

Mayor Elise Partin	Mayor Pro-Tem James E. Jenkins	Council Members Phil Carter Ann Bailey-Robinson Tim James	City Manager Tracy Hegler	Assistant City Manager James E. Crosland
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**City of Cayce
Regular Council Meeting
Wednesday, July 14, 2021 at 5:00 p.m.**

**Cayce City Council is currently meeting virtually via Zoom.
Please use one of the following methods to attend the Council Meeting:**

**Virtual Attendance, click
<https://us02web.zoom.us/j/82388310770?pwd=clpXZ0RNTjB3WWZT1hUZkRaYXlZZz09>
or
Telephone: 1-929-205-6099
Meeting ID: 823 8831 0770
Passcode: 099597
caycesc.gov**

I. Call to Order

- A. Invocation and Pledge of Allegiance
- B. Approval of Minutes
June 1, 2021 Public Hearing and Regular Council Meeting
June 16, 2021 Regular Council Meeting

II. Public Comment Regarding Items on the Agenda

Special Note: Anyone wishing to speak to Council about an item not on the agenda will need to call the City Clerk at 803-550-9557 by 12:00 p.m. the Friday prior to the Council Meeting. Anyone wishing to speak on an item on the Agenda will need to call the City Clerk at 803-550-9557 by 11:00 a.m. the day of the Council Meeting.

III. Ordinances

- A. Discussion and Approval of Ordinance 2021-16 Approving the Financing of Sewer System Improvements Through the Borrowing of Not Exceeding Four Million Eighty-Six Thousand Six Hundred Sixty Dollars (\$4,086,660), Plus Capitalized Interest, if any, from the State Water Pollution Control Revolving 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 Cayce, South Carolina and the South Carolina Water Quality Revolving Fund Authority, the Execution and Delivery of a Promissory Note from the City of Cayce, South Carolina to the South Carolina Water Quality Revolving Fund Authority; and other Matters Relating Thereto – Second Reading
- B. Discussion and Approval of Ordinance 2021-17 Amending Zoning Map and Rezoning Split Zoned Property Located at 1204 Knox Abbott Drive (TMS# 004633-06-009) from RS-3 (Single Family Residential) and C-4 (Highway Commercial) to C-4 (Highway Commercial) – First Reading

- C. Discussion and Approval of Ordinance 2021-18 Amending Zoning Map and Rezoning Property Located at 1407 Dunbar Road (TMS# 005766-03-006) from C-1 (Office and Institutional to RG-2 (General Residential, High Rise) – First Reading

IV. Committee Matters

- A. Approval to Enter the following Committee Approved Minutes into the City's Record
Planning Commission – May 17, 2021
- B. Appointments
Board of Zoning Appeals – Three (3) Positions

V. City Manager's Report

VI. Council Comments

VII. Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege

VIII. Reconvene

IX. Possible Actions by Council in follow up to Executive Session

X. Adjourn

SPECIAL NOTE: Upon request, the City of Cayce will provide this document in whatever form necessary for the physically challenged or impaired.



Mayor
Elise Partin

Mayor Pro-Tem
James E. Jenkins

Council Members
Ann Bailey-Robinson
Phil Carter
Tim James

City Manager
Tracy Hegler

Assistant City Manager
James E. Crosland

**City of Cayce
Public Hearing and Regular Council Meeting
June 1, 2021**

A Public Hearing was held this evening at 6:00 p.m. via Zoom video and conferencing software. Those present included Mayor Elise Partin, Mayor Pro Tem James Jenkins, Council Members Ann Bailey-Robinson, Phil Carter and Tim James. City Manager Tracy Hegler, Assistant City Manager Jim Crosland, Municipal Clerk Mendy Corder, Planning Director Wade Luther, Finance Director Kelly McMullen, IT Director Jamie Beckham and City Attorney Danny Crowe were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the Public Hearing in accordance with the FOIA. Ms. Corder confirmed they were notified. Mayor Partin stated that the meeting was being recorded through Zoom. She stated that the public was provided a call in number to be able to follow all of the City business as normal. She asked any caller to mute their audio so there would not be any feedback. She stated that the meeting organizer was also able to mute calls.

I. Opening Statement

Mayor Partin stated that Pursuant to Section 6-1-80 and Section 6-1-330 of the South Carolina Code of Laws, public notice was hereby given that the City of Cayce City Council would hold a Public Hearing on the proposed budget and establishment of a new fee and fee amount to be adopted as part of the Budget Ordinance. She stated that the 21-22 fiscal year revenues were \$15,326,977 and the expenses were \$15,326,977 and the new fee amount was a \$100 fee for infill development plan review.

II. Public Testimony

No one from the public offered any public testimony or comment.

III. Close Hearing

Mayor Partin closed the public hearing noting that no public comment was received.

The Council Meeting immediately followed the Public Hearing at 6:03 p.m. via Zoom. Those present included Mayor Elise Partin, Mayor Pro Tem James Jenkins, Council Members Ann Bailey-Robinson, Phil Carter and Tim James, City Manager Tracy Hegler, Assistant City Manager Jim Crosland, Municipal Clerk Mendy Corder, Planning Director Wade Luther, Finance Director Kelly McMullen, IT Director Jamie Beckham and City Attorney Danny Crowe were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the Council Meeting in accordance with the FOIA. Ms. Corder confirmed they were notified. Mayor Partin stated that the public could speak on any item on the agenda if they prearranged speaking with the City's Municipal Clerk.

Call to Order

Mayor Partin called the meeting to order and Mayor Pro Tem Jenkins gave the invocation. Mayor Partin led the assembly in the Pledge of Allegiance.

Approval of Minutes

Council Member James made a motion to approve the May 3, 2021 Special Council Meeting, May 4, 2021 Regular Council Meeting and May 19, 2021 Regular Council Meeting minutes as written. Mayor Pro Tem Jenkins seconded the motion which was unanimously approved by roll call vote.

Public Comment Regarding Items on the Agenda

No one signed up for Public Comment.

Presentations

Annual Report by the Cayce Public Safety Foundation

Ms. Pamme Eades, Public Safety Foundation President, and staff liaison Ms. Kay Hutchinson, presented the Cayce Public Safety Foundation annual report to Council. The report covered their activity from 2019 to the present. Ms. Eades stated that prior to 2019, the Foundation provided \$85,413 in assistance to Cayce Public Safety and \$41,000 of that total was dedicated to the start-up of the K-9 Unit.

Ms. Eades stated that in 2019 the Public Safety Foundation raised \$5,087 through the Cayce Serves Tennis Tournament, \$4,348 through the Cayce Drives Golf Tournament and \$1,700 for Shop with a Cop. Ms. Hutchinson stated that in 2019 the Foundation gave funds for Stop the Bleed training kits, Back to School and National Night out events and tactical soft shells for the K9 unit. She stated that the Foundation also got two (2) new Foundation members that year.

Ms. Eades stated that in 2020 the Foundation's website got a new design, three (3) new Board members were appointed and a new logo was created. She stated that the Foundation participated in Midlands Gives and raised \$1,563. She stated that in 2020 they raised the largest amount ever for Shop with Cops, \$9,410. She stated that they received \$5,555 in cash donations, \$2,350 in gift card donations and \$1,505 worth of items were donated.

Ms. Hutchinson stated that the Foundation managed to accomplish a lot even during the pandemic. She stated that they funded a K9 Memorial for the City's new Art Lot. The memorial was designed by SWATCH Graphics and installed in early 2020. She stated that K9 Maverick was the first K9 to be memorialized. She stated that the Foundation provided disposable masks for local businesses. They were delivered by the C.O.P.S. Unit to assist in the transition of the City's face covering ordinance. She stated that businesses gave them to customers who did not have a mask when entering their establishment.

Ms. Hutchinson stated that the Woman's Club of Cayce adopted Cayce Public Safety for the 2020-2021 term and donated funds for IPADS for monitoring fire hydrants throughout the system. Ms. Eades stated that in May 2021 the Foundation had its best Midlands Gives performance to date. She stated that they more than doubled their past donations with a total of \$3,640. She stated that between 2014 and 2021 the Public Safety Foundation had given \$116,393 in support of Cayce Public Safety. Mayor Partin thanked the Foundation for their hard work and using every opportunity to raise funds for Cayce Public Safety. She stated that they were absolutely amazing.

Annual Report by the Cayce Beautification Foundation

Mr. Larry McKenzie, President of the Cayce Beautification Foundation, stated that the Foundation had a fund balance of approximately \$23,400. He stated that the Foundation planned to hold an adult Spelling Bee in the fall to raise more money. He stated that the Foundation funded the murals in the City's Art District and the wrapping of the streetlight panels at the City's major intersections. He stated that they also funded the refurbishing of the chainsaw carvings in the City's Riverwalk. Mr. McKenzie stated that another project the Foundation was working on was to honor past members with a plaque.

Mr. McKenzie stated that the Foundation was working on improving their presence on the City's website and creating a Facebook page to allow the public to know more about what their mission was. He stated that they were also in the early stages of clearing an area that had a historic graveyard. He stated that they were working with the landowners to improve the appearance of the graveyard. Mr. McKenzie stated that the Foundation had discussed improving the appearance of the CSX rail crossing similar to what was done to the one in Five Points. He stated that the regulatory restrictions and the high cost of the project were why the Foundation was not currently actively working on the project. He stated that the Foundation had also discussed improving the appearance of the COMET bus shelters and possibly getting more shelters. Mayor Partin thanked Mr. McKenzie for all the Foundations hard work.

Presentation by Mr. Ron Wright re the City's Harvesting Project

Mr. Wright stated that he lived at Otarre Pointe apartments by the City's Timmerman Trail. He voiced concern over the City's harvesting project that took place by the Timmerman Trail. He stated that he did not agree with the extent of the clearcutting and stated more of a buffer should have been left around the paved trail in the Riverwalk especially by the sidewalk near Otarre Pointe Apartments. Mr. Wright stated more public input should have been collected from people looking at the issue from an environmental aspect. He stated that the person who handled the sale of the timber made 7% of the total amount sold therefore he could not offer an unbiased opinion on the amount of timber to cut. He stated that reforestation needed to be done.

Presentation by Mr. Zachary Whiteman re the City's Harvesting Project

Mr. Whiteman stated that he lived at Otarre Pointe Apartments immediately adjacent to the Timmerman Trail. He stated that he felt that the harvesting project was not a transparent process. He stated that posting information on the harvesting project on the City's website and social media did not let anyone that uses the Trail know and have an opportunity for input. He stated that the proximity of the clearcutting to the trail and the Guignard Heritage Preserve left no buffer at some spots. Mr. Whiteman stated that trees were falling onto the trail and into the creek and river. He stated that he was concerned over future plans for the area and hoped it was not clear cut again in the future. He stated that he did understand that the trees were planted to be forested. He stated that he hoped that the area would be protected in the future and asked Council to help protect it.

Ordinances and Resolutions

- A. Discussion and Approval of Ordinance 2021-14 to adopt an Annual Budget, Levy a Property Tax, and Provide Revenue for the City of Cayce for the Fiscal Year Ending June 30, 2022 and To Adopt and Establish Certain New Fees and Charges with Amounts – Second Reading

Council Member Bailey-Robinson made a motion to approve Ordinance 2021-14 on Second Reading. Council Member James seconded the motion which was unanimously approved via roll call vote.

- B. Discussion and Approval of Ordinance 2021-15 Extending the 2021 Deadline for Registration and Renewal of Rental, Non-Owner Occupied Residential Property Required by the City Code of Section 10-18 – Second Reading

Mayor Partin stated that in light of the language of the Ordinance and the circumstance that she may fall into the class of those eligible for a refund she stated wished to recuse herself from the discussion and consideration of the Ordinance. She asked Mayor Pro Tem Jenkins to preside over this portion of the meeting and stated she would provide a written recusal to the City Clerk. Council Member James stated

that he had asked for recusal and had submitted a recusal statement form as well due to a possible conflict of interest so he would abstain from the vote. Council Member Carter made a motion to approve Ordinance 2021-15. Council Member Bailey-Robinson seconded the motion.

C. Consideration and Approval of Resolution Approving Law Enforcement Assistance and Support Agreement with Town of Gaston Police Department

Council Member James made a motion to approve the Resolution. Mayor Pro Tem Jenkins seconded the motion which was unanimously approved by roll call vote. Council Member James made a motion to authorize the City Manager to sign the agreement on behalf of the City. Mayor Pro Tem Jenkins seconded the motion which was unanimously approved by roll call vote.

Discussion Items

A. Bid Award – Septage and Grease Facility Upgrade SRF

Ms. Hegler stated that Council approval was needed in order to accept the proposal from M.B. Kahn Construction for the Septage and Grease Receiving Station Improvements for the Utility Department and to authorize the City Manager to execute a contract between the City of Cayce and M.B. Kahn Construction. She stated that the project was being fully funded by a loan from the State Revolving Fund (SRF). She stated that at the August 21, 2019 Council Meeting Council approved the City Manager to proceed with negotiations for acceptance of the SRF loan.

Ms. Hegler stated that the City had been steadily outgrowing its current facility and septage/grease treatment demand. She stated that in August 2019, the City was approved for a low interest \$3.5 million loan from the State Revolving Fund (SRF) to design and construct several improvements to the facility. The City has contracted with American Engineering (AEC) to design and manage this project. The project includes but is not necessarily limited to structures, equipment, site work, yard piping, valves, mechanical piping, electrical and appurtenances all associated with the following parts of the project: the addition of a second truck receiving bay and associated septage/oil/grease receiving equipment and controls; removal of septage/oil/grease receiving equipment and controls in existing receiving bay and replacement with new septage/oil/grease receiving equipment and controls; modifications to existing concrete and piping in existing receiving bay to accommodate new equipment; new septage/oil/grease holding tank and associated mixing equipment; septage/oil/grease transfer pump station for new holding tank; addition of second belt filter press and associated polymer feed system and accessories; expansion of existing belt press building to accommodate new belt filter press; a conveyor system for new belt filter press; replacement conveyor system for existing belt filter press; modifications to existing SCADA system to accommodate

new equipment; and all necessary appurtenances as specified and depicted in the Contract Documents. Ms. Hegler stated that having completed the upgrade designs, City staff and AEC obtained quotes from five reputable, fully bonded and insured construction companies for the project. Those companies were BRW Construction Group, Harper Corp General Contractors, MB Kahn Construction, Republic Contracting Corporation and Wharton-Smith. She stated that in addition to the base bid, there were four (4) additive alternates requested.

Ms. Hegler stated that the Staff recommendation was for Council to approve the lowest base bid from M.B. Kahn Construction in the amount of \$2,699,100.00 as well as to include Additive Alternates 2, 3, and 4 for a total contract amount of \$3,240,600.00 and authorize the City Manager to execute a contract between the City of Cayce and M.B. Kahn Construction. She stated that Alternate 1 was not recommended at that time based on need and cost.

Council Member Bailey-Robinson made a motion to approve the lowest bid from M.B. Kahn Construction along with the three (3) additive alternates and authorize the City Manager to execute the contract. Mayor Pro Tem Jenkins seconded the motion which was unanimously approved by roll call vote.

Committee Matters

- A. Approval to Enter the following Committee Approved Minutes in the City's Record
 - Planning Commission – February 22, 2021
 - Museum Commission – April 7, 2021
 - Board of Zoning Appeals – April 19, 2021

Mayor Pro Tem Jenkins made a motion to enter the Committee approved minutes into the record. Council Member Bailey-Robinson seconded the motion which was unanimously approved by roll call vote.

- B. Appointments
 - Events Committee – One (1) Position

Council Member James made a motion to appoint Mr. Robert Cathcart to the Events Committee. Council Member Bailey-Robinson seconded the motion which was unanimously approved by roll call vote.

City Manager's Report

Ms. Hegler stated that the SCDOT resurfacing schedule for the City of Cayce was Glenn Street on the Hwy 321 side, Haynes Lane, Dogwood Lane, 2nd Ave, 3rd Ave, 1st Street, 10th Street, Railroad Street, Memorial Drive and Jumper Street for a total

mileage of 2.57 miles and should start in the fall. She stated that staff member Bob Hawks would be featured in a new publication from Esri called "Measuring Up Volume 3." She stated that this was an educational book intended to teach new GIS professionals how to inform their organizations on the uses, costs, and benefits of GIS, and therefore increase investment into GIS solutions. She stated that Mr. Hawks was featured in it as an example of how communication, presentations, and sound organization can increase the penetration of GIS in an organization. She stated that the book would be coming out sometime over the summer.

Ms. Hegler stated that the City had been awarded the Special Achievement in GIS (SAG) Award from Esri. She stated that it was one of the most prestigious awards within the GIS industry. Only 180 winners are chosen from across the globe out of over 100,000 potential winners. The City was nominated, and won, based on recommendations from other GIS professionals that were impressed with Cayce. She stated that Mr. Hawks work on dramatically moving forward the City's GIS capability within a short time, as well as his integration of brand-new GIS technologies into the City's day-to-day operations, was the contributing factor in the City winning the award.

Ms. Hegler stated that the Department of Public Safety would escort the Museum's 1936 firetruck on June 9th at 11am from City Hall for the state fire convention. She stated that the firetruck would be rolled into the building near the convention registration desk and would be seen by everyone attending the convention. She stated that June 3rd was prom promise and Cayce Public Safety would be doing a demonstration showing how dangerous it was to drink and drive.

Council Comments

Council Member James stated that he wanted to applaud City staff for balancing a budget without any tax or fee increases or causing any undue stress on taxpayers after the year everyone just went through was just phenomenal. He stated that he and the rest of Council were in awe. He congratulated Mr. Hawks on his accomplishments and accolades. Mayor Partin stated that she was floored by that night's meeting. She stated that the meeting started with acknowledging the City's citizens who donate their time to better the City and take care of the Public Safety Department and the meeting ended with Bob's amazing accomplishments. Mayor Partin stated that the speakers who spoke about the City's harvesting project care and want to make sure the Riverwalk is taken care of. She stated that no one has to ask the City to take care of the Riverwalk because it is one of the City's top priorities. She stated that she told Mr. Wright that anyone who loves plants and animals should be angry with the City if the trees by Timmerman Trail were not cut down. Mayor Partin stated that it was erroneously said in an email communication that the Congaree Riverkeeper was concerned about it but that was not true. She stated that the Congaree Riverkeeper was on board with it. She stated that the South Carolina Department of Natural Resources (SCDNR) harvested their land first

because it was the right thing to do for plants and animals. Mayor Partin stated that while the City goes through a resting period with the property staff had already been in contact with SCDNR and the National Park Services to determine what the best next steps for the property were. She stated that the City was very transparent and communicated all the time and would continue to communicate about what the next steps would be. Mayor Partin stated that staff would continue to be incredibly careful in determining next steps just like they were incredibly careful about what was harvested. She stated that it did not diminish what a shock it was to see that many trees cut. She stated that it felt wrong to see that many trees missing but the trees were monoculture pines and were not the healthiest thing for the environment. She stated that biodiversity was healthy for the environment and that was where the City was headed.

Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege

There were no items to be discussed in Executive Session.

Adjourn

Mayor Pro Tem Jenkins made a motion to adjourn the meeting. Council Member Carter seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 6:55 p.m.

Elise Partin, Mayor

ATTEST:

Mendy Corder, CMC, Municipal Clerk

RECUSAL STATEMENT

Member Name: Elise Partin

Meeting Date: June 1, 2021

Agenda Item: Section III. Number B.

Topic: Deadline extension for registration
& Renewal of non-owner/rental property

The Ethics Act, SC Code §8-13-700, provides that no public official may knowingly use his office to obtain an economic interest for himself, a family member of his immediate family, an individual with whom he is associated, or a business with which he is associated. No public official may make, participate in making, or influence a governmental decision in which he or any such person or business has an economic interest. Failure to recuse oneself from an issue in which there is or may be conflict of interest is the sole responsibility of the council member (1991 Op. Atty. Gen. No. 91-37). A written statement describing the matter requiring action and the nature of the potential conflict of interest is required.

Justification to Recuse:

Professionally employed by or under contract with principal

Owns or has vested interest in principal or property

Other: _____

7/1/21 Elise Partin
Date Member Signature

Approved by Parliamentarian: _____

RECUSAL STATEMENT

Member Name: Tina James

Meeting Date: June 1, 2021

Agenda Item: Section IV. Number B

Topic: DEADLINE EXTENSION FOR
Reg. & Renewal of Non-OWNER/Rental prop

The Ethics Act, SC Code §8-13-700, provides that no public official may knowingly use his office to obtain an economic interest for himself, a family member of his immediate family, an individual with whom he is associated, or a business with which he is associated. No public official may make, participate in making, or influence a governmental decision in which he or any such person or business has an economic interest. Failure to recuse oneself from an issue in which there is or may be conflict of interest is the sole responsibility of the council member (1991 Op. Atty. Gen. No. 91-37). A written statement describing the matter requiring action and the nature of the potential conflict of interest is required.

Justification to Recuse:

Professionally employed by or under contract with principal

Owns or has vested interest in principal or property

Other: _____

June 1, 2021 _____
Date Member Signature

Approved by Parliamentarian:



Mayor
Elise Partin

Mayor Pro-Tem
James E. Jenkins

Council Members
Ann Bailey-Robinson
Phil Carter
Tim James

City Manager
Tracy Hegler

Assistant City Manager
James E. Crosland

**City of Cayce
Regular Council Meeting
June 16, 2021**

A Regular Council Meeting was held this evening at 6:00 p.m. via Zoom video and conferencing software. Those present included Mayor Elise Partin, Mayor Pro Tem James Jenkins and Council Members Ann Bailey-Robinson, Phil Carter and Tim James. City Manager Tracy Hegler, Assistant City Manager Jim Crosland, Municipal Clerk Mendy Corder, IT Director Jamie Beckham and City Attorney Danny Crowe were also in attendance.

Mayor Partin asked if members of the press and the public were duly notified of the meeting in accordance with the FOIA. Ms. Corder confirmed they were notified. Mayor Partin stated that the meeting was being recorded through Zoom. She stated that the public was provided a call in number to be able to follow all of the City business as normal. She asked any caller to mute their audio so there would not be any feedback. She stated that the meeting organizer was also able to mute calls. Mayor Partin stated that the public could speak on any item on the agenda if they prearranged speaking with the City's Municipal Clerk.

Call to Order

Mayor Partin called the meeting to order and Council Member James gave the invocation. Mayor Partin led the assembly in the Pledge of Allegiance.

Public Comment Regarding Items on the Agenda

No one signed up for Public Comment.

Presentations

- A. Presentation by Midlands Business Leadership Group (MBLG) on the Midlands Governmental Cooperation Initiative to beautify key gateways around the region, beginning with Hwy. 302 Airport Corridor

Mr. James Bennett with Midlands Business Leadership Group (MBLG), Mr. Will Schenk with EngenuitySC and Mr. Gregory Spouse and Mr. Reginald Simmons with the Central Midlands Council of Governments (CMCOG) attended the meeting on behalf of the Midlands Business Leadership Group (MBLG) Governmental Cooperation initiative to update Council on the regional gateway beautification project beginning with the Hwy. 302 airport corridor. Mr. Bennett stated that one of the goals of the project was to enhance cooperation between local governments and to help build stronger working relationships between local and elected officials.

Mr. Bennett stated that the MBLG was a group of over 45 CEO's and top executives from the largest companies in the Columbia region who met regularly to discuss issues important to the region's success. He stated that in 2016, the MBLG began a private sector led, community-supported effort to drive improvement in Columbia's regional competitiveness. He stated that MBLG's vision was to accelerate the development of Columbia as a region that attracts and retains top talent, produces vibrant job offerings and provides necessary resources to improve livability for all people.

Mr. Bennett stated that the regional gateway beautification project's goal was to identify key gateways to the Columbia region and develop a unified plan for landscaping, signage and improvements. He stated that the City of Columbia, Richland County, Lexington County, the Town of Springdale, the City of West Columbia and the City of Cayce were all participating governments. He stated that the MBLG continued to work with Forest Acres and the Town of Lexington to join the initiative. Mr. Bennett thanked Mayor Partin and Ms. Hegler for their continued support. He stated that they had been involved since day one and had been very supportive and engaged in the initiative.

Mr. Bennett stated that initial construction costs would be fundraised using mostly private funding. He stated that the CMCOG and its associated charitable organization would act as the fiscal vehicle. Mr. Bennett stated that Hwy. 302 and Airport Blvd. would be fundraised and completed first. He stated that fundraising launched in March 2021 and over \$1 million dollars, of an estimated \$1.3 million total construction cost, had been committed for construction of Hwy. 302. He stated that the estimated construction cost of all eight (8) gateways was \$2.6 million.

Mr. Bennett stated that there was a Regional Gateways Intergovernmental Agreement between the CMCOG and all the participating governments. He stated that the CMCOG would be the project manager and committees of representatives from all participating governments would make decisions and guide procurement. He stated that the CMCOG would provide oversight for initial construction and maintenance supported by local government staff. Mr. Bennett stated that the intergovernmental agreement was designed to allow flexibility, oversight and thorough review by participating governments.

Mr. Bennett stated that next steps were to complete the intergovernmental agreement draft review process through legal teams and full governmental cooperation group, adoption by all participating Councils, complete fundraising for the first project then the IGA committees and the CMCOG would take over procurement, construction, etc. and fundraising would continue. He stated that the project was one that the entire region could be proud of.

Mayor Partin thanked Mr. Bennett for updating Council on the amazing progress that had been made. She stated that Council passed a Resolution supporting the project when MBLG first approached the City about the project.

Proclamations and Ordinances

A. Approval of Proclamation – National League of Cities Small Cities Month

Mayor Pro Tem Jenkins made a motion to approve a Proclamation making June National League of Cities Small Cities month. Council Member James seconded the motion which was unanimously approved by roll call vote.

B. Discussion and Approval of Ordinance 2021-16 Approving the Financing of Sewer System Improvements Through the Borrowing of Not Exceeding Four Million Eighty-Six Thousand Six Hundred Sixty Dollars (\$4,086,660), Plus Capitalized Interest, if any, from the State Water Pollution Control Revolving 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 Cayce, South Carolina and the South Carolina Water Quality Revolving Fund Authority, the Execution and Delivery of a Promissory Note from the City of Cayce, South Carolina to the South Carolina Water Quality Revolving Fund Authority; and other Matters Relating Thereto – First Reading

Ms. Hegler stated that Council action was needed to approve First Reading of a Series Ordinance providing for the financing of sewer system improvements of a loan from the State Water Pollution Control Revolving Fund (the "Fund") maintained by the SC Water Quality Revolving Fund Authority (the "State Authority") in an amount not exceeding \$4,086,660 (plus capitalized interest, if any).

Ms. Hegler stated that at the June 2, 2020 Council Meeting, City Council adopted a resolution authorizing an application to the State Authority for a loan from the Fund to finance major improvements and upgrades to the City's Septage and Grease Facility. She stated that the project included but was not necessarily limited to structures, equipment, site work, yard piping, valves, mechanical piping, electrical and appurtenances all associated with the following parts of the project: the addition of a second truck receiving bay; removal of septage/oil/grease receiving equipment and controls in existing receiving bay and replacement with new septage/oil/grease receiving equipment and controls; modifications to existing concrete and piping in existing receiving bay to accommodate new equipment; addition of second belt filter press; expansion of existing belt press building; conveyor system for new belt filter press; replacement conveyor system for existing belt filter press; and modifications to existing SCADA system to accommodate new equipment. Ms. Hegler stated that since

then, the City had been working with American Engineering on designing the upgrades and contractor bidding. She stated that Council approved a bid award for the project to M.B. Kahn Construction at the June 1, 2021 Council Meeting.

Mayor Pro Tem Jenkins made a motion to approve First Reading of the Series Ordinance to authorize the loan from the Fund in an amount not exceeding \$4,086,660.00 (plus capitalized interest, if any) to fund the required sewer system improvements. Council Member Bailey-Robinson seconded the motion which was unanimously approved by roll call vote.

City Manager's Report

Ms. Hegler stated that the ladder firetruck RFP was due that Friday and staff was excited to review the responses. She stated that the City had recently issued a RFP for professional auditing services. She stated that formal training was scheduled the next day for the Planning Commission, Board of Zoning Appeals and the Standard Technical Codes Board of Appeals members. She stated that they were going back to meeting in person and staff thought it would be a good idea to get them used to the process again. She stated that the City's Municipal Court did not have any backlog of cases and were completely caught up. Mayor Partin stated that the Court staff's work was amazing. Ms. Hegler stated that the City's timber harvest was complete.

Council Comments

Mayor Partin stated that the City's Parks staff was always so respectful of people walking on the Riverwalk. She stated that staff always pulled over so people could pass. She stated that she always had residents comment to her how kind and thoughtful Parks staff was. She stated that this was another example of the City's culture of customer service and kindness and she was very thankful for the City team.

Executive Session

- A. Receipt of legal advice relating to claims and potential claims by and against the City and other matters covered by the attorney-client privilege
- B. Discussions of negotiations incident to proposed contractual relationship with Central Midlands Regional Transit Authority

Mayor Pro Tem Jenkins made a motion to enter into Executive Session. Council Member James seconded the motion which was unanimously approved by roll call vote.

Reconvene

After the Executive Session was concluded, Council Member James made a motion to reconvene the Regular meeting. Council Member Carter seconded the motion which was unanimously approved by roll call vote. Mayor Partin announced that no vote was taken in Executive Session other than to adjourn and resume the Regular meeting.

Possible Actions by Council in follow up to Executive Session

No actions were taken in follow up to Executive Session.

Adjourn

Mayor Pro Tem Jenkins made a motion to adjourn the meeting. Council Member James seconded the motion which was unanimously approved by roll call vote. There being no further business, the meeting adjourned at 6:28 p.m.

Elise Partin, Mayor

ATTEST:

Mendy Corder, CMC, Municipal Clerk

Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager

Date: July 9, 2021

Subject: Second Reading of a 2021 Series Ordinance – Financing Sewer System Improvements

ISSUE

Council action is needed to approve Second Reading of a Series Ordinance providing for the financing of sewer system improvements of a loan from the State Water Pollution Control Revolving Fund (the “Fund”) maintained by the SC Water Quality Revolving Fund Authority (the “State Authority”) in an amount not exceeding \$4,086,660 (plus capitalized interest, if any).

DISCUSSION

At its meeting on June 2, 2020, City Council adopted a resolution authorizing an application to the State Authority for a loan from the Fund to finance major improvements and upgrades to the City’s Septage and Grease Facility.

The project includes but is not necessarily limited to structures, equipment, site work, yard piping, valves, mechanical piping, electrical and appurtenances all associated with the following parts of the project: The addition of a second truck receiving bay; removal of septage/oil/grease receiving equipment and controls in existing receiving bay and replacement with new septage/oil/grease receiving equipment and controls; modifications to existing concrete and piping in existing receiving bay to accommodate new equipment; addition of second belt filter press; expansion of existing belt press building; conveyor system for new belt filter press; replacement conveyor system for existing belt filter press; and modifications to existing SCADA system to accommodate new equipment.

Since then, the City has been working with American Engineering on designing the upgrades and contractor bidding. City Council approved a bid award for the project to M.B. Kahn Construction at the June 1, 2021 meeting.

RECOMMENDATION

Staff recommends that Council give Second Reading of the Series Ordinance to authorize the loan from the Fund in an amount not exceeding \$4,086,660.00 (plus capitalized interest, if any) to fund the required sewer system improvements.

A SERIES ORDINANCE
2021-16

APPROVING THE FINANCING OF SEWER SYSTEM IMPROVEMENTS THROUGH THE BORROWING OF NOT EXCEEDING FOUR MILLION EIGHTY-SIX THOUSAND SIX HUNDRED SIXTY DOLLARS (\$4,086,660), PLUS CAPITALIZED INTEREST, IF ANY, FROM THE STATE WATER POLLUTION CONTROL REVOLVING 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 CAYCE, SOUTH CAROLINA AND THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE FROM THE CITY OF CAYCE, SOUTH CAROLINA TO THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY; AND OTHER MATTERS RELATING THERETO.

CITY OF CAYCE, SOUTH CAROLINA

Enacted: July 14, 2021

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EXHIBIT A – FORM OF LOAN AGREEMENT A-1

STATE OF SOUTH CAROLINA)	A SERIES ORDINANCE 2021-16
)	
COUNTY OF LEXINGTON	)	APPROVING THE FINANCING OF SEWER
	)	SYSTEM IMPROVEMENTS THROUGH THE
CITY OF CAYCE	)	BORROWING OF NOT EXCEEDING FOUR
	)	MILLION EIGHTY-SIX THOUSAND SIX
	)	HUNDRED SIXTY DOLLARS (\$4,086,660), PLUS
	)	CAPITALIZED INTEREST, IF ANY, FROM THE
	)	STATE WATER POLLUTION CONTROL
	)	REVOLVING 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
	)	CAYCE, SOUTH CAROLINA AND THE SOUTH
	)	CAROLINA WATER QUALITY REVOLVING
	)	FUND AUTHORITY, THE EXECUTION AND
	)	DELIVERY OF A PROMISSORY NOTE FROM
	)	THE CITY OF CAYCE, SOUTH CAROLINA TO
	)	THE SOUTH CAROLINA WATER QUALITY
	)	REVOLVING FUND AUTHORITY; AND OTHER
	)	MATTERS RELATING THERETO

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAYCE, IN A MEETING DULY ASSEMBLED, AS FOLLOWS:

ARTICLE I - FINDINGS OF FACT

Section 1.1 Findings of Fact. Incident to the enactment of this series ordinance (this “*2021 Series Ordinance*”), the City Council of the City of Cayce (the “*City Council*”), the governing body of the City of Cayce, South Carolina (the “*City*”), has made the following findings:

- (a) The City is a municipality incorporated under the laws of the State of South Carolina (the “*State*”) and empowered by the provisions of Title 48, Chapter 5, Code of Laws of South Carolina 1976, as amended (the “*Act*”) to: (i) undertake a wastewater treatment and disposal project as defined and approved pursuant to the Federal Clean Water Act, 33 U.S.C. §§1381 *et seq.*; (ii) make application for and to receive assistance from the South Carolina Water Quality Revolving Fund Authority (the “*State Authority*”); (iii) comply with regulations relating to the receipt and disposition of money from the State Water Pollution Control Revolving Fund (the “*Fund*”) created by the Act; (iv) apply for and receive state grants; (v) enter into loan agreements; and (vi) comply with all terms and conditions of any loan agreement.

(b) Title 6, Chapter 17 of the Code of Laws of South Carolina 1976, as amended, permits the incurrence of debt for the purpose of financing facilities for the furnishing of water and wastewater treatment services and permits the securing of such indebtedness with a pledge of the revenues of the System from which such revenues are derived.

(c) The City Council has determined that, in order for the City to adequately serve its customers, it is necessary to undertake certain improvements to its sewer system. The project consists of improvements to the sewer system of the City, including upgrades and improvements to the City's septage receiving station (the "**Project**"). The Project will be a part of and will constitute a portion of the water and sewer system of the City (the "**System**").

(d) On June 2, 2020, the City Council adopted a resolution authorizing an application to the State Authority for a loan from the Fund (the "**Loan**").

(e) On June 2, 2021, the State Authority, upon review of the City's loan application, conditionally approved the Loan.

(f) The Loan is to be made and secured pursuant to a loan agreement between the City and the State Authority (the "**Loan Agreement**"), the form of which is attached hereto as **Exhibit A** and a promissory note executed and delivered by the City, registered in the name of the State Authority (the "**Note**"), the form of which is attached as Appendix E to the Loan Agreement. Pursuant to the Loan Agreement, the City will agree to use the proceeds of the Loan only to pay the actual eligible costs of the Project, and, if deemed prudent by the City, capitalized interest on the Note pursuant to the terms of the Loan Agreement; the City will also 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 will grant to the State Authority a pledge of, and a lien upon the Net Revenues of the System (as defined in the Bond Ordinance, which term is defined below). Upon any failure 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 provisions of the Act, such amount from the State appropriations to which the City may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the Note.

(g) The City Council is adopting this 2021 Series Ordinance in order to:

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

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

(iii) authorize the execution and delivery by, and on behalf of, the City of such other agreements and certificates and the taking of such other action by the City 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 2021 Series Ordinance.

(h) The City is authorized, pursuant to an ordinance enacted by the City Council on February 2, 2016, entitled, “AN ORDINANCE COLLAPSING AND TERMINATING AN AMENDED AND RESTATED INDENTURE OF TRUST IN ORDER TO PROVIDE FOR THE ISSUANCE AND SALE OF WATER AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF CAYCE, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO” (the “**Bond Ordinance**”), to enact this 2021 Series Ordinance as a Series Ordinance thereunder and to issue the Note as a Series of Bonds thereunder. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Bond Ordinance.

(i) The Note will not be junior to any other revenue-secured debt of City and will be issued on parity with the following indebtedness (collectively, the “**Outstanding Bonds**”)¹:

(i) the outstanding installments of the City’s originally issued \$20,535,000 Water and Sewer System Refunding Revenue Bonds, Series 2020 dated July 21, 2020;

(ii) the outstanding installments of the originally issued not exceeding \$24,560,378, plus capitalized interest, if any, Water and Sewer System Improvement Revenue Bond, Series 2017 (State Drinking Water Revolving Loan Fund, Loan Number 3-075-16-3210003-02), dated February 9, 2017;

(iii) the outstanding installments of the City’s originally issued \$4,500,000 Water and Sewer System Refunding Revenue Bonds, Series 2016B dated March 29, 2016;

(iv) the outstanding installments of the City’s originally issued \$8,470,000 Water and Sewer System Refunding Revenue Bonds, Series 2016A (Taxable) dated March 29, 2016; and

(v) the outstanding installments of the City’s originally issued \$1,650,000 Water and Sewer System Revenue Bond, Series 2002 dated September 1, 2002.

