



## ADMINISTRATOR'S REPORT

Kevin Bronson

OFFICE OF THE CITY ADMINISTRATOR  
WESTMINSTER, SOUTH CAROLINA

April 17, 2025

### GENERAL INFORMATION

#### **Lift Technologies, Inc. Announces Multi-Million Dollar Expansion**

This week, Lift Technologies (Lift-Tek) announced a multi-million-dollar expansion and addition of 41 new jobs. Lift-Tek is located on HWY 11 just outside of Westminster City Limits and has a Westminster address. Governor Henry McMaster's press release can be found at <https://governor.sc.gov/news/2025-04/lift-tek-expanding-oconee-county-operations>.

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

- Softball, baseball, and T-ball regular seasons began this week. All games are open to the public and schedules can be found on the Westminster Recreation Department website.
- The terrific 2025 season of Spring volleyball concludes this week.
- Oconee County will have its In-Season Tournaments for baseball and softball this coming week. Salem, Seneca, Walhalla, and Westminster will all host games toward the middle of the week and next weekend.
- WRD will pick up food boxes this weekend donated by Community Tree. We receive these monthly. Families are welcome to pick them up as needed. The blessing box in front of the gym is also stocked with contents from these boxes when needed.
- The students are out of school Friday and Monday. WRD trying to collect enough funds to feed them lunch both days. At the moment we are still in need of donations. We are confident that we be able to raise enough to successfully cover both days. Donations can be made by reaching out to Herb Poole or at the WRD Facebook Page.
- The travel ball organization informed the City that they are cancelling the tournament this weekend. Their next tournament is Mother's Day weekend. They have informed us that several teams have already entered.

#### **Hospitality Tax Borrowing**

Bank proposals for the Hospitality Tax borrowing for the Horton Recreational Fields were due this week, April 16, 2025. One proposal was received from Huntington National Bank. The city's financial advisor and bond counsel are working to close the deal.

#### **SCIIP Sewer Project**

Phase I continues to progress as Tugalo/McClam install the new sewer main on Spring Street.

The city received several bids on phase II of the project and staff is currently looking to trim funds from the project. The city has determined priorities and is looking to meet with the Engineer to begin finalizing plans.

#### **Anderson Park**

This week, benches and trash cans were placed on site. Picnic benches will be delivered in the coming weeks as the manufacturer delivered an incorrect component for the picnic tables and the contractor awaits the correct component.

The contractor is planning to pour the concrete parking lot next Wednesday (April 22<sup>nd</sup>) or Friday (April 24<sup>th</sup>). The parking lot was originally planned to be asphalt, but staff issued a change order for it to be poured concrete. This is for the city's garbage truck to be able to access the dumpster location for Park Place restaurant. Asphalt is easily damaged by heavy equipment and the concern was the driveway to and from the dumpster site would be damaged in short order. Poured concrete is expected to withstand the weight of the garbage truck without damage.

#### **Horton Outdoor Recreational Area**

The *Invitation for Subcontract Bids* for the concession stand is currently advertised. A non-mandatory pre-bid meeting is scheduled for April 23, 2025 at 1:00 pm at City Hall. The bids are due May 1, 2025 at 2:00 pm. More information may be found here:

<https://westminstersc.org/departments/administration/#bids>

Grading on the site continues as construction of the fields nears.

#### **Heirloom Farms**

J&M has begun installing water lines in the subdivision as weather and soil conditions permit them to do so. They should near completion in the next week.

Sewer is complete.

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

Bridge girders have been installed.

#### **Westminster Planning Commission**

The Westminster Planning Commission will meet on Monday, April 21, at 6:00 pm at Westminster City Hall. The agenda is attached.

#### **OJRSA**

The Ad Hoc Committee met April 10, 2025, the draft meeting minutes are attached. Also attached is a schedule of *Funds Received from Retail Sewer Providers* which shows the breakdown of OJRSA revenues received from its member cities, Seneca, Westminster, Walhalla and West Union.

#### **PMPA**

The PMPA Board met, Thursday, April 17, 2025; the agenda is attached.

## **PLEASE MARK YOUR CALENDARS**

**April 18, 2025 - City Offices closed in observance of Good Friday**

April 21, 2025 at 6:00pm Westminster Planning Commission Meeting at Westminster City Hall

April 22, 2025 at 9:00 am Finance & Administration Committee at OJRSA

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

May 5, 2025 at 4:00 pm OJRSA Board Meeting at OJRSA

May 8, 2025 at 9:00 am OJRSA Ad-hoc Feasibility Implementation Committee at OJRSA

**May 13, 2025 at 6:00 pm City Council Meeting at the Westminster Fire Department**

May 20, 2025 at 8:30 am Operations & Planning Committee at OJRSA

May 22, 2025 at 10:00 am PMPA Board Meeting at PMPA

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.*

**April 19, 2025 Ms. Johnson's Easter Egg Hunt at Anderson Park**

**April 11 until 30, 2025 Westminster Senior Outreach Supply Drive**

*Westminster Senior Outreach will be accepting paper and plastic goods until April 30 to be donated to  
Lakeview Assisted Living Facility. A flyer is attached.*

**May 2, 2025 Westminster Depot Cruise-In**

*Classic car show beginning at 3:00pm at the Depot parking lot. The event will take place most first Fridays  
of each month until October.*

**May 17, 2025 Music on Main in Downtown Westminster**

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

**June 19, 2025 Westminster Juneteenth Luncheon at Magnolia Manor in Westminster**  
*Westminster will host its second Juneteenth luncheon. More details to come.*

**WSC**  
**WESTMINSTER SENIOR CENTER**  
**A.T. CAYWOOD OUTREACH**  
IS GIVING BACK TO THE COMMUNITY WITH A...  
**PAPER & PLASTIC GOODS**  
**DONATION DRIVE**

**ITEMS CAN BE DROPPED OFF AT:**  
**211A LUCKY STREET WESTMINSTER SC 29693**  
**UNTIL: APRIL 30 2025**  
**MON, TUE, THU AND FRI - 10 AM TO 3PM**

**ALL DONATIONS WILL BE DELIVERED TO**  
**LAKEVIEW ASSISTED LIVING IN WALHALLA,**  
**WHICH IS IN NEED OF THE FOLLOWING ITEMS:**

- **PAPER TOWELS**
- **NAPKINS**
- **PAPER PLATES / BOWLS**
- **SOLO TYPE CUPS**
- **PLASTIC CUTLERY**
- **FLUSHABLE WIPES**
- **TOILET PAPER**



**AGENDA**  
**PLANNING COMMISSION**  
**City of Westminster**

**Monday, April 21, 2025**

**6:00PM**

**Regular Meeting**

**Westminster City Hall**

**100 E. Windsor St,**

**Westminster, SC 29693**

## **Westminster Planning Commission**

**April 21, 2025 Meeting**

**6:00pm- City Hall**

- 1. Call to Order**
- 2. Invocation and Pledge of Allegiance**
- 3. Certification of Quorum**
- 4. Comments from Staff**
  - a. Misc./Other**

### **Routine Business**

- 5. Consideration of Minutes from January 27, 2025.**

### **Old Business**

- 6. Consideration of South Carolina Chapter of the American Planning Association Community Technical Assistance Program Report.**

The SC Chapter of the American Planning Association (SCAPA) provided the City of Westminster with a technical assistance grant, focusing on the HWY 123 Corridor from (roughly) the marquee sign at the intersection of Main Street and Windsor Street to the intersection of HWY 24 and Main Street (Ingles Intersection). They were tasked to identify ways and opportunities to improve their project area to make it more pedestrian friendly, promote beautification, and to compliment the Downtown Masterplan. The plan is a recommendation of policies, possible future partnerships, and development standards that could lead to improvements in the corridor.

The volunteer committee was made up of planning professionals in local government, planning consultants, and students at Clemson University. They met monthly with Westminster Staff to provide updates and direction.

City staff requests that the Planning Commission consider the following actions:

- 1) Accept the document as presented.
- 2) Make recommended changes and amendments (if any).
- 3) Make a recommendation to City Council to accept or not accept the document with changes (if any).

### **New Business**

- 7. Open Public Hearing regarding for ORDINANCE NO. 05-13-2025-01: AN ORDINANCE OF THE CITY OF WESTMINSTER, SOUTH CAROLINA ENACTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND CERTAIN STANDARD TECHNICAL CODES AND THEREBY AMENDING AND RESTATING TITLE XV, CHAPTER 150 OF THE CITY'S CODE OF ORDINANCES; AMENDING TITLE XV,**

**CHAPTER 151 OF THE CITY'S CODE OF ORDINANCES AND OTHER MATTERS  
RELATED THERETO.**

- 8. Close Public Hearing regarding for ORDINANCE NO. 05-13-2025-01: AN ORDINANCE OF THE CITY OF WESTMINSTER, SOUTH CAROLINA ENACTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND CERTAIN STANDARD TECHNICAL CODES AND THEREBY AMENDING AND RESTATING TITLE XV, CHAPTER 150 OF THE CITY'S CODE OF ORDINANCES; AMENDING TITLE XV, CHAPTER 151 OF THE CITY'S CODE OF ORDINANCES AND OTHER MATTERS RELATED THERETO.**
- 9. Consideration of First Reading of ORDINANCE NO. 05-13-2025-01: AN ORDINANCE OF THE CITY OF WESTMINSTER, SOUTH CAROLINA ENACTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND CERTAIN STANDARD TECHNICAL CODES AND THEREBY AMENDING AND RESTATING TITLE XV, CHAPTER 150 OF THE CITY'S CODE OF ORDINANCES; AMENDING TITLE XV, CHAPTER 151 OF THE CITY'S CODE OF ORDINANCES AND OTHER MATTERS RELATED THERETO.**

At the December 12, 2023 City Council Meeting, City Council adopted Ordinance 2023-12-12-01, repealing and replacing the Westminster Zoning Ordinance. Through that process, the adoption of technical codes (International Property Maintenance Code, National Electric Code, etc.) was moved to Section 151 (Zoning Code) and much of the technical and procedural language was removed. State statute authorizes municipalities to adopt both their own unique zoning code and the described technical codes through two separate acts, and legal counsel recommends that we keep the building and zoning codes separate. Additionally, this ordinance will update all technical codes to an updated version. There was discussion by City Council at the First Reading of the 2023 ordinance around specifying which versions of code to adopt. Adoption of this ordinance will mean that the technical codes will need to be updated semi-regularly (as the state boards adopt the codes) and specifies the adoption of the 2021 ordinance.

The adoption of the 2023 Ordinance removed procedural language (such as how to appeal, notification schedule, etc.) that this ordinance would reinstate. Staff does not believe that this will fundamentally change the way the codes are enforced but instead strengthen due process and provide direction to staff. Two public hearings are required: one at the City Council regarding the adoption of the technical codes (held April 8, 2025) and one at the Planning Commission regarding the amendment to the Zoning Code.

City Council approved first reading of the ordinance at the April 8, 2025 City Council Meeting. City Council also requested clarification and/or correction on the following items:

- 1) City Council requested 2024 version of the IPMC listed in the ordinance be changed to line up with the County (who manages the City Building Codes) and to allow the IPMC to be implemented in other jurisdiction before implementing here. This version reflects that change to the existing (2021) IMPC.
- 2) The City Council requested that the subpoints of each section be condensed or removed if possible. Specifically, the additional requirements of licensed technicians for certain



jobs (electricians, plumbers, etc.) is already required by SC State Law (S.C. Code § 40-11-30). For simplicity, these clauses were removed.

- 3) City Council requested staff review the requirements for brick underpinning on mobile homes. Staff found through review of the audio files that there was substantial discussion by the Planning Commission about this item in its 2023 review sessions of the most recent zoning ordinance, and they recommended this item for approval to the Council. City Council did not discuss this further in their review of the ordinance before approval..

A Memorandum from legal counsel about the ordinance is attached.

Staff recommends approval.

## **10. Adjourn**

**City of Westminster**  
**MINUTES OF THE PLANNING COMMISSION**  
**January 27, 2025, 6:00 pm**  
**Westminster City Hall Conference Room**

The meeting was called to order at 6:00pm. In attendance were Sandra Powell, Ben Lewis, Jarrod Brucke, and Charles Morgan

Assistant City Administrator, Regan Osbon  
City Clerk, Rebecca Overton

**Swearing in of Planning Commission Member Charles Morgan**

Rebecca Overton swore in Mr. Charles Morgan.

**Approval of Minutes**

Upon a motion by Mr. Lewis and seconded by Mrs. Powell, the motion to approve the November 18, 2024, meeting minutes passed unanimously.

**Presentation of Planning Commission Meeting Schedule**

Mr. Osbon presented a monthly meeting schedule to the Board. The meeting dates would be February 24, March 17, April 21, May 19, June 16, July 14, August 18, September 15, October 20, and November 17. All Members agreed with the scheduled dates presented.

**Nomination and Election of Planning Commission Officers**

Upon a motion by Mr. Lewis and seconded by Mr. Morgan, the motion to nominate Sandra Powell as Chair of the Planning Commission passed unanimously.

Upon a motion by Mr. Brucke and seconded by Mr. Morgan, the motion to nominate Ben Lewis as Vice-Chair of the Planning Commission passed unanimously.

**Special Presentation and Workshop**

Scott Correll and Shea Farrar were present via Zoom to update the Board on the SC Chapter of the American Planning Association that provided they city of Westminster with a technical assistance grant, focusing on the Highway 123 Corridor. They identified ways and opportunities to improve the project area to make it more pedestrian friendly, promote beautification, and compliment the Downtown Masterplan.

**Adjourn**

Upon a motion by Mr. Lewis and seconded by Mr. Brucke, the motion to adjourn the meeting passed unanimously.

(Minutes prepared by Rebecca Overton)

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Sandra Powell, Chairperson

**TO:** Westminster Planning Commission  
**FROM:** Reagan Osbon, Assistant City Administrator  
**DATE:** April 21, 2025  
**SUBJECT:** Executive Summary – East Main Street / Highway 123 Corridor Study Recommendations

## MEMORANDUM

The East Main Street / Highway 123 Corridor Study presents a timely opportunity to shape the future of one of Westminster's most important gateways. This section, stretching from Windsor Street to Oak Street, serves as the entrance to downtown and connects Westminster to Seneca, Anderson, and the Georgia border. The planning group and City staff envision East Main to become a safer, more beautiful, and welcoming street that supports economic growth and community life. These recommendations aim to create a more vibrant, accessible, and resilient East Main corridor.

### Key Takeaways:

- **Planning Context:** While several local and regional plans reference Highway 123, few address the study area directly. The 2023 Downtown Master Plan is the most relevant, recommending safety improvements like the realignment at East Windsor Street and the inclusion of a planted median.
- **Policy & Partnerships:** To catalyze reinvestment, the City should proactively update zoning and development regulations while coordinating with SCDOT and ACOG. Focus areas include:
  - Streetscape design standards
  - Improved pedestrian and bicycle infrastructure
  - Streamlined development processes
- **Infrastructure Improvements:** A comprehensive corridor redesign should evaluate enhancements such as pedestrian refuges, landscaped medians, driveway consolidation, and ADA-compliant sidewalks per PROWAG standards.
- **Land Use & Regulatory Alignment:** A zoning ordinance audit is recommended to support mixed-use development, flexible parking strategies, and enhanced building design. Considerations include:
  - Reduced or maximum parking requirements
  - Shared parking agreements
  - Cross-access requirements and driveway consolidation
- **Complete Streets & Vision Zero:** Support South Carolina's Vision Zero initiative and develop a local Bicycle & Pedestrian Plan to align local priorities with state and regional goals.
- **Next Steps:** The City should pursue planning grants and engage regional partners.

# Final Recommendations Memo

15th December 2024

## PROJECT OVERVIEW

East Main Street / Highway 123 is a critical corridor in Westminster serving as the city's main thoroughfare as well as the connection to the South Carolina / Georgia border and Seneca, SC. The City of Westminster envisions that East Main Street will "be a safe, beautiful, and welcoming street that connects Westminster's downtown and business corridor to the rest of the region."<sup>1</sup> This study will focus on a portion of the corridor just south of the downtown core between Windsor Street and Oak Street as this area serves as the gateway into downtown (Figure 1).

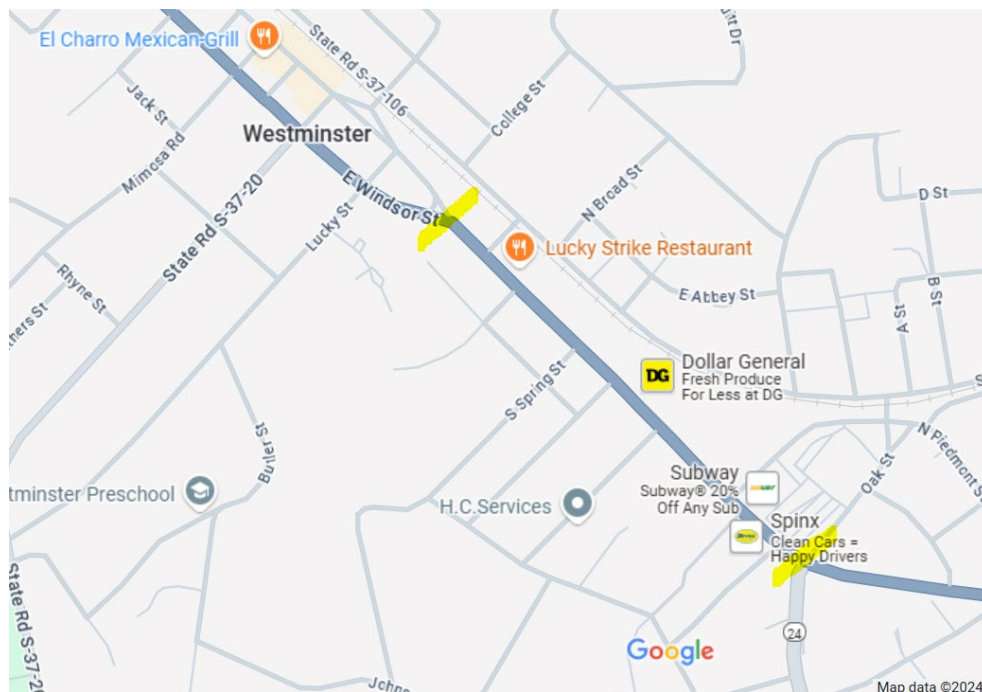


Figure 1. Study Area

Goals for the corridor study include:

<sup>1</sup> Downtown Master Plan. Westminster, SC. 2023. Print. pg. 61.

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1. Evaluate opportunities to make changes to improve safety and comfort for all roadway users.
  2. Analyze existing conditions of the corridor.
  3. Make recommendations for policy, programming, and infrastructure improvements that will be shared with elected officials and the public.

## PLAN REVIEW

Six adopted local and regional plans and several ordinances were identified that affect potential policy, project, and programming recommendations for East Main Street. Each plan is briefly summarized below, highlighting policies or projects pertaining to East Main Street.

### Oconee County Comprehensive Plan 2020

The transportation element in the Oconee County comprehensive Plan discusses Highway 123; however, there are not any projects listed for the study area. One important note is that Highway 123 is a major arterial designed for vehicle throughput.<sup>2</sup>

### Westminster Downtown Master Plan

In 2023, Westminster completed a Downtown Master Plan looking at an area along East Main Street from North Hampton Street to south of Long Creek Hwy. The plan includes this study's study area, but focuses more on the downtown core. Zoning along the study area is predominately focused on commercial.<sup>3</sup> This section of roadway was evaluated to have a planted median. Lastly, East Main Street was recommended to realign at East Windsor St to improve the safety of the area with a signalized intersection.<sup>4</sup>

### Appalachian Council of Governments (ACOG) Rural Transportation Improvement Plan (RTIP) 2024-2033

Oconee County is one of the six counties that make up the ACOG which focuses on rural areas. Within ACOG's RTIP is one project related to the study area. In 2027, \$150,000 will go towards a Highway 123 Corridor Study.<sup>5</sup>

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<sup>2</sup> Comprehensive Plan: Transportation Element. Oconee County. 2020. Print. pg. 5.

<sup>3</sup> Downtown Master Plan. Westminster, SC. 2023. Print. pg. 12.

<sup>4</sup> Downtown Master Plan. Westminster, SC. 2023. Print. pg. 60.

