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City of Walterboro

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Walterboro, South Carolina 29488-0008

Walterboro City Council
Regular Meeting
September 6, 2016
City Hall
6:15 P.M.

A G E N D A

I. Call to Order:

1. Invocation.
2. Pledge of Allegiance.

II. Public Input on Agenda Items:

III. Approval of Minutes:

1. Minutes of the June 1, 2016 Public Informational Meeting (Minutes attached).
2. Minutes of the June 7, 2016 Public Hearing and Regular Meeting (Minutes attached).
3. Minutes of the July 12, 2016 Work Session- Proposed Plans for Discovery Center (Minutes attached)
4. Minutes of the July 12, 2016 Rescheduled Regular Meeting (Minutes attached).
5. Minutes of the August 2, 2016 Regular Meeting (Minutes attached).
6. Minutes of the August 25, 2016 Special Called City Council Meeting (Minutes attached).

IV. Old Business:

V. New Business:

1. Ordinance # 2016-07, An Ordinance to Amend Ordinance # 2016-04, So as to Set the Local Option Sales Tax Credit Factor in the Fiscal Year 2016-2017 Budget, **First Reading** (Ordinance attached).
2. Ordinance # 2016-08, An Ordinance to Amend Appendix A, Meetings of Council, Section 2.218, Order of Business, of the Code of Ordinances of the City of Walterboro, **First Reading** (Ordinance attached).

3. **Ordinance # 2016-09**, , An Ordinance Providing for the Issuance and Sale of Waterworks and Sewer System Revenue Bonds of the City of Walterboro, South Carolina, and Other Matters Relating Thereto, **(Amended and Restated Bond Ordinance)**, **First Reading** (Ordinance attached).
4. **Ordinance # 2016-10**, A Series Ordinance, Approving the Financing of a Wastewater Treatment Plant Upgrade Through the Borrowing of Not Exceeding One Million Five Hundred Thousand Dollars (\$1,500,000), plus Capitalized Interest, If Any, from the State Water Pollution Control Revolving Fund, by Agreement with the South Carolina Water Quality Revolving Fund Authority, Pursuant to Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as Amended; Providing for the Agreement to Make and to Accept a Loan, the Execution and Delivery of a Loan Agreement Between the City of Walterboro, South Carolina and the South Carolina Water Quality Revolving Fund Authority, the Execution and Delivery of a Promissory Note from the City of Walterboro, South Carolina to the South Carolina Water Quality Revolving Fund Authority; and Other Matters Relating Thereto, **First Reading** (Ordinance attached).
5. **Proclamation # 2016-06**, A Proclamation Designating September 2016 as "Brag a Little About Walterboro Month" (Proclamation attached).
6. **Resolution No. 2016-R-08**, A Resolution Committing the City of Walterboro to Provide a Local Match in the Amount of \$2,500.00 for a Municipal Association of South Carolina Hometown Economic Development Grant (Resolution attached).
7. Request to Hang Banner for Life Insurance Awareness Month **September 12-16, 2016** (Letter attached).
8. Request to Hang Banner Announcing Brag a Little About Walterboro Week **September 18-25, 2016**, Michelle Strickland, Tourism Director (Memorandum attached).

8. Request to Place Ribbons on Street Posts on E. Washington Street (Downtown) **September 7-30, 2016**, in Recognition of Ovarian Cancer Awareness Month (Memorandum attached).
9. Request to Close Street for Waltherboro Police Department Walk Against Domestic Violence, **October 3, 2016**, Denise Pinckney, Victims Assistance Program Coordinator (Letter & Parade Permit Form attached).
10. Consideration of Veterans Day Parade Permit Request, **November 13, 2016** - Veterans Council (Permit Request attached).

VI. Committee Reports:

VII. City Manager's Report:

1. Status of CDBG Closeout Hearing Held on August 23, 2016.

VIII. Executive Session:

1. Personnel Matter - Appointment of City Attorney and City Prosecutor.

IX. Open Session:

1. Council May Take Action on Matters Discussed in Executive Session.

X. ADJOURNMENT.

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Walterboro City Council
Public Informational Meeting
June 1, 2016

MINUTES

A Public Informational Meeting was held by Walterboro City Council at City Hall on Wednesday, June 1, 2016 at 4:00 P.M. with Mayor Bill Young presiding. The purpose of the meeting was to hear a presentation by Mr. Mark Baker of Wood + Partners on the I-95 Business Loop Project, Phase 1B.

PRESENT WERE: Mayor Bill Young, Council Members: Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, James Broderick and Judy Bridge. City Manager Jeff Molinari, City Clerk Betty Hudson, and City Attorney George Cone were also present. There were approximately 40 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order and welcomed everyone to the meeting. Council Member Syfrett gave the invocation and Council Member Broderick led the pledge of allegiance to our flag.

The Mayor announced that the meeting was scheduled to go over the plans for the next phase of the Business Loop Project and we have our architect here, Mr. Mark Baker from Wood + Partners.

PRESENTATION:

Mr. Baker opened his presentation stating that they were excited about the next phase of this project. As you all know, phase 1C and 1B are under construction now. Phase 1B is probably 95% through construction and phase 2 South, which will take the improvements from Bells Highway all the way to the interstate is next. It is under design and then phase 3 will be the next part.

What we are really here to do today is to take a look at phase 1B. He then asked City Manager Molinari to hand out a presentation to City Council to have something to look at which is a replication of the overhead presentation. He said, then we are going to talk about some key decisions that are about to be made moving forward on the design for this project. We will go over a budget update and then we will have questions.

Mayor Young then told the audience, when we get to the questions, please wait and be recognized so that we don't have people talking over each other and that everybody can hear each other's questions. Mr. Baker also asked that each person say their name aloud, so we can have their names for the record.

Mr. Baker then said, I am going to briefly go through all of these and then feel free after we finish, to come up and take a look at the drawings on the wall, so you can get a closer look at what's going on and what is shown.

Mr. Baker then told the audience that phase 1B goes from Elizabeth Street and Moore Street all the way up to Sanders Street and then picks back up all the way through Carn Street and then it comes in to Hampton Street. Then, it goes to West Washington Street, the Jefferies Boulevard intersection and then on out to Benson Street and Wichman Street. So, that's the extent of Phase 1B.

If you look at this diagram, we have the 6-mile loop. This piece from Bells Highway out is what we are calling Phase 3 North. Phase 2 South picks up a few pieces here and then skips over Phase 1C and D, which were under construction.

Mr. Baker stated that Phase 1B basically has most of the improvements in the Hampton to West Washington Street area, but a little bit of improvements up to Benson. On the section from Hampton Street down to Elizabeth and Moore Street, there is going to be street lighting placed in, and the pavement will be refinished. So,

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it will be like what you are seeing in Phase 1C. There are already sidewalks in that area, so we are not adding new sidewalks. Curb and gutter will remain where it is, and there are no drainage improvements in that area. So, there will be new lights. Then when you get into the Hampton to West Washington Street, we are going to widen the sidewalks, improve the sidewalks on the west side of Jefferies Boulevard, and improve the three intersection corners. There will also be a fountain. In those intersections, there will be paved surfaces that are textured in the intersection. So, as you approach downtown, you will begin to sense that you are approaching the downtown, and then we will see Hampton Street and Washington Street. So, that's phase 1B.

Mr. Baker pointed out that there are a couple of key decisions that are left that need to be made and they are: obtaining the easements on the courthouse property on the east and then getting the easements acquired from the tenants on this property. So, that's pretty much it for Phase 1B.

Phase 1C and 1D are under construction now.

Phase 2 South

Mr. Baker then handed out materials on Phase 2 South. He stated that Phase 2 South goes a little above Benson Street to Bells Highway and then goes all the way south to the interstate overpass. What we are doing along this corridor is planting shoulder street trees, side street trees and occasionally medians, to enhance the visual aspect of the highway along the way. These great cones show where there are billboards and we have to keep those site lines clear, so there won't be trees planted in the way.

We have intersection enhancements at various places and then at key sides. If you look down here, you see where the different sign elements are. There are gateway signs and also signs that signify to the motorists that downtown is ahead. Again, that is one of the main aspects of the improvements is to tell the motorists as they get off the exits that Historic Walterboro is ahead. Mr. Baker then pointed out the placement of the signs along the way.

Phase 3 North

This phase is from Bells Highway and goes out to the Interstate and continues those same things for improvements.

Budget Summary

Mr. Baker then gave the following budget summary for the I-95 Business Loop Project Streetscape Corridor:

Non Sales Tax Funding Available:	
CDBG Funds:	\$500,000 (Phase 1C, 1D only)
TE Funds:	\$400,000 (Phase 1B only)
CTC Funds:	<u>\$100,000</u>
Total Non Sales Tax Funds:	\$1,000,000
Sales Tax Funds Available:	\$6,646,947
Total Funds Available	\$7,646,947
Funds Obligated	
Phase 1C, 1D Construction:	\$1,443,607
Phase 1C, 1D Construction Management:	\$136,850
Total Funds Remaining:	\$6,066,490

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Total Funds Remaining for Phase 1B & 2: \$6,019,543

Phase 2 Funded by Sales Tax

Segment 1:	\$1,426,355
Segment 2:	\$236,750
Segment 3:	\$896,191
Segment 4:	\$679,507
Segment 5: Is now part of 1B	\$181,906
Phase 1B:	\$1,223,762
Segment 6:	<u>\$910,165</u>

Total Cost:	\$5,554,636
Total Funds Remaining:	<u>\$6,066,490</u>
Sales Tax Funds Remaining:	\$511,854

Estimated Cost of Bell's Hwy to Exit 57: +/--\$1,800,000

The Mayor then asked if there were any questions from Council. Mayor Young asked for further clarification of Phase 3 North. He asked where does this start?

Mr. Baker responded that Phase 3 North starts from the Bells Highway turn and on out to the exit. Mayor Young then asked, are you saying that there is no funding to do Phase 3 North? He added, this is the first time I have ever heard that.

Mr. Baker replied, as we talked at our last Council Meeting and we presented this worksheet to you and said where would you like to allocate the funds on the southern part or the northern part, and we were given direction at that Council Meeting to prioritize the southern part. There are less improvements on the southern part. Mayor Young then said, it has always been the intent of Council to start down there, but last time we talked, we were talking about whether or not to add sidewalks and other things. Mr. Baker then said, it was never funded to add sidewalks. I got the impression that we were not going to move forward with the sidewalks, because the sidewalks are about \$600,000 on the south and you've only got \$500,000 in grants. Now, if you say, you'd rather have Phase 3 North instead of Phase 2 South, we need to know that now. Right now, there is not enough money to cover it all, and we have been saying that all along. Mayor Young responded, that's right, because what we put in the Capital Projects Sales Tax was from Bells Highway back. The Mayor added that he had forgotten that. He said, we never intended to fund Phase 3 North. We never intended to fund it out of the Capital Projects Sales Tax.

Mr. Baker then said, as it stands now if you fund Phase 2 South, we need to make a decision on trees and sidewalks. Mayor Young then said, we don't need to do that today, though. He added, we are going to have to decide whether we are going to design it and come back later and put in the sidewalks and allow for the trees. Council has got to make a decision on that.

Mr. Baker then said, and so when we were last here, we discussed whether we would move forward with construction of sidewalks and trees that require easements so that when you received the funds, you could come back and do it. We've got the drawings done, so will you just wait and do the design work later if you get the funds? The sidewalks pretty much run from Carollette Court back on one side. But then bringing it from there all the way to Jefferies Boulevard is another thing. So, do we bring those on in or not? So, that was what we were discussing at our meeting - even

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though you don't have the funds, does the design team go ahead and produce the construction drawings and get bids on it? If you get funds, you will do it. If you don't have funds, we can do it as an alternate.

Council Member Bonds then asked, we have had basically a first phase 1C and 1D. We basically had what I call, some intensive work from point A to point B. Point A being going out towards the cemetery and then B, coming on into town towards the courthouse. Mr. Baker responded, that's correct. Mr. Bonds then asked, is this new phase we are talking about, from basically where the project ends up through the courthouse to Benson Street. Mr. Baker answered, yes. That's going to complete that section from where you were to the courthouse.

Council Member Bonds then said, so the next work that we are starting is that section. Mr. Bonds said, that would be phase 1B. He then said, my next question is - we pick up and we go all the way to Benson Street, starting back near Mr. Land's property, then we will take it on up to the courthouse. The first question I have, are there any changes to any cuts, medians, and what's going on there in terms of changes to the road?

Mr. Baker responded under phase 1B, from Elizabeth and Moore to Hampton Street, there will be no medians cut in with trees. There are several medians that are there today. Those are painted medians that you can drive over. Those medians will be rehabed and repainted, but there will be left or right turn movements interference, because you can still drive over those painted medians. So, whatever is there today will be put back in place after the street is milled and paved.

Council Member Bonds then asked, does that mean a raised median that is going to prohibit turning or will access remain the same? Mr. Baker responded, no, it will be a painted median that's flush with the pavement that you can drive over. So, again, from Elizabeth and Moore all the way to Hampton Street, we are going to mill the asphalt and repave it, so it will look pretty and new, and there will be several painted medians, like this one at Carn Street, where as you come out at Carn and turn, there is a painted median there that actually defines turn lanes, but you can still drive over it. That will remain consistent all the way to Hampton Street. Now, from Hampton to West Washington Street, there will be a four foot wide raised brick median that prevents left and right turns at these cross sidewalks - from this street to this street, across the courthouse, in front of the courthouse. There is one driveway going into the parking lot, but it is the County Parking Lot.

Council Member Bonds then stated, so let's continue on out as it relates to any type of median change. Mr. Baker stated, so now when you go from West Washington Street to Benson, there is the same raised brick median, which prevents left and right turn crossovers and you'll see it deflects to allow for turn lanes. So, this comes over and there will be a 3-lane and a turn lane. The median that is there takes the same form, but it's painted and you can drive across it. So, this one is raised, and the reason it is there is that as you approach downtown, it is important to put things in the streetscape that signifies to the motorist that you are approaching downtown, and those things are cross walks. It could change in color and texture, raised median, wider sidewalks, fewer trees, the fountain - all of that tells the motorist you are approaching downtown.

Council Member Bonds then said, you are talking about existing sidewalks. So, for instance, where Zack's business is, there is an existing sidewalk and what I would call a retainer wall, that's where the Blocker Boys are, and maybe a railing along there. So, what I am asking is, are we going to put street lamps along that sidewalk, also?

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Mr. Baker responded that the power company is working on a street lamp plan. Council Member Bonds then said, what I want to make sure of is if we are going to stiffen up 15 or 18 inches from the road, that we are still ADA compliant? As I understood it, we were not going to move Zack's walk and that's what I am trying to figure out.

Mr. Baker responded, those sidewalks are in many cases a little narrower than what we put in Phase 1C and 1B. What we are going to do there, where there is a light, we are going to cut out a piece of sidewalk and it's going to flare out to be a little bit wider to make sure that we have the ADA access. We have ADA access in Phase 1C and 1D because it is more than 42 inches from the clearance, but in Phase 1B we are not redoing all the sidewalks. Wherever we put a lamp in, if the sidewalk is too narrow, then we've got to cut out a piece of sidewalk and make it wider. Make it actually flare out so there is a clearance.

Council Member Bonds then said, when you say flare out, what that means is you are going to flare out into the easement or would it be possible we would be knocking that wall down? That's what I am trying to figure out. Mr. Baker responded, if there is a wall there, an impediment like that, if it's there we probably would move the light and not do it. So, this is what I am talking about, here is the curb and the street is out here. When we go in and drop in a light, if the sidewalk is less than ADA width from the base of the sidewalk to the edge, we will cut out a piece of the sidewalk, flare and put it in like that. If there happens to be an impediment there, we will probably not put the light there. That's what we are working on now is trying to get the power company to get us final locations for lighting, so we can get in there and verify it. If there is a retaining wall or something that won't allow us to do it, then we won't do that. Because we are not going on to private property there. If you know of an impediment, make sure Jeff gets that to us that you have a special concern that you want us to avoid. Get that to us.

Phase 1B

Phase 1B will have a raised median, no trees, but a raised median with brick from Hampton Street to West Washington, and from West Washington to Benson Street. The rest of Phase 1B will not.

Mr. Charlie Sweat, former Mayor and citizen, the asked a question. He said, I remember when we originally talked about this many years ago, my concern is still there. By putting in that raised median, you cannot let people turn into the City Parking Lot from the north bound lane. Mr. Baker responded, that's correct. These people cannot make that turn, they will have to come around.

Mr. Sweat further pointed out that the same thing happens as you come on down pass that, you have the lawyer's office and an alley way on the northbound side again, pass McLeod's office, there is a gas station. You cut off all those accesses across that median, if you put that impediment in there. Mr. Baker responded, that is correct. From Benson Street to West Washington Street, you will not be able to cross the median.

Council Member Bridge then asked to see a picture of the median in question. Mr. Baker then passed around a photoshop image of what it would look like if we followed this design.

A question was raised by a citizen on whether or not emergency vehicles will have access across the median in case they needed to cross over and get into that

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area? Mr. Baker answered that this median is designed with what we call a roll curb, meaning that a big pick-up truck can roll right over it. Yes, an emergency vehicle can roll over it. What we really want to do is to calm down traffic in this block, right by your downtown, those two blocks, so that the people who are coming in will slow down and enjoy the downtown. So, as they are coming through, we want them to know they are in downtown now. So, we are trying to put as many things in this block as we can to capture the motorists attention, and those medians are an important part. Yes, you can drive over them for emergencies.

Mr. Bill Proctor of the Colleton County Veterans Council then addressed Council. He said, we have been talking with County Council. We attended their meetings and they have approved of us having a Colleton County Veterans Park. Mr. Proctor then pointed out the area for this park. He further said, one thing if you had this curve blocking that driveway, there will be no egress and ingress going north off of Jefferies Boulevard to that area. The only way to access that parking area or the park, is that we would have to go all the way around it. There is one road coming into it. So, I don't think that median is correct for that driveway there. It has no access into that parking area or our park. We have already talked to County Council and they have already agreed to our rendition. Bob Keegan is with the Colleton County Veterans Council and has given County Council renderings of what we want for that corner. Commander John Wallace, post commander for the American Legion Post 93, is now handing out copies of the seals of the military units or groups that we will have. We have the army, navy, army marine navy, air force and coast guard. This is our rendition. We had an art teacher at the high school do this for us. He (Commander Wallace) is passing out copies to you.

Mr. Proctor further stated that he liked the idea of copper stone. What we want to do is that there is an existing wall already there. What we want to do is just raise the height of that existing wall by about 6 feet on both sides (on the north and south wall). What we want to do here is keep it clean. You can forget that grass part, I think the pavement looks good there. The only difference that I'd like to see a flag pole with the American Flag there in the middle. On the north wall, it will have "Colleton County Veterans Park". On the left (south wall), that's where we will place all the seals of the military organizations that we have. Later on, on the back part, we will put a crushed concrete and oyster shell plaza on the back part, so we can have open area events. Then later on, we will be wanting to put a sidewalk with a fence line matching the iron that's on this wall, down to the entrance to the park. That will be like phase 2. Phase 1 is to keep the wall there, build it up to an entrance going down into our park in the back part. Like I said, we could hold veterans organization events there. We could have Rice Festival events there. It could be used by our County and the City. This is a high traffic area. We would like to see people coming and visiting our area. When they look over here, they will see a Veterans Park with the American flag on the flag pole. This would benefit the City and the County greatly.

A question was then asked by City Attorney George Cone. He asked Mr. Proctor if he was aware that the County had already given the City a streetscape easement in that area, and that you would need to coordinate with the City? Mr. Proctor responded that he was not aware of this, but would like to do that right now. This park came up real quick and we didn't realize that this was going on. Attorney Cone responded, we understand that, but you will need to coordinate it with Mr. Molinari. That's on the corner of the County's parking lot. Mr. Proctor then stated, I understand that the County owns it, but there is a side easement going across there. Everything back behind that is all County. Attorney Cone added that the City was given an easement at that corner to do plantings and the streetscaping. So, the City has the right in that area to landscape it. Whatever your project is, you would also need to coordinate with the City, as well as the County. Mr. Proctor responded, well, that's why we are here

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now. Like I said, we are trying to get our ducks in a row, but we didn't know this was coming up this fast with the streetscape. Attorney Cone responded, well, it's a good thing you brought it up now at the beginning phase. Mr. Proctor added, well, I was in the first meeting here and I brought it up and I discussed it with everyone, even the architects. We told them our vision of what we were going to do. I like the pavers, I think that is great, I would just like to see the walls with an entrance way going down through the park. It will save money.

Mr. Proctor then asked Mr. Baker about the palm trees. He stated, what we are talking about doing and you can save money is not having to plant these palms trees and all of the vegetation at all. All of that or any of that money could go to building and facing the wall. Like I said, our next phase will be a concrete and oyster shell plaza or stage if you want to call it that, which will match the City's sidewalks that are there. It's all oyster shells and concrete. That way, we can have veterans events, city events, county events all right here. It will be open air. Removing the vegetation right there will pay for the cost of the wall. From what I understand from engineering that to build a 6 foot wall, you will need an 18 foot, 18 inch base. I am pretty sure we have that, because we have a foundation for the wall already. The walls will be made of bricks, matching this over here. This will mirror the bricks and everything on this corner. It would be great for people coming through Walterboro when they get to this intersection to look over and see the American flag and a County Veterans Park.

Attorney Cone reminded Mr. Proctor to make sure that he gets with Mr. Molinari, the City Manager, on this. He asked Mr. Proctor if they had contact information on each other. Mr. Proctor then said, I think that Mr. Johnnie Holmes has been trying to get in touch with the City Manager a while back. Mr. Molinari responded that Mr. Holmes had made contact with him several times and that he had asked Mr. Holmes to produce the vision they had for this area, and this is his first time seeing it.

Mr. Proctor again stated, this is for the veterans. We represent the American Legion, the Veterans of Foreign Wars, Disabled American Veterans, Tuskegee Airmen, Veterans Victory House and we have our County Veterans Affairs Officer here with us. We represent over 6,000 veterans in Colleton County. That's a lot of voters.

Attorney Cone then pointed out a statement on the drawings provided by Mr. Baker. He said, I noticed on this, it says "changes may occur". So, this is not final until it's final, is that correct? Mr. Baker responded, that the note relates to the lights. We have a rough layout, and we are still working on this. So, these lights are conceptual, and we are still working on the finals. Attorney Cone asked, so those lights on that section leading up to Hampton Street are not final? Mr. Baker responded that this section is pretty close to being final. He added that it is 95% to being final. Attorney Cone then said, 95%, so there may be changes. He further stated, I am the City Attorney and I want to make sure that nobody is misled or doesn't understand that changes may occur. He then asked Mr. Baker, is there some way that the City has for a person who wants to be notified when the City is notified that changes have occurred? You know, they can get an e-mail saying we've got a revised plan, come down to City Hall to look at it. Mr. Baker responded that the City Manager, Jeff Molinari, is our go-to-person, but at this point, unless Council directs us to change anything here, we are getting close to making the final submittals on this. Attorney Cone stated, I am trying to make sure that City Council does not have any aggrieved public citizen who claims that they didn't know when a change was made that affects their property.

Mr. Thurston Hiers, a citizen, then stated that he agreed with Attorney Cone one hundred percent, because this directly affected me. There were no drawings posted for the City or anybody to see what the actual construction drawings were for that

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project that you just completed, and you literally cut off 50% of my driveway. It resulted in a lawsuit between Dairyland and the City of Walterboro, and that's because there were no drawings posted any where that showed these planters being put in the middle of the road. How is the public supposed to know? How are the Blocker Boys supposed to know what you guys are going to be building if there is nothing posted for the public to see? Current drawings need to be posted. Signed, sealed construction drawings need to be posted where the public has access to them. Mr. Baker responded, I think that is a fair comment. Mr. Hiers replied, I think that is more than fair, because we are entitled to that. We are the taxpayers. It just does not sit well, when you lose 50% of your driveway and no one has told you that this thing was coming up in front of you. I sat in those same meetings prior to this construction, and I was told that there would be no impediments to any driveways, and that is basically what I am hearing here now, but that doesn't mean anything. These drawings aren't worth the paper they are written on. Attorney Cone responded that Mr. Baker has said that these are 95%, emphasizing that they are not final. Mr. Hiers then restated that the public needs to have access to the final drawings. Mr. Baker replied, fair enough. We will make sure that the City gets them.

Another citizen in the audience said that he felt any landowner along Jefferies Boulevard, along this project, should be notified, because he owns parcels all along here, and if this changes, he wanted to know about it. I want a letter or a publicized meeting, he said.

Mr. Baker stated, I am pretty sure that the last drawings we gave the City were posted, but I don't want to go into a debate over that.

Attorney Cone then directed attention on the subject of flare outs for the light fixtures. He asked if the flare outs would go into the adjacent property or into the highway? Mr. Baker responded that the flare outs will still be within the street rights-of-way. Attorney Cone then asked if adjacent rights-of-way be required? Mr. Baker responded, no, not as it stands today. On the section in phase 1B, there is no intent to expand the right of way.

Attorney Cone then asked if anybody at the City has noticed that there is an ambulance service just north (of where his office is located on Washington Street), and they will be restricted from leaving their property going in a northerly direction only. I am not saying this as the City Attorney, but just as a person who is aware of that. There is an ambulance service right there, next to where Burger King used to be. Mr. Baker responded, good point.

Ms. Jayne Siegel, a city resident, then raised a question. She said, I just have a question on phase 1B. Has anything been approved by City Council? Mr. Baker responded that this meeting is to get this finally approved. Conceptually, we have made several presentations to City Council and have gotten their input every step of the way. There is one other approval we will need to get and that is from South Carolina DOT. Once we leave this meeting and get direction from Council on these plans, we will then finish them and take them to South Carolina DOT for a permit to go to work.

Ms. Jayne Siegel then said, one more question. I am at Hampton at the intersection of Washington and Jefferies, does this plan require re-constructing everything that was just built? Mr. Baker responded, no, it does not, because when we put in phase 1 here for what we call the Arborscape, which was West Washington Street, we set in conduits for power and plumbing. We set this up so that it could receive the fountain, because it was City Council's vision at that point to have a fountain here someday when the funds were available. So, now the funds are available

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and so now we can come in and drop the fountain in there. We will have to do some excavation of the flower bed and some there at the end, but the majority of that work - the walls, the pavers and all that will remain in place. So, it was designed to receive a fountain.

Mr. Bill Proctor then said, I would just like to make a statement that I think this would be a good time for City Government and County Government to get together and work on a mutual cause and benefit.

Mr. Baker then said, I think this project is an excellent example of just that, because it was the County and the City that worked together to get the tax revenue funds approved to fund this project. So, it is really an excellent collaboration between the County and the City.

Mr. Baker then told the audience to feel free to come up and look at the plans (posted on the walls) for Phase 2 South. He said, you know where your property is. You can look at where the medians are placed. Everywhere there is a median, there will be left turn and right turn movement restrictions. What we are doing is we are going to place trees in the middle of the highway to enhance the visual quality. So, as you drive through the current phase, you can see where those medians and those trees are. The idea is that we really want to tell the motorists who is coming in off the interstate that the street lights, the signs, the trees mean come on it to downtown. So, look where those are located. They are not the entire lane, but you can see where they are. If you have any questions or concerns, please let Jeff know. We are moving forward with construction drawings on this as we speak. This is 75% through pre-construction.

