3/5/2002

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2002-11

WHEREAS, Miss Holli Thompson, an Oconee County native, graduate of Walhalla High School and Junior at Clemson University was crowned "Miss Oconee" February 24, 2001; and

WHEREAS, during Holli's reign as Miss Oconee she has been recognized and honored as an "Ambassador of Good Will" for Oconee County throughout the State of South Carolina; and

WHEREAS, Holli has been honored by the Governor of South Carolina in being named as a "Hero for Kids"; and

WHEREAS, Holli visited many of our churches and schools this past year and was an inspiration to many of our young people.

NOW THEREFORE, BE IT RESOLVED THIS 23RD DAY OF FEBRUARY 2002 AS HOLLI CROWNS A NEW "MISS OCONEE" THE OCONEE COUNTY SUPERVISOR AND THE OCONEE COUNTY COUNCIL WOULD LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS THEIR APPRECIATION TO HOLLI FOR HER GRACIOUS AND INSPIRATIONAL REIGN AS "MISS OCONEE 2001" AND HER REPRESENTATION OF OUR COUNTY.

BE IT FURTHER RESOLVED THAT THE SUPERVISOR AND COUNCIL EXPRESS BEST WISHES TO HOLLI AS SHE COMPLETES HER EDUCATION AT CLEMSON UNIVERSITY AND PURSUES HER CAREER IN ELEMENTARY EDUCATION, HOPEFULLY IN HER NATIVE COUNTY.

APPROVED & ADOPTED on first and final reading as evidenced by the hand of the Supervisor-Chair and attested by the Council Clerk.

____

Ann H. Hughes
Supervisor-Chair
Oconee County Council

Attest:

____

Opal O. Green
Council Clerk

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2002-14

WHEREAS, the Knights of Columbus is a Catholic Men's Organization dedicated to works of charity, unity, fraternity and patriotism; and

WHEREAS, the Knights of Columbus have dedicated their organization to assisting the mentally handicapped through their charitable works, contributions and fund raisers; and

WHEREAS, the Knights of Columbus conduct a fund raising campaign known as ***"OPERATION HOPE" - "HELPING OUR PEOPLE EVERYDAY"***; and

WHEREAS, the Knights of Columbus will be promoting the ***"OPERATION HOPE"*** campaign March 8th and 9th and March 22nd and March 23rd, 2002 in the Cities of Clemson, Seneca, Westminster & West Union;

NOW THEREFORE, BE IT RESOLVED this date by the Oconee County Council, in session duly assembled, with a quorum present and voting that the Oconee County Council recognizes and acknowledges the Knights of Columbus for their hard work, dedication and service in helping the mentally challenged through ***"OPERATION HOPE"***

APPROVED & ADOPTED on first and final reading this 5th day of March 2002.

Ann H. Hughes
Supervisor-Chair
Oconee County Council

Attest:

Opal O. Green
Council Clerk

ORDINANCE

AN ORDINANCE AUTHORIZING THE EXECUTION AND DELIVERY OF A FEE IN LIEU OF TAX AGREEMENT BY AND BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND COMPACT AIR PRODUCTS LLC; AND OTHER MATTERS RELATING THERETO INCLUDING, WITHOUT LIMITATION, PAYMENT OF A FEE IN LIEU OF TAXES.

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), to cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to provide for the construction, operation, maintenance and improvement of such projects; to enter into or allow financing agreements with respect to such projects; and, to accept any grants for such projects through which powers the industrial development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products and natural resources of the State and benefit the general public welfare of the County by providing services, employment, recreation or other public benefits not otherwise provided locally; and

WHEREAS, the County is authorized by the Act to execute a fee in lieu of tax agreement, as defined in the Act, with respect to any such project; and

WHEREAS, Compact Air Products LLC, a limited liability company organized and existing under the laws of the State of Delaware (referred to hereinafter as the "Company"), has requested the County to participate in executing an Inducement Agreement and Millage Rate Agreement, and a Fee in Lieu of Tax Agreement in the form of a fee agreement (the "Fee Agreement") (Compact Air Products LLC Project) pursuant to the Act for the purpose of authorizing and of acquiring, by purchase, lease and construction, certain land, a building or buildings, machinery, apparati, and equipment, for the purpose of a manufacturing facility which will manufacture pneumatic equipment and devices (the "Project"), all as more fully set forth in the Fee Agreement attached hereto; and

WHEREAS, the County has determined that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and, that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes; and, that the inducement of the location or expansion of the Project within the County and State is of paramount importance; and, that the benefits of the Project will be greater than the costs; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act; and

WHEREAS, the County Council has previously determined to enter into and execute the aforesaid Inducement Agreement and Millage Rate Agreement and the Fee Agreement with the Company and to that end has, by its Resolution adopted on December 18, 2001, authorized the execution of an Inducement Agreement and Millage Rate Agreement containing a fee in lieu of tax agreement; and

WHEREAS, it appears that the instruments above referred to, which are now before this meeting, are in appropriate form and are appropriate instruments to be executed and delivered by the County for the purposes intended.

NOW, THEREFORE, BE IT ORDAINED by the County Council of Oconee County, South Carolina, as follows:

Section 1. In order to promote industry, develop trade and utilize and employ the manpower, agricultural products and natural resources of the State by assisting the Company to locate a facility in the State and the acquisition by the Company of land, a building or buildings, and various machinery, apparati, and equipment, all as a part of the Project to be utilized for the purpose of manufacturing pneumatic equipment and devices, is hereby authorized, ratified and approved.

Section 2. It is hereby found, determined and declared by the County Council, as follows:

(a) Based solely upon representations of the Company, the Project will constitute a "project" as said term is referred to and defined in the Act, and the County's actions herein will subserve the purposes and in all respects conform to the provisions and requirements of the Act;

(b) The Project and the payments in lieu of taxes set forth herein are beneficial to the County;

(c) The terms and provisions of the Inducement Agreement and Millage Rate Agreement are incorporated herein and made a part hereof;

(d) The Project will benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally;

(e) The Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either;

(f) The purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes;

(g) The inducement of the location or expansion of the Project within the County and State is of paramount importance; and,

(h) The benefits of the Project will be greater than the costs.

Section 3. The forms, terms and provisions of the Fee Agreement presented to this meeting and filed with the Clerk of the County Council be and they are hereby approved and all of the terms, provisions and conditions thereof are hereby incorporated herein by reference as if the Fee Agreement were set out in this Ordinance in its entirety. The Supervisor/Chairman of the County Council and the Clerk of the County Council be and are hereby authorized, empowered and directed to execute, acknowledge and deliver the Fee Agreement in the name of and on behalf of the County, and thereupon to cause the Fee Agreement to be delivered to the Company. The Fee Agreement is to be in substantially the form now before this meeting and hereby approved, or with such minor changes therein as shall be approved by the officials of the County executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of the Fee Agreement now before this meeting.

Section 4. The Supervisor/Chairman of the County Council and the Clerk of the County Council, for and on behalf of the County, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Fee Agreement and the performance of all obligations of the County under and pursuant to the Fee Agreement.

Section 5. The provisions of this Ordinance are hereby declared to be separable and if any section, phrase or provisions shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereunder.

Section 6. All orders, resolutions, ordinances and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Ordinance shall take effect and be in full force from and after its passage and approval.

Passed and approved this 5th day of March 2002.

OCONEE COUNTY, SOUTH CAROLINA

By: ______________________________
Ann H. Hughes, Supervisor/Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: ______________________________
Opal O. Green, Clerk to County Council
Oconee County, South Carolina

First Reading:	February 5, 2002
Second Reading:	February 19, 2002
Public Hearing:	March 5, 2002
Third Reading:	March 5, 2002

HAYNSWORTH SINKLER BOYD, P.A.

FEE AGREEMENT

between

OCONEE COUNTY, SOUTH CAROLINA

and

COMPACT AIR PRODUCTS LLC
a Delaware limited liability company

Dated as of ________ 1, 2002

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Oconee County, South Carolina

FEE AGREEMENT

THIS FEE AGREEMENT (this "Fee Agreement") is made and entered into as of________1, 2002, by and between OCONEE COUNTY, SOUTH CAROLINA (the "County"), a body politic and corporate and a political subdivision of the State of South Carolina (the "State"), acting by and through the Oconee County Council (the "County Council") as the governing body of the County, and COMPACT AIR PRODUCTS LLC (the "Company"), a company duly organized and existing under the laws of the State of Delaware.

WITNESSETH:

Recitals.

The County is authorized by Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended (the "Act") to enter into a fee agreement with entities meeting the requirements of such Act, which identifies certain property of such entities as economic development property, to induce such industries to locate in the State and to encourage industries now located in the State to expand their investments and thus make use of and employ manpower and other resources of the State.

Pursuant to the Act, the County finds that (a) the Project (as defined herein) is anticipated to benefit the general public welfare of the County by providing services, employment, recreation, or other public benefit not otherwise adequately provided locally; (b) the Project gives rise to no pecuniary liability of the County or incorporated municipality and to no charge against its general credit or taxing power; (c) the purposes to be accomplished by the Project are proper governmental

and public purposes; and (ii) the benefits of the Project to the public are greater than the costs to the public.

Pursuant to an Inducement Agreement executed by the County on December 18, 2001 and by the Company on March ___, 2002 (referred to herein as the "Inducement Agreement") authorized by a resolution adopted by the County Council on December 18, 2001 (referred to herein as the "Inducement Resolution"), the Company has agreed to acquire by construction, lease, purchase, lease or otherwise a manufacturing facility which manufactures pneumatic equipment and devices (the "Facility") which is located in the County, which would consist of the acquisition, construction, installation, expansion, improvement, design and engineering, in phases, of additional or improved machinery and equipment, buildings, improvements or fixtures which will constitute the project (the "Project"). The Project in the County involves an initial investment of at least $5,000,000 to qualify the Project under the Act.

Pursuant to an Ordinance adopted on March 5, 2002 (the "Fee Ordinance"), as an inducement to the Company to develop the Project and at the Company's request, the County Council authorized the County to enter into a Fee Agreement with the Company which identifies the property comprising the Project as Economic Development Property (as defined in the Act) under the Act subject to the terms and conditions hereof.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the respective representations and agreements hereinafter contained, the parties hereto agree as follows, with the understanding that no obligation of the County described herein shall create a pecuniary liability or charge upon its general credit or taxing powers, but shall be payable solely out of the sources of payment described

herein and shall not under any circumstances be deemed to constitute a general obligation of the County;

ARTICLE I

DEFINITIONS

The terms defined in this Article shall for all purposes of this Fee Agreement have the meaning herein specified, unless the context clearly requires otherwise.

"Act" shall mean Title 12, Chapter 44 of the Code of Laws of South Carolina, 1976, as amended, and all future acts supplemental thereto or amendatory thereof.

"Authorized Company Representative" shall mean any person designated from time to time to act on behalf of the Company by a Member, a Manager or its President as evidenced by a written certificate or certificates furnished to the County containing the specimen signature of each such person, signed on behalf of the Company by a Member, a Manager or its President, one of its vice presidents, its general counsel, its treasurer or any assistant treasurer, its secretary or any assistant secretary. Such certificates may designate an alternate or alternates, and may designate different Authorized Company Representatives to act for the Company with respect to different sections of this Fee Agreement.

"Authorized County Representative" shall mean the person or persons at the time designated to act on behalf of the County by written certificate furnished to the Company containing the specimen signature of such person and signed on behalf of the County by the Clerk of the County Council.

"Clerk to County Council" shall mean the Clerk to the County Council of Oconee County, South Carolina.

"Closing" or "Closing Date" shall mean the date of the execution and delivery hereof.

"Code" shall mean the Code of Laws of South Carolina, 1976, as amended.