<sup>5</sup> RTIP. ACOG. 2024-2033. Print. pg. 27.

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## ACOG Rural Long Range Transportation Plan (RLRTP) 2045

In the Rural Long Range Transportation Plan, ACOG defines projects for the region over the next 20 years. Highway 123 is mentioned several times; however, this project's study limits are not included.<sup>6</sup>

## Oconee County State Transportation Improvement Plan (STIP) 2021-2027

Along with ACOG's RTIP list, Oconee County listed out their specific projects over the next several years. The Corridor Study along Highway 123 is listed again in this plan.<sup>7</sup>

## Ordinances

Parking restrictions based on the Westminster code of Ordinances:

**(A)** Parking is prohibited on streets (not alleys) if it leaves less than ten feet for traffic, except for brief stops to load/unload passengers or comply with traffic signs or police.

**(B)** In alleys, parking is also prohibited if it leaves less than ten feet for traffic.

**(C)** The City of Westminster can restrict parking on certain public areas and city property, with violations leading to fines or towing.

**(D)** Fines start at \$10, increasing to \$20 if unpaid within five days, and vehicles may be towed if the fine remains unpaid after ten days.

Curb Parking:

**(A)** On streets marked or signed for angle parking, vehicles must be parked at the indicated angle.

**(B)** Vehicles loading or unloading merchandise/materials may go back into the curb if permitted, and the driver has the permit on hand or in the vehicle. Still, it's illegal to violate any conditions of the permit.

Bus and Taxicab parking restrictions:

Bus and taxicab drivers can only stand or park their vehicles on business district streets if they are at a designated bus stop or taxicab stand. However, they may temporarily stop elsewhere if they actively load or unload passengers and comply with other stopping or parking regulations.

General provisions on sidewalk and curb cut improvements:

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<sup>6</sup> RLRTP. ACOG. 2045. Print.

<sup>7</sup> STIP. Oconee County. 2021-2027. Print. pg. 1.

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## Compliance with Provisions Required:

- Owners, contractors, or developers must follow regulations for installing, repairing, or renovating sidewalks, driveway curb cuts, and roadway curbs when constructing or renovating buildings under specific occupancy or use categories.

## PLAN REVIEW SUMMARY

Overall, the length of East Main Street from Windsor Street and Oak Street is not often mentioned in existing plans. The Downtown Master Plan is the only plan that takes a look at the existing roadway and begins to make safety recommendations. Since this roadway is operated by the state and is a connector to outlying areas, it will be important to consider ways to redesign for a more walkable and comfortable environment for bicycles and pedestrians.

## POLICY AND PROGRAMMING RECOMMENDATION OPTIONS

Westminster is a city poised for new investment and redevelopment. The central recommendation for the City is to be proactive in setting the stage for new investment along the corridor. New homes and subdivisions associated with population growth across the Upstate and Oconee County will lead to reinvestment in the Highway 123 corridor. Westminster should consider updating ordinances and development regulations while working with Oconee County and regional partners like the Appalachian COG to set the stage for new development. By taking action proactively, the City can position itself as an attractive partner for new businesses and enable changes in the built environment that make the corridor an asset to the City.

### Coordination & Collaboration with SCDOT and Appalachian Council of Governments (ACOG):

The City of Westminster can use policy to shape the future of the Highway 123 corridor. In order to have productive conversations with the public, City staff should meet with SCDOT District 3 and ACOG staff about the future of the street and discuss local preferences for topics including:

- Streetscape design elements & consistent application (eg: sidewalk width, bicycle facilities, driveway typologies and location and cross access requirements, street trees and landscaping, etc.)
- Integration with other City, County, and SCDOT planning processes

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- Needed planning initiatives/processes/projects that would facilitate future conversations with SCDOT

These conversations inform agencies working at the regional level to local needs. These agencies can influence funding streams, can support grant funding identification, and potentially administration to support changes in future regional planning processes and projects.

## Complete Streets & Safety

The City should determine its position on creating “[complete streets](#).” For example:

How do people in each mode feel in this space? What improvements can be made to create more parity among all modes? The City should consider additional planning processes as follows:

- **Bicycle & Pedestrian Plan** - This plan enables the City to have a conversation with the public about the types of facilities they want as they walk and bike. Adopting this type of plan facilitates conversations with SCDOT and ACOG to implement future conversations as part of Regional Transportation Improvement Program (RTIP) projects.
- **Supporting SC Vision Zero** - [Vision Zero](#) (VZ) is a state-wide objective to reduce traffic fatalities and crashes. Adopting a resolution of support for VZ demonstrates the City’s support for this process.
- **Revitalize and reuse existing building stock** - The corridor includes a number of historic buildings. Incentivizing redevelopment will help create more activation along the street which helps create an environment that is more attractive for pedestrians and the community as a whole.
- **Consider updating zoning** - Land use regulations can be important for shaping the way people move and interact with businesses along the corridor. Consider updating zoning to allow for a greater mixture of uses so that people have opportunities to live near the places they work, shop, and dine.
- **Plan for future sidewalk improvements** - The Public Right of Way Accessibility Guidelines (PROWAG) are published by the USDOT and provide specific guidance for street and sidewalk design that complies with the Americans with Disabilities Act (ADA) Title II. Consider updating development regulations to require compliance with ADA, and work with SCDOT to implement PROWAG guidance as part of projects they fund.

## PUBLIC RIGHT-OF-WAY CHANGES

Conduct a detailed corridor study to evaluate travel conditions on Highway 123 and to determine infrastructure changes that improve the look and feel of driving and walking. The City can explore specific streetscape design elements like landscaping, street trees, driveway consolidation, cross-access requirements, locations for pedestrian refuge islands and pedestrian hybrid



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beacons, Continuous or intermittent landscaped median, gateway landscaping/signage, banners for utility poles, etc.

## LAND USE & REGULATORY CHANGES

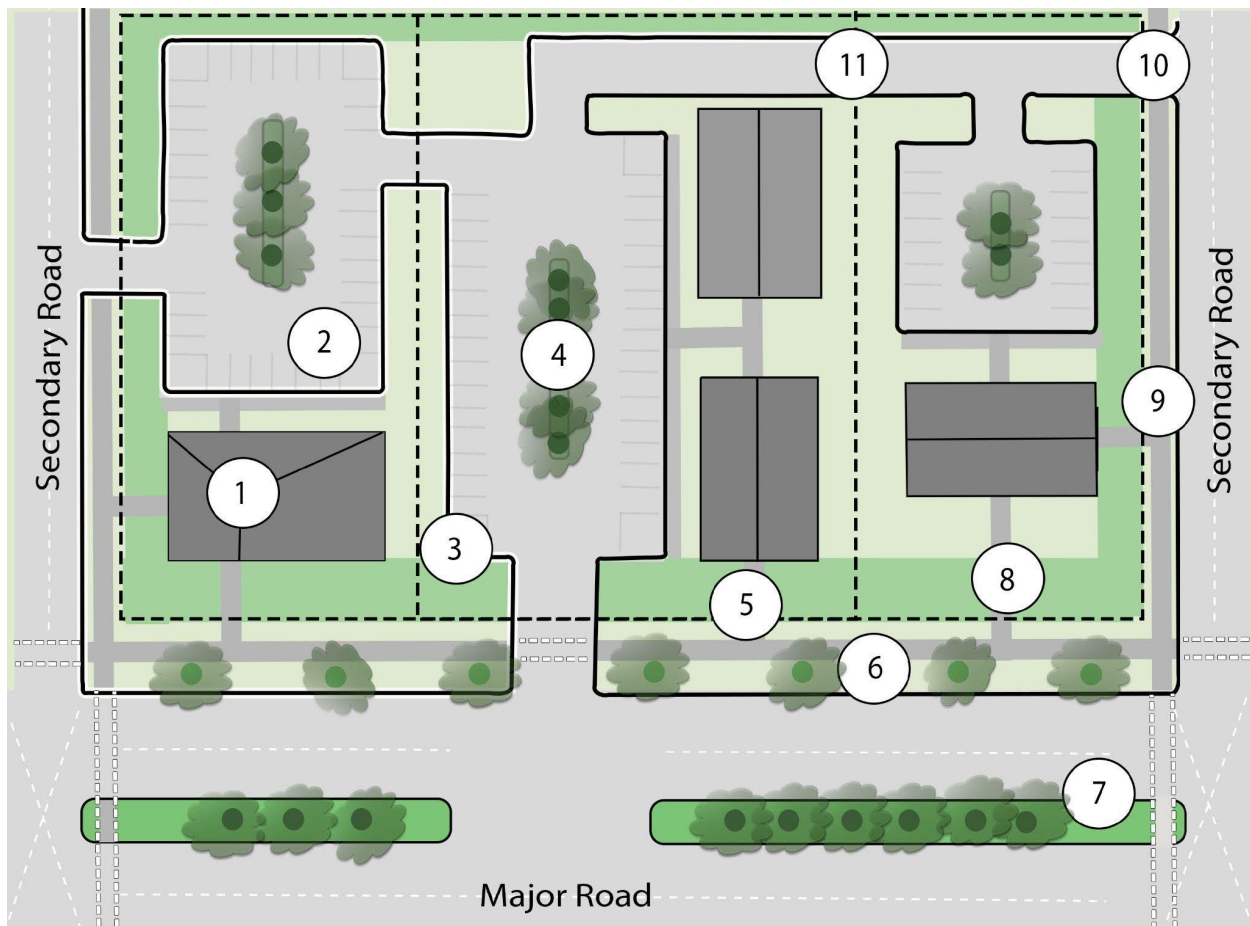
After the corridor study, a zoning ordinance audit to determine specific regulatory changes that could be implemented to incentivize reinvestment in the corridor in the form of building upgrades and redevelopment. The city should align the zoning code to support this goal and implementation of the corridor study. Possible changes could include the following:

- Consider lower parking requirements OR consider adopting parking maximums to allow the market to determine parking needs for businesses
  - E.g.: An existing site is built with a 4800 sf building and 25 spaces. The site would not allow for a new restaurant without a variance for parking.
  - E.g.: Ingles has an extremely large parking field - likely more than it needs to operate.
- Consider allowing/encouraging shared parking agreements
- Consider adopting design regulations that discuss things like:
  - Parking field design & location
    - No parking in first 30 ft of setback
    - Pedestrian facility design
  - Access Management - Cross access requirements, driveway consolidation - reduce # of driveways, vegetated medians
  - Building placement
  - Signage
  - Landscaping - Street trees, parking lots, along buildings

## TARGETED STRATEGIES

- Evaluate applying for the MASC South Carolina Main Streets program. In 1983, South Carolina established its Main Street program to help revitalize South Carolina's historic downtowns. As a program of the Municipal Association of South Carolina, Main Street SC offers comprehensive technical assistance, expert training, and a supportive network to transform our state's historic commercial districts into vibrant economic and cultural hubs. The program focuses on four primary areas: Organization, Proportion, Design, and Economic Vitality.

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**Figure 2. Conceptual site layout**

Each of these considerations plays a vital role in shaping the functionality, safety, and aesthetics of a community, contributing to a well-designed, sustainable, and accessible urban environment.

### 1. Building Placement :

Placing buildings closer to the street encourages a pedestrian-friendly environment by reducing the walking distance between people and key amenities. This creates a more inviting, human-scale urban experience, fostering a sense of community. It also promotes vibrant streetscapes by activating the public realm and discouraging sprawling, car-centric development.

## 2. Parking Placement:

Locating parking behind buildings, instead of between the building and the street, enhances the aesthetic appeal of the development and minimizes the visual dominance of parking areas. This approach prioritizes the pedestrian experience by keeping streetscapes uninterrupted, while also reducing the heat island effect and promoting walkability.

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3. **Parking Setback:**

A 30' setback with screening for parking lots placed adjacent to streets provides a buffer between the pedestrian zone and vehicle traffic. This improves the visual aesthetics of the street and reduces the impact of parking on the urban environment. It also promotes safety by creating clear distinctions between areas designated for pedestrians and vehicles.

**Landscaping** (*see Figure 3*)

4. **Landscape Islands and Medians:**

Incorporating landscape medians and islands within parking lots and between properties serves multiple purposes. It not only enhances the visual appeal but also provides environmental benefits, such as improved water filtration and reduced runoff. These green spaces also reduce the urban heat island effect, cooling the environment and making parking lots more comfortable and ecologically responsible.

5. **Street Trees:**

Street trees improve the character of roadways by creating a more visually attractive and shaded environment for pedestrians, cyclists, and drivers alike. They also act as natural buffers between the road and sidewalk, improving safety by offering separation from traffic. Trees help reduce urban heat and contribute to local biodiversity, making streets more pleasant and environmentally friendly.

6. **Landscaped Medians on Roadways:**

Landscaped medians provide not only aesthetic value but also environmental benefits such as stormwater absorption and temperature moderation. Medians can help with access management by controlling turning movements, improving traffic flow, and enhancing pedestrian safety by offering a safe place to pause while crossing multi-lane roads.



**Figure 3. Landscaping concept**

## **Pedestrian Considerations**

### **7. Pedestrian Refuges:**

Pedestrian refuges, such as small islands or raised areas in medians, make street crossings safer by providing a safe place for pedestrians to wait while crossing wider streets. This is especially important in high-traffic areas or for streets with multiple lanes, offering a moment of respite and reducing the perceived distance between destinations.

### **8. Internal Connectivity :**

A well-connected pedestrian network within a development ensures that people can move easily and safely between parking lots, buildings, and other key areas. It reduces the need for cars, encourages walking, and supports a healthier, more active lifestyle. Internal connectivity also fosters a sense of community by enhancing accessibility.

### **9. Secondary Streets:**

Sidewalks and pedestrian paths along secondary streets help to improve connectivity between neighborhoods and commercial or civic centers. These routes provide alternative pathways that reduce reliance on primary roads, facilitating local mobility and creating opportunities for safe, walkable urban spaces that connect people to broader areas, such as downtowns.

## **Access Management**

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**10. Limiting Curb Cuts :**

Limiting curb cuts along primary roads improves traffic flow and safety by reducing congestion, minimizing points of conflict between vehicles and pedestrians, and allowing for better control of access points. This approach encourages drivers to use secondary roadways, leading to more organized and less hazardous street environments.

**11. Cross Access:**

Providing shared access between adjacent properties helps limit the number of curb cuts needed on primary roads. This reduces traffic congestion, improves pedestrian safety, and encourages a more efficient use of land. It also promotes connectivity between sites and reduces the impact of individual developments on traffic flow.

STATE OF SOUTH CAROLINA	)	
	)	
COUNTY OF OCONEE	)	ORDINANCE #05-13-2025-01
	)	
CITY OF WESTMINSTER	)	

**AN ORDINANCE OF THE CITY OF WESTMINSTER, SOUTH CAROLINA ENACTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND CERTAIN STANDARD TECHNICAL CODES AND THEREBY AMENDING AND RESTATING TITLE XV, CHAPTER 150 OF THE CITY’S CODE OF ORDINANCES; AMENDING TITLE XV, CHAPTER 151 OF THE CITY’S CODE OF ORDINANCES AND OTHER MATTERS RELATED THERETO.**

The City Council of the City of Westminster (the “*Council*”), the governing body of the City of Westminster, South Carolina (the “*City*”), has made the following findings of fact:

(A) The City is a municipal corporation created under the laws of the State of South Carolina.

(B) It is the responsibility of the City to ensure the general safety and welfare of the public, which includes (1) identifying and abating public nuisances and (2) maintaining reasonable standards of construction in buildings and other structures within the City. Each of these responsibilities requires a separate set of rules and standards as well as other conforming amendments to the City’s code of ordinances. On the basis thereof, and as further described herein, certain amendments and additions to the City’s code of ordinances is required.

**(C) International Property Maintenance Code (the “*IPMC*”)**

(1) Section 5-7-80 of the Code of Laws of South Carolina 1976, as amended (“*Section 5-7-80*”), authorizes the City to provide by ordinance that owners of real property within the municipality keep such property clean and free of rubbish, debris and other unhealthy and unsightly material or conditions that constitute a public nuisance.

(2) Section 5-7-80 further provides that the City may provide by ordinance for notification to owners of real property of conditions needing correction, requiring the correction of the offensive conditions, providing the terms and conditions under which the City or persons employed by the City may go upon the property to correct the conditions, and providing that the cost to the City of correcting such conditions shall become a lien upon such real property and shall be collectable in the same manner as municipal taxes.

(3) The IPMC provides standards and regulations that govern the conditions and maintenance of all real property, buildings, and structures.

(4) The IPMC provides the standards for supplied utilities and facilities and other physical things and conditions essential to ensure that structures are safe, sanitary

and fit for occupation and use, including minimum maintenance standards for basic equipment, light, ventilation, heating, sanitation and fire safety.

(5) The IPMC further provides procedures for the condemnation of buildings and structures unfit for human occupancy and use, and the demolition of such existing structures.

(6) The first edition of the IPMC was published in 1998, and new editions are generally promulgated every three years.

(7) The City has determined to implement and codify the 2021 edition of the IPMC through the enactment of this Ordinance in order to provide consistent property maintenance requirements with Oconee County.

(8) The implementation of the IPMC does not abolish, diminish or impair other remedies available to the City, including the provisions of Title 31, Chapter 15, Article 1 of the Code of Laws of South Carolina 1976, as amended (the “*Unfit Dwellings Act*”).

(9) The City, by and through the provisions of Ordinance 2012-06-19-02 dated June 19, 2012, as amended by Ordinance No. 2017-11-13 dated November 13, 2017, and as amended by Ordinance No. 2021-12-09-1 dated December 9, 2021, as well as other miscellaneous ordinances of the City, implemented Title IX “General Regulations”, Chapter 93 “Health and Sanitation” (the “*General Property Maintenance Code*”) of City’s Code of Ordinances (the “*City Code*”).

(10) By and through the provisions of the IPMC enacted under this Ordinance, the enforcement procedures of the General Property Maintenance Code shall be enforced through the provisions applicable to the IPMC enacted under this Ordinance.

(11) The City, by and through the provisions of various ordinances, implemented Title XV “Land Usage”, Chapter 150 “Building Regulations”, Section 150.01 “Administration and Enforcement of Codes” of the City Code (the “*Appellate Authorization*”), which authorizes use of the appellate procedures of Oconee County (the “*County*”) through an agency relationship with the County.

(12) By and through the provisions of the IPMC as ratified and enacted under this Ordinance as well as the Technical Codes (as defined and described below), the application for appeals under the Appellate Authorization shall be amended and restated as provided by this Ordinance.

(13) The City desires to utilize certain procedures and administrative resources under the Home Rule amendments to the South Carolina Constitution (1895, as amended), Section 5-7-80, the Unfit Dwellings Act (as applicable) and related statutory provisions, the IPMC and other available remedies and resources in order to permit the City, by and through law enforcement officials and code enforcement officials, to take all action necessary to abate, remediate and demolish public nuisances and charge the cost of



corrective action back to the offending property owner as a direct charge or lien upon the offender's real property.

**(D) Technical Codes**

(1) Section 6-9-40 of the Code of Laws of South Carolina 1976, as amended requires that the South Carolina Building Codes Council review, adopt, modify and promulgate certain standard building codes.

(2) Section 6-9-50 of the Code of Laws of South Carolina 1976, as amended provides that the City "shall adopt by reference and amend only the latest editions of the following nationally recognized codes and the standards referenced in those codes for regulation of construction in this State: building residential, gas, plumbing, mechanical, fire and energy...as promulgated, published and made available by the International Code Council, Inc. and the National Electrical Code as published by the National Fire Protection Association."

(3) Section 6-9-60 of the Code of Laws of South Carolina 1976, as amended, permits the discretionary adoption of other standard codes, including those regulating, "property maintenance, performance codes for buildings and facilities, existing building and swimming pool codes as promulgated, published or made available by the International Code Council, Inc."

(4) The required codes and certain of the permissive codes referenced by Sections 6-9-50 and 60 include the following: the International Building Code (the "**IBC**"), the International Existing Building Code (the "**IEBC**"), the National Electrical Code (the "**NEC**"), the International Plumbing Code (the "**IPC**"), the International Mechanical Code (the "**IMC**"), the International Fuel Gas Code (the "**FGC**"), the International Fire Code (the "**IFC**"), the IPMC, the International Energy Conservation Code (the "**IECC**"), and the International Residential Code (the "**IRC**" and together with the IBC, the IEBC, the NEC, the IPC, the IMC, the FGC, the IFC, the IPMC, the IECC, the "**Technical Codes**").