Mr. Mike Katchuk, a city resident, asked Mr. Baker if the drawings would be reviewed again at a later date. He said, are we going to review them again after we go up and look at them here at the meeting, or will this just be quick talk and then you will move along with the plans? Baker responded, when we get comments from the City, we will incorporate those comments and then we will have a 95%. Those are at 75% done. Mr. Katchuk then said, I have to agree with the gentlemen here. The last time we had this meeting here, I misunderstood everything that was done down there. I didn't see any plans or drawings for the length and width of the sidewalks. Also, the multiple lights down there, seem to be overkill, and there is no room to walk down those sidewalks without falling off the sidewalks. Two people can't walk down the sidewalks without getting tangled up around the light posts. Mr. Katchuk added, you can ride a bike down the road right now, but painting them on the road. Yes, if you want to get killed and ride within the traffic. You know, they don't even allow that anymore in other states. Mr. Baker responded, you know you are right. South Carolina DOT has over-spec'd the lights. That's just the way the state code is. We try to cut back on lights, but South Carolina DOT says that is the level of lighting you have to do. It's a state code. Talk to your SCOOT transportation people, because they are the ones who spec those lights. They say you have to do this.

Another citizen spoke about the wall. He said, it seems if we are going to have to have those many lights, is it going to affect our wall - the wall in front of the Blocker Boys? He stated that his business was on the corner of Elizabeth Street. We are on the right hand side. So, if you were having to put a light there, then essentially you would have to knock our wall down and set it behind the sidewalk. Mr. Baker responded, that is not the intention, so we will probably move that light. The citizen responded, so if DOT says you have to have so many lights, then if we move that light, is that going to be a problem? Mr. Baker responded, yes, but we will probably have to start at a different total. We may put it here and here, or whatever. It is the power company who's doing the lighting plan. We are not doing the lighting. The power

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company is doing the lighting and SCOOT is setting the level of lighting. So, the lighting is not really part of our contract, per se, but we are trying to coordinate it. So, I will make sure that is mentioned.

Another citizen raised a concern about the planting of the trees. He said, it looks like a lot of the trees will be planted under the power lines, and they are real close to those lines now. Mr. Baker responded, where trees are under power lines, the power company has a very strict regiment of what can and cannot be done. Any tree that is in a power easement and under the lines, has to meet their requirements. So, you have to have things like crepe myrtles. You can't have live oaks, any magnolias or things like that. So, if they are under the power line, that's what they say, it has to be small trees. They don't grow to be big trees. (I am going to make a note about that wall on the northeast corner of Moore and Jefferies).

Mr. Mike Katchuk then asked if there would be any speed limit changes? Will we keep the same 25 mph? Mr. Baker said he did not believe there would be any change to the speed limit, but I will have to make sure of that with our engineers. I don't believe there is. Mr. Katchuk said the 25 mph is a safe speed, but everybody goes through our town at 35 or 45 mph, and that is going to make one crazy road down there with people coming off I-95. People are driving like I-95 and then you get off driving fast. He said, we have got to spread that 25 mph limit out farther so that traffic is slowed down. I think slow is a lot better. We happened to own the hotel there and in just the last 4 years, there has been two overturned cars and quite a few accidents coming out of the gas station, because everybody is driving 35-45 mph down the road. Most cars can't even make it around the turn now without applying the brakes. Mr. Baker responded, again, I think you will have to work with SCOOT to change the speed limits.

Attorney George Cone, speaking as a private citizen, asked about the raised median north of Washington Street. He asked, what safety purpose does that raised median serve? Mr. Baker responded that DOT really like raised medians because they prevent traffic conflicts. When anybody turns left across traffic, then you have a chance of an accident. So, DOT likes to have medians. On the other hand, you don't want medians because it will block your turns.

Attorney Cone asked if there were any kind of information available on any accidents there for one block north of Washington Street? Mr. Baker then asked Mr. Cone, what would you like to see there. Do you want to see the median go away? Attorney Cone responded that he knows two of the property owners in that area who might have objections to it. He said, I work with them every day, who owns the building department right on the corner, who lease it to the tenants there. I was just mentioning that there are two people who might have objections. Neither one of them are here is the only reason why I mentioned it.

Mr. Proctor then stated that he wanted to speak on the raised medians south of Washington Street. He said, are you going to block off the entrance to the County Parking Lot, from the north bound lane? What do you think about that county? A citizen responded, I don't like a raised median. I don't think they ought to be in there. You have 5 lanes, you have a turning lane, leave it be.

Mr. Proctor pointed out that this would make only one entrance to that big County Parking Lot back there, and down the road is going to be our Veterans Park. If you have a raised median on south of Washington at that driveway, there is no way for anybody going northbound to make a left turn to get into that County Parking Lot. Well, you have to go through the light, go all the way down to the next road, take a left and then you've got go on that back road and go all the way around to come in to

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that lot. For emergencies vehicles, ambulances, etc. coming through there, there is limited access.

Attorney Cone pointed out that he did not personally have a problem with the raised medians. He said, I am just raising a point that the other two property owners might. I did not have any problems with the raised medians in front of two properties I own on South Jefferies. So, I just wanted to point that out.

A lady from the audience then asked if there would be any other meetings on this matter? Mr. Baker responded, not on this. This is moving forward. She further said, I just think there are more questions that need to be directed to DOT. Could one of them be invited to one of these meetings. Mr. Baker responded, we will work with DOT because we have to. If any of you have any questions, I would just pass them along to Jeff.

Mr. Baker then said, now the gentleman has asked that these plans be posted. Mayor Young then asked what would happen if DOT comes back and changes something, then we need to have those changes so all can be aware of it. Mr. Baker responded, absolutely. Those changes comes back to the City, the City approves it, and then they (the City) can post it or put out a notice on it. But I don't anticipate any changes.

The Mayor then announced, everybody is welcome when we adjourn the meeting to come up and look at the plans. I am sure Mark will stick around and answer any more questions.

Mr. Baker pointed out that he also had with him for review detailed constructions plans. He told the audience, you can also come up and look through those.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Bonds, seconded by Council Member Broderick and passed unanimously. The meeting adjourned at 6:00 p.m. Notice of this meeting was distributed to all local media, posted on the City's website, and the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

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Walterboro City Council
Public Hearing and Regular Meeting
June 7, 2016

MINUTES

A Public Hearing and Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, June 7, 2016 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, James Broderick and Judy Bridge. City Manager Jeff Molinari, City Clerk Betty Hudson and City Attorney George Cone were also present. There were approximately 38 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order and welcomed everyone to the meeting. Council Member Syfrett gave the invocation and Council Member Lohr led the pledge of allegiance to our flag.

The Mayor announced that Council Member Syfrett had reminded that there are a couple of anniversaries for employees with the City this month. Adam Davis has been with us for two years. He is the head of our Parks Department, and Amy Risher, will have been with us for 20 years, who is head of our Finance Department. We congratulate you on those milestones and hope you be here many more. Thank you for what you do.

PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments or questions on agenda items.

PUBLIC HEARING:

The Mayor then opened a public hearing, duly advertised, to receive public comments/questions on the following proposed ordinances:

1. **Ordinance # 2016-03**, An Ordinance to Amend FY 2015-2016 City of Walterboro, South Carolina Ordinance #2015-03, So As to Provide for Supplemental Appropriation from the City's General Fund Balance in the Amount of \$430,000.

City Manager Jeff Molinari stated that this budget amendment is for the purchase of the old First Federal building. The auditor requires that any large expenditure above and beyond what was budgeted, that the City has to do a budget amendment, so when we have our audit done for the fiscal year that it will come back clean. The purchase price of the building was in the \$430,000 range. As you are aware, we had money appropriated in the fiscal year 2016-2017 budget to renovate that facility and move some key operations of the City, specifically, court administration, Finance Department, Planning and Permitting Department to 300 Hampton Street.

The Mayor opened the floor to receive an comments/questions on Ordinance # 2016-03. No comments/or questions were received.

2. **Ordinance # 2016-04**, An Ordinance Adopting the City General Fund Budget for Fiscal Year 2016-2017 and Matters Relating Thereto
and
3. **Ordinance # 2016-05**, An Ordinance Adopting the City Enterprise Budget for Fiscal Year 2016-2017 and Matters Relating Thereto

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The Mayor asked if there were any comments or questions on the budget as presented. No comments or questions were received and the public hearing was closed.

PRESENTATIONS:

1. 2016 Brag a Little About Walterboro Campaign - Michelle Strickland, Tourism Director

Ms. Michelle Strickland appeared before Council to outline the Brag A Little Campaign for 2016. Ms. Strickland stated that she believed everyone was pleased with the 2015 Campaign. She reported that during the 2015 campaign, she passed out over 1,000 signs and received over 400 posts on Facebook, but outreach was really into the thousands. We had over 2,000 likes on our web page and our post greets and engagements were over 7,000. Ms. Strickland gave a short overview of the ads that were ran. She said, our citizens, organizations and businesses all partnered with the City to make this possible. She gave a brief highlights of some of our Facebook posts. She also noted that she received some positive feeds from our local newspapers. Ms. Strickland said, I am hoping that as years go on that we receive more statewide and regional recognition for this campaign. Few communities of our size really put forth the resources that we do towards tourism and you really should be applauded for that. Moving forward, I just want to let you know that plans are underway for the 2016 campaign, which will be bigger and better. In fact, we would like to extend the campaign throughout the entire month of September, because last year's time really wasn't enough. It did not give people the time to grasp the concept, and I was getting phone calls a week later from people who wanted to put signs out.

Ms. Strickland stated that this year she will form a committee to assist her in the legwork, so we can reach more people and get more involvement. We have already begin tossing around a few ideas for this year, which are:

- 1) Having an essay contest.
- 2) Complete a different design for the sign this year.
- 3) Last year, due to time and the budget, we chose a paper sign with a wooden stake, but I think the extra effort involved in getting them stapled, may have deterred some participation. This year, I think, if we used wire square framed signs and fold over paper, it will be a little bit better received. The initial cost is minimal. I have already incorporated it into our budget for the next fiscal year.

So, all this is in the works for 2016.

Mayor Young congratulated Ms. Strickland, stating that the campaign last year was great and well received by the community. He said, it certainly gives us a chance to focus on the good things about Walterboro, and I think it was a very positive program and you did a good job with that. So, we look forward to seeing that again this September. We encourage everyone to participate.

2. Reopening of the Local Theater - Mr. Noel Ison

Mr. Noel Ison reported to Council that over the past several weeks, he had circulated a survey that asked the simple questions - Would you like to see our theater reopened? People could check the box saying "yes" or "no". Mr. Ison told Council, tonight I present you with 2,200 signatures saying "yes" that they would like to see the theater reopened. Mr. Ison reported that two weeks ago, he set up a table in front of the two entrances to Walmart. He received 400 signatures during that time. What was amazing was that people took the time to talk to me about not only re-opening the theater, but their memories of the Cook Theater and the drive-in theater saying, I am worried because my children will never have those memories, like we have.

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He stated that students walked up to him and complained that there is nothing to do here, and they are tired of driving to Summerville just to go to a movies. I had seniors to comment that many of them cannot make that drive to Summerville, and they would love to have a matinee to go to some time during the week. I had parents say that children now have too much idle time. They talked about their old memories and they talked about their children not having the opportunity to have those memories. One gentleman asked, how can Walterboro entertain a new company moving here, and show them around, only to see our closed theater that has been vandalized? Another person asked, how can we expect our children to come back here after they graduate from college, if there is nothing for them to do? The comment I heard most was, (most of these were males talking), take a look around to see whether the city is doing something for the average taxpayer. They don't listen to us, and they do not consider us in their decisions.

Nineteen months ago, I stood here and said that reopening this theater would take a team effort from the public, the bank and City Council. You may ask, what is the taxpayer's part in this? As a part of my request for the funds, I am asking you (City of Walterboro) to create a ticket tax of \$1.00 on each ticket sold in the theater. This will be a user tax. So, it will be fair. Only the people who buy tickets to the theater will pay the \$1.00 tax. Here is how that works. When the studio allows the theater to present one of their movies, they charge a percentage of the ticket price ranging from 40% to 70%. If we take the round number of 50% and apply it to an \$8.00 ticket, we see that the theater would get \$4.00 and the studio would get \$4.00. Now, with the \$1.00 ticket tax, what happens to the \$8.00 ticket. \$1.00 goes to the City to help repay the loan. Meanwhile the studio only gets \$3.50 of the \$7.00 and the theater gets \$3.50. So, everybody is paying a share in this.

Based on his sales projection, Mr. Ison felt that this debt could be paid off in 5 years. He said, the last time I was here, we had trouble with the banks trying to get something worked out. Tonight, I am happy to say that we worked with the President of the Bank, Ms. Gwen Bunton, and we have taken a lease by situation on the building. So, that is resolved and we can move forward when it's ready. Now, we have two parts of the puzzle worked out. To finish, we need the help of City Council to finalize our objective and re-open our theater. With the unusual costs facing this theater, we not only have to replace all the equipment, the projectors and the sound system, we have to buy 240 chairs, new carpeting, repaint, and put up new signs. I promise you that the plans we have for that theater we will lack nothing from Summerville's. We will be equal in quality of performance of the projector and sound system. Our appearance will be nice, we will have new chairs, and we will have a first-class theater.

Now, the question you may ask is how do we justify this expenditure? I will ask you to consider this fact. The City runs tennis courts and city parks, but you pay the Recreation Department to run those. The County has the golf course that they pay. We do not expect to be paid anything. We will pay for everything ourselves. There is no expense to the City in this theater. We eventually will plan on serving between 800 and 1,000 customers a week. That will make us on a year-around basis one of the leading venues in the City.

Let's take a look at the groups of consumers this will serve and what we plan to do.

Seniors: In addition to the matinee they requested, we will have reduced prices. We are also going to introduce a bingo room to the theater.

Children: We will have special children's theater that will cater to younger children. We will use a smaller projector to be able to show children's movies,

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cartoons, animated things at a reduced price for the admittance and for the popcorn and drinks.

Families: This is the group that I heard more from than any other. They were saying that we need a place to go with our family. I heard that so many times.

Teenagers: In addition to a first rate theater, we will offer a game room with video games.

Veterans: Veterans at the Victory House can't hardly take that ride in wheel chairs to Summerville to a movie. We will have veterans at our theater on a special date and a special price.

Grandparents: I know first hand that going to a movie with my grandchildren is something I miss and they miss. They live on Johns Island and they only come down here about every 2 weeks, but when they get here, there is nothing for us to do. If we had a theater, at least we could go to a movie together.

Low Income People: Having a local theater is cheaper and more economical for them than to go to a movie in Summerville.

Mr. Ison further said, as an example of reaching out to the community, and that is something the old theater never did, we plan to be involved with the community in a lot of different, positive ways. For example, we plan to have a special reading program for our elementary school children, called "Bookworm". When they read a book and do a report to their teacher, they get a free ticket to the theater. We will do that once every six weeks throughout the whole year.

We will operate a state approved and licensed bingo room. We will have a party room with tables and chairs, so the children can have birthday parties and other family events.

Mr. Ison told Council that from an economic point of view, this theater makes good sense. As an example, when I was at Walmart, a lady from Hampton came up and said, I will take some of those surveys and get them signed where I work. She came back the next day with 200+ signatures and said that everybody said that they would much rather drive to Walterboro, than to drive to Orangeburg or Aiken. That was also true with people from St. George. There is a way to market this if the restaurants want to work with us. We could do a dinner/ticket combo for people out of town to bring them in. While gathering these signatures, I received the support from our small business community. They said we really need the theater reopened.

In concluding, Mr. Ison said that he hoped that he has lived up to the expectations of those people who talked to him at Walmart. In closing, I will say to Council, please listen to those two thousand, two hundred signatures. Their voices ring between the pages. You have the final piece of the puzzle needed to reopen our theater. You have the opportunity to give your citizens something to cheer about, something that directly affects them, something that improves their lives and something that makes them happy. We have a chance to do that with just this simple little theater.

Council Member Paul Siegel than asked Mr. Ison, who is making the loan. Mr. Ison responded that this will be the business, the theater. No further discussion was held.

No action was taken by Council on this agenda item.

PROCLAMATIONS AND RESOLUTIONS:

1. **Proclamation # 2016-05, to Recognize the Colleton Preparatory Academy 2016 SCISA Class A State Championship Girls Softball Team**

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Next, the Mayor said, one of the best things that we do as elected officials is to recognize outstanding groups of young people from our community. We have had this opportunity several times this year, and tonight we have the opportunity again to recognize another state championship from Walterboro. This community has produced so many outstanding groups, and it is something for us to be proud of. So often, all we hear about are the negative things or young people who are not doing good things. So, we are really proud of this group we have here tonight.

A motion was then made by Council Member Siegel, seconded by Council Member Broderick, to adopt Proclamation # 2016-05, to recognize the Colleton Preparatory Academy 2016 SCISA Class A State Championship Girls Softball Team. The motion passed unanimously. Members of the softball team along with their parents and relatives were present in the audience. The Mayor then called the members of the Colleton Preparatory Girls Softball Team to the podium, along with their coaches, for recognition. He read the proclamation in its entirety into the record and presented a copy to the coaches. A copy of this proclamation is attached as part of these minutes.

2. **Resolution No. 2016-R-02**, A Resolution Authorizing Submission of a Clean Water Application to the South Carolina Water Quality Revolving Fund Authority in the Amount of \$1,500,000 to Finance the Costs of Upgrading the Wastewater Treatment Plant (Revised Resolution).

City Manager Molinari reminded Council that the City had secured a \$2,040,000 grant from EDA, as well as a \$500,000 grant from the state for upgrades to the Wastewater Treatment Plant. He stated that the anticipated cost of those improvements is approximately \$4.3 million. The difference remaining that we would have to finance through the State Clean Water is approximately \$1.5 million. This resolution is a requirement for the funding application, and we request City Council's favorable consideration of this resolution.

A motion was made by Council Member Bonds to adopt Resolution # 2016-R-02 as submitted. Council Member Lohr seconded that motion that passed with all members voting in favor.

3. **Resolution No. 2016-R-06**, A Resolution to Recognize and Honor Dr. Riddick Ackerman, III, Upon the Occasion of His Retirement, to Commend Him for His Many Years of Dedicated Service in Obstetrics and Gynecology to the City of Walterboro, Colleton County and the State of South Carolina, and to Wish Him Much Happiness in His Well-Earned Retirement.

The Mayor announced that he did not know whether to read the resolutions into the record or not, because he had been asked to read them at a community celebration event for the doctors in August. At that time, he will read the proclamations, honoring Dr. Ackerman and Dr. Cannon. The Mayor read into the record the title for this resolution.

4. **Resolution No. 2016-R-07**, A Resolution Honoring Trent Edward Cannon, M.D. on the Occasion of His Retirement, to Commend Him for His Many Years of Dedicated Service in Obstetrics and Gynecology to the City of Walterboro, Colleton County and the State of South Carolina, and to Wish Him Much Happiness in His Well-Earned Retirement. The Mayor read the title of this resolution into the record.

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Mayor Young then stated that between the two doctors, there is no telling how many babies they have delivered. It's a lot of them. They will really be missed.

A motion to adopt Resolutions No. 2016-R-06 and Resolution No. 2016-R-07 was made by Council Member Bridge, seconded by Council Member Broderick and passed unanimously. Copies of said resolutions are attached as part of these minutes.

OLD BUSINESS:

1. **Ordinance # 2016-03 (Second Reading)**

A motion was made by Council Member Broderick, seconded by Council Member Syfrett giving Second Reading and Adoption to Ordinance # 2016-03, being:

An Ordinance to Amend FY 2015-2016 City of Walterboro, South Carolina Ordinance # 2015-03, So As to Provide for Supplemental Appropriation from the City's General Fund Balance in the Amount of \$430,000.

The motion passed with all members voting in favor.

2. **Ordinance # 2016-04 (Second Reading)**

A motion was made by Council Member Siegel, seconded by Council Member Broderick, giving Second Reading and Adoption to Ordinance # 2016-04, being:

An Ordinance Adopting the City General Fund Budget for Fiscal Year 2016-2017 and Matters Relating Thereto.

The motion passed unanimously.

3. **Ordinance # 2016-05 (Second Reading)**

A motion was made by Council Member Broderick, seconded by Council Member Siegel, giving Second Reading and Adoption to Ordinance # 2016-05, being:

An Ordinance Adopting the City Enterprise Budget for Fiscal Year 2016-2017 and Matters Relating Thereto.

The motion passed with all members voting in favor.

NEW BUSINESS:

1. **Consideration of Requests for Proposals (RFP's) to Provide Financial Audit Services**

City Manager Molinari reviewed this agenda item with Council. He stated that the state statute requires that we bid out our auditing services every four years. We received proposals from four (4) qualified respondents as follows:

	Total <u>4 Year Cost</u>
Baird & Company	\$ 59,600
Thomas, Price, Scott, Adams & Co.	\$ 97,000
Mauldin & Jenkins	\$104,800
The Brittingham Group	\$117,832

City Manager Molinari pointed out that all the respondents received the exact same request for proposals from the City. He noted that the low, qualified bidder is

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Baird & Company. They bid \$14,900 for each of the 4 years, for a total cost of \$59,600 for 4 years. He reminded Council that this is the same audit firm we have used for the past four years. Mr. Molinari stated that the City currently has \$17,200 budgeted in the 2016-2017 budget for audit services, so their proposal is well within what we budgeted. Staff recommends Baird & Company as the low qualified bidder at \$59,600 for 4 years of audit services.

A motion was made by Council Member Syfrett, seconded by Council Member Broderick, to accept the low bid from Baird & Company in the amount of \$59,600 for four years financial auditing services. In discussing the motion, Council Member Bridge asked if the City is comparing apples to apples for this. She said, I noticed some items listed for different companies have add-on costs. Is this the financial report, or do they have other costs related to the audit? Mr. Molinari affirmed that it compares apples to apples. He said, all the four respondents received the exact same Request for Proposals from the City.

No further discussion was held, and the motion passed with all members voting in favor.

2. **Consideration of Recommendation to Purchase New Truck for Parks Department**

City Manager Molinari stated that the Parks Department is currently using a couple of older vehicles to haul equipment trailers - a 2001 and a 2003 F150 and F250. In the last couple of years, the Parks Department has spent \$20,000 in repairs between the two vehicles, and the 2001 vehicle does not have the ability to pull the heavier equipment trailers. Parkseirector Adam Davis sent out bid requests and received three responses for a new truck, a 2016 Ford F250. The bids received were as follows:

Rizer Chevrolet	\$32,500.00
Walterboro Ford	\$29,484.00
Vic Bailey Ford	\$30,504.00

Mr. Molinari stated that the low bidder was Walterboro Ford in the amount of \$29,484. He noted that the general fund has the capacity in the current year's budget to absorb the cost of a new truck.

A motion was made by Council Member Siegel, seconded by Council Member Broderick, to accept the low bidder of \$29,484 from Walterboro Ford for a new truck for the Parks Department. The motion passed unanimously.

3. **Consideration of Recommendation to Purchase New Dump Truck for Utilities Department**

City Manager Molinari told Council that the Utilities Department is currently using two dump trucks to transport sludge from the Wastewater Treatment Plant to the landfill. These dump trucks are borrowed from different departments, specifically the Water Department and Public Works. Both dump trucks are fairly small compared to what the Utilities Director is proposing to purchase. The vehicle that he received bids on is three times the size of what we have right now. This item was actually in the 2016-2017 budget proposal, and as we were making the numbers work, we realized that we had the capacity in this year's budget in the Utility Fund to purchase the vehicle this year. Utilities Director Wayne Crosby received proposals from four different vendors as follows:

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<u>Vendor</u>	<u>Vehicle</u>	<u>Total Price</u>
Triple T Truck Center (Summerville, SC)	2016 Western Star	\$138,783.00
Hughes Motors, Inc. (North Charleston, SC)	2016 Mack GU713	\$146,780.00
Bunch Truck & Equip. LLC (Garden City, GA)	2016 Mack GU813	\$150,300.00
Florence Truck Center, Inc. (Florence, SC)	2017 Mack GU713	\$152,250.00

Mr. Molinari stated that the low, qualified bidder was Triple T Truck Center for a 2016 Western Star in the amount of \$138,783.00.

A motion was made by Council Member Syfrett to grant the request to purchase a new dump truck for the Utilities Department from Triple T Truck Center (Summerville, SC) in the amount of \$138,783.00. Council Member Lohr seconded the motion that passed with all members voting in favor.

4. Consideration of Recommendation to Award Contract for Construction of New Booster Pump Station

City Manager Molinari reminded Council that Colleton County had submitted a CDBG application, with the City of Walterboro as the subrecipient, to upgrade the Water Booster Pump Station on Robertson Boulevard. This project will increase the volume and pressure of water supplied to the surrounding areas, as well as improve fire protection capabilities. It will also replace the single pump that is currently in use with a triplex system that will make service more reliable. The City received 5 bid proposals as:

<u>Contractor</u>	<u>Bid</u>
AAA Septic Tank Installation and Repair, LLC	\$569,000.00
Level Utilities, LLC	\$599,000.00
MJL, Inc.	\$613,070.00
JR Wilson Construction Co., Inc.	\$638,000.00
James F. Pedersen Co., Inc.	\$851,027.00

Mr. Molinari pointed out that AECOM, the City's engineer on this project, is not recommending the low bidder, AAA Septic Tank Installation and Repair, LLC (Columbia, SC). Both AECOM and our Utilities Director Wayne Crosby had conversations, and it was the opinion of AECOM that they did not have the capabilities to do the job. AAA Septic Tank Installation and Repair concurred with that assessment. Mr. Crosby had a nice conversation with the owner of that company and they stated that they understood that they did not have the capabilities to perform that job. So, staff is recommending the second low bidder, Level Utilities LLC, of Georgetown, SC, in the amount of \$599,000.00. City Manager Molinari reminded Council that Colleton County received a \$482,928.00 CDBG grant for the upgrade. The \$116,072.00 match will be funded through the Capital Projects Sales Tax. He said that there will be no out-of-pocket expenses for the City of Walterboro.

A motion was made by Council Member Bridge to award the construction contract for a new Booster Pump Station to Level Utilities, LLC in the amount of \$599,000.00. Council Member Broderick seconded the motion that passed unanimously.

5. Request to Use the Walterboro Wildlife Sanctuary for the "Walterboro Walk & Wag" Fundraiser, September 10, 2016 from 10:00 A.M. to 1:00 P.M. by Friends of Colleton County Animal Shelter

A motion was made By Council Member Siegel to approve the request by Friends of Colleton County Animal Shelter to use the Walterboro Wildlife Sanctuary on September 10, 2016 as submitted. Mrs. Janice Young, present on behalf of the Friends of Colleton County Animal Shelter, thanked Council for its support. She said, we need

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the support of everyone in Colleton County. The motion passed with all members voting in favor.

