



GreenvilleWater

**MINUTES OF REGULAR MEETING
COMMISSIONERS OF PUBLIC WORKS
Greenville Water
407 W. Broad Street, Level 2,
Greenville, South Carolina
February 6, 2024
8:15 a.m.**

Commissioners of Public Works in attendance:

Chairman Phillip A. Kilgore, Vice-Chairman James W. Bannister, Debra M. Sofield, Mayor Knox H. White, and Wil Brasington. A quorum was present.

Greenville Water Senior Staff in attendance:

Chief Executive Officer Jeff Boss, Chief Financial Officer Phil Robey, Chief Administrative Officer Dr. Bob Schmidt, Chief Operations Officer Jeff Phillips, Chief Technology Officer Kenneth Frazier, Director of Operational Technical Services Dr. Jane Arrington, Director of Field Operations and Facility Maintenance Mark Hattendorf, Director of Information Technology Brad Treas, Director of Business Services Steve Miller, Director of Communications Pamela Flasch, Director of Engineering Brian Murphree, Manager of Facilities and Maintenance Allen White, Controller Brian Bearfield, Internal Auditor Jacob Polson, and Attorney Adam Bach.

The Regular Meeting of the Commissioners of Public Works of the City of Greenville, SC was called to order at 8:15 a.m. by Chairman Kilgore.

1. WELCOME

2. PUBLIC COMMENT

No comments were presented.

3. CONSENT AGENDA

Chairman Kilgore asked for questions pertaining to the consent agenda items. There being none, he called for approval of the items of the Consent Agenda which were the meeting minutes of the Regular Commission Meetings January 9, 2024, the Water Resources Report, New Development, and New Annexations. Commissioner Brasington moved, seconded by Mayor White, to approve the items of the consent agenda. The motion passed unanimously.

4. LEGISLATIVE UPDATE

Mr. Knight was unable to attend the meeting due to a conflict. Chief Executive Officer Jeff Boss shared that Chief Financial Officer Phil Robey will be monitoring bills related to use of capacity fees. The proposed change would allow capacity fee funds to be used on infrastructure maintenance projects.

5. STATE REVOLVING FUND LOAN RESOLUTION

Chairman Kilgore called on Mr. Robey to present the State Revolving Fund (SRF) loan resolution. Approval by the Commission would resolve to borrow \$30 million from the SRF

program and abide by the terms and conditions of the loan agreement. The loan will be a 15-year loan at 1.4% interest. The annual debt service on the loan will be just over \$2.2 million. Mr. Robey asked the Commission to consider approving the resolution related to the \$30 million SRF borrowing.

The closing documents will be signed by Greenville Water on February 20, 2024, and then forwarded to the SRF office in Columbia to complete the execution of the documents. The loan will officially close on February 23, 2024. These funds will be used on the 60-inch water main project from the Adkins Plant to Welborn Rd.

Vice-Chairman Bannister moved, seconded by Commissioner Brasington, to approve the resolution. The motion passed unanimously.

6. 2023 YEAREND RECAP AND ENCUMBRANCE CARRYOVER

Chairman Kilgore invited Mr. Robey to present the preliminary financial results for 2023. Mr. Robey explained the results were unaudited and adjustments may still need to be made. Auditors will arrive in early March and should have a report for the May Commission meeting.

Mr. Robey shared 2023 was another strong year for Greenville Water driven by water sales, development related fees and interest revenue. Commissioner Sofield asked for the Finance team to breakout the cost of the Community Room expenses versus revenue to determine the cost of providing this benefit to the community. Mr. Robey reviewed the 2023 expenses and explained the unspent dollars budgeted would be reinvested into the system through the Capital Improvement Program, normal system improvements, et cetera.

The Operating Budget Policy gives the CEO authority to carryover budgeted amounts unspent at year end. The policy requires the CEO advise the Commission of amounts to be carried over into the new year. Mr. Robey presented the budget carryover for 2024.

7. CHIEF EXECUTIVE REPORT

The Greenville Water team realized a great accomplishment in syncing the GIS mapping system with the Enterprise Asset Management system. For the first time over 350,000 assets are linked between the two systems.

