

OCONEE JOINT REGIONAL SEWER AUTHORITY

OPERATIONS GUIDE

NOVEMBER 12, 2009

OCONEE JOINT REGIONAL SEWER AUTHORITY

MISSION STATEMENT

It is the mission of the Oconee Joint Regional Sewer Authority to transport and treat effluent from the sewer systems of the Cities of Seneca, Walhalla, Westminster and West Union pursuant to Agreements filed with the Oconee County Register of Deeds in Deed Book 1709 at page 5 (at pp. 20-49; 127-139).

AND

Provide regional sewer service to any entity therein in accordance with the agreements and procedures set forth in "Providing Sewer Service".

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## INTRODUCTION

1. The Oconee Joint Regional Sewer Authority ("Authority") is a successor organization to the Oconee County Sewer Commission. Act 950, dated October 28, 1971, South Carolina Acts and Joint Resolutions created the Oconee County Sewer Commission, superseded by Oconee County Ordinance 78-2, dated March 21, 1978.

2. The Oconee Joint Regional Sewer Authority was created by Resolutions adopted by the Cities of Seneca, Walhalla, and Westminster dated September 17, 2007, September 17, 2007, and September 18, 2007, respectively, filed with the Oconee County Register of Deeds in Deed Book 1709 at page 5, (at pp. 4-19), pursuant to Section 6-25-30(A) of Chapter 25, Title 6, South Carolina Code of Laws. By Agreement "Genesis Agreement" of the Cities of Seneca, Walhalla, and Westminster dated October, 2007, filed with the Oconee County Register of Deeds in Deed Book 1709 at page 5, (at pp.20-49), the Authority transports and treats wastewater collected by each city and transferred to the trunk lines of the Authority.

3. The Town of West Union is not a member of the Authority, however, the Town is a customer of the Authority pursuant to an Agreement between the Authority and the Town of West Union dated March 9, 2009, filed with the Oconee County Register of Deeds in Deed Book 1709 at page (at pp. 127-139).

4. The South Carolina Secretary of State issued a charter to the Oconee Joint Regional Sewer Authority on December 19, 2007, pursuant to Section 6-25-50 B(5) of the Act, filed with the Oconee County Register of Deeds in Deed Book 1709 at page 5 (at p. 75).

5. The Authority is a body politic in accordance with Section 6-25-100 of the Act and is self-supporting from the revenues as set forth in the Financial Sub-Plan.

6. The Authority is a governmental business enterprise and all of the activities are in-house, including human resources, finance, administrative, investments and all other activities except the Authority is audited by an independent auditor annually.

7. By Ordinance 2009-12, dated July 21, 2009, the Oconee County Council delegated to the Authority the duties outlined in the Oconee County Section 208 Water Quality Management Subplan adopted by Oconee County Council by Resolution dated September 15, 1981 as designated by letter of Douglas J. Pabel, South Carolina Department of Health and Environmental Control dated July 3, 1985, under the authority of Letter of Richard W. Riley,<sup>1</sup> Governor of the State of South Carolina, dated June 1, 1979. The Authority is a successor to the Oconee County Sewer Commission who was designated by Oconee County Council to function as a management agency for "point source water quality management." Pursuant to the Ordinance, the Authority is the Section 208 Water Quality Management Agency with the duties set forth in the Ordinance as it relates to "wastewater" as defined in Paragraph 10 of Section 1 of the Ordinance.

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<sup>1</sup> The Authority has requested that Governor Sanford designate it as the designated 208 Water Quality Management Agency for Oconee County.

8. By the Genesis Agreement of the Members of the Authority (Article 11, Section f) and by an Intergovernmental Agreement with Oconee County dated November 18, 2008 (Article III, Section 3.06), the Authority is obligated to provide sewer service to any public or private entity under the rules and guidelines set forth in the Agreement and the Intergovernmental Agreement.

## FACILITIES SUB-PLAN

The Wastewater Treatment Plant ("WWTP") has the capacity to treat 7.8 million gallons of wastewater per day and presently treats an average of 2 million gallons per day.

Each of the Member Cities own collector sewer lines which are connected to the trunk lines owned by the Authority. The Authority transports the effluent from the respective City's collector lines to the Authority's wastewater treatment plant, located at 623 Return Church Road, Seneca, South Carolina.

The Authority operates 70 miles of trunk lines, 18 pump stations and 3 flow monitoring stations.