6. Consideration of Rescheduling the July 5, 2016 City Council Meeting to July 12, 2016

A motion was made by Council Member Broderick to reschedule the July 5, 2016 Meeting to July 12, 2016. The motion was seconded by Council Member Syfrett and passed unanimously.

COMMITTEE REPORTS:

There were no Committee Reports given.

CITY MANAGER'S REPORT:

There was no City Manager's Report given.

EXECUTIVE SESSION:

The Mayor then entertained a motion to enter into an Executive Session. Council Member Lohr So Moved and Council Member Siegel seconded the motion. All in favor. None opposed. Motion carried. The Mayor announced that the meeting will convene into an Executive Session for:

- 1) A personnel matter.
- 2) A discussion of negotiations incident to proposed contractual matters - I-95 Business Loop Project, Phase 1B and Phase 2.

The meeting then convened into Executive Session.

At approximately 8:08 p.m., a motion was made by Council Member Lohr to exit Executive Session and return to Open Session. Council Member Siegel seconded the motion. All in favor. None opposed. Motion carried.

The meeting returned to Open Session and a motion was made by Council Member Syfrett to appoint Viral Patel to the Accommodations Tax Board, Anika Martin to the Planning Commission and James Beach to the Building Board. Council Member Broderick seconded the motion. All in favor. None opposed. Motion carried.

A motion was made by Council Member Bonds, seconded by Council Member Broderick, authorizing the City Manager to execute Scope Amendment #3 with Wood + Partners in an amount not to exceed \$30,000 for engineering work to support modifications to the Ireland Creek Bridge as part of Phase 2 of the I-95 Business Loop Project. All in favor. None opposed. Motion carried.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Bonds, seconded by Council Member Bridge and passed unanimously. The meeting adjourned at 8:10 P.M. Notice of this meeting was distributed to all local media and posted on the City's website and the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

**Walterboro City Council
Work Session
Proposed Plans for Walterboro Wildlife Sanctuary Discovery Center
July 12, 2016
5:00 P.M.**

Present were:

Mayor Bill Young, Council Members Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, James Broderick and Judy Bridge, City Manager Jeff Molinari and City Attorney George Cone were present. City Clerk Betty Hudson was absent.

There were approximately 5 persons present in the audience.

Mayor Young called the meeting to order and entered into the Work Session. City Manager Molinari stated that a few months ago, Council heard a presentation from Mr. Rob Montgomery, who is the architect who worked with the FROGS Committee and put together the conceptual plans on what the FROGS Committee had been talking about for the past several months. The FROGS Committee has been discussing rehabilitating and renovating the building that the City purchased three years ago to make it into a Discovery Center for the Walterboro Wildlife Sanctuary.

City Manager Molinari stated that he wanted to get some direction from City Council on what the next step will be. He then briefed Council on the conceptual plans for the Discovery Center and then went through the financial side of the equation, giving the following highlights:

The conceptual renderings that Mr. Rob Montgomery came up with showed:

- 1) As you go in the front part of the building, there is room and opportunity for some static exhibits, which could feature any wildlife that we have in the Sanctuary. We also have some space there that could potentially be utilized as a classroom.

City Manager Molinari stated that he had an interesting meeting yesterday afternoon with Mayor Young, Parks Director Adam Davis, and Mr. Tony Mills, who is a naturalist, who works out of Spring Island. He is well-known and renowned. In fact, he has a television show on every Friday night. He gave us some interesting insights into the live animal component of the Discovery Center. Some of the feedback we have heard from an attendance and interest standpoint, is that it would definitely behoove us to have a balance between static displays and live animal displays. In talking about the live animals, I don't think we would be dealing with 6 or 7 foot alligators, but certainly there are opportunities with fish, different reptiles, turtles, and even smaller alligators.

- 2) One of the things that Rob Montgomery came up with as you go down into the area where the bays were in the old dealership is that he was looking at having a stage. There would also be a walk around the ramp where we could potentially put some live animal displays.
- 3) One of the conversations we had with Mr. Mills was that he thought that smaller alligators - baby alligators are definitely doable from a management standpoint. They only grow about 6 inches a year. We could have them for a few years and then simply just cycle them out. From his experience on Spring Island, he did emphasize that having the live animal exhibits would be a strong draw.
- 4) We also have some areas toward the back of the building that could be designated as an exhibit hall. There are certainly opportunities and a strong demand in Walterboro for meeting space. That is certainly something that we could incorporate into the design of the building.
- 5) Mayor Young stated that there is space in the center to have live animals. He thought that we would not want to have snakes down near the meeting rooms, because if somebody had a wedding reception down there, they might not want to have snakes near where they are having a wedding reception. So, we would want to put some of

those things in the back. If they were in glass enclosures, it wouldn't be much interplay there.

Council Member Bridge then asked if staff would need to increase for having live animals there at all times, as opposed to just having shows.

City Manager Molinari responded that this was something that we talked about yesterday. He stated that Mr. Mills talked about a couple of different scenarios and from his perspective he thought that we could handle each animal or reptile on a different feeding schedule and different regiment. It was his opinion that we could have someone on a part-time basis between 20 or 30 hours per week. Certainly, from an operational standpoint, there is still a question in terms of what kind of staff we would need to dedicate to this facility, and what would be the hours. Mayor Young then said, I don't know what the hours of operation would be. The hours of operation might not be enough, unless we have a special group in there, but it seems like we are going to have to dedicate somebody for that facility.

Council Member Siegel felt that this facility would draw thousands and thousands of people a year off the interstate for a show like this.

- 6) City Manager Molinari stated that Mr. Mills also emphasized that he wanted to try and tie everything together from the history of the property to the wildlife there, and make the Discovery Center a focal point of downtown. Mr. Molinari felt that the Center is strategically located. It's a great piece of property and we have some inherent advantages with the topography. One of the concepts that City Council had already talked about was putting an amphitheater in near the rear of the property, which could be used for movies, performances, and even an opportunity for certain animal displays. It would be a focal point of our downtown especially with the improvements that are going to be made to the streetscape in the next phase.
- 7) Mr. Molinari stated that another feature that Rob had incorporated into the design and one that he really liked was drawing a direct link from the Discovery Center to the Wildlife Sanctuary. That would take some creativity on our part and some work in securing easements, but I think it would definitely behoove us and it would be absolutely critical to be able to tie the Sanctuary directly into this facility.

Mayor Young questioned Attorney Cone if there were still a railroad right-of-way across Harry Cone's property? Attorney Cone responded that this was still owned by the railroad. They were paying for a strip through the City, and I think they have sold some segments of it to private individuals. The City could probably buy it, but I don't know what it would cost. Attorney Cone suggested that he could enquire about the price. Mayor Young responded that he didn't know if we were at that point yet or not.

Mayor Young then said, we are still going to have a disconnect. I guess we could come out to Washington Street if we could come down the railroad property and then come out by Margie Bright's old office to Washington Street. Then, we could go down Washington Street to the Sanctuary. I mean there are several other pieces of property that would have to be crossed.

Mr. Molinari said that in his experience with CSX, this will probably take anywhere from 12 to 18 months, and at least one trip to Jacksonville to complete. CSX is such a huge bureaucracy and the key is finding the person within that very large organization who can help.

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5:00 P.M.**

Council Member Bridge felt that they (CSX) is not really trying to hold on to the property, because they have sold off segments of it. So, it wouldn't be any value to it.

Mayor Young said, the last time the City talked to them years ago about all of that section through the City, they wanted market value for the property, but what they called market value was very high. The City backed away from negotiations at that point.

City Manager Molinari then said he wanted to talk about the financial side of this project. He said, what I really want to do, as it's been a few months since Rob presented the concept to City Council, is to get some direction from you, in terms of where you wanted to move forward.

Mr. Molinari pointed out that the next logical step in the process would be to send out a Request for Qualifications (RFQ) to architects. That is something that's required in our procurement code. It would not be a difficult process. We would simply put the ad in the South Carolina SCBO (South Carolina Business Opportunity). Ultimately, we would proceed forward with the project, and City Council will need to select an architect you are comfortable with.

Council Member Syfrett asked, how specific were the grant stipulations for this project? I never saw exactly what we had to do to meet the qualifications or stipulations on that grant. Does this cover that?

City Manager Molinari responded, that this more than covers it. My understanding of it is that there were some grant restrictions placed on the property/ that it could not be sold for certain uses and it had to be used as a Discovery Center for the Sanctuary. The funds were earmarked. I believe that Congressman Clyburn secured the funds for the City. Mayor Young added, yes, but it took him three years to make that money come through, because at the beginning that money was to go toward that \$4,000,000.00 project we had on the back side of the Sanctuary and we decided not to do that. We were able to apply for this. That really has been in the works and it goes way back. Council Member Bridge asked, how much money was that. Mayor Young responded that it was \$300,000.00.

City Manager Molinari reminded that Mr. Montgomery projected the cost for the center to be in the \$1.5 million range. What I have asked the Finance Director to do was to lay out a potential funding scenario to finance the cost of the project. We've got some capacity in both our Local A-Tax Fund, as well as our Local Hospitality Tax Fund. As you are aware, both of these revenue sources have been trending upward. We contacted BB&T a few months ago and were quoted a rate of 2.67%. So, just in general, on a 15-year loan, and I am not saying that Council needs to spend \$1.5 million, but just to give us something to work off, that would amount to an annual debt service of \$121,468. As you can see on the bottom of my memo that we have excess capacity in both funds of \$140,330. I am not suggesting that you spend all of that, but the good news is you have some resources there that you can utilize for this project. Because this project is directly tied to tourism that puts the Local A-Tax and Local Hospitality Tax dollars into play.

Another thing I want to mention to you, just to keep in the back of your minds, is that we already have some debt service for both the Local A-Tax and Local Hospitality Tax. The City assisted with giving some financial assistance for the construction of the Veterans Victory House, as well as the Tax Increment Finance District which was created back in 2005 or 2006. As you can see on the schedule that Amy has provided to you, the TIF debt and the Veterans Victory House debt go away in the 2021 fiscal year. So, that could potentially give us the opportunity if we so desired, to pay this off early. So, you've got some things working for you. With that, I just wanted to get some direction from you. I think that the concept that we have right now is good, where ultimately, the architect that we select is going to provide some guidance and some expertise and will take our specific recommendations and incorporate them.

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5:00 P.M.**

Council Member Bridge asked if the City had received another report from a bank about the interest rate? City Manager Molinari replied, we have not, but we can certainly do that. I know that Andy Smith at BB&T would be happy to provide that. That wouldn't be a problem. I would imagine that our interest rate there would be right in the same range, but we could certainly inquire again.

Council Member Syfrett asked what would be the long term debt for the City on this, as far as additional insurance, water bill, light bill, and full time employees? City Manager Molinari responded, and that's the key, typically with projects like this, the brick and mortar are one thing, but it's the ongoing operational cost that we would have to account for. We can certainly put something together, ranging from utilities to maintaining the grounds; everything that would be involved. Mr. Syfrett commented that the shock factor is going to be there, whether it is up front or not.

Council Member Bridge said the upside of this is the rental part of the facility, because if we get a lot of people to use the facility, there will be an income.

Mr. Molinari responded that this is certainly something that we could take advantage of. We just have to see how things play out. What I would envision at least initially, would be putting the operation of the facility under one of our existing departments. But it's going to be a team effort, and there is already a lot of overlap. Adam has been involved and Michelle has been involved on the tourism side. It touches on a lot of different areas, but certainly the long term operational cost is a good question, and then trying to put a rental structure together that would offset that as much as possible.

Council Member Siegel then asked, do we charge admission down the line as a source of income for the exhibits? City Manager Molinari said, that's a good question. You are going to have a facility that's going to be very attractive to schools in the district, not just Colleton County, but I think they would come from other areas as well. Those are things that we are going to need to consider.

Council Member Siegel then asked the City Manager, have we ever had anybody to analyze this project from the standpoint of what we can anticipate in terms of exposure from out of town tourists? Do people come up the interstate? We'd have to have billboards, etc.

Mayor Young said, as we were trying to develop some of the other properties downtown several years ago, we talked to people interested in opening hotels and things like that. One of the things they said was that we needed another anchor for downtown, another reason for people to come here, along with the antique stores and the things they already come here for. They thought that something like this (a Discovery Center) might help to encourage development on some of the other properties that have not been development.

Mayor Young further stated that there is a lot of unknown to this project. Until we get into it, we won't really know what we are going to do - whether we are going to charge and how much it's going to cost us. All of those things. We need to go in with the attitude that the center is going to be somewhat like the museum, which is there for people to go in and enjoy. Then, if it's such that we can charge a nominal fee for the school groups, tourists or whoever comes in, then it will be even better.

City Manager Molinari stated that the people we have reached out to for input have been incredibly supportive. They provided a lot of good information. What I would suggest to you is that we go ahead and push this project forward. It will certainly behoove us to select an architect who has experience with the type of facilities and be able to lend some expertise.

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Mayor Young stated that last year he went to several interpretive centers, and a lot of them just had sections in there that were not walled off completely, but they would have a backdrop and they would have a video screen and a kiosk type thing. You go in and you turn that on and it tells you all about that particular section. Also, we might be able to get some help from ETV or Rudy Mancke or some of those folks who have produced this kind of thing and Dr. Kilpatrick. We might want to hire somebody to professionally produce the kinds of things that we put on there. The man we talked to yesterday felt that we could do a lot of this stuff fairly inexpensively. A lot of the exhibits and the ones he was suggesting, I don't think it would be as inexpensive as he thinks, but he does it for a living, so he probably knows.

Council Member Siegel asked, does he have an interpretive center at Spring Island. Mayor Young replied, yes he has one at Spring Island and Jeff says he has a t.v. show that's on PBS. He was very willing to help us, which we would be in competition with them to some extent. He has a lot of connections and he also told us that Rob and his son had built a 250-gallon aquarium in their house. So, the architect himself has some experience.

Mayor Young then asked the City Manager, who do you need from City Council? What kind of direction do you need from us at this point? City Manager Molinari responded that he needs an approval to proceed with the RFQ process to solicit proposals from architects. That's all I need. Council Member Bonds then asked, what does that cost us? City Manager Molinari responded nothing. He added that the SCBO doesn't charge anything. All it would be is, I will put the RFQ together and put it out there.

Council Member Bridge added, I want us to really give a lot more consideration to parking, because our property there is too much consumed with the building, even though there is some parking. It's just cosmetic parking, and it won't accommodate a crowd. I know we have the City Parking Lot too, but we are talking a lot about busing kids in by the hundreds. I don't know if you have driven on that road, but it hard to pass cars there. So, if you have a bus, I don't know if it's even possible to tour this by bus on that road. I don't know what we can do about that, but if we are going to be using the back of the property for bus traffic, we really need to look at that, I don't know if there are any other lots available for parking? I know we talked about Washington Street, putting the buses on Washington Street. That's a big concern of mine, traveling on that road.

Mr. Molinari answered, we definitely are going to have to talk to the County if we have any issues with it, in terms of having to share the access, but yes, you brought up a good point. If one of the areas of people we are going to be focusing on is school groups, then we certainly are going to have to allow for parking those vehicles.

Further discussion was held on properties that could be used for parking for the building. Mr. Bonds said he could not image accommodating more than 2 or 3 buses of kids at one time. Mayor Young said, I think those are things we are going to have to work out. Council Member Bridge agreed that parking needs to be thought about in this process.

Council Member Broderick raised a question about a cut road that goes down to the entrance to the Great Swamp Sanctuary. There is a cut road that goes off to the side. That would be a place where you could park the buses. Mayor Young added, well, we have several options, we could have them park in the County lot, if the County works with us on that. We could let them out at our place and then bring the buses down to the City Parking Lot, and they could walk back through downtown to the buses and buy stuff on the way back or the bus could come back and pick them up.

Mayor Young said, yes, all that has to be figured out and you are right, we have to do it in the beginning plan.

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On a question raised by Council Member Syfrett, City Manager Molinari responded that he would probably give the architects 30 days to respond to the RFQ.

Mayor Young asked the City Manager, are you going to specify experience in this kind of facility would be a plus or past experience? Mr. Molinari responded, yes, I am not going to reinvent the wheel here, but I am going to call on some of my fellow City Managers and Administrators to get samples of RFQ's they have used for architectural services.

Council Member Siegel then asked, on the RFQ's does the architect give a concept or just the cost to hire him? City Manager Molinari responded, it is more of a statement of their qualifications. I would think that a project like this would generate very good interest. What I would envision is to have staff evaluate all of the proposals, and get them down to between 3 and 5 candidates. Then, bring them in for an interview with City Council, because ultimately City Council is going to have to choose somebody that they are comfortable working with. That process will probably take a couple of months.

Mayor Young then asked the City Manager, will you invite this man, also? City Manager responded without a doubt. Mayor Young said, he seems to be easy to work with. However, we might find somebody out there who has a lot of experience in this, that we don't know about.

Council Member Bridge then asked, how accessible is Tony Mills to having input. City Manager Molinari pointed out that Mr. Mills is really good. He said, the first time I met him last year, we did a walk through of the building and I know that he attended one of our FROGS meetings. He is the type of person that when I contacted him to meet this week, I sent him an e-mail and a minute later, he was calling me. So, I mean he is very dedicated and passionate about this. His expertise is more on the live exhibits' side, but I think that is a plus, and I think he'd be more than happy to open up his doors at Spring Island for us.

Council Member Bridge asked if Mr. Mills facility were run by the state? The City Manager and others felt that the facility was private. Mayor Young added that Mr. Mills place was very small, but it is very nice. He did mention some of the exhibits that he thought would not be appropriate for us to use here. There are other exhibit places that we might want to send a committee to look at, get some pictures and get some ideas to use. We can always drop back and look at the plans for the original Discovery Center, too, and see if any of any of that can be applied.

Council Member Siegel asked, do those original plans have concepts for actual exhibits? Mayor Young said, they were down to nuts and bolts on that.

City Manager Molinari said I have the set of plans in my office, it is very detailed. Mayor Young added, we had on those plans an otter pond and an alligator's bath that heated up so that the alligators would be made active. As you walked down in it, the water rose and dropped as you went through different phases of the swamp. We also had an animatronic man that was going to stand out in the pond, and he was going to greet you and tell you a little of the history of the Swamp.

Mayor Young then said, now Jeff will go forward if that's what Council wants, with RFQ's. He will write the description of the project, send that out and we'll see where we go from there. Council agreed by consensus.

No further input was received and the meeting was adjourned.

Submitted by,

Betty J. Hudson
City Clerk

DRAFT

Walterboro City Council
Rescheduled Regular Meeting
July 12, 2016

MINUTES

A Rescheduled Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, July 12, 2016 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, James Broderick and Judy Bridge. City Manager Jeff Molinari, and City Attorney George Cone were present. City Clerk Betty Hudson was absent and Bonnie Ross, Administrative Assistant, acted as recording secretary. There were approximately 20 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order and welcomed everyone to the meeting. Council Member Syfrett gave the invocation and Council Member Bonds led the pledge of allegiance to our flag.

The Mayor announced that the City has a couple of staff members who are reaching landmarks in their service to the City. He stated that on July 11, City Clerk Betty Hudson reached 22 years with the City and Fire Chief Wayne Lake will have 26 years on July 16th. He said congratulations and hope you will be with us for many more years.

PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments or questions on agenda items.

APPROVAL OF THE MINUTES:

Upon motion of Council Member Bridge, seconded by Council Member Broderick, the following minutes were unanimously approved by Council as submitted:

1. Minutes of the April 26, 2016 Special Called City Council Meeting.
2. Minutes of the May 3, 2016 Regular City Council Meeting.
3. Minutes of the May 17, 2016 Special Called City Council Meeting.

OLD BUSINESS:

There was no Old Business before Council.

NEW BUSINESS:

1. **Ordinance # 2016-06 An Ordinance to Amend Chapter 6, Buildings and Building Regulations, Article I, Section 6-1 Building Codes - Adopted, So As to Update References to the Building Code Editions, First Reading**

City Manager Jeff Molinari then recognized the City Building Official Angelo Pacilio to give City Council a brief overview of the proposed ordinance.

Building Official Pacilio told Council that due to global warming and situations with violent storms, the structural integrity criteria is changed. It's a normal procedure and if something happens, they enforce different codes. Usually every three years. The last time was the 2012 code, it's a three-year code. Prior to that in 2006, and that was in effect for 6 years, we did not adopt it in 2009. In any event, what we need to do so that I can enforce it is a vote on it and adopt the codes as written with the South Carolina amendments. I have all that in my office now if anybody wants to see, they are welcome to it, but in order for me to be legal, I need to have it adopted. That's basically it.

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Mayor Young then asked, are we required to do this by the state? Mr. Pacilio responded affirmatively.

A motion was then made by Council Member Bonds giving First Reading Approval to Ordinance # 2016-06, being: An Ordinance to Amend Chapter 6, Buildings and Building Regulations, Article I, Section 6-1 Building Codes - Adopted, So As to Update References to the Building Code Editions. Council Member Lohr seconded the motion that passed with all members voting in favor.

2. Consideration of Funding Recommendations from the Accommodations Tax Advisory Board

Next, City Manager Molinari advised Council that the Accommodations Tax Advisory Committee met on Thursday, June 16, 2016, and considered the applications for A-Tax funding. They are making the following recommendations for A-Tax funds:

<u>Requests for 30% Tourism Fund</u>	<u>Requested</u>	<u>Approved</u>
Walterboro Tourism Commission	\$ 53,000	\$53,000

City Manager Molinari stated that should this recommendation be approved by Council, the Tourism Commission will remain the designated marketing organization for the City of Walterboro for the next fiscal year.

City Manager Molinari stated that several requests were received for the 65% Tourism money, as follows:

<u>Requests for 65% Tourism Fund</u>	<u>Requested</u>	<u>Approved</u>
Coll. Cty Historical & Preservation Society- Holiday Tour	\$ 2,649	\$ 2,000
Coll. Cty Museum & Farmers Market- Festival of Trees	\$ 4,000	\$ 3,000
Coll. Cty Historical & Preservation Society- Front Porch Phantoms	\$ 4,348	\$ 2,000
SC Artisans Center - marketing promotions	\$13,600	\$13,600
Colleton County Rice Festival w/Tour de Lowcountry	\$20,000	\$16,500
Downtown Walterboro Criterium	\$21,000	\$18,000
City of Walterboro-local billboard program	\$21,000	\$21,000
Walterboro Tourism Comm - Walterboro Rocks Campaign	\$50,000	\$45,000

City Manager Molinari stated that should these requests be approved as submitted, the projected remaining balance for 2016-2017 will be approximately \$32,065. The remaining funds will be for consideration at the next scheduled A-Tax Board meeting in October.

A motion was made by Council Member Siegel to approve the recommendations as submitted by the Accommodations Tax Advisory Board as set forth in their report to Council and reported by the City Manager. Council Member Broderick seconded the motion that passed with all members voting in favor.

3. Consideration of Recommendation to Purchase Self-Contained Breathing Apparatus (SCBA) Units for the Fire Department

City Manager Molinari stated, as you are aware the Fire Department applied for and received a grant from FEMA in the amount of \$91,446.00 for new Self-Contained

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Breathing Apparatus Units. Fire Chief Wayne Lake has some of his staff here, who are going to give us a brief demonstration of the new units. He then turned the floor over to Fire Chief Wayne Lake.

Fire Chief Lake then addressed Council. He stated that on June 18, 2007 nine Charleston career firefighters died when they became disoriented, ran out of air, in a rapidly deteriorating condition inside a burning commercial furniture store in a warehouse facility in Charleston. After this event, our firefighters began rethinking our approach towards safety. We began focusing more of our training on safety. We also started looking at our equipment, mainly our self-contained breathing apparatus. We also became involved in applying for grants, because we realized that the City does not have the funding for these high priced items that we needed to upgrade to due to safety. We also approached Michelle Knight of the Lowcountry Council of Governments. We would like to thank her, as well as Amy Risher, in the Finance Department, for helping us secure this grant. This grant will help us replace 16 self-contained breathing apparatus units. He then said, we will have one of our fire fighters step in to show you the self-contained breathing apparatus. Then Firefighter Marshall Moorehead entered the room dressed in the self-contained breathing apparatus equipment as a demonstration to the audience and City Council.

During this demonstration, Fire Chief Lake said, this is what we have to wear whenever we go in and fight fires. As you can see, the firefighter is protected with his helmet, his coat, boots and his pants. The SCBA on his back is the device we are talking about upgrading. This is a self-contained breathing apparatus. He then asked the firefighter to turn around and face Council. Chief Lake said, this cylinder is designed in such a way that it allows us to put more air inside - 45 minutes of air as opposed to 30 minutes of air. Fifteen (15) extra minutes inside of a burning building possibly trying to save someone's life, trying to save ourselves, or attempting to locate the fire, fifteen (15) extra minutes is a lot of time for us in one of these situations. It also has some safety features built in. This device is called an integrated Personal Alert Safety System (PASS). If a firefighter becomes demobilized, trapped or can't move or knocked unconscious, the PASS device will sound or alarm. It will alert personnel outside the structure that a firefighter has a problem and we need to go in and get them. It also has a "heads up display", which will allow them to monitor the amount of air pressure inside this unit, and his LED lights up, and whenever it gets to the amber lights, it's time for him for exit the building. (You can hear him breathing right now).

Chief Lake further pointed out that the breathing apparatus also has a safety strap on the back. If he was to go down, I couldn't carry him, but I can grab this pull strap and then I stand a chance of pulling him out of the building. This unit also has a tracking device to assist us in finding a lost firefighter.

It also has one other feature that is really nice. If the firefighter runs out of air and I get to him in time, he can detach this hose, and I can plug it in my SCBA, and we can breathe air from the same cylinder.

Chief Lake pointed out that all of our current SCBA's do not have all these safety features included. We have similar SCBA packs that the Charleston 9 were using when they met their demise. All of these safety features are expensive, but I hope everyone can understand why they are so important to us.

Chief Lake reported that the Fire Department received bids from three different vendors for the self-contained breathing apparatus equipment as follows:

Anderson Fire & Safety	\$101,692.80
Rhinehart Fire Service	\$104,284.80

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MES Carolinas \$109,693.44

Chief Lake said that his department had dealt with two of these vendors - Anderson Fire & Safety in South Carolina, as well as the Rhinehart Fire Station. We have a good working relationship with them.

Fire Chief Lake stated that staff recommends purchasing the sixteen (16) units from Anderson Fire & Safety in the amount of \$101,692.80. We received a FEMA grant in the amount of \$91,446.00 for the SCBA Units. The balance of \$10,246.80 will be paid from the Fire Department's FY 2016-2017 operations budget.

A motion was made by Council Member Syfrett to approve the purchase of the sixteen (16) self-contained breathing apparatus units as recommended by Chief Wayne Lake. Council Member Siegel seconded the motion that passed unanimously.

3. Consideration of Recommendation to Purchase New Pumper Truck for the Fire Department

City Manager Molinari told Council that in the Fiscal Year 2016-2017 Fire Department Budget, \$380,000.00 was allocated for the purchase of a new pumper truck for the Fire Department. I have asked Fire Chief, Wayne Lake, to give a brief overview to City Council.