"Company" shall mean Compact Air Products LLC, a limited liability company duly qualified to transact business in the State.

"County" shall mean Oconee County, South Carolina, a body politic and corporate and a political subdivision of the State, its successors and assigns, acting by and through the County Council as the governing body of the County.

"County Council" shall mean the Oconee County Council, the governing body of the County.

"Diminution of Value" in respect of any Phase of the Project shall mean any reduction in the value based on original fair market value as determined in Step 1 of Section 4.1 of this Fee Agreement, of the items which constitute a part of the Phase which may be caused by (i) the Company's removal of equipment pursuant to Section 4.6 of this Fee Agreement, (ii) a casualty to the Phase of the Project, or any part thereof, described in Section 4.7 of this Fee Agreement or (iii) a condemnation to the Phase of the Project, or any part thereof, described in Section 4.8 of this Fee Agreement.

"Economic Development Property" shall mean all items of real and tangible personal property comprising the Project which are eligible for inclusion as economic development property under the Act, become subject to the Fee Agreement, and which are identified by the Company in connection with its annual filing of a SCDOR PT-100, PT-300 or comparable form with the South Carolina Department of Revenue and Taxation (as such filing may be amended from time to time)

for each year within the Investment Period. Title to all Economic Development Property shall at all times remain vested in the Company.

"Equipment" shall mean all of the machinery, equipment, furniture and fixtures, together with any and all additions, accessions, replacements and substitutions thereto or therefor to the extent such machinery, equipment and fixtures become a part of the Project under this Fee Agreement.

"Event of Default" shall mean any Event of Default specified in Section 4.13 of this Fee Agreement.

"Facility" shall mean the Company's facilities to be constructed in Oconee County, South Carolina.

"Fee Agreement" shall mean this Fee Agreement.

"Fee Term" or "Term" shall mean the period from the date of delivery of this Fee Agreement until the last Phase Termination Date unless sooner terminated or extended pursuant to the terms of this Fee Agreement.

"FILOT Revenues" shall mean the payments in lieu of taxes which the Company is obligated to pay to the County pursuant to Section 4.1 hereof.

"Improvements" shall mean improvements, together with any and all additions, accessions, replacements and substitutions thereto or therefor, but only to the extent such additions, accessions, replacements, and substitutions are deemed to become part of the Project under the terms of this Fee Agreement.

"Inducement Agreement" shall mean the Inducement Agreement entered into between the County on December 18, 2001 and the Company on March __, 2002 as authorized by the Inducement Resolution.

"Inducement Resolution" shall mean the resolution of the County Council adopted on December 18, 2001, authorizing the County to enter into the Inducement Agreement.

"Investment Period" shall mean the period commencing sixty (60) days prior to the date of the Inducement Resolution and ending on the last day of the fifth property tax year following the property tax year in which this Agreement is executed; provided a later date may be agreed to by the Company and the County pursuant to Section 12-44-30(13) of the Act.

"Phase" or "Phases" in respect of the Project shall mean the Equipment, Improvements and Real Property, if any, placed in service during each year of the Investment Period.

"Phase Termination Date" shall mean with respect to each Phase of the Project the day twenty years after each such Phase of the Project becomes subject to the terms of this Fee Agreement. Anything contained herein to the contrary notwithstanding, the last Phase Termination Date shall be no later than the later of: (a) December 31, 2022 or December 31, 2024, if an extension of time in which to complete the Project is granted by the County pursuant to Section 12-44-30(13) of the Act or (b) December 31 of the year of the expiration of the maximum period of years that the annual fee payment is available to the Company under Section 12-44-30(20) of the Act, as amended.

"Project" shall mean the Equipment, Improvements, and Real Property, together with the acquisition, construction, installation, design and engineering thereof, in phases, which shall

constitute expansions or improvements of the Facility. The Project involves an initial investment of sufficient sums to qualify under the Act.

"Real Property" shall mean real property, together with all and singular the rights, members, hereditaments and appurtenances belonging or in any way incident or appertaining thereto to the extent such become a part of the Project under the terms of this Fee Agreement; all Improvements now or hereafter situated thereon; and all fixtures now or hereafter attached thereto, but only to the extent such Improvements and fixtures are deemed to become part of the Project under the terms of this Fee Agreement.

"Removed Components" shall mean the following types of components or Phases of the Project or portions thereof, all of which the Company shall be entitled to remove from the Project with the result that the same shall no longer be subject to the terms of the Fee Agreement: (a) components or Phases of the Project or portions thereof which the Company, in its sole discretion, determines to be inadequate, obsolete, worn-out, uneconomic, damaged, unsuitable, undesirable or unnecessary; or (b) components or Phases of the Project or portions thereof which the Company in its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) of this Fee Agreement.

"Replacement Property" shall mean any property which is placed in service as a replacement for any item of Equipment or any Improvement which is scrapped or sold by the Company and treated as a Removed Component under Section 4.6 hereof regardless of whether such property serves the same function as the property it is replacing and regardless of whether more than one piece of property replaces any item of Equipment or any Improvement.

"Supervisor/Chairman" shall mean the Supervisor/Chairman of the County Council of Oconee County, South Carolina.

Any reference to any agreement or document in this Article I or otherwise in this Fee Agreement shall be deemed to include any and all amendments, supplements, addenda, and modifications to such agreement or document.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations of the County. The County hereby represents and warrants to the Company as follows:

(a) The County is a body politic and corporate and a political subdivision of the State which acts through the County Council as its governing body and by the provisions of the Act is authorized and empowered to enter into the transactions contemplated by this Fee Agreement and to carry out its obligations hereunder. The County has duly authorized the execution and delivery of this Fee Agreement and any and all other agreements described herein or therein.

(b) The Project constitutes a "project" within the meaning of the Act.

(c) By due corporate action, the County has agreed that, subject to compliance with applicable laws, each item of real and tangible personal property comprising the Project shall be considered Economic Development Property under the Act.

Section 2.2 Representations of the Company. The Company hereby represents and warrants to the County as follows:

(a) The Company is duly organized and in good standing under the laws of the State of Delaware, is qualified to do business in the State, has power to enter into this Fee Agreement, and by proper company action has duly authorized the execution and delivery of this Fee Agreement.

(b) The Company's execution and delivery of this Fee Agreement and its compliance with the provisions hereof will not result in a default, not waived or cured, under any company restriction or any agreement or instrument to which the Company is now a party or by which it is bound.

(c) The Company intends to operate the Project as a "project" within the meaning of the Act as in effect on the date hereof. The Company intends to operate the Project for the purpose of a manufacturing facility which manufactures pneumatic equipment and devices and conducting other legal activities and functions with respect thereto, and for such other purposes permitted under the Act as the Company may deem appropriate.

(d) The availability of the payment in lieu of taxes with regard to the Economic Development Property authorized by the Act has induced the Company to locate the Facility in the State.

(e) Inasmuch as at present the Company anticipates that the cost of the project will be at least $5,000,000, the cost of the Project will exceed the minimum investment required by the Act.

ARTICLE III

COMMENCEMENT AND COMPLETION OF THE PROJECT

Section 3.1 The Project. The Company has acquired, constructed and/or installed or made plans for the acquisition, lease, construction and/or installation of certain land, buildings, improvements, fixtures, machinery and equipment which comprise the Project.

Pursuant to the Act, the Company and the County hereby agree that the property comprising the Project shall be Economic Development Property as defined under the Act. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project provided it makes the payments required hereunder.

Section 3.2 Diligent Completion. The Company agrees to use its reasonable efforts to cause the acquisition, construction and installation of the Project to be completed as soon as practicable, but in any event on or prior to December 31, 2007, or on or prior to December 31, 2009, if an extension of time in which to complete the Project is granted by the County pursuant to Section 12-44-30(13) of the Act. Anything contained in this Agreement to the contrary notwithstanding, the Company shall not be obligated to complete the acquisition of the Project in the event that it pays all amounts due by it under the terms of this Fee Agreement.

ARTICLE IV

PAYMENTS IN LIEU OF TAXES

Section 4.1 Negotiated Payments. Pursuant to Section 12-44-50 of the Act, the Company is required to make payments in lieu of ad valorem taxes to the County with respect to the Project. Inasmuch as the Company anticipates the Project will involve an initial investment of sufficient sums to qualify to enter into a fee in lieu of tax arrangement under Section 12-44-50(A)(1) of the Act, the County and the Company have negotiated the amount of the payments in lieu of taxes in accordance therewith. In accordance therewith, the Company shall make payments in lieu of ad valorem taxes on all real and personal property which comprises the Project and is placed in service, as follows: the Company shall make payments in lieu of ad valorem taxes with respect to each Phase of the Project placed in service on or before each December 31 through

December 31, 2007, or through December 31, 2009, if an extension of time in which to complete the Project is granted by the County pursuant to Section 12-44-30(13) of the Act, said payments to be made annually and to be due and payable and subject to penalty assessments on the same dates and in the same manner as prescribed by the County for ad valorem taxes. The amount of such equal annual payments in lieu of taxes shall be determined by the following procedure (subject, in any event, to the required procedures under the Act):

Step 1: Determine the fair market value of the Phase of the Project placed in service in any given year for such year and for the following 19 years using original income tax basis for State income tax purposes for any real property (provided, if real property is constructed for the fee or is purchased in an arms length transaction, fair market value is deemed to equal the original income tax basis, otherwise, the Department of Revenue and Taxation will determine fair market value by appraisal) and original income tax basis for State income tax purposes less depreciation for each year allowable to the Company for any personal property as determined in accordance with Title 12 of the Code, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement, except that no extraordinary obsolescence shall be allowable but taking into account all applicable property tax exemptions which would be allowed to the Company under State law, if the property were taxable, except those exemptions specifically disallowed under Section 12-44-50(A)(2) of the Act, as amended and in effect on December 31 of the year in which each Phase becomes subject to the Fee Agreement.

Step 2: Apply an assessment ratio of six (6.0%) percent to the fair market value as determined for each year in Step 1 to establish the taxable value of each Phase of the Project in the year it is placed in service and in each of the nineteen years thereafter or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended.

Step 3: Using a millage rate equal to the millage rate in effect for June 30, 2001, for the taxing district of the County in which the Facility is located (which millage rate shall remain fixed for the term of this Fee Agreement), determine the amount of the payments in lieu of taxes which would be due in each of the twenty years listed on the

payment dates prescribed by the County for such payments or such longer period of years that the annual fee payment is permitted to be made by the Company under the Act, as amended.

In the event that it is determined by a final order of a court of competent jurisdiction or by agreement of the parties that the minimum payment in lieu of taxes applicable to this transaction is to be calculated differently than described above, the payment shall be reset at the minimum permitted level so determined.

In the event that the Act and/or the above-described payments in lieu of taxes are declared invalid or unenforceable, in whole or in part, for any reason, the parties express their intentions that such payments be reformed so as to most closely effectuate the legal, valid, and enforceable intent thereof and so as to afford the Company with the benefits to be derived herefrom, it being the intention of the County to offer the Company a strong inducement to locate the Project in the County. If the Project is deemed to be subject to ad valorem taxation, the payment in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount which would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the Project did not constitute Economic Development Property under the Act, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company if the Project was and had not been Economic Development Property under the Act. In such event, any amount determined to be due and owing to the County from the Company, with respect to a year or years for which payments in lieu of ad valorem taxes have been previously remitted by the Company to the County hereunder, shall be reduced by the total amount of payments in lieu of ad valorem taxes made by the Company with respect to the Project pursuant to the terms hereof.

