\$ 182,667</u>	<u>\$ 145,510</u>

PMPA has a deferred outflow related to the asset retirement obligation of \$36,893 and \$7,629 as of December 31, 2024 and 2023, respectively.

(12) Employee Benefit Plans

PMPA maintains a defined contribution money purchase plan in compliance with Section 401(a) of the IRC. On behalf of all full-time employees, PMPA contributes 10% of the base salary to the money purchase plan. PMPA contributions totaled \$154 and \$179 in 2024 and 2023, respectively. Employee contributions may also be made to the Plan, providing combined employer and employee annual contributions do not exceed 25% of eligible employee compensation, or \$30, whichever is less.

PMPA also maintains a deferred compensation plan under Section 457 of the IRC. In the past, on behalf of selected employees, PMPA has contributed to the deferred compensation plan; however, no such contribution was made in 2024 or 2023. Employee contributions may also be made to the deferred compensation plan providing combined employer and employee annual contributions do not exceed certain limitations.

Assets of the money purchase and deferred compensation plans are held by Empower Retirement, administrator, and trustee for PMPA, for the exclusive benefit of the employees.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(13) Total Other Postemployment Benefits (“OPEB”)

PMPA’s, single-employer, Postemployment Benefit Plan (the “Plan”) provides other retiree medical benefits to qualified retirees. To qualify, a retiree must be 59 ½ years of age, have ten or more years of service and qualify for retiree health insurance through PMPA’s current health insurance provider. Medical benefits to qualified retirees are as follows: PMPA will maintain and pay up to 100% of premiums for group medical, dental and vision insurance for each eligible retiree and up to 60% of premiums for the retiree’s dependent spouse and children for the retiree’s lifetime. After qualifying for Medicare, the covered individual will be covered under a supplemental insurance plan secondary to Medicare.

Membership in the healthcare benefit plan consisted of the following on December 31:

	2024	2023
Retirees	5	5
Active Employees	12	11
Total	17	16

Funding Policy

The required contribution is based on pay-as-you-go financing requirements.

Actuarial Assumptions and Other Inputs

The following actuarial assumptions and other inputs were used in calculating the OPEB liability for the years ended December 31, 2024 and 2023:

2024 and 2023	
Valuation date	December 31, 2023
Actuarial cost method	Entry age normal
Discount rate	4.0% per annum
Salary increases	2.5% per annum
Mortality rates	1994 Group Annuity Mortality Static Table
Healthcare trend rates (Medical)	7% grading to 5.6% over 3 years and following the Getzen model thereafter to an ultimate rate of 4.04% by 2075
Healthcare trend rates (Vision)	5% per annum
Participation rates	100% of active participants are assumed to elect coverage in retirement 50% of active participants are assumed to cover a spouse in retirement

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(13) Total Other Postemployment Benefits (“OPEB”) – Continued

The following is a schedule of changes in the OPEB liability for the years ended December 31, 2024 and 2023:

	2024	2023
OPEB liability at January 1	\$ 1,639	\$ 2,123
Service cost	50	118
Interest	66	50
Experience gains	-	(24)
Changes of assumptions	-	(599)
Benefit paid	(31)	(29)
OPEB liability at December 31	\$ 1,724	\$ 1,639

The following table represents the net OPEB liability calculated using the stated medical trend assumption, as well as what the net OPEB liability would be if it were calculated using a medical trend rate that is one percentage point lower or one percentage point higher than the assumed medical trend rate.

	Medical Trend Rate		
	1% Decrease (6.0% to 4.6% over 3 years following Getzen model thereafter)	Current (7.0% to 5.6% over 3 years following Getzen model thereafter)	1% Increase (8.0% to 6.6% over 3 years following Getzen model thereafter)
OPEB Liability	\$1,421	\$1,724	\$2,113

The following table represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage higher than the current rate.