Fire Chief Wayne Lake then told Council that on June 1, 2016, bid requests for proposals were mailed out to three (3) vendors. On June 10, 2016, Williams Fire Apparatus submitted a no bid letter. Spartan Fire and Emergency Apparatus submitted a bid intent letter and Fireline, Inc. also submitted a bid intent letter. The bids received were as follows:

Fireline, Inc. - E-One (Winder, GA)	\$372,759.89
Spartan Fire and Emergency Apparatus - Pierce (Summerville, SC)	\$403,860.89
Williams Fire Apparatus - Sutphen (Ashland, AL)	No bid

Fire Chief Lake directed Council to a overhead slide of the proposed fire pumper truck. He said, our pumpers are built on a commercial chassis, and this photo is a freightliner commercial chassis, whether it's an E-One or a Pierce, this is the platform that it will be built on. So, what E-One or Pierce would do is provide everything from the cab back, all the compartments is what they would build - everything that holds tools and equipment. They will also install a water tank, as well as the water pump. In our specifications, we told the companies exactly how we wanted everything built. The Freightliner has a Cummings 350 hp engine. Cummings has done a lot of research on the current EPA rules and regulations. They have gotten all the bugs worked out of this engine. Freightliner also has a service center in Summerville. In the event we have a warranty or service issue and we can't get it fixed locally, Summerville will be where we would take the truck to for repair.

Fire Chief Lake stated that currently our newest pumper is a 2004 E-One, and that is basically what we based our specifications on. The design we have now works really well.

Fire Chief Lake said, we do have two changes that we have incorporated in the new design. The location of the speed lays will be moved to a lower location for easier access, so that we don't have to reach up so high to place the hose in service. Also, an attached hose will be located at the front of the pumper. When we position our fire trucks at an accident scene, the truck actually protects the fire fighters. The hose located in the front pumper will allow for quicker hose deployment.

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Chief Lake also brought Council's attention and reviewed with them handout materials that he had passed out. He then briefed Council on how the specifications were developed, written up and submitted to the proposed bidders. He also reviewed the bid proposals received from the bidders.

Concluding, Fire Chief Lake recommended the acceptance of the low bid from Fireline, Inc. for the E-One Pumper Truck in the amount of \$372,759.89.

A motion was made by Council Member Broderick to approve the purchase of the Fireline, Inc. E-One Pumper Truck in the amount of \$372,759.89 for the Fire Department. In discussing the motion, Council Member Siegel asked if the cost of the truck was already in the budget? City Manager Molinari responded that we have \$380,000.00 already allocated for the purchase of the vehicle, and this came in a little under \$7,000 under budget.

The motion passed with all members voting in favor.

Mayor Young thanked Chief Lake for being so thorough with his presentation on this item. He said, it keeps us from asking a lot of questions. You have already answered them.

4. **Consideration of Parade Permit for the Youth Fair Walk on Saturday, August 6, 2016 at 10:00 A.M. by Miracle Deliverance Center, Yolanda Scriven**

Ms. Yolanda Scriven was present and told Council, we are just asking for your consideration of the parade permit on August 6. We will be doing a Youth Fair Walk with our children. We are holding a Youth Fair and Back to School Bash for our children. We give out free book bags and school supplies for our children and have things for the children to ride. So, its like a festival. We are also asking for law enforcement and the Fire Department (Chief Lake) to help us out with the fair to have some apparatus there to demonstrate to the kids, as well as the fire truck. If you have some fire safety books or crayons for the children, they will be good too.

Mayor Young asked if this event would be any problem for the Fire Department or the City. Chief Lake said that his department will be there.

A motion to approve the request as submitted by Ms. Yolanda Scriven was made by Council Member Bonds, seconded by Council Member Broderick and passed unanimously.

Mayor Young asked Ms. Scriven to get in touch with the Chief of Police and Fire Chief prior to the event being held.

COMMITTEE REPORTS:

There were no Committee Reports given.

CITY MANAGER'S REPORT:

City Manager Molinari then recognized our Finance Director, Amy Risher, for attaining the designation of Certified Government Finance Officer. She began her service work back in the fall and made many trips to Columbia. She just found out

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Rescheduled Regular Meeting
July 12, 2016

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that she was going to be given that designation and will be getting her official certificate in October of this year, but I just wanted to recognize her for her hard work.

Mayor Young congratulated Finance Director Amy Risher on attaining this designation. He said, we are proud of you.

EXECUTIVE SESSION:

The Mayor then entertained a motion to enter into an Executive Session. Council Member Bridge So Moved and Council Member Broderick seconded the motion. All in favor. None opposed. Motion carried. The Mayor announced that the meeting will convene into an Executive Session for:

1. Discussion of Negotiations Incident to Proposed Contractual Arrangements:
 - a. Wastewater Treatment Plant.
 - b. I-95 Business Loop Project, Phase 1B.
2. Personnel Matters:
 - a. Boards and Commissions Appointment.
 - b. Appointment of Municipal Judges.
3. Receipt of Legal Advice - I-95 Business Loop Project, Phase 1C and 1D.

The meeting then convened into Executive Session.

At approximately 8:02 p.m., a motion was made by Council Member Lohr to exit Executive Session and return to Open Session. Council Member Bridge seconded the motion. All in favor. None opposed. Motion carried.

The meeting returned to Open Session and a motion was made by Council Member Bonds to appoint Joe Webster to the Building Board. Council Member Broderick seconded the motion. All in favor. None opposed. Motion carried.

A second motion was made by Council Member Syfrett to re-appoint Morrison Payne as City Judge and Deborah Kane-O'Quinn as Associate Judge. Council Member Lohr seconded the motion that passed with a vote of 5/0 with Mayor Young and Council Members Syfrett, Lohr, Broderick and Bridge voting in favor. Council Members Bonds and Siegel recused themselves from voting since they will practice law before municipal court from time to time.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Bridge, seconded by Council Member Syfrett and passed unanimously. The meeting adjourned at 8:04 P.M. Notice of this meeting was distributed to all local media and posted on the City's website and the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

DRAFT

Walterboro City Council
Regular Meeting
August 2, 2016

MINUTES

A Regular Meeting of Walterboro City Council was held at City Hall on Tuesday, August 2, 2016 at 6:15 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, James Broderick and Judy Bridge. City Manager Jeff Molinari, City Clerk Betty Hudson, and City Attorney George Cone, along with Attorney Reaves McLeod, were also present. There were approximately 6 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order and welcomed everyone to the meeting. Council Member Syfrett gave the invocation and Council Member Lohr led the pledge of allegiance to our flag.

The Mayor announced that Building Official Angelo Pacilio will have his 7th year anniversary with the City on August 17th. He congratulated Mr. Pacilio.

PUBLIC INPUT ON AGENDA ITEMS:

There were no public comments or questions on agenda items.

PUBLIC HEARING:

The Mayor then opened a public hearing, duly advertised, to receive public comments/questions on the following proposed ordinance:

Ordinance # 2016-06, An Ordinance to Amend the Code of Ordinances of the City of Walterboro, Chapter 6, Buildings and Building Regulations, Article I, Section 6-1 Building Codes - Adopted, Enforcing Officials, So As to Update References to the Building Code Editions.

City Manager Molinari told Council that he has asked the Building Official Angelo Pacilio to give a brief overview of the changes.

Building Official Pacilio stated, what we are doing is we are going from the 2012 code to the 2015 on most the codes. The Building Code had a section in it that was Chapter 34 that was taken out. That chapter was on existing buildings. That's split specifically in a section in the existing building codes. So we need to adopt that, in addition to the other codes there. In conclusion, he said, all of this is an update to reflect changes and times. This happens usually every 3 years or so.

There were no comments or questions from the public.

OLD BUSINESS:

1. Ordinance # 2016-06, An Ordinance to Amend the Code of Ordinances of the City of Walterboro, Chapter 6, Buildings and Building Regulations, Article I, Section 6-1 Building Codes - Adopted, Enforcing Officials, So As to Update References to the Building Code Editions, Second Reading.

The Mayor announced that this is for the same ordinance we just had the public hearing for.

A motion was made by Council Member Bonds giving Second Reading and Adoption to Ordinance No. 2016-06, being: An Ordinance to Amend the Code of

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Walterboro City Council
Regular Meeting
August 2, 2016

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Ordinances of the City of Walterboro, Chapter 6, Buildings and Building Regulations, Article I, Section 6-1 Building Codes - Adopted, Enforcing Officials, So As to Update References to the Building Code Editions. Council Member Broderick seconded the motion. All in favor. None opposed. Motion carried.

NEW BUSINESS:

1. Request to Close Streets for 5K Run/Walk Race in Conjunction with Colleton County High School, August 27, 2016 from 8:00 A.M. to 9:15 A.M. by Walterboro-Colleton Chamber of Commerce

A motion was made by Council Member Siegel to approve the request to close the streets for the 5K Run in conjunction with Colleton County High School on August 27, 2016. Council Member Lohr seconded the motion. In discussing the motion, Council Member Syfrett stated that he would like staff to make sure that the Police Department is aware of this event. The City Manager replied that he had discussed both of these requests with Chief Marvin. This particular route that they are doing is the exact same route that the Chamber of Commerce has used in the past for the Turkey Trot, so we are very familiar with that setup. The motion passed with all members voting in favor.

2. Consideration of Requests by Walterboro Rotary Club for 4th Annual Ireland Creek Bridge Run on September 29, 2016

A motion was made by Council Member Syfrett to approve the request by the Rotary Club for the Annual Ireland Creek Bridge Run on September 29, 2016. Council Member Broderick seconded the motion. All in favor. None opposed. Motion carried.

COMMITTEE REPORTS:

There were no Committee Reports given.

CITY MANAGER'S REPORT:

There was no City Manager's report.

EXECUTIVE SESSION:

Before entering Executive Session, Council Member Bridge asked to recognize one of our citizens in the audience, Mr. Horace Simmons. She stated that Mr. Simmons was absent from our meeting last night and he has not missed a meeting since I don't remember when. So, we'd like to say, "Welcome back, Mr. Simmons, we missed you. Hope you are feeling better".

The Mayor then entertained a motion to enter into an Executive Session. Council Member Lohr So Moved and Council Member Siegel seconded the motion. All in favor. None opposed. Motion carried.

The Mayor announced that the meeting will convene into an Executive Session for a discussion of negotiations incident to proposed contractual arrangements - Wastewater Treatment Plant.

Mayor told Mr. Simmons we have been thinking about you. Mr. Simmons said he was feeling better and wanted to thank the Mayor and City Council for all they have done for him.

The meeting then entered into Executive Session.

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Walterboro City Council
Regular Meeting
August 2, 2016

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At approximately 7:02 p.m., a motion was made by Council Member Bridge to exit Executive Session and return to Open Session. Council Member Lohr seconded the motion. All in favor. None opposed. Motion carried.

The meeting returned to Open Session with no action taken as a result of the Executive Session.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Bridge, seconded by Council Member Lohr and passed unanimously. The meeting adjourned at 7:02 P.M. Notice of this meeting was distributed to all local media and posted on the City's website and the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

DRAFT

Walterboro City Council
Special Called Meeting
August 25, 2016

MINUTES

A Special Called Meeting of Walterboro City Council was held at City Hall on Thursday, August 25, 2016 at 12:30 P.M., with Mayor Bill Young presiding.

PRESENT WERE: Mayor Bill Young, Council Members: Jimmy Syfrett, Paul Siegel, Tom Lohr, Bobby Bonds, James Broderick and Judy Bridge. City Manager Jeff Molinari, City Clerk Betty Hudson and City Attorney George Cone were also present. There were approximately 4 persons present in the audience.

There being a quorum present, Mayor Young called the meeting to order, and invited everyone to stand and join Council in the invocation and pledge of allegiance. Council Member Syfrett gave the invocation and Council Member Siegel led the pledge of allegiance to our flag.

This meeting was called to consider a Federal Aviation Grant Agreement at or associated with the Lowcountry Regional Airport.

INPUT ON AGENDA ITEMS:

No comments or questions were received on the agenda item for this meeting.

NEW BUSINESS:

1. Approval of Federal Aviation Administration (FAA) Federal Grant Agreement, Number 3-45-0057-015-2016, Subject to the Terms and Conditions Outlined Therein, for a Maximum Obligation Grant Award of Federal Funds in the Amount \$979,444 for a Project at or Associated with the Lowcountry Regional Airport and Authorizing the Mayor and City Attorney to Execute Grant Documents

The Mayor then entertained a motion to approve the federal grant agreement.

A motion was then made by Council Member Siegel to approve the Federal Aviation Grant Agreement as presented here today. Council Member Broderick seconded the motion. In discussing the motion, Council Member Bonds stated that he would like to hear a little more about this agreement.

City Manager Molinari briefed Council on this item. He stated that the Airport Commission is a recipient of a grant from the FAA in the amount of \$979,444 for drainage improvements at the airport. The drainage that is in place at the airport was installed in the 1940's and 1950's. It has deteriorated. It is the estimation of the engineer that it would not meet DHEC drainage requirements. The total project cost is \$1,088,272.00. The FAA portion represents 90%, and the other 10% is coming from both the State of South Carolina, as well as the Airport Commission. They are both picking up 5% each, and their amount is \$54,414.000. If you recall last year at this time, we had to call a special meeting for some funds that the Airport received from the FAA. Because the airport is jointly by the City and the County, both the City and County are sponsors on the grant, and the letter that we received from the FAA says that the "governing body must provide authority to execute the grant", and this has to be done no later than September 4. So, this is why are having to call a special meeting. There will be no out-of pocket expenses for the City. It is simply a requirement of FAA. We have to get it to them by September 4. I ask for City Council's favorable consideration.

Council Member Bonds then asked if the City's lawyer has reviewed this document. He said, I mean this is a 25 page contract we are entering. Has somebody

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Walterboro City Council
Special Called Meeting
August 25, 2016

MINUTES/Page II

reviewed this document. City Manager Molinari said, I can't speak for the City Attorney, but this is a standard FAA document. The Airport Commission has hired an engineering firm that is going to navigate through the requirements of this grant.

Mayor Young then said, and this is something that goes on periodically at the Airport Commission. We receive monies from the FAA. We do that, but we could BE certain.

Council Member Bonds then asked, do you know if the Airport Commission lawyers have looked at it. Mayor Young replied, yes, the Airport Commission lawyer has looked at it. City Manger Molinari also affirmed that Mr. Bert Duffie had looked at the agreement.

City Attorney Cone then asked, if the county's lawyer had looked at the agreement and who will be that person? City Manager Molinari responded that this would be Sean Thornton.

Mayor Young stated that he thought that the County had already approved this resolution. It is already done.

No further discussion was held, and the motion passed unanimously.

There being no further business to consider, a motion to adjourn the meeting was made by Council Member Bonds, seconded by Council Member Syfrett and passed unanimously. The meeting adjourned at 12:40 P.M. Notice of this meeting was distributed to all local media and posted on the City's website and the City Hall bulletin board at least twenty-four hours prior to meeting time.

Respectfully,

Betty J. Hudson
City Clerk

ORDINANCE # 2016-07

AN ORDINANCE TO AMEND ORDINANCE # 2016-04, SO AS TO SET THE LOCAL OPTION SALES TAX CREDIT FACTOR IN THE FISCAL YEAR 2016-2017 BUDGET.

WHEREAS, the fiscal year 2016-2017 budget was adopted with the passage of Ordinance # 2016-04 on June 7, 2016; and,

WHEREAS, City Council has determined that a need exists to amend the Fiscal Year 2016-2017 budget to set the Local Option Sales Tax Credit Factor.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF WALTERBORO, SOUTH CAROLINA, IN COUNCIL ASSEMBLED, that the fiscal year 2016-2017 budget be amended as follows:

1. A local option sales tax credit factor of .001733 shall be established.

This ordinance shall become effective upon adoption.

ADOPTED, this _____ day of _____, 2016.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
City Clerk

First Reading: _____
Public Hearing: _____
Second Reading: _____

ORDINANCE # 2016-08

AN ORDINANCE AMENDING APPENDIX A, MEETINGS OF COUNCIL, SECTION 2.218, ORDER OF BUSINESS, OF THE CODE OF ORDINANCES OF THE CITY OF WALTERBORO.

WHEREAS, S.C. Code §5-7-250 (b) provides that the Council shall determine its order of business for meetings of Council;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Walterboro, South Carolina, that Appendix A, Section 2.218 of the Code of Ordinances be amended to read as follows:

Sec. 2.218 – Order of Business.

The business of all regular meetings of Council shall be transacted as follows; provided, however, that the presiding officer may, during a meeting, re-arrange items on the agenda to conduct the business before the Council more expeditiously.

- (1) Call to Order by the Presiding Officer.
- (2) Invocation.
- (3) Pledge of Allegiance.
- (4) Public Input on Agenda Items.
- (5) Public Hearings.
- (6) Scheduled Presentations.
- (7) Approval of Minutes.
- (8) Old Business.
 - a. Ordinances.
 - b. Proclamations and Resolutions.
 - c. Motions.
 - d. Other.
- (9) New Business.
 - a. Ordinances.
 - b. Proclamations and Resolutions.
 - c. Motions.
 - d. Other.
- (10) Committee Reports.
- (11) City Manager’s Report.
- (12) Executive Session.
- (13) Open Session. City Council may take action on matters discussed in executive session.
- (14) Adjournment. No meeting shall be permitted to continue beyond 8:45 p.m. without approval of a majority of the Councilmembers who are present and eligible to vote. A new time limit must be established before taking a Council vote to extend the meeting. In the event that a meeting has

not been closed or continued by Council vote prior to 8:45 p.m., the items not acted on shall be deferred to the next regular Council meeting, unless the Council, by a majority vote of members present, determines otherwise.

ADOPTED, this _____ day of October, 2016.

William T. Young, Jr.
Mayor

ATTEST:

Betty J. Hudson
Municipal Clerk

ORDINANCE # 2016-09

AN ORDINANCE

PROVIDING FOR THE ISSUANCE AND SALE OF WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF WALTERBORO, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO.

AMENDED AND RESTATED BOND ORDINANCE

DATED: OCTOBER 4, 2016

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and is for convenience of reference only.)

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**EXHIBIT A CONSENT OF SOUTH CAROLINA WATER QUALITY
 REVOLVING FUND AUTHORITY**

EXHIBIT B CONSENT OF BRANCH BANKING AND TRUST COMPANY

BE IT ORDAINED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF WALTERBORO, SOUTH CAROLINA IN A COUNCIL ASSEMBLED, AS FOLLOWS:

ARTICLE I - FINDINGS AND DETERMINATIONS

Section 1.01. Findings and Determinations.

Incident to the enactment of this amended and restated bond ordinance (this "**Bond Ordinance**"), the City Council of the City of Walterboro (the "**City Council**"), the governing body of the City of Walterboro, South Carolina (the "**City**"), finds that the facts set forth in this Article exist, and the statements herein are in all respects true and correct:

1. The City is a municipal corporation of the State of South Carolina (the "**State**"), located in Colleton County, South Carolina (the "**County**"), and as such possesses all general powers granted by the Constitution and laws of the State to municipal corporations, including the power to operate utility systems and to furnish water and sewer collection for domestic and industrial use both within and without the corporate limits of the City.

2. The City, pursuant to State law, owns, operates, and maintains a waterworks system, which furnishes water to commercial, industrial and residential users, and a sewer system which provides for the collection, treatment and disposal of sewage from commercial, industrial and residential users.

3. By the provisions of an ordinance enacted by the City Council on November 5, 1974, and in accordance with State law, the City combined its waterworks system and its sewer system into a single system, which is now known as the Waterworks and Sewer System of the City of Walterboro, South Carolina (the "**System**").

4. The City, acting by and through the City Council, is responsible for the management of the System and the issuance of revenue bonds to defray the costs of capital improvements to the System.

5. The revenues of the System are presently pledged and hypothecated to secure the payment of the following revenue bonds issued by the City:

- (a) the now outstanding installments of the originally issued \$3,040,971 Waterworks and Sewer System Improvement Revenue Bond, Series 2009, dated August 14, 2009 (the "**2009 Bond**"); and

(b) the now outstanding installments of the originally issued \$1,940,000 Waterworks and Sewer System Refunding Revenue Bond, Series 2011B, dated August 30, 2011 (the "**2011B Bond**" and together with the 2009 Bond, the "**Outstanding Bonds**").

6. The Outstanding Bonds were issued in accordance with and are currently governed by the provisions of a bond ordinance enacted by the City Council on December 15, 1998 (the "**Original Bond Ordinance**").

7. By the terms of this Bond Ordinance, the City proposes to amend and restate all provisions of the Bond Ordinance. As a result, the written consent of all of the holders of the Outstanding Bonds is required to implement and effect the provisions of this Bond Ordinance. The City intends to solicit and receive the consent of the all of holders of the Outstanding Bonds regarding the implementation of this Bond Ordinance.

8. The 2009 Bond is currently held by the South Carolina Water Quality Revolving Fund Authority (the "**Water Quality Authority**"). The 2011B Bond is currently held by Branch Banking and Trust Company ("**BB&T**" and together with the Water Quality Authority, the " **Holders**").

9. The Holders have each initially indicated that they will grant their consent to the implementation of this Bond Ordinance. In order to confirm and evidence such consent, the City has requested that each of BB&T and the Water Quality Authority execute a written consent certificate (the "**Consent**"), the forms of which are attached hereto as **Exhibits A and B**.

10. The City is currently contemplating the issuance of its Waterworks and Sewer System Improvement Revenue Bond, Series 2016 (the "**2016 SRF Bond**").

11. Upon the issuance of the Series 2016 SRF Bond (and the receipt of the Consent of BB&T and the Water Quality Authority) the Series 2016 SRF Bond, all outstanding Series of Bonds and all future Series of Bonds shall be controlled by the provisions of this Bond Ordinance.

12. By reason of the foregoing, the City has determined to enact this Bond Ordinance to authorize the issuance of Bonds of the System.

[End of Article I]

ARTICLE II - DEFINITIONS, CONSTRUCTION AND INTERPRETATIONS

Section 2.01 Definition of Ordinance.

This ordinance may be hereafter cited and is hereinafter sometimes referred to as the Bond Ordinance; such term shall include all ordinances supplemental to, or amendatory of, this Bond Ordinance.

Section 2.02 Defined Terms.

In this Bond Ordinance, terms defined in Article I shall have the meaning assigned therein, and unless a different meaning clearly appears from the context, the following terms shall have the meanings assigned below:

“Accreted Value” shall mean the amounts set forth in or the amounts determined in the manner set forth in, a Series Ordinance, authorizing the issuance of Bonds in the form of Capital Appreciation Bonds.

“Annual Budget” shall mean the budget or amended budget of the City for the System in effect as provided in or adopted pursuant to the provisions of this Bond Ordinance.

“Annual Principal and Interest Requirement” shall mean, with respect to any particular Fiscal Year and to a Series of Bonds Outstanding, an amount (other than amounts paid from proceeds of Bonds) equal to the sum of (1) all interest payable on such Series of Bonds during such Fiscal Year, plus (2) any Principal Installment of such Series of Bonds during such Fiscal Year, minus (3) any Interest Payment Subsidies received by the City for such Series of Bonds during such Fiscal Year and used to pay debt service on such Series of Bonds during such Fiscal Year.

For purposes of computing the Annual Principal and Interest Requirement:

(a) the rate of interest used to determine (1) above shall be a rate per annum equal to (i) with respect to any Series of Bonds which bear interest at a fixed rate, the rate of interest borne or to be borne by such Bonds, and (ii) with respect to any Series of Variable Rate Bonds, the actual rate of interest on the date of calculation; provided however, if the Variable Rate Bonds have been Outstanding for at least twelve (12) months, the average rate over the twelve months immediately preceding the date of calculation.

(b) the Principal Installments for each Series of Bonds used to determine (2) above will be the actual planned Principal Installments, except as for any Series of Bonds in which 25% or more of the Principal Installments are payable in a single Fiscal Year, the Principal Installment in such year will be assumed to be the result derived by dividing (A) the aggregate outstanding principal due on such Series of Bonds by (B) the number of full years in the remaining term of such Series of Bonds, but if the date of calculation is within twelve (12) months of the final maturity date of such Series of Bonds and a binding commitment by an institutional lender or municipal underwriting firm exists to provide money to refinance the

outstanding aggregate principal amount of such Series of Bonds then Outstanding, the payment terms contained in the commitment are to be used for purposes of calculating the Principal Installments for such Series of Bonds.

(c) the amounts available in the Debt Service Reserve Fund established for a Series of Bonds may be applied against the interest payable on and the Principal Installments due on such Series of Bonds in the last Fiscal Year that such Series of Bonds is Outstanding.

“Auditor” shall mean an independent firm of certified public accountants of suitable standing who audit the books, records, and accounts of the City.

“Authorized Investments” shall mean, within the limitations set forth herein, any investments now or hereafter permitted under Section 6-5-10 of the South Carolina Code, or any successor or similar statute, and shall also include the South Carolina Investment Fund established at Sections 6-6-10 to 6-6-40 of the South Carolina Code or any successor or similar statute and as the same may be further limited pursuant to the provisions of a Series Ordinance.

“Authorized Officers” means the Mayor, the City Manager, the Chief Financial Officer, or any other official authorized by the City Council to act on behalf of the City.

“Bond Counsel” shall mean an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the City.

“Bondholder” or **“Holder”**, or any similar term, when used with reference to a Bond or Bonds, shall mean any person who shall be the registered owner of any Outstanding Bond.

“Bond Payment Date” shall mean each date as shall be prescribed by any applicable Series Ordinance on which interest on any of the Bonds shall be payable or on which both principal and interest shall be payable on any of the Bonds according to their respective terms.

“Bonds” shall mean any indebtedness or obligations (issued as tax-exempt or taxable obligations) including those entered into under the provisions of long-term contracts payable from the revenues of the System, issued in accordance with the provisions of the Enabling Act, this Bond Ordinance and a Series Ordinance, excluding indebtedness incurred in accordance with Article VI hereof.

“Business Day” shall mean, except as set forth in a Series Ordinance with respect to the Series of Bonds issued thereunder, any day other than a Saturday, a Sunday, a day on which banking institutions in the State or in the State of New York are required or authorized by law (including executive orders) to close or a day on which the United States federal reserve payment system is not operational.

“Capital Appreciation Bonds” shall mean Bonds that bear interest payable only at maturity or payable prior to maturity only on the redemption dates set forth in, and in the

amounts determined by reference to the Accreted Value established in accordance with the provisions of the Series Ordinance authorizing the issuance of such Capital Appreciation Bonds.

“Chief Financial Officer” shall mean the employee of the City with the title of chief financial officer, or in the absence of such person, the individual to whom the City Council has delegated the responsibility of supervising and maintaining records and accounts relating to the collection and disbursement of the revenues derived from the operation and maintenance of the System.

“City” means the City of Walterboro, South Carolina.

“City Council” means the City Council of the City of Walterboro, the governing body of the City.

“City Manager” shall mean the City Manager of the City of Walterboro, South Carolina or in the absence of the City Manager, the assistant City Manager or the interim City Manager.

“Clerk” shall mean the City Clerk of the City. The term shall include the acting City Clerk or such other person designated by City Council to fulfill such role whenever, by reason of absence, illness or other reason, the person who is the City Clerk is unable to act.

