LAURENS COUNTY WATER AND SEWER COMMISSION
Board of Commissioners Meeting
3850 Highway 221S, Laurens, SC 29360
February 25, 2025

MINUTES

COMMISSIONERS PRESENT:	Dime Hollingsworth (County Council District I) Philip O'Dell (County Council District II) Jurell Byrd, Jr. Secretary (County Council District III) Bill Teague, Vice Chairman (County Council District IV) Susan Curry, Treasurer (County Council District V) Lumus Byrd, Jr. (County Council District VI) Ted Davenport, Chairman (County Council District VII) Jimmy Young (Municipal)
STAFF PRESENT:	Jeff Field, Executive Director Steve Griffin, Construction Manager Damas Mattison, Regulatory Compliance & Operations Manager Wendy Medlock, Director of Finance Angie Nelson, Director of Administration & Customer Service K.C. Price, Engineering Manager Mary-Wallace Riley, Executive Administrative Assistant
ATTORNEY:	Allen Wham Theodore B. DuBose
PRESS:	The Clinton Chronicle

CALL TO ORDER
Chairman Davenport called the meeting to order at 8:19 a.m. in the Laurens County Water and Sewer Commission's training rooms. This meeting was advertised in accordance with the South Carolina Freedom of Information Act.

INVOCATION
Delivered by Commissioner Curry.

APPROVAL OF MINUTES
Chairman Davenport asked if there were any additions or corrections to the January 28, 2025, minutes as submitted to the Commissioners. None were submitted.

Commissioner L. Byrd, Jr. **MOVED** *that the January 28, 2025, minutes be approved as submitted*. **MOTION SECONDED** by Commissioner Young **MOTION CARRIED**. AYES, 7; NAYS, 0.

CHAIRMAN REMARKS

Chairman Davenport opened the meeting by welcoming everyone and noting the Commission would receive valuable information today and embark upon important business.

EXECUTIVE DIRECTOR REMARKS

Mr. Field welcomed everyone.

LCWSC MONTHLY FINANCIAL SUMMARY

The monthly financial summary was presented to the Commissioners. A copy of the summary can be found in the Commissioner Board Packet.

As of January 31, 2025, LCWSC had a total of $6,979,110 in cash for operating and reserve funds as compared to $7,133,274 this time in FY24. As of January 31, 2025, LCWSC was awaiting an LCDC reimbursement of $2,969, an RIA reimbursement of $16,776, and a SRF reimbursement of $34,030. This means the total cash balance would be $7,032,886.

Mr. Field discussed the highlights for Water Distribution and Treatment, Wastewater Treatment, Wastewater Collection, Lake Rabon, and the Town of Gray Court. He also supplied the percentage breakdown for operating revenue, operating expenses, capital revenue,and capital expenses by department and the overall combined percentage for each.

Mr. Field noted that as of January 2025, LCWSC had received $36,776 in contributed capital grants for Administration, $1,401,714 for Wastewater Treatment, $50,000 for Wastewater Collection, and $887,837 for Water Distribution. Thus far, in FY25, a total of $2,376,327 has been received in contributed capital grants. Future grant funds that are committed are for the following projects: Water and Sewer Infrastructure Master Plan RIA project, WWTP Sludge CDBG / SRF project, WWTP Sludge CDBG project, Metric Road Elevated Water Tank EDA project, SCIIP Hospital Area Water System Improvements project, and RIA Milam Road Booster Pump Supply Line Improvements project.

As of January 2025, there was $84,641 in customer paid line extensions.

LCWSC MONTHLY OPERATIONS SUMMARY

The monthly operations summary was presented to the Commissioners. A copy of the summary can be found in the Commissioner Board Packet.

Mr. Field noted that the average gallons per day (GPD) per active residential tap for January 2025 was 124 GPD. On average, each customer uses 134 GPD over a 12-month period. There were 73 new water taps, and 33 new sewer taps installed in January. Fiscal year-to-date there have been 385 water taps, and 218 sewer taps installed in the system. This is slightly ahead of budget.

Mr. Field shared the precipitation graph, noting that in January FY25, the rainfall was 1.77 inches, which is 5.94 inches below that of January FY24, 5.47 inches below that of January FY23, and 2.32 inches below the norm for January. This data is a county average derived from rain gauges at Brighton Meadows, Bush River Wastewater Treatment Plant, Clinton Pump Station, and Lake Rabon.

Mr. Field then recognized Mr. Mattison to review the work order summary. Mr. Mattison reported that seventy-three new water taps, and thirty-three new sewer taps were installed in January 2025. Mr. Mattison presented a map indicating the distribution of all new taps installed throughout the county.

Mr. Mattison discussed water purchase and shared the water audit report. The report captures the Rolling Average Water Audit in gallons for the system including the revenue (sold), the non-revenue (unaccounted), and the non-revenue authorized consumption (audited) versus the purchased. The rolling 12-month average for non-revenue (unaccounted) water is 18,228,937 gallons, which is an increase of 987,172 gallons over the previous 12-month average. The target for unaccounted water is less than 19,500,000 gallons.