(j) In accordance with Section 4.01(B) of the Bond Ordinance, the City Council hereby determines that the issuance of the Note as a Series of Bonds is necessary to provide funds to be used and expended for the purpose of expanding, adding and improving the System, which purposes are permitted by Sections 4.01(A)(1) of the Bond Ordinance. The City Council further specifies and determines as follows:

(i) the period of usefulness of the System is not less than thirty (30) years;

(ii) the Date of Issue of the Note shall be the date that the Note is executed and delivered as provided in Section 3.1 of this 2021 Series Ordinance;

¹ The City also has outstanding its originally issued \$8,000,000 Tax Increment Revenue Bonds, Series 2017, dated August 1, 2017 (the “**TIF Bonds**”), which are secured by a junior lien pledge of the Net Revenues of the System. The TIF Bonds constitute a Junior Lien Bond (as defined in the Bond Ordinance) and are subordinate and inferior in all respects to the pledge of the Net Revenues securing the Outstanding Bonds, the Note and any additional Series of Bonds (as defined in the Bond Ordinance) issued on a parity therewith under the Bond Ordinance.

(iii) the principal amount of the Note shall not exceed Four Million Eighty-Six Thousand Six Hundred Sixty Dollars (\$4,086,660), plus capitalized interest, if any, the exact principal amount to be determined at the final disbursement of the Loan by the State Authority;

(iv) the Bond Payment Dates for the Note, and the dates of maturity and the amounts thereof, shall be as set forth in the Loan Agreement;

(v) the Note is to be issued for the purpose of providing funds to defray all or a portion of the costs of the Project;

(vi) the Note shall be designated “Water and Sewer System Improvement Revenue Bond, Series 2021 of the City of Cayce, South Carolina;” however such series designation may be subject to adjustment depending on the actual year of issuance of the Note in accordance with Section 4.5 herein;

(vii) the Note shall be sold to the State Authority in accordance with the Act;

(viii) the Note shall bear interest at the rate set forth in the Loan Agreement;

(ix) the Note shall be issued as a single Term Bond, payable by way of equal, amortized payments of principal and interest as set forth in the Loan Agreement;

(x) the Redemption Prices and dates applicable to the Note shall be as set forth in the Loan Agreement and the Note;

(xi) the Trustee (as defined in Section 2.3 herein) shall serve as Trustee, Paying Agent and Registrar for the Note;

(xii) the Note, the form of which is attached as Appendix E to the Loan Agreement, shall be issued as a single bond in the denomination of the principal amount thereof;

(xiii) the Note shall not be issued in book-entry form as permitted by Section 4.20 of the Bond Ordinance;

(xiv) the Reserve Requirement for the Note shall be as set forth in Section 3.2 hereof;

(xv) the proceeds of the Note shall be applied as set forth in the Loan Agreement;

(xvi) the 2021 Debt Service Account shall be established as a Debt Service Fund Account within the Debt Service Fund under the Bond Ordinance and the 2021 Debt Service Reserve Fund shall be established as a Debt Service Reserve Fund under the Bond Ordinance;

(xvii) because the State Authority will hold the proceeds of the Note until such time as they are requisitioned for costs, no construction fund shall be established and therefor no capitalized interest account or cost of issuance account shall be established therein;

(xviii) the City has not been notified of the occurrence of any Event of Default under the Bond Ordinance, nor is it aware of any such occurrence; and

(xix) none of the Outstanding Bonds have a Reserve Requirement.

[END OF ARTICLE I]

ARTICLE II – AUTHORIZATION OF THE LOAN AND ESTABLISHMENT OF FUNDS

Section 2.1 Authorization of Loan. The City Council hereby authorizes the City’s acceptance of the Loan from the State Authority in an amount not exceeding \$4,086,660 plus capitalized interest, if any, pursuant to and in accordance with the provisions of the Loan Agreement.

Section 2.2 Repayment of Loan by City. The City Council hereby authorizes the repayment of the Loan by the City to the State Authority from the Net Revenues of the System, or if said revenues are not sufficient, from state appropriations as the City may become entitled to, pursuant to and in accordance with the provisions of the Loan Agreement and the Note.

Section 2.3 Establishment of Funds. There shall be established by an Authorized Officer (as defined in the Bond Ordinance) the 2021 Debt Service Account. The 2021 Debt Service Account shall be established within the Debt Service Fund, which is held by U.S. Bank National Association, as Trustee (the “*Trustee*”), and maintained in accordance with the provisions of the Bond Ordinance and the Loan Agreement.

As provided by Section 7.05(B)(2) of the Bond Ordinance, there shall also be established by an Authorized Officer a 2021 Debt Service Reserve Fund, to be kept in the custody and control of the Trustee and maintained in accordance with the provisions of the Bond Ordinance and the Loan Agreement.

[END OF ARTICLE II]

**ARTICLE III - LOAN AGREEMENT AND NOTE; FUNDING THE 2021 DEBT
SERVICE RESERVE FUND**

Section 3.1 Authorization of Loan Agreement and the Note. The Loan Agreement, in substantially the form attached hereto as **Exhibit A**, and the Note, in substantially the form attached to the Loan Agreement as Appendix E, with such changes as the Mayor of the City (the “*Mayor*”) (her execution to be conclusive evidence of such approval), are hereby approved. The execution and delivery of the Loan Agreement and the Note on behalf of the City are hereby authorized and directed. The Loan Agreement and the Note shall be dated as of the Date of Issue, which is expected to be July 30, 2021; however, such Date of Issue may be subject to change in the sole discretion of the Mayor. The Loan Agreement and the Note shall be executed on behalf of the City by the Mayor, or in her absence or unavailability (for any reason), the City Manager, and attested by the Municipal Clerk of the City, or in her absence or unavailability (for any reason), the Treasurer.

In the absence or unavailability of the Mayor, the City Manager is authorized to undertake all actions and approvals granted to the Mayor. In the absence or unavailability of the Municipal Clerk, the Treasurer is authorized to undertake all actions and approvals granted to the Municipal Clerk.

Section 3.2 Provision for Funding of the 2021 Debt Service Reserve Fund. The Treasurer is hereby authorized to cause the satisfaction of the 2021 Reserve Requirement (as defined in the Loan Agreement) by funding the 2021 Debt Service Reserve Fund with cash or cash equivalents as authorized by the Bond Ordinance and as further provided for in the Loan Agreement. If required to be funded, the City, acting through the Trustee, will maintain the 2021 Reserve Requirement in accordance with the provisions of the Bond Ordinance and the Loan Agreement.

[END OF ARTICLE III]

ARTICLE IV - MISCELLANEOUS

Section 4.1 Other Instruments and Actions. In order to implement the Loan pursuant to the Loan Agreement and Note and to give full effect to the intent and meaning of this 2021 Series Ordinance and the agreements and actions herein authorized, the Authorized Officers are hereby authorized to execute and deliver such certificates, showings, instruments and agreements and to take such further action as they shall deem necessary or desirable. As used herein, the Authorized Officers are those persons identified in the Bond Ordinance. Additionally, the Treasurer is authorized to cause satisfaction of any such fees or expenses as may be required to close the Note.

Section 4.2 Ordinance a Contract. This 2021 Series Ordinance shall constitute a contract between the City and the State Authority, and shall be enforceable as such against the City.

Section 4.3 Effective Date. This 2021 Series Ordinance shall become effective upon enactment by the City Council.

Section 4.4 Continuing Disclosure. The City covenants to file with the State Authority and with a central repository for availability in the secondary bond market when requested:

- (a) an annual independent audit, within thirty days of City's receipt of the audit; and
- (b) event specific information within thirty (30) days of an event adversely affecting more than five percent of the revenues of the System.
- (c) In the event the City fails to comply with the requirements of this Section 4.4, the only remedy shall be an action of specific performance.

Section 4.5 Certain Changes. Upon the enactment of this 2021 Series Ordinance, it is assumed that the Note will be issued in calendar year 2021 and therefore, this Series Ordinance, the Note and certain funds hereunder have been designated as "2021." If the Note is issued in a year subsequent to 2021, then such designations will be subject to change so as to properly denote and describe the year of issuance for the Note.

[END OF ARTICLE IV]

DONE, RATIFIED AND ENACTED this 14th day of July 2021.

**CITY OF CAYCE, SOUTH
CAROLINA**

(SEAL)

By: _____
Mayor

Attest:

Municipal Clerk
City of Cayce, South Carolina

First Reading: June 16, 2021
Second Reading: July 14, 2021

EXHIBIT A

FORM OF LOAN AGREEMENT

LOAN AGREEMENT

between

SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY

and

CITY OF CAYCE

Dated

July __, 2021

relating to

Cayce Receiving Station Improvements

South Carolina Water Pollution Control Revolving Fund

Loan Number: X1-237-20-315-14

No. ___ of Two Executed Original Counterparts

6/11/21 Draft

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "*Agreement*") is entered into as of the ___ day of _____, 2021, between the SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, a public instrumentality of the State of South Carolina (the "*Authority*") and the CITY OF CAYCE, a municipal corporation of the State of South Carolina (the "*Project Sponsor*").

WITNESSETH:

WHEREAS, the Authority is authorized by Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the "*Act*") to administer the South Carolina Water Pollution Control Revolving Fund (the "*Fund*") for the purpose of assisting Project Sponsors (as defined in the Act) in the construction of, among other things, publicly owned treatment works as defined in the Federal Water Pollution Control Act, Chapter 26, Title 33, United States Code, as amended; and

WHEREAS, the South Carolina Department of Health and Environmental Control (the "*Department*") is authorized by the Act to, among other things, develop a priority system and prepare an annual plan to insure compliance with the Federal Water Pollution Control Act; and

WHEREAS, the Authority is authorized by the Act to enter into Loan Agreements (as defined in the Act) with Project Sponsors in order to finance Projects (as defined in the Act); and

WHEREAS, the Act authorizes Project Sponsors, among other things, to undertake Projects, to receive assistance in the financing of such Projects by way of loans made from the Fund and to enter into loan agreements providing for the repayment of amounts received from the Fund, together with interest thereon; and

WHEREAS, the Project Sponsor proposes to acquire and construct the facilities described in Appendix "A" hereto (the "*Project*"), which Project will be part of the Project Sponsor's water and sewer system (the "*System*"); and

WHEREAS, the Project Sponsor proposes to finance the Project with a loan made from the Fund, such loan to be pursuant to, and on a parity with debt previously issued under, an ordinance enacted by the Project Sponsor on February 2, 2016 entitled "A MASTER BOND ORDINANCE COLLAPSING AND TERMINATING AN AMENDED AND RESTATED INDENTURE OF TRUST IN ORDER TO PROVIDE FOR THE ISSUANCE AND SALE OF WATER AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF CAYCE, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" (the "*Master Bond Ordinance*");

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

ARTICLE I

LOAN

SECTION 1.1. Loan Made and Accepted; Repayment. In consideration of the mutual promises of this Agreement, and upon and subject to its terms and conditions, the Authority agrees to make, and the Project Sponsor agrees to accept, the loan herein provided for (the "**Loan**"). The obligation of the Project Sponsor to repay the Loan and interest thereon is evidenced by this Agreement and a promissory note (the "**Note**") registered in the name of the Authority. The amount of the Loan (the "**Loan Amount**"), the interest rate on the Loan and the repayment schedule with respect to the Loan (the "**Repayment Schedule**") shall be as set forth in Appendix "B" hereto, as may be changed or modified pursuant to Section 1.4 hereof; the terms and form of the Note are set out in Appendix "E". The Project Sponsor shall make payments with respect to the Loan at the times and in the amounts set forth in Appendix "B", as modified, on the due date of any such payment.

SECTION 1.2. Purpose Limited to Project. The Project Sponsor shall use the proceeds of the Loan only to pay the actual eligible costs of the Project. The Project is described in Appendix "A" and more specifically as approved in the Project files of the Department. Except to the extent otherwise approved in writing by the Authority, only the costs shown in the Project budget set forth in Appendix "A" shall be allowed and only in the amounts provided for each category. Costs of construction shall be allowed only for work called for in plans and specifications approved by the Department. Proceeds may not be used to pay for labor performed by employees of the Project Sponsor but may be used to pay for materials installed by them.

SECTION 1.3. Disbursements.

1.3.1. The Authority shall make and the Project Sponsor shall accept full or partial disbursements only against incurred, actual eligible costs up to the Loan Amount and by category as provided in this Agreement.

1.3.2. For purposes of making requests for disbursement and representing the Project Sponsor in all administrative matters pertaining to administration of this Agreement, the Project Sponsor shall designate a single officer or employee (the "**Sponsor Representative**") prior to the first disbursement request.

1.3.3. When the Project Sponsor has paid the incurred Project costs and is seeking reimbursement for payment of such costs previously paid by the Project Sponsor, or when the Project Sponsor is seeking funds with which to pay incurred Project costs, disbursement from the Fund shall be remitted to the Project Sponsor via a check or an electronic funds transfer based on how the Project Sponsor is set up with the State Treasurer's Office to receive payments.

1.3.4. Before any disbursement, the Project Sponsor shall execute any documents requested by the Authority reasonably necessary or convenient to the foregoing and shall have satisfied all conditions of Section 1.6 hereof.

1.3.5. Requests for disbursement may be made only after the costs for which the draw is requested have been incurred. The Project Sponsor may not request a disbursement until all construction contracts are signed. The first request for disbursement submitted by the Project Sponsor pursuant to this Agreement shall include an amount for incurred construction costs and all amounts requested by the Project Sponsor for payment or reimbursement of amounts set forth in any of the categories "Planning and Design Engineering", "Land Acquisition", and "Legal and Appraisal Fees" which appear in the Project Budget in Appendix "A" hereto. The Project Sponsor shall not request disbursement against retainage until retainage is paid and shall not request disbursement for change orders unless such change orders have been approved by the Department. Unless the Authority otherwise approves, when the Project budget indicates that the Loan shall bear only a portion of the eligible costs of the Project, or a portion of certain itemized costs, any draw shall not exceed the same proportion of such costs reported for disbursement.

1.3.6. Requests for disbursement shall be made on forms of the Department unless the Authority or Department otherwise directs, and shall be accompanied by such invoices and other proofs as the Authority and Department may reasonably require. The final disbursement shall not be released until the Department issues its approval to place the Project into operation (the "**Permit to Operate**"). No disbursement requests will be accepted more than one hundred eighty (180) days after the date of such Permit to Operate.

1.3.7. The Authority may require that each draw request be submitted to the Authority and Department at least twenty-one (21) days before the day disbursement is needed and may limit draw requests to one per month. The Authority will exert its best efforts to disburse funds in response to a draw request within twenty-one (21) days of receiving such request, but no assurance is given by the Authority that such schedule will be met and the Authority shall incur no liability to any Project Sponsor. Processing a disbursement on shorter notice or faster schedule shall not amend this provision.

SECTION 1.4. Changes in Payment Initiation Date, the Loan Amount and Repayment Schedule.

1.4.1. The Loan Amount has been determined, in part, upon the basis of the projected cost of the Project as shown in Appendix "A". The Payment Initiation Date shown in Appendix "B" (the "**Payment Initiation Date**") is determined by a combination of factors, including, but not limited to the expected Project schedule shown in Appendix "A". Appendix "B" shows the Repayment Schedule anticipated by the parties on this basis and provides for repayment of the Loan, including interest thereon, in one hundred twenty (120), quarterly payments beginning on the first day of the third month after the month of the Payment Initiation Date. The Loan Amount, the Payment Initiation Date and the Repayment Schedule may be changed but only as provided in the following Section 1.4.2. The Interest Rate is fixed

for the term of the Loan and may not be changed from the rate originally established in Appendix "B" hereof.

1.4.2. (a) At the written request of the Project Sponsor, submitted to the Authority no later than sixty (60) days prior to the original Payment Initiation Date in Appendix "B", the Payment Initiation Date may be extended once by the Authority to any date not later than the earlier to occur of (i) six (6) months from the original Payment Initiation Date in Appendix "B", or (ii) thirty (30) months from the first day of the month following the date of this Agreement, or (iii) the first day of the month following the date of the Permit to Operate issued by the Department for the operation of the Project.

(b) In the event the Permit to Operate the Project is issued by the Department more than one (1) month prior to the Payment Initiation Date stated in Appendix "B", the Authority may require that either the Payment Initiation Date be accelerated to the first day of the month following the date of the Permit to Operate, or the term of the Loan be shortened by a minimum of three (3) months.

(c) The Project Sponsor may request that the Loan Amount be increased by including in principal on the Payment Initiation Date the interest which has accrued on amounts theretofore advanced from the Fund. Any such request shall be submitted in writing to the Authority by the Project Sponsor not less than thirty (30) days prior to the Payment Initiation Date.

(d) The Authority or the Project Sponsor may initiate a reduction to the Loan Amount at any time there is a determination that a lesser amount is required for completion of the Project.

(e) The initial Repayment Schedule with respect to the Loan set forth in Appendix "B" shall be modified to reflect (i) changes in the Loan Amount, (ii) extension or acceleration of the Payment Initiation Date, and (iii) any other modification thereto agreed to by the Authority and the Project Sponsor.

(f) Modification of the Repayment Schedule resulting from a change in the Loan Amount subsequent to the Payment Initiation Date shall be made such that:

(i) at the time of final disbursement pursuant to Section 1.3 the Authority shall determine the final Loan Amount;

(ii) a revised Repayment Schedule shall be calculated by the Authority based on the final Loan Amount, the interest rate set forth in Appendix "B" and payment in one hundred twenty (120) quarterly installments beginning on the first day of the third month after the month of the Payment Initiation Date; and

(iii) any difference between the amount theretofore paid by the Project Sponsor prior to the revision of the Repayment Schedule and the amount which would have been paid had the revised schedule been in effect from and after the Payment Initiation Date shall be credited against the next payment, or payments, due under the revised Repayment Schedule.

(g) For purposes of the Repayment Schedule, any amounts disbursed subsequent to the Payment Initiation Date shall be considered to have been advanced on the Payment Initiation Date.

1.4.3. Any change in the Loan Amount, extension or acceleration of the Payment Initiation Date or modification of the Repayment Schedule shall be documented administratively by notice under this Agreement and shall be reflected in the substitution of a revised Appendix "B" hereto reflecting any such change or modification. In connection with any such change or modification, the Authority may, but need not, impose new terms and conditions, including cancellation of the Note and execution of a new Note.