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations issued thereunder, in each case, as from time to time in force.

“Date of Issue” shall mean that date established in any Series Ordinance from which interest shall accrue on the Bonds of the applicable Series.

“Debt Service Fund” shall mean each of the funds herein so designated and designed to provide for the payment of the principal of and interest on each Series of Bonds Outstanding and issued pursuant to this Bond Ordinance, as the same respectively fall due, and as established by the provisions of Section 7.03 hereof.

“Debt Service Reserve Fund” shall mean the funds, if any, so designated and designed (1) to secure the timely payment of the principal of and interest on the respective Series of Bonds Outstanding and issued pursuant to this Bond Ordinance and the applicable Series Ordinance, and (2) to provide for the redemption of such Series of Bonds Outstanding prior to their stated maturity, as established by the provisions of Section 7.04 hereof.

“Defeasance Obligations”, unless otherwise provided in a Series Ordinance for a particular Series of Bonds, shall mean non-callable: (i) Government Obligations; (ii) evidences of ownership of a proportionate interest in specified Government Obligations, which Government Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian; (iii) non-callable, U.S. Treasury Securities – State and Local Government Series Securities; and (iv) AAA-rated general obligation bonds, issued by at least one nationally recognized credit rating organization, of the State, its institutions, agencies, school districts and political subdivisions.

“Depository” shall mean any bank or trust company selected by the City as a depository of moneys or securities held under the provisions of this Bond Ordinance and may include the Trustee.

“Depreciation and Contingent Fund” shall mean the fund herein so designated and designed to provide for contingencies, for the replacement of depreciated or obsolete parts of the System and for improvements, betterments and extensions of the System, as established by the provisions of Section 7.06 hereof. To the extent the City had previously maintained a separate Depreciation Fund and a separate Contingent Fund, such funds shall hereafter be combined into the Depreciation and Contingent Fund.

“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Enabling Act” shall mean Chapter 21 of Title 6, and Chapter 21 of Title 11 of the South Carolina Code, and all other statutory authorizations authorizing and enabling the City to enact this Bond Ordinance.

“Events of Default” shall mean those events set forth in Section 13.01 of this Bond Ordinance.

“Fiduciary” or ***“Fiduciaries”*** shall mean the Trustee and any Registrar and any other agent of the City appointed pursuant to the authorizations of this Bond Ordinance or any Series Ordinance or any or all of them, as may be appropriate.

“Fiscal Year” shall mean the period of twelve (12) calendar months, beginning on July 1 of each year, and ending on June 30 of the following year, unless the same shall have been changed pursuant to the authorization of Section 3.01 hereof.

“Government Obligations” shall mean: (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America are pledged; and (b) obligations, the payment of the principal (if any), the premium (if any) and the interest (if any) on which is fully guaranteed as a full faith and credit obligation of the United States of America; and (c) obligations issued by the Federal Home Loan Bank and/or Federal National Mortgage Association as permitted by Section 6-5-10(a)(2) of the South Carolina Code, as amended.

“Gross Revenue Fund” shall mean the account or accounts established and maintained by the City in such fashion as to adequately reflect all of the receipts and revenues derived from the operation of the System and all interest and other income earned by the City in connection with the System, as established by the provisions of Section 7.02 hereof. Respecting the Outstanding Bonds, any reference to the “General Revenue Fund” shall be construed as the Gross Revenue Fund.

“Gross Revenues” or “Gross Revenues of the System” shall mean:

(a) all receipts and revenues derived from the operation of the System, except for those allocable to the operation of Special Facilities to the extent the same have been pledged to the payment of Special Facilities Bonds, including all service fees (including connection, tap and impact fees, availability fees, and meter purchases);

(b) all proceeds from the sale or other disposition of any property owned directly or beneficially by the City in connection with the operation of the System;

(c) all interest and other income received directly or indirectly by the City from the investment of moneys or accounts relating to the System; excluding, however, investment income restricted to a purpose inconsistent with the payment of operating expenses or debt service, and specifically excluding (whether or not so restricted) interest earned on any construction fund or construction account created with the proceeds of borrowing by the City;

(d) all other unencumbered money to which the City may become entitled from any source whatsoever in connection with the operation of the System, but specifically excluding any amounts received by way of government grants, developer contributions and aids-to-construction; and

(e) all Interest Payment Subsidies to the extent such monies are not otherwise used to pay debt service on a Series of Bonds. Any Interest Payment Subsidies payable to the Trustee and used to pay debt service on a Series of Bonds shall not be included in Gross Revenues.

All amounts received as *ad valorem* taxes shall not be included in Gross Revenues.

“Independent Consultant” shall mean such firm or firms, professional engineers, architects, rate consultants or other professionals who are nationally recognized and have a favorable reputation for consulting services for utility systems similar to the System. Such Independent Consultant shall not be an employee of the City and shall be engaged by the City to perform the tasks set forth to be performed by such Independent Consultant under the provisions of this Bond Ordinance.

“Insurance Consultant” shall mean a person or firm who is not, and no member, director, officer or employee of which is, an officer or employee of the City, which is qualified to survey risks and to recommend insurance coverage for public utilities and services and organizations engaged in such operations.

“Insurer”, with respect to any Series of Bonds, shall mean an insurance company that has written a Municipal Bond Insurance Policy covering such Series of Bonds.

“Interest Payment Subsidies” shall mean the refundable tax credit subsidies payable to the City from the federal government under any section of the Code that authorizes such tax credits.

“Junior Lien Bonds” shall mean any revenue bonds or other obligations issued by the City which are secured by pledges of the revenues of the System which are junior and subordinate in all respects to the pledges made to secure Bonds and to the payment by the City of all Operation and Maintenance Expenses.

“Mayor” shall mean the Mayor of the City. The term shall include the acting Mayor or the Mayor Pro Tempore whenever, by reason of absence, illness or other reason, the person who is the Mayor is unable to act.

“Municipal Bond Insurance Policy” shall mean any municipal bond insurance policy insuring the payment, when due, of the principal of and interest on a Series of Bonds.

“Net Earnings” shall mean, for the period in question, the Gross Revenues of the System, less Operation and Maintenance Expenses, and shall otherwise be adjusted as provided in (a) and (b) below:

(a) Net Earnings shall include amounts transferred into the Operation and Maintenance Fund from the Rate Stabilization Fund.

(b) Net Earnings shall not include: (i) any gains from the sale or disposition of investments or fixed or capital assets not resulting from the ordinary course of the City’s business; (ii) amounts transferred from Rate Stabilization Fund into any other fund, excluding the Operation and Maintenance Fund as provided in (a) above; and (iii) amounts transferred into the Rate Stabilization Fund.

“Operation and Maintenance Expenses” shall mean for the period in question all expenses incurred in connection with the administration and the operation of the System, including, without limiting the generality of the foregoing, such expenses as may be reasonably necessary to preserve the System in good repair and working order, principal and interest payments with respect to lease financing arrangements under Section 6.03 hereof, the fees and charges of the Trustee and the custodian or trustee of any fund, the costs of audits required hereunder, the costs of computation and payment of any arbitrage rebate, and the premiums for all insurance and fidelity bonds required by this Bond Ordinance. Operation and Maintenance Expenses shall not include:

- (a) depreciation and amortization allowances;
- (b) amounts paid as interest on Bonds;
- (c) amounts expended for extraordinary repairs to the System;
- (d) amounts paid from government grants or aids-to-construction;

(e) unfunded net pension liabilities, other post-employment benefit liabilities or similar accounting determinations that do not result in any actual disposition of cash;

(f) any financing expenses, underwriting discounts, call premiums, gains or losses on the extinguishment of debt due to the refinancing of the same, and other related or incidental non-recurring expenses resulting from the issuance or refinancing of Bonds; and

(g) any transfers to the general fund (which shall only be payable out of surplus revenues under Section 8.08 herein) to the extent such amounts have been reflected as an Operating and Maintenance Expense.

“Operation and Maintenance Fund” shall mean the fund established by the provisions of Section 7.05 hereof and which is designed to provide for the payment of all Operation and Maintenance Expenses.

“Outstanding”, when used with reference to any Bonds, subject to Section 17.01 hereof, and except as may be modified for any Series of Bonds pursuant to the provisions of a Series Ordinance, shall mean, as of any date, all such Bonds theretofore or then being authenticated and delivered except:

- (a) Bonds cancelled at or prior to such date;
- (b) Bonds in lieu of or in substitution for which other Bonds shall have been executed and delivered;
- (c) Bonds deemed to have been paid as provided in Article XVI hereof; and
- (d) for purposes of any consent or other action to be taken by the holders of a specified percentage of Bonds, Bonds, to which a Responsible Officer (as defined herein) has actual knowledge, held by, or for the account of, the City, or by any person controlling, controlled by, or under common control with the City (unless all Bonds are so held).

“Paying Agent” shall mean the financial institution which is authorized by the City Council to pay the principal of or interest on and redemption premium, if any, on any Bonds and having the duties, responsibilities and rights provided for in this Bond Ordinance and any Series Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Bond Ordinance. Pursuant to the provisions of Section 15.02 of this Bond Ordinance, the Trustee serves as the Paying Agent.

“Principal Installment” shall mean, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds due on a Bond Payment Date, reduced by the aggregate principal amount of such Bonds which would be retired by reason of the payment when due of, and application in accordance with, any mandatory sinking fund payment payable before such future date, plus (ii) any mandatory sinking fund payment due on such certain future date, together with the aggregate amount of the premiums, if any, applicable to such mandatory sinking fund payments, plus (iii) with respect to any Capital Appreciation Bonds required to be paid on such certain date, the Accreted Value as of such certain date of such Capital Appreciation Bonds; and in this latter respect, any reference to “principal” of Bonds in this Bond

Ordinance shall mean, with respect to Capital Appreciation Bonds, the Accreted Value of such Capital Appreciation Bonds.

“Rate Stabilization Fund” shall mean the fund designed to provide for the stabilization of water and sewer rates by carrying forward surplus revenues.

“Record Date” shall mean the fifteenth (15th) day of the month immediately preceding each Bond Payment Date (or such other time or times as shall be prescribed by any applicable Series Ordinance).

“Redemption Price” shall mean, with respect to Bonds of any Series or a portion thereof, the principal amount of such Bonds or portion thereof plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms, this Bond Ordinance and the applicable Series Ordinance.

“Registrar” shall mean the Trustee or any bank, trust company, or national banking association which is authorized by the City to maintain an accurate list of those who from time to time shall be the Holders of Bonds of a particular Series and to effect the transfer of such Bonds in accordance with the provisions of this Bond Ordinance and having the duties, responsibilities, and rights provided for in this Bond Ordinance and any Series Ordinance, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Bond Ordinance; however, the City Council may, pursuant to a Series Ordinance, authorize the City to serve as Registrar for the applicable Series of Bonds, in lieu of the institutions referred to above.

“Reserve Requirement” shall mean as of any date of calculation, the debt service reserve requirement, if any, established by a Series Ordinance authorizing a Series of Bonds.

“Responsible Officer” means, when used with respect to the Trustee, any vice president, assistant vice president, senior associate, associate or other officer of the Trustee having direct responsibility for the administration of this Bond Ordinance.

“Securities Depository” shall mean The Depository Trust Company, New York, New York, or any other recognized securities depository selected by the City, which securities depository maintains a book-entry system in respect of the Bonds of any Series, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

“Securities Depository Nominee” shall mean, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by any Registrar, the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book-entry system.

“Serial Bonds” shall mean the Bonds of any Series which are stated to mature in installments and for which there are no mandatory sinking fund provisions.

“Series” shall mean all of the Bonds authenticated and delivered on original issuance in a simultaneous transaction and designated as a single Series by the authorizing Series Ordinance, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for (but not to refund) such Bonds as herein provided, regardless of variations in maturity, interest rate or other provisions.

“Series Ordinance” shall mean an ordinance of City Council authorizing the issuance of a Series of Bonds pursuant to this Bond Ordinance in accordance with the terms and provisions hereof, adopted by City Council in accordance with Article IV hereof.

“South Carolina Code” shall mean the Code of Laws of South Carolina, 1976, as from time to time amended.

“Special Facilities” shall mean those facilities financed with the proceeds of Special Facilities Bonds as described in Section 6.02 hereof.

“Special Facilities Bonds” shall mean those obligations issued in accordance with Section 6.02 hereof.

“State” shall mean the State of South Carolina.

“State Treasurer’s Office” shall mean the office of the South Carolina State Treasurer.

“System” shall mean the waterworks and sewer system of the City as the same is now, or in accordance with Sections 11.02 and 11.03 of this Bond Ordinance may be constituted, all property real and personal, used and useful therefor, all apparatus and equipment used in connection therewith, and all acquisitions, replacements, enlargements, improvements, extensions, additions and betterments that may be made thereto at any time hereafter; provided, that during such time as any Special Facilities Bonds issued to finance Special Facilities are outstanding, the term “System” shall not include such Special Facilities.

“Term Bonds” shall mean the Bonds of any Series which are stated to mature in a single year and which are subject to mandatory sinking fund redemption prior to the stated maturity date.

“Trustee” shall mean the financial institution serving as Trustee pursuant to this Bond Ordinance and which shall have such other duties, privileges and functions as are set forth herein. Such term shall include any successor and any corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

“Variable Rate Bonds” shall mean, for any period of time, any Bonds which during such period bear interest at a variable rate; provided that Bonds, the interest rate on which has been fixed for the remainder of the term thereof, shall no longer be Variable Rate Bonds.

“Water Quality Authority” shall mean the South Carolina Water Quality Revolving Fund Authority.

Section 2.03 Interpretations.

In this Bond Ordinance, unless the context otherwise requires:

(A) Articles, Sections and paragraphs referred to by number shall mean the corresponding Articles, Sections and paragraphs of this Bond Ordinance.

(B) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities, including public bodies, as well as natural persons.

(C) The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder”, and any similar terms, as used in this Bond Ordinance refer to this Bond Ordinance or Sections or paragraphs of this Bond Ordinance and the term “hereafter” shall mean any date after the date of enactment of this Bond Ordinance.

(D) References to the payment of principal of Bonds shall be deemed to include payment of principal both at maturity and by mandatory redemption pursuant to any sinking fund payment obligations.

(E) Any Fiduciary shall be deemed to hold an Authorized Investment in which money is invested pursuant to the provisions of this Bond Ordinance, even though such Authorized Investment is evidenced only by a book entry or similar record of investment.

[End of Article II]

ARTICLE III - FISCAL YEAR

Section 3.01 Establishment and Modification of Fiscal Year.

The System shall continue to be operated on a Fiscal Year basis, which, until changed, shall commence on the first (1st) day of July of each year and shall end on the thirtieth (30th) day of June of the following year. The City may, by ordinance duly enacted by City Council, change the Fiscal Year at any time from that then existing to a different twelve (12) month period.

[End of Article III]

ARTICLE IV - THE BONDS

Section 4.01 Authorization for Bonds in Series.

(A) From time to time and for the purposes of:

(1) Obtaining funds for expansions, additions and improvements of the System, including the recoupment of funds already so expended;

(2) Providing funds for the payment of any bond anticipation note or notes issued in order to defray the costs of expansions, additions and improvements to the System and that were issued in anticipation of the issuance and sale of Bonds;

(3) Refunding Bonds or other obligations issued to provide land or facilities or equipment which are or are to become a part of the System or which are or were payable in whole or in part from revenues of the System;

(4) Providing funds for the payment of interest due on any Bonds;

(5) Funding any Debt Service Reserve Fund or restoring the value of the cash and securities in any Debt Service Reserve Fund to the amount equal to its Reserve Requirement, and reimbursing amounts owed to any providers of a surety bond, line of credit, insurance policy or letter of credit established pursuant to Section 7.04(E) hereof; and

(6) Paying the costs of issuance of Bonds, including any credit enhancement therefor;

but subject to the terms, limitations and conditions herein, the City Council may authorize the issuance of a Series of Bonds by the enactment of a Series Ordinance, and the Bonds of any such Series may be issued and delivered upon compliance with the provisions of this Article. The Bonds of each Series shall be issued in fully registered form, without coupons, and may be issued in the form of book-entry bonds. The Bonds shall, in addition to the title City of Walterboro, South Carolina, Waterworks and Sewer System Revenue Bonds, bear a letter or number Series designation as may be necessary to distinguish them from the Bonds of every other Series and shall designate the year in which the Series is issued. Bonds of any Series may be authorized to be issued in the form of Serial Bonds or Term Bonds, with or without mandatory sinking fund payments, or Capital Appreciation Bonds, or a combination of any of them, and may bear interest in whatever manner and payable at whatever frequency as shall be prescribed by the applicable Series Ordinance.

(B) Each Series Ordinance shall include a determination to the effect that the issuance of such Series of Bonds is necessary to provide funds to be used and expended for one or more of the purposes enumerated in paragraph (A) above. In addition each Series Ordinance shall specify and determine:

- (1) The then period of usefulness of the System;
- (2) The Date of Issue of such Series of Bonds or method for determining the same;
- (3) The maximum authorized principal amount of such Series of Bonds, and the manner of determining the precise principal amount and the officials authorized to make such determination;
- (4) Bond Payment Dates and the date or dates of maturity and the amounts thereof, or the manner of determining such dates and amounts and the officials authorized to make such determinations, provided that the Series Ordinance shall specify a date beyond which the final maturity of such Series shall not extend, which date shall not be longer than forty-five (45) years from the Date of Issue of such Series of Bonds as prescribed by Section 6-21-220 of the Enabling Act;
- (5) The purposes for which such Series of Bonds are being issued;
- (6) The title and designation of the Bonds of such Series;
- (7) The manner in which Bonds of such Series are to be sold and provisions for the sale thereof;
- (8) The interest rate or rates, or the manner of determining such rate or rates, of the Bonds of such Series, including whether and on what terms there shall be entered by the City an agreement for any form of interest rate swap or similar transaction with respect to such Series;
- (9) The portion of such Series that are Serial Bonds and that are Term Bonds and that are Capital Appreciation Bonds, if any, including the amount and date of each mandatory redemption or sinking fund installment, if any, required by such Series Ordinance to be paid for the retirement of any such Bonds, or the manner of making such designations and the officials authorized to make such designations;
- (10) The Redemption Price or Redemption Prices and the redemption date or redemption dates and other terms of redemption, if any, applicable to any of the Bonds of such Series for such payments, or the manner of determining such dates and prices and the officials authorized to make such determinations;
- (11) The Trustee, the Paying Agent, and the Registrar for such Bonds and if other than the Trustee, the manner of determining the Paying Agent, the Registrar and the escrow agent, if such Bonds are refunding Bonds;
- (12) The form or forms of the Bonds of such Series;

(13) The manner of numbering and lettering, and the denomination or denominations of the Bonds of such Series;

(14) Whether the Bonds of such Series shall be issued in book-entry form pursuant to Section 4.20 hereof;

(15) That the then applicable Reserve Requirement, if any, for all Series of Bonds Outstanding have been met;

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

(17) That a Debt Service Fund shall be and a Debt Service Reserve Fund may be established for the Series of Bonds, and that a construction fund be established if the proceeds of the Bonds of any Series are intended to be used for the expansion or improvement of the System, and that a capitalized interest account and/or a cost of issuance account be established as a standalone account or within any such construction fund if interest for any period is to be paid from proceeds of such Series of Bonds; and

(18) Any other provisions or funds deemed advisable by the City for the Bonds and any other applicable redemption requirement for the Bonds of such Series and the method of satisfying the same and not in conflict with or in substitution for the provisions of this Bond Ordinance.

Section 4.02 Conditions to Issuance of Bonds of a Series.

All Bonds shall be issued in compliance with the following provisions of this Section 4.02:

(1) Bonds shall be stated to mature and/or have mandatory or sinking fund redemptions on such day or days in the years and amounts prescribed or approved by the Series Ordinance.

(2) Bonds shall bear interest at the rate or rates and on the occasions prescribed or approved by the Series Ordinance.

(3) Bonds shall be issued for a purpose or purposes set forth in Section 4.01(A) herein.

(4) There shall exist, on the occasion of the issuance of the Bonds, no default in the payment of the principal of or interest on any Bonds or any Junior Lien Bonds then Outstanding.

(5) Unless on the date of delivery of such Series of Bonds there shall be on deposit in each Debt Service Reserve Fund the amount equal to the applicable Reserve Requirement, there shall be deposited in such Debt Service Reserve Funds such amounts

as may be necessary to make the value of the moneys and securities in each Debt Service Reserve Fund equal to the applicable Reserve Requirement, unless:

(a) the Series Ordinance and any previous Series Ordinances shall have provided for successive monthly payments beginning in the first month following the date of the issuance of the Bonds of any such Series in substantially equal monthly amounts (the "*Monthly Series Payments*") so that by the end of twelve (12) months from the date of issuance of such Series of Bonds there shall be in the applicable Debt Service Reserve Fund an amount equal to the applicable Reserve Requirement with respect to such Bonds; and

(b) there shall be no unremedied defaults of any Monthly Series Payments required to have been made.

(6) Except in the case of the first Series of Bonds issued hereunder or in the event no Bonds are Outstanding, or in the case of Bonds issued for the purpose of refunding any Bonds and which meet the test prescribed in Section 4.02(7) hereof:

Net Earnings during the most recent Fiscal Year for which audited financial statements of the System are completed shall be certified by the Auditors or the Independent Consultant on the basis of such audited financial statements to be not less than one hundred twenty percent (120%) of the maximum Annual Principal and Interest Requirements on all Bonds Outstanding and on such proposed Series of Bonds; provided that for purposes of this Section 4.02(6), such Net Earnings may be adjusted to reflect (1) any rate increases currently adopted and to be in effect prior to, coincident with or during the current Fiscal Year of the issuance of such proposed Series of Bonds and determined pro forma as though such rate increases had been in continuous effect during such recent Fiscal Year; (2) in the event a utility, system or enterprise that is in existence and operating and whose current customers have become customers of the System prior to the issuance of the proposed Series of Bonds or will become customers of the System concurrently with the issuance of such proposed Series of Bonds, 100% of the Net Earnings that the Auditors or the Independent Consultant estimate would have been received during such Fiscal Year if the utility, system or enterprise had been a part of the System throughout such recent Fiscal Year, taking into account, for the estimation of such Net Earnings in this subparagraph (2) only, the then-existing customer base and population of the acquired utility, system or enterprise; (3) in the event proceeds of such proposed Series of Bonds will be used to construct or to acquire a newly-constructed utility, system, enterprise, or component of the System which will serve an existing customer base and currently-populated area, 100% of the Net Earnings, estimated by the Independent Consultant, to be received by the System during the first Fiscal Year beginning after the date on which such project constructed or acquired with the proceeds of the proposed Series of Bonds is placed in service, taking into account for the estimation of such Net Earnings in this subparagraph (3) only the then-existing

customer base and population; (4) in the event proceeds of such proposed Series of Bonds will be used to pay interest on such proposed Series, 100% of the interest that will accrue on such Series of Bonds following the date of delivery of the proposed Series and that will be paid from such proceeds; and (5) in the event proceeds of such proposed Series of Bonds will be used to construct or to acquire an expansion to the System and to the extent not included by sub-paragraph (3), 100% of estimated Net Earnings to be received by the System in the first Fiscal Year following the completion of such project, certified by the Independent Consultant, from customers under long-term contracts which extend for the life of such proposed Series of Bonds.

Provided that in the instance of any Series of Bonds in the aggregate principal amount of \$2,500,000 or less, such calculation required by Section 4.02(6) may, unless provided to the contrary in any Series Ordinance, be made by the Chief Financial Officer.

In the event that a Series of Bonds is Outstanding and the City determines to issue a note or other obligation in anticipation of the issuance of a Series of Bonds, for the purposes of complying with the additional bonds test established in this Section 4.02(6) above, the Auditors, the Independent Consultant or the City (as applicable) shall project the maturity schedule (including rate, term and principal maturities) of the future Series of Bonds that will be used to pay the note or other obligation at maturity; such future Series of Bonds and the accompanying projections shall qualify as a proposed Series of Bonds for purposes of the additional bonds test in Section 4.02(6) herein.

Whenever this Section 4.02(6) requires a certification for the most recent Fiscal Year for which audited financial statements are available, the City may, in its discretion, provide for a special audit and a certification based upon such special audit, in lieu of the audit for such Fiscal Year, provided such special audit covers twelve (12) consecutive calendar months of the eighteen (18) full consecutive calendar months preceding the date of issuance of the proposed Series of Bonds.

(7) In the case of Bonds issued for the purpose of refunding any Bonds, Series of Bonds, or a portion of a Series of Bonds:

(a) the Annual Principal and Interest Requirement of the refunding Bonds shall not exceed one hundred ten percent (110%) of the Annual Principal and Interest Requirement of the refunded Bonds for any Fiscal Year until a time subsequent to the last maturity of Bonds issued prior to the issuance of such refunding Bonds which are not refunded and which remain Outstanding following the issuance of the refunding Bonds; or

(b) the additional bonds test prescribed by paragraph (6) herein shall be complied with.

(8) Any Series Ordinance authorizing a Series of Bonds may prescribe, in addition to the requirements set forth in Sections 4.02(6) and 4.02(7) hereof, further

requirements that must be met for the issuance of Bonds on a parity with Outstanding Bonds.

(9) If any Series of Bonds shall contain Variable Rate Bonds:

(a) The Series Ordinance shall provide for and specify a maximum interest rate on (i) such Bonds and (ii) any reimbursement obligation to a liquidity provider for such Bonds;

(b) The liquidity provider for such Bonds shall be rated within the highest two short term rating categories by any rating agency then rating any Series of Bonds; and

(c) Any accelerated principal payments or any interest computed at a rate in excess of that on such Bonds due to the liquidity provider for such Bonds pursuant to any reimbursement agreement with such liquidity provider shall be subordinate to the payment of debt service on all Bonds; provided, however, if either of the tests referred to in Section 4.02(6) or 4.02(7) of this Bond Ordinance is calculated (and met) assuming such accelerated principal payment and such excess interest amount to the liquidity provider, then such accelerated principal payment and excess interest amount may be on a parity with the payment of debt service on all Bonds.

(10) All amounts then due under a reimbursement agreement with any provider of a surety bond, line of credit, insurance policy or letter of credit as contemplated under Section 7.04(D) hereof shall have been paid.

Section 4.03 Reliance on Certificates.

Each of the City, the Trustee and any purchaser of any Bonds shall be entitled to conclusively rely upon certificates of the Auditors and the certificates and reports of the Independent Consultant and certificates of any Insurance Consultant, made in good faith, pursuant to any provision of this Bond Ordinance.

Section 4.04 Execution of Bonds.

(A) Unless otherwise prescribed by any Series Ordinance, the Bonds shall be executed in the name of and on behalf of the City by the Mayor of the City or in his absence the Mayor Pro-Tempore, the corporate seal of the City shall be impressed or reproduced thereon and the same shall be attested by the Clerk. Such officers may employ facsimiles of their signatures.

(B) In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

Section 4.05 Authentication.

Only such Bonds as shall have endorsed thereon a certificate of authentication duly executed by the Trustee or the Registrar shall be entitled to any right or benefit under this Bond Ordinance. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee or Registrar, and such executed certificate of the Trustee or Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Ordinance. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by any authorized signatory of the Trustee or by any authorized officer of the Registrar.