Section 4.2 Cost of Completion. In the event that the cost of completion of the Project has not exceeded $5,000,000 as required under Section 12-44-30(13) of the Act by December 31, 2007, beginning with the payment due in 2008, the payment in lieu of ad valorem taxes to be paid to the County by the Company shall become equal to the amount as would result from taxes levied on the Project by the County, municipality or municipalities, school district or school districts, and other political units as if the items of property comprising the Project were not Economic Development Property, but with appropriate reductions equivalent to all tax exemptions which would be afforded to the Company in such a case. In addition to the foregoing, the Company shall pay to the County an amount which is equal to the excess, if any, of (i) the total amount of ad valorem taxes that would have been payable to the County with respect to the Project through and including 2007 using the calculations described in this Section above, over, (ii) the total amount of payments in lieu of ad valorem taxes made by the Company with respect to the Project through and including 2007. Any amounts determined to be owing pursuant to the foregoing sentence shall be subject to interest as provided in the Act.

Section 4.3 Payments in Lieu of Taxes on Replacement Property. If the Company elects to replace any Removed Components and to substitute such Removed Components with Replacement Property as a part of the Project, then, pursuant and subject to Section 12-44-60 of the Act, the Company shall make statutory payments in lieu of ad valorem taxes with regard to such Replacement Property as follows:

(i) to the extent that the income tax basis of the Replacement Property (the "Replacement Value") is less than or equal to the original income tax basis of the Removed Components (the "Original Value") the amount of the payments in lieu of

taxes to be made by the Company with respect to such Replacement Property shall be calculated in accordance with Section 4.1 hereof; provided, however, in making such calculations, the original cost to be used in Step 1 of Section 4.1 shall be equal to the lesser of (x) the Replacement Value and (y) the Original Value, and the number of annual payments to be made with respect to the Replacement Property shall be equal to twenty (20) (or, if greater, the maximum number of years for which the annual fee payments are available to the Company for each portion of the Project under the Act, as amended) minus the number of annual payments which have been made with respect to the Removed Components; and provided, further, however, that in the event a varying number of annual payments have been made with respect to such Removed Components as a result of such Removed Components being included within more than one Phase of the Project, then the number of annual payments which shall be deemed to have been made shall be the greater of such number of annual payments; and

(ii) to the extent that the Replacement Value exceeds the Original Value of the Removed Components (the "Excess Value"), the payments in lieu of taxes to be made by the Company with respect to the Excess Value shall be equal to the payment that would be due if the property were not Economic Development Property.

Section 4.4 Reductions in Payments of Taxes Upon Removal, Condemnation or Casualty. In the event of a Diminution in Value of any Phase of the Project, the payment in lieu of taxes with regard to that Phase of the Project shall be reduced in the same proportion as the amount

of such Diminution in Value bears to the original fair market value of that Phase of the Project as determined pursuant to Step 1 of Section 4.1 hereof; provided, however, that if at any time subsequent to December 31, 2007, the total value of the Project based on the original income tax basis of the Equipment, Real Property and Improvements contained therein, without deduction for depreciation, is less than the sums necessary to qualify under the Act, beginning with the first payment thereafter due hereunder and continuing until the end of the Fee Term, the Company shall make payments equal to the payments which would be due if the property were not Economic Development Property.

Section 4.5 Place and Allocation of Payments in Lieu of Taxes. The Company shall make the above-described payments in lieu of taxes directly to the County in accordance with applicable law.

Section 4.6 Removal of Equipment. Provided that no Event of Default shall have occurred and be continuing under this Fee Agreement, the Company shall be entitled upon written notice to the County to remove the following types of components or Phases of the Project from the Project with the result that said components or Phases (the "Removed Components") shall no longer be considered a part of the Project and shall no longer be subject to the terms of this Fee Agreement: (a) components or Phases which become subject to statutory payments in lieu of ad valorem taxes; (b) components or Phases of the Project or portions thereof which the Company, in its sole discretion, determines to be inadequate, obsolete, uneconomic, worn-out, damaged, unsuitable, undesirable or unnecessary; or (c) components or Phases of the Project or portions thereof which the Company, in its sole discretion, elects to remove pursuant to Section 4.7(c) or Section 4.8(b)(iii) hereof.

Section 4.7 Damage or Destruction of Project.

(a) Election to Terminate. In the event the Project is damaged by fire, explosion, or any other casualty, the Company shall be entitled to terminate this Agreement.

(b) Election to Rebuild. In the event the Project is damaged by fire, explosion, or any other casualty, and if the Company does not elect to terminate this Agreement, the Company may commence to restore the Project with such reductions or enlargements in the scope of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company. All such restorations and replacements shall be considered substitutions of the destroyed portions of the Project and shall be considered part of the Project for all purposes hereof, including, but not limited to any amounts due by the Company to the County under Section 4.1 hereof.

(c) Election to Remove. In the event the Company elects not to terminate this Agreement pursuant to subsection (a) and elects not to rebuild pursuant to subsection (b), the damaged portions of the Project shall be treated as Removed Components.

Section 4.8 Condemnation.

(a) Complete Taking. If at any time during the Fee Term title to or temporary use of the entire Project should become vested in a public or quasi-public authority by virtue of the exercise of a taking by condemnation, inverse condemnation or the right of eminent domain, or by voluntary transfer under threat of such taking, or in the event that title to a portion of the Project shall be taken rendering continued occupancy of the Project commercially infeasible in the judgment of the Company, the Company shall have the option to terminate this Fee Agreement as of the time of

vesting of title by sending written notice to the County within a reasonable period of time following such vesting.

(b) Partial Taking. In the event of a partial taking of the Project or a transfer in lieu thereof, the Company may elect: (i) to terminate this Fee Agreement; (ii) to repair and restore the Project, with such reductions or enlargements in the scope of the Project, changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company; or (iii) to treat the portions of the Project so taken as Removed Components.

Section 4.9 Maintenance of Existence. The Company agrees (i) that it shall not take any action which will materially impair the maintenance of its company existence and (ii) that it will maintain its good standing under all applicable provisions of State law. Provided, however, the Company may merge with or be acquired by another Company so long as the surviving Company has an equal or greater net asset value.

Section 4.10 Indemnification Covenants. The Company shall and agrees to indemnify and save the County, its employees, officers, and agents (the "Indemnified Parties") harmless against and from all claims by or on behalf of any person, firm or corporation arising from the County's entry into this Agreement. The Company shall indemnify and save the Indemnified Parties harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon, and upon notice from the County, the Company shall defend them in any such action, prosecution or proceeding.

Section 4.11 Confidentiality/Limitation on Access to Project. The County acknowledges and understands that the Company utilizes confidential and proprietary "state of the art" equipment

and techniques and that any disclosure of any information relating to such equipment or techniques, including but not limited to disclosures of financial or other information concerning the Company's operations would result in substantial harm to the Company and could thereby have a significant detrimental impact on the Company's employees and also upon the County. Therefore, the County agrees that, except as required by law and pursuant to the County's police powers, neither the County nor any employee, agent or contractor of the County: (i) shall request or be entitled to receive any such confidential or proprietary information; (ii) shall request or be entitled to inspect the Project, the Facility or any property associated therewith; provided, however, that if an Event of Default shall have occurred and be continuing hereunder, the County shall be entitled to inspect the Project provided they shall comply with the remaining provisions of this Section; or (iii) shall disclose or otherwise divulge any such confidential or proprietary information to any other person, firm, governmental body or agency, or any other entity unless specifically required to do so by State law. Prior to disclosing any confidential or proprietary information or allowing inspections of the Project, the Facility or any property associated therewith, the Company may require the execution of reasonable, individual, confidentiality and non-disclosure agreements by any officers, employees or agents of the County or any supporting or cooperating governmental agencies who would gather, receive or review such information or conduct or review the results of any inspections.

Section 4.12 Assignment and Subletting. This Fee Agreement may be assigned in whole or in part and the Project may be subleased as a whole or in part by the Company without the necessity of obtaining the consent of the County so long as such assignment or sublease is made in compliance with Section 12-44-120 of the Act.

Section 4.13 Events of Default. The following shall be "Events of Default" under this Fee Agreement, and the term "Events of Default" shall mean, whenever used with reference to this Fee Agreement, any one or more of the following occurrences:

(a) Failure by the Company to make, upon levy, the payments in lieu of taxes described in Section 4.1 hereof; provided, however, that the Company shall be entitled to all redemption rights granted by applicable statutes; or

(b) Failure by the Company to perform any of the other material terms, conditions, obligations or covenants of the Company hereunder, which failure shall continue for a period of ninety (90) days after written notice from the County to the Company specifying such failure and requesting that it be remedied, unless the County shall agree in writing to an extension of such time prior to its expiration.

Section 4.14 Remedies on Default. Whenever any Event of Default shall have occurred and shall be continuing, the County may take any one or more of the following remedial actions:

(a) Terminate the Fee Agreement; or

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the other amounts due and thereafter to become due or to enforce performance and observance of any obligation, agreement or covenant of the Company under this Fee Agreement.

Section 4.15 Remedies Not Exclusive. No remedy conferred upon or reserved to the County under this Fee Agreement is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other lawful remedy now or hereafter existing. No delay or omission to exercise any right or power accruing upon any continuing default hereunder shall impair any such right or power or shall be

construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the County to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be herein expressly required and such notice required at law or equity which the Company is not competent to waive.

Section 4.16 Reimbursement of Legal Fees and Expenses. If the Company shall default under any of the provisions of this Fee Agreement and the County shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Company contained herein, the Company will, within thirty (30) days of demand therefor, reimburse the reasonable fees of such attorneys and such other reasonable expenses so incurred by the County.

Section 4.17 No Waiver. No failure or delay on the part of the County in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. No waiver of any provision hereof shall be effective unless the same shall be in writing and signed by the County.

ARTICLE V

MISCELLANEOUS

Section 5.1 Notices. Any notice, election, demand, request or other communication to be provided under this Fee Agreement shall be effective when delivered to the party named below or when deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed as follows (or addressed to such other address as any party shall have previously furnished in writing to the other party), except where the terms hereof require receipt rather than sending of any notice, in which case such provision shall control:

AS TO THE COUNTY:
Oconee County, South Carolina
415 South Pine Street
Walhalla, South Carolina 29691
Attention: Supervisor/Chairman

AS TO THE COMPANY:
Compact Air Products LLC
Post Office Box 499
Westminster, South Carolina 29693
Attention: President

WITH A COPY TO:
Haynsworth Sinkler Boyd, P.A.
Post Office Box 2048
Greenville, South Carolina 29602
Attention: J. Wesley Crum III, Esquire

Section 5.2 Binding Effect. This Fee Agreement and each document contemplated hereby or related hereto shall be binding upon and inure to the benefit of the Company and the County and their respective successors and assigns. In the event of the dissolution of the County or the consolidation of any part of the County with any other political subdivision or the transfer of any rights of the County to any other such political subdivision, all of the covenants, stipulations, promises and agreements of this Fee Agreement shall bind and inure to the benefit of the successors

of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County has been transferred.

Section 5.3 Counterparts. This Fee Agreement may be executed in any number of counterparts, and all of the counterparts taken together shall be deemed to constitute one and the same instrument.

Section 5.4 Governing Law. This Fee Agreement and all documents executed in connection herewith shall be construed in accordance with and governed by the laws of the State.

Section 5.5 Headings. The headings of the articles and sections of this Fee Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Fee Agreement.

Section 5.6 Amendments. The provisions of this Fee Agreement may only be modified or amended in writing by any agreement or agreements entered into between the parties.

Section 5.7 Further Assurance. From time to time the County agrees to execute and deliver to the Company such additional instruments as the Company may reasonably request to effectuate the purposes of this Fee Agreement.

Section 5.8 Severability. If any provision of this Fee Agreement is declared illegal, invalid or unenforceable for any reason, the remaining provisions hereof shall be unimpaired and such illegal, invalid or unenforceable provision shall be reformed so as to most closely effectuate the legal, valid and enforceable intent thereof and so as to afford the Company with the maximum benefits to be derived herefrom, it being the intention of the County to offer the Company the strongest inducement possible to locate the Project in the County.