Safety Incentive awards were distributed to employees for 500,000 hours without a preventable lost workday. The next goal is 1,000,000 hours and beyond. The safety culture is improving.

The watersheds are at full pool. The area received 26 inches of rain since December 1st. January was a very wet month. The bathymetric study at the two watersheds can proceed now that both locations are full.

Updates have been made to the GPS monitoring in Greenville Water vehicles. The new dashboard provides information on idle time, hard stops, fast starts, speeding, et cetera. Alerts are automatically generated for activities outside the settings. Cutting back on idle time

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could realize up to \$5,000 in monthly savings. There will be a huge push to conserve fuel in 2024.

An application for the American Water Works Association Source Water Award was submitted in January.

8. EXECUTIVE SESSION

Vice-Chairman Bannister moved, seconded by Commissioner Sofield, to enter executive session to discuss a legal matter. The motion passed unanimously.

(Executive Session)


Commissioner Sofield moved, seconded by Vice-Chairman Bannister, to go out of Executive Session. The motion carried unanimously. No action was taken.

9. COMMISSION COMMENTS

No comments were presented.

10. ADJOURNMENT

There being no further business, the meeting was adjourned 9:15 a.m.



Phillip A. Kilgore, Chairman



Kimberly Haulter, Executive Assistant

SERIES RESOLUTION

A RESOLUTION APPROVING THE FINANCING OF THE IMPROVEMENT, CONSTRUCTION AND EQUIPPING OF CERTAIN WATERWORK SYSTEM FACILITIES OF THE CITY OF GREENVILLE, SOUTH CAROLINA THROUGH THE BORROWING OF NOT EXCEEDING THIRTY MILLION DOLLARS (\$30,000,000), PLUS SUMS NECESSARY TO CAPITALIZE INTEREST, IF ANY, FROM THE STATE DRINKING WATER REVOLVING LOAN FUND, BY AGREEMENT WITH THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, PURSUANT TO TITLE 48, CHAPTER 5, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; PROVIDING FOR THE AGREEMENT TO MAKE AND TO ACCEPT A LOAN, THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY OF GREENVILLE AND THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE FROM THE CITY OF GREENVILLE TO THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY; AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE COMMISSIONERS OF PUBLIC WORKS OF THE CITY OF GREENVILLE, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

SECTION 1.1. Findings of Fact. As an incident to the adoption of this Resolution, the Commissioners of Public Works (the "*Commissioners*") of the City of Greenville, South Carolina (the "*City*") have made the following findings:

(a) The City is a body corporate and politic and a municipal corporation pursuant to the laws of the State of South Carolina (the "*State*") and is empowered by the provisions of Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the "*Act*") (i) to undertake a drinking water supply project (or other project) as defined and approved pursuant to the Federal Safe Drinking Water Act, 42 U.S.C.A. Section 300f et seq.; (ii) to make application for and to receive assistance; (iii) to comply with regulations relating to the receipt and disposition of money of the State Drinking Water Revolving Loan Fund created by the Act; (iv) to apply for and receive state grants; (v) to enter into loan agreements; and (vi) to comply with all terms and conditions of any loan agreement.

(b) Title 6, Chapter 21, Code of Laws of South Carolina, 1976, as amended, permits the incurrence of debt for the purpose of financing and refinancing facilities for the furnishing of waterworks services and permits the securing of such indebtedness with a pledge of the revenues and a statutory lien on the waterworks system.

(c) By Ordinance No. 97-8 enacted on February 10, 1997 (the "*Bond Ordinance*"), the City Council of the City of Greenville (the "*City Council*"), the governing body of the City, made provision for the issuance from time to time of Waterworks System Revenue Bonds of the City payable from revenues derived from the operation of the Waterworks System of the City (the "*System*"), which is operated by the Commissioners.