(5) It is the intent of the IBC to provide a reasonable level of safety, public health and general welfare, through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide a reasonable level of safety to fire fighters and emergency responders during emergency operations.

(6) It is the intent of the IEBC to provide for minimum requirements to safeguard the public health, safety and welfare insofar as they are affected by the repair, alteration, change of occupancy, addition and relocation of existing buildings.

(7) It is the intent of the NEC to achieve electrical safety in residential, commercial, and industrial occupancies.



(8) It is the intent of the IPC to establish minimum standards to provide a reasonable level of safety, health, property protection and public welfare by regulating and controlling the design, construction, installation, quality of materials, location, operation and maintenance or use of plumbing equipment and systems.

(9) It is the intent of the IMC to establish minimum standards to provide a reasonable level of safety, health, property protection and public welfare by regulating and controlling the design, construction, installation, quality of materials, location, operation and maintenance or use of mechanical systems.

(10) It is the intent of the FGC to establish minimum standards to provide a reasonable level of safety, health, property protection and public welfare by regulating and controlling the design, construction, installation, quality of materials, location, operation and maintenance or use of fuel gas systems.

(11) It is the intent of the IFC to establish minimum requirements consistent with nationally recognized good practice for providing a reasonable level of life safety and property protection from the hazards of fire, explosion or dangerous conditions in new and existing buildings, structures and premises, and to provide reasonable level of safety to the fire fighters and emergency responders during emergency operations.

(12) It is the intent of the IECC to regulate the design and construction of buildings for the use and conservation of energy over the life of each building.

(13) It is the intent of the IRC to establish minimum requirements to safeguard the public safety, health and general welfare through affordability, structural strength, means of egress facilities, stability, sanitation, light and ventilation, energy conservation and safety to life and property from fire and other hazards attributed to the build environment, and to provide safety to fire fighters and emergency responders during emergency operations.

#### **(E) Amendment to the Zoning Code**

(1) The City is authorized by South Carolina Local Government Comprehensive Planning Enabling Act of 1994, codified at Title 6, Chapter 29 of the Code of Laws of South Carolina 1976, as amended (the “**Planning and Zoning Act**”), to enact an ordinance regulating zoning, land use, and land development in the City.

(2) Pursuant to this power, the City Council has enacted the Zoning Ordinance of the City of Westminster, South Carolina (the “**Zoning Ordinance**”), which is codified at Title XV, “Land Usage”, Chapter 151 “Zoning Code” of the City Code.

(3) The City, as part of an update to the Zoning Ordinance, by and through the provisions of Ordinance 2023-12-12-01 dated December 12, 2023, adopted by reference the most recently-adopted editions of the International Property Maintenance Code, International Fire Code and International Building Codes.

(4) The City has determined to codify the IPMC and the Technical Codes under Chapter 150 “Building Regulations” instead of Chapter 151 “Zoning Code” of the City Code.

(5) By adoption of this Ordinance, the City recodifies the amended and restated IPMC and Technical Codes under Chapter 150 and deletes their references from Section 151.003 of the Zoning Code.

(6) In accordance with the provisions of the Planning and Zoning Act regarding amendments to the text of any zoning ordinance, at a meeting held on April 21, 2025, the Planning Commission for the City of Westminster (the “Planning Commission”) conducted a public hearing regarding the proposed amendment to the text of the Zoning Ordinance and considered the proposed text amendment set forth in Section 3 of this Ordinance. Upon due consideration, the Planning Commission has recommended that the City Council approve the amendment to the text of the Zoning Ordinance as set forth in Section 3.

**NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF WESTMINSTER AS FOLLOWS:**

## **Section 1. Generally.**

(a) Pursuant to Sections 6-9-50 and 6-9-60 of the Code of Laws of South Carolina 1976, as amended, the City shall only adopt the latest edition of certain national codes, including the Technical Codes. For the purposes discussed above and generally to govern all building activities within the City, all of the Technical Codes shall be enacted under the terms of this Ordinance. Any amendments, modifications and succeeding editions to each of the Technical Codes or succeeding amendments or modifications to the Technical Codes shall become effective upon the approval of the South Carolina Building Codes Council in conformance with State law; however, in no event shall any subsequent edition of the IPMC affect the administrative and enforcement provisions established herein. Except with respect to the IPMC, each of the model regulations, provisions, penalties, conditions and terms for the Technical Codes are hereby enacted by the City. The actual provisions of the Technical Codes shall be available for review in the office of the City Clerk.

(b) While the City has generally enacted the entirety of the IPMC, there are certain provisions of the IPMC that have been amended and restated by the City as set forth on Exhibit A hereto. When applying the provisions of the IPMC, specific reference shall be made to the provisions of Exhibit A to the extent such provisions may amend, modify, or otherwise restate provisions of the IPMC. Such amendments and revisions to the IPMC shall be available for review in the office of the City Clerk.

(c) The City further enacts and authorizes the implementation of the Unfit Dwellings Act; however, to the extent the administrative provisions of this Ordinance conflict with the Unfit Dwellings Act, the provisions of the Unfit Dwellings Act are deemed to be permissive, and the provisions of this Ordinance shall control in all cases.

**Section 2. Amendment of Title XV “Land Usage”, Chapter 150 “Building Regulations”** The entirety of Title XV “Land Usage”, Chapter 150 “Building Regulations”, as previously enacted, is hereby amended and restated in its entirety to now read as follows:

### **CHAPTER 150 – BUILDING REGULATIONS**

#### **§ 150.01 – PUBLIC POLICY FOR BUILDING CODES.**

(A) *Generally.* Pursuant to Title 6, Chapter 9 of the Code of Laws of South Carolina 1976, as amended and as may be further amended by the General Assembly, the City of Westminster hereby adopts the latest editions of the following national codes and the standards referenced, or as adopted by the South Carolina Building Codes Council, as set forth herein for the regulations of construction within the City: building, electrical, mechanical, fuel gas, fire, property maintenance and energy codes as promulgated, published, amended or made available by the South Carolina Building Codes Council in conformance with the laws of the State of South Carolina. Any provision identifying the jurisdiction shall be deemed to be the City of Westminster. A file of record of these codes is in the offices of the City Clerk.

(B) *Exclusions.* Deemed excluded from adoption under this Chapter “Building Regulations” is any provision, or part thereof of a standard code that concerns: (1) a department or official name or nomenclature; (2) the appointment, liabilities, qualifications, removal, dismissal and duties of the code enforcement or building official, any other city official or employee or appeals board; or (3) the establishment of fees.

(C) *Amendments.* Whenever the term “jurisdiction” is used in any of the standard codes approved herein, it shall be construed to mean the City of Westminster, South Carolina.

(D) *Fees.* The fees for permits shall be as established in an ordinance adopted by City Council of the City of Westminster, as the governing body of the City.

## **§ 150.02 – INTERNATIONAL BUILDING CODE AND INTERNATIONAL EXISTING BUILDING CODE.**

*Adoption of the International Building Code and International Existing Building Code.* This section is to be known and referred to as the “Building Code.” There is hereby adopted by the City the most current editions of the International Building Code (the “IBC”) and International Existing Building Code (the “IEBC”), as promulgated by the International Code Council Inc. and adopted by the South Carolina Building Codes Council, copies of which are to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in their entirety the said IBC and IEBC. Further, the enactment of the ordinance from which this Section is derived shall include the administrative provisions in Chapter 1 of both the IBC and the IEBC. To the extent any inconsistency exists between the administrative provisions of Chapter 1 of the IBC and Chapter 1 of the IEBC, the provisions of Chapter 1 of the IBC shall control.

## **§ 150.03 – NATIONAL ELECTRIC CODE.**

(A) *Adoption of the National Electric Code.* This section is to be known and referred to as the “Electric Code”. There is hereby adopted by the City the most current edition of the National Electric Code, as promulgated by the National Fire Protection Association and adopted by the South Carolina Building Codes Council, copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said National Electric Code. Further, the enactment of the ordinance from which this Section is derived shall include the administrative provisions in Chapter 1 of the National Electric Code.

(B) *Plumbing and piping to be in place.* All plumbing and other piping or tube work must be in place on work to be concealed before the electrical wiring is inspected. No wiring shall be considered as complete for final inspection until all plumbing or piping is in place.

(C) *Concealment of wiring prior to inspection prohibited.* It shall be unlawful to lath, seal, or in any manner conceal any electrical wiring or equipment until it has been inspected and notices posted that it has been approved.

(D) *Suitable zone on each pole to be reserved for City.* On any pole of any electric light, power, street, railway, telephone, or telegraph company used jointly by two or more companies, each company shall be allotted a special zone, and shall confine its wires to that zone. Spaces shall be measured from the tops of poles downward, and a suitable zone on every pole shall at all times be reserved for the free use of the City.

#### **§ 150.04 – INTERNATIONAL PLUMBING CODE.**

(A) *Adoption of International Plumbing Code.* This section is to be known and referred to as the “Plumbing Code.” There is hereby adopted by the City the most current edition of the International Plumbing Code, as promulgated by the International Code Council, Inc. and adopted by the South Carolina Building Codes Council, copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said International Plumbing Code. Further, the enactment of the ordinance from which this Section is derived shall include the administrative provisions in Chapter 1 of the International Plumbing Code.

(B) *Authority to order discontinuance of private sewer or drains.* The Building Official shall have the power and authority to order discontinuance and to prevent the use of any private sewer or drain through which there is being discharged any substance into the City sewer lines or system.

#### **§ 150.05 – INTERNATIONAL MECHANICAL CODE.**

(A) *Adoption of International Mechanical Code.* This section is to be known and referred to as the “Mechanical Code.” There is hereby adopted by the City the most current edition of the International Mechanical Code, as promulgated by the International Code Council, Inc. and adopted by the South Carolina Building Codes Council, a copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said International Mechanical Code. Further, the enactment of the ordinance from which this Section is derived shall include the administrative provisions in Chapter 1 of the International Mechanical Code.

## **§ 150.06 – INTERNATIONAL FUEL GAS CODE.**

(A) *Adoption of International Fuel Gas Code.* This section is to be known and referred to as the “Gas Code.” There is hereby adopted by the City the most current edition of the International Fuel Gas Code, as promulgated by the International Code Council, Inc. and adopted by the South Carolina Building Codes Council, a copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said International Fuel Gas Code. Further, the enactment of the ordinance from which this Section is derived shall include the administrative provisions in Chapter 1 of the International Fuel Gas Code.

(B) *Inspection prerequisite to turning on gas.* No form of flammable gas shall be turned in to any gas piping system or appliance until such piping or appliance has been inspected by the building official. This inspection shall apply to all installations of consumer's gas piping and gas appliances originating at the delivery point from any gas utility piping system or at the outlet of any gas storage container.

(C) *Defective Piping.* Where there is reason to believe that any portion of the gas piping system has become defective, the system shall be tested in such manner as may be prescribed by the City.

(D) *Certificate of Approval.* Permanent gas supply will not be furnished until after a satisfactory tightness test has been made and a certificate of approval has been issued by the Building Official.

## **§ 150.07 – INTERNATIONAL FIRE CODE.**

(A) *Adoption of International Fire Code.* This section is to be known and referred to as the “Fire Code.” There is hereby adopted by the City the most current edition of the International Fire Code, as promulgated by the International Code Council, Inc. and adopted by the South Carolina Building Codes Council, a copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said International Fire Code. Further, the enactment of the ordinance from which this Section is derived shall include the administrative provisions in Chapter 1 of the International Fire Code.

(B) *Conflicting Provisions.* If any section, subsection or other portion of any City ordinance, this code of ordinances or State law conflicts in whole or in part with the International Fire Code approved herein, the more restrictive provisions shall govern and control.

(C) *Permits.* It shall be unlawful to install a sprinkler system without first applying for a permit, paying any required fees and presenting the fire marshal or Building Official with a set of plans for approval. Any plans shall provide specifications (in the opinion of the City) as needed to determine the scope, nature and character of the work for which an application has been made.

#### **§ 150.08 – INTERNATIONAL PROPERTY MAINTENANCE CODE.**

(A) *Adoption of the International Property Maintenance Code.* This section is to be known and referred to as the “Property Maintenance Code.” There is hereby adopted by the City the most current version of the International Property Maintenance Code (the “IPMC”), as promulgated by the International Code Council, Inc. and adopted by the South Carolina Building Codes Council, a copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said IPMC. Certain provisions of the IPMC, as provided in Section 150.08(B) below, have been amended and restated.

(B) *Amendments and Revisions.* In implementing the provisions of the IPMC, the City has determined to implement certain amendments and modifications to the provisions of the IPMC. In keeping therewith, the City has determined to amend, modify or restate the following provisions of the IPMC: **CHAPTER 1 – SCOPE AND ADMINISTRATION; Section 302.4 Weeds; Section 304.14 Insect Screens; Section 602.2 Residential Occupancies; Section 602.3 Heat Supply; and Section 602.4 Occupiable Workspaces.** To the extent a section of the IPMC is not amended and restated by the provisions hereof, the original provisions of the IPMC shall be applicable. The applicable amendments and revisions to the IPMC referenced herein are to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference without the necessity of setting out and copying the entirety of such amendments and revisions herein.

#### **§ 150.09 – INTERNATIONAL ENERGY CONSERVATION CODE.**

*Adoption of International Energy Conservation Code.* This section is to be known and referred to as the “Energy Code.” There is hereby adopted by the City the most current edition of the International Energy Conservation Code, as promulgated by the International Code Council Inc. and adopted by the South Carolina Building Codes Council, a copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said International Energy Conservation Code. Further, the enactment of the ordinance from which this Section is derived

shall include the administrative provisions in Chapter 1 of the International Energy Conservation Code.

#### **§ 150.10 – INTERNATIONAL RESIDENTIAL CODE.**

(A) *Adoption of International Residential Code.* This section is to be known and referred to as the “Residential Code.” There is hereby adopted by the City the most current edition of the International Residential Code, as promulgated by the International Code Council, Inc. and adopted by the South Carolina Building Codes Council, a copy of which is to be kept permanently on file in the administrative offices of the City as part of the general ordinances of the City, with same being incorporated herein by reference, and without the necessity of setting out and copying in its entirety the said International Residential Code. Further, the enactment of the ordinance from which this Section is derived shall include the administrative provisions in Chapter 1 of the International Residential Code.

(B) *Bond or Liability Insurance.*

(1) When the City shall so require, the applicant for a building permit shall, before receiving such permit or beginning work thereunder, execute and deliver to the City a good and sufficient bond of indemnity in such sum as may be required by the City Administrator, and subject to the approval of the City Council, conditioned to repay to the City any sums which it may have to pay for damages to any person or property by reason of excavations or obstructions in or on any of the streets, alleys or sidewalks of the City, or by reason of objects falling from such building or the scaffolding attached thereto, or by reason of any act or neglect whatsoever done or suffered by such applicant or by any person, whether an independent contractor or not, or by any agent of any such party who shall construct or move such building or any part thereof. Such bond shall be that of an approved surety company or shall be signed by two or more good and sufficient resident sureties, to be approved by the City Council. The City Administrator may at any time require the execution of a new bond or the substitution or addition of new or other sureties therefor or thereto.

(2) In lieu of the bond prescribed in subsection (b)(1) of this subsection, any person applying for a building permit may file with the City a public liability insurance policy issued by an insurance company authorized to do business in the State of South Carolina, such policy to afford coverage in the currently required amount. Such policy shall name the City as an additional insured and the applicant shall furnish the name of the agent issuing the policy, the policy number, the expiration date thereof and the name and address of the insurance company issuing the policy.

#### **§ 150.11 – APPLICATION FOR APPEAL.**

(a) Except for those persons who are charged with ordinance violations in the jurisdiction of the city’s municipal court, any person directly affected by a



decision of the code official or a notice or order issued under any of the standard codes within this Chapter 150 shall have the right to appeal to the City Council (the “appeals board”), provided that a written application for appeal is filed within 20 days after the day the notice or order was served. Thereafter, a timely hearing shall be scheduled by the appeals board in order to hear the appeal. An application for appeal may be based on grounds that an alleged violation is based on an erroneous finding of fact, that the true intent of the uniform code or the rules thereunder have been arbitrarily, capriciously, or incorrectly interpreted or applied, the provisions of uniform code do not fully apply to the situation, or that the requirements of the uniform code are adequately satisfied by other means. In such cases the appeals board hears witnesses, receives evidence, may view the premises, receives arguments, and then makes a decision de novo, without being bound in any way by the initial decision of the code official. Its decision is reduced to writing and delivered to the parties to the appeal. The decision of the appeals board shall be final and binding.

(b) Respecting appeals under the IPMC, in the event notice cannot properly be delivered or served under the parameters of Section 150.11(a) above, any appeal shall occur within the time periods allotted for posting the structure in question under Section 107.3 of the IPMC.

#### **§ 150.12 – STANDARDIZED ADDRESSING AND MARKINGS OF RESIDENTIAL AND BUSINESS PROPERTIES TO ASSIST EMERGENCY RESPONSE PERSONNEL.**

The City specifically adopts by reference the provisions of S.C. Code § 23-47-60 and additionally adopts the requirement that all businesses shall place or cause to be placed the number of each building on the rear of each structure, conspicuously placed; the numbers not being less than four inches in height; all numbers being clearly visible and must contrast with the color of the building. Residents, businesses, owners or others who fail to comply with this section shall be guilty of violation of this section and, upon being issued a written citation by code official or any other law enforcement official shall have ten days to correct the violation. Failure to comply with this section upon receipt of written citation shall require the imposition of a fine of \$10 per day for violation at each location. Violators may appeal citation or imposition of fines to the Magistrate’s Court for the city. The amount of the fine may be adjusted by City Council through its regular budget process.

#### **§ 150.13 – ADOPTION OF OFFICIAL COMPREHENSIVE PLAN.**

Upon review of the City of Westminster Comprehensive Land Use Plan, 2017 Update, and upon consideration of public input, the recommendation of the Planning Commission to adopt the Comprehensive Plan Update is accepted and is adopted in full force and effect within the City limits of the City of Westminster.

## **§ 150.14 – APPLICABILITY OF CHAPTER TO HOMEOWNERS**

Nothing contained within this chapter shall prevent any homeowner from construction, repair, improvements, or re-improvements on his own residence or a residence of his immediate family, provided the owner does the work himself or with his own employees and the property is not intended for sale or rent. This provision does not convey the right to violate any of the provisions of this chapter, neither is it to be construed as exempting any property owner from obtaining a permit and having the work inspected nor from paying the required fees therefor.

## **§ 150.15 – SPECIAL BUILDING RULES FOR MANUFACTURED AND MOBILE HOMES**

(A) *Construction.* All manufactured and mobile homes must be placed on a permanent brick, permanent block, or other concrete reinforced foundation and shall be underpinned with brick or concrete block to the ground around the perimeter of the dwelling and shall be anchored on at least each corner by steel cables or straps. Each dwelling shall include a porch or decking at least three feet by three feet outside of each entrance.

(B) *Water and wastewater.* Each lot containing a manufactured or mobile must have at least a three-inch diameter sewer riser pipe that is in an approximate vertical position. All sewer connections shall be watertight. All sewer lines shall be properly vented and shall be laid with sufficient earth cover to prevent breakages from vehicular traffic. If the lot is not connected to sewer, no manufactured or mobile home shall be permitted without a valid septic permit from the Department of Health and Environmental Control. The water supply and wastewater disposal systems of all manufactured and mobile homes shall be inspected and approved by the Building Official prior to the issuance of any Permits or Occupancy Certificates.

(C) *Abandoned or nuisance structures.* Any mobile home which has been abandoned and is declared to be a nuisance under the terms of this chapter, shall be removed by the owner of the land. A mobile home shall be considered abandoned if:

- (1) It has been unoccupied for a period of more than one year; or
- (2) It has been deemed unfit by the Building Inspector, or Health Authority;  
or
- (3) If repairs needed exceed 75 percent of the structure's replacement value.

(D) For any mobile home that does not comply with this section, the city is authorized to recover from the owner of an abandoned mobile home or from

the owner of the land upon which such abandoned mobile home is located, the expense of removal and disposal.