In January 2025, there were eight main line leak work orders; five were repaired within two weeks, and three repaired later than four weeks. There were fourteen lateral line leak work orders: twelve were repaired within two weeks, one was repaired within two to four weeks, and one later than four weeks. As of January 2025, there were five active service line leaks over four weeks old and four active main line leaks open over two weeks old.

Mr. Price provided an update on the Lake Greenwood Water Treatment Facility, reporting that in January 2025, the facility pumped 70.945 MG of raw water and treated 63.850 MGD. He also expressed his continued satisfaction with having a full and consistent team of A-licensed operators, along with two trainees, one of whom is now working toward his B-level certification—and two pre-apprentices.

OLD BUSINESS

1. Resolution for the Issuance and Sale of Three Million Nine Hundred Thousand Dollars ($3,900,000) General Obligation Bond, Series 2025, of Laurens County Water and Sewer Commission, South Carolina, and Other Matters Relating Thereto.

Mr. Field welcomed attorney Theodore B. DuBose, who provided a brief overview of the General Obligation Bond that the Commission would be voting on. He then explained that the $3.9 million GO Bond will fund upgrades and improvements to the existing sewer infrastructure in the Clinton Area, focusing on the Sand Creek and Millers Fork Lift Stations, as well as 11,000 linear feet of 16-inch force main. Mr. Field emphasized that the project would improve system safety and reliability, replace aging infrastructure, and increase capacity.

The following Resolution was introduced by the Chairman, read in full at the meeting, and considered:

"A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF THE THREE MILLION NINE HUNDRED THOUSAND DOLLARS ($3,900,000) GENERAL OBLIGATION BOND, SERIES 2025, OF LAURENS COUNTY WATER AND SEWER COMMISSION, SOUTH CAROLINA, FOR THE EXPENDITURE OF THE PROCEEDS THEREOF, FOR THE PAYMENT OF SAID BOND, AND OTHER MATTERS RELATING THERETO."

Commissioner L. Byrd, Jr. **MOVED** *that* the foregoing Resolution be adopted as introduced and read. **MOTION SECONDED** by Commissioner Young **MOTION CARRIED**. AYES, 7; NAYS, 0.

Chairman Davenport thanked Mr. DuBose for attending the meeting.

2. LCWSC Project Update

Mr. Mattison presented a PowerPoint detailing the ongoing subdivision developments and the associated infrastructure expansions. Currently, eleven subdivisions are in progress, with a total of 2,709 proposed single-family residences (SFRs), of which 785 water taps have been sold. It is expected the remaining lots will be developed over the next 2 to 3 years. These developments will contribute 90,862 linear feet of water line, 86,308 linear feet of gravity sewer lines, five lift stations, and 21,432 linear feet of sewer force main to LCWSC's infrastructure.

3. Water Resource Planning Update

Mr. Price presented a PowerPoint outlining the overview, history, and ongoing efforts South Carolina has undertaken to comply with the South Carolina Water Resources Planning and Coordination Act. Some key points presented by Mr. Price are outlined below:

- The South Carolina Department of Natural Resources (SCDNR) established the Planning Process Advisory Committee (PPAC) in March 2018 to oversee state and regional water planning activities.
- The PPAC's work culminated in the development of the South Carolina State Water Planning Framework, which describes the river basin planning process, the contents of River Basin Plans, and how these plans will be used to develop a new State Water Plan. This framework led to the formation of River Basin Councils (RBCs) for each of the state's eight designated river basins, with the **Saluda River Basin** Council being one of them.
- As of February 19, 2025, the Saluda RBC held its 22nd meeting, wherein a review and discussion of the Draft Plan and Executive Summary was held.
- Via Executive Order of Governor McMaster on September 24, 2024 the WaterSC Water Resource Working Group was established and there was concern among the RBC's that their work may be in vain; however, based on subsequent WaterSC meetings and a meeting of the Legislative Surface Water Study committee, Mr. Price remains optimistic that the work will continue and end in the creation of a viable State Water Plan.

<u>NEW BUSINESS</u>

None

<u>OTHER BUSINESS</u>

1. Employee Recognition Day, March 25, 2025

Commissioners were reminded that our March meeting will include a company wide appreciation breakfast and employee recognition.

<u>EXECUTIVE SESSION</u>

None

Upon returning to open session, the Commission may take action on the matters discussed in executive session.

ADJOURN

Commissioner O'Dell MOVED *to adjourn the Board of Commissioners meeting* at 10:57 a.m. **MOTION SECONDED** by Commissioner Young **MOTION CARRIED**. AYES,7; NAYS, 0.

There being no further business, the meeting was adjourned.

I certify that the above Minutes accurately reflect the business conducted at the Commission meeting on February 25, 2025, and that the minutes were approved at the March 25, 2025, meeting.

Jurell Byrd Jr.

Jurell Byrd, Jr., Secretary

A RESOLUTION

PROVIDING FOR THE ISSUANCE AND SALE OF A THREE MILLION NINE HUNDRED THOUSAND DOLLARS ($3,900,000) GENERAL OBLIGATION BOND, SERIES 2025, OF LAURENS COUNTY WATER AND SEWER COMMISSION, SOUTH CAROLINA, FOR THE EXPENDITURE OF THE PROCEEDS THEREOF, FOR THE PAYMENT OF SAID BOND, AND OTHER MATTERS RELATING THERETO.