Section 5.9 Limited Obligation. ANY OBLIGATION OF THE COUNTY CREATED BY OR ARISING OUT OF THIS FEE AGREEMENT SHALL BE A LIMITED OBLIGATION OF THE COUNTY, PAYABLE BY THE COUNTY SOLELY FROM THE PROCEEDS DERIVED UNDER THIS FEE AGREEMENT AND SHALL NOT UNDER ANY CIRCUMSTANCES BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

Section 5.10 Force Majeure. Company shall not be responsible for any delays or non-performance caused in whole or in part, directly or indirectly, by strikes, accidents, freight embargoes, fire, floods, inability to obtain materials, conditions arising from government orders or regulations, war or national emergency, acts of God, and any other cause, similar or dissimilar, beyond Company's reasonable control.

IN WITNESS WHEREOF, the County, acting by and through the County Council, has caused this Fee Agreement to be executed in its name and behalf by the County Supervisor/Chairman and to be attested by the Clerk to County Council; and the Company has caused this Fee Agreement to be executed by its duly authorized officer, all as of the day and year first above written.

OCONEE COUNTY, SOUTH CAROLINA

By: ______________________________
Ann E. Hughes, Supervisor/Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: ______________________________
Opal O. Green, Clerk to County Council
Oconee County, South Carolina

WITNESSES:

____

____

COMPACT AIR PRODUCTS LLC

By:______________________________

Its:

WITNESSES:

____

____

STATE OF SOUTH CAROLINA

COUNTY OF OCONEE

RESOLUTION 2002-13

WHEREAS, the late Mr. Jack M. Hirst served the citizens of Oconee County as the Oconee County Solid Waste Director from August 7, 1989 until his death April 25, 2001; and

WHEREAS, shortly after Mr. Hirst became Solid Waste Director, federal and state laws began to dictate the method of waste disposal; and

WHEREAS, during Mr. Hirst's tenure as Solid Waste Director, the Five Forks Landfill was closed, the Municipal Solid Waste Landfill in Seneca was closed and the Construction & Demolition Landfill was expanded in compliance with South Carolina Department of Health & Environmental Control regulations; and

WHEREAS, during Mr. Hirst's tenure as Solid Waste Director, Oconee County removed the green box collection system from the roadsides in the county and opened eleven convenience centers throughout the county with the first center being opened December 7, 1992; and

WHEREAS, the present Solid Waste Facility was opened May 20, 1996 and the Transfer Station was opened August 11, 1998; and

WHEREAS, although the Tri County Regional Landfill never came to fruition, Mr. Hirst worked tirelessly toward making this a reality.

NOW THEREFORE, BE RESOLVED THIS DATE that it is the desire of the Oconee County Council and the Oconee County Supervisor to honor Mr. Hirst by renaming the Oconee County Solid Waste Facility the Jack M. Hirst Solid Waste Facility.

BE IT FURTHER RESOLVED that the Oconee County Council recognizes the many hours of service Mr. Hirst gave to the citizens of Oconee County as the Solid Waste Director and as a result of his altruistic service, Oconee County will, for many years, be a better place in which to work and live.

APPROVED & ADOPTED on first and final reading this 5th day of March 2002 as evidenced by the hand of the Chair of Council and the attest of the Council Clerk.

Ann R. Hughes
Supervisor-Chair
Oconee County Council

Attest:

Opal O. Green
Council Clerk

INTERIM INSTREAM FLOW PROTECTION STRATEGY

Applicable Law or Regulation

- Public Law 92-500, Federal Clean Water Act, Section 303
- No specific State statute, however O.C.G.A. 12-5-31(g) states that the granting of a withdrawal permit shall not have unreasonably adverse effects upon other water uses in the area, also O.C.G.A. 12-5-23 authorizes DNR to manage water uses in the State.
- DNR Rule 391-3-6-.07(4) requires persons withdrawing surface water to allow specified flows to remain in the river or to release specified flows from reservoirs. This flow is typically the seven-day, ten-year low flow.

Discussion

Georgia has a centralized permitting process under Environmental Protection Division (EPD). It also is where the headwaters of most of the surface water streams through the state originate, and thus Georgia has the capability to manage both water quality and quantity. The Georgia legislature has passed laws that provide the regulatory tools necessary to allow the Environmental Protection Division to issue surface water and groundwater withdrawal permits for any use greater than 100,000 gallons of water per day (whether the user is municipal, industrial, agricultural or private). In carrying out its water management responsibility, it is incumbent upon EPD to protect adequate stream flows for aquatic habitat needs in the issuance of surface water withdrawal permits, and to prevent excessive draw down of aquifers in the issuance of groundwater withdrawal permits.

EPD implements its instream flow protection policy through provisions inserted in surface water withdrawal permits. For more than 20 years the minimum stream flows protected within the provision of withdrawal permits have been coordinated with water quality loading limits established for wastewater dischargers under the National Pollutant Discharge Elimination System (NPDES) permits. The 1977 water allocation amendment to the Georgia Water Quality Control Act "grandfathered" those entities with pre-1977 surface water withdrawals. Thus, EPD has not placed minimum flow requirements on the quantities of water these entities were withdrawing prior to 1977. With some limited exceptions, applications for post-1977 withdrawals (whether new applications or modifications of permits already in-place) have been required by DNR Rule to allow a certain minimum flow to remain in the stream at the point where a permitted withdrawal of water occurs. This minimum flow requirement stipulates that when upstream flows drop below the required minimum instream flow at the point of withdrawal, the upstream flow is to be passed. Without a minimum instream flow requirement, municipalities and industries could withdraw all of a stream's water during low flow periods (up to the withdrawal limits of the permit).

Throughout the past 20-plus years a stream's seven-day, ten-year minimum flow or "7Q10" was the basis of DNR's instream flow protection Rule. A stream's 7Q10 is a statistical figure that reflects the lowest seven-day running average of a stream's flow with a recurrence frequency of once in ten years. There are several permutations of DNR's minimum flow Rule as reflected in the bullets shown below.

- Provide 7Q10 flow, if no unreasonable adverse effects to the stream or other water users will occur from the withdrawal.

- Provide the "non-depletable flow" (NDF) if probable impacts of the withdrawal, diversion or impoundment would occur to other water users. The NDF is the instream flow consisting of the 7Q10 flow plus an additional flow needed to ensure the availability of water to downstream users. Non-depletable flow is normally calculated by adding the 7Q10 flow to the prorata share of the downstream withdrawal or discharge needs, using the drainage area ratio method.

- Provide some other appropriate instream flow limit, as established by the Director of EPD, or as established from site-specific studies and approved by the Director of EPD.

The major exception to these permutations has been during periods of emergency water shortage when the health or safety of the citizens of an area are jeopardized or serious harm to the area water resources is threatened. In these extreme multi-year drought or emergency situations, EPD has reserved the option of allocating the remaining surface waters 50% to the environment and 50% to public health and safety. Water conservation is extremely important (supported with public awareness) during these drought periods.

This practice of protecting 7Q10 flows assists in ensuring adequate water for waste assimilation and meeting water quality standards. It also is the flow at which EPD develops mathematical water quality models used to set NPDES permit limits. In the absence of detailed site-specific studies to establish whether aquatic communities (fish and other creatures that live in the streams) were harmed by such a policy, EPD has continued to employ this approach to reserve minimum stream flows below new or expanding water withdrawals.

With a compilation of national instream flow research as its basis, in the mid-1990's the Wildlife Resources Division (WRD) of DNR requested that DNR's 7Q10 Rule be critically reviewed to determine if it was adequate to protect aquatic communities. Since that time several other parties have expressed similar concerns regarding the adequacy of the 7Q10 Rule. One common thread that exists among interests, regardless of whether they support the continued use of the 7Q10 or some higher level of minimum flow, is that there has not been sufficient site-specific instream flow work done in Georgia to establish a firm and permanent minimum stream flow policy.

In other words, although DNR's 7Q10 rule is designed to protect water quality, it is NOT based on the science of how much water should remain in a stream to maintain a healthy aquatic community.

Georgia's population continues to increase at a fast pace, and with this growth comes a corresponding increase in demands for water for consumption and wastewater assimilation. This phenomenon brings more stress on streams, particularly in north Georgia (where communities must mostly use surface water rather than groundwater), as we collectively attempt to meet these increased water demands. Georgia's rapid human population growth in the last 30 years is also contributing to stress experienced

by aquatic communities through such conditions as storm water runoff from impervious surfaces, sedimentation from land disturbing activities, displacement of natural streams by reservoirs, and depletion of groundwater.

Extended periods of abnormally low rainfall also exacerbate the stress that increased demands place on the streams. Paradoxically, extended periods of abnormally low rainfall bring increases in water demands by some sectors (particularly agriculture). This too contributes greatly to the stress experienced by streams (particularly in the heavy agricultural regions of south Georgia). Low stream flows may occur over extended periods of time, jeopardizing the seasonal variation in flows that is so important to aquatic life. The diversity and proliferation of fish and other aquatic resources in some streams may be endangered during an extended drought. As these stream stresses have grown, so has the cry for revisiting of the 7Q10 minimum stream flow rule.

A key question is, "How well are streams in Georgia doing and is there documented stress on Georgia streams necessitating a re-examination of the 7Q10 flow rule?" The answer to this question is that many of Georgia's streams are stressed and this could continue if a better low flow protection policy is not put in place.

The Wildlife Resources Division completed a study in early 2001 of the fisheries in 181 stream segments in the Piedmont (north of the Fall Line). Prior to the study, these segments were believed to be indicative of good streams (no known pollution sources). The study found only 9 segments have an excellent fishery, 24 are good, 62 are fair, 40 are poor and 46 are very poor. There were various factors causing these impacts, but land development causing loss of habitat was the main cause. Low flow protection is an important mechanism in maintaining habitat.

Georgia is one of the richest states in the country in terms of its aquatic diversity. Over 250 species of fishes, 100 species of mussels, 70 species of crayfishes, and 250 species of snails are found in Georgia's stream and rivers. Many of these species are considered imperiled because of restricted range or habitat, and more will likely become imperiled in the near future unless special efforts are made to protect their habitat.

Although the current minimum stream flow requirement has served an important role over the past two decades, DNR's current understanding of the stresses described above clearly conclude that it is time to revise the 7Q10 Rule.