	Discount Rate		
	1% Decrease (3.0%)	Current (4.0%)	1% Increase (5.0%)
OPEB Liability	\$2,066	\$1,724	\$1,451

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(13) Total Other Postemployment Benefits (“OPEB”) – Continued

OPEB Expense and Deferred Outflows of Resources Related to OPEB

Experience gains or losses as well as changes in actuarial assumptions are recognized over the average working lifetime of all participants, which is 7.4 years for the years ended December 31, 2024 and 2023. The following table summarizes OPEB expense for the years ended December 31, 2024 and 2023:

	2024	2023
Service cost	\$ 50	\$ 118
Interest	66	50
Experience gains	-	(3)
Changes of assumptions	-	(82)
Amortization of deferrals	28	112
Total OPEB expense	\$ 144	\$ 195

The deferred inflows of resources related to OPEB was \$216 and \$188 on December 31, 2024 and 2023, respectively. The deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ending December 31,	
2025	\$ 28
2026	(24)
2027	(54)
2028	(54)
2029	(81)
Thereafter	(31)
	\$ (216)

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(14) Disclosures Regarding Fair Value of Financial Instruments

U.S. GAAP requires disclosure of fair value information about financial instruments, whether or not recognized in the statement of net position, for which it is practicable to estimate fair value. Fair value estimates are made as of a specific point in time based on the characteristics of the financial instruments and the relevant market information. Where available, quoted market prices are used. In other cases, fair values are based on estimates using present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, prepayments, estimates of future cash flows, future expected loss experience and other factors. Changes in assumptions could significantly affect these estimates. Derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, may or may not be realized in an immediate sale of the instrument.

Under U.S. GAAP, fair value estimates are based on existing financial instruments without attempting to estimate the value of anticipated future business and the value of the assets and liabilities that are not financial instruments. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of PMPA.

The following describes the methods and assumptions used by PMPA in determining carrying value and estimated fair value of financial instruments:

(a) Cash

Carrying value equals estimated fair value.

(b) Marketable Debt Securities

Marketable debt securities are reported at fair value and categorized within the fair value hierarchy established under U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Gains or losses that result from market fluctuation are reported in the current period. As of December 31, 2024 and 2023, PMPA's investments included money market investments of \$157,270 and \$153,552, respectively, which were valued at amortized cost approximate fair value, and marketable debt securities of \$180,050 and \$182,113, respectively, which were valued at fair value using significant other observable inputs (Level 2 inputs).

(c) Participant Accounts Receivable and Other Accounts Receivable

Carrying amount approximates fair value due to the short-term nature of these instruments.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(14) Disclosures Regarding Fair Value of Financial Instruments – Continued

(d) Long-Term Debt

Carrying value of long-term debt coupon securities includes par, less unaccreted discounts, plus unamortized premiums, plus accrued interest payable. Carrying value also includes capital appreciation term bonds valued at the original price plus accrued interest payable.

The estimated fair value of long-term debt securities is derived from quoted market prices and includes accrued interest.

The estimated fair values of PMPA's long-term debt with carrying amount on December 31, 2024 and 2023 are as follows:

	2024		2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
1993 Electric Revenue Refunding Bonds	\$ 32,152	\$ 32,152	\$ 32,567	\$ 33,363
2004A-2 Electric Revenue Refunding Bonds	255,317	273,524	260,078	288,621
2009B Build America Bonds	27,422	29,753	27,422	30,892
2015A Electric Revenue Refunding Bonds	41,806	40,828	47,825	47,163
2017A Electric Revenue Refunding Bonds	1,855	1,855	9,843	9,841
2017B Electric Revenue Refunding Bonds	3,577	3,577	23,286	23,261
2021A Electric Revenue Refunding Bonds	17,366	17,366	29,062	28,631
2021B Electric Revenue Refunding Bonds	113,946	104,191	116,555	108,120
2021C Electric Revenue Refunding Bonds	103,722	95,968	105,681	98,689
2021D Electric Revenue Refunding Bonds	104,136	94,516	105,844	97,929
2021E Electric Revenue Refunding Bonds	7,416	7,416	9,710	9,530
2024A Electric Revenue Bond	49,541	50,278	-	-
	\$ 758,256	\$ 751,424	\$ 767,873	\$ 776,040

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(15) Nuclear Insurance and Other Risk Management

As part of the Operating Agreement, Duke is responsible for the maintenance of insurance policies as it relates to Catawba. PMPA reimburses Duke for their ownership percentage of these costs.