BE IT RESOLVED BY THE LAURENS COUNTY WATER AND SEWER COMMISSION, IN MEETING DULY ASSEMBLED:

ARTICLE I

FINDINGS OF FACT

Section 1.01.

As an incident to the adoption of this Resolution and the issuance of the Series 2025 Bond provided for herein, the Laurens County Water and Sewer Commission (the ***"Commission"***) finds that the facts set forth in this Article exist, and the statements made with respect thereto are in all respects true and correct:

1. The Commission is a special purpose Commission located within Laurens County, South Carolina, with the function of providing waterworks and sewer services, being the product of the consolidation of the former Laurens County Water Resources Authority and the former Rabon Creek Rural Water Commission undertaken by the Laurens County Council and the Greenville County Council by ordinances effective March 23, 1993 and March 2, 1993, respectively. Pursuant to ordinances enacted by the Laurens County Council and the Greenville County Council by ordinances effective October 26, 2004, and November 16, 2004, respectively, the boundaries of the Commission were diminished to exclude any portion of Greenville County.

2. The Commission has determined that the need exists at the present time to raise moneys to defray the costs of, among other things, designing and constructing sewer system improvements along Interstate Highway 26 in southern Laurens County, including upgrading of the Millers Fork and Sand Creek pump stations, and installation of approximately 11,000 linear feet of sewer lines (collectively, the ***"Project"***). The Commission is informed that the costs of the Project, together with financing, engineering, legal and other costs associated therewith will not exceed $4,085,000.

3. Financing for the Project is being provided through:

(a) the proceeds of a general obligation bond of the Commission in the amount of $3,900,000 to be purchased Department of Agriculture – Rural Development (the ***"Government"*** or ***"RD"***) pursuant to a Letter of Conditions from the Government to the Commission dated August 24, 3023 (the ***"Letter of Conditions"***); and

(b) available funds of the Commission in the amount of $185,000.

4. The statutory vehicle which the Commission may utilize in order to incur general obligation debt is Title 6, Chapter 11, Article 5, Code of Laws of South Carolina 1976, as amended (the ***"Enabling Act"***). Prior to the incurring of debt pursuant to the authorization of its provisions, the Enabling Act requires that the governing body of the county wherein the special purpose Commission is located approve the issuance of the debt. Pursuant to this provision of the Enabling Act and by way of a petition of the Commission dated 26, 2022, the Commission requested the Laurens County Council to approve the issuance and delivery of not exceeding $9,000,000 of general obligation bonds of the Commission, in one or more series from time to time, in order to defray the cost of the Project, as well as certain other improvements to the Commission's waterworks and sewer systems. By an ordinance enacted on August 23, 2022 (the ***"Ordinance"***), the Laurens County Council granted its approval to the issuance of such Bond. As of the date hereof, no portion of the debt so authorized has been issued.

5. The Commission at the present time intends to issue a general obligation bond in the principal sum of not exceeding $3,900,000 in the form of a single instrument payable to the Government within the foregoing authorization granted by Laurens County Council to defray a portion of the costs of the Project.

6. Section 14 of Article X of the Constitution of the State of South Carolina, 1895, as amended, provides that subsequent to November 30, 1977, the special purpose Commissions of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property within such Commissions. The assessed value of all taxable property located within the boundaries of the Commission for tax year 2024, which is the last completed assessment thereof as certified by the County Assessor of Laurens County, is not less than the sum of $125,982,790, and thus the 8% debt limit of the Commission is not less than $10,078,623. As of the date hereof, there is outstanding the $5,100,000 principal amount General Obligation Bond, Series 2024A, of the Commission (the "2024A Bond") chargeable against this limit. There is available in the debt service fund securing the 2024A Bond not less than $452,423, which amount may be offset against the principal amount of the 2024A Bond Thus, the Commission may presently issue the sum of $3,900,000 in general obligation debt at the present time.

7. On the basis of the foregoing, the Commission has determined to avail itself of the approval granted by the Laurens County Council and adopts this Resolution as a means of providing for the issuance and sale of not exceeding a $3,900,000 general obligation bond of the Commission, the proceeds whereof shall be used to defray a portion of the costs of the Project and the costs of issuance.

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ARTICLE II

ISSUANCE OF BOND

Section 2.01.

Pursuant to the provisions of the Enabling Act and for the purposes authorized thereby, there shall be issued by the Commission a general obligation bond in the aggregate amount of not exceeding \$3,900,000, evidenced by a fully registered bond in the amount of not exceeding \$3,900,000, designated "General Obligation Bond, Series 2025 of Laurens County Water and Sewer Commission, South Carolina" (the ***"Series 2025 Bond"***). The Series 2025 Bond shall be in the aggregate face amount of not exceeding \$3,900,000, or such lesser amount as shall equal the aggregate total advances made thereon as evidenced by the Certificate of Advances; shall be dated as of the date of delivery thereof; shall bear interest at the rate of Two and One hundred twenty-five thousandths percentum (2.125%) per annum, payable annually, both as to principal and interest, as follows: On the first anniversary of the Series 2025 Bond in the year 2025 (provided however if the closing shall take place on the 29th, the 30th or the 31st day of the month, the first payment date shall be the 28th day of the twelfth month following the closing date), and annually thereafter, on the anniversary date of the Series 2025 Bond (or the 28th day of the month, as the case may be) (each such payment date, a ***"Bond Payment Date"***) until paid in full, there shall be paid, by way of both principal and interest (as an annual amortized installment) the sum of \$145,743, except that the final installments of the total indebtedness evidenced thereby, if not sooner paid, shall be due and payable forty (40) years from the date thereof.