Recommendation

The Board of Natural Resources has adopted the following interim minimum stream flow protection policy effective April 1, 2001. It is largely based on the 1997 recommendations of a work group of broad-based stakeholders and representatives of WRD and EPD concerning minimum stream flow requirements. It is applicable for all new surface water allocation water requests for all locations statewide, but allows flexibility to select among options due to differences in geography and hydrology within the regions of the state. An example is the Alabama-Coosa-Tallapoosa (ACT) Basin, which has a tentative agreement already identified for low flow protection for the Tallapoosa and Coosa Basin of Georgia. It is applicable for all requests for non-farm surface water allocations of water within the state. It is applicable for any non-federal

TABLE 1
GEORGIA INTERBASIN TRANSFERS

County	Basin Transfer	Existing Transfers (MGD)	Water Systems Transferring	1999 Population 1000's
Barrow	Chattahoochee to Oconee	3.3	Gwinnett Co. to Barrow Co. & Braselton	42
Butts	Ocmulgee to Flint	0.2	Butts Co. to Griffin	18
Carroll	Chattahoochee to Tallapoosa	2.0	Douglas Co. to Carroll Co.	85
Clayton	Flint to Ocmulgee	9.0	Clayton Co. western portion of county to eastern portion	214
Cobb	Coosa to Chattahoochee	37.6	Cobb Co.-Marietta to Southeastern Cobb, Douglas & Paulding Co.	584
Coweta	Flint to Chattahoochee	7.5	North Newnan to Newnan & west Coweta Co.	89
Dawson	Coosa to Chattahoochee	0.3	Etowah Water Auth to East Dawson Co.	16
DeKalb	Chattahoochee to Ocmulgee	36.0	DeKalb Co. North to South plus Rockdale Co, Henry Co.	597
Douglas	Coosa to Chattahoochee	1.9	Cobb Co. – Marietta to Douglas Co.	94
Fayette	Chattahoochee to Flint	2.0	Atlanta to Fayette Co.	92
Forsyth	Coosa to Chattahoochee	0.0	Cherokee Co. to Forsyth Co – emergency only	87
Fulton	Chattahoochee to Flint	2.7	Atlanta-Fulton Co. to Clayton Co. and Fayette Co.	745
Gwinnett	Chattahoochee to Ocmulgee	21.5	Gwinnett north to south and Rockdale Co., Walton & Barrow Co.	548
Hall	Chattahoochee to Oconee	5.0	Gainesville to East Hall Co.	123
Heard	Chattahoochee to Tallapoosa	0.5	Heard Co. to Carroll Co.	10
Henry	Chattahoochee to Ocmulgee	1.0	DeKalb Co. to Henry Co.	113
Lumpkin	Chattahoochee to Coosa	0.0	Dahlonega to Lumpkin Co. – none to date to Coosa Basin	20
Paulding	Coosa to Chattahoochee	6.4	Cobb Co. – Marietta to Paulding Co.	90
Rockdale	Chattahoochee to Ocmulgee	5.0	DeKalb Co. & Gwinnett Co. to Rockdale Co.	68
Spalding	Ocmulgee to Flint	0.8	Henry Co. to Griffin	58
Spalding	Flint to Ocmulgee	2.0	Griffin to East Spalding Co.	
Walker	Tennessee to Coosa	1.0	Walker Co. to Lafayette	63
Walton	Ocmulgee to Oconee	3.0	Monroe to east Monroe and east Walton Co.	58
Walton	Chattahoochee to Ocmulgee	0.3	Gwinnett Co. to Loganville & Walton Co.	
Whitfield	Tennessee to Coosa	2.0	Tenn. – American to Dalton Utilities	83
			Total	3596

Currently, no interbasin transfers out of the Savannah Basin occur in Georgia but large ones occur in South Carolina. The City of Greenville, S.C. has a 54 mgd transfer out of the Savannah River, and plans to eventually increase this to 150 mgd. The Beaufort-Jasper Water Authority has an existing 27 mgd transfer out of the Savannah River Basin, and has a permit to expand this to 100 mgd.

Habersham County Georgia lies within both the Chattahoochee and Savannah River Basins, and has proposed an interbasin transfer from the Savannah River Basin to serve its citizens and businesses in the Chattahoochee River Basin. This transfer would reach 12.5 mgd in the year 2050. In evaluating water supply alternatives, Habersham County has selected Tugaloo Lake in the Savannah River Basin as its most cost-effective option. Although most of the county's water customers lie within the Chattahoochee Basin portion of the county, the area is limited in terms of feasible water supply options. Trout streams and headwater creeks requiring reservoir water supply storage would have to be used if the water was to be provided from Chattahoochee Basin portion of the county.

Concerns

There is one major concern expressed about interbasin transfers in Georgia. This is the perception that metro Atlanta will take water from far away in Georgia, harming some other part of the state while helping itself. Or if not metro Atlanta, the concern is that some other large user will transport water over a large distance.

To address this concern, the Board of Natural Resources recommends that a rule and/or legislation be passed which basically prohibits the long-distance interbasin transfer of water while allowing existing transfers and short-distance transfers with restrictions (within a county and to an adjacent county). This could be passed in the Year 2002 and should be based on the following principles:

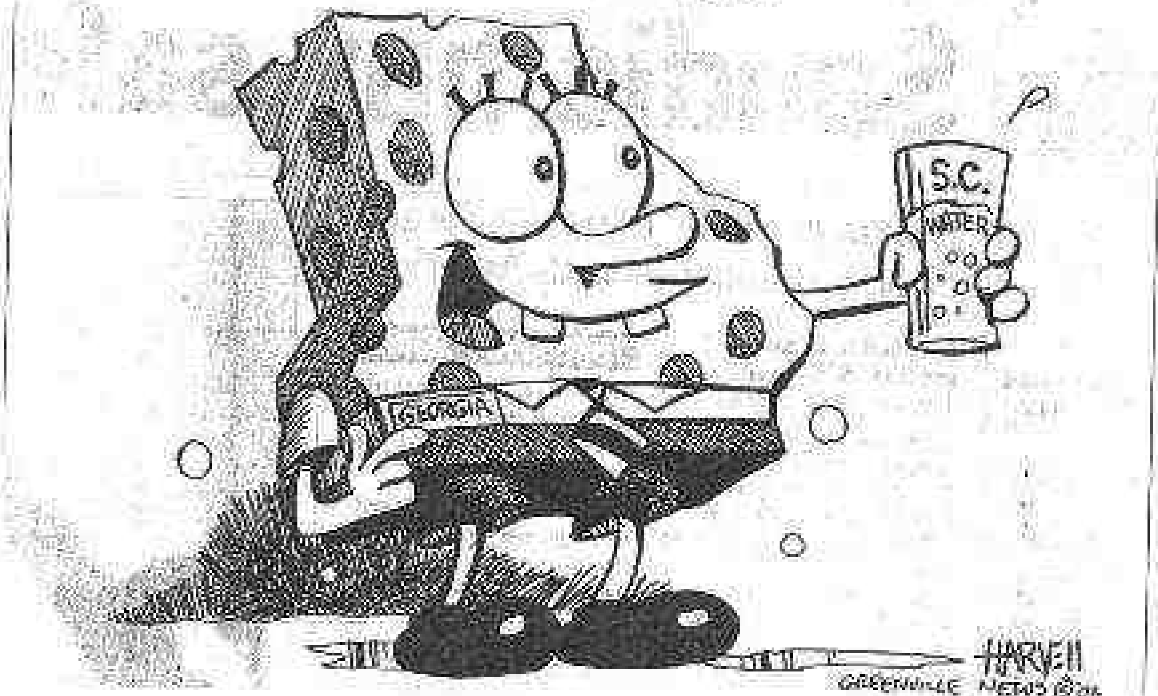
a. Long-distance interbasin transfer of water is prohibited except in cases of emergency as specified in paragraph d. In this context, long-distance means an interbasin transfer that crosses more than two counties.

b. All existing permitted interbasin transfers should be grandfathered. It would cost Georgia's cities and communities billions of dollars to change their existing water and sewer infrastructure to eliminate the existing permitted interbasin transfers.

c. Allow for additional new transfers or expansion of existing interbasin transfers as long as all of the following conditions are met:
   1. Meet instream flow requirements in giving basin
   2. Meet water quality requirements in receiving and giving basins
   3. Subject to c. 1 and c. 2, additional or new interbasin transfers are allowed intra-city or intra-county.
   4. Subject to c. 1 and c. 2 new or additional interbasin transfers are allowed from one county to an immediate neighboring county --- for intergovernmental cooperation, water security and reliability, and economy.

Sunday, February 24, 2002 ■ The Greenville News

Opinion



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Posted Saturday, January 5, 2002 - 10:20 pm

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Hiking trail planned through Greenville watershed

By Bob Montgomery
ENVIRONMENTAL WRITER
bmontgom@greenvillenews.com

For more than 60 years, some 45 square miles of pristine Greenville watershed has been protected from human activity and development.

That could change soon.

A proposal to build a hiking trail near the North Carolina line linking to the 425-mile Palmetto Trail has been approved by the Greenville Water Commission by a 4-1 vote.

Done properly with safeguards in place, the trail should be a good recreational opportunity for Upstate residents, according to Water Commission member Deb Sofield.

But with heightened security concerns since the Sept. 11 terrorist attacks, now is not a good time to open the watershed to the public, according to commission Chairman Paul Aughtry, the lone member to vote against it. He said he opposes the trail because he wants the watershed to remain fully protected. A 20-security guard detail patrols the area 24 hours a day, 7 days a week.

"We've got all kinds of other problems — gas generators, uranium and a landfill in the lower part of the county," Aughtry said. "As long as Bush is going after terrorists, we're going to have to protect our watershed. It is one of the most important resources Greenville has."

The South Carolina Sierra Club and Palmetto Conservation Foundation asked for the trail, in the North Saluda and Table Rock reservoirs.

The trail would not be near the reservoirs themselves, and the Water Commission would ensure that no damage is done, Sofield said.

The exact location and cost haven't been determined. The watershed includes undeveloped wooded land and two reservoirs.

"They just needed one small section to complete the trail," Sofield said. "I know

hikers to be environmentally sensitive. You've got a terrific group of folks who like us all work in offices."

She said the trail would be shut down if anyone damages it.

"One person's going to mess it up for everybody," she said.

Greenville attorney Cary Hall, who also supports the trail, said groups will "protect the watershed to the nth degree."

Yon Lambert of the Palmetto Conservation Foundation said the trail link is critical to the success of the Palmetto Trail.

"We think this is going to be a world-class trail through some of the most gorgeous wilderness in South Carolina," Lambert said. "We hope it will be one South Carolina will be proud of."

Frank Crowder, former chairman of the Sierra Club's Greenville area chapter, said members are divided over the trail, fearing it may open the door for other groups such as horse riding groups and all-terrain vehicles.

Dell Isham, executive director of the South Carolina Sierra Club, said the Water Commission could restrict use of the trail for hiking only. "I don't think it opens it up to anybody," Isham said.

Nonetheless, if the local chapter opposes the trail, he said he'd change his stance.

Hugh Rosenthal of Tryon, N.C., who lives near the proposed trail, said, "In this time of massive encroachment, we need to retain and preserve the few remaining people-free wilderness areas."

"I cannot see any good reason that the most pristine wilderness in the Carolinas be disturbed," Rosenthal said. "I'm unhappy about it. Is it really necessary? In North Carolina and South Carolina, we have more than anyone else."

The Palmetto Trail will link the mountains of the Upstate to the Atlantic Ocean north of Charleston.

The trail will run through the counties of Oconee, Pickens, Greenville, Spartanburg, Cherokee, Union, Laurens, Newberry, Fairfield, Richland, Sumter, Clarendon, Orangeburg, Berkeley and Charleston.

Bob Montgomery covers the environment and can be reached at 298-4295.

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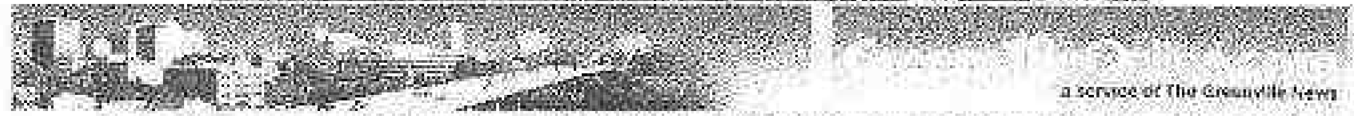

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Posted Wednesday, February 13, 2002 - 8:26 pm

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DHEC stops consideration of air permits for merchant power plants

• Public Service Commission denies Cogentrix plant

By Sarah C. Bonnette
STAFF WRITER
sbonnett@greenvillenews.com

Concerned over air quality in the Upstate, the state Department of Health and Environmental Control has frozen action on three power plants proposed for southern Greenville County.