The member Cities have the following sewer connections (customers):

Connections	Residential	Commercial	Industrial	
Seneca	4,511	847	19	
Walhalla	1,768	195	5	
Westminster	994	161	5	
West Union	10	42		
Totals	7,283	1,245	29	8,557

The Authority owns 126 acres which is the site of the wastewater treatment plant and offices and 100 acres in the Martin's Creek Basin for a possible future treatment plant. The Authority owns the necessary vehicles and equipment to service the WWTP and the trunk lines.

The Authority has a construction permit from DHEC for construction and upgrade of the facilities in the Martin's Creek Basin, including a pump station and equalization basin. The Authority has not decided to move forward with this project until a decision is made about the High Point discharge.

The Martin's Creek Basin has been the subject of a study by the Authority for some time. Prior to the economic downturn, the facilities in the basin were reaching maximum capacity. Looking toward long-term growth in the basin, a few years ago the Oconee Sewer Commission, and now the Authority began a study for the eventual construction of a wastewater treatment plant in the basin. Upon learning that the Westpoint Stevens plant was to be closed, members of the Sewer Commission met with Mr. Billy Harris, plant manager (February 5, 2005) to discuss a potential joint venture between Westpoint and the Commission for the use of the discharge facilities. Following that discussion, the Commission engaged the Commission's consulting engineer to make a study of the facilities. Before any action could be taken toward acquiring the Westpoint Stevens Permit, the company filed for bankruptcy.

On May 20, 2005, in coordination with Mr. Ron Rabon, Mr. Winchester wrote Kathryn L. Turner, attorney for the Trustee indicating an interest in acquiring the Westpoint Stevens wastewater facilities. There was no response to the letter.

The Sewer Commission, through Mr. Brad Norton, County Attorney, recommended that the County purchase the Westpoint Stevens property, sell the property to developers, retaining the wastewater treatment facilities.

After a group headed by Mr. Neal Workman purchased the Westpoint Stevens property, the Sewer Commission met with Mr. Workman and expressed an interest in acquiring the wastewater treatment facilities and working with the group to provide sewer service.

With no notice to the Sewer Commission or to the Authority, the Workman Group sold the wastewater treatment facilities to JACABB.<sup>2</sup>

In January, 2009, the Authority requested from DHEC a wasteload allocation for 3 and 4 MGD that would discharge to Lake Hartwell utilizing the existing discharge line and diffuser of the JACABB High Point facility.

By letter dated March 6, 2009, the Authority was advised by Michael J. Montebelli, Manager, Wastewater Management Section, Domestic Wastewater Division of DHEC that there was not sufficient information available to provide a wasteload allocation. The Authority was advised that additional fieldwork and modeling are necessary before a wasteload allocation could be permitted.

By email, dated October 22, 2009, Jeff DeBessonnet advised the Authority that an industrial permit cannot be routinely transferred for other uses. Under Federal rules, a permit for a public wastewater has different requirements than for a private facilities-even if it were for the same manufacturing operation. A public system must meet a 85% removal requirement for BOD and TSS although private industries are not held to the same standard. A permit transfer changing from a particular industrial use to domestic service changes the permit evaluation. A transfer to a public entity from an industry will take a major modification with public notice and EPA review. A new application might be required.

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<sup>2</sup> According to the annual report filed with the South Carolina Public Service Commission, as of the end of 2008, JACABB provides sewer service to (collection) to Forrest Hills Subdivision in Anderson County, Shoals of Anderson and Anchor Point (tertiary treatment unit), Rock Ford WWTP (Concrete in-ground extended diffused equalization unit, etc.) under construction, Pointe West WWTP, Cane Creek Motorcoach RV Resort WWTP (under construction), Wapah Landing WWTP (in planning). The report shows assets that at the end of the 2008 year, JACABB had 178 residential customers, Utility Plant-in-service assets of \$451,480, property for further use of \$278,234, and utility plant purchased in the sum of \$42,500 and other assets of \$14,919 amounting in the aggregate to \$761,233. For the year 2008, JACABB had revenue of \$81,224 and operating expenses of \$93,675 for a loss of \$17,960.

The Milliken & Company Defore permit was renewed on December 11, 2008 and expires September 30, 2013.

The Authority has an approved PER and has been issued a permit for land application and a treatment facility located at the Golden Corner Commerce Park for 50,000 g.p.d. This facility will be funded entirely from funds provided by Geosce County as contained in an Intergovernmental Agreement. The Authority is holding grant money obtained by the Geosce County Delegation designated for sewer in the I-85 Corridor.