Notwithstanding any provision of this resolution to the contrary, the Commission and the Government may agree that the Series 2025 Bond shall bear a rate of interest lesser than 2.125%, but in no event shall the interest rate applicable to the 2022B Bond exceed 2.125%. In such case, the interest rate applicable to the Series 2025 Bond shall be adjusted accordingly, along with the amount due from the Commission to the Government on each Bond Payment Date.

Section 2.02.

The Series 2025 Bond shall bear interest from the date thereof at the rate of 2.125% per annum, payable as stated in Section 2.01 supra and in the manner stated in the form appearing as Exhibit "A" hereto until the obligation of the Commission with respect to the payment of the principal of such Bond shall be discharged.

Section 2.03.

Both the principal of and interest on the Series 2025 Bond shall be payable only in such coin or currency of the United States of America as shall be on the occasion of such payments legal tender for the payment of public and private debts.

Section 2.04.

(a) The Series 2025 Bond issued hereunder or the principal installments on such Bond may be called and redeemed or prepaid prior to their respective maturities or due dates at any time at the option of the Commission, either in whole or in part, from any money which may be made available for such purpose. If the Series 2025 Bond is called in part or installments paid in part, such call or payment shall be in the inverse numerical order of such Bond, and, such prepayments shall be in the inverse chronological order of such installments.

(b) Redemption of the Series 2025 Bond or prepayment of principal under this Section 2.04 shall be made by the payment of the principal amount of the Series 2025 Bond to be redeemed or amount to be prepaid and accrued interest thereon to the date of redemption or prepayment, without premium.

(c) Payments for the redemption of the Series 2025 Bond or prepayment of principal under this Section 2.04 shall be made in the manner provided in Section 2.12 of this Resolution. Interest on the Series 2025 Bond or installments so designated for redemption or prepayment shall cease to accrue from and after the date of receipt of payment by the registered holder of this Series 2025 Bond, and interest which, otherwise, would accrue on this Series 2025 Bond or installments after such receipt.

Section 2.05.

In the event any Bond is mutilated, lost, stolen, of destroyed, the Board shall cause to be executed and delivered a new Bond of like tenor as that mutilated, lost, stolen, or destroyed, which new Bond shall be in all respects similar to those, if any, to the Series 2025 Bond mutilated, lost, stolen, or destroyed, provided that (a) in the case of any such mutilated Bond, such Bond is first surrendered to the Commission, and (b) in the case of any such lost, stolen, or destroyed Bond, there is first furnished evidence of such loss, theft, or destruction satisfactory to the Commission. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense involved.

Section 2.06.

The Commission and its agents may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment of the principal and interest thereof and for all other purposes whatever.

Section 2.07.

(a) The Secretary of the Commission will be the registrar and transfer agent for the Series 2025 Bond and will keep proper registry and transfer records including a Bond Registration Book in which he shall register the name and address of the registered owner of the Series 2025 Bond as the same are presented for registration. Upon presentation of any Bond for registration or transfer, the fact of such registration or transfer shall be noted by the Secretary of the Commission upon the Series 2025 Bond. No transfer of any registered Bond shall be valid unless so noted upon the Series 2025 Bond.

(b) No person shall be entitled to any right or benefit provided in any registered Bond issued pursuant to this Resolution, unless the name and address of such person is registered with the Secretary of the Commission and the fact thereof is endorsed by such Secretary upon such Bond and upon the Series 2025 Bond Registration Book. No charge shall be made for registration.

(c) The Series 2025 Bond Registration Book shall show (a) the date of registration, (b) the name and address of the person in whose name the Series 2025 Bond is registered, and (c) the signature of said Secretary. The latest chronological date of registration of the Series 2025 Bond, as the same shall appear in said book, shall be conclusive as to the name and address of the registered owner for all purposes.

(d) Any registered Bond shall be transferable only if presented for transfer by the registered owner, in person or by attorney, to the Secretary of the Commission. Such registered Bond shall bear an endorsement of transfer thereof to the new owner so as to enable said Secretary to enter the name and address of the new owner upon the Series 2025 Bond Registration Book. The Secretary shall not be required to transfer the Series 2025 Bond during the 15-day period preceding any Bond Payment Date.

Section 2.08.

The Series 2025 Bond shall be executed in the name of the Commission by the manual signature of the Chairman of the Commission, or in his absence or inability to sign, by the Vice Chairman of the Commission, under the Corporate Seal of the Commission which shall be impressed or reproduced thereon, and attested by the manual signature of the Secretary of the Commission. The Series 2025 Bond shall be executed by the persons holding office when the Series 2025 Bond is ready for delivery.