Nuclear Liability Coverage. The Price-Anderson Act requires owners of nuclear reactors to provide for public nuclear liability protection per nuclear incident up to a maximum total financial protection liability. The maximum total financial protection liability, which is approximately \$16,200,000, is subject to change every five years for inflation and for the number of licensed reactors. Total nuclear liability coverage consists of a combination of private primary nuclear liability insurance coverage and a mandatory industry risk-sharing program to provide for excess nuclear liability coverage above the maximum reasonably available private primary coverage. The U.S. Congress could impose revenue-raising measures on the nuclear industry to pay claims.

Primary Liability Insurance. Duke has purchased the maximum reasonably available private primary nuclear liability insurance as required by law, which currently is \$450,000 per station.

Excess Liability Program. This program provides \$16,200,000 coverage per incident through the Price-Anderson Act's mandatory industrywide excess secondary financial protection program of risk pooling. This amount is the product of potential cumulative retrospective premium assessments of \$166,000 times the current 95 licensed commercial nuclear reactors in the U.S. Under this program, operating unit licensees could be assessed retrospective premiums to compensate for public nuclear liability damages in the event of a nuclear incident at any licensed facility in the U.S. Retrospective premiums may be assessed at a rate not to exceed \$24,700 per year per licensed reactor for each incident. The assessment may be subject to state premium taxes.

Nuclear Property and Accidental Outage Coverage. Duke is a member of Nuclear Electric Insurance Limited ("NEIL"), an industry mutual insurance company, which provides property damage, nuclear accident decontamination and premature decommissioning insurance for each station for losses resulting from damage to its nuclear plants, either due to accidents or acts of terrorism. Additionally, NEIL provides accidental outage coverage for losses in the event of a major accidental outage at an insured nuclear station.

Pursuant to regulations of the NRC, each company's property damage insurance policies provide that all proceeds from such insurance be applied, first, to place the plant in a safe and stable condition after a qualifying accident and second, to decontaminate the plant before any proceeds can be used for decommissioning, plant repair or restoration.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(15) Nuclear Insurance and Other Risk Management – Continued

Losses resulting from acts of terrorism are covered as common occurrences, such that if terrorist acts occur against one or more commercial nuclear power plants insured by NEIL within a 12-month period, they would be treated as one event and the owners of the plants where the act occurred would share one full limit of liability. The full limit of liability is currently \$3,200,000.

NEIL sublimits the total aggregate for all of their policies for non-nuclear terrorist events to approximately \$1,800,000.

Catawba has accident property damage, nuclear accident decontamination and premature decommissioning liability insurance from NEIL with limits of \$1,500,000. Catawba has a dedicated \$1,250,000 of additional nuclear accident insurance limit above its dedicated underlying limit. Catawba also has an additional \$750,000 of non-nuclear accident property damage limit. All coverages are subject to sublimits and significant deductibles.

NEIL's Accidental Outage policy provides some coverage, similar to business interruption, for losses in the event of a major accident property damage outage of a nuclear unit. Coverage is provided on a weekly limit basis after a significant waiting period deductible and at 100% of the applicable weekly limits for 52 weeks and 80% of the applicable weekly limits for up to the next 110 weeks. Coverage is provided until these applicable weekly periods are met, where the accidental outage policy limit will not exceed \$490,000 for Catawba. NEIL sublimits the accidental outage recovery up to the first 104 weeks of coverage not to exceed \$328,000 from non-nuclear accidental property damage. Coverage amounts decrease in the event more than one unit at a station is out of service due to a common accident. All coverages are subject to sublimits and significant deductibles.

Potential Retroactive Premium Assessments. In the event of NEIL losses, NEIL's board of directors may assess member companies' retroactive premiums of amounts up to 10 times their annual premiums for up to six years after a loss. NEIL has never exercised this assessment. The maximum aggregate annual retrospective premium obligations for Duke Energy Carolinas are \$147,000. Duke Energy Carolinas' maximum assessment amount includes 100% of potential obligations to NEIL for jointly owned reactors. Duke Energy Carolinas would seek reimbursement from the joint owners for their portion of these assessment amounts.