**Section 3.** *Amendment of Title XV “Land Use”, Chapter 151 “Zoning Code”, Section 151.003.* Title XV “Land Use”, Chapter 151 “Zoning Code”, Section 151.003 of the City’s Code of Ordinances is hereby amended as follows:

**§ 151.003 - CITY ORDINANCES.**

Now, therefore, be it ordained by the city that the following ordinances as amended, are hereby adopted by reference as though it were copied herein fully:

- ~~(A) The most recently adopted International Property Maintenance Code by the International Code Council (ICC).~~
- ~~(B) The most recently adopted International Fire Code by the International Code Council (ICC).~~
- ~~(C) The most recently adopted International Building Codes by the International Code Council (ICC).~~
- ~~(D)~~ A Business Licenses Policy of the City of Westminster; and
- ~~(E)~~ B Property Identification Ordinance by the City of Westminster.

**Section 4.** Prior to the adoption of this Ordinance and pursuant to the requirements of Section 5-7-280 of the Code of Laws of South Carolina 1976, as amended, the City Council held a public hearing on the question of adopting the IPMC. Notice of the public hearing, a copy of which is attached hereto as Exhibit B, was timely published in advance of the public hearing in *The Journal*, a newspaper of general circulation in the City. All interested parties were given an opportunity to speak in favor of or against this Ordinance.

**Section 5.** Prior to the adoption of this Ordinance, the Planning Commission conducted a public hearing on the proposed amendment to the text of the Zoning Ordinance as set forth in Section 3. Notice of the public hearing, a copy of which is attached hereto as Exhibit C, was timely published in advance of the public hearing in *The Journal*, a newspaper of general circulation in the City. All interested parties were given an opportunity to speak in favor of or against the proposed amendment to the text of the Zoning Ordinance.

**Section 6.** The implementation of the IPMC does not abolish, diminish, or impair remedies otherwise available to the City. To the extent the provisions of this Ordinance conflict with the Unfit Dwellings Act, the provisions of such act have been deemed by the City to be permissive and the provisions of this Ordinance shall control.

**Section 7.** If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held or determined to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

**Section 8.** Nothing in this Ordinance or the Technical Codes hereby enacted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause of causes of action acquired or existing, under any act or ordinance hereby repealed; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

**Section 9.** All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this ordinance are hereby repealed to the extent of the conflict or inconsistency. This Ordinance shall take effect immediately upon its enactment by the Council.

**DONE AND ENACTED IN COUNCIL ASSEMBLED,** this \_\_\_\_ day of \_\_\_\_\_ 2025.

CITY OF WESTMINSTER, SOUTH CAROLINA

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Brian Ramey, Mayor

[SEAL]

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Kiley Carter, City Clerk

First Reading: April 8, 2025  
Public Hearing: April 8, 2025  
Planning Commission  
Public Hearing: \_April 21, 2025  
Second Reading: \_\_\_\_\_, 2025

Reviewed by City Attorney and approved as to form

\_\_\_\_\_  
*City Attorney*

## Exhibit A

### Amendments to the International Property Maintenance Code, 2021 Edition

By the terms of Ordinance No. \_\_\_\_\_ dated \_\_\_\_\_, 2025, the City of Westminster, South Carolina (the “City”), by and through the City Council of the City, as the governing body thereof, did codify the International Property Maintenance Code, 2021 Edition (the “IPMC”). In implementing the provisions of the IPMC, the City has determined to implement certain amendments and modifications to the provisions of the IPMC. In keeping therewith, the City has determined to amend, modify or restate the following provisions of the IPMC: **CHAPTER 1 – SCOPE AND ADMINISTRATION; Section 302.4 Weeds; Section 304.14 Insect Screens; Section 602.2 Residential Occupancies; Section 602.3 Heat Supply; and Section 602.4 Occupiable Workspaces.** To the extent a section of the IPMC is not amended and restated by the provisions hereof, the original provisions of the IPMC shall be applicable.

## ADMINISTRATION

### SECTION 101 GENERAL

**101.1 Title.** These regulations shall be known as the *Property Maintenance Code of the City of Westminster, South Carolina* (the “*City*”), and hereinafter referred to as “*this code*” or the “*IPMC*”.

**101.2 Scope.** The provisions of this code shall apply to all existing residential and nonresidential structures and all existing premises and constitute minimum requirements and standards for premises, structures, equipment and facilities for light, ventilation, space, heating, sanitation, protection from the elements, life safety from fire and other hazards, and for safe and sanitary maintenance; the responsibility of owners, an owner’s authorized agent, operators and occupants; the occupancy of existing structures and premises, and for administration, enforcement and penalties.

**101.3 Intent.** This code shall be construed to secure its expressed intent, which is to ensure public health, safety and welfare in so far as they are affected by the continued occupancy and maintenance of structures and premises. Existing structures and premises that do not comply with these provisions shall be altered, repaired or demolished to provide a minimum level of health and safety as required herein.

**101.4 Severability.** If a section, subsection, sentence, clause or phrase of this code is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this code.

### SECTION 102

## APPLICABILITY

**102.1 General.** The provisions of this code shall apply to all matters affecting or relating to structures and premises, as set forth in Section 101. Where, in a specific case, different sections of this code specify different requirements, the most restrictive provisions compatible with the other provisions of the City’s Code of Ordinances and pertinent provisions of the Code of Laws of South Carolina 1976, as amended, shall govern. However, to the extent the provisions of the code conflict in any way with Title 31, Chapter 15, Article 1 of the Code of Laws of South Carolina 1976, as amended, the provisions of this code shall apply. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities, including public bodies, as well as natural persons.

**102.2 Maintenance.** Equipment, systems, devices and safe-guards required by this code or a previous regulation or code under which the structure or premises was construed, altered or repaired shall be maintained in good working order. No owner, owner’s authorized agent, operator or occupant shall continue any service, facility, equipment or utility which is required under this section to be removed from or shut off from or discontinued for any occupied dwelling, except for such temporary interruption as necessary while repairs or alterations are in progress. The requirements of this code are not intended to provide the basis for removal or abrogation of fire protection and safety systems and devices in existing structures. Except as otherwise specified herein, the

owner or the owner's designated agent shall be responsible for the maintenance of buildings, structures and premises.

**102.3 Application of other codes.** Repairs, additions or alterations to a structure, or changes of occupancy, and all other work required under the IPMC shall be done in accordance with the procedures and provisions of the *International Building Code*, *International Energy Conservation Code*, *International Fire Code*, *International Fuel Gas Code*, *International Mechanical Code*, *International Residential Code*, *International Plumbing Code* and *National Electrical Code*, to the extent lawfully enacted and in effect in the City. Nothing in this code shall be construed to cancel, modify or set aside any provision of the *International Zoning Code*, to the extent it has any application in the City.

**102.4 Existing remedies.** The provisions in this code shall not be construed to abolish or impair existing remedies of the jurisdiction or its officers or agencies relating to the removal or demolition of any structure which is dangerous, unsafe or unsanitary, or otherwise in violation of applicable law.

**102.5 Workmanship.** Repairs, maintenance work, alterations or installations which are caused directly or indirectly by the enforcement of this code shall be executed and installed in a workmanlike manner and installed in accordance with the manufacturer's installation instructions.

**102.6 Historic buildings.** Absent exigent circumstances that affect public health, safety or welfare determined in the sole discretion of the Building Official, the provisions of this code shall not be mandatory for any existing building or structure listed as a "historic property" by National Register of Historic Places, or.

**102.7 Referenced codes and standards.**

The codes and standards referenced in this code shall be those that are listed in Chapter 8 of the IMPC and considered part of the requirements of this code to the prescribed extent of each such reference. Where differences occur between provisions of this code and the referenced standards, the provisions of any State-mandated Standard Code reference in Chapter 8 shall apply.

**102.8 Requirements not covered by code.**

Requirements necessary for the strength, stability or proper operation of an existing fixture, structure or equipment, or for the public safety, health and general welfare, not specifically covered by this code, shall be determined by the code official, based on compliance with the intent of this IPMC and reasonable, objective standards as expressed by that official.

**SECTION 103  
DEPARTMENT OF PROPERTY  
MAINTENANCE INSPECTION**

**103.1 General.** The code enforcement officer or officers, also referred to herein as the "code official," work(s) under the direct supervision of the Building Official and the indirect supervision of the City Administrator. The code official is in charge of property maintenance inspection, as well as code enforcement. He is specifically authorized to issue ordinance summonses for violations, as well as notices and appropriate regulatory orders as part of his official duties.

**103.2 Appointment.** As provided in South Carolina law, the code official shall be appointed by the City, acting through the City Administrator, and shall be required to comply with the standards governing the conduct of all City employees; the code official is an "at will" employee as are all

other City employees, but if the code official is terminated and believes that such termination is in retaliation for a job-related decision or activity, then the code official must follow the City's grievance procedure and take all necessary steps to seek an administrative remedy. Any failure to implement the City's grievance procedure shall be deemed a waiver of the code official's right to object to his termination and the code official shall be barred from instituting litigation to contest his discharge. In pursuing his administrative remedies, the code official shall be given a full opportunity to be heard on specific and relevant issues raised by him or relied on by the City Administrator or the Building Official in making a termination decision.

**103.3 Deputies.** In accordance with the prescribed procedures of the City and with the written concurrence of the City Administrator, the code official shall have the authority to appoint a deputy code official, other related technical officers, inspectors and other employees.

**103.4 Liability.** With the exception of any third party code enforcement company, to whom the provisions of this Section 103.4 are not applicable, the code official, officer or employee charged with the enforcement of this code, while acting in an official capacity for the City, is subject to the limitations on personal and official liability set forth in the South Carolina Tort Claims Act, S.C. Code Ann. § 15-78-10, et seq. (the "S.C. Tort Claims Act").

In the event any suit is instituted against any code official, officer or employee (hereafter "City Employee") because of an act performed, or alleged to have been performed by that City Employee in the lawful discharge of such person's official duties, then under the provisions of this code and under the

provisions of the S.C. Tort Claims Act and other applicable law, such City Employee shall be defended by the insurance carrier for the City; if insurance coverage and/or insurance defense is denied, and the City determines that a legal defense is warranted for the City Employee under the facts and circumstances alleged, and if the City has been given prompt, timely notice of the occurrence leading to the claim, and of the assertion of any claim against the City Employee or the City, and has been given prompt notice of the service of any suit papers on the City Employee, all of which are duties imposed on the City Employee to act in good faith, then legal representation may be provided by the City until any insurance coverage issue is resolved or until the final termination of the proceedings. Depending on the nature of the allegations, or the facts and circumstances discovered and developed in the course of the litigation, the City may accept the financial responsibility of providing a defense, but if the City's investigation reveals that the City Employee did not act within the scope and authority of his official duties in the matter from which the litigation arose, or if he failed to cooperate with the City in notifying it of the claim or in its investigation of the claim, then the City shall be under no duty or obligation whatsoever to provide a legal defense to the City Employee, and shall not be liable for any adverse outcome of such suit, if the City has not been directly made a party to the suit. Any exemption from personal responsibility for the official actions of a City Employee in enforcing this code arises by reason of the nature of his official duties, and from the S.C. Tort Claims Act and any federal laws governing such matters. This code does not expand any exemptions from personal liability provided by South Carolina or federal law.



Furthermore, this code shall not be construed to relieve from or lessen the responsibility of any non-City agent, employee, builder, contractor, agent or employee of any builder or contractor, or any person owning, operating or controlling any building, structure or premises, for any damages to persons or property caused by defects therein or from other violations of this code, nor shall the code enforcement officer, his deputy or agent, or the City be held as assuming any liability by reason of the inspections authorized by this code or any permits or certificates issued under this code, or by reason of the absence of any such inspections.

**103.5 Fees.** The fees for activities and services performed by the City in carrying out its responsibilities under this code shall be as indicated in a schedule adopted by the City from time to time, either by ordinance or in the annual budget ordinance.

## **SECTION 104 DUTIES AND POWERS OF THE CODE OFFICIAL**

**104.1 General.** The code official shall enforce the provisions of this code. If requested by the City Administrator or by the code official, commissioned officers from the City's police department or other law enforcement agencies may directly enforce this code or assist the code official in enforcing it.

**104.2 Rule-making authority.** The code official shall have authority as necessary in the interest of public health, safety and general welfare, to recommend to the City Administrator and to City Council the adoption and promulgation of rules and procedures, including necessary amendments to this code; to interpret and implement the provisions of this code and of any duly

adopted regulations, rules or procedures; to secure the intent thereof; and to designate requirements applicable because of local climatic or other conditions. Such rules shall not have the effect of waiving structural or fire performance requirements specifically provided for in this code, or of violating accepted engineering methods involving public safety.

**104.3 Inspection.** The code official shall make all of the required inspections, or shall accept reports of inspection by approved agencies or individuals. All reports of such inspections shall be in writing and be certified by a responsible officer of such approved agency or by the responsible individual. The code official is authorized to engage such expert opinion as deemed necessary to report upon unusual technical issues that arise, subject to the written approval of the City Administrator and the availability of sufficient funds in the City budget for such matters.

**104.4 Right of entry.** The code official is authorized to request entry into any structure or premises at reasonable times to inspect, subject to constitutional restrictions on unreasonable searches and seizures. By the terms of the City's business license ordinance, holders of City business licenses are deemed to have consented to a search. If a structure appears to be unoccupied, and is disconnected from City utility services, then entry is authorized for the purpose of inspection of the premises for compliance with this code. However, if the premises appear to be occupied, or if there also appears to be an IPMC violation visible to the code official from a place where he has a right to be, the code official may request entrance from the owner, the owner's authorized agent or other person in charge of the property. If entry is refused or otherwise cannot be obtained, the code official is authorized to

pursue recourse as provided by law, including seeking assistance of the police department or City Attorney in obtaining an administrative search warrant pursuant to Sec. 36.05 of the City's Code of Ordinances or a court order permitting inspection. If a violation is open, obvious, and poses an immediate threat to human or animal health and/or safety, the code official has the right to demand entrance, or to make entrance if no one is present or in charge of the premises, and may seek the assistance of the police department, fire department, health department and/or public works department, as necessary, to accomplish this purpose. Within 48 hours, the code official will file an incident report with City Administrator, and keep a copy in the records of his office, detailing the events and facts justifying the actions taken by him.

**104.5 Identification.** The code official shall wear a City uniform with proper insignia, carry proper identification and a badge of his office when carrying out his duties, and shall present them for inspection when requesting entrance into structures or premises for purposes of inspection in the performance of those duties under this code.

**104.6 Notices and orders.** The code official shall issue all necessary notices or orders to ensure compliance with this code.

**104.7 Department records.** The code official shall keep the City's official records of all business and activities of the department specified in the provisions of this code. Such records should be retained in the official records as long as the building or structure to which such records relate remains in existence, unless otherwise provided for by other regulations or City record-retention policies. This subsection does not create any private right of action in any individual if a particular record is not

maintained for any particular period of time, or if any particular information is not recorded.

## **SECTION 105 APPROVAL**

**105.1 Modifications.** Whenever there are practical difficulties involved in carrying out the provisions of this code, the code official shall have the authority to grant modifications for individual cases, provided the code official shall determine and articulate in writing:

1. the special individual reason that makes application of the strict letter of this code impractical;
2. the extent to which the modification is in compliance with the intent and purpose of this code;
3. that the modification is consistent with the intent of prior modifications, if any;
4. that such modification does not materially lessen health, life and fire safety requirements; and
5. the details of action granting modifications.

The written statement shall be filed with the City Clerk and a copy shall be provided to the City Administrator.

**105.2 Alternative materials, methods and equipment.** The provisions of this code are not intended to prevent the installation of any material or to prohibit any method of construction not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material or method of construction shall be approved

where the code official finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety, or has been recognized as such by experts in the area. Where the alternative material, design or method of construction is not approved, the code official shall respond in writing, stating the reason the alternative was not approved.

**105.3 Required testing.** Whenever there is insufficient evidence of compliance with the provisions of this code, or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the code official shall have the authority to require reasonable tests to be made as evidence of compliance at no expense to the jurisdiction, or to rely on the results of tests of similar materials or methods made in other jurisdictions or by recognized testing agencies.

**105.3.1 Test methods.** Test methods shall be as specified in this code or by other recognized and accepted test methods, the code official shall be permitted to approve appropriate testing procedures performed by an approved agency.

**105.3.2 Test reports.** Reports of tests shall be retained by the code official for the period required for retention of public records.

**105.4 Material and equipment reuse.** To encourage recycling and the conservation of resources, materials, equipment and devices may be reused when such elements are in good repair or have been reconditioned and

tested when necessary, placed in good and proper working condition and approved. Wood boards, composite materials, hardware and other elements, which are not load-bearing, generally would not be required to meet the same tests as re-used load-bearing timbers, posts and similar elements.

**105.5 Approved materials.** Materials, equipment and devices approved by the code official shall be constructed and installed in accordance with such approval.

## **SECTION 106 VIOLATIONS**

**106.1 Unlawful acts.** It shall be unlawful for a person or other legal entity to do any act or maintain any structure or keep any premises which is in conflict with or in violation of any of the provisions of this code.

**106.2 Notice of violation.** A preliminary notice of violation, a notice of violation or order shall be issued by the code official in accordance with Section 107.

**106.3 Violations.** Any person failing to comply with a notice of violation or order served in accordance with Section 107 shall be deemed guilty of a misdemeanor or civil infraction as determined by the local municipality, and the violation shall be deemed a *strict liability offense*.

### **106.4 Enforcement**

**106.4.1 Enforcement of Lien.** Any action taken by the City resulting in the imposition of a monetary penalty or the incurrence of demolition and/or other costs by the City shall be statutory liens against the real property upon which the structure or premises is located and such sums shall be recovered by adding such costs as a lien on the real property tax

bills next issued by the City, or its agent, upon such real property, and collected in the same manner and at the same time as ad valorem property taxes are collected.

**106.4.2 Lien Against Title.** If the lien on the offender's real property tax bill is not collectible for any reason, the lien may be recorded against the land records of the property. The owner or owners of the real property, and their successors in interest, are responsible for such lien and may be sued in a court of competent jurisdiction in Darlington County, South Carolina, to recover the amount of the lien, plus all court costs and accrued pre-judgment interest, as well as the City's attorney's fees incurred in the prosecution of the case, all of which are recoverable jointly and severally against the owner or owners of record of the property on the date the lien is imposed, and their successors in interest, and the lien runs with the property. Any lien filed on a property shall be considered a cloud against title that must be satisfied prior to any subsequent transfer of the property in question.

**106.4.3 Prosecution.** Any person failing to comply with a notice of violation or order served in accordance with Section 107 may further be charged with a misdemeanor or with a civil infraction, depending on the severity of the conduct and whether the property has been the subject of prior complaints, whether formal or informal, and the degree to which the property owner or other responsible person has cooperated with the City in resolving the issues presented. Persons charged are entitled to a trial in municipal court, and if found guilty of a misdemeanor or of a breach of the law constituting a civil infraction, punishment

to the extent provided by law may be imposed by the judge.

**106.4.4 Separate Offenses.** Except as otherwise provided by South Carolina law, each day that a violation continues after due notice has been given shall be deemed a separate offense.

**106.5 Abatement of violation.** The imposition of the penalties herein shall not preclude the City Attorney from instituting appropriate action, including, but not limited to, requesting intervention by the City's police department to restrain, correct or abate a continuing violation, or to prevent illegal occupancy of a building, structure or premises, or to stop an illegal act, conduct, business or utilization of the building, structure or premises.

## **SECTION 107 NOTICES AND ORDERS**

**107.1 Notice to person responsible.** Whenever the code official determines that there has been a violation of this code or has grounds to believe that a violation has occurred notice shall be provided.

**107.1.1 Preliminary Notice.** Prior to the delivery of a formal notice, a preliminary notice of violation may be given. A preliminary notice is not required prior to the submission of a formal notice.

**107.1.2 Formal Notice.** If the problem cannot be resolved with a preliminary notice or informally, the code official may give a formal notice of compliance or correction in the manner prescribed in Sections 107.2.2 and 107.3 to the property owner and to any other person identified as a being responsible for the violation as specified in this code. In the sole discretion of the code official, no

preliminary or informal notice is required prior to the initiation and delivery of a formal notice.