Section 2.09.

The Series 2025 Bond and the interest thereon, shall be exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes. This provision shall be deemed a part of the contract inuring to the benefit of all holders or beneficiaries of Bond.

Section 2.10.

For the payment of the principal of and interest on the Series 2025 Bond, as the same respectively mature, and for the creation of such sinking funds as may be necessary therefor, the full faith, credit and taxing power of Laurens County Water and Sewer Commission, South Carolina are hereby irrevocably pledged, and there shall be levied annually by the Auditor of Laurens County and collected by the Treasurer of Laurens County, a tax without limit, on all taxable property in Laurens County Water and Sewer Commission, South Carolina sufficient to pay the principal of and interest on the Series 2025 Bond as the same becomes due, and to create such sinking fund as may be necessary therefor.

Section 2.11.

The Auditor and the Treasurer of Laurens County, South Carolina, shall be notified of the issuance of the Series 2025 Bond and directed to levy and collect, respectively, upon all taxable property in the Commission, an annual tax sufficient to meet the payment of the principal of and interest on the Series 2025 Bond, as the same becomes due, and to create such sinking fund for Bond as may be necessary therefor.

Section 2.12.

The County Treasurer of Laurens County shall serve as Paying Agent for the Series 2025 Bond. All payments made by the Paying Agent on behalf of the Commission on account of the Series 2025 Bond, both by way of principal and interest, and including all prepayments made in the exercise of the option retained by the Commission by Section 2.04 of this Article, shall be paid to the Government at the USDA -- Rural Development Office, in the City of St. Louis, Missouri, or, if such office shall at any time during the life of the Series 2025 Bond be closed or the Government shall request such payments to be made, whether by physical or electronic means, at an alternative location, then as shall have been the subject of a written request by the Government to the Commission.

Section 2.13.

The payments of principal and interest, whether by prepayment or otherwise, made in respect of the Series 2025 Bond may be made to the registered owner, without presentation or surrender of the Series 2025 Bond, and all such payments shall fully discharge the obligations of the Commission in respect to the Series 2025 Bond to the extent of the payments so made. The form of the Series 2025 Bond shall be substantially that set forth in Exhibit "A" hereto, with such variations, omissions, and insertions as may be required to complete the Series 2025 Bond properly and as may be approved by the officers executing the Series 2025 Bond manually, which approval shall be conclusively evidenced by such execution.

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ARTICLE III

DISPOSITION OF PROCEEDS

Section 3.01.

As construction of the Project progresses, the Chairman or the Executive Director of the Commission, in combination with the Secretary of the Commission, are authorized to withdraw from the Government such moneys applicable to progress payments on aspects of the Project or issuance costs. Each such withdrawal shall be in writing and shall be accompanied with a certificate of the Chairman or the Executive Director and the Secretary of the Commission certifying that the sums about to be obtained are to pay costs incident to the construction of the Project, or issuance costs, as the case may be, that, except as to issuance costs, such costs have been duly incurred by reason of work performed or material furnished, and that no part of the items to be paid have been previously paid. Notwithstanding the foregoing, all withdrawals must first be approved by a representative of RD, and, except as to amounts paid to defray issuance costs, a representative of the general contractor of the Project, which approvals may be evidenced by signatures of both parties on the certification of the Commission. Each certification, duly executed by representatives of the Commission, RD and the general contractor of the Project in accordance with this Section 3.01, is referred to herein as a ***"Completed Certificate."***

Pursuant to the requirements of Section 6-11-1010 of the Enabling Act, the proceeds withdrawn from the Government pursuant to Section 3.01 of this Resolution shall be paid to the County Treasurer of Laurens County, South Carolina for further deposit to the Construction Fund provided for in Article IV of this Resolution and thereafter immediately applied to payment of the costs of issuance of the Series 2025 Bond or to the construction and equipping of the Project in strict compliance with the applicable Completed Certificate.

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ARTICLE IV

CONSTRUCTION FUND

Section 4.01.

After the delivery to the Government of the Series 2025 Bond herein authorized and the receipt of the proceeds thereof from time to time by the Treasurer of Laurens County as provided in Article III hereof, each such receipt accompanied by the delivery to the Treasurer of the Completed Certificate applicable thereto, there will be created by the County Treasurer at United Community Bank, or other bank as may be determined from time to time by the County Treasurer , the deposits of which are insured by the Federal Deposit Insurance Corporation, a separate account to be designated as the Laurens County Water and Sewer Commission Construction Fund (herein sometimes designated as the ***"Construction Fund"***), into which shall be deposited the proceeds from the sale of the Series 2025 Bond as withdrawn from the Government. Moneys in the Construction Fund shall be expended only for the payment of the costs (i) of issuing the Series 2025 Bond authorized by this Resolution, and (ii) of constructing and equipping the Project and paying expenses incident thereto in accordance with this Resolution, and there shall not be paid out from the Construction Fund any sums except in accordance with this Resolution and in accordance with a Completed Certificate.

Section 4.02.