SECTION 1.5. Deadline for Borrowing and Termination of Promise to Lend. The Authority, in its sole discretion, may terminate its promise to lend all of, or any unadvanced portion of, the Loan Amount which has not been advanced if:

1.5.1. The Project Sponsor has not entered into all construction contracts applicable to the Project within six (6) months of the date of this Agreement; or

1.5.2. The Project Sponsor does not request disbursement of the unborrowed balance of the Loan Amount on or before the one hundred eightieth (180th) day following the date of the Permit to Operate issued by the Department for the Project; or

1.5.3. An Event of Default (as defined in Section 5.1 hereof) occurs (in which event the remedies for default likewise shall be available); or

1.5.4. A circumstance arises or becomes known which, in the Authority's sole discretion and opinion, (a) substantially impairs the ability of the Project Sponsor to complete the Project, to operate the Project or to repay the Loan, or (b) substantially impairs the merit of the Project.

SECTION 1.6. Conditions Precedent to Disbursement of Loan Proceeds. In addition to any other conditions herein provided, the Authority's obligation hereunder to make disbursements from the Fund for advances on the Loan shall be subject to satisfaction of the following conditions:

1.6.1. The Project Sponsor's representations and warranties shall remain true and correct;

1.6.2. No Event of Default shall have occurred under this Agreement or the Note;

1.6.3. The Project Sponsor has complied with the requirements of Sections 1.3, 1.4 and 1.5;
and

1.6.4. There shall be on deposit in any debt service reserve fund required by this Agreement the amount required at such time to be on deposit therein.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

The Project Sponsor represents and warrants to the Authority as follows:

SECTION 2.1. Status of Project Sponsor. The Project Sponsor is a municipal corporation of the State of South Carolina (the "*State*"), authorized to acquire and construct the Project and to operate the Project and provide wastewater treatment services.

SECTION 2.2. Financial Statements. The financial statements of the Project Sponsor delivered to the Authority are true and correct in all respects, have been prepared in accordance with generally accepted accounting principles for units of government, consistently applied, and fairly present the respective financial condition of the subjects thereof as of the respective dates thereof. No material adverse change has occurred in the financial conditions reflected in the statements since their date and no additional borrowing has been made by the Project Sponsor since then other than borrowing specifically disclosed and approved by the Authority. All other information submitted by the Project Sponsor in support of its application for this Loan is true and correct as of the date of this Agreement, and no material adverse change with respect to the Project Sponsor has occurred.

SECTION 2.3. Pending Litigation. There are no actions, suits or proceedings, at law or in equity, in court or before any governmental or administrative agency, either pending or to the knowledge of the Project Sponsor reasonably to be considered threatened, which may impair the validity or enforceability of the Note or this Agreement or the Project Sponsor's ability to repay the Loan or to construct and operate the Project for revenue.

SECTION 2.4. No Conflicting Transactions. Consummation of the transactions hereby contemplated and performance of this Agreement will not result in any breach of, or constitute a default under, any deed to secure debt, mortgage, deed of trust, indenture, security agreement, lease, bank loan or credit agreement, municipal charter, ordinances, contracts or other instruments to which the Project Sponsor is a party or by which it may be bound or affected.

SECTION 2.5. Ownership of Premises. The Project Sponsor owns in fee simple the real property which presently constitutes or which will constitute the main operating facilities of the Project and of the System as a whole, and further owns in fee simple or by sufficient easement the real property upon, across or under which the Project Sponsor has or will have its collection or trunk lines, manholes, pump stations and the like, including those to be a part of the Project and otherwise. Property of which the Project Sponsor has taken possession pursuant to Section 28-2-90 of the South Carolina Eminent Domain Procedure Act (Title 28, Chapter 2, Code of Laws of South Carolina, 1976, as amended), and in connection with which no action pursuant to Section 28-2-470 of such statute has been instituted within thirty (30) days of the condemnation notice with respect to such property, shall be deemed owned in fee simple by the Project Sponsor pursuant to this Section 2.5. The Project Sponsor has good record title to

the real property described above (or has possession pursuant to the Eminent Domain Procedure Act, as described above) with only such exceptions of record as do not limit the fee simple ownership and do not and will not interfere with the full use and enjoyment of the premises by the Project Sponsor. With respect to the personal property and fixtures of the Project Sponsor necessary or convenient to the System and its operation, and excepting certain permitted capital leases secured by such equipment as collateral, there are no liens or other claims of record against such property or other evidence of adverse ownership, and the Project Sponsor owns such personal property and fixtures in fee simple without conflicting claim of ownership.

SECTION 2.6. Other Project Arrangements. The Project Sponsor has secured the utilities, access, governmental approvals and other arrangements reasonably to be considered necessary for the undertaking of the Project.

SECTION 2.7. No Construction Default. Neither the Project Sponsor nor its contractor, architect or engineer for the Project or any related project is in default of any agreement respecting the Project or a related project.

SECTION 2.8. No Default. There is no default on the part of the Project Sponsor under this Agreement or the Note, and no event has occurred and is continuing, which, with notice or the passage of time would constitute a default under any part of this Agreement or the Note.

SECTION 2.9. Effect of Draw Request. Each request for and acceptance of disbursement by the Project Sponsor shall be affirmation that the representations and warranties of this Agreement remain true and correct as of the date of the request and acceptance, that no breach of other provisions hereof has occurred, and that no adverse developments affecting the financial condition of the Project Sponsor or its ability to complete the Project or to repay the Loan plus interest thereon have occurred since the date of this Agreement unless specifically disclosed in writing by the Project Sponsor in the request for disbursement. Unless the Authority is notified to the contrary, such affirmations shall continue thereafter.

ARTICLE III

COVENANTS

SECTION 3.1. Contract Award, Construction Inspection and Completion.

3.1.1 The Project Sponsor should not execute construction contracts or issue the notice to proceed with respect to the Project prior to receiving written approval from the Department to award construction contracts.

3.1.2 The Project Sponsor shall provide and maintain competent and adequate engineering supervision and continuous inspection of the Project to insure that the construction conforms with the plans and specifications approved by the Department. A monthly inspection report shall accompany each disbursement request.

3.1.3 The Project Sponsor shall cause the Scope of Work identified in Appendix "A" to be completed pursuant to the Project Schedule also defined in Appendix "A" hereto. The Project Sponsor shall require all contractors to satisfactorily complete all work within the time stated in the executed construction contract. Extension of any contract completion date requires the Department's approval. Any costs incurred as a result of a time extension which has not received approval by the Department shall not be eligible for Loan participation.

3.1.4 The Project Sponsor shall pay all costs to complete the Project not covered by the Loan and commits itself to complete the construction of the operable treatment works and to complete the treatment system of which this Project is a part.

SECTION 3.2. Disbursements. The Project Sponsor shall receive and promptly disburse the funds to be provided hereunder as trust funds for the purpose of paying the eligible costs of the Project and for no other purpose.

SECTION 3.3. Release of Responsibility. The Project Sponsor shall undertake the Project on its own responsibility and, to the extent permitted by law, shall release and hold harmless the Authority, the Department, the State and their officers, members and employees from any claim arising in connection with the design, construction or operation of the Project or any other aspect of the System including any matter due solely to their negligence.

SECTION 3.4. Other Agreements. The Project Sponsor shall comply with all terms and conditions of any construction contracts, architectural or engineering agreements, trust indentures, security deeds, promissory notes, loan agreements, or the like affecting the Project, the premises of the System and its operation. The Project Sponsor shall require its construction contractor to furnish both a performance bond and payment bond in the full amount of the construction contract. The requirement of such bonds shall be for the convenience of the Authority only and shall not be an undertaking by the Authority to the Project Sponsor or any third party.

SECTION 3.5. Accounting and Auditing.

3.5.1. Accounting. The Project Sponsor shall account for the Project and System in accordance with generally accepted accounting principles (GAAP), including financial, statistical, property, and supporting documentation. All accounting records shall be kept using GAAP accounting, and applying all relevant Government Accounting Standards Board (GASB) pronouncements, including GASB Statement No. 34 relating to the reporting of infrastructure assets. When applicable, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989 shall be applied unless those pronouncements conflict with or contradict subsequent GASB pronouncements.

3.5.2. Audit. Within six (6) months of the end of each fiscal year of the Project Sponsor, the Project Sponsor shall tender to the Authority an annual financial audit by a certified public accountant. The conduct of the audit and the audit shall be in accordance with Generally Accepted Auditing Standards as defined in Government Auditing Standards, Comptroller General of the United States, December 1, 2011, and revisions, updates or successors thereto.

SECTION 3.6. Ratings from Rating Agencies. If the Reserve Requirement, as defined in Section 4.2.1 herein, is initially, or at any time during the term of the Loan, set at a level that is less than the maximum amount due on the Note during any full calendar year, the Project Sponsor shall submit to the Authority a copy of its latest long-term, unenhanced underlying rating, affirmation thereof, and any new or updated credit report on the System and/or any Parity Debt, as defined in Section 4.3.2 herein, from S&P Global Ratings, or its respective successors and assigns, ("**S&P**") or Moody's Investors Service, Inc., or its respective successors and assigns, ("**Moody's**"), and from each, if both S&P and Moody's issued ratings. Additionally, the Project Sponsor shall immediately notify, and submit to, the Authority any commentaries, updated outlooks/reports, CreditWatch placements, ratings changes or downgrades, or other actions from S&P and/or Moody's with respect to the System and/or any Parity Debt.

SECTION 3.7. Insurance. The Project Sponsor covenants and agrees that so long as any amount remains unpaid on the Note:

(A) It will insure and at all times keep the Project insured against physical loss or damage with a responsible insurance company or companies, authorized and qualified under the laws of the State, to assume the risks insured against, in an amount equal to the replacement cost of the Project;

(B) It will secure adequate fidelity bonds (blanket or individual) of a surety company doing business in the State, indemnifying the Project Sponsor against defalcation of all persons handling money derived from the System or signing checks on any bank accounts relating to the System;

(C) All insurance policies shall be open to the inspection of the Authority at any reasonable time; and

(D) All money received by the Project Sponsor as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund depleted by the defalcation. All sums received by

the Project Sponsor from insurance policies covering the Project may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but, in the event that such money is not used for such purposes, then the same shall be deposited in the Depreciation and Contingent Fund.

SECTION 3.8. Compliance with Governmental Authority. The Project Sponsor shall comply with all environmental laws, rules and other provisions of legal force and effect and all such other provisions which govern the construction or operation of the Project or the System.

SECTION 3.9. Adequate Rates. The Project Sponsor shall at all times establish and maintain in effect rates and charges for the services provided by, or made available by, the Project and the System as shall be sufficient to meet the requirements of this Agreement, and the Project Sponsor specifically covenants and agrees to maintain rates and charges for all services furnished by the System which shall at all times be sufficient:

3.9.1. To provide for the punctual payment of the principal of and interest on the Note and any other indebtedness of the Project Sponsor payable from revenues of the System that may from time to time hereafter be outstanding;

3.9.2. To maintain any Debt Service Reserve Fund required by this Agreement in accordance with the provisions hereof and the Master Bond Ordinance;

3.9.3. To provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as may be necessary to preserve the same in good repair and working order;

3.9.4. To build and maintain a reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order; and

3.9.5. To discharge all other obligations imposed by the Act, by this Agreement and by the Master Bond Ordinance.

The Project Sponsor further covenants and agrees that it shall at all times establish and maintain in effect rates and charges for the services provided by, or made available by, the Project and the System which, together with other income, are reasonably expected to yield annual Net Earnings, as defined in the Master Bond Ordinance, in any fiscal year equal to the greater of (i) one hundred ten percent (110%) of the annual principal and interest on all debt paid from or secured by revenues of the System; or (ii) such other percentage of the annual principal and interest on all debt secured by revenues of the System as the Project Sponsor shall have covenanted that its Net Earnings would meet with respect to other outstanding indebtedness of the System.

SECTION 3.10. Review of Rates. The Project Sponsor covenants that, so long as any amount remains unpaid on the Note, it will review the adequacy of its rates and charges to comply with the requirements of this Agreement promptly upon any material changes in circumstances, but not less

frequently than once in each fiscal year of the Project Sponsor. The Project Sponsor shall submit any adjustments to its rates and charges to the Authority immediately upon adoption.

SECTION 3.11. Disclosure of Events to Authority. The Project Sponsor covenants that, so long as any amount remains unpaid on the Note, it will submit to the Authority event specific information within thirty (30) days of an event adversely affecting more than five (5) percent of revenues of the System and any other information which is otherwise required to be released to a municipal bond information repository service. Failure to timely submit such information shall not be deemed an Event of Default under the Master Bond Ordinance or this Loan Agreement.

SECTION 3.12. Procurement Requirements. The Project Sponsor shall comply with all procurement requirements of law and, to the extent compliance therewith does not contravene any provision of law applicable to the Project Sponsor, shall comply with the procurement requirements set forth in Appendix "C" hereto.

SECTION 3.13. Inspection and Information. On reasonable notice, the Authority or the Department shall have for its own convenience and benefit, and without obligation to the Project Sponsor or any third party, the right to audit the books and records of the Project Sponsor as they may pertain to or affect the System and this Agreement and to enter upon the premises to inspect the Project. The Project Sponsor shall cause its architects, engineers, contractors, and auditors to cooperate during such inspections including making available any documents, records, reports or other materials pertinent to the Project and the inspection. The Project Sponsor shall comply with all reasonable requests by the Authority or the Department for information pertaining to the Project Sponsor's compliance with this Agreement.

SECTION 3.14. Consent to Changes. Without consent of the Authority and Department, the Project Sponsor shall make no modifications or changes to the Project, or allow to continue any defect, which would damage or reduce the value of the Project or the System. The Project Sponsor shall not divide the Project into component projects in order or in effect, so as to defeat the provisions of this Agreement. The Project Sponsor covenants that it shall remain the owner of the Project and agrees that it will not convey, transfer, mortgage or otherwise encumber the Project, the System or the revenues derived therefrom during the term of this Agreement without the express prior written approval of the Authority.

SECTION 3.15. Additional Covenants. The Project Sponsor further covenants and agrees that:

3.15.1. Neither the System, nor any part thereof, nor any of the revenues derived from the System, have been or will be hypothecated, mortgaged, otherwise pledged or encumbered, save and except as herein disclosed and provided for;

3.15.2. It will permit no free service to be rendered, or use to be made of the services and facilities of the System and for the services and facilities of the System used by the Project Sponsor, the reasonable cost and value of such services and facilities shall be paid as such services accrue. The revenue so received from the Project Sponsor shall be deemed revenue derived from the operation of the System, and shall be accounted for in the same manner as other revenues of the System;

3.15.3. It will permit no customer to be connected to the System, or to receive any service afforded by the System, unless such customer shall become obligated to pay for the service rendered at the appropriate rate according to the rate schedule then in force;

3.15.4. It will maintain in effect rules and regulations requiring connection to the System by all persons within the jurisdiction of the Project Sponsor to whom the services of the System shall be available and shall impose availability fees and charges with respect to customers and properties within its corporate limits to which or whom service is available but which or who have not connected into the System; and

3.15.5. So long as any amount due with respect to the Note is unpaid, it will perform all duties with reference to the System required by the Constitution and statutes of the State, and the Project Sponsor hereby irrevocably covenants, binds and obligates itself not to pledge, mortgage or otherwise encumber the System or any part thereof, or any revenues therefrom, except in the manner herein authorized, and, except as permitted by the Master Bond Ordinance, it will not sell, lease or dispose of any portion of the System, necessary or useful, and the Project Sponsor further obligates itself and covenants and agrees with the Authority to maintain in good condition and to operate said System, and to collect and charge such rates for the services and facilities of the System so that the income and revenues of the System will be sufficient at all times to meet the requirements of this Agreement.

ARTICLE IV
ESTABLISHMENT OF FUNDS AND
DISPOSITION OF REVENUES

SECTION 4.1. Establishment of Gross Revenue Fund, 2021 Debt Service Fund Account, Operation and Maintenance Fund, and Depreciation and Contingent Fund. Beginning on the first day of the month following the delivery of the Note, except with respect to the 2021 Debt Service Fund Account, and continuing until all amounts due with respect to the Note have been paid in full, the following funds shall be established and maintained:

4.1.1. The Project Sponsor shall establish a Gross Revenue Fund, into which shall be placed all receipts, income and revenue that the Project Sponsor shall derive, directly or indirectly, from the ownership of the System. Moneys in the Gross Revenue Fund may be withdrawn on order of the Project Sponsor, but shall be made use of only in the manner and in the order of priority specified in Section 4.3 hereof.

4.1.2. Beginning in the month of the Payment Initiation Date, the Project Sponsor shall provide for the establishment of a Series 2021 Debt Service Fund Account (the "**2021 Debt Service Account**") within the Debt Service Fund established pursuant to the Master Bond Ordinance as a means of providing for the payment of the principal and interest on the Note as the same shall fall due. Moneys in the 2021 Debt Service Account shall be used solely to pay the principal of and interest on the Note, and for no other purpose.

4.1.3. The Project Sponsor shall establish an Operation and Maintenance Fund in order to provide for the payment of all expenses incurred in connection with the administration and operation of the System, and such expenses as may be reasonably necessary to preserve the System in good repair and working order.

4.1.4. The Project Sponsor shall establish a Depreciation and Contingent Fund in order to provide a reasonable reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions of the System. Money in this fund shall be used solely for the purpose of restoring depreciated or obsolete items of the System; for improvements, betterments and extensions to the System, other than for those things which are reasonably necessary to maintain the System in good repair and working order; to defray the cost of unforeseen contingencies and extraordinary repairs to the System; to prevent defaults in the Note, Parity Debt and Junior Lien Bonds (as defined in the Master Bond Ordinance); and for optional redemption of the Note, Parity Debt, or Junior Lien Bonds.

4.1.5. In the event the Project Sponsor shall have established funds analogous to, or serving the purpose of, the funds required to be established by this Article IV, such funds may be continued and employed for the purposes of this Agreement, and the Project Sponsor shall not be required to establish duplicate funds.

SECTION 4.2. Establishment and Funding of Debt Service Reserve Fund.

4.2.1. Based on the Project Sponsor's receipt of a long-term underlying rating on the System and/or any Parity Debt in at least the "A" category from S&P or Moody's respectively, and from each, if both S&P and Moody's issued ratings, and the submission of such with its Loan application to the Authority, the Debt Service Reserve Fund requirement with respect to the Note (the "**Reserve Requirement**") shall initially equal zero and shall continue to be zero subject to provisions of the following Section 4.2.2. At such time as the Reserve Requirement is greater than zero as provided in Section 4.2.2, the Project Sponsor shall fund a Series 2021 Debt Service Reserve Fund (the "**Debt Service Reserve Fund**") to provide a reserve for payment of principal of and interest on the Note.