PMPA also carries building and personal property insurance for the administrative offices, health insurance for all active employees, and workers' compensation insurance in accordance with statutory requirements. The policy limit for the building and personal property insurance is \$7,053.

PIEDMONT MUNICIPAL POWER AGENCY

Notes to Financial Statements

December 31, 2024 and 2023

(Dollars in thousands)

(16) Commitments and Contingencies

PMPA is subject to lawsuits, claims, investigations, and proceedings, which arise in the ordinary course of business. If management believes that a loss arising from these matters is probable and can be reasonably estimated, a loss is recorded. As additional information becomes available, these matters are assessed and the estimates are revised, if necessary. Based on the currently available information, management believes the ultimate outcome of these matters, individually and in the aggregate, will not have a material, adverse effect on PMPA's business, financial condition, or results of operation.

In 2019, PMPA was named a defendant in a lawsuit by two Participants with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with two Participants receiving a combined cash payment of \$55 million, of which \$10 million was paid by PMPA out of working capital funds and \$45 million was paid by the remaining eight Participants. In April of 2024, PMPA issued the 2024A Electric Revenue Bond on behalf of the remaining eight Participants with principal due April 30, 2035 and interest payable twice a year. The eight Participants reimburse PMPA for the current interest costs each month as part of their monthly power invoices. The Statements of Net Position includes a long-term Participant settlement receivable representing the principal amount due to PMPA by the eight Participant's at the bond's maturity. The financing associated with the \$45 million cash payment is excluded from PMPA's wholesale rates and net costs recoverable from future Participant billings as it will be paid by the remaining eight Participants during the life of the bond.

In July 2023, PMPA was named a defendant in a lawsuit by a Participant regarding the terms of the Project Sales Agreements. The lawsuit seeks a declaratory judgment regarding final accounting procedures set forth within the Project Sales Agreements. In January 2025, a second Participant joined this lawsuit as an additional plaintiff. The impact of this lawsuit, if any, on the PMPA financial statements is currently unknown and no provision for this litigation has been made in the accompanying financial statements.

SUPPLEMENTARY INFORMATION

PIEDMONT MUNICIPAL POWER AGENCY

Schedule of Revenues and Expenses Actual and Budget

Per the Bond Resolution and Other Agreements

Year Ended December 31, 2024

(Dollars in thousands)

	<u>Actual Revenues and Expenses</u>	<u>Budgeted Revenues and Expenses</u>	<u>Actual Over (Under) Budget</u>
Revenues:			
Sales of electricity to Participants	\$ 223,172	\$ 224,479	\$ (1,307)
Sales of electricity to Duke	10,665	11,807	(1,142)
Sales of electricity to Others	6,042	6,200	(158)
Interest income	9,413	9,393	20
Other	1,607	1,424	183
Total Revenues	<u>\$ 250,899</u>	<u>\$ 253,303</u>	<u>\$ (2,404)</u>
Expenses:			
Catawba operating expenses:			
Operation and maintenance	\$ 23,966	\$ 25,443	\$ (1,477)
Nuclear fuel amortization	12,775	13,047	(272)
Purchased power-Duke	12,300	12,752	(452)
Payments in lieu of taxes	9,636	10,376	(740)
Purchased power:			
Supplemental Suppliers	18,123	20,281	(2,158)
Participants	15,505	16,394	(889)
Other	2,964	2,482	482
Transmission services	9,921	10,124	(203)
Power delivery	581	587	(6)
Administrative and general:			
Agency	5,782	6,156	(374)
Duke	8,952	9,737	(785)
Other	5,156	5,997	(841)
Special fund deposits(withdrawals):			
Bond fund:			
Deposits from revenues	87,038	85,420	1,618
Decommissioning fund:			
Deposits from revenue	7,159	7,159	-
Interest income(1)	3,240	3,113	127
Revenue fund:			
Working capital	6,914	(1,269)	8,183
Net change in fair market value	1	-	1
Fuel	(21,967)	(18,679)	(3,288)
Debt service reserve release	(2,371)	(2,371)	-
Debt issuance:			
Bond issue proceeds	48,330	47,271	1,059
Participant settlement receivable	(45,400)	(44,405)	(995)
Excess Funds	(2,930)	(2,866)	(64)
Plant additions:			
Generation	22,788	25,464	(2,676)
General	403	565	(162)
Transmission equipment	66	1,846	(1,780)
Fuel acquisitions	21,967	18,679	3,288
Total Expenses	<u>\$ 250,899</u>	<u>\$ 253,303</u>	<u>\$ (2,404)</u>