(d) By Ordinance No. 2021-71 enacted on November 8, 2021 (the "*Series Ordinance*"), the City Council authorized the issuance from time to time in one or more series Waterworks System Revenue Bonds in the aggregate principal amount of not exceeding \$175,555,000 for various improvements to the System as

well as refunding outstanding bonds of the System, as determined by the Commissioners no later than December 31, 2026 for the purposes set forth in Section 3.03 therein.

(e) The Commissioners have determined to finance the costs of the Adkins 60-Inch Potable Water Transmission Main – Phase I, which includes the construction of approximately 63,131 linear feet of 60-inch water line, 67 linear feet of 36-inch water line, four linear feet of 24-inch water line, 504 linear feet of 20-inch water line, eight linear feet of 12-inch water line, 913 linear feet of 6-inch water line and all associated appurtenances (collectively, the **“Project”**). The completed Project will be part of the System.

(f) On July 26, 2023, the Commissioners adopted a resolution authorizing application to the South Carolina Water Quality Revolving Fund Authority (the **“State Authority”**) for a loan from the State Drinking Water Revolving Loan Fund created by the Act (the **“Loan”**), to provide for the financing of the Project.

(g) On January 2, 2024, the State Authority upon review of the Commissioners’ loan application notified the Commissioners of its conditional approval of the Loan.

(h) The funds are to be loaned and secured pursuant to a loan agreement (the **“Loan Agreement”**) between the City and the State Authority, and a promissory note executed and delivered by the Commissioners on behalf of the City registered in the name of the State Authority (the **“Note”**). Pursuant to the Loan Agreement the City through the Commissioners, acting on behalf of the City, will agree to use the Loan proceeds only to pay the actual eligible costs of the Project, and the City through the Commissioners, acting on behalf of the City, will agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with respect to the repayment of the Loan. To secure its obligations the City through the Commissioners, acting on behalf of the City, will grant to the State Authority a pledge of all Gross Revenues of the System remaining after payment of Operation and Maintenance Expenses of the System and a statutory lien on the System. The pledge and lien herein made shall be on a parity with the outstanding installments of the City’s:

(i) \$15,500,000 original principal amount Waterworks System Refunding Revenue Bonds, Series 2012 dated April 17, 2012 (the **“Series 2012 Bonds”**),

(ii) \$7,567,617 original principal amount State Drinking Water Revolving Loan Fund Loan (Waterworks System Revenue Bond, Series 2022) dated May 6, 2022 (the **“Series 2022 Bond”**),

(iii) and any additional obligations of the City issued in accordance with the Loan Agreement which are secured on a parity with the pledge and lien securing the Note.

Upon any failure of the Commissioners, acting on behalf of the City, to make any payments to the State Authority pursuant to the Loan Agreement or the Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to the provisions of the Act, such amount from State appropriations to which the Commissioners may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the Note.

(i) The Commissioners are adopting this Resolution in order to:

(i) authorize the execution and delivery by the Commissioners, on behalf of the City, of the Loan Agreement and the Note;

(ii) evidence the approval of the Project and the Loan by the Commissioners;

(iii) authorize the execution and delivery of a debt service fund (bond payment fund) agreement; and

(iv) authorize the execution and delivery by the Commissioners, on behalf of the City, of such other agreements and certificates and the taking of such other action by the Commissioners and its officers as shall be necessary or desirable in connection with the financing of the Project in order to carry out the intent of this Resolution, the Bond Ordinance and the Series Ordinance.

(j) Section 5.01(a) of the Series Ordinance provides that the Commissioners are authorized to adopt one or more Series Resolutions relating to the issuance of Bonds provided for in the Series Ordinance which Series Resolution shall express the approval of the Commissioners to the issuance of the Bonds and the Commissioners' agreement to abide by the terms, provisions and agreements set forth in the Bond Ordinance and the Series Ordinance and which shall specify and determine those items specifically set forth in Section 5.01(b) of the Series Ordinance including but not limited to:

- (i) the precise principal amount of the Series of Bonds;
- (ii) the specific purpose for which the proceeds of such Series of Bonds will be used;
- (iii) The manner of numbering and lettering, and the denomination or denominations of the Bonds of such Series;
- (iv) the form or forms for the Bonds of such Series;
- (v) the date or dates of maturity and the amounts thereof and the issue date of the Bonds of such Series;
- (vi) the interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series;
- (vii) the time for the payment of interest on the Bonds of such Series and the Record Date;
- (viii) the redemption price or redemption prices and the redemption date or redemption dates and other terms of redemption (if any) applicable to any of the Bonds of such Series for such payments;
- (ix) the Registrar for such Bonds if other than the Trustee;
- (x) the portion of such Series that are serial Bonds and that are term Bonds, if any, including the amount and date of each mandatory redemption or sinking fund installment, if any, required by such Series Resolution to be paid for the retirement of any such Bonds;
- (xi) any other applicable redemption requirement for the Bonds of such Series and the method of satisfying the same;
- (xii) the manner in which Bonds of such Series are to be sold and provisions for the sale thereof;
- (xiii) whether there shall be established a Debt Service Reserve Fund to secure the payment of such Series of Bonds and, if so, the specific Series Reserve Requirement therefor and the manner of funding thereof;

(xiv) the disposition of the proceeds of the sale of the Bonds of such Series and the manner of their application; and

(xv) any other provisions deemed advisable by the Commissioners not in conflict with or in substitution for the provisions of the Bond Ordinance or the Series Ordinance relating to the Bonds of such Series.

(k) The Commissioners are adopting this Resolution as a Series Resolution thereunder and to issue the Note as a Series of Bonds thereunder (which shall be designated "*City of Greenville, South Carolina Waterworks System Revenue Bond, Series 2024*") and have determined that the issuance of such Note is necessary for financing the Project.

(l) The period of usefulness of the System is not less than forty (40) years.

(m) Neither the Series 2012 Bonds nor the Series 2022 Bond have a Reserve Requirement.

(n) The Commissioners have not been notified of the occurrence of any Event of Default under the Bond Ordinance, nor are they aware of any such occurrence.

(o) The Note shall bear interest at the rate and be payable on the dates as set forth in the Loan Agreement.

(p) The terms defined in the Bond Ordinance or in the Series Ordinance but not defined herein shall for all purposes of this Resolution have the respective meanings given to them in the Bond Ordinance or the Series Ordinance, as the case may be.

ARTICLE II

THE LOAN

SECTION 2.1. Authorization of Loan. The Commissioners, on behalf of the City, hereby authorizes the acceptance of the Loan from the State Authority of not exceeding Thirty Million Dollars (\$30,000,000), plus sums necessary to capitalize interest, if any, pursuant to, and in accordance with, the provisions of the Loan Agreement.

SECTION 2.2. Repayment of Loan by the Commissioners. The Commissioners, on behalf of the City, hereby authorize the repayment of the Loan by the Commissioners, on behalf of the City, to the State Authority from the Gross Revenues of the System remaining after payment of Operation and Maintenance Expenses of the System, or, if said remaining Gross Revenues are not sufficient, from State appropriations as the Commissioners may become entitled to pursuant to, and in accordance with, the provisions of the Loan Agreement and the Note.

ARTICLE III

LOAN AGREEMENT AND NOTE

SECTION 3.1. Authorization of Loan Agreement and the Note. The Loan Agreement and the Note, the terms of which are incorporated herein by reference, in substantially the forms attached hereto as *Exhibit A* and *Exhibit B*, respectively, including the interest rate, payment dates, payment amounts and final maturity date of the Note, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval) are hereby approved and the execution and delivery of the Loan Agreement and the Note, on behalf of the City by the Commissioners are hereby authorized and directed. The Loan Agreement and the Note shall be executed on behalf of the City by the Chairman or the Vice Chairman of the Commissioners, acting jointly or individually, and attested by the Vice Chairman, the Secretary or the Chief Executive Officer of the Commissioners.