Thom Berry, DHEC's spokesman, said the agency is "not moving forward on air permits for those facilities" because of "concerns about what the impact of a substantial number of these types of facilities would be in an area that we have concerns for air quality." Entergy Inc., Cogentrix Energy Inc. and Orion Power Holdings want to build natural gas-fired plants in the Fork Shoals area of southern Greenville County because of the convergence of Transco natural gas pipelines and Duke Power high-voltage transmission lines.

Each company needs environmental permits from DHEC and an operating permit from the state Public Service Commission.

Cogentrix officials have said they are waiting on the PSC's official reason for denial of its permit before determining whether to proceed with its plant. Entergy representatives said they are awaiting their air permit before starting construction, and Orion plans to file an operating permit application with the PSC in the next few weeks.

The plants combined would generate up to 2,910 megawatts of power -- enough to light 2,910,000 homes -- to be sold on the wholesale market, potentially outside South Carolina.

The plants, which have received tax incentives from Greenville County Council, have made area residents and other opponents cry foul. They contend the 95 full-time jobs the three plants together would create are not worth the incentives, considering the potential environmental impacts.

Under the incentives, the companies would pay fees to the county for the next 20 years in lieu of taxes and receive financial credits of up to 50 percent for certain development costs.

Jerry Howard, executive director of the Greenville Area Development Corporation, the county's economic development arm, said the county gives incentives to make it "most competitive with other communities that these people are looking at."

"If you try to bring in a company without incentives, we end up getting 100 percent of nothing because we're not going to get the deal," Howard added.

DHEC officials have said the plants' combined emissions could hinder the area's ability to comply with proposed federal smog limits, potentially jeopardizing its industrial growth and federal funds for highway projects.

Representatives for the three companies, however, have said their facilities will meet all state and federal requirements and will have the best available technology to keep air emissions down.

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Berry said the agency's Bureau of Air Quality will address concerns over the plants' nitrogen oxide emissions and their effect on the formation of ground-level ozone before moving forward with the air permits.

Ground-level ozone, or smog, is formed when pollutants from cars, trucks and industries are baked by the sun on hot days with little air movement. It can cause respiratory problems.

The Environmental Protection Agency's proposed standard is 0.08 parts per million, and the average for the past three years was .088 for Anderson and .093 for Spartanburg. There are no ozone monitors in Greenville County.

But it could be two years before the 0.08 limit takes effect. The U.S. Supreme Court last year asked the federal agency to justify the standard, which it lowered from .12 parts per million.

Berry said the agency also is waiting on the Public Service Commission's official reason for denying the permit application for Cogentrix to see if it will affect the other proposed Upstate plants.

Larry Daspit, spokesman for Entergy's Wholesale Operations division, said company officials are perplexed about why it's taking so long to get an air permit from DHEC.

"We feel we've dotted all the i's, crossed the T's and answered the questions, and we're curious why we're not getting the response," he said.

Entergy plans to invest $260 million to build a 300-megawatt, natural-gas-fired peaking plant, which only would produce electricity when it is needed.

Daspit could not say how often the plant, which got an operating permit in March 2001 and a wastewater permit last October, would operate.

Because of the delay, he said the company is coming close to missing its deadlines to have the plant running by late spring or early summer 2003, its projected completion date.

Construction, which would take 12 to 18 months, can't start without approval from Entergy's board of directors, Daspit said. But that approval won't come until the company has gotten its air permit, he added.

If the plant is not in operation by the completion date, Daspit said, it could complicate agreements Entergy may have with buyers for the plant's electricity.

He could not say, however, whether the company has any contracts for the power because of the confidentiality of those agreements.

John D'Alessandro, Orion's public affairs consultant, said concern over DHEC's delay is not as great for the company because it is not as far along in the development process as Entergy.

Orion has applied for an air permit and plans to apply for an operating permit from the Public Service Commission in the next few weeks, he said.

Berry said DHEC air quality officials do not know how long it will take to address their air quality concerns.

"We will take as long as we feel that it takes to address the issue and to be able to have the science and have the information we can make educated decisions on," Berry said.

"We're not going to be rushed into a decision, nor are we going to put off a decision because of the fact that we're wanting to wait," he added.

— Sarah C. Bonnette covers Greenville County and growth issues. She can be reached at 298-4297.

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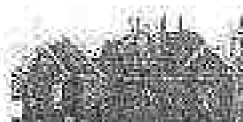

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Posted Tuesday, February 12, 2002 - 11:34 pm

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State must go slow on power plants

Angela Viney

Angela Viney is the executive director of the South Carolina Wildlife Federation that is based in Columbia. The South Carolina Wildlife Federation is a nonprofit conservation organization established by sportsmen in 1931. Originally the S.C. Game and Fish Association, the organization now has more than 5,000 members.

The South Carolina Wildlife Federation appreciates the wisdom of the sponsors of the proposed Merchant Power Plant (MPP) moratorium legislation. Their leadership in realizing that there is a need for a "timeout" to learn all that we possibly can about these facilities and their cumulative environmental and economic impacts is what is needed at this time. There are clearly more questions than answers.

For instance, currently there is no clear way of predicting how many merchant power plants are planned for this state by various utility interests, until permits are submitted. What is the reason for this sudden proliferation in South Carolina? There are several factors attracting these facilities to our state, but are their effects favorable to our citizens and our environment or are we just being taken advantage of?

Our state agencies are not adequately coordinated with regard to siting facilities with potential impacts of the magnitude manifested by the MPPs. Although the Public Service Commission (PSC) siting statute appears to be a strong and protective law, there are no regulations to support the implementation of that law. The PSC's recent denial of Cogentrix's application for certification does not demonstrate a good and effective working review system.

Were it not for the local citizens filing an appeal and bringing the matter to a hearing, that site would have been permitted. What happens in a community where the citizens do not have the leadership to bring about such a groundswell of opposition or the resources to bring their concerns to the forefront? Further, although the utility siting statute specifies that the state's other natural resources agencies shall be integrally involved in the review process, those agencies were largely absent from the process.

There is no practical manner of assessing the cumulative impacts of new power facilities proposed for South Carolina and the adjoining states. We cannot make our decisions on our air quality in a vacuum. Areas of our state are already on the brink of ozone nonattainment. Expert witnesses for Cogentrix admitted that their facility alone would release nearly 600 tons per year of nitrous oxides (NOx). This is equal to the NOx emissions of the top 10 industrial sources already existing in Greenville County. What impact will this have on the industries currently operating in our state?

Another concern is the potential negative impact these facilities will have on our water resources. Due to the last three years of drought conditions and the looming threats to our water resources from nearby states, we can no longer consider ourselves a "water rich" state. These facilities can have an incredible thirst for cooling water. We must carefully plan for the use of our limited water resources, and we must execute that plan in a way that will best benefit our citizens and resources.

These facilities will be using the transmission lines of our incumbent power providers. The current proposed and permitted facilities in South Carolina have no contracts with our incumbent power providers. This power will be sent through transmission lines around the country. There needs to be some consideration to the impact these plants would have on the transmission capacity and then what would be the economic and environmental impacts of new transmission facilities. There are few man-made facilities

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that have more impact on our environment than new power transmission lines.

The S.C. Wildlife Federation recognizes the need for clean, affordable and compatible sources of power for our growing state. At the same time, because our Federation's mission is to promote responsible management and conservation of our state's natural resources, we are gravely concerned that our state fully understands the proper and healthy role that MPPs should play in our state.

There should be a well-thought-out plan as to the placement of these facilities throughout the state and also how they fit into the long-range plan of utility needs in South Carolina. Currently, our incumbent power providers do not factor merchant power production into their long-range plan. The Southeastern Electric Reliability Council does not include merchant power capacity in its reliability considerations because the power is not guaranteed for the region.

We are not advocating a prohibition of these facilities but rather a careful consideration as to their impact on our air and water resources, wildlife habitat, our economy and ultimately on our citizenry. South Carolina is a special place to live, recreate, do business and raise our families. Let's not sell out until we are certain that the benefits outweigh the sacrifices.

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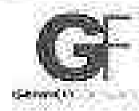

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Across the state, efforts are under way to develop the so-called "knowledge based economy" — a term that refers to industries such as biotechnology, telecommunications and computing that use advanced technology and a highly educated and well paid work force. Research universities, including Clemson, play a key role in the new initiatives.

Street Talk

State Rep. Harry Cato thinks at least one of the three merchant power plants proposed for the Fork Shoals area of Greenville County will get caught short by his plan to impose a moratorium on the construction of such plants.

Cato, a Travelers Rest Republican, said Friday he thinks the **General Assembly** will approve his moratorium before the state **Public Service Commission** can vote on **Orion Power Holdings**' plan to build a $300 million power plant at the intersection of State 418 and Woodside Road.

Baltimore-based Orion needs a permit from the PSC to build the plant, but hasn't yet applied for one.

If the moratorium takes effect before it gets the permit, Orion wouldn't be able to start construction until June 30, 2003, at the earliest. More

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Street Talk,

Continued from the front

That would make its project more costly and could prompt the merchant power company to put its investment dollars elsewhere, said spokesman **John D'Alessandro**.

"As much as we believe this is a good business development opportunity in South Carolina, it's not the only place where good opportunities exist," he said.

Cato wants a moratorium to give regulators time to study the impact of merchant power plants, a slew of which have been proposed for the Upstate. It wouldn't apply to utilities doing retail business in South Carolina.

If Orion doesn't build, Greenville County loses about $1 million a year — the property tax revenue the plant would generate, most of which would go to the school district.

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Verizon Wireless has increased its presence in South Carolina, buying 10 megahertz of radio wavelength to expand service in Greenville, Greenwood, Anderson and six other areas of the state.

The New Jersey-based company said it would use the spectrum, which overlaps much of what it already owns, to handle the future demand for wireless voice and data services and to enter new territory in eastern parts of the state.

The seller was **Carolina PCS I Limited Partnership** and its subsidiaries — the old Mauldin-based **Carolina Phone Wireless**, which divided its 30 megahertz of radio spectrum into three parts, then sold them to **Lafayette Communications, VoiceStream Wireless** and Verizon.

How much Verizon Wireless, the nation's largest wireless communications provider, paid for the South Carolina licenses was not disclosed.

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Pakistani and U.S. negotiators met in Washington last week to develop a revised trade package to help prop up Pakistan's economy and for its support in the military action in Afghanistan, and textiles — the nation's biggest industry and export — were likely high on the agenda.

It's Pakistan's second try. In November, only days before a critical House vote that would give the president new trade negotiating authority, **President Bush** offered **Pakistani President Pervez Musharraf** duty-free treatment for leather gloves and hand-woven rugs, far less than what the Pakistanis wanted.

But with the "fast track" bill having passed in the House by one vote and likely to fare better in the Senate, the Pakistanis are back, this time asking for Washington to lift quotas or lower tariffs on all its textiles imports.

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Draw-off from river reduced

Judge says firm didn't prove need

Christopher Quinn - Staff
Tuesday, February 12, 2002

The water wars were opened up to anyone Monday when, for the first time, a citizens group forced the state to alter a water withdrawal permit.

The Upper Chattahoochee Riverkeeper challenged Georgia Power Co.'s plans to withdraw more water from the river — and won.

Environmental advocates say that with this ruling, any citizen can sue the state Environmental Protection Division over water use permits.

Wesley Woolf, an attorney for the Southern Environmental Law Center, said there will be similar suits in coming years between businesses, governments and groups as they fight for a share of a limited resource.

He also expects more governments and companies to try to lock up portions of water by getting permits for more than what they need.

"It's unfortunate citizens are going to have to step up to the plate and protect themselves," he said.

Sally Bethea, the executive director of the Upper Chattahoochee Riverkeeper, a citizens group, said it's about time.

"In many places, they are sucking our rivers dry," she said.

The Riverkeeper challenged the permit the state EPD gave to Georgia Power in 2000 to withdraw an additional 58 million gallons of water a day from the river.