(1) Included in "Revenue: Interest Income."

PIEDMONT MUNICIPAL POWER AGENCY

Schedule of Revenues and Expenses

Per the Bond Resolution and Other Agreements

Year Ended December 31, 2024

(Dollars in thousands)

	FUNDS						
	Revenue	Operating	Bond		Reserve Contingency	Decommission	Supplemental Power
	Working Capital	Fuel Account	Principal Interest Retirement	Reserve			
Balances at beginning of year:							
Assets	\$ 117,839	\$ 5,186	\$ 75,424	\$ 44,263	\$ 4,568	\$ 126,180	\$ 1,600
Liabilities	(21,889)	-	-	-	-	-	-
Net	95,950	5,186	75,424	44,263	4,568	126,180	1,600
Project revenues:							
Participants-Electric	(1) 223,172						
-Facilities rent	(1) 339						
-Other	(1) 1,268						
Duke Power-Electric	(1) 10,665						
Other Surplus-Electric	(1) 6,042						
Interest income	(1) 6,173					3,240	
Project costs:							
Operations and maintenance	(2) (23,966)						
Nuclear fuel amortization	(3) (12,775)	12,775					
Purchased power-Duke	(2) (12,300)						
Asset retirement obligation	(3) (7,159)					7,159	
Administrative and general	(2) (13,520)						
Payments in lieu of taxes	(2) (9,538)						
Other	(2) (6,912)						
Debt service	(3) (83,050)		86,035	(2,155)	(215)		
Supplemental power costs:							
Purchased power:							
-Supplemental Suppliers	(2) (18,123)						
-Participants	(2) (15,505)						
-Other	(2) (2,964)						
Transmission services	(2) (9,921)						
Power delivery	(2) (581)						
Administrative and general	(2) (1,214)						
Payments in lieu of taxes	(2) (98)						
Other	(2) 1,647						
Debt service	(3) (1,621)		1,621				
Other fund changes:							
Net change in fair market value		1			585	1,131	
Debt issuance:							
Bond issue proceeds	(2) 48,330						
Participant settlement receivable	(2) (45,400)						
Excess funds	(2) (2,930)			2,663	266		
Payments:							
Debt service	(2) 112		(85,361)				
Capital additions	(2) (23,257)	(21,967)					
Balances at December 31, 2024	\$ 102,865	\$ (4,006)	\$ 77,719	\$ 45,356	\$ 4,619	\$ 137,710	\$ 1,600
Assets	114,706						
Liabilities	(11,841)						
	\$ 102,865						

(1) Deposited in appropriate fund

(2) Paid to third parties

(3) Transfers between funds

**Piedmont Municipal Power Agency
Policy for Allocating PMPA G&A Expenses
Adopted:**

Application

This Policy becomes effective January 1, 2029, for Participants. This Policy will remain in effect and will not be subject to revision or modification absent unanimity among all Participants, so long as at least one Participant has executed a subsequent Supplemental Power Sales Agreement with PMPA and that Agreement remains active.

Definitions

“PMPA General and Administrative Expenses” means the expenses related to the operation of PMPA as an organization. Included are any expenses to support the operation of PMPA’s ownership share of the Catawba Nuclear Station, and the administration of a Supplemental Power Sales Agreement between PMPA and its Participants, if any.