4.2.2. (a) The Reserve Requirement shall continue to be zero if the Project Sponsor fully complies with all requirements of Section 3.6 herein for submitting S&P/Moody's ratings/affirmations/credit reports and for immediately providing any other rating agency actions related to the System and/or any Parity Debt, and all such ratings are maintained in at least the "A" category.

(b) If there is no longer any current rating or if either the S&P or Moody's rating is downgraded below the "A" category, the Reserve Requirement shall immediately increase to the maximum annual amount due on the Note, and the Project Sponsor shall meet the new requirement within one year through twelve (12) equal monthly deposits, beginning in the month following any such downgrade or loss of the rating for the System and/or any Parity Debt.

(c) In the event the Reserve Requirement is ever increased as provided in Section 4.2.2(b) above due to a ratings downgrade or loss and the credit rating is subsequently upgraded to the level established in Section 4.2.2(a), then the Reserve Requirement shall revert to zero and any excess money in the Debt Service Reserve Fund shall be applied as provided in Section 4.4.3 hereof.

4.2.3. The Debt Service Reserve Fund is intended to insure the timely payment of the principal of and interest on the Note. Money in the Debt Service Reserve Fund shall be used only to prevent a default in the payment of the Note, by reason of the fact that money in the 2021 Debt Service Account is insufficient for such purposes.

4.2.4. Prior to the delivery of this Agreement to the Authority, the Project Sponsor shall deposit, or cause to be deposited, in the Debt Service Reserve Fund, if required to be funded pursuant to Section 4.2.1, funds in an amount, or investments permitted by Section 4.4.3 having a value, equal to the Reserve Requirement. In the event that the Reserve Requirement shall increase due to an increase in the Loan Amount pursuant to Section 1.4.2(c), the Project Sponsor shall immediately deposit, or cause to be deposited, in the Debt Service Reserve Fund, if required to be funded pursuant to Section 4.2.2, funds in an amount equal to such increase in the Reserve Requirement.

SECTION 4.3. Disposition of Revenues. All revenues derived from the operation of the System shall be deposited in the Gross Revenue Fund. Beginning in the month following the delivery of this Agreement with respect to payments pursuant to Sections 4.3.1 and 4.3.3 to 4.3.7, inclusive, and

beginning in the month of the Payment Initiation Date with respect to payments pursuant to Section 4.3.2, withdrawals from the Gross Revenue Fund shall be made on or before the last Business Day (as defined in the Master Bond Ordinance) prior to the end of each month in the following order of priority:

4.3.1. There shall be deposited into the Operation and Maintenance Fund that sum which has been currently determined by the Project Sponsor to be the cost of operating and maintaining the System for the next ensuing month.

4.3.2. The monthly fraction of the next payment of principal and interest to become due on the Note on the next succeeding payment date shall be deposited in the 2021 Debt Service Account. Simultaneously with making the monthly deposit in the 2021 Debt Service Account required by this Section 4.3.2, the Project Sponsor shall deposit in the Debt Service Fund (a) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's September 11, 2002 promissory note to the Authority from the Fund relating to loan number 1-084-02-315-10 (the "**2002 Revenue Bond**"); (b) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's Water and Sewer System Refunding Revenue Bonds (Taxable), Series 2016A (the "**2016A Revenue Bonds**"); (c) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's Water and Sewer System Refunding Revenue Bonds, Series 2016B (the "**2016B Revenue Bonds**"); (d) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's February 9, 2017 promissory note to the Authority from the South Carolina Drinking Water Revolving Fund relating to loan number 3-075-16-3210003-02 (the "**2017 Revenue Bond**"); (e) the monthly fraction of the next payment of principal and interest to become due on the Project Sponsor's Water and Sewer System Refunding Revenue Bonds, Series 2020 (the "**2020 Revenue Bonds**"); (f) the monthly fraction or fractions of the next payment or payments due with respect to any obligations of the Project Sponsor (the "**Obligations**") secured by a pledge of revenues on a parity with the pledge securing the Note, the 2002 Revenue Bond, the 2016A Revenue Bonds, the 2016B Revenue Bonds, the 2017 Revenue Bond, and the 2020 Revenue Bonds. The 2002 Revenue Bond, the 2016A Revenue Bonds, the 2016B Revenue Bonds, the 2017 Revenue Bond, the 2020 Revenue Bonds and the Obligations are hereinafter sometimes referred to as "**Parity Debt**". In the event amounts available for payments into the 2021 Debt Service Account and other debt service accounts in the Debt Service Fund with respect to the Note and all Parity Debt are not sufficient to make all payments then required to be made, such available amounts shall be deposited into the 2021 Debt Service Account and other debt service accounts in the Debt Service Fund on a pro rata basis.

4.3.3. (a) In the event any amounts shall be withdrawn from the Debt Service Reserve Fund in order to provide for payment of any amounts due with respect to the Note, there shall be deposited in the Debt Service Reserve Fund not less than one-twelfth (1/12) of the amount of any such withdrawal and such deposits with respect to any such withdrawal shall begin in the month following such withdrawal and shall continue in each month thereafter until the amount on deposit in the Debt Service Reserve Fund shall equal at least the Reserve Requirement.

(b) In the event the Reserve Requirement for the Debt Service Reserve Fund is increased pursuant to any provision of Section 4.2.2 herein, there shall be deposited in the Debt Service Reserve Fund not less than one-twelfth (1/12) of the amount necessary to fully meet the Reserve Requirement, and such deposits shall begin in the month following a ratings downgrade or loss and shall continue in each month thereafter until the amount on deposit in the Debt Service Reserve Fund shall equal such increased Reserve Requirement.

(c) If the value of the Debt Service Reserve Fund is ever less than the Reserve Requirement, other than as provided in (a) or (b) above, or as provided in Section 4.2.4 with respect to any increase in the Loan Amount, there shall be deposited in the Debt Service Reserve Fund not less than one-fourth (1/4) of an amount equal to the total Reserve Requirement deficiency, beginning in the month following such a determination. Such deposits shall continue to be made until the amount on deposit in the Debt Service Reserve Fund shall equal at least the Reserve Requirement.

(d) Nothing in this Section 4.3.3 (a), (b) or (c) shall preclude the Project Sponsor from fully funding the Reserve Requirement in a more timely fashion than so prescribed.

4.3.4. If, in any month, for any reason, the Project Sponsor shall fail to pay all or any part of the money it has herein agreed to pay into said 2021 Debt Service Account or Debt Service Reserve Fund, the amount of any such deficiency shall be added to and shall become a part of the amount due and payable into said 2021 Debt Service Account or Debt Service Reserve Fund in the next succeeding month.

4.3.5. Provision shall then be made for the payment of interest and any fees or penalties on amounts advanced by the provider of any surety bond, line of credit, letter of credit or insurance policy as contemplated in Section 7.05(D) of the Master Bond Ordinance.

4.3.6. Provision shall then be made for the payment of any other indebtedness which is junior and subordinate to the Note and Parity Debt in the order of priority contemplated by the proceedings authorizing their issuance.

4.3.7. There shall be deposited in the Depreciation and Contingent Fund that sum which is one-twelfth (1/12) of the sum determined by the Project Sponsor to be needed for the Depreciation and Contingent Fund for the then current fiscal year.

4.3.8. Any revenues remaining after the foregoing deposits have been made shall be disposed of for any lawful purpose in such manner as the Project Sponsor shall from time to time determine.

SECTION 4.4. Concerning the 2021 Debt Service Account and the Debt Service Reserve Fund.

The 2021 Debt Service Account created pursuant to Section 4.1.2 hereof and the Debt Service Reserve Fund created pursuant to Section 4.2 hereof, shall be established with a bank whose deposits are insured by the Federal Deposit Insurance Corporation (the "*Trustee*") chosen by the Project Sponsor with the written approval of the Authority. The 2021 Debt Service Account and the Debt Service Reserve Fund, if required to be funded, shall be held and administered by the Trustee in accordance with the provisions of the Master Bond Ordinance and the following provisions of this Section 4.4. The Trustee shall

acknowledge and accept its duties and responsibilities with respect to the 2021 Debt Service Account and the Debt Service Reserve Fund, if funded, in one or more written instruments delivered to the Authority with this Agreement.

4.4.1. The Trustee shall notify the Authority in writing of the date of the establishment of the 2021 Debt Service Account and the Debt Service Reserve Fund, and the initial amount deposited in each, as required. If the Project Sponsor fails to deposit the amount required by this Agreement in either fund at the time required for such deposit, the Trustee, no later than the fifth day after the date on which such deposit is to be made, shall provide written notification to the Project Sponsor, with a copy to the Authority, of the amount required for deposit into the 2021 Debt Service Account or the Debt Service Reserve Fund pursuant to the provisions of this Agreement. If the Reserve Requirement is greater than zero, the Trustee shall also verify balances in the Debt Service Reserve Fund, as requested by the Authority, but no less often than semiannually during any period of monthly deposits and no less often than annually when the full Reserve Requirement is met and maintained.

4.4.2. From sums deposited in the 2021 Debt Service Account by the Project Sponsor, the Trustee shall transmit to the Authority an electronic funds transfer or a check made payable to "Office of Local Government - SRF" in the amount, and at the times, required by the Agreement and Note. If insufficient sums exist in the 2021 Debt Service Account for any payment then due and the Reserve Requirement is zero, the Trustee shall immediately notify the Project Sponsor of the amount to be transmitted to the Trustee for the payment then due. If insufficient sums exist in the 2021 Debt Service Account for any payment then due and the Reserve Requirement is greater than zero, the Trustee shall transfer the amount needed for payment from the Debt Service Reserve Fund and the Trustee shall notify the Project Sponsor of the amounts required to be deposited in the Debt Service Reserve Fund in order to replenish such a withdrawal and have on deposit therein the amount required by this Agreement. A copy of any such notice shall be provided to the Authority by the Trustee.

4.4.3. Pending disbursement pursuant to this Section 4.4, any money in the Debt Service Reserve Fund shall be invested and reinvested in Authorized Investments, as defined in the Master Bond Ordinance. Subject to the remaining provisions of this Section 4.4.3, the earnings from such investments shall be added to and become a part of the Debt Service Reserve Fund. Whenever, and as of any date of calculation, the value of the securities and money in the Debt Service Reserve Fund shall exceed the Reserve Requirement, such excess shall, at the direction of the Project Sponsor, either be used to effect partial prepayment of the Note, or shall be removed from the Debt Service Reserve Fund and transferred into the 2021 Debt Service Account or the Gross Revenue Fund.

4.4.4. Upon payment in full of all amounts due with respect to the Note, which payment shall be evidenced to the Trustee in writing by the Authority, the Trustee shall pay over all amounts remaining in the 2021 Debt Service Account and the Debt Service Reserve Fund, if funded, to the Project Sponsor upon the receipt of written directions from the Project Sponsor and the Trustee shall thereafter have no further responsibilities under this Agreement.

ARTICLE V
EVENTS OF DEFAULT

SECTION 5.1. Events of Default. The following occurrences shall constitute Events of Default hereunder:

(A) The Project Sponsor fails to comply with any of the covenants, terms and conditions made in this Agreement or the Master Bond Ordinance as provided at Section 13.01 therein;

(B) The Project Sponsor fails to pay any amount due on the Note at the time and in the manner provided in the Note and this Agreement;

(C) Any representation, warranty or statement made by the Project Sponsor in this Agreement or in connection with it or the Loan shall be or become untrue, incorrect or misleading in any material respect;

(D) The Project Sponsor makes an assignment for benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, petitions for appointment of a receiver or trustee for any substantial part of its property or is the subject of such a petition or commences or has commenced against it or its property (a) any similar proceeding under any bankruptcy law or other debtor-relief or similar law or (b) any foreclosure of any mortgage or similar implementation of a trust indenture or like instrument;

(E) Dissolution of the existence of the Project Sponsor;

(F) Construction of the Project is not carried out with reasonable dispatch, ceases and is not resumed for forty-five (45) days or is abandoned; and

(G) The Authority reasonably suspects the occurrence of any default or Event of Default by the Project Sponsor, and following request by the Authority, the Project Sponsor fails to provide evidence reasonably satisfactory to the Authority that such default or Event of Default has not in fact occurred.

ARTICLE VI

REMEDIES

SECTION 6.1. Acceleration. Upon the occurrence of an Event of Default the principal balance of the Note may be declared immediately due and payable in the manner prescribed by and in accordance with the terms of the Master Bond Ordinance; and such amount and all interest accrued thereon shall become and be immediately due and payable, anything in the Note or in this Agreement to the contrary notwithstanding. In such event, there shall be due and payable on the Note an amount equal to the total principal amount disbursed on the Note, plus all interest accrued thereon and which will accrue thereon to the date of payment.

SECTION 6.2. Additional Remedies and Enforcement of Remedies. Upon the occurrence and continuance of any Event of Default, and subject to the limitations of the Master Bond Ordinance, the Authority may proceed forthwith to protect and enforce its rights by such suits, actions or proceedings as the Authority shall deem expedient, including but not limited to:

(A) Requiring the Project Sponsor to carry out its duties and obligations under the terms of this Agreement and under the Act;

(B) Suit upon all or any part of the Note;

(C) Civil action to require the Project Sponsor to account as if it were the trustee of an express trust for the Authority;

(D) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority; and

(E) Enforcement of any other right of the Authority including the right to make application for the appointment of a receiver to administer and operate the System.

SECTION 6.3. Remedies Not Exclusive. No remedy by the terms of this Agreement conferred upon or reserved to the Authority is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or existing at law or in equity or by statute (including the Act) on or after the date hereof.

SECTION 6.4. Termination of Proceedings. In case any proceeding taken by the Authority on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Authority, the Authority and the Project Sponsor shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Authority shall continue as if no such proceeding had been taken.

ARTICLE VII

SECURITY

SECTION 7.1. Pledge of Revenues. For the payment of the Note and as security for its other obligations under this Agreement, the Project Sponsor hereby grants to the Authority a pledge of, and lien upon the Net Revenues (as defined in the Master Bond Ordinance). Such pledge and lien upon the Net Revenues shall be on a parity in all respects to the pledge and lien securing any Parity Debt and shall at all times and in all respects be and remain superior to any pledges made to secure any other obligations of the Project Sponsor payable from the revenues of the System except to the extent otherwise agreed to in writing by the Authority. Additional Parity Debt may be issued only in compliance with Article IV of the Master Bond Ordinance or, if the Master Bond Ordinance is no longer in effect, only with the prior written approval of the Authority.

SECTION 7.2. Additional Security. Upon any failure of the Project Sponsor to make any payment to the Authority in accordance with the provisions of the Note and this Agreement, the Authority shall, without further action, require the State Treasurer to pay to the Authority, subject to the provisions of the Act, the amount of state appropriations as the Project Sponsor may become entitled to until all delinquent payments under the Note have been paid.

ARTICLE VIII

SPECIAL REVOLVING FUND PROVISIONS

SECTION 8.1. Compliance. The Project Sponsor agrees that no date reflected in this Agreement, or in the project completion schedule, or extension of any such date, shall modify any compliance date established in a National Pollutant Discharge Elimination System permit (the "*NPDES Permit*"). It is the Project Sponsor's obligation to request any required modification of applicable permit terms or other enforceable requirements.

SECTION 8.2. Standard Conditions. The Project Sponsor acknowledges and agrees to comply with the following Federal and/or State requirements:

(A) The Project Sponsor shall provide access to the Project work whenever it is in preparation or progress and provide proper facilities for access and inspection. The Project Sponsor shall allow the Regional Administrator of the Environmental Protection Agency, the Comptroller General of the United States, the Department and the Authority, or any authorized representative, to have access to any books, documents, plans, reports, papers, and other records of the contractor which are pertinent to the Project for the purpose of making audit, examination, excerpts, copies, and transcriptions.

(B) Pursuant to requirements of the Federal Water Pollution Control Act, as amended on June 10, 2014 (the "*Federal Act*"), the Project Sponsor shall comply with the Davis-Bacon Act and certify that all laborers and mechanics employed by prime contractors and subcontractors are paid wages at rates not less than those listed on the prevailing wage rate contained in the Project's contract documents and that all applicable provisions of the Davis-Bacon Act have been met. The Project Sponsor shall require the prime contractor to comply with the Davis-Bacon Act. See Attachment #1.

(C) The Project Sponsor shall not presently be debarred for noncompliance with Federal Law and shall not award contracts to any firm that is presently debarred for noncompliance with Federal Law where the contract amount equals or exceeds the federal small purchase procurement threshold.

(D) The Project shall comply with "American Iron and Steel" provisions, as set forth in the Federal Act and related American Iron and Steel implementation guidance, requiring that all of the iron and steel products used in the Project be produced in the United States unless a waiver is granted by the U.S. Environmental Protection Agency. The Project Sponsor shall require all bidders to comply with the American Iron and Steel provisions.

(E) Pursuant to requirements of Section 603(d)(1)(E) of the Federal Act, the Project Sponsor of a project involving the repair, replacement or expansion of a publicly owned treatment works shall develop and implement a fiscal sustainability plan ("*FSP*") or certify that it has developed and implemented such a plan. Sponsors with an existing and implemented FSP shall certify to that effect before the loan closing date. Sponsors developing an FSP must submit a certification that an FSP has been developed, and will be implemented, by the date of the final loan disbursement.

ARTICLE IX

GENERAL CONDITIONS

SECTION 9.1. No Waiver. No disbursements shall waive any provision of this Agreement or the Note or preclude the Authority from declaring a default if the Project Sponsor is unable to satisfy any such provisions or perform hereunder.

SECTION 9.2. Satisfactory Proceedings. All proceedings taken in connection with transactions provided for in this Agreement shall be satisfactory to the Authority.

SECTION 9.3. Evidence. Any condition of this Agreement which requires a submission of evidence of the existence or nonexistence of facts shall imply as a condition the existence or nonexistence, as the case may be, of such fact or facts, and the Authority shall, at all times, be free independently to establish to its satisfaction and in its absolute discretion such existence or nonexistence.

SECTION 9.4. No Beneficiaries. All conditions of the obligations of the Authority to make disbursements are imposed solely and exclusively for its benefit, its successors and assigns, and no other person shall have standing to require satisfaction of such conditions or to assume that the Authority will refuse to make disbursements in the absence of strict compliance. No person shall be deemed the beneficiary of any such conditions or any other provisions of this Agreement.

SECTION 9.5. Review and Inspection of Work. Any audit or review of plans and specifications and any inspection of the work shall be for the convenience of the Authority and Department only in order to determine that they are within the approved scope of the Project. No such review and inspection, approvals and disapprovals shall be an undertaking by the Authority or Department of responsibility for design or construction.