Section 4.06 Medium of Payment.

The Bonds shall be payable with respect to principal, interest, and premium, if any, in lawful money of the United States of America, unless otherwise provided in a Series Ordinance.

Section 4.07 Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Trustee may authenticate a new Bond of the same Series of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City and to the Trustee evidence of such loss, theft or destruction satisfactory to the City and the Trustee together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the City shall pay the same. The City and the Trustee may charge the Holder or owner of such Bond with their reasonable fees and expenses (including reasonable attorney's fees, costs and expenses) in connection with such actions.

Section 4.08 Transfer and Registry; Persons Treated as Owners.

(A) As long as any Bonds shall be Outstanding, the City shall cause books for the registration and for the transfer of Bonds to be kept. Such books shall be kept by the Trustee unless there shall have been appointed a Registrar other than the Trustee to keep the books of registration for any particular Series of Bonds. The transfer of each Bond may be registered only upon the registration books of the City kept for that purpose by the registered owner thereof in person or by his duly authorized attorney upon surrender thereof and an assignment with a written instrument of transfer satisfactory to the Trustee or the Registrar, as the case may be, duly executed by the registered owner or his duly authorized attorney. Upon the registration or transfer of any Bond, the City shall cause to be issued, subject to the provisions of Section 4.11 hereof, in the name of the transferee a new Bond or Bonds of the same aggregate principal amount, maturity and interest rate as the surrendered Bond.

(B) The City, the Trustee, and any Registrar may deem and treat the person in whose name any Bond shall be registered upon the registration books of the City as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment

of, or on account of, the principal of, premium (if any) and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or, upon his order, shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid; and none of the City, the Trustee and any Registrar shall be affected by any notice to the contrary.

(C) Notwithstanding anything in paragraphs (A) and (B) of this Section 4.08 to the contrary, Bonds may be issued in the form of contractual obligations which are not instruments and which may be transferred as provided in such contracts.

Section 4.09 Date and Payment Provisions.

Unless otherwise provided in any Series Ordinance with respect to Bonds issued thereunder, each Bond of a Series shall be authenticated on such dates as they shall, in each case, be delivered. Each Bond shall bear interest from the Date of Issue if no interest has yet been paid; otherwise from the last date to which interest has been paid and which date is on or prior to the date of such Bond's authentication.

Owners of at least \$1,000,000 principal amount of Bonds may, by written notice containing wiring instructions filed with the Trustee at least twenty (20) days prior to any Bond Payment Date, provide for the payment of the interest on such Bonds by wire transfer to an account at a bank located in the continental United States.

Section 4.10 Transferability of Bonds.

Bonds of a Series, upon surrender thereof at the office of the Trustee or the Registrar, as the case may be, for the Bonds of such Series with a written instrument of transfer satisfactory to the Trustee or the Registrar, duly executed by the Holder or his duly authorized attorney, may, at the option of the Holder and upon payment by such Holder of any charges made pursuant to Section 4.11 hereof, be exchanged for an equal aggregate principal amount of Bonds of such Series of like maturity and interest rate of any other authorized denominations.

Section 4.11 Regulations With Respect to Exchanges and Transfer.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the City shall execute and the Trustee or the Registrar, as the case may be, shall authenticate and deliver Bonds in accordance with the provisions of this Bond Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee or the Registrar, as the case may be, to the City. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Ordinance. There shall be no charge to the Holder for such exchange or transfer of Bonds except that the Trustee or the Registrar, as the case may be, may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer. Neither the City nor the Trustee or the Registrar, as the case may be, shall be required to register, transfer or exchange Bonds of a Series during the period between a Record Date and its related

Bond Payment Date, or to register, transfer or exchange any Bonds called for redemption after the mailing of any notice of redemption of such Bond.

Section 4.12 Cancellation and Destruction of Mutilated, Paid or Surrendered Bonds.

Upon the surrender of mutilated Bonds pursuant to Section 4.07 hereof, or Bonds paid or surrendered, the same shall be cancelled and destroyed and shall not be reissued, and a counterpart of the certificate evidencing such destruction shall be furnished by the Trustee or the Registrar, as the case may be, to the City. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Ordinance.

Section 4.13 Notice of Redemption.

If any of the Bonds, or portions thereof, are called for redemption, the Trustee, shall give notice to the Holders of any Bonds to be redeemed, in the name of the City, of the redemption of such Bonds, or portions thereof. Notice of each redemption of Bonds is required to be delivered by the Trustee at least thirty (30) but no more than sixty (60) days prior to the redemption date to each registered owner of Bonds to be redeemed, at the address of such owner recorded on the bond register and to be otherwise given in accordance with, among others, the following requirements:

(1) notices must contain, at a minimum, the complete official name of the Bonds, CUSIP number (if any), Bond numbers, principal amount of each Bond to be redeemed (if less than all), publication date, redemption date, redemption price, redemption agent's name and address with contact person and phone number, Trustee's name and address, date of the Bonds, interest rate, maturity date, the place or places where amounts due will be payable, and any other descriptive information deemed necessary by the Trustee;

(2) notices must be sent to Bondholders of \$1,000,000 or more, to the Municipal Securities Rulemaking Board, if necessary (via its Electronic Municipal Market Access (EMMA) system, as may be amended or modified), and any Securities Depository by such method or such other method as is standard in the industry; in addition, any Bondholder holding in excess of \$1,000,000 principal amount of Bonds may request the Trustee to send notices to any additional addressee specified;

(3) a second notice to registered owners of the Bonds must be mailed by the means specified above to any registered owner of Bonds who has not presented Bonds for redemption sixty (60) days after the redemption date;

(4) notice of redemptions effected by advance refundings must also be given notice in accordance with the above requirements at least thirty (30) days but no more than sixty (60) days prior to the actual redemption date; and

(5) CUSIP number identification (if any) with appropriate dollar amounts for each CUSIP number must accompany all redemption payments and interest payments, whether by check or by wire transfer.

The obligation to provide notice shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments or Government Obligations sufficient to pay the redemption price of the Bonds to which such notice relates or the interest thereon to the redemption date.

If at the time of mailing of a notice of redemption, there shall not have been deposited with the Trustee or Paying Agent moneys sufficient to redeem all the Bonds or portions thereof called for redemption, which moneys are or will be available for redemption of such Bonds, such notice is required to state that it is conditional on the deposit of the redemption moneys with the Trustee or Paying Agent not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

The failure of the Trustee to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any other Bonds for which notice is properly given. Any Bondholder may waive notice of redemption by delivery of a written waiver to the Trustee.

Any Series Ordinance providing for the issuance of Bonds consisting of contractual obligations not in the form of an instrument or providing for Bonds in bearer form may provide alternative methods for delivery of notice of redemption.

Provided sufficient funds for such redemption are on deposit with the Trustee, all Bonds so called for redemption shall cease to bear interest on the specified redemption date and shall no longer be deemed to be Outstanding hereunder. If said money shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.14 Cancellation of Bonds Which Have Been Redeemed.

All Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued, and a counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the City. All Bonds so destroyed shall thereafter no longer be considered Outstanding for any purposes of this Bond Ordinance.

Section 4.15 Restriction on Optional Redemption.

Notwithstanding anything in this Bond Ordinance to the contrary, no optional redemption of Bonds may occur unless all amounts payable by the City owing under a reimbursement agreement with any provider of a surety bond, line of credit, insurance policy or letter of credit as contemplated under Section 7.04(D) hereof shall have been paid in full.

Section 4.16 Selection of Bonds To Be Redeemed.

In the event that less than all of the Bonds of any Series are to be redeemed at the option of the City, Bonds to be redeemed shall be in such order of maturity as selected by the City. In the event of redemption of less than all of the Bonds of a Series of any maturity, the Bonds or portions of Bonds to be redeemed, shall be selected by lot by the Trustee. The portion of any Bond of a denomination which is larger than the minimum denomination for the Bonds of such Series shall be in the principal amount of such minimum denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of minimum denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by the amount of the minimum denomination; provided further that, if less than all of the beneficial interests in a Bond of a single maturity registered in the name of a Securities Depository or a Securities Depository Nominee are to be redeemed, the beneficial interests to be redeemed shall be selected by lot or in such manner as may be directed by the Securities Depository. If there shall be drawn for redemption less than all of a Bond, the City shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of the same Series in any authorized denomination. The procedures for selection of Bonds of a Series for redemption set forth in this Section 4.16 are subject, however, to any alternative provisions set forth in a Series Ordinance applicable to such Series of Bonds.

Section 4.17 Purchase of Bonds.

The Trustee shall, if and to the extent practicable, purchase Bonds at the written direction of the City at such time, in such manner and at such price as may be specified by the City. The Trustee may so purchase Bonds with any money then held by the Trustee which is available for the redemption or purchase of Bonds and in excess of that set aside for the payment of Bonds called for redemption; provided, that the Trustee is provided with an opinion of Bond Counsel to the effect that such redemption or purchase complies with any limitations or restrictions on such redemption or purchase contained in this Bond Ordinance.

Section 4.18. Bonds Issued as Taxable Obligations.

Notwithstanding anything in this Bond Ordinance to the contrary, the City may from time to time, pursuant to one or more Series Ordinances, provide for the issuance of Bonds the interest on which may be includable in gross income of the Holders of such Bonds for federal income taxation purposes. In such event, such Bonds may, at the option of the City, be issued as coupon bonds, payable to bearer, as provided in the applicable Series Ordinance. Such Series Ordinance shall provide such rules and regulations with respect to the ownership, transfer and substitution of such Bonds as are not inconsistent with the other provisions of this Bond Ordinance.

Section 4.19 Security for Payment of Bonds: Priority of Lien.

The Bonds shall be payable solely from and shall be secured by a pledge of the Gross Revenues. Pursuant to the provisions of Section 6-21-330 of the Enabling Act and as additional

security for the payment of all Bonds, a statutory lien on the System is hereby created and granted. Such pledge and lien securing the Bonds shall at all times and in all respects be and remain superior to pledges and liens made and given to secure any other bonds or other obligations payable from the revenues of the System. The Bonds shall not constitute an indebtedness of the City within the meaning of any provision, limitation or restriction of the Constitution or the laws of the State, other than those provisions authorizing indebtedness payable solely from a revenue-producing project not involving revenues from any tax or license, and the faith, credit and taxing power of the City are expressly not pledged therefor. The City is not obligated to pay any of the Bonds or the interest thereon except from the Gross Revenues.

Section 4.20 Bonds in Book-Entry Form.

Notwithstanding any other provision of this Bond Ordinance with respect to the form of Bonds to the contrary, a Series Ordinance may provide for the issuance of one or more Series of Bonds solely in fully registered form registerable to a Securities Depository, a Securities Depository Nominee or the beneficial owner of the Bonds. The Series Ordinance may further provide that such Series of Bonds shall be evidenced by one or more certificates or by a system of book entries in a form satisfactory to the Chief Financial Officer and to provide for payment, redemption, notices and like provisions in a manner consistent with such system of registration.

Section 4.21 Waiver of Certain Provisions.

Notwithstanding anything in this Bond Ordinance to the contrary, whenever all of the debt issued or all of the obligations incurred by the City under a Series Ordinance are acquired by and are held by a single entity, that single entity, at its sole option, may waive any provision or requirement of this Bond Ordinance that relates separately to the governance of such Series and is for the protection and benefit of such single entity only and not for the protection or benefit of any other Holder or Holders of Bonds.

[End of Article IV]

ARTICLE V - RATES AND CHARGES

Section 5.01 Rate Covenant.

(A) It is hereby determined that the rates for services and facilities furnished by the System shall, until otherwise revised, be as now established. Said rates and charges are determined to be sufficient to meet the requirements of this Bond Ordinance but they shall be revised by the City Council whenever necessary in order that they shall at all times be maintained on a basis sufficient to meet the requirements of this Bond Ordinance. The City specifically covenants and agrees to maintain rates and charges for all services furnished by the System which shall at all times be sufficient:

- (1) To maintain the Debt Service Funds and thus provide for the punctual payment of the principal of and interest on the Bonds;
- (2) To maintain the Debt Service Reserve Funds in the manner prescribed herein and in any applicable Series Ordinance;
- (3) To provide for the payment of the Operation and Maintenance Expenses as may be necessary to preserve the same in good repair and working order;
- (4) To build and maintain a reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions to the System other than those necessary to maintain the same in good repair and working order;
- (5) To pay all amounts owing under a reimbursement agreement with any provider of a surety bond, insurance policy or letter of credit as contemplated under Section 7.04(D) hereof;
- (6) To provide for the punctual payment of the principal of and interest on all Junior Lien Bonds that may from time to time hereafter be outstanding; and
- (7) To discharge all obligations imposed by the Enabling Act and by this Bond Ordinance and any applicable Series Ordinance.

(B) The City covenants and agrees that it will, at all times, prescribe and maintain and thereafter collect rates and charges for the services and facilities furnished by the System which, together with other income, are reasonably expected to yield annual Net Earnings in the current Fiscal Year equal to at least the sum of one hundred twenty percent (120%) of the Annual Principal and Interest Requirement in such Fiscal Year for all Bonds Outstanding. Promptly upon any material change in the circumstances which were contemplated at the time such rates and charges were most recently reviewed, but not less frequently than once in each Fiscal Year, the City, with or without the aid of an Independent Consultant, shall review the rates and charges for its services and shall promptly revise such rates and charges as necessary to comply with the foregoing requirement. Prior to the beginning of each Fiscal Year, the City shall adopt an Annual Budget including amended rate schedules for such Fiscal Year which shall set forth in reasonable

detail the estimated revenues and operating expenses and other expenditures of the System for such Fiscal Year which shall include the amount to be deposited during such Fiscal Year in the Depreciation and Contingent Fund. The City may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year.

(C) If the City, in adopting the Annual Budget, determines that revenues may not be sufficient to meet the rate covenant established hereinabove or if the audited financial statements of the City indicate that the City did not satisfy the rate covenant for the prior year, the City shall, within forty-five (45) days, engage an Independent Consultant to prepare a report recommending such actions which will provide sufficient revenues in the following Fiscal Year to permit the City to meet the rate covenant. Copies of such report shall be made available to the City and the Trustee no later than sixty (60) days after the engagement of the Independent Consultant.

The City agrees that it shall use its best efforts to effect such changes recommended by the Independent Consultant in its report. So long as the City uses its best efforts to comply with such recommendations, failure to comply with the rate covenant shall not constitute an Event of Default under Article XIII hereof; provided however, a failure to comply with the rate covenant for a period of two consecutive Fiscal Years shall constitute an Event of Default.

[End of Article V]

ARTICLE VI - JUNIOR LIEN BONDS AND SPECIAL FACILITIES BONDS

Section 6.01 Right to Issue Junior Lien Bonds; Accession Thereof to Status of Bonds.

Notwithstanding that Bonds may be Outstanding, the City may at any time, and without limitation and free of all conditions issue Junior Lien Bonds, in such amount as it may from time to time determine, payable from the revenues of the System, provided that the pledge of revenues of the System granted for the protection of said Junior Lien Bonds, shall at all times be and remain subordinate and inferior in all respects to the pledges of revenues made or authorized for the Bonds and to the payment of all Operation and Maintenance Expenses; and provided, further, that the maturity of Junior Lien Bonds may not be accelerated and paid in full unless all of the Bonds shall have been paid or provision therefor has been made pursuant to Article XVI hereof.

By proceedings authorizing the issuance of Junior Lien Bonds, the City may provide for the accession of such Junior Lien Bonds to the status of Bonds provided all of the following conditions are met. Any such subsequent proceedings adopted by the City Council providing for such accession shall make the findings provided in subparagraphs (1) through (4) and state whether and to what extent a Debt Service Reserve Fund shall be established as set forth in subparagraph (5).

(1) The Junior Lien Bonds were issued for a purpose or purposes set forth in Section 4.01(A) hereof.

(2) There shall exist on the date of accession (a) no default in the payment of the principal of or interest on any Bonds or any Junior Lien Bonds then Outstanding, (b) no default in the performance of any duties required under the provisions of this Bond Ordinance, and (c) no amount owed by the City with respect to the full funding of a Debt Service Reserve Fund, either by way of cash or reimbursement of any other funding mechanism, except in accordance with Section 4.02(5)(a) hereof.

(3) There shall be deposited in the Debt Service Fund for such Series of newly-acceded Bonds the amounts which would have been required under the provisions of Section 8.02 hereof to be accumulated therein on the date of accession if said Junior Lien Bonds had originally been issued as Bonds.

(4) On the date of accession, the earnings tests prescribed by Section 4.02(6) hereof shall have been met.

(5) In the event such proceedings require a Reserve Requirement to be maintained for such Series of newly-acceded Bonds, then in such event, there shall be on deposit on the date of accession in a Debt Service Reserve Fund an amount equal to the Reserve Requirement established for such Junior Lien Bonds which are being acceded to the status of Bonds.

(6) The City shall obtain an opinion of Bond Counsel to the effect that: (a) this Bond Ordinance and the proceedings authorizing such Junior Lien Bonds have been duly adopted and are in full force and effect; (b) the Junior Lien Bonds have been duly and lawfully authorized and executed by the City and are valid and binding upon, and

enforceable against, the City (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting rights and remedies of creditors); and (c) this Bond Ordinance creates the valid pledge which it purports to create of the revenues and of moneys and securities on deposit in any of the funds established hereunder subject to the application thereof to the purposes and on the conditions permitted by this Bond Ordinance.

(7) In the event such Junior Lien Bonds were issued with variable rates, the provisions of subparagraph (8) of Section 4.02 shall have been met.

Section 6.02 Right to Issue Special Facilities Bonds.

The City shall have at all times the right to enter into contracts, leases or other agreements pursuant to which it will agree to construct, operate and pay the costs of Special Facilities to be financed by its issuance of Special Facilities Bonds, subject to the following conditions:

(A) It shall have been determined to the satisfaction of the City that the rents, revenues or receipts to be derived from the Special Facilities shall be at least equal to the principal, interest and any reserve requirements contained in the ordinance authorizing such Special Facilities Bonds and to pay all operation, maintenance and other costs and expenses applicable to such Special Facilities; and

(B) The revenues derived from Special Facilities need not be deposited in the Gross Revenue Fund, and may be pledged to secure Special Facilities Bonds; but no debt service or other costs or expense related to any Special Facilities may be paid from System revenues deposited in the Gross Revenue Fund except pursuant to Section 8.08 hereof.

For purposes of this Section 6.02, the term "Special Facilities" shall include all or a portion of water or sewer facilities (or those enterprises, if any referred to in Section 11.02 hereof) and rights to all or a portion of the use of, or the capacity available from, any such facilities.

Section 6.03 Lease Financing Agreements.

The City shall have at all times the right to enter into capital leases or other lease financing agreements secured by a lien on the property, plant and equipment comprising a part of the System; provided, however, that: (1) the aggregate principal amount of such obligations outstanding at any time shall not exceed ten percent (10%) of the value of the property, plant and equipment of the System, less accumulated depreciation, as shown on the audited balance sheet of the City for the most recent Fiscal Year for which audited financial statements are available; and (2) the loss of the property secured by the lien will not materially adversely affect the ability of the City to meet its financial obligations under this Bond Ordinance.

[End of Article VI]

ARTICLE VII - ESTABLISHMENT OF FUNDS

Section 7.01 Requirement for Special Funds.

For so long a time as any sum remains due and payable by way of principal or interest on Bonds, the following funds or accounts relating to the Gross Revenues of the System shall be established and maintained, and deposits shall be made therein in the manner herein required.

Section 7.02 The Gross Revenue Fund.

(A) There shall be established and maintained a fund or account designated as the Gross Revenue Fund. This account shall be so maintained as to accurately reflect:

- (1) the Gross Revenues of the System; and
- (2) Net Earnings.

(B) Except as otherwise specifically directed or permitted herein, all Gross Revenues of the System shall be deposited in accordance with and in the manner prescribed by Article VIII hereof into this fund. Money in the Gross Revenue Fund shall be withdrawn and made use of only in the manner and in the order of priority specified in Article VIII hereof. So long as the City establishes, from an accounting standpoint, proper records of receipts and disbursements for the Gross Revenue Fund, the Gross Revenue Fund may be used for the purposes of the Operation and Maintenance Fund, the Depreciation and Contingent Fund, subject to the prior applications of the amounts in the Gross Revenue Fund for the purposes set forth in Sections 7.03 and 7.04 hereof.

Section 7.03 Debt Service Funds.

(A) There shall be established and maintained a Debt Service Fund for each Series of Bonds Outstanding. The respective Debt Service Funds are intended to provide for the ratable payment of the principal of, redemption premium, if any, and interest on the respective Series of Bonds as the same respectively fall due. Payments into such Debt Service Funds shall be made in the manner prescribed by this Bond Ordinance, including the applicable provisions of Article VIII hereof, and, except as herein provided, all money in the respective Debt Service Funds shall be used solely to pay the principal of, redemption premium, if any, and interest on the respective Series of Bonds, and for no other purpose. Each Debt Service Fund shall bear a number Series designation as may be necessary to distinguish each Debt Service Fund.

(B) The Debt Service Funds shall be kept in the complete custody and control of the Trustee and withdrawals from the Debt Service Funds shall be made only by such Trustee who shall transmit to each Bondholder, at such times as may be appropriate, the sums required to pay the principal of, redemption premium, if any, and interest on the respective Series of Bonds. Amounts held by the Trustee due to non-presentment of Bonds on any redemption date must be retained by the Trustee for a period of at least one year after the final maturity of such Bonds. Provided, however, in the event (1) a Series of Bonds is purchased by a single institution and thereafter held by a single Bondholder, and (2) there is not established for such Series of Bonds a Reserve Requirement, the Debt Service Fund established for such Series of Bonds may be held

by the Holder of that Series of Bonds, and the Holder of any such Series of Bonds must provide to the Trustee, as and when requested by the Trustee, a written certificate containing current information as to the principal Outstanding, the redemption premium, if any, and accrued interest on such Series of Bonds, and, if the Holder of such Series of Bonds does not provide the Trustee such written certificate within five (5) Business Days of a request by the Trustee, the Trustee, for all purposes of this Bond Ordinance, shall conclusively assume that such Series of Bonds has been paid in accordance with the original tenor of such Series of Bonds.

(C) Money in the Debt Service Funds shall be invested and reinvested by the Trustee at the written direction of the Chief Financial Officer or his designee in Authorized Investments, maturing not later than the date on which such money is required to pay the principal of, premium, if any, and interest on the next occurring maturity of the Bonds. The Trustee shall have no responsibility for the investment of money in a Debt Service Fund that is not held by the Trustee. Unless otherwise provided in a Series Ordinance, all earnings from such investments shall be added to and become a part of the Debt Service Fund in which such investments are held, but shall be credited against payments that would otherwise be made to such Debt Service Fund pursuant to the provisions of Section 8.02 hereof.

(D) All monies received by the Trustee as Interest Payment Subsidies shall be deposited in the Debt Service Fund for such Series of Bonds and used to pay debt service on the Series of Bonds with respect to which such Interest Payment Subsidy was received.

(E) Within each Debt Service Fund, the Trustee, or as otherwise provided in the Series Ordinance, is authorized to create sub-accounts, as it determines necessary for the timely payment of the principal of, interest on, and sinking fund installments due on the Bonds.

Section 7.04 The Debt Service Reserve Funds.

(A) Each Series Ordinance may create a Debt Service Reserve Fund for the Series of Bonds authorized thereby. Any such Debt Service Reserve Fund shall be for the equal and ratable benefit only of Bonds of that Series. Each such Debt Service Reserve Fund is intended to insure the timely payment of the principal of, and premium, if any, and interest on, that Series of Bonds, and to provide for the redemption of such Bonds prior to their stated maturities. Any Debt Service Reserve Fund shall be maintained in an amount equal to the Reserve Requirement for such Series of Bonds. Unless otherwise provided in a Series Ordinance, money in a Debt Service Reserve Fund shall be used for the following purposes, and for no other:

(1) To prevent a default in the payment of the principal of or interest on that Series of Bonds, by reason of the fact that money in its Debt Service Fund is insufficient for such purposes;

(2) To pay the principal of, interest on, and redemption premium, if any, of the Bonds of that Series in the event that all Outstanding Bonds of that Series be redeemed as a whole; or

(3) To effect partial redemption of the Bonds of that Series; but subject to the restrictions of Section 4.15 hereof and provided that subsequent to said partial

redemption, the market value of the cash and securities in the Debt Service Reserve Fund shall be not less than the Reserve Requirement therefor.

Notwithstanding the provisions of Section 7.04(A)(1-3) above and as permitted by the Code and Section 4.21 hereof, if the Debt Service Reserve Fund was funded with cash generated by the System, then, upon the written consent of the Holder of such Series of Bonds secured by such Debt Service Reserve Fund, the monies in such Debt Service Reserve Fund may be returned to the City. The requirements for and provisions governing any Debt Service Reserve Fund in the remainder of this Bond Ordinance shall, in references to "the Debt Service Reserve Fund", "the Reserve Requirement" and "the Bonds", be deemed to refer to each such Debt Service Reserve Fund created by a Series Ordinance, if any, and in each case to the respective Reserve Requirement for the respective Series of Bonds, and to Bonds only of that respective Series and not to any other Bonds.

(B) (1) Except as provided in (B)(2) below, each Debt Service Reserve Fund shall be kept in the complete custody and control of the Trustee and withdrawals therefrom shall be made only by the Trustee who shall transmit to the Bondholders, at such times as may be appropriate, the sums required to pay the principal of, redemption premium, if any, and interest on the Bonds.

(2) If a Series of Bonds is held by the Water Quality Authority, then the Debt Service Reserve Fund for such Series of Bonds may be kept in the custody and control of the State Treasurer's Office and invested in the Local Government Investment Pool in Authorized Investments. Withdrawals therefrom shall be made only as directed by the Water Quality Authority at such times as may be required to pay the principal and interest on such Series of Bonds. Any withdrawal of the monies in a Debt Service Reserve Fund that exceeds the Reserve Requirement shall be transferred in accordance with the provisions of Section 7.04(C) hereof.

(C) Except as provided in Section 7.04(B)(2) herein, money in a Debt Service Reserve Fund shall be invested and reinvested by the Trustee at the written direction of the Chief Financial Officer or his designee in Authorized Investments. Subject to the remaining provisions of this paragraph (C), the earnings from such investments shall be added to and become a part of the Debt Service Reserve Fund. Except as provided in a Series Ordinance, if as of any date of calculation, the value of the securities and money in a Debt Service Reserve Fund shall exceed its Reserve Requirement, such excess shall either be used to effect partial redemption of Bonds of that Series, or shall be removed from such Debt Service Reserve Fund and, either (i) transferred into the applicable Debt Service Fund, as directed in writing by the Chief Financial Officer, or (ii) transferred to the Gross Revenue Fund, as permitted by the provisions of the Code.

(D) In the event a Series Ordinance requires a Debt Service Reserve Fund to be established for a Series of Bonds, unless otherwise required by such Series Ordinance, the City, in lieu of the deposit of moneys into a Debt Service Reserve Fund, may alternatively satisfy the Reserve Requirement by causing to be so credited an irrevocable and unconditional surety bond, line of credit, letter of credit or insurance policy equal to the Reserve Requirement therefor.