**107.2 Form.** Notices shall be presented in the following forms:

**107.2.1 Preliminary Notice.** A preliminary notice prescribed in Section 107.1.1 shall be in accordance with all of the following:

1. Be in writing.
2. Describe the location of the violation, the date of the notice and the person served.
3. Identify the violation of the IPMC.
4. Inform the property owner of the date by which to fix the violation.
5. Provide contact information to dispute the violation.

**107.2.2 Formal Notice.** Formal notice prescribed in Section 107.1.2 shall be in accordance with all of the following:

1. Be in writing.
2. Identify the property owner based on the City's tax or other records, and identify, to the extent possible, any other persons who may be lawfully responsible for the premises, such as a tenant, renter, lessee or permissive user.
3. Include a description of the real property sufficient for identification, which may include, but is not limited to, street address, tax map number, plat reference or a deed description.

4. Include a statement of the violation or violations, with specific reference to the section of this code which is being violated, and state why the notice is being issued.

5. Include a description of necessary correction or compliance, specifying exactly what action is required to bring the property into conformance with this code (including costs and fees associated therewith), specifying any building or other permits that must first be obtained, and stating a reasonable time to make the repairs and improvements required to bring the dwelling unit, other structure or premises into compliance with the provisions of this code.

6. Inform the property owner of:

(a) the right to an informal hearing or discussion with a hearing officer before the order is implemented;

(b) his right to appeal any adverse decision of the hearing officer; and

(c) the time limits and procedure for filing an appeal.

Informal hearings or discussions with the hearing officer shall be scheduled within 10 days of informing the violator of their violation. The code officer has the burden of proof of a violation. For purposes herein, the "hearing officer" shall be the code official or his designee.

7. Include a statement of the right of the City to file a lien in accordance

with Section 106.4 “Enforcement” for unpaid monetary penalties and costs of abatement.

8. In the alternative, notice of prosecution in the City’s municipal court may be given by service of a Municipal Ordinance Summons (as provided by Sec. 36.06 of the City’s Code of Ordinances) in a proper case, or by institution of the Courtesy Summons (pursuant to Sec. 36.04 of the City’s Code of Ordinances).

### **107.3 Methods of service.**

**107.3.1 Preliminary Notice.** To the extent legally permissible, a preliminary notice under 107.2.1 shall be served in any manner determined by the code official.

**107.3.2 Formal Notice.** Formal notice under 107.2.2, except as described in Subparagraph 8 above (which shall be served personally on a defendant under South Carolina law), shall be deemed to be properly served under any of the following methods:

**108.** If a copy of the notice is delivered personally to each property owner of record or of whom the code official has actual knowledge, and to any other person who is found on the property and/or who appears to have a right as tenant, lessee, renter or permissive user to be on or in control of the property;

2. If a copy of the notice is sent by certified or first-class mail addressed to the last known property owner or owners at the best address available to the City for such person, with a return

receipt requested included therewith; or

3. If the letter and notice submitted under Section 107.3.2(2) above was not delivered, or if the return receipt is not properly signed, a copy of the notice shall be posted or door-tagged in a conspicuous place in or about the front door of the structure, and the owner of such affected property shall be deemed to have been duly notified of the notice on the seventh day after the posting thereof. The provisions hereof are not required in the event the City complies with the provisions of 107.3.3 below regarding the posting of the structure.

4. If delivered in accordance with Section 31-15-60 of the Code of Laws of South Carolina 1976, as amended. It is expressly stated that the provisions of Title 31, Chapter 15, Article 1 are permissive and the City need not comply with such provisions when exercising the rights and privileges granted under the IPMC.

**107.3.3 Posting.** In order to expedite the process for compliance and abatement of nuisances, the City shall additionally be permitted to post or door-tag a copy of the notice in a conspicuous place in or about the front door of the offending structure on or prior to the submission of the formal notice under Section 107.3.2(2). So long as the structure is properly posted on or before the formal notice is mailed under Section 107.3.2(2) above, then in the event the notice under 107.3.2(2) was not delivered, or if the return receipt is not properly signed, the owner of such affected property shall be deemed to have been duly notified of

the notice on the 30<sup>th</sup> day after the posting thereof.

**107.4 Penalties.** Penalties for noncompliance with orders and notices, or for violations prosecuted in the City's municipal court, shall be as set forth in Section 106.4.

**107.5 Transfer of ownership.** It shall be unlawful for the owner of any dwelling unit or structure who has received a compliance order, or upon whom a notice of violation has been served, to sell, transfer, mortgage, lease or otherwise dispose of such dwelling unit or structure to another until the provisions of the compliance order or notice of violation have been complied with, or until such owner or the owner's authorized agent shall first furnish the grantee, transferee, mortgagee or lessee a true copy of any compliance order or notice of violation issued by the code official and shall furnish to the code official a signed and notarized statement from the grantee, transferee, mortgagee or lessee, acknowledging the receipt of such compliance order or notice of violation and fully accepting the responsibility without condition for making the corrections or repairs required by such compliance order or notice of violation, after any and all rights to appeal have been exhausted.

## **SECTION 108 UNSAFE STRUCTURES AND EQUIPMENT**

**108.1 General.** When a structure or equipment, including a mobile home or travel trailer, whether with or without wheels, is found by the code official to be unsafe (unsafe structure or unsafe equipment), is a structure unfit for human habitation, is an unlawful structure or is a dangerous structure or premises, such structure or equipment may be condemned and boarded or demolished

and removed pursuant to the provisions of this code or pursuant to other applicable provisions of the City's Code of Ordinances or of State law.

**108.1.1 Unsafe structures.** An "unsafe structure" is one that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe or of such faulty construction or unstable foundation, that partial or complete collapse is imminently foreseeable unless repairs are immediately undertaken.

**108.1.2 Unsafe equipment.** "Unsafe equipment" includes any boiler, heating equipment, elevator, moving stairway, electrical wiring or device, flammable liquid containers or other equipment on the premises or within the structure which is in such disrepair or condition that such equipment is a hazard to life, health, property or safety of the public or occupants of the premises or structure. It also includes unsafe mobile equipment units used for human habitation, including mobile homes, travel trailers, shipping containers, old buses, old truck bodies and the like, whether currently on wheels or not.

**108.1.3 Structure unfit for human habitation.** A "structure unit for human habitation" is found whenever the code official finds that such structure is unsafe, unlawful or, because of the degree to which the structure is in disrepair or lacks maintenance, is insanitary, vermin infested, contains filth and contamination, or lacks ventilation,

illumination, sanitary or heating facilities or other essential equipment required by this code, or because the location of the structure constitutes a hazard to the occupants of the structure or to the public.

**108.1.4 Unlawful structure.** An “unlawful structure” is one found in whole or in part to be occupied by more persons than permitted under this code, or was erected, altered or occupied contrary to law. The term “unlawful structure” includes “unsafe equipment” used for human occupancy in violation of this code.

**108.1.5 Dangerous Structure or premises.** A “dangerous structure” or “dangerous premises” is any structure or premises that has any or all of the conditions or defects described below:

1. Any door, aisle, passageway, stairway, exit or other means of egress that does not conform to the approved building or fire code of the City as related to the requirements for existing buildings.
2. The walking surface of any aisle, passageway, stairway, exit or other means of egress is so warped, worn loose, torn or otherwise unsafe as to not provide safe and adequate means of egress.
3. Any portion of a building, structure or appurtenance that has been damaged by fire, earthquake, wind, flood, deterioration, neglect, abandonment, vandalism or by any other cause to such an extent that it is likely to partially or completely collapse, or to become detached or dislodged.
4. Any portion of a building, or any member, appurtenance or ornamentation

on the exterior thereof that is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting natural or artificial loads of one and one-half the original designed value.

5. The building or structure, or part of the building or structure, because of dilapidation, deterioration, decay, faulty construction, the removal or movement of some portion of the ground necessary for the support, or for any other reason, is likely to partially or completely collapse, or some portion of the foundation or underpinning of the building or structure is likely to fail or give way.

6. The building or structure, or any portion thereof, is clearly unsafe for its use and occupancy.

7. The building or structure is neglected, damaged, dilapidated, unsecured or abandoned so as to become an attractive nuisance to children who might play in the building or structure to their danger, becomes a harbor for vagrants, criminals or immoral persons, or enables persons to resort to the building or structure for committing a nuisance or an unlawful act.

8. Any building or structure has been constructed, exists or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the approved building or fire code of the jurisdiction, or of any law or ordinance to such an extent as to present either a substantial risk of fire, building collapse or any other threat to life and safety.

9. A building or structure, used or intended to be used for dwelling purposes, because of inadequate



maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, ventilation, mechanical or plumbing system, or otherwise, is determined by the code official to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease.

10. Any building or structure, because of a lack of sufficient or proper fire-resistance-rated construction, fire protection systems, electrical system, fuel connections, mechanical system, plumbing system or other cause, is determined by the code official to be a threat to life or health.

11. Any portion of a building remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned so as to constitute such building or portion thereof as an attractive nuisance or hazard to the public.

**108.2 Vacant structures.** If the structure is vacant and unfit for human habitation, and is not in danger of structural collapse, the code official is authorized to post a placard of condemnation on the premises and order the structure closed up so as not to be an attractive nuisance. Upon failure of the owner or the owner's authorized agent to close up the premises or to request a hearing with the hearing officer within the time specified in the order, the code official shall cause the premises to be closed and secured through any available public agency or by contract or arrangement by private persons and the cost thereof shall be charged against the real property upon which the structure is located and shall be a lien upon such real property and may be collected by any legal resource.

**108.2.1 Disconnect Utility Services.** The code official shall have the authority to authorize disconnection of utility service to the building, structure or system regulated by this code and the referenced codes and standards set forth in Section 102.7 in case of emergency where necessary to eliminate an immediate hazard to life or property or where such utility connection has been made without approval or is otherwise unauthorized. The code official shall notify the serving utility and, whenever possible, the owner or owner's authorized agent and occupant of the building, structure or premises of the decision to disconnect prior to taking such action. If not notified prior to disconnection the owner, owner's authorized agent or occupant shall be notified in writing as soon as practical thereafter.

**108.2.2 Enforcement and Remedies for Violation.** A structure that is boarded or vacant in violation of this section is a public nuisance. In addition to the provisions in this section the City is authorized to use the remedies set forth in Section 106 of this code, State law and the City's Code of Ordinances. The remedies, procedures and penalties provided by this section are cumulative to each other and to any others available under state law or other city ordinances.

**108.2.3 Owner Responsibilities.** No person shall allow a structure to stand vacant for more than thirty (30) days unless the owner establishes by substantial evidence, to the reasonable satisfaction of the code official, one or more of the following conditions apply:

**108.2.3.1 Permits.** The structure is the subject of an active building

permit for repair or rehabilitation and the owner is progressing diligently to complete the repair or rehabilitation.

**108.2.3.2 Sale or Lease.** The structure meets all applicable codes, does not contribute to blight, is ready for occupancy and is actively being offered for sale, lease or rent.

**108.2.3.3 Maintained.** The structure does not contribute to and is not likely to contribute to blight because the owner is actively maintaining and monitoring the structure so that it does not contribute to blight. Active maintenance and monitoring shall include:

1. Maintenance of landscaping and plant material in good condition;
2. Maintenance of the exterior of the structure including but not limited to paint and finishes in good condition;
3. Prompt and regular removal of all exterior trash, debris and graffiti;
4. Maintenance of the structure in continuing compliance with all applicable codes and regulations; and/or
5. Prevention of criminal activity on the premises including but not limited to use and sale of controlled substances, prostitution, criminal street gang activity, loitering, or trespassing.

**108.2.3.4 Natural Disasters.** If the structure is vacant due to fire, flood, earthquake, or other form of natural

disaster and the owner is actively pursuing assistance for demolition, rehabilitation, or restoration of the structure and/or premises from local, state or federal assistance programs or from insurance agencies.

**108.2.4 Standards for Boarding a Vacant Structure.** The boarding of a vacant structure shall be according to the specifications provided as Appendix A to this code.

**108.2.5 Rehabilitation of Boarded Structure.** The owner of any boarded structure, whether boarded by voluntary action of the owner or the owner's authorized agent or as a result of enforcement activity by the City, shall cause the boarded structure to be rehabilitated for occupancy within six (6) months after the building is boarded and shall comply with Section 108.2.3. On or before the end of the six month term, the code official may grant an extension, in writing, for rehabilitation upon a showing that substantive rehabilitation is in progress and ongoing. Any such extension shall be initially granted for a period of not exceeding 30 days and subject to further 30 day extensions in the discretion of the code official.

**108.2.6 Continuing Nuisance.** When the owner of a boarded or vacant structure fails to maintain the property in accordance with this section or when repeated violations of this section occur for the same property, the code official may seek remedies as provided by this code, local ordinances or state law including, but not limited to, demolition and removal of the structure.

**108.3 Notice.** Whenever the code official has condemned a structure or equipment under

the provisions of this section, notice shall be posted in a conspicuous place in or about the structure affected by such notice and served on the owner, the owner's authorized agent or the person or persons responsible for the structure or equipment in accordance with Section 107.3. If the notice pertains to equipment, it shall also be placed on the condemned equipment. The notice shall be in the form prescribed in Section 107.2.

**108.3.1 Trespass Notice.** The code official may also require the owner of the property to post "No Trespassing" signs on the property and sign a letter with the City's policy department authorizing the department to enforce no trespassing on the premises.

**108.4 Placarding.** Upon failure of the owner or person responsible to comply with the notice provisions or to request a hearing within the time given, the code official shall post on the premises or on defective equipment a placard bearing the word "Condemned" (or similar verbiage) and a statement of the penalties provided for occupying the premises, operating the equipment or removing the placard.

**108.4.1 Placard removal.** The code official shall remove the condemnation placard whenever the defect or defects upon which the condemnation and placarding action were based have been eliminated or the hearing offer or appeals board (see Section 111 herein) overturn the determination of the code official. Any person who defaces or removes a condemnation placard without the approval of the code official shall be guilty of a misdemeanor and subject to the penalties provided by this code.

**108.5 Prohibited occupancy.** Any occupied structure condemned and placarded by the

code official shall be vacated as ordered by the code official, unless a hearing has been requested, except in cases where imminent danger exists, as defined in Section 109.1. Any person who shall occupy a placarded premises or shall operate placarded equipment, and any owner or any person responsible for the premises who shall let anyone occupy a placarded premises or operate placarded equipment shall be liable for the penalties provided by this code.

**108.6 Abatement methods.** The owner, owner's authorized agent, operator or occupant of a building, premises or equipment deemed unsafe by the code official shall abate or cause to be abated or corrected such unsafe conditions either by repair, rehabilitation, demolition or other approved corrective action.

## **SECTION 109 EMERGENCY MEASURES**

**109.1 Imminent danger.** When, in the opinion of the code official, there is imminent danger of failure or collapse of a building or structure which endangers life, or when any structure or part of a structure has fallen and life is endangered by the occupation of the structure, or when there is actual or potential danger to the building occupants or those in the proximity of any structure because of explosives, explosive fumes or vapors or the presence of toxic fumes, gases or materials, or operation of defective or dangerous equipment, the code official is hereby authorized and empowered to order and require the occupants to vacate the premises forthwith. The code official shall cause to be posted at each entrance to such structure a notice reading as follows: "This Structure Is Unsafe and Its Occupancy Has Been Prohibited by the Code Official." It shall be unlawful for any person to enter such structure, except for the purpose of securing the structure, making the required repairs, removing the hazardous condition or of demolishing the same. In certain cases, the code official may seek the assistance of the City police department, the fire department, the public works department, and any other department of the City in enforcing his orders to vacate the premises.

**109.2 Temporary safeguards.** Notwithstanding other provisions of this code, whenever, in the opinion of the code official, there is imminent danger due to an unsafe condition, the code official shall order the necessary work to be done, including the boarding up of openings, to render such structure temporarily safe whether or not the legal procedure herein described has been instituted. Additionally the code official shall cause such other action to be taken as he, in

his discretion, deems necessary to meet such emergency.

**109.3 Closing streets.** When necessary for public safety, the code official shall temporarily close structures and close, or request the City Administrator or Police Chief to close sidewalks, streets, public ways and places adjacent to unsafe structures, and prohibit the same from being utilized, until the situation is stabilized, and the danger abated.

**109.4 Emergency repairs.** For the purposes of this section, after consulting with and getting the approval of the City Administrator, the code official may employ the necessary labor and materials to perform the required emergency repairs as expeditiously as possible.

**109.5 Costs of emergency repairs.** Costs incurred in the performance of emergency repairs shall be paid by the City if prior approval has been given by the City Administrator or his duly authorized agent. The City Attorney or other counsel retained by the City may institute appropriate action against the owner of the premises where the unsafe structure is or was located for the recovery of such costs.

**109.6 Hearing.** Any persons ordered to take emergency measures shall comply with such order forthwith. Any affected person shall thereafter, upon petition directed to the appeals board, be afforded a hearing as described in this code.

## **SECTION 110 DEMOLITION**

**110.1 General.** If a structure is not a historic building, as governed by the provisions of Section 102.6 of this code, the code official may order the owner, or the owner's

authorized agent, of any other premises upon which is located any structure, which in the code official's judgment is so old, dilapidated or has become so out of repair as to be dangerous, unsafe, unsanitary or otherwise unfit for human habitation or occupancy, and such that it is unreasonable to repair the structure, to demolish and remove such structure; or if such structure is capable of being made safe by repairs, to repair and make safe and sanitary or to demolish and remove at the owner's option; or where there has been a cessation of normal construction of any structure for a period of more than two years, the code official shall order the owner or the owner's agent to demolish and remove such structure.

**110.2 Notices and orders.** All notices and orders shall comply with Section 107.

**110.3 Failure to comply.** If the owner, or the owner's authorized agent, of a premises (as provided in Section 110.1) fails to comply with a demolition order within the time prescribed, after failing to timely request a hearing or after requesting a hearing, and if not successful in having the code officer's demolition order modified or abated, and thereafter fails to exhaust his right to appeal, the code official shall thereafter cause the structure to be demolished and removed, either through an available public agency or by contract or arrangement with private persons, and the cost of such demolition and removal shall be charged against the real property upon which the structure is located and shall be a lien upon such real property, and, if unpaid, shall be collected in the same manner and at the same time as the City's real property taxes, including delinquent city property taxes, or using any other legal recourse available to the City.

**110.4 Salvage materials.** When any structure has been ordered demolished and

removed, the City Administrator or other designated officer under said contract or arrangement aforesaid shall have the right to sell the salvage and valuable materials at the highest price obtainable. The net proceeds of such sale, after deducting the expenses of such demolition and removal, shall be promptly remitted with a report of such sale or transaction, including the items of expense and the amounts deducted, to the person who is entitled thereto, subject to any order of a court. If there is no surplus remaining to be turned over, the report shall so state.

## **SECTION 111 APPEALS PROCEDURE**

**111.1 Appeals Process.** Any person affected by a decision of the code official, or a notice issued under the provisions of this code shall have the right to appeal to the appeals board in accordance with the provisions of Sec. 150.11 – Application for Appeal.

## **SECTION 112 STOP WORK ORDER**

**112.1 Authority.** Whenever the code official finds any work regulated by this code being performed in a manner contrary to the provisions of this code or in a dangerous or unsafe manner, the code official is authorized to issue a stop work order.

**112.2 Issuance.** A stop work order shall be in writing and shall be given to the owner of the property, to the owner's authorized agent, or to the person doing the work. Upon issuance of a stop work order, the cited work shall immediately cease. The stop work order shall state the reason for the order and the conditions under which the cited work is authorized to resume.

**112.3 Emergencies.** Where an emergency exists, the code official shall not be required

to give a written notice prior to stopping the work.

**112.4 Failure to comply.** Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than \$100 or more than \$500 for each offense.

### **CHAPTER 3 GENERAL REQUIREMENTS**

#### **SECTION 302 EXTERIOR PROPERTY AREAS**

**Section 302.4 Weeds.** All premises and exterior property shall be maintained free from weeds or plant growth in excess of 12 inches. All noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plant and vegetation, other than trees or shrubs provided. While this definition includes natural and planted weeds or plant growth, this term shall not include cultivated flowers or gardens.