SECTION 9.6. Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified mail to the other party hereto, with instruction to show to whom delivered and return receipt requested addressed as follows:

If to the Authority:

City of Cayce
1800 12th Street
Cayce, South Carolina 29033-2935

Attention: City Manager

South Carolina Water Quality Revolving Fund
Authority
c/o Office of Local Government - SRF
South Carolina Rural Infrastructure Authority
1201 Main Street, Suite 1600
Columbia, South Carolina 29201
Attention: Patricia A. Comp

Each party may notify the other by the same process of any change of such address. Loan requests and disbursements and other routine loan administration may be conducted by regular mail.

SECTION 9.7. No Joint Venture, Etc. The Authority is not a partner, joint venturer, or in any other way a party to the Project or the operation of the System of the Project Sponsor. The Authority shall not be in any way liable or responsible by reason of the provisions hereof, to the Project Sponsor or any third party, for the payment of any claims in connection therewith.

SECTION 9.8. Assignment. This Agreement may not be assigned by the Project Sponsor without the prior written consent of the Authority. The Authority may assign the Note and this Agreement, and any such holder and assignee of same shall succeed to and be possessed of the same rights as the Authority under both to the extent so transferred or assigned.

SECTION 9.9. Entire Agreement. This Agreement and the Note contain the entire terms of this Agreement and transaction. They may not be changed, waived or discharged in whole or in part, except by written instrument executed by the party sought to be charged therewith.

SECTION 9.10. Continuity. This Agreement shall be binding upon the legal representatives, successors and assigns of each party and shall inure to their benefit; provided, however, that nothing herein said shall be deemed to limit any restriction on assignment impressed upon the Project Sponsor.

SECTION 9.11. South Carolina Contract. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 9.12. Limitations on Actions by Project Sponsor. No action shall be commenced by the Project Sponsor against the Authority for any claim under this Agreement unless notice thereof specifically setting forth the claim shall have been given to the Authority within thirty (30) days after the occurrence of the event or omission which the Project Sponsor alleges gave rise to such claim. Failure to give such notice shall constitute a waiver of any such claim. Liability of the Authority to the Project Sponsor for any breach of the terms of this Agreement shall not exceed a sum equal to the amount which the Authority shall have failed to disburse in consequence of a breach by the Authority of its obligations under this Agreement. Upon the making of any such payment by the Authority to the Project Sponsor, it shall be treated as a disbursement under this Agreement.

SECTION 9.13. Counterparts. This Agreement is executed in two counterparts, which are separately numbered, but each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

SECTION 9.14. Appendices. The appendices attached to this Agreement are a part of it.

SECTION 9.15. Special Conditions. The Statements of Special Conditions in Appendix "D" shall govern the matters they address.

SECTION 9.16. Time of Essence. Time is of the essence of this Agreement.

SECTION 9.17. Severability. If any provision of this Agreement, or any portion thereof, should be ruled void, invalid, unenforceable or contrary to public policy by any court of competent

jurisdiction, any remaining provisions of this Agreement shall survive and be applied, and together with the invalid or unenforceable portion shall be construed or reformed to preserve as much of the original words, terms, purpose and intent as shall be permitted by law.

IN WITNESS WHEREOF, the Project Sponsor and the Authority have caused these presents to be signed, sealed and delivered all as of the date hereof.

CITY OF CAYCE, SOUTH CAROLINA

(SEAL)

By: _____
Name: _____
Title: _____

Attest:

Its _____

SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY

By: _____
Bonnie Ammons, Director,
Office of Local Government,
South Carolina Rural Infrastructure Authority

SCOPE OF WORK

Project Sponsor: City of Cayce

Project Name: Cayce Receiving Station Improvements

Loan Number: X1-237-20-315-14

Construction of an additional septage/grease receiving bay and improvements to the existing receiving bay including the addition of a second belt filter press, conveyor systems, polymer feed equipment, piping and appurtenances. Also construction of a new septage/grease holding tank, pump station with related piping, valves, electrical and control systems and all other appurtenances.

PROJECT BUDGET

Project Sponsor: City of Cayce

Project Name: Cayce Receiving Station Improvements

Loan Number: X1-237-20-315-14

<u>ITEM</u>	<u>CWSRF LOAN</u>		<u>TOTAL ELIGIBLE COSTS</u>
	<u>20 years</u>	<u>30 years</u>	
Planning and Design Engineering	\$ 322,500		\$ 322,500
Legal and Appraisal Fees	35,000		35,000
Construction	2,211,100	1,029,500	3,240,600
Construction Contingency	221,110	102,950	324,600
Construction Inspection and Engineering	<u>164,500</u>	<u> </u>	<u>164,500</u>
Total	\$2,954,210	\$1,132,450	\$4,086,660

SUBJECT TO REVISION PRIOR TO CLOSING

PROJECT SCHEDULE

Project Sponsor: City of Cayce
Project Name: Cayce Receiving Station Improvements
Loan Number: X1-237-20-315-14

<u>ACTION</u>	<u>DATE</u>
Bid Opening	May 13, 2021
Contract Execution	August 16, 2021
Notice to Proceed	August 16, 2021
Start of Construction	August 31, 2021
DHEC Permit to Operate	September 25, 2022

REPAYMENT SCHEDULE

Project Sponsor: City of Cayce

Project Name: Cayce Receiving Station Improvements

Loan Number: X1-237-20-315-14

Loan Amount: \$ 4,086,660

Payment Initiation Date: October 1, 2022

Terms: \$2,954,210 at 1.80% for 20 years
\$1,132,450 at 2.20% for 30 years

First Payment Due Date: January 1, 2023

- (1) Prior to the Payment Initiation Date, amounts disbursed shall bear interest from the date of the Authority's check for each disbursement and accrued interest only shall be due on the Payment Initiation Date.
- (2) Repayment of the principal and interest shall be due in 120 installments, commencing on the first day of the third month after the month of the Payment Initiation Date and continuing quarterly on the first day of each third month thereafter.
- (3) Repayment shall be in 79 equal installments in the amount of Fifty-Six Thousand Nine Hundred Seventy-One and 13/100 Dollars (\$56,971.13) each, followed by one installment in the amount of Fifty-Six Thousand Nine Hundred Seventy-One and 45/100 Dollars (\$56,971.45), followed by 39 equal installments in the amount of Twelve Thousand Nine Hundred Sixteen and 44/100 (\$12,916.44), and one final installment in the amount of Twelve Thousand Nine Hundred Fifteen and 62/100 Dollars (\$12,915.62).

LOAN CLOSING FEE

Project Sponsor: City of Cayce

Project Name: Cayce Receiving Station Improvements

Loan Number: X1-237-20-315-14

Loan Amount: \$4,086,660

.35% Loan Closing Fee: 14,303

The Loan Closing Fee identified above shall be due and paid at the time of delivery of the Loan Agreement, Note and other required Loan closing documents. Such fee is not reimbursable through the Loan.

Project Sponsor: City of Cayce

Loan Number: X1-237-20-315-14

PROCUREMENT REQUIREMENTS

Recycled Funds

- I. Prior to construction contract award, the Project Sponsor shall:
 - A. Advertise the Project for a minimum of thirty (30) days in advance of bid opening using at least one of the following methods:
 - 1. Local newspapers of general circulation.
 - 2. Statewide or regional newspapers of general circulation.
 - 3. The South Carolina Business Opportunities (SCBO).
 - B. Modify bid documents only by written addenda, which require prior Department approval.
 - C. Hold a public bid opening.
 - D. Utilize competitive sealed construction bids.
 - E. Require at least a five percent (5%) bid bond or certified check.
 - F. Require one hundred percent (100%) payment and performance bonds.
 - G. Require the contractor, during construction, to provide fire, extended coverage, vandalism and malicious mischief insurance equal to the actual value of the insured property.
 - H. Follow, and require the prime contractor to follow, Davis-Bacon and Related Acts provisions.
 - I. Follow, and require the prime contractor to follow, American Iron and Steel Provisions.
 - J. If other funding sources are included which have stricter bidding requirements or if applicable Federal, State or local laws or ordinances have stricter requirements, these stricter requirements govern.
 - K. After bid opening, provide the Department with the following:
 - 1. Project Construction Summary For Recycled Projects (DHEC Form #1295).
 - 2. A certified copy of the advertisement with date(s) of publication.
 - 3. Detailed bid tabulation certified by Project Sponsor's engineer.
 - 4. Proposal of successful bidder(s).
 - 5. Bid bond with associated Power of Attorney.
 - 6. Engineer's award recommendation of low bidder(s) to Project Sponsor. If the award is recommended to other than the low bidder(s), provide justification for decision.
 - 7. Certified copy of Project Sponsor's tentative award resolution listing the proposed contractor(s) and contractor amount(s).
 - 8. Davis-Bacon wage rate(s) used in bidding the project.
 - 9. A copy of the proposed prime contractor's Bidders American Iron and Steel Certification (DHEC Form 2556).
 - 10. Certification Regarding Debarment, Suspension and Other Responsibility Matters (DHEC Form #3590) from the proposed prime contractor(s) and all subcontractors whose contract amount is expected to exceed \$25,000.

11. Project Inspection Designation Form (DHEC Form #2324), with all required attachments, indicating the selected method of providing continuous inspection during construction.
 - L. Receive Department approval to award the construction contract(s).
- II. Subsequent to construction contract award, the Project Sponsor shall submit the following to the Department as proof of compliance with procurement requirements:
- A. Executed contract documents.
 - B. Notice to Proceed.
 - C. Monthly Construction Inspection Reports.
 - D. Davis-Bacon Certification (DHEC Form #2557) with each draw request.
 - E. American Iron and Steel Certification (DHEC Form #0962) with each draw request.
- III. Subsequent to contract award, the Project Sponsor shall submit the following, for Department review and approval, on any proposed change orders:
- A. Need for the change.
 - B. Clear description of the change.
 - C. Cost and pricing data.
 - D. Documentation of negotiation.
 - E. For claims, information showing the claim did not result from the Project Sponsor's or contractor's mismanagement.

SPECIAL CONDITIONS

Project Sponsor: City of Cayce
Project Name: Cayce Receiving Station Improvements
Loan Number: X1-237-20-315-14

None.

STATE OF SOUTH CAROLINA
COUNTY OF LEXINGTON

**PROMISSORY NOTE TO SOUTH CAROLINA
WATER QUALITY REVOLVING FUND AUTHORITY FOR
SOUTH CAROLINA WATER POLLUTION CONTROL
REVOLVING FUND LOAN**

CITY OF CAYCE, SOUTH CAROLINA
WATER AND SEWER SYSTEM IMPROVEMENT REVENUE BOND, SERIES 2021

FOR VALUE RECEIVED, the City of Cayce (the "*Project Sponsor*") promises to pay to the order of the South Carolina Water Quality Revolving Fund Authority (the "*Authority*") the principal sum owing from time to time by the Project Sponsor pursuant to, and in accordance with, the Loan Agreement (the "*Agreement*"), the terms of which are incorporated herein by reference, between the Project Sponsor and the Authority relating to Loan Number X1-237-20-315-14, Cayce Receiving Station Improvements, principal sum, rate of interest and amount and due date of payments thereunder being set forth in Appendix "B" to the Agreement. The records of the Authority with respect to the date and amount of payments on this Note shall be conclusive as to such matters. Interest shall be computed on a three hundred sixty-five-day year basis and compounded annually; the principal of this Note and any installment thereof shall bear interest until paid in full.

Time is of the essence of this Note.

The Project Sponsor may prepay the outstanding principal balance of this Note in whole or in part, together with any accrued interest thereon, at any time without penalty or premium; all such prepayments shall be applied against principal installments due on this Note in the inverse order of the maturity dates thereof.

All payments of principal and interest shall be made in money of the United States at the office of the Authority in Columbia, South Carolina, or at such place as the Authority may designate in writing, and shall be made in funds immediately available in Columbia, South Carolina.

The Project Sponsor agrees to pay at the time any such late payment hereunder is made a late charge of three percent (3%) of any payment not made on or before the tenth day of the month in which such payment is due. Interest which accrues after maturity of this Note or after its earlier acceleration shall be due and payable upon demand.

Payments shall be applied first to any late charge, then to interest, then to principal. There is no intent for any payment to exceed any legal limit on interest, if any such legal limit applies. If an excess sum occurs, it shall be applied to principal unless the Project Sponsor elects its return in writing.

If the Project Sponsor fails to make any payment of principal or interest within thirty (30) days of the date when due, or if the Project Sponsor defaults in the performance of any of the terms, covenants or conditions of any agreement or other documents concerning this Note, including without limitation the Agreement, the principal of this Note and all unpaid interest accrued on it may be declared due and payable immediately, in accordance with the Project Sponsor's February 2, 2016 Master Bond Ordinance.

The failure of the Project Sponsor to make any payment of principal or interest or both shall not constitute a default until thirty (30) days following the due date but the Authority shall have no obligation to give the Project Sponsor notice of any failure to make such payments. Upon any such payment default, the Authority shall immediately avail itself of the provisions of Section 7.2 of the Agreement relating to additional security for payment of amounts due on this Note.

The Project Sponsor waives presentment for payment, demand, protest, and notice of non-payment. Neither a failure to accelerate for default nor acceptance of a past due installment shall be a novation of this Note or constitute a waiver of the right to insist upon strict compliance with it and any related agreements and documents.

The Project Sponsor shall pay all costs of collection, including but not limited to reasonable attorney's fees if the Authority endeavors to collect this Note in any manner through an attorney at law. The rights and remedies of the Authority provided in this Note are cumulative and not exclusive of any other rights and remedies afforded the Authority by law or by any other document.

This Note shall be governed by and construed and interpreted in accordance with the laws of the State of South Carolina.

IN WITNESS WHEREOF, the Project Sponsor has caused this Note to be executed under its seal and to be registered in the name of the South Carolina Water Quality Revolving Fund Authority as of this _____ day of _____, 2021.

CITY OF CAYCE, SOUTH CAROLINA

[SEAL]

By: _____

Typed Name: _____

Title: _____

Attest:

Its _____

CERTIFICATE OF AUTHENTICATION

This Promissory Note is the obligation issued pursuant to the Project Sponsor's Master Bond Ordinance enacted on February 2, 2016, as authorized by the Project Sponsor's Series Ordinance enacted on _____, 2021.

U.S. BANK NATIONAL ASSOCIATION, TRUSTEE

By: _____, Authorized Officer

Typed Name: _____

**Davis-Bacon Wage Rates Required Under Federal Clean Water Act
For Subrecipients (Project Sponsors)**

1. Applicability of the Davis-Bacon (DB) Prevailing Wage Requirements

Under the Federal Clean Water Act, as amended on June 10, 2014, DB prevailing wage requirements were permanently applied to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund. If a subrecipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the subrecipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations

- (a) Subrecipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.
- (i) While the solicitation remains open, the subrecipient shall monitor <http://beta.sam.gov/> weekly to ensure that the wage determination contained in the solicitation remains current. The subrecipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the subrecipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the subrecipient.
- (ii) If the subrecipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the subrecipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The subrecipient shall monitor <http://beta.sam.gov/> on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.
- (b) If the subrecipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the subrecipient shall insert the appropriate DOL wage determination from <http://beta.sam.gov/> into the ordering instrument.
- (c) Subrecipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- (d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a subrecipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the subrecipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the subrecipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The subrecipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract Provisions

Refer to Appendix A: Mandatory Supplemental General Conditions For The South Carolina State Revolving Fund Program that must be included in all bid documents and contracts over \$2,000. Available from the Department.

4. Contract Provisions for Contracts in Excess of \$100,000

Refer to Appendix A: Mandatory Supplemental General Conditions For The South Carolina State Revolving Fund Program that must be included in all bid documents and contracts over \$100,000. Available from the Department.

5. Compliance Verification

- (a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, the subrecipient should conduct interviews with a representative group of covered employees within two weeks of each contractor or subcontractor's submission of its initial weekly payroll data and two weeks prior to the estimated completion date for the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d) The subrecipient shall periodically review contractors and subcontractor's use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm>.

Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager
Wade Luther, Planning & Development Director

Date: July 1, 2021

Subject: First Reading of an Ordinance to rezone a split zoned property from RS-3 Single Family Residential. The property is located at 1204 Knox Abbott Drive (TMS 004633-06-009). The property is located in the Knox Abbott Drive Design Overlay District.

Issue

Council approval is needed for the First Reading of an Ordinance to rezone a split zoned property from C-4/RS-3 to C-4. The property is located at the 1204 Knox Abbott Drive. The property is located in the Knox Abbott Drive Design Overlay District.

Discussion

The applicant requests to rezone the property to be used as C-4 Highway Commercial. Currently the property is split zoned C-4 and RS-3. The property necessitates rezoning in order to use the entire parcel for commercial use. The subject property is a through lot and has frontage along Knox Abbott Drive and H Avenue. Knox Abbott Drive is a major commercial thoroughfare for the City of Cayce and H Avenue is a residential area.

The requested re-zoning is in compliance with the Zoning Ordinance and is permitted as a compatible zoning district according to the criteria of the Future Land Use Map.

The Planning Commission met on June 21, 2021, to hear public comment and to vote on whether it recommends the requested rezoning. Eleven (11) people were present to speak against the rezoning request. Eight (8) of the speakers live on H Avenue. Others live in different parts in the City and outside of the City. A letter from an H Avenue resident was also read to speak against the request. The comments from the public included matters such as:

- The residents in the area state a buffer yard from 1964 exists to prohibit commercial development on a section of the subject property;
- A restaurant business will cause increased traffic on H Avenue if a driveway is allowed;
- A restaurant business will increase the amount of rodents from garbage dumpsters;
- Light Pollution and noise will be an issue; and
- Increased crime in the area will result from the development.

Recommendation

The Planning Commission decided by a count of 4 to 3 to deny the recommendation to Council to approve First Reading of an Ordinance to re-zone the subject property located at 1204 Knox Abbott Drive. The reasons to deny the recommendation included matters such as:

- Rezoning the property would create an incongruent lot for the area;
- The fact that the Planning Commission cannot require a buffer yard different than the Zoning Ordinance creates a lack of assurance that the residential area would remain protected from commercial use;

- Felt the application was deficient; and
- Required more time to research the concerns of the neighborhood.

Reasons from Planning Commission members in favor of the rezoning request included:

- The City's ordinance has good standards and the required buffer yard in the zoning ordinance is sufficient;
- Any deed restrictions, if there are any, can supersede zoning regulations; and
- The area is at presently occupied by commercial uses.