The Note shall be dated the date of delivery thereof which is also the issue date, shall be issued in the form of a single, fully registered typewritten bond, shall be issued in the denomination not exceeding the principal amount authorized herein (plus sums necessary to capitalize interest, if any) and shall be identified by certificate number R-1. The Record Date will be as defined in the Bond Ordinance. The redemption provisions shall be as established in the Note. The Note shall be issued as a term bond under the Bond Ordinance with equally amortized quarterly payments of principal and interest until final maturity as set forth in the Loan Agreement. A Debt Service Reserve Fund will not be initially funded for the Loan; however, subject to the terms of the Loan Agreement, a Debt Service Reserve Fund may have to be funded upon the occurrence of certain credit rating downgrades applicable to the System.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1. Other Instruments and Actions. In order to implement the Loan pursuant to the Loan Agreement and the Note and to give full effect to the intent and meaning of this Resolution and the agreements and actions herein authorized, the Chairman, the Vice Chairman, the Secretary, the Chief Executive Officer and the Chief Financial Officer of the Commissioners and such additional authorized officers as set forth in a certificate of the Chief Executive Officer are each hereby authorized, acting jointly or individually, to execute and deliver such certificates, showings, instruments and agreements and to take such further action as the Commissioners shall deem necessary or desirable.

SECTION 4.2. Trustee, Paying Agent and Registrar. U.S. Bank National Association shall serve as Trustee, Paying Agent and Registrar with respect to the Loan Agreement and the Note.

SECTION 4.3. Bond Payment Fund. In accordance with Section 7.04 of the Bond Ordinance, the Bond Payment Fund has previously been established by the Trustee. In this connection, the Bond Payment Fund Agreement in substantially the form attached hereto as *Exhibit C*, with such changes as the executing officers shall approve (their execution to be conclusive evidence of such approval), is hereby approved, and the execution and delivery of the same on behalf of the City by the Chairman or the Vice Chairman of the Commissioners, acting jointly or individually, and attested by the Vice Chairman, the Secretary or the Chief Executive Officer of the Commissioners are hereby approved.

SECTION 4.4. Resolution a Contract. This Resolution shall be a contract between the Commissioners and the State Authority, and shall be enforceable as such against the Commissioners.

SECTION 4.5. Continuing Disclosure. The Commissioners covenant to file with a central repository for availability in the secondary bond market when requested:

(a) An annual independent audit, within thirty (30) days of the Commissioners' receipt of the audit; and

(b) Event specific information, within thirty (30) days of an event adversely affecting more than five percent (5%) of the Gross Revenues of the System.

SECTION 4.6. Certificate of the Chief Executive Officer. To the extent not specifically provided for herein, the Chief Executive Officer is authorized to specify and determine the information required by Section 5.01(b) of the Series Ordinance. Such information shall be set forth in a certificate to be executed by the Chief Executive Officer, which will be approved by the Chairman or the Vice Chairman of the Commissioners.

SECTION 4.7. Effective Date. This Resolution shall take effect immediately upon its adoption.

DONE, RATIFIED AND ADOPTED this 6th day of February, 2024.

COMMISSIONERS OF PUBLIC WORKS OF
THE CITY OF GREENVILLE, SOUTH CAROLINA

Chairman



Attest:


Secretary



STATE OF SOUTH CAROLINA)
)
 COUNTY OF GREENVILLE)

CERTIFICATE OF RESOLUTION

I, the undersigned, Secretary of the Commissioners of Public Works (the "*Commissioners*") of the City of Greenville, South Carolina (the "*City*"), **DO HEREBY CERTIFY:**


That the foregoing constitutes a true, correct and verbatim copy of a Series Resolution adopted by the Commissioners at its meeting on February 6, 2024. At such meeting, a quorum of the Commissioners was present and remained present throughout the meeting.

The meeting held on February 6, 2024 was a meeting of the Commissioners for which notice had been previously given pursuant to and in conformity with Title 30, Chapter 4 of the Code of Laws of South Carolina, 1976, as amended.

The original of the Series Resolution is duly entered in the permanent records of the Commissioners.

The Series Resolution is now in full force and effect, and has not been modified, amended or repealed.

IN WITNESS WHEREOF, I have hereunto set my Hand this 6th day of February, 2024.



 Secretary, Commissioners of Public Works of
 the City of Greenville, South Carolina