The County Treasurer will cause the Construction Fund depository, at all times, to keep the funds on deposit in the Construction Fund continuously secured for the benefit of the Commission and the Series 2025 Bond owner, either (a) by providing as collateral security and in accordance with S.C. Code Ann. §6-5-15 (1976, as amended), direct general obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, or other marketable securities eligible as security for the deposit of trust funds under the regulations of the Board of Governors of the Federal Reserve System, having a market value exclusive of accrued interest of not less than the amount on deposit in the Construction Fund, or (b) if the furnishing of security in such manner is not permitted by the then applicable law and regulations, then, in such other manner as may be required or permitted by the then applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of trust funds, provided however, that it shall not be necessary for the depository so to secure any portion of the funds on deposit in the Construction Fund that is insured by the Federal Deposit Insurance Corporation or other agency of the United States of America that may succeed to its functions, and provided further, that it shall not be necessary for the depository so to secure any portion of the funds on deposit in the Construction Fund that is, at the time, invested pursuant to the provisions of the next succeeding Section hereof.

Section 4.03.

When the money on deposit in the Construction Fund exceeds the requirements for obligations to be incurred in the construction of the Project for the next thirty days, as such requirements may be estimated by the Chairman of the Commission, the Construction Fund depository is hereby authorized and when directed in writing by the Treasurer shall be empowered to invest such excess funds in direct general obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which shall mature and become due at such times or in such manner as will make funds available for the payment of the obligations of the Construction Fund as estimated, but no later than eighteen months after the date of such investment, and which shall be subject to redemption at any time. The securities in which such funds are so invested shall become a part of the Construction Fund, and all income derived therefrom shall be deposited in the Construction Fund. The Construction Fund depository shall, from time to time, sell or otherwise convert into cash, any such securities if such sale or conversion is necessary to provide for payment of a requisition or payment request presented pursuant to the provisions of this Article, whereupon the net proceeds from such sale or conversion shall be deposited in the Construction Fund.

Section 4.04.

All money in the Construction Fund or obligations held for such fund shall be subject to a lien or charge in favor of the owner of the Series 2025 Bond issued under the provisions of this Resolution and outstanding at any time and shall be held for the future security of such owners until paid out as herein provided.

Section 4.05.

For the purposes of this Article, the cost of constructing the Project to be paid from the Construction Fund shall include the costs shown in the recommendations, plans and specifications which have been prepared for the Commission and the equipment to be acquired, and which may but shall not necessarily include the purchase and condemnation of land, easements, right-of-way, construction of access roads, and any and all appurtenant facilities and necessary materials for the acquisition, construction, and equipping of the Project for the Commission without intending hereby to limit, restrict, or extend any proper definition of such cost as contained in the Enabling Act or as usual and incident to the acquisition, construction, and equipping of the Project which, in addition, shall include the cost of the construction work for the project being undertaken, costs of indemnity and fidelity Bond, necessary travel expenses, costs which may be imposed by the United States of America to reimburse it for its field expenses incurred in connection with the undertaking, taxes or other governmental charges, if any, lawfully levied or assessed upon the project or upon any property acquired therefor during construction, premiums on insurance, if any, in connection with the said project during construction, fees and expenses of engineers and architects for surveys, estimates, preparation of plans, specifications, and drawings and supervising of construction, as well as for the performance of all other duties of such engineers and architects in relation to the project, actual expenses of administration of construction, telephone, telegraph, office, and legal expenses, audits, and all other costs or expenditures not herein specified incident to the construction of and equipment for the Facilities, including costs for examination of titles and title insurance, the preparation, issuance, marketing, printing and engraving of Bond, financing charges and all expenses incident to the financing of the project, including the payment of the Notes, all other expenses preliminary to construction and acquisition of such project, and preliminary to authorization, and issuance of the Series 2025 Bond, including investigation and expenses incident thereto, obligations incurred for labor and to contractors, builders, suppliers, and materialmen in connection with the construction and equipping of the Project and for machinery and equipment needed for such construction and for the placing of such project into operation, and obligations incurred for the restoration of property damaged or destroyed in connection with the construction.

Section 4.06.

Said construction, acquisition, and equipment will be completed as soon as may be practicable, delays incident to strikes, riots, acts of God and the public enemy, and similar acts beyond the reasonable control of the Commission only, excepted. The Commission will promptly pay or cause to be paid, as and when due, all expenses incurred in and about the project and will not suffer or permit any mechanics' or materialmen's liens that might be filed or otherwise claimed or established upon or against the project or any part thereof (if such be permitted by law) to remain unsatisfied and undischarged for a period exceeding thirty days after the filing or establishing thereof, provided, however, that the Commission may in good faith, contest any such mechanics' or materialmen's lien claims so filed or established, and, in the event that such lien claims are so contested, may permit the mechanics' or materialmen's liens so contested to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom, irrespective of whether such period extends beyond the thirty-day period after the filing or establishment of such liens, unless by such action, the lien or charge hereof on any part of the project shall be materially endangered or the project or any part thereof shall be subject to loss or forfeiture in which event, such mechanics' or materialmen's liens shall be promptly satisfied.

Section 4.07.