(E) In the event the amount credited to a Debt Service Reserve Fund under a surety bond, letter of credit, or insurance policy (the "*Original Funding Instrument*") also includes amounts available under another surety bond, letter of credit, or insurance policy (the "*Additional Funding Instrument*"), draws on the Original Funding Instrument and the Additional Funding Instrument shall be made on a pro rata basis to fund any insufficiency in the Debt Service Fund. In the event a Debt Service Reserve Fund is funded with both monies and a surety bond, letter of credit, or insurance policy (1) any withdrawals from such Debt Service Reserve Fund shall be made first from such monies (or the liquidation of investments made therewith) and second from such surety bond, line of credit, letter of credit, or insurance policy, and (2) cash deposits to such Debt Service Reserve Fund shall be used first to restore the cash balance and second to reinstate the surety bond, line of credit, letter of credit, or insurance policy. The surety bond, line of credit, letter of credit, or insurance policy shall be payable (upon the giving of notice as required thereunder) on any Bond Payment Date on which moneys will be required to be withdrawn from such Debt Service Reserve Fund and applied to the payment of the principal of or interest on the Outstanding Series of Bonds to which such surety bond, line of credit, letter of credit, or insurance policy relates when such payments cannot be made by amounts otherwise credited to such Debt Service Reserve Fund.

Section 7.05 The Operation and Maintenance Fund.

(A) There shall be established and maintained an Operation and Maintenance Fund. The Operation and Maintenance Fund is intended to provide for the payment of the Operation and Maintenance Expenses.

(B) Withdrawals from the Operation and Maintenance Fund shall be made by or on the order of the City in accordance, as nearly as may be practicable, with the Annual Budget then in effect.

Section 7.06 The Depreciation and Contingent Fund.

(A) There shall be established and maintained a Depreciation and Contingent Fund held and administered by the City. This fund shall be maintained in an amount to be established not less frequently than annually by the City Council in order to provide a reasonable reserve for depreciation of the System, for contingencies and for improvements, betterments and extensions of the System.

(B) Money in this fund shall be used solely:

- (1) For the purpose of restoring depreciated or obsolete items of the System;
- (2) For improvements, betterments and extensions to the System, other than for those things which are reasonably necessary to maintain the System in good repair and working order;
- (3) To defray the cost of unforeseen contingencies and extraordinary repairs to the System;
- (4) To prevent defaults of Bonds and Junior Lien Bonds; and

(5) For optional redemption of Bonds or Junior Lien Bonds.

(C) Withdrawals from this fund shall be made by or on order of the City.

Section 7.07 The Rate Stabilization Fund.

The City Council may, by ordinance, establish a Rate Stabilization Fund, as needed, and, if created, shall hold and administer such fund under the provisions of this Bond Ordinance and State law.

Section 7.08 Investments of Funds.

Whenever, in the opinion of the City, it becomes desirable to invest money in any of the funds established by this Article (other than the Debt Service Reserve Funds, the Debt Service Funds, and any capitalized interest account) the City may make Authorized Investments. Earnings resulting from the investment of money in a particular fund shall be deposited into the Gross Revenue Fund (i) except as otherwise provided in Sections 7.03, 7.04 and 7.07 hereof, and (ii) unless the City Council shall have determined pursuant to the Annual Budget that any such earnings on amounts in the Depreciation and Contingent Fund shall remain therein.

[End of Article VII]

ARTICLE VIII - DISPOSITION OF REVENUES

Section 8.01 Deposits to Gross Revenue Fund; Dispositions Therefrom.

The Gross Revenues of the System, except customers' deposits and that money the disposition of which is controlled by other provisions of this Bond Ordinance, are declared to be a part of the Gross Revenue Fund and shall from time to time be promptly deposited in a bank or depository in an account which will reflect the fact that they are a part of the Gross Revenue Fund. If Bonds are Outstanding, the dispositions from the Gross Revenue Fund required by the remaining Sections of this Article shall be made on or before the Business Day which is five Business Days prior to the end of each month following the delivery of the first Series of Bonds issued hereunder. Payments from the Gross Revenue Fund shall be made in the order of priority established by the sequence of the remaining Sections of this Article.

Section 8.02 Payments for Bonds.

Provision shall be made for the payment of principal of, premium, if any, and interest on all Bonds then Outstanding without priority of any other Bonds but ratably as to each Series of Bonds. To that end:

(1) There shall be deposited into each Debt Service Fund the monthly fraction of the aggregate amount of interest to become due on the respective Series of Bonds on the next ensuing Bond Payment Date; provided, however, that if provision has been made for the payment of all or part of the next installment of interest to become due on any Bonds, or the Trustee is in receipt of any Interest Payment Subsidies, pursuant to any other provision of this Bond Ordinance, or any Series Ordinance, or by reason of investment earnings, then, in such event, the deposits required by this paragraph may be omitted, or reduced accordingly.

(2) There shall be deposited into each Debt Service Fund the monthly fraction of the Principal Installment of the respective Series of Bonds next becoming due and payable (whether at stated maturity or by sinking fund installments), so that on each principal maturity date, the amount of principal to be paid shall have been accumulated and be on hand; provided, however, that if provision has been made for the payment of all or part of the next installment of principal to become due on the respective Series of Bonds, pursuant to any other provision of this Bond Ordinance, or any Series Ordinance, or by reason of investment earnings, then, in such event, the deposits required by this paragraph may be omitted, or reduced accordingly.

(3) If, on the occasion when the deposits required by paragraphs (1) and (2) of this Section, are to be made, the sum total of the deposits required thereby plus previous monthly deposits and the remaining deposits to be made prior to the next succeeding principal and interest payment dates, will be less than the sum required to effect the payment of the next succeeding installment of either principal or interest, or both on the respective Series of Bonds, as the case may be, a sum equal to such deficiency shall be added to the deposits so to be made.

Section 8.03 Deposits for the Debt Service Reserve Funds - Valuation.

Deposits shall next be made in the amounts required by this Section 8.03 or Section 4.02(5) into the respective Debt Service Reserve Funds. Except as provided in Section 7.04(B)(2), the Trustee shall calculate the value of the cash and securities in each Debt Service Reserve Fund forty-five days prior to each Bond Payment Date in order to determine if each Debt Service Reserve Fund contains the Reserve Requirement therefor, and the extent to which payments therefor or withdrawals must be made therefrom, and the timing thereof, pursuant to this Bond Ordinance and the respective Series Ordinances. To the extent the Trustee determines that a deficiency exists, but such deficiency is solely the result of accounting practices governing the valuation of securities in the Debt Service Reserve Fund, the Trustee may alternatively calculate the value of the securities in each Debt Service Reserve Fund as of the maturity date of such securities, so long as such securities mature on or prior to the Bond Payment Date. Unless a Debt Service Reserve Fund is being funded pursuant to Section 4.02(5)(a) of this Bond Ordinance or then contains in cash and securities (or a surety bond, insurance policy, or letter of credit as herein described) an amount at least equal to its Reserve Requirement, unless otherwise provided in the Series Ordinance, there shall be paid into such Debt Service Reserve Fund on the last Business Day of each of the twenty-four (24) months following a determination of a deficiency in such Debt Service Reserve Fund one-twenty-fourth (1/24) of the amount necessary to re-establish in such Debt Service Reserve Fund its Reserve Requirement; provided, however, nothing herein shall preclude the City from fully re-establishing such Reserve Requirement in a more timely fashion than as so prescribed. Any surety bond, line of credit, insurance policy or letter of credit being used to meet the Reserve Requirement of a Debt Service Reserve Fund shall be valued at the amount still remaining to be drawn thereon; and in the event that any such surety bond, line of credit, insurance policy or letter of credit has been drawn upon, the amount necessary to restore the principal balance thereof shall be paid by the City in the same manner and on a parity with the payments described in this Section 8.03 or as provided in an insurance agreement or applicable Series Ordinance.

The market value of any Authorized Investments in a Debt Service Reserve Fund shall be calculated as follows:

- (1) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if published therein, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;
- (2) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(3) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(4) as to any investment not specified above, the value thereof established by prior agreement between the City and the Trustee.

Section 8.04 Deposits for the Operation and Maintenance Fund.

There shall be deposited in the Operation and Maintenance Fund, either from the Gross Revenue Fund or the Rate Stabilization Fund, the amounts budgeted for Operation and Maintenance Expenses for the ensuing month and any amounts required for an operational reserve.

Section 8.05 Reimbursement of Interest on Amounts Advanced by Credit Providers for the Debt Service Reserve Fund.

Provision shall then be made for payment of interest and any fees or penalties on amounts advanced by the provider of any surety bond, line of credit, letter of credit or insurance policy as contemplated in Section 7.04(D) hereof.

Section 8.06 Deposits for the Depreciation and Contingent Fund.

There shall be deposited into the Depreciation and Contingent Fund that sum which is one-twelfth (1/12) of the sum which has been currently determined by the City Council to be the budgeted requirement therefor for the then current Fiscal Year.

Section 8.07 Payments for Junior Lien Bonds.

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

Section 8.08 Use of Surplus Money.

All money remaining after making the payments required by Sections 8.01 to 8.07, shall be disposed of for any lawful purpose in such manner as the City Council shall from time to time determine.

The City may determine by resolution of the City Council, at any time, or in the budget ordinance to deposit any percentage or any set amount of surplus money under this Section 8.08 into the Rate Stabilization Fund; provided, however, that any amounts deposited into the Rate Stabilization Fund shall not exceed the amount budgeted for the Operation and Maintenance Fund for the then current Fiscal Year. Amounts on deposit in the Rate Stabilization Fund may, at the direction of an Authorized Officer, be used to make deposits into the Operation and Maintenance Fund required by Section 8.04 hereof. Amounts on deposit in the Rate Stabilization Fund may, at the option of the City Council, be withdrawn and used for any other

required purpose of the System, but in such event, such withdrawal, if for a purpose other than the payments of Operation and Maintenance Expenses, shall be excluded from Net Earnings.

[End of Article VIII]

**ARTICLE IX - AGREEMENT TO FURNISH INFORMATION
WITH RESPECT TO SYSTEM**

Section 9.01 Keeping Records.

The City recognizes that those who may from time to time hereafter be Bondholders will, throughout the life of the Bonds, require full information with respect to the System, the fiscal affairs of the System, and all matters incident to each. To that end, the City hereby covenants and agrees that it will install and thereafter at all times maintain proper books of records and accounts, separate and distinct from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System, and all revenues and receipts derived therefrom, directly or indirectly. Such books and records shall be kept in such fashion as to reveal in detail:

- (A) The number of customers who may from time to time make use of the System;
- (B) The Gross Revenues of the System and the source from whence derived;
- (C) All expenses incurred in the operation of the System suitably identified as to purpose;
- (D) The Net Earnings of the System and a schedule demonstrating compliance with Section 5.01(B) hereof for such Fiscal Year;
- (E) All expenditures made from the several funds established by this Bond Ordinance, and Series Ordinances authorizing the issuance of the Bonds; and
- (F) The rate schedules that may from time to time be in force.

Section 9.02 Audit Required.

The City further covenants and agrees that so long as any Bonds are Outstanding, it will, not later than one hundred eighty (180) days after the close of each Fiscal Year, cause to be made and completed by the Auditors, an audit of the records, books and accounts pertaining to the System, made in accordance with generally accepted accounting practices, showing, among other things, Gross Revenues and Net Earnings; and that it will furnish a copy of such audit upon request to the Trustee. Such audit shall comment upon any violation of any provision of any resolution authorizing the issuance of any Bonds or Junior Lien Bonds and any violation of any provision of this Bond Ordinance noted by the Auditors, and such other matters as to them seem pertinent. The cost of such audit shall be treated as an Operation and Maintenance Expense. Any audits made available to the City shall not otherwise be restricted as to their subsequent dissemination to any party.

[End of Article IX]

ARTICLE X - INSURANCE

Section 10.01 Requirement of Insurance.

(A) The City covenants and agrees that so long as any Bonds are Outstanding:

(1) To the extent insurance coverage is available, that it will insure and at all times keep the System insured against physical loss or damage with a responsible insurance company or companies, authorized and qualified under the laws of the State, to assume the risks insured against, in such amount as private corporations engaged in similar endeavors would customarily insure for;

(2) That it will secure adequate fidelity bonds (blanket or individual) of a surety company doing business in the State, indemnifying the City against defalcation of all persons handling money derived from the System or signing checks on any bank accounts relating to the System, other than the Trustee or any Registrar;

(3) That all premiums on all bonds or insurance policies shall be deemed an Operation and Maintenance Expense;

(4) That all insurance policies shall be open to the inspection of any Bondholder at any reasonable time;

(5) That all money received by the City as a consequence of any defalcation, covered by any fidelity bond, shall be used to restore the fund depleted by the defalcation. All sums received by the City from insurance policies covering the System may, to the extent necessary, be applied to the repair and replacement of the damaged or destroyed property, but, in the event that such money is not used for such purposes, then the same shall be deposited in the Depreciation and Contingent Fund; and

(6) That it will comply with the requirements of State law regarding the mandatory purchase of liability insurance contained in Section 15-78-140(b) of the South Carolina Code.

(B) Insurance required by this Section 10.01 may be provided through the South Carolina Insurance Reserve Fund. The City may obtain or adopt alternative risk management programs which an Insurance Consultant determines to be reasonable, including, without limitation, self-insurance in whole or in part individually or in connection with other institutions, participation in programs of captive insurance companies; participation with other governmental entities in mutual or other cooperative insurance or other risk management programs, participation in state or federal insurance programs, taking advantage of state or federal laws now or hereafter in existence limiting liability, or establishing or participating in other alternative risk management programs; all as may be approved by the Insurance Consultant as reasonable and appropriate risk management by the City. If the City shall be self-insured for any coverage, the City shall obtain a report of an Insurance Consultant stating whether the anticipated funding of any self-insurance fund is actuarially sound, and if not, the required funding to produce such

result and such coverage shall be reviewed by the Insurance Consultant not less frequently than annually. Any self-insurance program shall be subject to annual review by the Insurance Consultant who shall provide a written report to the City which shall include recommendations relating to such self-insurance program. The City shall provide to the Trustee annual certification evidencing compliance with the Insurance Consultant's recommendations.

(C) All costs and expenses of providing the insurance required by this Section 10.01 shall be payable solely from the Gross Revenues of the System as an Operation and Maintenance Expense.

[End of Article X]

ARTICLE XI - ADDITIONAL COVENANTS

Section 11.01 Additional Covenants to Secure Bonds.

The City further covenants and agrees:

(A) That neither the System, nor any part thereof, nor any of the revenues derived from the System, have been or will be hypothecated, mortgaged, otherwise pledged or encumbered, save and except in accordance with the provisions hereof;

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

(C) That, to the extent lawful, it will not permit competing systems to operate within its boundaries;

(D) That, it will permit no customer to be connected to the System, or to receive any service afforded by the System, unless a proper meter is installed, and such customer shall become obligated to pay for the service rendered at the appropriate rate according to the rate schedule then in force;

(E) That so long as there are any Bonds Outstanding and unpaid, it will perform all duties with reference to the System required by the Constitution and statutes of the State;

(F) That it will not pledge, mortgage, or otherwise encumber the System or any portion thereof, or any revenues therefrom except in the manner herein authorized, and (except as provided in Section 11.03 herein) it will not sell, lease or otherwise dispose of any portion of the System, necessary or useful in the operation of the System, until all Bonds shall be paid in full, or unless and until provision shall have been made for the payment of all Bonds and the interest thereon in full, and the City further obligates itself and covenants and agrees with the Bondholders to maintain in good condition and to operate said System, and to collect and charge such rates for the services and facilities of the System so that the income and revenues of the System will be sufficient at all times to meet the requirements of this Bond Ordinance. If, pursuant to this Section, anything belonging to the System which is not deemed by the City to be necessary or useful therefor shall be sold or disposed of, the proceeds of such sale or disposition shall be deposited in the Depreciation and Contingent Fund;

(G) That it will permit, so long as there are any Bonds Outstanding, any Bondholder to inspect the System and all records and accounts thereof under reasonable terms and conditions and after reasonable notice has been given;

(H) That it will not make any use, and it shall direct the Trustee and each Fiduciary not to make any use of the proceeds of any Series of Bonds which Bonds were intended upon the issuance thereof to be exempt from federal income taxation, which, if such use had been reasonably expected on the date of the issuance of the Bonds of such Series would have caused such Bonds or any other Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and will observe and not violate the requirements of Section 148 of the Code;

(I) That, as to any Series of Bonds that was intended at the time of their issuance to be exempt from federal income taxation, it will take all actions required of it under the Code that are necessary to preserve the tax-exempt status of such Series of Bonds, including without limitation, actions necessary to comply with all information reporting requirements and any obligation to rebate arbitrage earnings on the proceeds of such Bonds to the United States Government;

(J) That it will make all payments or deposits required under Articles VII and VIII of this Bond Ordinance in a timely manner; and

(K) That no payments on account of appropriations to the general fund of the City shall be made except as permitted under Section 8.08 hereof.

Section 11.02 Acquisition of Additional Utilities.

No provision of this Bond Ordinance shall prevent the combining of the System with any other utility system or enterprise of whatever type if such combination then be permitted or authorized by the provisions of the South Carolina Code and if the requirements set forth below are met; but no such combination shall impair the validity or priority of the pledge of revenues and the lien thereon created by this Bond Ordinance. The City shall have the right, from time to time, to add other utilities, enterprises, activities and facilities (which at the date of enactment of this Bond Ordinance were not included in the definition of System hereunder) to the definition of System hereunder, provided that:

(A) the City Council shall have determined that such utilities, enterprises, activities or facilities are of a similar public utility nature as are the utilities now constituting the System;

(B) the City Council shall have adopted an appropriate amendatory ordinance to this Bond Ordinance;

(C) the City shall have received an opinion of Bond Counsel to the effect that such action to be taken under this Section is authorized under this Bond Ordinance and the laws of the State and will not adversely affect the excludability of interest on the Bonds which were intended upon their issuance to be exempt from federal income taxation; and

(D) for each of the five (5) Fiscal Years following the date of the additions to the System, Net Earnings, as shall have been forecasted either by Independent Consultants with a reputation for expertise in the type of enterprise being added to the System, by the Auditors or by the Chief Financial Officer, will be not less than one hundred twenty percent (120%) of the

Annual Principal and Interest Requirements on all Bonds then proposed to be Outstanding in each of such five (5) Fiscal Years; provided, however, that in the event that Bonds are being issued to acquire or improve the acquired utility, this paragraph (D) shall not apply and the City shall meet the requirements of Article IV hereof before issuing such Bonds and acquiring such utility.

Section 11.03 Sale, Exchange, Removal or Disposal of Component of System.

(A) The City may from time to time sell, exchange, remove or dispose of, (but not lease, contract or agree for the use thereof) an entire component comprising a part of the System, if it determines by ordinance:

(1) that the sale, exchange, removal or other disposition thereof would not materially reduce Net Earnings; or

(2) that the sale, exchange, removal or other disposition thereof (1) would not materially adversely affect the ability of the City to comply with the rate covenant, set forth in Section 5.01 hereof, for the current and next succeeding Fiscal Year, and (2) would be for a consideration of not less than reasonable value as may be determined in the sole discretion of the City Council.

(B) In addition to the provisions of Section 11.03(A) hereof, if the City determines to sell, exchange, remove or dispose of an entire component comprising a part of the System the following conditions shall also be met:

(1) an opinion of Bond Counsel to the effect that the sale, exchange, removal or disposal of a component of the System from the System has been effected in accordance with the terms of this Bond Ordinance; and

(2) notice shall be provided to any rating agency, if any, then rating any Series of Bonds regarding the sale, exchange, removal or disposal of such component from the System.

(C) If the City sells, exchanges, removes or otherwise disposes a component of the System, the proceeds, if any, of such transaction may be applied, at the discretion of the City, as follows:

(1) to the payment or satisfaction, in whole or in part, of (1) Bonds associated with or related to such component and (2) any other type of indebtedness of the City associated with or related to such component; or

(2) to the payment or satisfaction, in whole or in part, of the amount due under any type of contractual obligations of the City associated with or related to such component; or

(3) to the payment of the construction or purchase of additional improvements or expansions to the System.

[End of Article XI]

ARTICLE XII - MODIFICATION OF ORDINANCE

Section 12.01 Modification Without Bondholder Approval.

(A) Provided always that the security of the Bonds shall not be diminished, or in any manner impaired, the City Council may for any one or more of the following purposes at any time, or from time to time, enact an ordinance, supplementing this Bond Ordinance, which supplemental ordinance shall be fully effective in accordance with its terms:

(1) to provide for the issuance of a Series of Bonds in accordance with Article IV of this Bond Ordinance;

(2) to add to the covenants and agreements of the City in this Bond Ordinance, other covenants and agreements thereafter to be observed;

(3) to surrender any right, power or privilege reserved to or conferred upon the City by this Bond Ordinance;

(4) to cure, correct and remove any ambiguity or inconsistent provisions contained in this Bond Ordinance;

(5) to implement an addition to the System pursuant to Section 11.02 hereof;
and

(6) for any other purpose which, in the opinion of Bond Counsel, does not materially affect the interests of the Bondholders.

(B) It is further provided that such supplemental ordinance shall not become effective until a copy thereof, duly certified, shall have been filed in the office of the Clerk of Court for the County. The City will promptly give notice of enactment and a copy of any modification made hereunder to any Insurer.

Section 12.02 Modification with Bondholder Approval.

The rights and duties of the City and the Bondholders and the terms and provisions of this Bond Ordinance may be modified or altered in any respect by an ordinance enacted by the City Council with the consent of the Holders of fifty-one percent (51%) in principal amount of all Bonds of each Series which would be affected by such modification or alteration then Outstanding, if any, such consent to be evidenced in such manner as may be acceptable to the Trustee, however no such modification or alteration shall, without the consent of the Holders of all Bonds affected by such change or modification:

(A) Effect a change as to the type of currency in which the City is obligated to effect payment of the principal, interest and redemption premium of any Bond;

- (B) Permit the creation of a pledge of the revenues of the System prior to or equal to the Bonds except as may be permitted under the provisions of this Bond Ordinance;
- (C) Permit preference or priority of any Bonds to others;
- (D) Alter or modify the provisions of Section 4.02 or of Articles V, VII, and VIII; or
- (E) Reduce the percentage required for the written consent to the modification or alteration of the provisions of this Bond Ordinance.

Section 12.03 Procedure for Procuring Bondholder Approval.

The City and the Trustee may conclusively rely upon the registry books maintained by the Registrar to determine who are the Holders of the Bonds. Any and all modifications made pursuant to Section 12.02 shall not become effective until (1) there has been filed with the Clerk of Court for the County and with the Trustee a copy of such amendatory ordinance hereinabove provided for, duly certified, and (2) proof of consent to such modification by the Holders (depending on the type of type of type of modification) of (A) fifty-one percent (51%) in principal amount of the Bonds of each Series then Outstanding or (B) all Bonds Outstanding, shall be filed with the Trustee. In the event that any Series of Bonds are held under a book-entry system pursuant to Section 4.20, the approvals of Bondholders may be obtained in the manner provided in the agreement with the Securities Depository.

Upon any modification made pursuant to this Article XII, there shall be delivered to the Trustee an opinion of counsel, upon which the Trustee shall conclusively rely, to the effect that such modification is authorized or permitted under this Bond Ordinance.

Section 12.04 Notice to Rating Agencies.

Any rating agency rating a Series of Bonds shall be provided notice and a copy of any amendment to this Bond Ordinance or to any Series Ordinance within fifteen (15) days of its execution or enactment; notice provided via the Municipal Securities Rulemaking Board's EMMA system shall be sufficient for purposes of this Section 12.04.

[End of Article XII]

ARTICLE XIII - EVENTS OF DEFAULT

Section 13.01 Events of Default.

(A) Each of the following events is hereby declared to be an “*Event of Default*”:

(1) Payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption;

(2) Payment of any installment of interest on any Bonds shall not be made when the same becomes due and payable;

(3) Payment of any installment of either interest or principal on any Junior Lien Bonds shall not be made when the same becomes due and payable or any other event of default shall exist with respect to any Junior Lien Bonds;

(4) Except as provided in Section 5.01(C) hereof, the City shall not comply with the rate covenant in Section 5.01(B) herein;

(5) The City shall for any reason be rendered incapable of fulfilling its obligations hereunder;

(6) An order or decree shall be entered with the consent or acquiescence of the City appointing a receiver, or receivers, of the System, or of the revenues thereof, or any proceedings shall be instituted with the consent or acquiescence of the City for the purpose of effecting a composition between the City and its creditors whose claims relate to the System, or for the purpose of adjusting claims of such creditors, pursuant to any federal or State statute now or hereafter enacted, or if such order or decree, having been entered without the consent or acquiescence of the City, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry thereof, or if such proceeding having been instituted without the consent or acquiescence of the City, shall not be withdrawn or any orders entered shall not be vacated, discharged, or stayed on appeal within sixty (60) days after the institution of such proceedings, or the entry of such orders;

(7) The City shall fail to operate the System in an efficient and businesslike fashion so as to materially impair the operations of the System or shall default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in this Bond Ordinance, and such default as to efficient operation or otherwise shall continue for thirty (30) days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the City by any Bondholder, provided that in the case of default specified in this paragraph (7), if the default be such that it cannot be corrected within the said thirty (30) day period, it shall not constitute an event of default if corrective action is instituted by the City within said thirty (30) day period and diligently pursued until the default is corrected;

(8) The occurrence of an event of default on the part of the City under any reimbursement agreement between the City and a provider of a surety bond, insurance policy or letter of credit as contemplated under Section 7.04(D) hereof; and

(9) Such other events of default as may be specified in a Series Ordinance.

In determining whether a default in payment has occurred under paragraphs (1) or (2) of this subsection (A) and in determining whether a payment on Bonds has been made under any other provision of this Bond Ordinance, no effect shall be given to payments made under a Municipal Bond Insurance Policy.

(B) The foregoing provisions of paragraphs (4), (5) and (6) of the preceding subsection (A) are subject to the following limitations: If by reason of "force majeure" the City is unable in whole or in part to carry out its agreements herein contained (other than the obligations on the part of the City contained in any of Section 4.02 or Articles V, VII and VIII as to which this paragraph shall have no application), the City shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes; lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, tunnels or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the City, it being agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the City, and the City shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the City unfavorable to the City.

[End of Article XIII]

ARTICLE XIV - REMEDIES

Section 14.01 Acceleration; Annulment of Acceleration.

(A) Upon the occurrence of an Event of Default, the Trustee shall, upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding, by notice in writing to the City, declare all Bonds Outstanding immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in the Bonds or in this Bond Ordinance to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment.

(B) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Bond Ordinance, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if:

(1) Moneys shall have been deposited in each Debt Service Fund sufficient to pay all matured installments of interest and principal (other than principal then due only because of such declaration) of all Outstanding Bonds;

(2) Moneys shall have been deposited with the Trustee sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee;

(3) All other amounts then payable by the City hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and

(4) Every Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee.