## MANAGEMENT SUB-PLAN

The Authority is governed by nine (9) Commissioners as provided in Article 4 in the Genesis Agreement of the Cities of Seneca, Walhalla, and Westminster, who are the members of the Authority. The Authority is managed by an Executive Director as provided in Article 5 of the Genesis Agreement.

Commissioners and Officers are shown on the following page.

There are three standing study committees, Finance, Facilities and Administrative, and Planning and Policy, which meet monthly. The full Commission meets on the first Monday of each month, excepting holidays which fall on Mondays.

Minutes of the meetings of the Committees and the full Commission are maintained and distributed to the appropriate agencies and individuals.

**OCONEE JOINT REGIONAL SEWER AUTHORITY**

**Commissioners and Officers**

DEWITT MARTIN	SEAT 1, SENECA	VICE CHAIRMAN
GREG DIETTERICK	SEAT 2, SENECA	
RON KNOERR	SEAT 3, SENECA	
JERRY OPPERMAN	SEAT 4, SENECA	
WILLIAM ADDIS	SEAT 5, WALHALLA	
SCOTT PARRIS	SEAT 6, WALHALLA	
RHETT SMITH	SEAT 7, WESTMINSTER	TREASURER
HOWARD S. ADAMS	SEAT 8, WESTMINSTER	CHAIRMAN
MENDEL STONE	SEAT 9, WALHALLA - WESTMINSTER	

ROBERT WINCHESTER	EXECUTIVE DIRECTOR
GLORIA M. PRATHAF TAKIS	SECRETARY - ASSISTANT TREASURER

LOWELL W. ROSS	GENERAL COUNSEL
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**OFFICES:**  
623 RETURN CHURCH ROAD, SENECA SC 29678  
PO BOX 399, SENECA, SC 29679  
864.972.3900  
FAX 864.972.3917

## FINANCING SUB-PLAN

The Authority has assets of approximately \$23,176,766 and liabilities of \$101,135. The assets include approximately \$10 million in cash and investments. The cash and investments include depreciation reserves and funds restricted for future upgrade of the system. The restricted funds in the approximate sum of \$6.9 million include depreciation reserves in the approximate sum of \$3.6 million and approximately \$3.3 million is restricted to expansion and upgrades. The Authority has no long-term debt.

Revenues are derived from the following sources:

Charges to each City in proportion to the effluent flows as provided in Article 7, Section c of the Genesis Agreement.

Impact fees for new connections additional load on the wastewater treatment plant.

Impact fees for additional load on the transportation system.

Treatment of septage.

Interest income.

Pre-Treatment.

Oconee County Capital Contribution.

Operating Revenues	\$2,965,491.00
Operating Expenses	\$2,483,750.00
Operating Income	\$481,741.00

Capital Contributions	
Impact Fees	\$177,903.00
*Other	\$609,947.00
Totals	\$787,850.00

The Cities by the Genesis Agreement are required to pay to the Authority the cost of transporting and treating the wastewater discharged into the trunk lines of the Authority, Article 7, Genesis Agreement.

If the Authority provides sewer service to an entity outside the service areas of the Member Cities and West Union, such service will be self supporting in accordance with the provisions set forth in "Providing Sewer Service". See Introduction, Paragraph 8.

By an Intergovernmental Agreement, Oconee County pays to OJRSA \$610,000 per year to be used for specific upgrades to the sewer system.

Originally, the county agreed to pay the \$610,000 to the cities in partial reimbursement.

for the bond payments the cities made for the upgrade of the sewer system to provide additional industrial capacity. See Preamble to the Genesis Agreement, paragraph 12, Deed Book 1709 at page 5 (at p. 30).

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

The collection of the funds from the customers of the Cities to pay the indebtedness which was created for industrial capacity was a subject of considerable controversy for years. After several meetings, a deal was struck between the Cities and Oconee County, whereby the County agreed to pay \$610,000 to the Cities pro-rata and the Cities agreed to establish and maintain rates sufficient to pay to upgrade the infrastructure in the Martins Creek and Richland Creek basins. The payment of the funds were, in part, intended to compensate the Cities for the money they had paid for the industrial upgrade. The County paid the money to the cities pro-rata and the cities paid the money to the Oconee County Sewer Commission.