Upon failure of the owner or agent having charge of the property to cut and destroy weeds are service of a notice violation, they shall be subject to prosecution in accordance with Section 106.3 of this code and/or as otherwise provided by State law or the City's Code of Ordinances. Upon failure to comply with the notice of violation, any duly authorized employee of the City or a contractor hired by the City shall be authorized to enter upon the property in violation and cut and destroy weeds growing thereon, and the costs of such removal shall be paid by the owner or agent responsible for the property. An owner is permitted one notice per calendar year with an opportunity to abate the weed violation within the time parameters set forth in the notice without further penalty. Each subsequent violation

within the calendar year will be subject to an automatic court summons and fees associated therewith.

#### **SECTION 304 EXTERIOR PROPERTY AREAS**

**Section 304.14 Insect Screens.** During the period from January 1 to December 31, every door, window and other outside opening required for ventilation of habitable rooms, food preparation areas, food service areas or any areas where products to be included or utilized in food for human consumption are processed, manufactured, packaged or stored shall be supplied with approved tightly fitting screens of not less than 16 mesh per inch (16 mesh per 25mm), and every screen door used for insect control shall have a self-closing device in good working condition.

Exception. Screens shall not be required where other approved means, such as air curtains or insect repellant fans are employed.

### **CHAPTER 6 MECHANICAL AND ELECTRICAL REQUIREMENTS**

#### **SECTION 602 HEATING FACILITIES**

**Section 602.2 Residential Occupancies.** Dwellings shall be provided with heating facilities capable of maintaining a room temperature of 68°F (20°C) in all habitable rooms, bathrooms and toilet rooms based on the winter outdoor design temperature for the locality indicated in Appendix D of the *International Plumbing Code*. Said heating facilities shall be permanent in nature and shall be installed in compliance with the provisions of the ICC International Residential Code and ICC International Mechanical Code. All heating facilities shall

be maintained in a safe working condition and shall be capable of performing the intended function as outlined in Section 602. Cooking appliances shall not be used to provide space heating to meet the requirements of this section.

2. Areas in which persons are primarily engaged in vigorous physical activities.

**602.3 Heat supply.** Every owner and operator of any building who rents, leases or lets one or more dwelling unit, rooming unit, dormitory or guestroom on terms, either expressed or implied, to furnish heat to the occupants thereof shall supply heat during the period from October 1 to May 1 to maintain a temperature of not less than 68°F (20°C) in all habitable rooms, bathrooms, and toilet rooms.

Exceptions:

1. When the outdoor temperature is below the winter outdoor design temperature for the locality, maintenance of the minimum room temperature shall not be required provided that the heating system is operating at its full design capacity. The winter outdoor design temperature for the locality shall be as indicated in Appendix D of the *International Plumbing Code*.

2. In areas where the average monthly temperature is above 30° F (-1°C) a minimum temperature of 65°F (18°C) shall be maintained.

**602.4 Occupiable work spaces.** Indoor occupiable work spaces shall be supplied with heat during the period from October 1 to May 1 to maintain a temperature of not less than 65°F (18°C) during the period the spaces are occupied.

Exceptions:

1. Processing, storage and operation areas that require cooling or special temperature conditions.

## EXHIBIT B

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT the City Council of the City of Westminster (the “Council”), the governing body of the City of Westminster, South Carolina (the “City”), will consider the enactment of an ordinance entitled “AN ORDINANCE OF THE CITY OF WESTMINSTER, SOUTH CAROLINA ENACTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND CERTAIN STANDARD TECHNICAL CODES AND THEREBY AMENDING AND RESTATING TITLE XV, CHAPTER 150 OF THE CITY’S CODE OF ORDINANCES; AMENDING TITLE XV, CHAPTER 151 OF THE CITY’S CODE OF ORDINANCES AND OTHER MATTERS RELATED THERETO” (the “Ordinance”). In accordance with the requirements of Section 5-7-280 of the Code of Laws of South Carolina 1976, as amended, the City Council will conduct a public hearing (the “Public Hearing”) regarding the implementation of the International Property Maintenance Code, 2021 Edition, and certain amendments thereto. The Public Hearing will be held on Tuesday, April 8, 2025 at 6:00 p.m., at Westminster City Hall, 100 E. Windsor Street, Westminster, South Carolina 29693. The Public Hearing shall be conducted publicly, and both proponents and opponents of the proposed action shall be given full opportunity to be heard in person or by counsel. A copy of the proposed Ordinance is available for review during regular business hours at Westminster City Hall, located at 100 E. Windsor Street, Westminster, SC 29693.



## EXHIBIT C

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT the that the Planning Commission of the City of Westminster, South Carolina, will conduct a public hearing (the “Public Hearing”) at 6:00 p.m., on April 21, 2025, at Westminster City Hall, 100 E. Windsor Street, Westminster, South Carolina 29693 on a proposed amendment of Section 151.003 of the City’s Zoning Code. The amendment is part of a proposed ordinance entitled, “AN ORDINANCE OF THE CITY OF WESTMINSTER, SOUTH CAROLINA ENACTING THE INTERNATIONAL PROPERTY MAINTENANCE CODE AND CERTAIN STANDARD TECHNICAL CODES AND THEREBY AMENDING AND RESTATING TITLE XV, CHAPTER 150 OF THE CITY’S CODE OF ORDINANCES; AMENDING TITLE XV, CHAPTER 151 OF THE CITY’S CODE OF ORDINANCES AND OTHER MATTERS RELATED THERETO” (the “Ordinance”). The proposed ordinance enacts various Technical Codes and the International Property Maintenance Code, 2021 Edition, and certain amendments thereto (the “IPMC”). The proposed ordinance recodifies the Technical Codes and the IPMC under Chapter 150 “Building Regulations” of the City Code and contains a text amendment to delete the implementation of the Technical Codes and the IPMC from Section 151.003 of the Zoning Code. The Public Hearing shall be conducted publicly, and both proponents and opponents of the proposed action shall be given full opportunity to be heard in person or by counsel. A copy of the proposed Ordinance is available for review during regular business hours at Westminster City Hall, located at 100 E. Windsor Street, Westminster, SC 29693.

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## MEMORANDUM

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To: City of Westminster, South Carolina  
From: Pope Flynn, LLC  
Date: March 5, 2025  
Re: Proposed ordinance adopting mandatory building codes and permissive code

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### **Introduction**

South Carolina's building codes are governed by Chapter 9 of Title 6 of South Carolina Code of Laws, 1976 as amended (the "**SC Code**"). This Chapter creates the South Carolina Building Codes Council and authorizes the Council to review, adopt and modify certain building codes that South Carolina cities and counties are then required to enforce. In addition to the mandatory building codes, cities and counties are allowed to adopt the latest edition of certain permissive codes.

### **Proposed ordinance for consideration**

The proposed ordinance for City Council's consideration adopts the following mandatory building codes, the International Building Code (the "**IBC**"), the International Existing Building Code (the "**IEBC**"), the National Electrical Code (the "**NEC**"), the International Plumbing Code (the "**IPC**"), the International Mechanical Code (the "**IMC**"), the International Fuel Gas Code (the "**FGC**"), the International Fire Code (the "**IFC**"), the International Energy Conservation Code (the "**IECC**"), and the International Residential Code (the "**IRC**"), and one permissive code, the International Property Maintenance Code ("**IPMC**").

### **Mandatory Building Codes:**

The proposed ordinance adopts, by reference, the most current edition of the mandatory building codes that have been adopted by the Building Codes Council as listed above. The proposed ordinance also adopts Chapter 1, administrative provisions, of each of the mandatory building codes. The Building Codes Council typically adopts updated codes every three years and is currently in the process of vetting the 2024 edition of the codes. Because the proposed ordinance adopts the most current edition of the building codes adopted by the Building Codes Council, City Council will

not be required to amend the ordinance to incorporate future editions as they are adopted by the Building Codes Council.

**Discretionary Codes:**

The proposed ordinance also adopts the 2021 edition of the International Property Maintenance Code (“*IPMC*”) and certain administrative and enforcement modifications as shown on Exhibit A of the ordinance. The IPMC provides enhanced code enforcement tools to the City to address overgrowth of vegetation, dilapidated structures and demolition.

**Delete Building Codes from Zoning Code**

The proposed ordinance relocates the codification of the building codes from Chapter 151 “Zoning Code” to Chapter 150 “Building Regulations” of the City’s Code of Ordinances.

Zoning regulations are specifically authorized by Chapter 29 of Title 6 of the SC Code (the “*Planning and Zoning Act*”), whereas building codes are governed by Chapter 9 of Title 6 of the SC Code. The authorization to adopt and enforce building codes does not fall within the Planning and Zoning Act, therefore, the proposed ordinance recodifies the adoption of the building codes at Chapter 150 “Building Regulations”.

**Public Hearings:**

The proposed ordinance requires two public hearings: (1) a public hearing on the zoning text amendment and (2) public hearing on the adoption of the IPMC. The Planning Commission will conduct the public hearing on the zoning text amendment. The Planning Commission is also required to review the text amendment and make a recommendation to City Council. The City Council will conduct the public hearing on the enactment of the IPMC.



## Oconee Joint Regional Sewer Authority

623 Return Church Road  
Seneca, South Carolina 29678  
Phone (864) 972-3900  
[www.ojrta.org](http://www.ojrta.org)

### OCONEE JOINT REGIONAL SEWER AUTHORITY Ad-Hoc Sewer Feasibility Implementation Committee April 10, 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
- Chip Bentley (Appalachian Council of Gov'ts.)
- 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)
- Rivers Stilwell (Attorney, Maynard Nexsen) - *via Microsoft Teams*
- Scott Willett (Anderson Regional Joint Water System)

Committee Members that were not present:

- Sue Schneider (Citizen - formerly worked for Spartanburg Water)

OJRSA appointments and staff present were:

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

Others present were:

- Lawrence Flynn (Pope Flynn - OJRSA Attorney) – *via Microsoft Teams*
- Norm Cannada, The Journal
- Katherine Amidon (Environmental Planner, Bolton & Menk)
- Tony Adams, Oconee Co. Citizen

**A. Call to Order** – Mr. Jones called the meeting to order at 9:06 a.m. He stated that Ms. Schneider is absent from the meeting today. He also said he hopes the Ad Hoc Committee will complete its work of developing a recommendation for the board by the June meeting. He stated today the committee will discuss Mr. Flynn's memo and add some more content at the next committee meeting and have a draft recommendation in June.

**B. Public Comment** – Mr. Adams stated there was a discussion at the last meeting about how sewer is allocated in Oconee County. Mr. Adams stated that, in his opinion, sewer service in Oconee County has been used in the past as a political tool for control, which has been prevalent in the last seven-to-eight (7-8) years. He mentioned the lawsuit against the county bond (an attempt to deny infrastructure in parts of the county that had been identified for potential) and the 5-year delay in the Sewer South Phase 2 Project (which resulted in a \$7 million increase in cost and the Rural Infrastructure Authority's grant being renewed twice). He stated this political factor needs to be addressed.

**C. Approval of Minutes:**

- **Ad Hoc Sewer Feasibility Implementation Committee Meeting of March 13, 2025** – Mr. Willett stated the word “seated” in his statement on page 5 needed to be changed to “ceded.” Mr. Eleazer stated that Mr. Bentley is part of the committee and needs to have his name added to the committee members’ list; however, he was not present at the March meeting. Ms. Myers said her statement on page 6 needed to be corrected to state she was concerned about “not” having someone with knowledge.

***Ms. Brock made a motion, seconded by Mr. Willett, to approve the March 13, 2025 Ad Hoc Feasibility Implementation Committee Meeting minutes as presented but with the noted corrections. The motion carried.***

**D. Committee Discussion and Action Items:**

1. **Review Summary of Reconstitution Memo and Discuss Next Steps** – Mr. Jones said Mr. Flynn was asked at the last meeting to revise his memo to include consolidation of all the sewer systems for the OJRSA and Member Cities. Mr. Eleazer handed out this revised memo, as well as the recommended changes to the statute, to the committee (*made a part of these minutes*).

Mr. Jones said, in reviewing this memo, major obstacles need to be identified and captured. He said he doesn’t know if this committee will address all of them, but at least it will acknowledge them as challenges that may lie ahead in the committee’s recommendation to the board. Mr. Jones added that if a committee member didn’t think their entity would approve of something, let it be known so everyone knows what the challenges are.

Mr. Jones asked Mr. Flynn to summarize the changes that have been made and any obstacles that he can see moving forward. Mr. Flynn said this memo also aligns with the draft language for the revised legislation as well. Although the memo looks similar to the previous one, various changes that came into effect because the recommendations largely around the constitution of the governing board from the last meeting were incorporated into the language around the consolidation options.

There were two (2) major changes:

- 1) To pivot towards the recommendation of getting out of the treatment-only business and taking over the collection systems of the various satellite sewer agencies that are currently members, with the idea of negotiating for the acquisition of the collection network by Seneca, Walhalla, and Westminster, and potentially the Town of West Union. The memo also includes the Member Cities’ outstanding debt, and the recommendations should be reviewed by the Member Cities’ bond counsels and financial advisors to determine how to decouple the assets without affecting bonds. The debt is secured by pledge of the combined utility systems (Seneca and Westminster have combined water, sewer, and electric systems; Walhalla has combined water and sewer systems), and that may require the redemption of certain debt (or payment of funds necessary to redeem debt) associated with the sewer systems as part of the acquisition. This is a moving target that is only addressed at a very high level in the memo recognizing the process will need to happen. It also lays the foundation that acquisition of the sewer systems can be sold, and acquired, under the terms of an ordinance of the respective Member City, because the referendum requirement that formerly existed with the state law had been repealed.
- 2) Then after deciding how the consolidation process will work, issues regarding recomposition of the existing Oconee Joint Regional Sewer Authority, which is the direction that has already been discussed, need to be figured out. The idea is to create new governance documents, new implementation documents, new debt proposals, and entire parameters around how

members are appointed. The committee will need to talk about governance and an operating agreement. The main structure of the governance will largely focus on the success of the newly proposed legislation.

Mr. Flynn said the direction he received from the last meeting was to keep the proposed five (5)-member board; however, with the three (3) Member Cities and adding Oconee County, that only brings it to four (4) members. The question is how do you get the fifth (5<sup>th</sup>) member? The original proposal was to amend the legislation to allow for a joint agency with an even number of members and have the fifth (5<sup>th</sup>) member recommended by the legislative delegation and appointed by the state governor.

Mr. Flynn added the open item still needing addressing is whether the members should be agents or employees of the entity, and he believes it is in the best interest of the OJRSA to have representation by members who are unaffiliated with the appointed bodies because of fiduciary considerations. He gave the following example: If mayor of a city is also on the OJRSA board, do you have capability to think in a fiduciary capacity acting in the best interest of the OJRSA?

Mr. Flynn said there were two (2) additional authorizations added into the statute:

- 1) Getting rid of the member-appointment methodology in its entirety (not allowing members to appoint members but having entire board appointed by the governor upon recommendation by the legislative delegation) to move towards how most Special Purpose Districts are appointed. This would be an election the members make at the outset and would default their decision-making authority on board membership to the delegation and governor; and
- 2) As recommended by Ms. Sue Schneider, having some experience with Ad Hoc members, ex-officio members, and some elected members: To have a full-blown elected commission, elected from the boundaries of the OJRSA service area, which would require the recommendation as an elector.

Mr. Flynn stated these two (2) new methods for appointing membership are to try and avoid the current situation with the fiduciary limitations and the potential for how additional members get appointed. This is in addition to acquiring the collection systems. Mr. Flynn also recommended that the number of board members should not go over seven (7), as it becomes more difficult to functionally operate a board with more than that amount.

Mr. Flynn added that all these options are explicitly conditional on the legislation being introduced and considered. This memo pre-supposes several things being introduced through legislative amendments based on every one of the governance structures that are being proposed.

Mr. Flynn said there were some general items in the legislation that were discussed in previous meetings, such as:

- 1) The voting mechanism (1 man/1 vote for certain matters and weighted voting for financial functions). He said the idea of having weighted voting becomes less important if you have membership elected from the service area at large or if you have appointed membership by the governor where there are no constituent duties or the potential conflicts if an appointed member by the respective governing body. Therefore, the voting mechanism may change depending on the governance structure that is put in place.
- 2) The expansion of debt parameters is the same thing as seen before to potentially expand, but also what it looks like to pre-approve debt (which was previously recommended knowing the capital budget is significant to the organization) by making some authorizations and approvals to do treatment plant expansions and collection system improvements as part of the reconstitution.

3) Discussion what the process is for a new rate structure that will come from the Willdan Financial reports.

Mr. Flynn stated that this is what the memo proposes at a high level to help identify the next steps to be taken forward: make appropriate arrangements for the proposed legislative amendments to be filed; engage all necessary professionals to start moving forward on the recommendation (including engineers, rate consultants, lawyers, and financial advisors) to determine how to redeem the outstanding debt of the current members as necessary for the transition and convey those various collection systems; obtain commitments from each of the Member Cities to consolidate the collection systems; and put deadlines in place to get all of this established. Then to ensure this is successful, the draft legislation needs to be approved, everyone needs to agree to the authorization, and a schedule for implementation needs to be set forth.

Ms. Amidon stated, regarding the third (3<sup>rd</sup>) option recommended by Ms. Schneider for the duly called election of the board, that it looks like it only applies for those in the current service area. She asked for clarity if it is actually the boundary by which the OJRSA can serve (the whole county as a whole). Mr. Flynn replied that this is a question to be run through legislative drafting. The constitution requires the person to be a qualified elector in order to serve, so the question is who becomes a qualified elector. OJRSA does not tax, so the argument would largely be that you only have the authority to serve in the areas in which OJRSA is currently serving, because those are the people ultimately affected by the business decisions being made. If OJRSA was a taxing agency and people were paying property taxes on debt or operations and not actually receiving service, there could be an argument that they were an elector, but this is not the case. The current legislation requires an elector to be a member or a service recipient from the OJRSA.

Ms. Amidon asked how that limits the OJRSA, because that would be a very tight area within Fair Play. Ms. Brock said Oconee County had funding for eighteen (18) years at \$613,000 per year to the entire system. That would not just be for Fair Play but would also include all the upgrades to Martin Creek and Seneca Creek, because they were high-dollar investments in the system. Ms. Amidon replied she's just trying to figure out where the service area is.

Mr. Jones said this was discussed in the last meeting and asked if this was a limitation in the current municipal joint legislation or outside of that. Mr. Flynn said it is a limitation of the constitution that says you can only be elected to a position in which you serve as a qualified elector, and the problem is how you identify who an elector is. Mr. Jones stated that this Authority will impact people outside the current customer base in the future and asked if there was a way to designate service territory (and not necessarily countywide). Mr. Flynn said he thinks it could, but it must be designated. Mr. Flynn added that the current definition of an elector is someone who is residing within the service area of the joint system, and this must be addressed with legislative drafting.

Mr. Stilwell said this will go to the legislative delegation in their next session, and he asked if the delegation was going to be asked to approve all three (3) options or is the committee going to ask the delegation to approve the one that is recommended. Mr. Flynn replied that all of these are options that will be put into the statute and then the members would get to choose which option to pursue.

Mr. Stilwell asked if Senator Alexander already has a draft of it. Mr. Flynn replied that he, Mr. Kevin Bronson (OJRSA Board Chair), and Mr. Eleazer had a conversation with Senator Alexander and his drafting attorney prior to this most recent draft. Due to timing and trying to get in at the end of the current session or at least beginning of the next session, it was decided to provide Senator Alexander with the draft that he could introduce but was conditioned that it was not reviewed or considered formally by the Ad Hoc Committee or the full OJRSA board.

Mr. Stilwell asked if the committee is going to recommend going with the legislation and a specific option or is the committee just going to say which legislation works. Mr. Jones said the committee must work out the consolidation and debt issue to find out if it's viable to decide which path to go with governance modeling. Mr. Stilwell agreed, saying if the money doesn't work then none of the legislative solutions will work. The critical path is determining what the systems are worth.

Mr. Stilwell said the county has a good amount of debt with essentially no customer base. Mr. Flynn replied the County is supported by taxes, but this is a revenue-only system, so the OJRSA must be able to support that debt, so that's why this is difficult. Each layer that is explored opens another set of issues to resolve.

Mr. Flynn added that the main thought was how to decide on the fiduciary questions. If you deal with the fiduciary issue, the finances can largely follow it because you won't have people making decisions based on other constituencies that are unrelated to the sewer service.