The company wanted the water to cool new gas-fired power generators in Heard County, about 45 minutes southwest of downtown Atlanta. It already withdraws 58 million gallons a day there.

An administrative law judge ruled Monday that Georgia Power proved a need for only 24 million additional gallons of water a day.

Michelle Fried, an attorney for the Riverkeeper, said, "Our concern is that if you allow an industry to take more than they need you are setting a very bad precedent."

Chris Hobson, the vice president for environmental affairs at Georgia Power, said the company planned to pump water from the river into a 600-acre reservoir only when the

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river was high. The reservoir gives the company a consistent supply of water to operate in times of low flow.

The judge did not say the company's request would have been detrimental to the river. Environmentalists argued that taking so much water would threaten aquatic life.

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OPINION

Water plan crucial to state's future

Water policy should be mandated bedtime reading for insomniacs. But believe it or not, no one was snoozing at a joint legislative study committee's all-day meeting on the subject this week.

Instead, the session was enlivened by debate about a fundamental issue.

Is water a public resource available for private use, or is it a privately owned commodity that should be bought and sold like salt or sugar? (So far, courts have ruled there is a public trust doctrine in Georgia for surface waters such as lakes and rivers, but the question of underground water is unsettled.)

During that discussion, state Attorney General Thurbert Baker called the water-policy decision the ultimate issue of our time. He's right. The committee's decisions will determine the direction of Georgia's growth and what kind of jobs its residents have for generations to come.

Though the state's leading environmentalists have been relegated to a powerless advisory committee, the main committee's co-chairmen, state Sen. Hugh Gillis (D-Soperton) and state Rep. Bob Hanner (D-Parrott), deserve credit for giving equal time to environmental views. Whether that same voice is heard in the panel's final recommendations remains to be seen, however.

Georgia State University professor Ronald Cummings told the commission that the best way to value water fairly is to create regulated markets for it. But Georgia Conservancy chairman John Sibley and law professor Joseph Dellapenna, who has authored a model state water code, pointed out the pitfalls of the market

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approach. For example, the U.S. Supreme Court has ruled that water, once marketed, cannot be restricted geographically because of the interstate commerce clause of the U.S. Constitution.

That could mean that under a market approach, Georgia water would end up in another state. At the very least, water would be allocated to those able to pay the most for it, rather than those who need it most.

The committee is a long way from making decisions, but co-chairman Gillis and Hanner have already made one wise recommendation. They are asking for a moratorium on water legislation until the committee comes up with a comprehensive state plan.

Their fellow legislators ought to heed them.

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EQUAL TIME

Water market may be best Georgia solution

By RONALD CUMMINGS

In Georgia's river basins where water permits are frozen — new water-use permits cannot be acquired — how is water use to be reallocated in future years in response to changes in water demands?

Does the effective freezing of existing patterns of water use make sense when one considers the long-term prospects for the basin's economic health?

I think that a moment's reflection is sufficient for most people to conclude that the answer to this question must be, emphatically, no. There is nothing more predictable than change, and conditions in any basin will certainly change over time. Over time, it is almost certain that the pattern of water use that best serves the interests of the people who live in the basin, as well as those of the state, will be better served by changes.

There are two general classes of policies that might be adopted by the state for purposes of allowing reallocations of water use: involuntary reallocation of state-issued water-use permits — just take permits away from people; or voluntary reallocations of permits to new uses.

If you are to involuntarily take permits from individuals, you are faced with extraordinarily complex questions involving efficiency and equity. How will you choose the individuals that lose their permits? Will such takings involve compensation? I am troubled by the idea of taking peoples' permits without compensation. My feelings reflect the positions taken by other

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METRO TODAY • January 17, 2002

States near water accord

Formula to divide three-river basin

Thursday, January 17, 2002

Georgia, Florida and Alabama have taken a major step toward reaching an armistice in the tri-state water war they have waged for more than a decade.

Negotiators agreed "in principle" this week to a formula for dividing among them water from the three rivers whose basin they share: the Apalachicola, the Flint and the Chattahoochee, source of much of metro Atlanta's drinking water.

Georgia and Alabama, neighbors across much of the Chattahoochee, both want water for growth.

Florida wants enough water to ensure the health of the fishery and oyster beds in the Apalachicola River and bay, which is fed by the Flint and Chattahoochee.

The representatives, who met at the Georgia Department of Natural Resources in Atlanta, set a March 18 deadline for working out the wording of the pact. If it is accepted, a 60-day comment period will follow, with public hearings in all three states.

"This was our offer to the other two states," said Harold Reheis, Georgia's Environmental Protection Division director and one of the negotiators. "It all could have fallen apart today." The negotiations officially began in 1998 after years of rancor.

Talks on another front in the water war, the Alabama-Coosa-Tallapoosa river basin, have been extended to next January. Florida is a spectator in that battle, in which Georgia and Alabama are locked.

"We've spent four years trying to get to this," Reheis said. "For Georgia, what's important is that we've got some certainty of the water supply we can expect from the Chattahoochee and Lake Lanier."

- Palestinians Weapons Ship Linked
- Palestinians Claim Militant Arrests
- Israel Destroys Gaza Camp Buildings
- Bush: Smuggle Plan Was Part of Plot

[illegible] scholars who argue that involuntary taking of water-use permits without compensation asks just a portion of the population -- current water users -- to bear the entire cost of the larger public's benefit from reallocated uses.

A voluntary approach to solving the reallocation problem would involve the use of institutions commonly referred to as "water markets," where water users can buy and sell rights, with state approval. The study of markets is what I do in our experimental laboratory at Georgia State University.

After my search for a means by which Georgians might resolve the reallocation problem -- and resolve it they must -- I view a market-like institution as offering the only reasonable way for Georgia to deal with this problem. I hesitate to use the term "market," given the stereotyped image that use of the term evokes in the minds of many. A "market" is simply a set of rules -- an institution. Bad rules lead to bad outcomes, and there are numerous examples of bad outcomes from water market rules used in many Western states.

On the other hand, good rules may yield good outcomes, and it is my view that the challenge facing Georgia is to establish a set of rules governing the voluntary transfer of water-use permits that best serves the state.

My colleagues, professors Nancy Norton and Virgil Norton at Albany State University, and I have identified major problems and policy issues that have arisen in Western states that can be attributed to their use of water markets. We suggest rules that will mitigate, if not eliminate, these problems.

Perhaps others can offer better solutions. But I hope that such "solutions" go beyond simple statements of "I don't like anything that looks like a market" to specific proposals of policies that can in fact be expected to resolve the reallocation issue.

Ronald Cummings is a professor of economic at Georgia State University.

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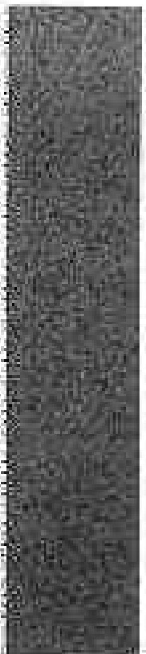
environment that depicts a theme. View 10 that speak about their communities. Photo galleries Chart

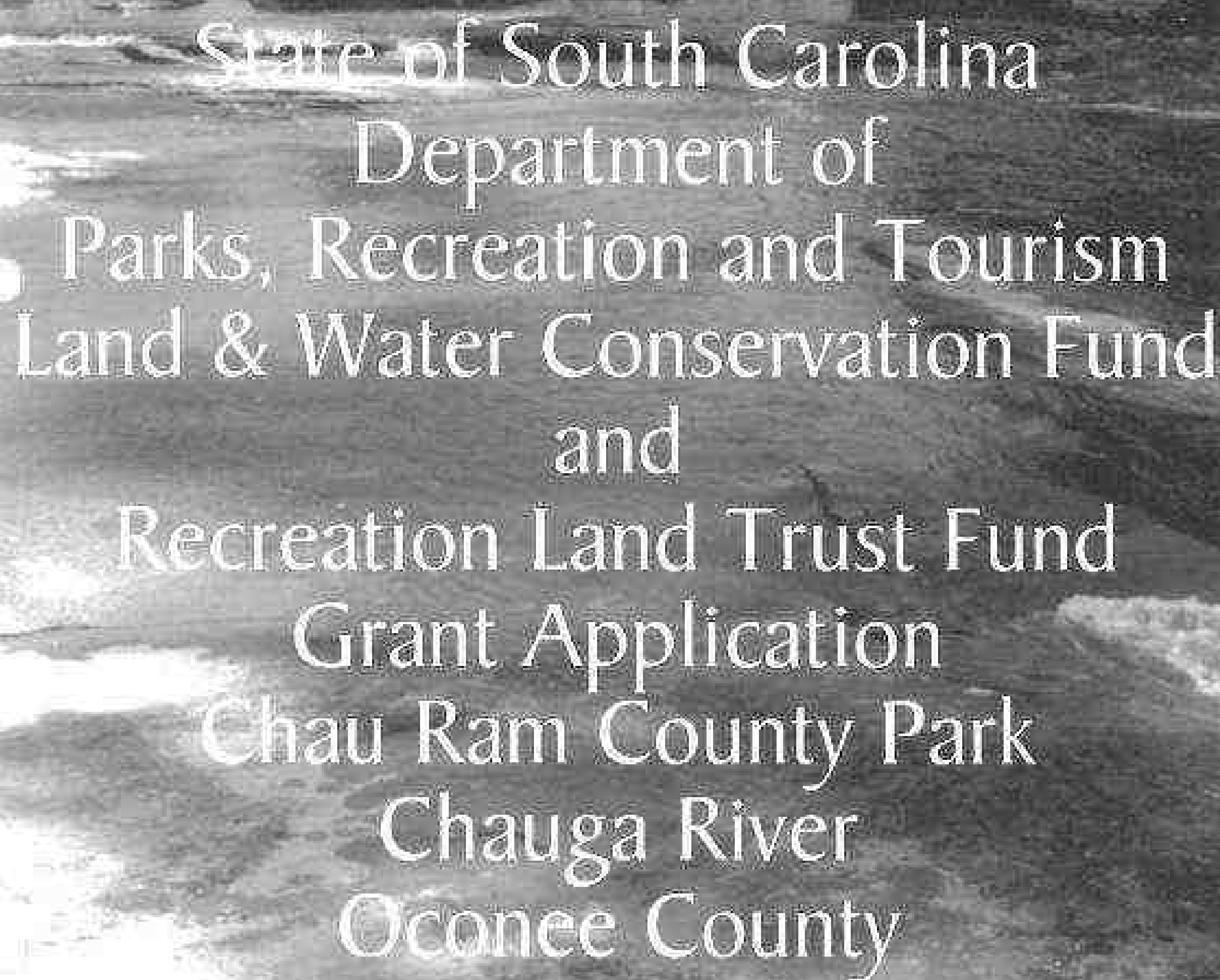
The tangled roots of Judaism, Christianity, Islam

A history of the three great religions explains their common ground and their fault lines. Article Flash graphic



FORUMS

- Should DeKalb County [illegible] the position of sheriff?
- How should Albany's [illegible] industry be improved?


State of South Carolina
Department of
Parks, Recreation and Tourism
Land & Water Conservation Fund
and
Recreation Land Trust Fund
Grant Application
Chau Ram County Park
Chauga River
Oconee County

STATE OF SOUTH CAROLINA
COUNTY OF OCONEE
RESOLUTION 2002-12

A RESOLUTION OF OCONEE COUNTY, SOUTH CAROLINA, AUTHORIZING A LEASE PURCHASE AGREEMENT, SERIES 2002, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING $2,154,000 RELATING TO THE FINANCING OF EQUIPMENT/VEHICLES FOR FIRE PROTECTION SERVICES; AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS INCLUDING THE LEASE AGREEMENT; AND OTHER MATTERS RELATING THERETO.