The Agreement was memorialized by an Agreement dated 28 February, 2005:

Section 5.02. (Omnibus Sewer Documents, Tab 2)

The rates paid by the users of sewer in the cities of Seneca, Westminster, and Walhalla include the payment for bonded indebtedness of improvements made to the Concross Wastewater Treatment Plant in 1996 originally in the sum of approximately \$8,200,000. The payments on the indebtedness is \$609,947 annually. These improvements were made primarily to increase industrial capacity of the wastewater treatment facility. The County agrees that it will assume the annual payments and the Cities agree that the amounts now paid toward the bonded indebtedness will only be used by the Commission for capital upgrades and expansion of wastewater treatment facilities and sewer conveyance systems.

As of March 1, 2009, the balance of the loan was \$3,562,919.04 plus interest. Because of the interest rate on the loan and the interest being earned on the monies held by OJRSA, the Authority paid off the loan on March 27, 2009, in the amount of \$3,574,120.27.

In November, 2008, Oconee County decided to pay the funds directly to the Oconee Joint Regional Sewer Authority and the County and the Authority entered into an Intragovernmental Agreement, dated November 18, 2008, Deed Book 1709 at page 5 (at p. 92). The County specified that the monies could be used for projects listed on page 97. Deed Book 1709 at page 5 (at p. 97).

## PROVIDING SEWER SERVICE

The Genesis Agreement filed with the Oconee County Register of Deeds in Deed Book 1709 at page 5 (at pp.20-49) provides in Article 11, Section f that the Authority will provide sewer services to customers who comply with the requirements set forth:

Section f The Authority agrees to provide sewer services as requested by customers outside the municipal limits as provided under existing agreements, provided the cost of connecting, transporting and treating the wastewater is paid by the customer being served or by some other entity, excluding the Members, on behalf of such customer or the cost is funded by federal and/or state grants or some other source other than the Member Municipalities. In no event shall the cost of extending sewer service outside municipal limits or the cost of transporting and treating sewer be billed to or paid by customers of the Member Municipalities (at p. 42).

Also see Intergovernmental Agreement dated November 18, 2008, Article III, Section 3.06, filed with the Oconee County Register of Deeds in Deed Book 1709 at page 5 (at pp.107-109) which provides that any entity who requests sewer service shall be allowed to do so, provided such entity complies with the requirements of the section.

### Section 3.06

The COUNTY, the cities of Seneca, Westminster, Walhalla and the Town of West Union and the Authority agree that any entity (person, business, corporation, partnership, etc.) who requests to connect to an existing municipal or Authority sewer line outside of the municipal city limits shall have the right to connect to the Authority or CITY system IF said entity satisfies the requirements set forth below.

a) Entities requesting to connect to an Authority or municipal line must have a feasibility study done by an engineer licensed in the State of South Carolina to determine the probable cost of the system, the impact on down stream facilities, and a basic design of the system sufficient to handle the entity's needs, including any desired future flow increases based on growth. The study shall be presented to the Authority, and the municipality (where applicable). A feasibility study shall not be required if the new line is a single residential service line and the maximum sewage output will be less than 400 gallons per day. The necessity of having a feasibility study may be waived by mutual consent of the Authority and the municipality (where applicable). The municipality's consent to waive a feasibility study will be necessary when any sewage from the prospective entity will flow through a line owned by the municipality. In the event that a dispute arises between the entity requesting connection to a sewer system and the Authority, and/or municipality (where applicable), the dispute shall be resolved in accordance with the provisions set forth in Section 3.07, below.



b) Entities requesting to connect to an Authority or municipality line must have the new system designed by an engineer licensed in the State of South Carolina. The design shall be presented to the Authority, and the municipality (where applicable) for approval. The design shall meet Federal, State and local requirements and specifications. The design may be disapproved by the Authority and municipality (where applicable) if the design does not meet Federal, State and local requirements and specifications. In the event that a dispute arises between the entity requesting connection to a sewer system and the Authority, and/or municipality (where applicable), the dispute shall be resolved in accordance with the provisions set forth in Section 3.07, below.

c) Entities requesting to connect to existing sewer facilities shall be responsible for (1) All costs associated with the construction of the new system, and (2) All costs of connecting to the existing system. These costs shall include any upgrades necessary to accommodate the increased flow in the existing system. In addition, the sewer customer shall pay a monthly fee to be determined by the municipality or Authority. The monthly fee shall include fees for operation, maintenance, depreciation, treatment, debt service and transportation.

d) Any entity requesting to connect to an existing sewer system pursuant to this agreement shall be required to obtain all necessary rights of way for the new system.

e) Any entity requesting to connect to the Authority or municipality sewer system shall construct the new system in accordance with the sewer specifications of the Authority or municipality that will own and operate the sewer system to which the entity intends to connect. These specifications may be changed, from time to time, by mutual agreement of the Authority, and municipality. The Authority and municipality (where applicable) shall have the right to inspect and test the new system throughout the construction phase (sic) of the project. The Authority and municipality may deny connection to the system if the new construction is not built to the specifications set forth in this section. The Authority or municipality shall maintain uniform specifications throughout the Authority or municipal system.

f) Notwithstanding any other section in this Intergovernmental Agreement and any rights this Agreement may give to entities as defined herein, connection to the Authority or municipal system may be denied for any reason with the mutual consent of the County, Authority and the undersigned city, if applicable.