Mr. Flynn stated that it's been said you don't make money making sewer, but you can make money in sewer by setting rates and charges at a level sufficient to be able to recover those costs, and right now it is not happening. Mr. Stilwell said you can change the people in the chairs, but the money problem is still there. There is substantial debt with the members, the rates aren't sufficient, and the elephant in the room is deferred maintenance to the systems. Mr. Flynn said the new people could increase the rates to the level those repairs require, and you can afford anything if you create the rate base to support what you are trying to finance.

Mr. Willett asked how Oconee County is paying back its debt when it has no customer base. Ms. Brock replied with interest. Mr. Flynn said with property taxes. Ms. Brock said the interest that the County is earning on the bond itself is paying the debt as well as increased property taxes by new users. Mr. Willett said that if the debt is being paid by property taxes countywide, the service area shouldn't be limited. The County is a new member of the board, and everyone in Oconee County could be an elector and eligible to be on the board. Mr. Flynn replied that taxes could be levied based on a general benefit (such as non-parents paying school taxes as a general benefit). Mr. Flynn stated a definition of who is identified as an elector added to the statute might be the solution to this issue, but he added that it is difficult to identify what the electoral map looks like.

Mr. Jones asked if these items are something to be worked out by this implementation committee. He also asked if any of the three (3) items within the legislation that is before this committee is unworkable. Ms. Brock stated she didn't think the Oconee County Council would approve the board being fully elected. Mr. Jones asked if the committee was all for these three (3) opportunities for governance and representation. He said the committee can recommend what is most preferred under certain scenarios.

Ms. Brock said she was talking to committee members in the parking lot after the last Ad Hoc meeting about a possible compromise. She thinks there could be a formation of a transitional committee. Each member currently has the opportunity to appoint a person to serve as a transition person, because going from what it is now to a whole new system is not palatable to a lot of people holding the purse strings. The purse strings are the most difficult part of this organization. Although there would still be two bosses, there would be a five (5) member board, and they would have staggered terms. The County seat would be three (3) years, and each of the Member Cities could have two (2) years with two (2) consecutive terms. This would give an opportunity for a transition to occur, and when the seats run out, then you move on to the next step.

Ms. Brock added that the County Council is going to want someone from Oconee County sitting in the seat to go from start to finish. If that person knows someone else will be appointed in three (3) years that can learn the County structure of funding and the County's position without being an



employee or having strings tied to the purse, they could help find that person, and that would make a smoother transition. Less progress will be made with a flip of the coin. Mr. Flynn replied that this would require further manipulation of the statute, because that's not currently contemplated as the statute is currently drafted. Mr. Flynn said he's not saying it can't be done, but the statute was amended to authorize the governor to appoint to the board, and he doesn't know the practical benefit of adding this separate transitional authorization that doesn't solve any underlying issues that were the reason for going through this process to make recommendations on how to proceed. Ms. Brock said the benefit of doing it this way is to allow for the transition. She asked if the Member Cities were ready to flip a coin. Ms. Myers said no; Mr. Parris replied that some details needed to be worked out on handing everything over; it is going to take time.

Mr. Willett asked what the difficulties would be in using the existing entity and existing governance to bring on someone else and make that the transitional team, making it the last act of the existing and current joint water system; then on a certain date, the certification with the state is filed. Mr. Flynn replied to Mr. Willett that you cannot go through the reconstitution until you address the outside issues; you must transition and convey the entire system to the organization. In addition, a new system is not being created, but rather the existing system is being reconstituted to bypass all the real estate work of transferring the assets to a new organization. Everyone needs to agree upon the transfer of the assets, but then all of this can be subject to a certain date and tie that to the recomposition of the organization at large. This is not something that will happen in the next six (6) months. Mr. Willett said it doesn't look like changes to the Act will happen until next year, and it will probably stretch a year from that before you have a transition date. Mr. Flynn said it will be a couple of years at a minimum.

Mr. Jones said his biggest concern is who is going to hold the board accountable to get to that point; who is the authority that will enforce this? Mr. Jones asked where the fine line was. Mr. Flynn replied that the committee will make its recommendation, and then once the recommendation is made, the impetus to take some action falls back to the OJRSA Board of Commissioners.

Mr. Flynn said the state regulators, including the Rural Infrastructure Authority (RIA), warned if OJRSA does not move forward on this, they will not receive any additional state funding. The pressure is coming from the state regulatory side and not the local government side. He added that Ms. Mettlen and her team were tasked with moving this forward, and he admitted he is concerned if the OJRSA loses that leadership. He said someone should stay in charge and on top of it.

Mr. Jones thinks that, along with the recommendation, the committee should suggest ways to ensure that implementation is successful. Ms. Brock suggested looking to Ms. Mettlen to continue to be the leadership.

Mr. Stilwell said of the three (3) choices in the memo, the second (2<sup>nd</sup>) choice seems to be the most attractive to him. He didn't think anyone on the committee would prefer to see elected commissioners. Ms. Brock agreed. Mr. Bentley asked if the committee would recommend the second (2<sup>nd</sup>) choice to the board, or would it give the board all three (3) options and have the board to decide. Mr. Jones said when it is drafted up, the committee will decide how to do it (that will be the committee's recommended option). Mr. Willett said having some weighting based on the members makes sense, and breaking the ties of answerability is important; the second (2<sup>nd</sup>) choice is the one that comes closest to doing that.

Mr. Flynn stated that no matter what option the committee determines is most preferred, the members who are reconstituting the organization have the flexibility to choose which option within the legislation that suits them. Mr. Willett replied that this committee has the task of making a recommendation, and he has no problem stating what is the preferred route to take.

There was some additional talk about debt and the rates needed to pay for it. Mr. Flynn felt the committee members were mixing concepts and took the time to explain that Oconee County had already issued the "GO bond" (general obligation bond) to run sewer improvements along the I-85 corridor of the county; this will continue unabated and should not be affected in any way by the consolidation that is being proposed, because it is untethered to the asset. The receipt of sewer service to a customer in the southern part of the county has nothing to do with rates. He added he understands the OJRSA will own that asset and will charge accordingly for it to be part of its regular rate base. Oconee County, regardless of what option is taken, will continue to have that GO bond outstanding and payable from the full faith and power of the County to pay off the debt.

Mr. Stilwell asked if someone could do the financial case and explain what the rates would have to be, because that is ultimately what the power of the purse will run back to. Mr. Flynn said this is where all the Member Cities need to agree to consolidation. He spoke about Walhalla having a \$21 million revenue bond from a couple of years ago exclusively done for expanding their water treatment plant. This is completely untethered from the sewer system; however, from a debt standpoint, the security for this obligation is the combined revenues of the water and sewer system together. The water system should be paying for all the debt on that bond without reliance on the sewer system, but that may not be the way it's working; therefore, there should be analysis with Walhalla's bond counsel and financial advisor to see if Walhalla can decouple and sell off the sewer system without having to touch the outstanding revenue bond, because the OJRSA is diminishing the security that the bond holders are receiving. Mr. Flynn added Seneca and Westminster have combined water, sewer, and electricity.

Mr. Stilwell asked if the Member Cities think the OJRSA is going to write them a check, or that they are going to unload \$10 million in debt on the OJRSA and say, "Take it"? Mr. Flynn replied that is a question of how the OJRSA obtains the systems. Mr. Stilwell said he feels this is the critical part. Mr. Flynn spoke more about the value of the conveyance systems, and Mr. Stilwell added that the deferred maintenance cost needs to be factored in as well. Mr. Flynn said he feels the only way this is going to work is if the systems are granted over to the OJRSA at no cost with a determination of what improvements need to be made for all those systems. This is way beyond the scope of this committee's work.

Mr. Jones said this committee needs to wrap up its work, and the recommendation should include a determination of who will continue the work of this recommendation. The easy stuff is about to be completed, but the hard work to come is the implementation. Someone must take the lead to make it happen, and there must be a reason to make it happen. Mr. Bentley agreed that the committee is about at a point of recommending the path forward and making sure the playing field is set for that with legislation, but some of these issues are beyond this committee's scope. The sooner this gets started, the quicker it goes. Mr. Jones thinks determining the value of the systems should be one of the starting points. Ms. Brock said it is also about figuring out if it's financially feasible for the Member Cities to make the move.

Mr. Eleazer summarized what he understood the discussion to be by saying they were taking the value of the conveyance and adding in the deferred maintenance costs, which sounds like the Member Cities could have to pay someone else to take their systems. During some laughter, Mr. Jones said that it is not viable, Ms. Brock replied that was not happening, and Ms. Myers joked that Mr. Eleazer might have just killed this plan. Mr. Eleazer said it sounded like there was no value to the system or even a negative value due to the deferred maintenance, and he said he wanted to understand if he was getting this correct. Mr. Bentley said in theory yes, but no one is going to see it like that. Mr. Jones said from the start you plan on what you must spend to create and maintain

a sewer system. He added that everyone must come forward in good faith to come up with the best solution, and if it all comes down to economics, you won't get anywhere.

Mr. Parris said that, in most circumstances, sewer is subsidized by water and electric revenue. He asked if taking the sewer off the books actually improve the comfort of the bondholders as that liability is gone. Mr. Flynn said that would be the case, but that is why someone has to do the analysis. Ms. Myers said that Walhalla spoke to the bond counsel already, and it would have to be voted on by the bondholders, and it would be up to them to decide whether they want to do it or not. It may not be left up to the Member City.

- 2. Discuss Final Recommendations for Steps Forward Towards Reorganization, Consolidation, and Other Matters Relevant to This Committee** – Mr. Jones asked if everyone agreed that consolidation will be part of the recommendation; everyone agreed. Mr. Jones added any major hurdles or obstacles that can be seen should also be included in the recommendation.

Mr. Bentley said next month it can be looked into: who moves this forward, who is responsible, and what the timeline is. Mr. Jones suggested that the committee recommend some type of transitional process that would help ensure this moves forward and is completed; everyone agreed with this.

Mr. Willett said looking over Mr. Flynn's recommendations, it spoke about pre-authorized/pre-approved projects. He said his personal experience with pre-approved projects that are written into a contract and turned over to the new organization can be a "death sentence." He said the cleaner the handoff to a future board to allow them to make fiduciary decisions that are best for the system at that time, the better it is.

Mr. Jones asked the committee to think on recommendations, how to pursue implementation, discuss a change in governance, and discuss the transitional process (framework). He said the committee should come back with a draft form of the recommendation at the May meeting.

Mr. Jones also asked what the OJRSA board expected from this (a written recommendation or a presentation). Ms. Brock suggested a joint meeting. Ms. Myers said it probably wasn't a bad idea to have a joint meeting. Mr. Jones replied they should give an option for a joint meeting. Mr. Bentley suggested doing a presentation at a minimum. Mr. Eleazer said the guidance for this committee as stated in the Feasibility Study Report was just to report back to the OJRSA and Oconee County, and there wasn't anything more requested.

Mr. Flynn spoke about defining an elector for clarification. Ms. Myers suggested that each committee member individually note what they would support out of the six (6) choices in the memo. Mr. Jones and Ms. Amidon suggested an electronic document be shared where everyone could put their ideas in notes that could be viewed by everyone on the committee.

- E. Public Comment Following Committee Discussion and Action Items** – Mr. Adams stated there was a comment made in the meeting that really shocked him about making money on sewer by jacking up the rates. Mr. Adams stated that this was not customer-friendly and added that the OJRSA could make money on sewer by adding customers, especially industrial customers.

**F. Upcoming Meetings**

- 1. Executive Committee** – Thursday, April 10, 2025 at 11:15 a.m. *(called meeting)*
- 2. Operations & Planning Committee** – Wednesday, April 16, 2025 at 8:30 a.m.
- 3. Finance & Administration Committee** – Tuesday, April 22, 2025 at 9:00 a.m.
- 4. Board of Commissioners** – Monday, May 5, 2025 at 4:00 p.m.
- 5. Sewer Feasibility Implementation Ad Hoc Committee** – Thursday, May 8, 2025 at 9:00 a.m.

- G. Adjourn** - The meeting adjourned at 10:34 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 March 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](http://www.ojrsa.org), and posted at the OJRSA Administration Building.



## **Ad Hoc Sewer Feasibility Implementation Committee**

OJRSA Operations & Administration Building

Lamar Bailes Board Room

April 10, 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](http://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](http://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](mailto: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. Approval of Minutes**
  - Ad Hoc Sewer Feasibility Implementation Committee Meeting of March 13, 2025
- D. Committee Discussion and Action Items**
  - 1. Review summary of reconstitution memo and discuss next steps – Joel Jones, Committee Chair
  - 2. Discuss final recommendations for steps forward towards reorganization, consolidation, and other matters relevant to this committee – Joel Jones, Committee Chair
- E. Public Comment Following Committee Discussion and Action Items** – Session is limited to a maximum of 30 minutes with no more than 5 minutes per speaker.
- F. Upcoming Meetings** *All meetings to be held in the Lamar Bailes Board Room unless noted otherwise.*
  - 1. Executive Committee – April 10, 2025 at 11:15 AM **Called Meeting**
  - 2. Operations & Planning Committee – April 16, 2025 at 8:30 AM
  - 3. Finance & Administration Committee – April 22, 2025 at 9:00 AM
  - 4. Board of Commissioners – May 5, 2025 at 4:00 PM
  - 5. Ad Hoc Sewer Feasibility Implementation Committee – May 8, 2025 at 9:00 AM
- G. Adjourn**





## Funds Received from Retail Sewer Providers

	Seneca	Walhalla	Westminster	West Union	Well Customer	TOTAL
July 2024	\$ 359,344.99	\$ 82,407.75	\$ 44,239.10	\$ 4,994.77	\$ -	\$ 490,986.61
August 2024	\$ 385,654.52	\$ 99,666.13	\$ 44,548.89	\$ 7,307.96	\$ 124.37	\$ 537,301.87
September 2024	\$ 388,395.62	\$ 95,359.10	\$ 47,502.36	\$ 6,252.84	\$ -	\$ 537,509.92
October 2024	\$ 340,362.85	\$ 92,562.46	\$ 41,811.23	\$ 4,921.27	\$ -	\$ 479,657.81
November 2024	\$ 388,992.99	\$ 81,402.27	\$ 39,569.98	\$ 6,902.20	\$ 114.09	\$ 516,981.53
December 2024	\$ 331,858.58	\$ 76,042.39	\$ 42,623.64	\$ 5,004.62		\$ 455,529.23
January 2025	\$ 359,870.46	\$ 73,463.22	\$ 43,893.22	\$ 5,649.98	\$ 103.91	\$ 482,980.79
February 2025	\$ 366,722.02	\$ 94,217.26	\$ 38,260.11	\$ 5,939.68		\$ 505,139.07
March 2025						\$ -
April 2025						\$ -
May 2025						\$ -
June 2025						\$ -
<b>TOTAL</b>	<b>\$ 2,921,202.03</b>	<b>\$ 695,120.58</b>	<b>\$ 342,448.53</b>	<b>\$ 46,973.32</b>	<b>\$ 342.37</b>	<b>\$ 4,006,086.83</b>
<b>AVG/MONTH</b>	<b>\$ 365,150.25</b>	<b>\$ 86,890.07</b>	<b>\$ 42,806.07</b>	<b>\$ 5,871.67</b>	<b>\$ 57.06</b>	<b>\$ 500,760.85</b>

*(August & November Well Customer amounts include late fees)*



# Piedmont Municipal Power Agency

## BOARD PACK

for

## PMPA Board Meeting

Thursday, April 17, 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



<b>Name:</b>	Piedmont Municipal Power Agency
<b>Date:</b>	Thursday, April 17, 2025
<b>Time:</b>	10:00 AM to 2:00 PM (EDT)
<b>Location:</b>	PMPA Office, 121 Village Drive, Greer, SC 29651  <a href="https://pmpa.zoom.us/j/89642054355?pwd=p0BmCaZlugWZ4QehU2w3WOVljaOMZQ.1">https://pmpa.zoom.us/j/89642054355?pwd=p0BmCaZlugWZ4QehU2w3WOVljaOMZQ.1</a>
<b>Board Members:</b>	Blake Stone, Tim Hall, Andy Sevic (Chair), Eric Goodwin, Mayor Brian Ramey, Kevin Bronson, Jimmy Bagley, David Vehaun, Mayor Foster Senn, Jason Taylor, Joe Nichols, Lance Davis, John Young, Keith Wood, Marc Regier, Mike Richard, Mayor Randy Randall, Steve Bratton, David Dorman, Joey Meadors
<b>Attendees:</b>	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. Administration of Oath of Office to new Board Member

#### 2.1 Oath of Office - David Dorman, Gaffney BPW & Joey Meadors City of Clinton

### 3. Approval of Minutes

#### 3.1 Confirm Minutes

Supporting Documents:

3.1.a Minutes : PMPA Board Meeting - 20 Mar 2025

6

#### 3.2 Vote to Approve Minutes of March 20, 2025 Board Meeting

## 4. Action Item

### 4.1 Acceptance of the 2024 Financial Audit

#### For Decision

Supporting Documents:

4.1.a	PMPA 2024 Financials to Board in April.pdf	10
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## 5. Acceptance of Financial Report

### 5.1 March 2025

## 6. Reports

### 6.1 Finance

### 6.2 Engineering

Supporting Documents:

6.2.a	2025_03_Demand Response Report.pdf	62
6.2.b	2025_03_Energy Report.pdf	63

### 6.3 Catawba

Supporting Documents:

6.3.a	Catawba Report April 10, 2025.pdf	64
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### 6.4 Management

## 7. Action Item

### 7.1 Discussion of an Agreement for allocation of G&A expenses

Supporting Documents:

7.1.a	DRAFTv2 20250410 Catawba Agreement Amendment for GA Allocation Policy.pdf	65
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## 8. Participant Discussion

## 9. Executive Session

### 9.1 Vote to enter into Executive Session

### 9.2 Discuss recent filing at FERC

### 9.3 Discuss matters pertaining to ongoing litigation

**9.4 Discuss matters pertaining to contractual negotiations**

**9.5 Vote to return to Regular Session**

**10. Actions to be taken based on discussion in Executive Session**

**10.1 Action based on discussion in Executive Session**

**For Decision**

**11. Other Business**

**11.1 Other Business**

**12. Adjourn**

**12.1 Adjourn**

**Next meeting:** PMPA Board Meeting - May 22, 2025, 10:00 AM

# MINUTES (in Review)

## PMPA BOARD MEETING



<b>Name:</b>	Piedmont Municipal Power Agency
<b>Date:</b>	Thursday, March 20, 2025
<b>Time:</b>	10:00 AM to 12:52 PM (EDT)
<b>Location:</b>	PMPA Office, 121 Village Drive, Greer, SC 29651
<b>Board Members:</b>	Andy Sevic (Chair), Blake Stone, Mayor Randy Randall, Eric Goodwin, Donnie Hardin, Steve Bratton, Mike Richard, Marc Regier, John Young, Keith Wood, Mayor Foster Senn, Jason Taylor, Jimmy Bagley, David Vехаun, Joe Nichols, Lance Davis, Kevin Bronson
<b>Attendees:</b>	Joel Ledbetter, JulieAnne London, Mike Frazier, Dennis Cameron, Tracy Quinn, Lynn Price, Kenny Bradley, Gary Brunault, Rion Foley, Tom Gressette
<b>Apologies:</b>	Tim Hall, Ronnie Roth, Mayor Brian Ramey, Cindy Frierson, Angie Hoover, Brandon Audet, Will Blanton, Robby Townsend, Dedra Howell
<b>Guests:</b>	Tim Baker, Scott Motsinger, Brandon Finn, Lacy Grimm, Andrea Kelley
<b>Notes:</b>	Virtual Attendees: Foster Senn, Rion Foley, Tom Gressette, 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 Donnie Hardin

Chairman Sevic recognized Mr. Donnie Hardin at his last meeting as a member of the PMPA Board of Directors and presented him with a plaque to recognize his service. Mr. Hardin has represented the Gaffney Board of Public works for the past 28 1/2 years.

## 2. Approval of Minutes

### 2.1 Confirm Minutes

**PMPA Board Meeting Feb 20, 2025**, the minutes were confirmed as presented.

## 2.2 Vote to Approve Minutes of February 20, 2025 Board Meeting and Workshop



### Vote to Approve Minutes of February 20, 2025 Board Meeting and Workshop

Chairman Sevic stated that a correction was needed in the draft minutes of the workshop to state that Chairman Sevic called the meeting to order not Chairman Stone.