STATE OF SOUTH CAROLINA	)	ORDINANCE 2021-17
	)	Amending the Zoning Map and Rezoning
COUNTY OF LEXINGTON	)	a Split Zoned Property Located at 1204
	)	Knox Abbott Drive (Tax Map Number
CITY OF CAYCE	)	004633-06-009) from C-4 and RS-3 to C-4

WHEREAS, the Owner/Applicant requested that the City of Cayce amend the Zoning Map to re-designate the split zoned property comprising and shown at 1204 Knox Abbott Drive (TMS 004633-06-009), now zoned C-4 Highway Commercial and RS-3 Single Family Residential to C-4, Highway Commercial, and

WHEREAS, the Planning Commission held a public hearing on this request to receive comments from the public and adjacent property owners, and

WHEREAS, the Planning Commission met on June 21, 2021, to receive public comments and vote on whether to recommend the rezoning request, and has decided, by a majority vote of four (4) to three (3), that it does not recommend this change to the existing zoning amendment,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Cayce, in Council, duly assembled, that the property hereinafter listed, and as shown on the attached sketch, is hereby rezoned and reclassified on the Zoning Map of the City of Cayce as C-4 Highway Commercial:

Tax Map Number 004633-06-009
1204 Knox Abbott Drive

This Ordinance shall be effective from the date of second reading approval by Council.

DONE IN MEETING DULY ASSEMBLED, this _____ day of _____ 2021.

Elise Partin, Mayor

Attest:

Mendy Corder, CMC, Municipal Clerk

First Reading: _____

Second Reading and Adoption: _____

Approved as to form: _____
Danny C. Crowe, City Attorney

Re-Zoning Request MA003-21 1204 Knox Abbott Drive Existing Zoning

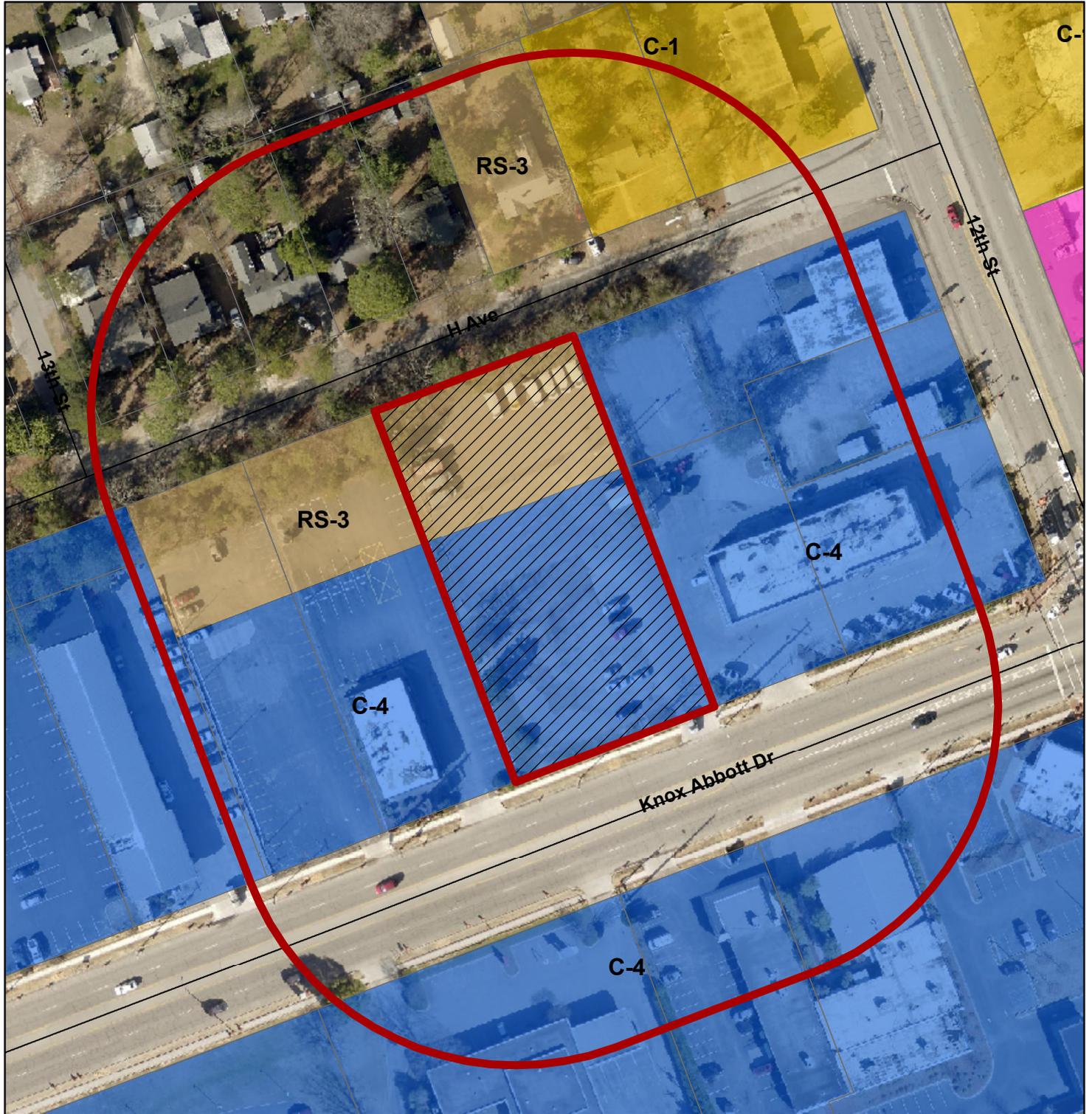
Legend



200' Buffer



Re-Zoning Request 1204 Knox Abbott Dr

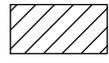


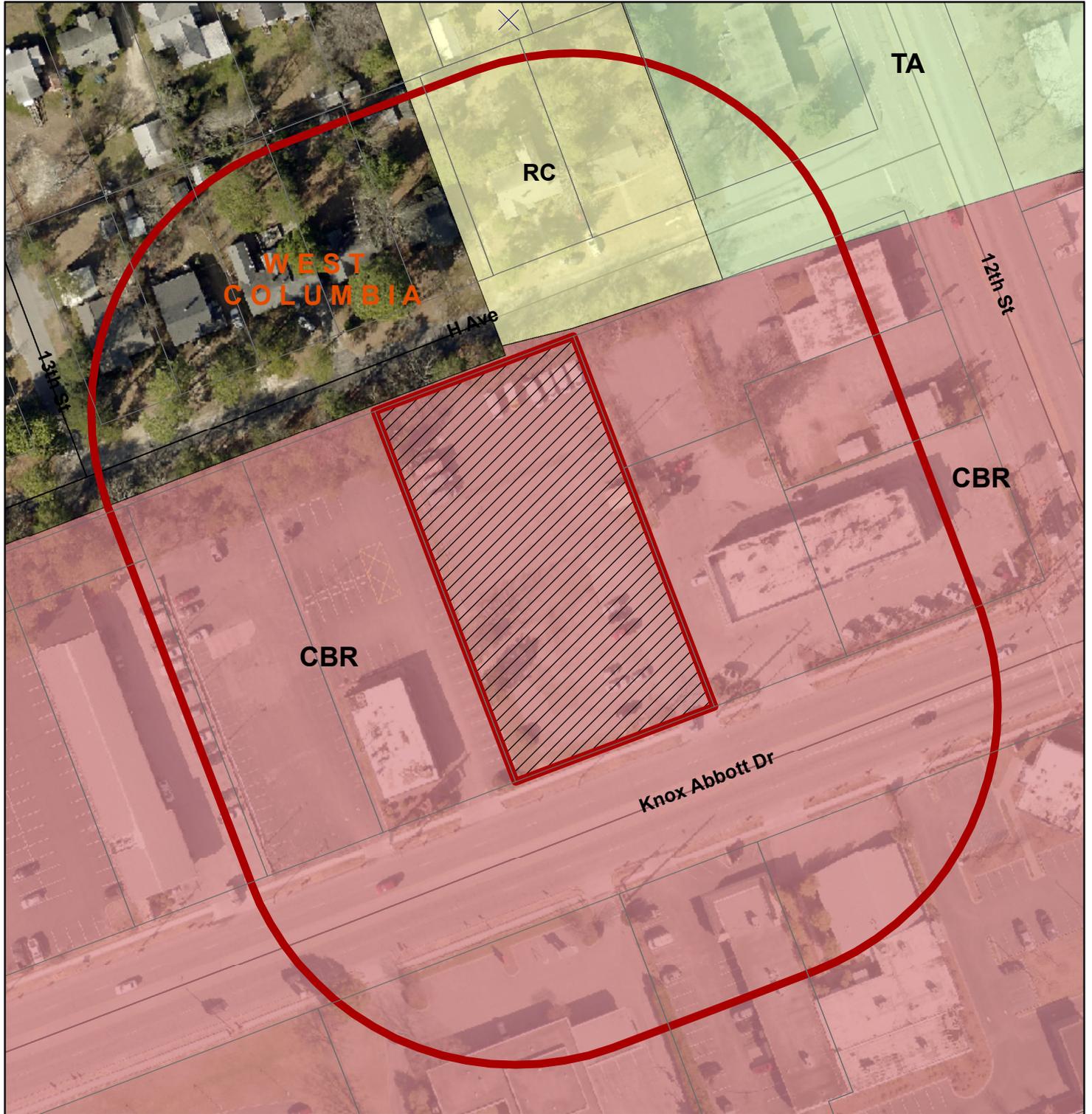
200 100 0 200 Feet



Re-Zoning Request MA003-21 1204 Knox Abbott Drive Land Use Map

Legend

-  200' Buffer
-  Re-Zoning Request 1204 Knox Abbott Dr
- LAND_USE**
-  PMU
-  RD
-  CBI
-  RA
-  TA
-  CBR
-  RC



200 100 0 200 Feet



ROBERT F. FULLER
ATTORNEY AT LAW
1720 MAIN STREET, SUITE 106
COLUMBIA, SOUTH CAROLINA 29201
Email: lease@downtownexecutivesuites.com

TELEPHONE
(803) 256-3557
FAX
(803) 256-3560

MAIL ADDRESS
P.O. Box 441
COLUMBIA, SC 29202

July 8, 2021

TO: MAYOR AND COUNCIL, CITY OF CAYCE

RE: ZONING MAP AMENDMENT (MA003-21)/ 1204 Knox Abbott Drive

Madam Mayor and Members of Council:

I am representing applicant Cook Out Corporation in the referenced rezoning and regarding the intended use of this property on Knox Abbott Drive as one of Cook Out's signature, branded convenience food service restaurants. Cook Out has earned its regional reputation as a premier owner/operator of well run, successful stores in all of its business localities. The company is excited about further expanding its presence into this area and the Cayce Community. It was disappointing that some proximate neighbors to this prime commercial site urged the Planning Commission to its recommendation of non-approval on a split vote (4-3).

However, this is already a commercial site with high traffic volume. Most viable interest in this prominent Knox Abbott location has involved businesses dependent on existing heavy traffic counts. It is the type of business location with which Cook Out has become well known and recognized as an appealing, quality operator. Cook Out has carefully assessed the qualities and characteristics of this site and has the experience record to assure responsible, neighbor sensitive planning and operational performance. It is in the City's interest to assure a stable owner-operator in these high profile locations. Cook Out is well qualified for that role. It is a solid company with broad reach. Its name recognition and reputation will promote continuing diversity of prospective businesses being attracted to the Cayce business community in and beyond the Knox Abbott corridor.

Cook Out will be purchasing the property; therefore has a substantial economic stake in its successful development as an enhancement to the overall community. Cook Out reached out and offered to meet with neighboring constituencies prior to the PC meeting. (A meeting was set, but cancelled by the neighbors.) Cook Out has declared the company's commitment to be an active participant in the community's "good growth" efforts, including expanded vegetative and screening buffers between the rear of its site and the adjacent H Avenue residential neighborhood. Reacting to some expressed concerns Cook Out has affirmatively advised there will be no direct ingress-egress between its site and H Avenue.

This is an opportunity for Cayce to secure a quality corporate citizen with a recognizable regional reputation and should be deemed an important step in enhanced prominence for Cayce's attractiveness for business growth as well as sensitivity to the needs and desires of its residents. Although not required or a part of the site approvals process per se, Cook Out has publicly committed to providing a green buffer between its lot and the H Avenue residential community that meets or exceeds ordinance and development requirements of the City (including space width, vegetative enhancement, masonry wall screening and site containment measures regarding light, noise and operational effects). A revised specimen preliminary site layout is illustrative of the measures Cook Out is prepared to provide as assurance of a site that will "fit" the neighborhood, as well as efficiently accommodate customers of the business.

This is a proposed quality business operation in a long established, clearly commercial location. Cook Out is committed to "doing it right." Krispy Kreme and other close proximity business operators are receptive to Cook Out's contacts and are pleased to have this proposed addition to the area. Your support of this rezoning will be an important step in boosting and further enhancing the economic prospects of one of Cayce's most important commercial corridors for years to come, without detrimental impact on adjacent and near residential neighbors.

Robert F. Fuller,
Attorney for Applicant

Memorandum

To: Mayor and Council

From: Tracy Hegler, City Manager
Wade Luther, Planning & Development Director

Date: July 1, 2021

Subject: First Reading of an Ordinance to rezone property from C-1 Office and Institutional to RG-2 General Residential, High Rise. The property is located at 1407 Dunbar Road (TMS 005766-03-006).

Issue

Council approval is needed for the First Reading of an Ordinance to rezone property from C- 1 Office and Institutional to RG-2 General Residential, High Rise. The property is located at 1407 Dunbar Road and was once the location of Busbee Middle School. The property is not located in an Overlay Design District.

Discussion

The owner/applicant requests to rezone the property to be used as RG-2 General Residential, High Rise. The property is located amongst residential uses, as well as light manufacturing and is bordered on the south by a Norfolk Southern rail line. The subject property has been vacant since the demolition of the school building. The applicant proposes to use the property as a location for a townhouse development.

The requested re-zoning is in compliance with the Zoning Ordinance and is permitted as a compatible zoning district according to the criteria of the Future Land Use Map.

The Planning Commission met on June 21, 2021, to hear public comment and to vote on whether it recommends the requested rezoning. Four (4) people were present to speak against the rezoning request. The comments from the public included matters such as:

- Single family homes would be more beneficial to the area;
- The proposed use will increase the amount of traffic; and
- Having the area used as green space would be more useful, if not use for single family homes.

The Planning Commission voted on the requested re-zoning from C-1 Office and Institutional to RG-2 General Residential, High Rise.

Recommendation

The Planning Commission decided by a unanimous vote to recommend to Council to approve First Reading of an Ordinance to re-zone property located at 1407 Dunbar Road. The Planning Commission agreed that the vote to recommend the rezoning request was based on the fact that the requested zoning complies with the Future Land Use Map.

STATE OF SOUTH CAROLINA	)	ORDINANCE 2021-18
	)	Amending the Zoning Map and Rezoning
COUNTY OF LEXINGTON	)	Property Located at 1407 Dunbar Road
	)	(Tax Map Number 005766-03-006) from C-
CITY OF CAYCE	)	1 to RG-2

WHEREAS, the Owner/Applicant requested that the City of Cayce amend the Zoning Map to re-designate the property comprising and shown at 1407 Dunbar Road (Tax Map Number 005766-03-006), now zoned C-1 Office and Institutional to RG-2 General Residential, High Rise, and

WHEREAS, the Planning Commission held a public hearing on this request to receive comments from the public and adjacent property owners, and

WHEREAS, the Planning Commission met on June 21, 2021, to receive public comments and vote on whether to recommend the rezoning request, and has decided, by a unanimous vote, that it does recommend this change to the existing zoning,

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Cayce, in Council, duly assembled, that the property hereinafter listed, and as shown on the attached sketch, is hereby rezoned and reclassified on the Zoning Map of the City of Cayce as RG-2 General Residential, High Rise:

Tax Map Number 005766-03-006
1407 Dunbar Road

This Ordinance shall be effective from the date of second reading approval by Council.

DONE IN MEETING DULY ASSEMBLED, this _____ day of _____ 2021.

Elise Partin, Mayor

Attest:

Mendy Corder, CMC, Municipal Clerk

First Reading: _____

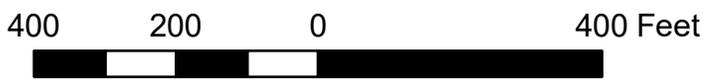
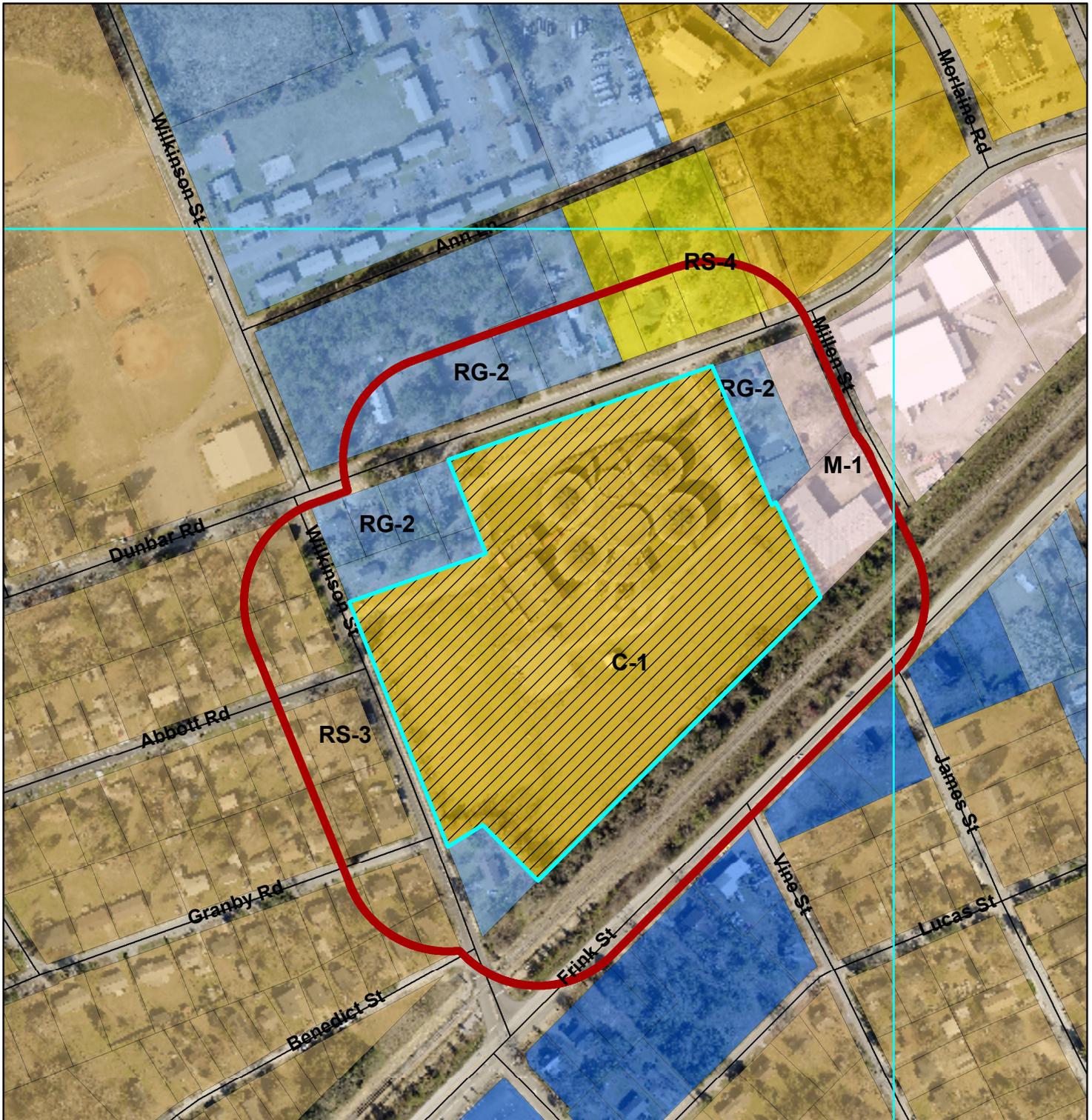
Second Reading and Adoption: _____