Any entity seeking sewer service makes an application to the Authority and such request is referred to the Facilities and Administrative Committee<sup>4</sup>, who considers the request in open meetings and refers the request to the full membership of the Authority with an analysis and recommendations of the Committee. The Commissioners consider all requests in open meetings.

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<sup>4</sup> Genesis Agreement, Article 5, Section b, Deed Book 1709 at page 5 (at p. 35).

All actions of the Authority are recorded in the minutes, which are maintained and widely distributed. Any application for sewer service and any action taken thereon would be reflected in the minutes of the Facilities and Administrative Committee and the minutes of the meetings of the Commissioners. Any entity seeking sewer service must comply with the requirements of the SWAG Agreement as well as policies and requirements of the Authority and DHEC.

The Authority welcomes applications for sewer service and has the capability to provide sewer service to either industrial users or residential developers who desire to establish an independent treatment facility.







# Oconee Joint Regional Sewer Authority

P.O. Box 399, Seneca, SC 29679 \* Phone (864) 972-3900 \* Fax: (864) 972-3917

November 12, 2009

TO: Oconee County Council

FROM: Bob Winchester  
Oconee Joint Regional Sewer Authority

SUBJECT: Workshop/Discussion

Thanks for the opportunity to meet this evening and discuss common interests relative to providing sewer service in Oconee County.

Although we have no formal agenda the OJRSA will clarify some issues raised recently and discuss the direction Oconee County Council wishes to pursue relative to sewer infrastructure for future economic development.

Attached please find a copy of an abbreviated Business Plan prepared by OJRSA Attorney, Lowell Ross. An expanded version of the plan was recently submitted to SCDHEC relative to the restructure and name change from Oconee County Sewer Commission to Oconee Joint Regional Sewer Authority.

I am including a list of events which the OCSC/OJRSA has pursued with the former West Point facility which should correct misinformation about the OJRSA's interest in the facility, and efforts to get access to the same.

Other items for discussion include the sewer Capital Upgrades and Expansion (CUE) Funds provided by Oconee County and the Golden Corner Commerce Park Sewer Project.

I am confident that this meeting will be beneficial and informational to those involved.





# Oconee Joint Regional Sewer Authority

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11/12/09

## EVENTS - West Point Stevens/High Pointe

- 2/2/05 Meeting WPS/Sewer Proposal
  - April 2005 ARCADIS Engineers study Martins Creek, WestPoint Stevens Wastewater Treatment Plant Study cost approximately \$70,000.00 through FDC office
  - 5/20/05 Letter RCW to Kathryn Turner, Esquire – WPS Bankruptcy
  - 9/1/05 Letter from Ron Rabun to WPS Billy Harris
  - 10/27/05 Letter from Ron Rabun to Hart Cobb – Attach My Letter of 5/20/05
  - 3/6/06 OCSC Meeting Motions
  - 3/7/06 Letter to Ron Rabun
- Sometime after March 2007 the property was purchased by Developers and JACAAB are now the owners of the Wastewater Facility.
- 8/21/08 Meeting OJRSA F&A Committee – Neal Workman
  - 8/21/08 Scope of work for the feasibility study, High Pointe/Martins Creek Basin
  - 10/27/08 OJRSA Request for Waste Load Allocation – 3 & 4 MGD
  - 1/6/09 Cornix Model Submitted to M. Montebello SCDHEC
  - 3/6/09 SCDHEC Denies Waste Load Allocation Request – Modeling Needed
  - 4/2/09 W.K. Dickson completes Feasibility Study, \$14,800.00
  - 4/14/09 Neil Workman Asked That a Copy of Cornix Be Sent to Gollie
  - 4/15/09 Sent a Copy to Alan Pope
  - 5/7/09 Meeting SCDHEC, Senator Alexander, Mr. Winchester and Mr. Dietterick in Columbia
  - 10/21/09 Meeting with SCDHEC, ACOG, Senator Alexander, SI.&W, Trehel and Mr. Winchester in Seneca.