Before making any payments for the purchase price of any lands, easements, or rights or interest in or relating to lands, the Commission shall receive a written opinion of its attorney that the Commission is authorized to acquire such lands or rights or interest relating thereto and that, upon the payment of such purchase price, the Commission will acquire merchantable fee simple title to such lands or rights or interest therein free from all liens or encumbrances except such lien, encumbrance, or other defects of title which will not have a material adverse effect upon the right of the Commission to use such lands or rights or interest therein for the purpose intended or which have been guarded against by adequate bond or other form of indemnity. In lieu of this requirement, the Commission shall have the right to acquire a policy of title insurance issued to the Commission insuring the title to the land to be acquired in an amount equal to the contemplated improved value of the land which policy shall be issued by a responsible title insurance company authorized to do business in the State of South Carolina.

Section 4.08.

All certificates required by this Article shall be retained by the Commission, subject at all times to inspection by the duly authorized agent or representative of the Government.

Section 4.09.

If, after the final acquisition and payment for the Project, the Chairman of the Commission shall certify to the Board that any remaining balance in the Construction Fund is no longer needed for the Project, then such balance shall be deposited in the Series 2025 Bond Account Fund and shall be held by the Treasurer of Laurens County and used to effect the prepayment of principal of the Series 2025 Bond as provided in Section 2.04 of this Resolution.

* * * *

ARTICLE V

MISCELLANEOUS

Section 5.01.

The Chairman and the Secretary of the Commission are hereby authorized, empowered and directed to execute in the name of the Commission and under the Corporate Seal of the Commission a Loan Agreement in the form prescribed by the USDA -- Rural Development, the form, content and terms of which Loan Agreement are hereby ratified and approved and to execute Form FHA 400-4, “Assurance Agreement” and Form 400-1, “Equal Opportunity Agreement” and any other documents that may be required by the USDA -- Rural Development as a condition precedent to making the aforesaid loan to the Commission, and the Commission is hereby authorized and empowered to accept and receive the proceeds of any such loan.

Section 5.02.

Notwithstanding anything in the foregoing to the contrary, the Series 2025 Bond may not be defeased or discharged except by full and final payment or otherwise as allowed by USDA -- Rural Development.

Section 5.03.

The Commission covenants and agrees that so long as the Series 2025 Bond is outstanding, it will, not later than two hundred forty (240) days after the close of each Fiscal Year, cause to be made and completed by a firm of one or more independent certified public accountants an audit of the records, books and accounts pertaining to the Commission, made in accordance with generally accepted accounting practices and make the same available to the Government.

Section 5.04.

The Commission further covenants and agrees that if at any time it shall appear to the Government that the Commission is able to obtain a loan from responsible cooperative or private credit sources at reasonable rates and terms for loans for similar purposes and periods of time, the Commission will, upon request of the Government, apply for and accept such loan in sufficient amount to repay the Government or the holder of the Series 2025 Bond.

Section 5.05.

All covenants, stipulations, promises, agreements and obligations of the Commission contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Commission and not those of any member, officer or employee of the Commission in his or her individual capacity, and no recourse shall be had for the payment of the principal or redemption price of or interest on the Series 2025 Bond or for any claim based thereon or in this Resolution, either jointly or severally, against any member, officer or employee of the Commission or any person executing the Series 2025 Bond.

Section 5.06.

If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Resolution.

Section 5.07.

This Resolution shall be indexed in the records of the Commission under the general heading "BOND ISSUE -- $3,900,000 GENERAL OBLIGATION BOND, SERIES 2025, OF LAURENS COUNTY WATER AND SEWER COMMISSION, SOUTH CAROLINA."

DONE IN MEETING DULY ASSEMBLED, this 25th day of February, 2025.

LAURENS COUNTY WATER AND SEWER COMMISSION, SOUTH CAROLINA

Thomas E. Dargent

Chairman, Laurens County Water and Sewer Commission

ATTEST:

Jarrell Boyd Jr.

Secretary, Laurens County Water and Sewer Commission

<u>EXHIBIT A</u>

UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA
LAURENS COUNTY WATER AND SEWER COMMISSION
SOUTH CAROLINA
GENERAL OBLIGATION BOND
SERIES 2025

LAURENS COUNTY WATER AND SEWER COMMISSION, SOUTH CAROLINA (the ***"Commission"***), for value received hereby promises to pay to the order of the UNITED STATES OF AMERICA, acting through the United States Department of Agriculture (the ***"Government"***), or its registered assigns, the principal sum of THREE MILLION NINE HUNDRED THOUSAND DOLLARS ($3,900,000), or so much as shall have been withdrawn hereunder, plus interest on the unpaid principal balance at the rate of Two and One Hundred Twenty-Five Thousandths per centum (2.125%) per annum. The said principal and interest shall be payable as follows: On the ______ day of ___________, 2025, and annually thereafter, on the _____ day of ___________, until paid in full, there shall be paid, by way of both principal and interest (as an annual amortized installment) the sum of $145,743, except that the final installment of the total indebtedness evidenced hereby, if not sooner paid, shall be due and payable forty (40) years from the date hereof.