Approved as to form: _____
Danny C. Crowe, City Attorney

Re-Zoning Request MA004-21 1407 Dunbar Road Existing Zoning

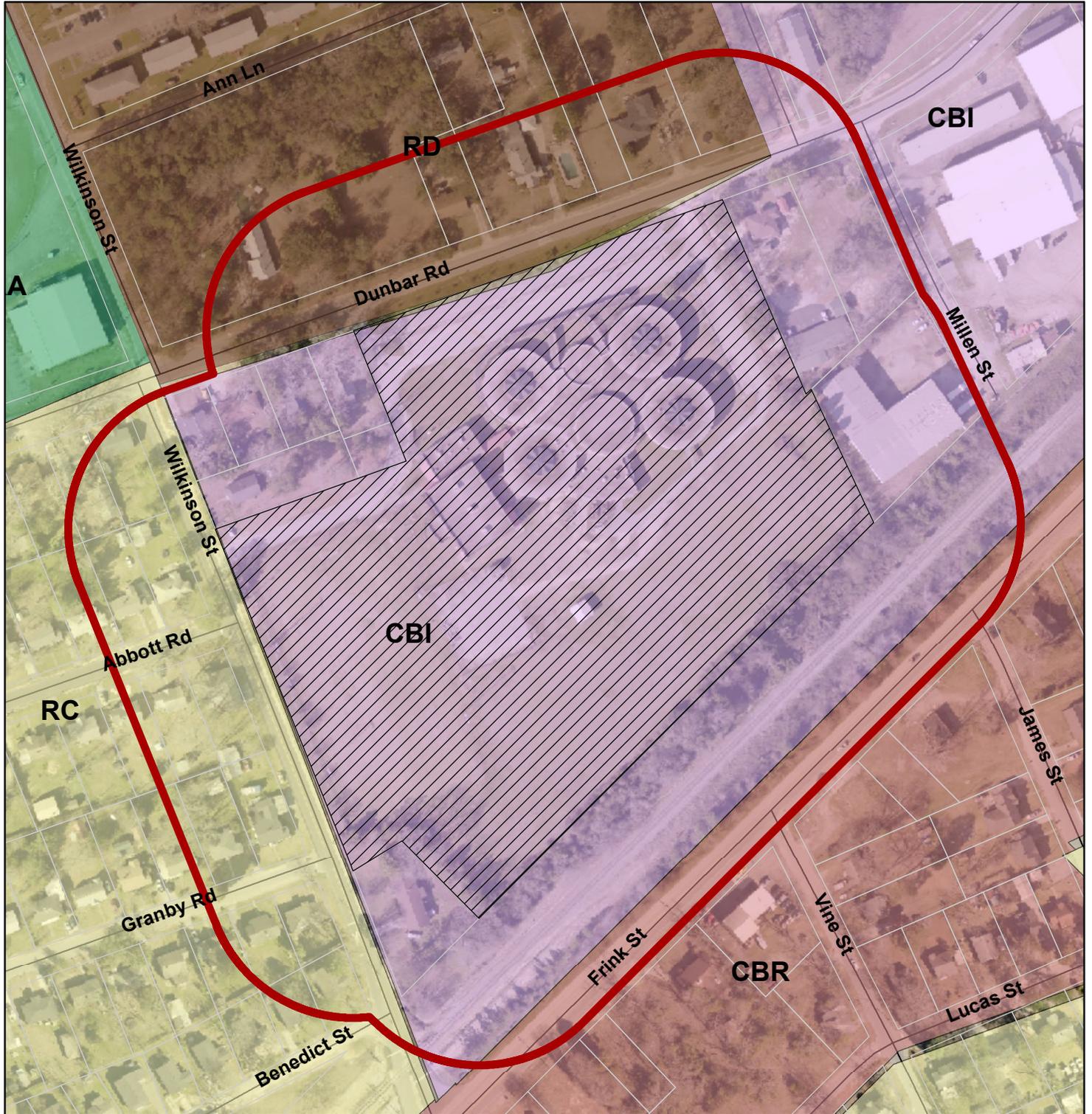
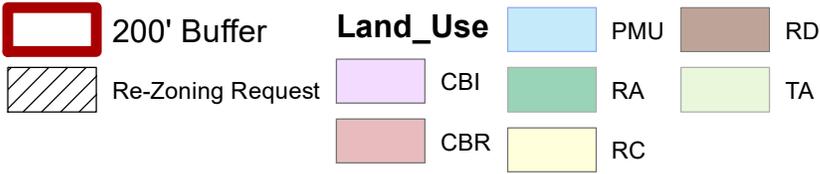
Legend

-  200' Buffer
-  Re-Zoning Request



Re-Zoning Request MA004-21 1407 Dunbar Road Land Use

Legend



250 125 0 250 Feet





**APPROVED MINUTES
PLANNING COMMISSION**

Monday, May 17, 2021 at 6:30 PM

Cayce City Hall is currently closed to the public.

Please use the following method to attend the Public Hearings:

Telephone: (929)205-6099

Meeting ID: 821 3231 7816

Password: 720094

caycesc.gov

or

Join Zoom Meeting

<https://us02web.zoom.us/j/82132317816?pwd=UkFrMkk2MmdjNFhIRXVpdXdKUHNDOQT09>

Special Note: Anyone wishing to speak to the Planning Commission about an item on the Agenda will need to call the Planning & Development Office at 803-550-9504 by 11:00 a.m. the day of the Planning Commission Meeting.

I. CALL TO ORDER

The meeting was called to order by Chair Ed Fuson. Members present were Chris Kueny, Robert Power, Joe Long, and Maudra Brown. Stockton Wells and Chris Jordan were absent. Staff present were Jamie Beckham, Wade Luther, and Monique Ocean.

II. APPROVAL OF MINUTES

Joe Long made a motion to approve the minutes of the February 22, 2021, meeting. Maudra Brown seconded the motion. All were in favor.

III. STATEMENT OF NOTIFICATION

Monique Ocean confirmed that the media and public were made aware of the meeting and the public hearing.

IV. PUBLIC HEARINGS

1. Map Amendment MA001-21

A request, by the applicant, to re-zone property from C-1 Office and Institutional to RG-1 General Residential. The property is located at 1407 Dunbar Road (TMS 005766-03-006).

a. Opening Statement

Mr. Josh Rabon came before the Planning Commission as a representative for the applicant to discuss the request for rezoning. Mr. Rabon stated the subject property is vacant and was once the site of Busbee Middle School. Mr. Rabon stated the plan is to construct a development consisting of 68 individually owned duplexes. Mr. Rabon answered inquiries from members of the Planning Commission pertaining to price point, common space, and if the development is meant to consist of owner occupied homes.

b. Public Testimony

Jewel Wright, 1412 Dunbar Road, spoke against the rezoning request. Mr. and Mrs. Wuest, 1501 Abbott Road, spoke against the rezoning request. Nancy Drew, The Avenues Neighborhood, spoke against the rezoning request. Christopher Tenney, 1312 12th Street, spoke against the rezoning request. Laura Drew, 1137 Fort Congaree Trail, spoke against the rezoning request. Mr.

Jesse Brae from Great Southern Homes came before the Commission to speak as an agent for the applicant. Mr. Brae stated the houses are intended to be housing for the average person. Mr. Brae stated the pricing is unknown at this time because of market variations and material pricing variations. Mr. Brae stated the community will have an HOA and deed restrictions.

c. Adjourn Public Hearing

With no further discussion, the public hearing was adjourned.

d. Motion

Chris Kueny made a motion to recommend the approval of the rezoning request to City Council. Mr. Joe Long seconded the motion. Maudra Brown stated she voted against the motion because there are too many unanswered questions about the proposed development. Robert Power stated he voted against the motion because of density of the proposed development. Ed Fuson stated he voted against the motion because he is not comfortable with the type of housing for this proposed development. Chris Kueny stated he voted in favor of the motion to recommend approval because Cayce needs more affordable housing. Joe Long stated he voted in favor of the motion to change the zoning but not necessarily for the proposed project. So, by a count of three to two, the Planning Commission did not recommend approval of the rezoning request.

2. Text Amendment TA003-21

A request, by Staff, to amend Zoning Ordinance 6.12 Infill Development Design Standards to revise language within Section 6.12 of the Infill Development Design Standards Ordinance.

a. Opening Statement

Wade Luther came before the Planning Commission to discuss the text amendment. Mr. Luther stated the Zoning Board of Appeals voted by a majority that the infill committee failed to apply Section 6.12 appropriately and the Board overturned Staff's decision to issue a building permit based on infill development design standards. Mr. Luther stated that because of the decision made by the Board of Zoning Appeal, staff is requesting to amend Section 6.12 Infill Development Design Standards. Mr. Luther stated a red-line copy of the revisions has been submitted to the Planning Commission for review of the text amendment. In a response to Planning Commission Chair Ed Fuson, Mr. Luther stated the text amendment is to create a data driven process and attempt to remove any subjectivity in the review process. Mr. Fuson stated he believes the ordinance has not failed but perhaps Staff's understanding of the ordinance has failed.

b. Public Testimony

Danny Creamer spoke against the text amendment. Trey Brae, 731 Naples Avenue, spoke against the text amendment. Jessica Johnson spoke against the text amendment. Christopher Tenney spoke against the text amendment. Nancy Drew spoke against the text amendment. Laura Drew spoke against the text amendment.

c. Adjourn Public Hearing

With no more public comments, the public hearing was adjourned.

d. Motion

Joe Long made a motion to deny the approval recommendation. Robert Power seconded the motion. By a count of four to one, the Planning Commission voted in favor of the recommendation not to approve the text amendment. Chris Kueny opposed.

V. NEW BUSINESS

Wade Luther stated the updates to the Comprehensive Plan are continuing. Mr. Luther stated he plans to have a draft ready by the June or July meeting.

VI. ADJOURNMENT

Chris Kueny made a motion to adjourn. Maudra Brown seconded the motion. All were in favor.

A quorum of Council may be present. No discussion or action on the part of Council will be taken.

All open positions will be advertised on the City's website and Facebook page.

COUNCIL ACTION REQUIRED

BOARD OF ZONING APPEAL – THREE (3) POSITIONS

There are currently three (3) open positions on the Board of Zoning Appeal. The City has received potential member applications from Mr. Scott Miller, Ms. Cenetha Muller, Ms. Cindy Pedersen and Mr. Matthew Stroud. Their applications are attached for Council's review.

NO COUNCIL ACTION REQUIRED

The following positions have been postponed by Council until receipt of potential member applications.

ACCOMMODATIONS TAX COMMITTEE – ONE (1) POSITION

This Committee determines where state accommodations tax funds received will be spent to promote tourism. This position needs to be filled by someone that works in the hotel industry in the City.

BEAUTIFICATION FOUNDATION – ONE (1) POSITION

This Foundation is a 501c3 non-profit organization that works to raise money for various beautification projects in the City of Cayce. There are no recommendations at this time.

PUBLIC SAFETY FOUNDATION – TWO (2) POSITIONS

This Foundation is a 501(c) (3) organization that raises funds to provide the members of Cayce Public Safety with equipment and resources to make their jobs and the community safer. There are no recommendations at this time.

STANDARD TECHNICAL CODES BOARD OF APPEALS – THREE (3) POSITIONS

Reviews citizen appeals to ensure building codes, property maintenance codes and fire codes are properly interpreted and implemented fairly. Members who serve on this Board must be either an Engineer, Contractor, Architect or Design Professional. There are no recommendations at this time.



CITY OF CAYCE POTENTIAL MEMBER APPLICATION

Name: Scott Miller
 Home Address: Lafayette Ave City, State, Zip Cayce, SC, 29033
 Telephone: _____ E-Mail: _____
 Resident of Cayce: Yes No Number of Years: 1.5

Please indicate the Committee(s) for which you are applying:

- Accommodations Tax Committee Cayce Housing Authority Events Committee
 Consolidated Board of Appeals Municipal Election Comm Museum Commission
 Planning Commission Standard Technical Codes Bd of Appeals
 Board of Zoning Appeals

Have you ever been convicted of a felony or misdemeanor other than a minor traffic violation?

Yes No If yes, specify below.

Work Address

Company: Kimley Horn and Associates Position: Civil Engineering Analyst
 Address: 802 Gervais St, STE 201 City, State, Zip Columbia, SC, 29201
 Telephone: 803-403-8558 E-Mail: Scott.Miller@Kimley-Horn.com

Work Experience: 4 Years as a Water Resources and Storm Water Engineer with a specialization in stream bank stabilization

Educational Background: Bachelors, University of South Carolina, Civil and Environmental Engineering

Membership Information (Professional, Neighborhood and/or Civic Organizations):

Brickyard Branch Watershed Association, ASCE, Gills Creek Watershed Association, Congaree River Keeper

Volunteer Work: Home-Works, Midtown Fellowship, Habitat For Humanity

Hobbies: Golf, Yardwork, Soccer (watching and playing!)

Return to:
Mendy Corder, Municipal Clerk
 City of Cayce, PO Box 2004, Cayce, SC 29171-2004
 Telephone: 803-550-9557 • Fax: 803-796-9072 • Email: mcorder@caycesc.gov



CITY OF CAYCE POTENTIAL MEMBER APPLICATION

Name: Cenetha Muller
 Home Address: Vine St City, State, Zip Cayce SC 29033
 Telephone: _____ E-Mail: _____
 Resident of Cayce: Yes No Number of Years: 1980-1995 / Now - 2019

Please indicate the Committee(s) for which you are applying:

- Accommodations Tax Committee
- Cayce Housing Authority
- Events Committee
- Consolidated Board of Appeals
- Municipal Election Comm
- Museum Commission
- Planning Commission
- Standard Technical Codes Bd of Appeals
- Board of Zoning Appeals

Have you ever been convicted of a felony or misdemeanor other than a minor traffic violation?

Yes No If yes, specify below.

Work Address

Company: 1230 Broad River Rd Position: Accounting Supervisor
 Address: Integrity Tax & Accounting City, State, Zip Cola 29210
 Telephone: 803-750-0001 E-Mail: 1040@integritytax.sc.com
 Work Experience: Financial, Insurance, Customer Service

Educational Background: College Midlands Tech

Membership Information (Professional, Neighborhood and/or Civic Organizations):

Eastern Star, NATP

Volunteer Work:

I volunteered for Lexington Rec for 16 years

Hobbies:

Reading, Shopping / ^{my} grandson

Return to:
 Mendy Corder, Municipal Clerk
 City of Cayce, PO Box 2004, Cayce, SC 29171-2004
 Telephone: 803-550-9557 • Fax: 803-796-9072 • Email: mcorder@caycesc.gov



**CITY OF CAYCE
COMMITTEE MEMBER REAPPOINTMENT APPLICATION**

Name: _Cynthia "Cindy" Pedersen_____

Home Address: Michaelmas Ave__ City, State, Zip: Cayce, SC 29033_____

Telephone: _____ E-Mail Address _____

Resident of Cayce: Yes No Number of Years: 25_____

Please check the Committee for which you are applying for reappointment:

- Accommodations Tax Committee Beautification Board Event Committee
- Cayce Housing Authority Museum Commission Planning Commission
- Consolidated Board of Appeals Board of Zoning Appeals

Have you ever been convicted of a felony or misdemeanor other than a minor traffic violation? Yes No **If yes, specify below:**

Work Address

Company: SCDHHS_____ Position: Program Coordinator II_____

Address: 1801 Main Street P O Box 8206_____

City, State, Zip: Columbia, SC 29202-8206_____ Telephone: 803-898-2033_____

Fax: 803-255-8204_____ E-Mail: pedersen@scdhhs.gov_____

Work Experience:

1983-1989 – Empire Returns, Utica, NY; 1989-1990- Eli Witt Co., West Columbia, SC

1990-present – SC Dept. of Health and Human Services, Columbia, SC

Educational Background:

Regents Diploma, Waterville Central School 1979, BA, Potsdam College, 1983

Membership Information (Professional, Neighborhood and/or Civic Organizations):

Volunteer Work: Event Planning Committee, Mealtimes on Wheels, Breast Cancer Awareness, SC Guardian Ad litem Program, Animal Rescue, Christmas Traditions at the Cayce Historical Museum

Hobbies: Camping, gardening, dog sitting, music concerts and festivals

Return to:
Mendy Corder, Municipal Clerk
City of Cayce, P.O. Box 2004, Cayce, SC 29171-2004
Telephone: 803-550-9557 • Fax: 803-796-9072



CITY OF CAYCE POTENTIAL MEMBER APPLICATION

Name: Matthew Stroud

Home Address: Lafayette Ave City, State, Zip 29033

Telephone: E-Mail:

Resident of Cayce: Yes No Number of Years: 4

Please indicate the Committee(s) for which you are applying:

- Accommodations Tax Committee
- Consolidated Board of Appeals
- Planning Commission
- Board of Zoning Appeals
- Cayce Housing Authority
- Municipal Election Comm
- Standard Technical Codes Bd of Appeals
- Events Committee
- Museum Commission

Have you ever been convicted of a felony or misdemeanor other than a minor traffic violation?

Yes No If yes, specify below.

Work Address

Company: Castle Works Position: Project Manager

Address: 10005 Broad River Road City, State, Zip ~~Cayce~~ ~~SC~~ ~~29~~ Imo, SC, 29063

Telephone: 803-251-4416 E-Mail:

Work Experience: Commercial / Residential Maintenance & Construction

Educational Background: Bachelors of Science: Leisure, Sport, & Fitness Studies, Middle T.N. State University

Membership Information (Professional, Neighborhood and/or Civic Organizations):

Volunteer Work: Homeworks of America

Hobbies: Guitar, Woodworking

Return to:
Mendy Corder, Municipal Clerk
City of Cayce, PO Box 2004, Cayce, SC 29171-2004
Telephone: 803-550-9557 ♦ Fax: 803-796-9072 ♦ Email: mcorder@caycesc.gov