Allocation Methodology

“Direct Allocation” – expenses incurred by PMPA that directly benefit one or more Participants shall be directly allocated to the Participant receiving such benefit.

“Catawba” – 60% of the remaining G&A Budget line items that are not “Direct Allocation” will be allocated to Catawba costs.

“Supplemental” – 40% of the remaining G&A Budget line items that are not “Direct Allocation” will be allocated to Supplemental costs.

Prior to each fiscal year PMPA will prepare a General and Administrative Budget for the organization to present to the Board of Directors. “Direct Allocation” expenditures of the G&A Budget will be identified. The G&A Budget net of “Direct Allocation” expenditures will be allocated to “Catawba” and “Supplemental” based on the above allocation factors.

Billing

“Direct Allocation” – Participants with expenditures directly allocated to them will be billed the actual expenditure on the monthly billing statement.

“Catawba” – G&A expenditures allocated to Catawba will be billed to all Participants based on their allocation of Catawba Project Output as listed in Attachment A of the Catawba Project Power Sales Agreement and will be billed on the monthly billing statement.

“Supplemental” - Only Participants with a Supplemental Power Sales Agreement with PMPA will be billed the G&A expenditures allocated to “Supplemental”. Supplemental costs will be allocated to each Participant according to the terms of the Supplemental Power Sales Agreement that is in effect, and as such Agreement may be amended from time to time. These costs will be billed on the monthly billing statement.

Updated Footnote 16 Wording

In 2019, PMPA was named a defendant in a lawsuit by Greer and Rock Hill with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with Greer and Rock Hill receiving a combined cash payment of \$55 million, of which \$10 million was paid by PMPA out of working capital funds and \$45 million was paid by the remaining eight Participants. In April of 2024, PMPA issued the 2024A Electric Revenue Bond on behalf of the remaining eight Participants with principal due April 30, 2035 and interest payable twice a year. The eight Participants reimburse PMPA for the current interest costs each month as part of their monthly power invoices. The Statements of Net Position includes a long-term Participant settlement receivable representing the principal amount due to PMPA by the eight Participant's at the bond's maturity. The financing associated with the \$45 million cash payment is excluded from PMPA's wholesale rates and net costs recoverable from future Participant billings as it will be paid by the remaining eight Participants during the life of the bond.

Original Footnote 16 Wording

In 2019, PMPA was named a defendant in a lawsuit by two Participants with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with two Participants receiving a combined cash payment of \$55 million, of which \$10 million was paid by PMPA out of working capital funds and \$45 million was paid by the remaining eight Participants. In April of 2024, PMPA issued the 2024A Electric Revenue Bond on behalf of the remaining eight Participants with principal due April 30, 2035 and interest payable twice a year. The eight Participants reimburse PMPA for the current interest costs each month as part of their monthly power invoices. The Statements of Net Position includes a long-term Participant settlement receivable representing the principal amount due to PMPA by the eight Participant's at the bond's maturity. The financing associated with the \$45 million cash payment is excluded from PMPA's wholesale rates and net costs recoverable from future Participant billings as it will be paid by the remaining eight Participants during the life of the bond.

Updated MD&A Wording

In 2023, when it became probable and estimable, PMPA recorded a \$10.0 million settlement liability associated with a 2019 lawsuit naming PMPA a defendant by Greer and Rock Hill with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with Greer and Rock Hill receiving a combined cash payment of \$55 million, of which \$10 million was paid by PMPA out of working capital funds and \$45 million was paid by the remaining eight Participants through the issuance of the 2024A Electric Revenue Bond. Refer to Note 16 for additional settlement information.

Original MD&A Wording

In 2023, when it became probable and estimable, PMPA recorded a \$10.0 million settlement liability associated with a 2019 lawsuit naming PMPA a defendant by two Participants with respect to the allocation of costs amongst all Participants. In January 2024, the lawsuit was settled with two Participants receiving a combined cash payment of \$55 million, of which \$10 million was paid by PMPA out of working capital funds and \$45 million was paid by the remaining eight Participants through the issuance of the 2024A Electric Revenue Bond. Refer to Note 16 for additional settlement information.