WHEREAS, the County Council (the "Council") of Oconee County, South Carolina, (the "County"), as lessee, hereby finds and determines that:

(a) the County is a body politic and corporate and a political subdivision of the State of South Carolina and, as such, possesses all powers granted to municipalities by the Constitution and general laws of this State;

(b) the County desires to enter into a Lease Agreement (the "Lease") with a financial institution or leasing corporation ("Lessor") for the purpose of financing the purchase of ten fire fighting vehicles to be used for fire protection throughout the County (the "Project"); and

(c) the Lease will be subject to annual appropriation by the Council.

BE IT THEREFORE RESOLVED BY THE COUNCIL, as follows:

Section 1: The County hereby determines to finance the Project pursuant to the Lease. The Finance Director is authorized to distribute a request for proposals in substantially the form attached as *Exhibit A* attached hereto and accept the bid offering the lowest net interest costs, considering any fees and charges of the Lessor.

Section 2: The Council hereby authorizes the Supervisor/Chair, the Clerk of the Council, the Finance Director, and the County Attorney to execute such documents and instruments as necessary to effect the issuance of the Lease.

Section 3: The County Supervisor/Chair is authorized to designate the Lease as a "qualified tax-exempt obligation" within the meaning of and for purposes of Section 265 (b) of the Internal Revenue Code of 1986, as amended, provided the Lease is executed in calendar year 2002.

Section 4: All prior actions of County Officers in furtherance of the purposes of the purposes of this resolution are hereby ratified, approved and confirmed. All other resolutions (or parts thereof) in conflict with this resolution are hereby repealed, to the extent of the conflict.

Section 5: This resolution shall take effect immediately.

APPROVED & ADOPTED on first and final reading this 5th day of March 2002.

OCONEE COUNTY, SOUTH CAROLINA

Ann H. Hughes
Supervisor/Chair
Oconee County Council

Attest:

Opal O. Green
Council Clerk

Bid No. 01-14

Lease Purchase Pumper Trucks
Oconee County

February 25, 2002
2:00 p.m.

Listed Budget Ordinance amount for bid item $ n/a

I hereby certify that to the best of my knowledge this tabulation of bids to be correct.

[signature]

Procurement Director

Bidders	BB&T	Bank of America Leasing	Bank of Travelers Rest	Baystone Financial Group
Interest rate	3.81%	3.8565%	3.85%	3.55%*
Annual Payment	$480,928.42	$481,897.96	$481,507.84	$477,855.55
			average	* did not meet bid specifications

Bidders	Friedman Luzzatto & Co	Leasing 2 Inc	Municipal Services Group	First Citizens
Interest rate	no bid	3.59%	3.598%	3.919%
Annual Payment		$478,152.33	$478,395.78	$483,171.03

Bidders	CCB	Carolina First	Wachovia	TGH Securities
Interest rate	4.39%	4.42%	3.99%	4.69%
Annual Payment	$489,160.13	$490,408.75	$483,807.78	$493,263.95

Bidders	Carlyle Capital			
Interest rate	no bid			
Annual Payment				

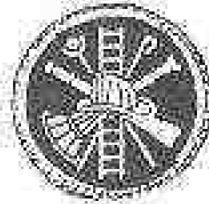
Attended Bid Opening: Marianne Dillard, Gail Dickie, Ann Albertson

OCONEE COUNTY RURAL FIRE CONTROL

[illegible] Pine Street
Walhalla, South Carolina 29691
Telephone: (864) 638-4220

Frank [illegible]
District 3

Jess Neville
District 2



Dewitt D. Mize
County Fire Marshal
Home: 972-3984

Charles Chalmers
District 1

Bobby Williams
District 4

Harry Tollison
District 5

TO: MARIANNE DILLARD, PROCUREMENT

FROM: DEWITT O. MIZE, FIRE MARSHAL *Dewitt*

SUBJECT: RECOMMENDATION PUMPER TRUCKS

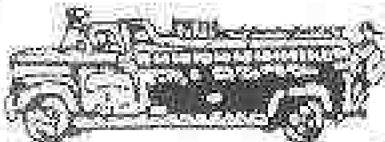
DATE: FEBRUARY 13, 2002

At the last scheduled meeting on January 29, 2002 of the Rural Fire Commission recommendations were made to purchase 10 pumper fire trucks alike with CAF System from Quality Manufacturing.

10 trucks alike $268,089.00 each	Total	$2,680,890.00 (10 trucks)
$2,000.00 PRE-CONSTRUCTION		$ 2,000.00
$2,000.00 INSPECTION		$ 2,000.00

GRAND TOTAL $2,684,890.00

Thank you in advance for your consideration of these requests.



COUNTY-WIDE FIRE PROTECTION AND PREVENTION

Bid No. 01-13

Ten (10) Pumper Trucks for Oconee County

January 8, 2002
2:00 p.m.

Approved Budget Ordinance amount for bid item $ Lease Purchase

I hereby certify that to the best of my knowledge this tabulation of bids to be correct.

[signature]

Procurement Director

Bidders	Taylor Fire Group LLC	Quality Mfg Inc	Old South Mfg Inc	KME Fire Apparatus	American LaFrance
Description	Bid Price	Bid Price	Bid Price	Bid Price	Non-responsive
OAKWAY					
Base Bid - Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	Smeal Fire
Option 1 - Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	No Bid
Option 2 - On Board air system (add)	19,129.00	13,199.00	15,000.00	17,836.00	
Option 3 - Folding dump tank with rack (add)	5,965.00	3,279.00	4,800.00	2,255.00	4-Guys Inc
S.C. Sales Tax	300.00	300.00	300.00	300.00	No Bid
Total Oakway	272,582.00	245,827.00	256,000.00	261,735.00	-
WESTMINSTER					
Base Bid - Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 - Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
Option 2 - Custom cab (add)	60,613.00	47,130.00	40,000.00	43,629.00	
Option 3 - Diesel engine (add)		7,900.00	1,400.00	incl in custom bid	
Option 5 - Suction intakes (add)	5,338.00	3,800.00	3,600.00	3,322.00	
Option 7 - Booster tank (add)	6,199.00	5,100.00	1,500.00	5,192.00	
Option 8 - Compartments (add)	151.00	incl	900.00	97.00	
Option 11 - Crosslays hose loads (add)	1,287.00	1,100.00	1,500.00	inc	
Option 8a - Headset Communications (add)	2,212.00	5,600.00	3,300.00	2,398.00	
Option 8b - On board generator (add) to replace generator in base bid (plus or minus)	10,963.00	5,100.00	6,600.00	4,800.00	
S.C. Sales Tax	300.00	300.00	300.00	300.00	-
Total Westminster	334,241.00	304,879.00	295,000.00	301,082.00	-
CORINTH-SHILOH					
Base Bid - Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 - Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
Option 2 - Custom Cab (add)	60,613.00	47,130.00	40,000.00	43,629.00	
Option 3 - Miscellaneous (as specified) (add)	423.00	400.00	700.00	365.00	
Option 4 - Honda 5000 watt generator to replace generator in base bid (plus or minus)	no charge	incl	-	no charge	
Option 5 - Floodlights and telescoping lights (add)	950.00	1,100.00	1,000.00	1,250.00	
S.C. Sales Tax	300.00	300.00	300.00	300.00	-
Total Corinth-Shiloh	309,474.00	277,979.00	277,900.00	286,888.00	-
WEST UNION					
Base Bid - Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 - Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
Option 2 - Tip mount (add)	3,402.00	4,800.00	3,500.00	4,777.00	
S.C. Sales Tax	300.00	300.00	300.00	300.00	-
Total West Union	250,890.00	234,149.00	239,700.00	246,421.00	-
WALHALLA					
Base Bid - Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 - Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
Option 2 - Tip mount (add)	3,402.00	4,800.00	3,500.00	4,777.00	
S.C. Sales Tax	300.00	300.00	300.00	300.00	-
Total Walhalla	250,890.00	234,149.00	239,700.00	246,421.00	-

Attended Bid Opening: John Mitchell, William Gray, Les McMahan, Jess Neville, Virgil Slagle, Tommy Canupp, Carl Dickert, Rec Quality Mfg., Jessie West, G Whitmore, Jeff Heaton, Bobby Williams, Dewitt Mize, Donna McAlister, Ann Albertson

Bid No. 01-13

Ten (10) Pumper Trucks for
Oconee County

January 8, 2002
2:00 p.m.

Bidders	Taylor Fire Group LLC	Quality Mfg Inc	Old South Mfg Inc	KME Fire Apparatus	American LaFrance
Description	Bid Price	Bid Price	Bid Price	Bid Price	Non-responsive
SENECA					
Base Bid – Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 – Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
Option 2 – Custom cab (add)	60,613.00	47,130.00	40,000.00	43,629.00	
Option 3 – 4-door Freightliner chassis with 3-man rear bench seat (add)	7,641.00	6,900.00	7,700.00	4,653.00	
Option 4 – To delete loose equipment (deduct)	(42,309.00)	(37,453.00)	(40,215.00)	(41,334.00)	
S. C. Sales Tax	300.00	300.00	300.00	300.00	-
Total Seneca	273,433.00	245,926.00	243,685.00	248,592.00	-
KEOWEE KEY					
Base Bid – Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 – Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
S.C. Sales Tax	300.00	300.00	300.00	300.00	-
Total Keowee Key	**247,488.00**	**229,349.00**	**236,200.00**	**241,644.00**	-
SOUTH UNION					
Base Bid – Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 – Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
S.C. Sales Tax	300.00	300.00	300.00	300.00	-
Total South Union	**247,488.00**	**229,349.00**	**236,200.00**	**241,644.00**	-
SALEM					
Base Bid – Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 – Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
S. C. Sales Tax	300.00	300.00	300.00	300.00	-
Total Salem	**247,488.00**	**229,349.00**	**236,200.00**	**241,644.00**	-
PICKETT POST CAMP OAK					
Base Bid – Pumper with CAF system	304,326.00	267,789.00	269,900.00	280,794.00	
Option 1 – Delete CAF system (deduct)	(57,138.00)	(38,740.00)	(34,000.00)	(39,450.00)	
S. C. Sales Tax	300.00	300.00	300.00	300.00	-
Total Pickett Post-Camp Oak	**247,488.00**	**229,349.00**	**236,200.00**	**241,644.00**	-
Option for Pre-Construction Conference (add)	1,500.00	2,000.00	500.00	5,975.00	
Option Pre-Const Ground Trip (add)				1,720.00	
Option for Final Inspection of Completed Apparatuses (add)	1,200.00	2,000.00	500.00	5,975.00	
Option Final Inspection Ground Trip (add)				2,301.00	
Bid Bond	yes	yes	yes	yes	
no bauer compressor					
total depends on options selected					

Attended Bid Opening: John Mitchell, William Gray, Les McMahan, Jess Neville, Virgil Stagle, Tommy Canupp, Carl Dickert, Rep Quality Mfg., Jessie West, G Whitmore, Jeff Heaton, Bobby Williams, Dewitt Mize, Donna McAlister, Ann Albertson

RFP No. 01-32 Compensation Classification Study for Oconee County February 15, 2002
2:00 p.m.

A: ...d Budget Ordinance amount for bid item $50,000.00 (Supplemental)

I hereby certify that to the best of my knowledge this tabulation of bids to be correct.

[signature]
Procurement Director

Bidders	Public Administration Services	Human Resource Professional	Palmer & Cay	Maximus	MGT
Base Price	$ 45,342.00	$ 7,900.00	$ 42,913.00	$ 38,340.00	$ 39,800.00
				Interviews $5,680.00	
Interview Ranking	4	n/a	2	3	1

Attended Bid Opening: Ann Alberson, Donna McAlister, Kay O'hon