The Certificate of Advances evidencing the advances of principal hereon shall be in the form hereto attached. One copy thereof shall be kept at the office of the USDA -- Rural Development, in the City of Aiken, South Carolina, and one copy shall be kept at the Office of the Secretary of Laurens County Water and Sewer Commission, South Carolina, in the City of Laurens, South Carolina. Advances as made shall be recorded upon the said copies, and when all advances have been made one copy of the Certificate of Advances of Principal showing all advances made shall be attached hereto and become a part of this Series 2025 Bond; and in the meantime the amount of advances shown from time to time on the said copies of the Certificate of Advances of Principal shall be conclusive and binding as to the amount of advances at any time made hereunder.

This Series 2025 Bond is being issued by Laurens County Water and Sewer Commission, the State of South Carolina, for purposes authorized by and pursuant to the provisions of Sections 6-11-810 *et seq.*, Code of Laws of South Carolina, 1976, Section 14 of Article X of the Constitution of South Carolina, and a resolution duly adopted by the Laurens County Water and Sewer Commission, South Carolina on February 25, 2025 , to defray a part of the cost of constructing and equipping various improvements for the Commission as set forth therein (the "Resolution").

Every payment made on any indebtedness evidenced by this Series 2025 Bond shall be applied first to interest computed to the effective date of the payment and then to principal. Refunds and extra payments, as defined in the regulations of the USDA -- Rural Development according to the source of funds involved, shall, after payment of interest, be applied to the installment last to become due under this Series 2025 Bond and shall not affect the obligation of the Commission to pay the remaining installments as scheduled herein.

This Series 2025 Bond shall at all times be registered on registry books of the Secretary of Laurens County Water and Sewer Commission, South Carolina, and each transfer to be valid shall be made on the registration books and similarly noted on this Series 2025 Bond.

For the prompt payment hereof, both principal and interest, as the same shall become due, the full faith, credit and taxing power of the Laurens County Water and Sewer Commission, South Carolina, are hereby irrevocably pledged.

All payments by way of principal and interest and payments made to redeem this Series 2025 Bond in whole or in part shall be paid to the registered holder, or its legal representatives, successors or assigns, at the office of USDA-St. Louis, Missouri, or otherwise in accordance with terms of the Resolution.

On any date, installments of principal may be prepaid without premium in inverse order of installments prior to their respective maturities at the option of the Commission either in whole or in part from any money which may be made available for such purpose.

The Commission hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that the Commission may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, the Commission will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Series 2025 Bond is given as evidence of a loan to the Commission made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act, and shall be subject to the present regulations of the USDA -- Rural Development and to its future regulations not inconsistent with the express provisions hereof.

This Series 2025 Bond and the interest hereon are exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer and certain franchise taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Series 2025 Bond, exist, have happened, and have been done and performed in regular and due time, form and manner, and that the amount of this Series 2025 Bond does not exceed any constitutional or statutory limitation thereon, and that provision has been made for the levy and collection of sufficient annual taxes within the Commission, without limit, for the payment of the principal and interest hereof, as the same shall fall due.

IN WITNESS WHEREOF, Laurens County Water and Sewer Commission, South Carolina has caused this Series 2025 Bond to be signed in its name by the Chairman of the Commission and attested to by the Secretary to the Commission, its Seal to be impressed hereon, and this Series 2025 Bond to be dated as of the ______ day of __________, 2025.

LAURENS COUNTY WATER AND SEWER COMMISSION, SOUTH CAROLINA

By: _______________________________
Chairman, Laurens County Water and Sewer Commission

ATTEST:

____
Secretary, Laurens County Water and Sewer Commission

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto
____
(Name and Address of Transferee)

the within Bond and does hereby irrevocably constitute and appoint ____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

____
Signature Guaranteed

____
(Signature must be guaranteed by a participant in the Securities Transfer Agent Medallions Program (STAMP))

____
(Authorized Officer)

____
Notice: The signature to the assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

TABLE ESTABLISHING WITHDRAWALS
MADE BY LAURENS COUNTY WATER AND SEWER COMISSION,
SOUTH CAROLINA
ON THE WITHIN GENERAL OBLIGATION BOND

Date of Withdrawal	Amount of Withdrawal	Authentication of Amount and Date of Withdrawal by Authorized Official of Laurens County Water & Sewer Commission, South Carolina	Title of Official of Laurens County Water & Sewer Commission, South Carolina Authenticating Withdrawal

STATE OF SOUTH CAROLINA

COUNTY OF LAURENS

I, the undersigned, Secretary of the Laurens County Water and Sewer Commission (the "Commission"), **DO HEREBY CERTIFY**:

That the foregoing constitutes a true, correct and verbatim copy of the 2025 Resolution unanimously adopted by said Commission at a meeting duly called and held on February 25, 2025, at which meeting a quorum of the membership of said Commission were present.

The agenda for the meeting of February 25, 2025, including the consideration of the attached Resolution and showing the time, date and place of such meeting, was at least 24 hours prior to the commencement thereof (a) posted in a prominent place in the administrative offices of the Commission, (b) posted on the Commission's public website, and (c) provided to news media and other persons requesting notice of Commission meetings.

That the original of said Series Resolution is duly entered in the permanent records of said Commission in my custody as Secretary.

WITNESS my Hand and the Seal of the Commission this 20th day of March, 2025.

(SEAL)

Jurell Boyd Jr.

Secretary, Laurens County Water and Sewer Commission