Motion was unanimously approved to accept the Board minutes as submitted and the minutes of the workshop as corrected.

10 Supported

0 Opposed

0 Abstained

**Decision Date:** Mar 20, 2025

**Mover:** John Young

**Second:** Blake Stone

**Outcome:** Approved

## 3. Action Item

### 3.1 Presentation and acceptance of the 2024 Financial Audit



#### Presentation of the 2024 Financial Audit (to be revised and resubmitted)

Mr. Brandon Finn with Cherry Bekaert presented the 2024 Audit Report.

Mr. Bronson made a motion to have the audit revised to include in Note 16 that eight Participants paid \$55 million to Greer CPW and the City of Rock Hill to settle on going litigation.

The audit that was presented today will have to be reopened and revised. The audit will be brought back to the Board for approval in April.

8 Supported

2 Opposed (Greer, Rock Hill)

0 Abstained

**Decision Date:** Mar 20, 2025

**Mover:** Kevin Bronson

**Second:** Joe Nichols

**Outcome:** Approved

## 4. Acceptance of Financial Report

### 4.1 February 2025



#### February 2025

Motion unanimously approved to accept the financial report as submitted.

10 Supported

0 Opposed

0 Abstained

**Decision Date:** Mar 20, 2025

**Mover:** Kevin Bronson

**Second:** Donnie Hardin

**Outcome:** Approved

## 5. Reports

### 5.1 Finance

Nothing to report.

### 5.2 Engineering

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

Mr. Frazier also updated the Board on SEEM.

Mr. Frazier commended Will Blanton on all his hard work in switching the PMPA's SCADA system from Survalent to OSI. The transition to OSI was made on March 4.

### 5.3 Catawba

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

### 5.4 Management

Mr. Ledbetter updated the Board on legislative issues.

Mr. Ledbetter advised the Board that information regarding the 2025 Power Conference will be sent to the Board the week of March 24.

Mr. Ledbetter also stated that information regarding the APPA National Conference was sent on March 3, and responses are due to PMPA by April 10.

## 6. Action Item

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

John Young made a motion to approve the proposed G&A Allocation Policy with a second by Donnie Hardin. After discussion of the proposed policy and its question of conformity with the By-Laws, John Young asked permission to withdraw the motion. No Board member objected to Mr. Young's request to withdraw the motion and the Chair granted permission to withdraw. The G&A Allocation issue will be discussed in a future Board meeting.

No action was taken.

## 7. Participant Discussion

### 7.1 Discussion regarding Executive Session attendees

Mr. Bagley inquired about the guidelines to have the Participants attorneys attend Executive Session.

After discussions it was suggested that Mr. Ledbetter inform the Board by email of items to be discussed in Executive Session two weeks prior to the Board Meeting. The Board will be asked to reply to that email letting everyone know if they plan to have their attorney attend the upcoming meeting. This procedure will allow all Participants to have their attorneys present in Executive Session for the issues that require their presence.

## 8. Executive Session

### 8.1 Vote to enter into Executive Session



#### Vote to enter into Executive Session

9 Supported

1 Opposed (Westminster)

0 Abstained

**Decision Date:** Mar 20, 2025

**Mover:** Jimmy Bagley

**Seconder:** Joe Nichols

**Outcome:** Approved

### 8.2 Discuss matters pertaining to contractual negotiations

### 8.3 Vote to return to Regular Session



#### Vote to return to Regular Session

10 Supported

0 Opposed

0 Abstained

**Decision Date:** Mar 20, 2025

**Mover:** Jimmy Bagley

**Seconder:** Blake Stone

**Outcome:** Approved

## 9. Actions to be taken based on discussion in Executive Session

## 10. Other Business

### 10.1 Other Business

There was no other business.

## 11. Adjourn

### 11.1 Adjourn

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

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

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_



# **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:

	2024	2023	2022
		(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	241,486	238,965	238,829
Interest income	9,413	7,230	2,890
Net change in fair market value of investments	1,717	5,202	(9,143)
Total Revenues	252,616	251,397	232,576
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	221,139	226,830	232,471
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	\$ 172,519	\$ 141,042	\$ 116,475

# 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 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.



# 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	<u>\$ 427,290</u>	<u>\$ 403,863</u>	<u>\$ 388,934</u>

## **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)**

	<b><u>Assets</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
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		<u>110,700</u>	<u>123,023</u>
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		<u>267,004</u>	<u>252,035</u>
Total Current Assets		<u>377,704</u>	<u>375,058</u>
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		<u>703,807</u>	<u>683,784</u>
Total Assets		<u>\$ 1,081,511</u>	<u>\$ 1,058,842</u>
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		<u>\$ 45,824</u>	<u>\$ 19,299</u>

See accompanying notes to financial statements.

# **PIEDMONT MUNICIPAL POWER AGENCY**

## **Statements of Net Position (continued)**

December 31, 2024 and 2023

(Dollars in thousands)

<b><u>Liabilities</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
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
<b><u>Net Position</u></b>		
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)

	<b>2024</b>	<b>2023</b>
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><u>\$ 172,519</u></u>	<u><u>\$ 141,042</u></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
<b>Cash flows from operating activities:</b>		
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	<u>123,386</u>	<u>133,310</u>
<b>Cash flows from investing activities:</b>		
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	<u>9,498</u>	<u>(5,641)</u>
<b>Cash flows from capital and related financing activities:</b>		
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	<u>(132,192)</u>	<u>(128,773)</u>
Net change in cash	692	(1,104)
Cash, beginning of year	<u>47</u>	<u>1,151</u>
Cash, end of year	<u>\$ 739</u>	<u>\$ 47</u>
<b>Noncash investing and financing activities:</b>		
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)**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation of net operating income to net cash from operating activities:</b>		
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	<u>\$ 123,386</u>	<u>\$ 133,310</u>



# 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:

	<b>Capital assets, net</b>	<b>Asset retirement obligation</b>	<b>Net investment in capital assets</b>	<b>Unrestricted net position</b>
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>

	<b>Depreciation</b>	<b>Asset retirement obligation accretion and amortization</b>
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:

	<b>December 31, 2024</b>			
	<b>Beginning Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Balance</b>
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**

	<b>December 31, 2023</b>			
	<b>Beginning Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>Ending Balance</b>
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	<u>\$ 388,934</u>	<u>\$ 38,953</u>	<u>\$ (24,024)</u>	<u>\$ 403,863</u>

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):

<b>Investment Type</b>	<b>Time Segmented Distribution</b>					<b>Total</b>
	<b>Under 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-4 Years</b>	<b>&gt;4 Years</b>	
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):

<b>Investment Type</b>	<b>Time Segmented Distribution</b>					<b>Total</b>
	<b>Under 1 Year</b>	<b>1-2 Years</b>	<b>2-3 Years</b>	<b>3-4 Years</b>	<b>&gt;4 Years</b>	
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	<u>\$ 338,183</u>	<u>\$ 336,551</u>
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	<u>\$ 338,183</u>	<u>\$ 336,551</u>

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:

	<b>2024</b>		<b>2023</b>	
	<b>Fair Value</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Amortized Cost</b>
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
	<u>\$ 267,004</u>	<u>\$ 269,935</u>	<u>\$ 252,035</u>	<u>\$ 256,682</u>
Funds are comprised of:				
Marketable debt securities	\$ 266,141	\$ 269,072	\$ 251,149	\$ 255,796
Accrued interest receivable	863	863	886	886
	<u>\$ 267,004</u>	<u>\$ 269,935</u>	<u>\$ 252,035</u>	<u>\$ 256,682</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**

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:

	<b>2024</b>	<b>2023</b>	<b>Change</b>
	(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	538,996	48,330	52,086	535,240	66,565
Less unamortized discounts	(81)	-	(51)	(30)	-
Plus unamortized premiums	44,921	-	7,808	37,113	-
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%	<u>31,165</u>	<u>-</u>	<u>22,010</u>	<u>9,155</u>	<u>1,920</u>
Total bonds payable	590,286	-	51,290	538,996	52,086
Less unamortized discounts	(134)	-	(53)	(81)	-
Plus unamortized premiums	<u>54,091</u>	<u>-</u>	<u>9,170</u>	<u>44,921</u>	<u>-</u>
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.

<u>Payment Due 1/1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
	<u>\$ 535,240</u>	<u>\$ 368,141</u>	<u>\$ 903,381</u>

# 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:

	<u>2024</u>	<u>2023</u>
Retirees	5	5
Active Employees	12	11
Total	<u>17</u>	<u>16</u>

#### *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:

<u>2024 and 2023</u>	
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:

	<b>2024</b>	<b>2023</b>
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	<u>\$ 1,724</u>	<u>\$ 1,639</u>

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.

	<b>Medical Trend Rate</b>		
	<b>1% Decrease (6.0% to 4.6% over 3 years following Getzen model thereafter)</b>	<b>Current (7.0% to 5.6% over 3 years following Getzen model thereafter)</b>	<b>1% Increase (8.0% to 6.6% over 3 years following Getzen model thereafter)</b>
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 point higher than the current rate.

	<b>Discount Rate</b>		
	<b>1% Decrease (3.0%)</b>	<b>Current (4.0%)</b>	<b>1% Increase (5.0%)</b>
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:

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

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)
	<u>\$ (216)</u>

# 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	-	-
	<u>\$ 758,256</u>	<u>\$ 751,424</u>	<u>\$ 767,873</u>	<u>\$ 776,040</u>

## 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.

MPMA 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 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.

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)**

	<b>Actual Revenues and Expenses</b>	<b>Budgeted Revenues and Expenses</b>	<b>Actual Over (Under) Budget</b>
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
<b>Total Revenues</b>	<b>\$ 250,899</b>	<b>\$ 253,303</b>	<b>\$ (2,404)</b>
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
<b>Total Expenses</b>	<b>\$ 250,899</b>	<b>\$ 253,303</b>	<b>\$ (2,404)</b>

(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	Decommission	Supplemental
			Principal		Contingency		Power
	Working Capital	Fuel Account	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



# PMPA Demand Response System Report

To: Board of Directors and Alternates  
 From: Mike Frazier *MTF*  
 Date: April 9, 2025

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

PMPA Monthly Peak<sup>1</sup>: 345.5 MW @ Hour Ending 8:00 a.m. on Mar 3<sup>rd</sup>

- DOES coincide with the Duke Energy Transmission Peak on Mar 3<sup>rd</sup> @ Hour Ending 8:00 a.m.
- Monthly Minimum GSP Airport Temperature – 26° F on Mar 3<sup>rd</sup>

PMPA Total Participant Load <sup>3</sup>: 370.9 MW @ Hour Ending 8:00 a.m. on Mar 3<sup>rd</sup>

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.

<sup>1</sup> 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.

<sup>2</sup> March temperatures this year were similar to March temperatures in 2024. Like last year, this March was a warmer month than normal. There were a few days that were below freezing. The coldest morning contributed to the highest demand on the PMPA system.

<sup>3</sup> 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>
Mar 2025	277	72
Normal	387	
Mar 2024	280	72

# ENERGY REPORT<sup>\*</sup>

Piedmont Municipal Power Agency

**MARCH, 2025**

## The Energy Authority (Surplus Energy Sold and Gross Revenue)

<b>8,841</b>	<b>MWh</b>	<b>349,181</b>	<b>\$</b>	<b>39.50</b>	<b>\$ / MWh</b>
11,926	MWh - YTD	469,230	\$ - YTD	39.35	\$ / MWh - YTD

## Duke Energy (Surplus Energy Sold and Gross Revenue)

<b>24,973</b>	<b>MWh</b>	<b>997,005</b>	<b>\$</b>	<b>39.92</b>	<b>\$ / MWh</b>
44,730	MWh-YTD	1,593,363	\$-YTD	35.62	\$ / MWh - YTD

## Santee Cooper (Surplus Energy Sold and Gross Revenue)

<b>18,054</b>	<b>MWh</b>	<b>531,847</b>	<b>\$</b>	<b>29.46</b>	<b>\$ / MWh</b>
34,450	MWh-YTD	1,025,740	\$-YTD	29.77	\$ / MWh - YTD

## Total Surplus Sales Revenue

<b>1,878,032</b>	<b>\$</b>		
3,088,332	\$ - YTD	91,106	MWh-YTD

## Generation Imbalance Charge .....

<b>152,339</b>	<b>\$</b>
160,816	\$ - YTD

Deviation Band 1 - +/- 1.5%

Deviation Band 2 - Between +/-1.5% & 7.5%

Deviation Band 3 - Greater than +/- 7.5%

\$17,457

\$72,004

\$62,878

## Energy Imbalance Charge .....

<b>1,143</b>	<b>\$</b>
33,676	\$ - YTD

Deviation Band 1 - +/- 1.5%

Deviation Band 2 - Between +/-1.5% & 7.5%

Deviation Band 3 - Greater than +/- 7.5%

\$1,282

(\$139)

\$0

## Supplemental Energy Purchased .....

Santee Cooper	TEA Backstand <sup>&amp;</sup>	Total	
31	0	<b>31</b>	<b>MWh</b>
19,377	1,958	21,335	MWh - YTD
769	0	<b>769</b>	<b>\$</b>
1,250,052	66,623	1,316,675	\$ - YTD
24.63	---	<b>24.63</b>	<b>\$ / MWh</b>
64.51	34.03	61.71	\$ / MWh - YTD

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

& Includes energy and transmission costs

### Catawba and McGuire Report – April 10, 2025

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

McGuire Unit 1 began a refueling outage on April 2. The refueling outage has a budgeted 25-day duration and is currently on schedule to return to service prior to April 27.

<u>March 2025</u>	<u>Capacity Factor</u>	<u>Generation (MWhs)</u>	<u>PMPA's Entitlement (MWhs)</u>
Catawba 1	102.75%	885,624	55,352
Catawba 2	101.02%	863,190	53,949
McGuire 1	95.76%	823,903	49,970
McGuire 2	100.93%	868,414	52,669

### 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

### Other News

On March 31<sup>st</sup>, the Nuclear Regulatory Commission approved a subsequent license renewal for Duke's Oconee Nuclear Station. The new license allows Duke to operate Oconee 1 until February 2053, Oconee 2 until October 2053, and Oconee 3 until July 2054. When Oconee's licenses expire, the Station will have operated for 80 years.

In addition, on April 1<sup>st</sup>, Duke submitted the Robinson Nuclear Station's subsequent license renewal application to the Nuclear Regulatory Commission. Robinson's current operating license currently expires on July 31, 2030. With a new license, Robinson will be able to operate until July 31, 2050.

**AMENDMENT AGREEMENT**  
**to**  
**PIEDMONT MUNICIPAL POWER AGENCY**  
**CATAWBA PROJECT POWER SALES AGREEMENT**

This **AMENDMENT AGREEMENT** is dated as of this **XXth** day of **XXX**, 2025 and is entered into by Piedmont Municipal Power Agency, a public body and body corporate and politic of the State of South Carolina (“PMPA”) and the **[City/Commission of Public Works]** of **XXXXXX** of the State of South Carolina (the “Participant,” and collectively with PMPA, a “Party”).

**WHEREAS**, the Parties hereto are parties to a Catawba Project Power Sales Agreement dated as of August 1, 1980 pursuant to which PMPA agreed to sell and the Participant agreed to purchase a share of electric power and energy to which PMPA is entitled as a result of (i) its twenty-five per cent (25%) undivided ownership interest in Unit 2 of the Catawba Nuclear Station and (ii) certain additional agreements between PMPA and Duke Energy Carolinas, LLC related to the Catawba Nuclear Station; and

**WHEREAS**, PMPA has executed substantially identical Catawba Project Power Sales Agreements with nine other municipalities of the State of South Carolina (collectively, with Participant, “the Participants”).

**WHEREAS**, the Catawba Project Power Sales Agreements will expire on their own terms on July 31, 2035;

**WHEREAS**, the Catawba Project Power Sales Agreements provide for the inclusion of an “allocable portion” of PMPA’s general and administrative expenses (“G&A Expenses”) in PMPA’s monthly invoices to Participants for the term of the Catawba Project Power Sales Agreements; and

**WHEREAS**, the Parties desire to amend the Catawba Project Power Sales Agreement to clarify the method by which G&A Expenses will be allocated to the Participant for the remainder of the term of the Catawba Project Power Sales Agreement; and

**WHEREAS**, on **XXXX XX**, 2025, the Board of Directors of PMPA adopted a resolution approving this Amendment Agreement and directed that it be submitted to the Participants for approval and execution; and

**WHEREAS**, the governing board of the Participant has consented to and authorized the execution and delivery of this Amendment Agreement.

**NOW, THEREFORE**, the Parties hereto mutually agree as follows:



**Section 1.** Definitions. Unless the context clearly indicates otherwise, all capitalized terms used in this Amendment Agreement, including the recitals above, that are defined in the Catawba Project Power Sales Agreement shall for all purposes of this Amendment Agreement have the same meanings given to them in the Catawba Project Power Sales Agreement.

**Section 2.** Amendment to Catawba Project Power Sales Agreement.

(a) Subsection (7) of the definition of “Monthly Catawba Project Power Costs” contained in Section 1 of the Catawba Project Power Sales Agreement is hereby amended by deleting the same in its entirety and, in lieu thereof, adding the following thereto:

any other costs incurred by PMPA during such month relating to the Bonds, the Catawba Project or the Project Agreements (including, but not limited to, operation, maintenance, and repair costs; working capital established pursuant to duly established PMPA policies or decisions, as may be amended or revised from time to time, and reserves deemed necessary for the Catawba Project by PMPA; and the properly allocable portion of administrative and general expenses, taxes, insurance, and overhead based on the Board-approved cost-of-service allocation methodology attached hereto as Exhibit B) not included in the costs hereinbefore specified, and the share of all costs allocable to the Catawba Project incurred or associated with the winding up of the business and affairs of PMPA; and

(b) The Catawba Project Power Sales Agreement is amended by attaching thereto as Exhibit B the attached Consensus Policy on Allocating PMPA G&A Expenses.

**Section 3.** Savings Clause. Except as herein amended, the existing provisions of the Catawba Project Power Sales Agreement shall remain in full force and effect.

**Section 4.** Effectiveness. This Amendment Agreement shall become effective as to the amendments of the Catawba Project Power Sales Agreement described above on January 1, 2029.

**IN WITNESS HEREOF**, the Parties have executed this Amendment Agreement by authority of their respective governing bodies duly given.

Executed this XXth day of XXXX, 2025.

## **Exhibit B**

### **Allocation Methodology**

#### **Definitions**

PMPA General and Administrative (“G&A”) Expenses as referenced in subsection 7 of “Monthly Catawba Project Power Costs” are defined as the expenses related to the operation of PMPA as an organization and includes expenses to support the ownership, construction, operation, and maintenance of PMPA’s share of the Catawba Nuclear Station, and the administration of individual Supplemental Power Sales Agreements between PMPA and its Participants, if any. G&A Expenses will not include any costs that are capable of direct assignment to one or more Participants.

#### **Allocation Methodology**

“Direct Assignment” – expenses incurred by PMPA that directly benefit one or more Participants shall be directly assigned to the Participant receiving such benefit and will not be included in the G&A Budget discussed below.

“Catawba” – 60% of the G&A Budget will be allocated to Catawba Costs.

“Supplemental” – 40% of the G&A Budget will be allocated to Supplemental Costs.

Prior to each fiscal year, PMPA will prepare a G&A Budget for the organization to present to the Board of Directors. PMPA will forecast “Direct Assignment Costs,” but such forecast will not be included in the G&A Budget. The G&A Budget will be allocated to “Catawba” and “Supplemental” based on the above allocation factors.

#### **Billing**

“Direct Assignment Costs” – Participants with expenditures directly assigned to them will be billed the actual expenditure on the monthly billing statement as they are incurred.

“Catawba Costs” – G&A expenditures allocated to Catawba will be billed to each Participant based on its Participant’s Catawba Share as defined in the then-existing Catawba Project Power Sales Agreement and will be billed on the monthly billing statement pursuant to the procedures described therein.

“Supplemental Costs” - 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 with a Supplemental Power Sales Agreement on a pro rata basis. These costs will be billed on the monthly billing statement.