No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 14.02 Additional Remedies and Enforcement of Remedies.

(A) Upon the occurrence and continuance of any Event of Default, subject to the provisions of Section 17.01 hereof, the Trustee may, and upon the written request of the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding, together with indemnification of the Trustee to its satisfaction therefor, shall proceed forthwith to protect and enforce its rights and the rights of the Bondholders under this Bond Ordinance by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(1) Seeking a *writ of mandamus*, requiring the City to carry out its duties and obligations under the terms of this Bond Ordinance and under the Enabling Act;

(2) Suit upon all or any part of the Bonds;

(3) Civil action to require the City to account as if it were the trustee of an express trust for the Holders of Bonds;

(4) Civil action to enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; or

(5) Enforcement of any other right of the Bondholders conferred by law or by this Bond Ordinance including the right to make application for the appointment of a receiver to administer and operate the System.

(B) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, and upon receipt of assurances of indemnification of the Trustee, the sufficiency of which shall be determined in the Trustee's sole discretion, shall institute and maintain such suits and proceedings as it may be advised by counsel shall be necessary or expedient:

(1) To prevent any impairment of the security under this Bond Ordinance by any acts which may be unlawful or in violation of this Bond Ordinance; or

(2) To preserve or protect the interests of the Bondholders, provided that such request is in accordance with law and the provisions of this Bond Ordinance and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Holders of Bonds not making such request.

(C) When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 14.03 Application of Revenues and Other Moneys After an Event of Default.

(A) The City covenants that if an Event of Default shall happen and shall not have been remedied, the City, upon demand of the Trustee, shall pay or cause to be paid over to the Trustee:

(1) Forthwith, all moneys and securities then held by the City which are credited to any fund under this Bond Ordinance (specifically including any moneys and securities in any construction fund created with proceeds of Bonds if construction of the projects to be paid for thereby has been completed or terminated but exclusive of any

amounts remaining in such construction fund that are in dispute between the City and any contractor). However, any monies in a Debt Service Reserve Fund shall be applied only toward a Series of Bonds for which such Debt Service Reserve Fund was established; and

(2) As promptly as practicable after receipt thereof, all Gross Revenues.

(B) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, Gross Revenues, payments and receipts in its possession and the income therefrom as follows and in the following order:

(1) To the payment of the reasonable and proper charges of the Trustee and its reasonable counsel fees, costs and expenses;

(2) To the payment of the interest and principal (and redemption premium, if any) then due on the Bonds, as follows:

(a) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

(i) First: To the payment of the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference;

(ii) Second: To the payment to the persons entitled thereto of the unpaid Principal Installments (and redemption premiums, if any) of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal (plus redemption premium, if any) due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any differences as to the respective rates of interest specified in the Bonds;

(3) To the payment of the amounts required by Section 8.03, ratably, according to the amounts due thereon to the persons entitled thereto;

- (4) To the payment of necessary Operation and Maintenance Expenses;
- (5) To the payment of the amounts required by Section 8.05, ratably, according to the amounts due thereon to the persons entitled thereto;
- (6) To the payment of the amounts required by Section 8.06, ratably, according to the amounts due thereon to the persons entitled thereto; and
- (7) To the payment of the amounts required by Section 8.07, ratably, according to the amounts due thereon to the persons entitled thereto.

Section 14.04 Remedies Not Exclusive.

No remedy by the terms of this Bond Ordinance conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Ordinance or existing at law or in equity or by statute (including the Enabling Act) on or after the date hereof.

Section 14.05 Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Bond Ordinance or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds. Subject to the provisions of Section 14.03 hereof, any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds.

Section 14.06 Majority of Bondholders Control Proceedings.

If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Bond Ordinance to the contrary, the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Bond Ordinance or for the appointment of a receiver or any other proceedings hereunder, provided that such direction is in accordance with law and the provisions of this Bond Ordinance (including indemnity to the Trustee) and, in the sole judgment of the Trustee, is not unduly prejudicial to the interests of the Bondholders not joining in such direction and provided further that nothing in this Section 14.06 shall impair the right of the Trustee in its discretion to take any other action under this Bond Ordinance which it may deem proper and which is not inconsistent with such direction by Bondholders.

Section 14.07 Individual Bondholder Action Restricted.

(A) No Holder of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Bond Ordinance or for the execution of any trust hereunder or for any remedy under this Bond Ordinance unless:

(1) An Event of Default has occurred:

(a) under paragraph (1) or (2) of subsection (A) of Section 13.01 hereof;

(b) as to which a Responsible Officer of the Trustee has actual notice; and

(c) as to which the Trustee has been notified in writing

(2) The Holders of at least twenty-five percent (25%) in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Bond Ordinance or to institute such action, suit or proceeding in its own name; and

(3) Such Bondholders shall have provided assurances of indemnification of the Trustee, the sufficiency of which shall be determined in the Trustee's sole discretion; and

(4) The Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity.

(B) No one or more Holders of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the security of this Bond Ordinance or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Holders of all Bonds Outstanding.

(C) Nothing contained in this Bond Ordinance shall affect or impair, or be construed to affect or impair, the right of the Holder of any Bond:

(1) To receive payment of the principal of or interest on such Bond on the due date thereof; or

(2) To institute suit for the enforcement of any such payment on or after such due date.

Section 14.08 Termination of Proceedings.

In case any proceeding taken by the Trustee or any Bondholder on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bondholders, the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceeding had been taken.

Section 14.09 Waiver and Nonwaiver of Event of Default.

(A) No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article XIV to the Trustee and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(B) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Bond Ordinance, or before the completion of the enforcement of any other remedy under this Bond Ordinance.

(C) Notwithstanding anything contained in this Bond Ordinance to the contrary but subject to the provisions of Section 17.01 hereof, the Trustee, upon the written request of the Holders of at least a majority of the aggregate principal amount of Bonds then Outstanding (including, if more than one Series of Bonds shall at the time be Outstanding, the Holders of a majority in principal amount of all Bonds then Outstanding of each such Series), shall waive any Event of Default hereunder and its consequences; provided, however, that except under the circumstances set forth in subsection (B) of Section 14.01 hereof or subsection (B) of this Section 14.09, a default in the payment of the principal of, premium, if any, or interest on, any Bond, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Bonds at the time Outstanding.

(D) In case of any waiver by the Trustee of an Event of Default hereunder, the City, the Trustee, each Insurer and the Bondholders shall be restored to their former positions and rights under this Bond Ordinance, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section 14.09.

Section 14.10 Notice of Events of Default.

(A) Within thirty (30) days after:

(1) The receipt of notice of an Event of Default as provided in Section 14.07(A)(1)(b) or (c) hereof; or

(2) The occurrence of an Event of Default under paragraphs (1) or (2) of subsection (A) of Section 13.01 hereof, as to which the Trustee shall be deemed to have notice,

the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to each Insurer of any Series of Bonds then Outstanding, if any, and to each Holder of Bonds then Outstanding, provided that, except in the case of a default in the payment of principal of, together with premium, if any and interest on any of the Bonds, the Trustee may withhold such notice if, in its sole judgment, it determines that the withholding of such notice is in the best interests of the Bondholders.

(B) The Trustee shall immediately notify the City and each Insurer of any Series of Bonds then Outstanding of any Event of Default actually known to a Responsible Officer of the Trustee.

Section 14.11 Rights of Insurers.

Any Series Ordinance may provide that any Insurer, insuring the applicable Series of Bonds, upon the occurrence of an Event of Default and with respect to all remedies provided herein, may prevent the acceleration of the Bonds of all Series or may prevent the annulment of the acceleration of the Bonds of all Series. Such Insurer may be subrogated to the rights to payment of the Holders of any Bonds with respect to which it pays any principal or interest on the Bonds owned by that Holder.

[End of Article XIV]

ARTICLE XV - TRUSTEE AND ITS FUNCTIONS; OTHER FIDUCIARIES

Section 15.01 Appointment and Vesting of Powers in Trustee; Limitation of Rights of Bondholders to Appoint Trustee.

Prior to the delivery of any Bonds pursuant to this Bond Ordinance, the City shall appoint the Trustee. Such appointment shall be made by means of the Series Ordinance enacted by the City Council in connection with the issuance of the first Series of Bonds pursuant to this Bond Ordinance. The Trustee shall be and is hereby vested with all rights and powers necessary to enable it to discharge its duties hereunder but the right of the Bondholders to appoint a Trustee hereunder is limited to the circumstances contemplated by Section 15.10 hereof.

Section 15.02 Functions of Trustee.

The Trustee shall have the following additional functions:

- (A) To authenticate the Bonds of all Series that may be issued;
- (B) To act as custodian of the Debt Service Funds;
- (C) Except as otherwise provided herein, to act as custodian of the Debt Service Reserve Funds, if any;
- (D) Except as otherwise provided herein, to act as Paying Agent for the Bonds;
- (E) Unless otherwise prescribed by any Series Ordinance, to act as Registrar for the Bonds, and to maintain a set of registration books therefor, which shall at all times accurately reflect the names and addresses of all those who may be Holders of any Bonds;
- (F) To make reports to the City on a monthly or such other basis as may be requested by the City, but not less often than semi-annually:
 - (1) Establishing balances on hand;
 - (2) Listing investments made for any fund handled by the Trustee;
 - (3) Establishing the market value of the Debt Service Reserve Funds; and
 - (4) Listing all securities, if any, pursuant to Section 15.13 hereof.

Section 15.03 Duty of Trustee with Respect to Deficits in Debt Service Funds.

It shall be the further duty of the Trustee to give written notice to the City three (3) Business Days prior to each Bond Payment Date, if there is any deficiency in any Debt Service Fund which would result in a need for further moneys to meet the payment of interest and/or

principal falling due on the next ensuing Bond Payment Date, and the extent, if any, to which resort must be had to the respective Debt Service Reserve Fund to meet such deficiency.

Section 15.04 Acceptance by Trustee Required.

Prior to the delivery of any Bonds, the Trustee appointed pursuant to Section 15.01 hereof shall signify its acceptance of the powers, duties and obligations conferred and imposed upon it by this Bond Ordinance, by executing and delivering to the City a written acceptance thereof.

Section 15.05 Liability as to Recitals in Bond Ordinance and Bonds.

The recitals of fact made in this Bond Ordinance and in the Bonds shall be taken as statements of the City, and the Trustee shall not be deemed to have made any representation as to the correctness of the same, nor shall the Trustee be deemed to have made any representation whatsoever as to the validity or sufficiency of this Bond Ordinance or of the Bonds issued hereunder except with respect to the authentication of any Bonds. Nor shall the Trustee be under any responsibility or duty with respect to the issuance of said Bonds, or the application of the proceeds thereof, except to the extent provided for herein. Nor shall the Trustee be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

Section 15.06 Trustee May Rely on Notices, etc.

The Trustee shall at all times conclusively rely upon and be fully protected in acting upon any notice, resolution, request, consent, order, certificate, statement, opinion, bond, or other paper or document believed to be genuine and to have been signed by the proper party or parties.

Section 15.07 Trustee Permitted to Resign.

The Trustee may, at any time, resign and be discharged of its duties and obligations hereunder by giving to the City and the Bondholders written notice of such resignation, specifying a date (not less than sixty (60) days after such notice) when such resignation is intended to take effect. Such resignation shall take effect immediately upon but not before the appointment and qualification of such successor. If after sixty (60) days no successor has been appointed, the Trustee may petition a court of competent jurisdiction to appoint a successor.

Section 15.08 Removal of Trustee.

(A) The Trustee may be removed at any time by the Holders of not less than fifty percent (50%) of the principal amount of Bonds at such time Outstanding upon 30 days written notice to the Trustee.

(B) Provided an Event of Default has not occurred and is not continuing, the Trustee may be removed at any time by the City upon 30 days written notice to the Trustee.

(C) Any such removal shall take effect immediately (after the 30 day notice period) upon, but not before the appointment and qualification of such successor.

Section 15.09 Appointment of Successor Trustee Upon Resignation or Removal of Trustee.

(A) In case at any time the Trustee shall resign, or be removed or become incapable of acting, or be adjudged bankrupt or insolvent, or a receiver of its property shall be appointed, or any public officer shall take charge or control of its property or affairs, a successor thereto shall be promptly appointed by an ordinance of the City duly enacted. Such successor shall in all instances be a bank or a trust company, and duly chartered pursuant to the laws of the United States or of any state and shall have a combined capital and surplus of not less than \$500,000,000.

(B) Immediately following such appointment the City shall give written notice of such appointment to the Bondholders and any Registrar other than the Trustee.

Section 15.10 When Bondholder May Seek Successor Trustee.

If, in a proper case, no appointment of a successor Trustee shall be promptly made pursuant to Section 15.09, any Bondholder, the resigning or removed Trustee may make application to any court of competent jurisdiction for the appointment of a successor and said court may thereupon, after such notice, if any, as such court may prescribe, appoint a successor.

Section 15.11 Acceptance by Successor Trustee.

Any successor Trustee appointed hereunder shall execute and deliver to its predecessor and to the City a written acceptance of such appointment, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of its predecessor hereunder with like effect as if originally named as such Trustee and its predecessor shall be obligated to pay over, transfer, assign and deliver all moneys, securities and other property held by it to its successor, and on the written request of the City, or the successor, shall execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for the vesting and confirming in such successor all the right, title and interest of the predecessor in and to any property held by it.

Section 15.12 Effect of Trustee Merging With Another Bank.

Any bank or trust company into which the Trustee may be merged, or with which it may be consolidated, or any bank or trust company resulting from any merger or consolidation to which it shall be a party, or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall become the successor without the execution or filing of any paper or the performance of any further act; provided, always, that if the City shall be dissatisfied with the institution resulting from the merger, consolidation or other action spoken of above, then the City may at any time within thirty (30) days after such action

name a new Trustee (with the qualifications prescribed by Section 15.09 hereof) in lieu of the Trustee then acting.

Section 15.13 Trustee to Secure Funds and Securities Held in Trust.

The Trustee shall be a member of the Federal Deposit Insurance Corporation (the “*FDIC*”) and shall remain such a member throughout the period during which it shall act as Trustee. The Trustee, in its capacity as Trustee, Paying Agent, and Registrar, shall accept its appointment by a written instrument embodying its agreement to remain a member of the FDIC. Unless the same be secured as trust funds in the manner provided by the applicable regulations of the Comptroller of the Currency of the United States of America, and unless otherwise provided for in a Series Ordinance, all moneys in the custody of the Trustee in excess of the amount of such deposit insured by the FDIC, shall be secured by Authorized Investments at least equal to the sum on deposit and not insured by the FDIC.

Section 15.14 Disposition of Paid Bonds.

It shall be the duty of the Trustee to cancel all Bonds which shall have been paid, whether upon their maturity or redemption prior to maturity; such cancellation shall be done in such fashion as to render such Bonds incapable of further negotiation or hypothecation. In any event it shall furnish appropriate certificates to the City indicating the disposition of such Bonds. Upon effecting such cancellation, the Trustee shall furnish appropriate certificates to the City setting forth the disposition made of the Bonds so canceled.

Section 15.15 Appointment of Substitute Registrar.

The City may, from time to time, appoint a Registrar or Registrars to act in the place and stead of the Trustee as Registrar of the Bonds of one or more Series. The City shall cause written notice of such appointment to be mailed to the Holders of all Bonds affected by such appointment thirty (30) days prior to the effective date of such appointment.

Section 15.16 Additional Provisions Regarding the Trustee.

The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Ordinance, and no implied covenants or obligations should be read into this Bond Ordinance against the Trustee. If any Event of Default under this Bond Ordinance shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Bond Ordinance and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs.

The Trustee agrees to perform the trust functions provided herein upon and subject to the following expressed terms and conditions:

(A) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers appointed with due care.

(B) The permissive items assigned to the Trustee as enumerated herein shall not be construed as a duty.

(C) The Trustee shall not be accountable for the use or application by the City of any money paid over by the Trustee in accordance with the provisions of this Bond Ordinance.

(D) Before taking any action under this Bond Ordinance relating to an Event of Default or in connection with its duties under this Bond Ordinance other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by this Bond Ordinance, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all costs and expenses to which it may be put (including legal fees, costs and expenses) and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its own negligence or willful misconduct in connection with any action so taken.

(E) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(F) None of the provisions of this Bond Ordinance shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds cannot be assured to the Trustee's satisfaction.

(G) So long as investments are made in Authorized Investments, the Trustee may conclusively rely upon the City's written instructions as to both the suitability and legality of all investments directed hereunder. To the extent invested in Authorized Investments, the Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge reasonable fees for such trades, including cash sweep accounts. Notwithstanding anything to the contrary herein, in the absence of written investment instructions from the City, the Trustee shall not be responsible or liable for keeping moneys held by it hereunder fully invested. While invested in Authorized Investments, the Trustee shall not be liable for any losses from such investments. Broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

(H) The Trustee shall have no duty to review or analyze any financial statements delivered to it hereunder (including the audit required by Section 9.02 hereof) or verify the

accuracy thereof and shall hold such financial statements solely as a repository for the benefit of the Bondholders; the Trustee shall not be deemed to have notice of any information contained therein or Event of Default which may be disclosed therein.

(I) The City shall pay to the Trustee reasonable compensation for all services performed by it hereunder and also its reasonable expenses, charges and other disbursements and the fees, costs, and expenses of its attorneys, agents and employees incurred in and about the administration and the performance of its powers and duties hereunder. If the Trustee is required by governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto, the Trustee shall notify the City of same in writing. Payment for such extraordinary fees, costs and expenses (including but not limited to reasonable attorney's fees, costs and expenses) shall be made promptly by the City only after said notice.

(J) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Bond Ordinance arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation: acts of God; earthquakes; fire; flood; hurricanes or other catastrophic storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(K) Notwithstanding anything to the contrary herein, to the extent that the Trustee is not otherwise acting in the capacity as dissemination agent, the Trustee shall not have any liability to any party in connection with any failure to timely file any notice with the Municipal Securities Rulemaking Board (via its EMMA system).

(L) The Trustee shall have the right to accept and act upon directions or instructions delivered using Electronic Means; provided, however, that the City shall provide to the Trustee an incumbency certificate listing Qualified Officers with the authority to provide such directions or instructions (each a "*Qualified Officer*") and containing specimen signatures of such Qualified Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Trustee directions or instructions using Electronic Means and the Trustee in its discretion elects to act upon such directions or instructions, the Trustee's understanding of such directions or instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee shall conclusively presume that directions or instructions that purport to have been sent by an Qualified Officer listed on the incumbency certificate provided to the Trustee have been sent by such Qualified Officer. The City shall be responsible for ensuring that only Qualified Officers transmit such directions or instructions to the Trustee and that all Qualified Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions or instructions notwithstanding

such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

[End of Article XV]

ARTICLE XVI - DEFEASANCE

Section 16.01 Defeasance Generally.

Subject to the provisions of any Series Ordinance, if all of the Bonds issued pursuant to this Bond Ordinance and any other amounts required to be paid to a provider of a surety bond, line of credit, insurance policy or letter of credit hereunder shall have been paid and discharged, then the obligations of the City under this Bond Ordinance, the pledge of Gross Revenues made hereby, and all other rights granted hereby shall cease and determine. Subject to the provisions of any Series Ordinance, Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances:

(A) The Trustee shall hold, at the stated maturities of such Bonds, in trust and irrevocably appropriated thereto, sufficient money for the payment thereof.

(B) If default in the payment of the principal of such Bonds or the interest thereon shall have occurred and thereafter tender of such payment shall have been made, and the Trustee shall then hold in trust and irrevocably appropriated thereto, sufficient money for the payment thereof to the date of the tender of such payment.

(C) If the City shall have deposited with the Trustee, or any other bank or trust company which would otherwise meet the chartering and capital and surplus requirements contained in Section 15.09(A) hereof, in irrevocable trust money or Defeasance Obligations, the principal of and interest on which when due (without reinvestment thereof) will, as certified in a verification report provided by an independent entity providing such services and deemed qualified by the Trustee, provide money which, together with the money, if any, deposited at the same time, shall be sufficient to pay, when due, the principal, interest and redemption premium, if any, due and to become due on and prior to the maturity, or, if the City has irrevocably elected to redeem Bonds, on and prior to the redemption date, of such Bonds.

Section 16.02 Money to be Held in Trust - When Returnable to the City.

Any money which at any time shall be deposited with the Trustee or other escrow holder authorized under Section 16.01(C), by or on behalf of the City, for the purpose of paying and discharging any Bonds or the interest thereon, shall be and is hereby assigned, transferred and set over to the Trustee or such other escrow holder in trust for the respective Holders of the Bonds, and such money shall be and is hereby irrevocably appropriated to the payment and discharge thereof. But if, through lapse of time or otherwise, the Holders of said Bonds shall no longer be entitled to enforce payment of their obligations, then, in such event, it shall be the duty of the Trustee or such other escrow holder, upon written direction of the City, to forthwith return said funds to the City.

Section 16.03 Deposits With Trustee Subject to Conditions of Article XVI.

The City covenants and agrees that any money which it shall deposit with the Trustee shall be deemed to be deposited in accordance with, and subject to, the applicable provisions of this Article, and that whenever it shall have elected to redeem Bonds it will irrevocably bind and obligate itself to give notice of redemption thereof, and will further authorize and empower the Trustee to cause the publication of such notice of redemption in its name and on its behalf.

Section 16.04 No Defeasance of Series of Bonds Paid by Insurer.

In the event that the principal and/or interest due on a Series of Bonds shall be paid by an Insurer pursuant to a Municipal Bond Insurance Policy, such Series of Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the City until the Insurer has been reimbursed in full therefor in accordance with the terms of the Municipal Bond Insurance Policy, and the assignment and pledge of the Gross Revenues of the System and all covenants, agreements and other obligations of the City to the registered Holders shall continue to exist and shall run to the benefit of the Insurer, and the Insurer shall be subrogated to the rights of such registered Holders.

[End of Article XVI]

ARTICLE XVII - MISCELLANEOUS

Section 17.01 Miscellaneous Rights of an Insurer.

(A) Notwithstanding any provision of this Bond Ordinance to the contrary, each Insurer shall be deemed the exclusive Holder of all Bonds insured by that Insurer, for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies. No rights granted to an Insurer by this Bond Ordinance shall be effective at any time that such Insurer is in breach of its obligations under the Municipal Bond Insurance Policy or is subject to bankruptcy or receivership proceedings. Additionally, this paragraph (A) shall be effective only in the event the Insurer's Municipal Bond Insurance Policy results in the applicable Series of Bonds being rated in at least the three (3) highest rating categories of either Standard & Poor's or Moody's Investors Service, Inc.

(B) Any provision of this Bond Ordinance expressly recognizing or granting rights in or to an Insurer may not be amended in any manner which affects the rights of such Insurer hereunder without the prior written consent of each such Insurer.

(C) To the extent that an Insurer makes payment of the principal of or interest on any Bonds, it shall become the owner and Holder of such Bonds, appurtenant coupons or right to payment of such principal of or interest on such Bonds and shall be fully subrogated to all of the registered Holders' rights thereunder, including the registered Holders' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee shall note Insurer's rights as subrogee on the registration books of the City maintained by the Trustee or Registrar upon receipt of proof from the Insurer as to payment of interest thereon to the registered Holders of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee shall note the Insurer's rights as subrogee on the registration books of the City maintained by the Trustee or Registrar upon surrender of the Bonds by the registered Holders thereof to the Insurer or its agent.

(D) In the event that the principal of and/or interest on any Bonds shall be paid by the Insurer pursuant to the terms of its Municipal Bond Insurance Policy, (i) such Bonds shall continue to be "Outstanding" under this Bond Ordinance and (ii) the assignment and pledge of the Gross Revenues and all covenants, agreements and other obligations of the City to the registered Holders shall continue to exist, and the Insurer shall be fully subrogated to all of the rights of such registered Holders in accordance with the terms and conditions of subparagraph (C) above and the Insurer's Municipal Bond Insurance Policy.

(E) The terms and provisions of this Bond Ordinance or of any applicable Series Ordinance may not be terminated as long as there are any moneys owed to an Insurer under such terms and provisions of this Bond Ordinance or the applicable Series Ordinance or any agreement between such Insurer and the City.

Section 17.02 Purpose of Covenants in Bond Ordinance.

Every covenant, undertaking and agreement made on behalf of the City, as set forth in this Bond Ordinance is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Bonds. Each shall be deemed to partake of the obligation of the contract between the City and the Bondholders and shall be enforceable accordingly. In this connection, any provider of a surety bond, line of credit, insurance policy or letter of credit as contemplated under Section 7.04(D) hereof may enforce the terms, conditions and obligations under this Bond Ordinance as a third party beneficiary hereunder. Nothing in this Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, an Insurer, the Trustee, and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Bond Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, an Insurer, the Trustee, and the registered owners of the Bonds.

Section 17.03 Severability.

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

Section 17.04 Remedies Granted by Ordinance Not Being Available to Holders of Other Bonds.

If it shall be held by any court of competent jurisdiction that any right or remedy granted by the Bond Ordinance or any Series Ordinance to the Holders of any Bond is not available to the Holders of all other Bonds, then such rights and remedies are herewith conferred upon the Holders of such other Bonds.

Section 17.05 Authorization to Sign.

For purposes of all consents and other necessary documentation associated with the issuance of Bonds, the Authorized Officers and the Clerk shall be authorized to sign on behalf of the City and the City Council.

Section 17.06 Repealing Clause.

All resolutions, or parts thereof, inconsistent herewith shall be and the same are hereby repealed to the extent of such inconsistencies.

Section 17.07 Governing Law.

The provisions of this Bond Ordinance shall be governed by the laws of the State, without regard to conflict of law principles.

Section 17.08 Date Effective.

Subject to the receipt of the Consent, if required, the provisions of this Bond Ordinance shall become effective as of the enactment date hereof.

DONE, RATIFIED AND ENACTED on this _____ day of _____, 2016.

CITY OF WALTERBORO, SOUTH CAROLINA

(SEAL)

Mayor

Attest:

City Clerk

First Reading:
Second Reading:

EXHIBIT A

**CONSENT OF SOUTH CAROLINA WATER QUALITY
REVOLVING FUND AUTHORITY**

The undersigned hereby certifies that she is authorized to execute and deliver this Consent on behalf of the South Carolina Water Quality Revolving Fund Authority (the "**Authority**") as holder of the now outstanding installments of the originally issued \$3,040,971 Waterworks and Sewer System Improvement Revenue Bond, Series 2009, dated August 14, 2009 (the "**2009 Bond**").

The Authority hereby consents to the execution and delivery of "AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF WALTERBORO, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO dated October 4, 2016 (the "**Bond Ordinance**").

The major amendments initiated by the enactment of the Bond Ordinance generally include the following: (1) amendments and clarifications to certain definitions; (2) revisions to the additional bonds test covenant (removing the forecasting requirement and authorizing the City to make certifications for bonds less than \$2.5mm); (3) increasing the threshold for the refunding bonds test to 110% from 100%; (4) changing the notice provisions for redemption to provide for a contingent call; (5) specific authorization for lease-purchase financing; (6) allowing the State Treasurer to serve as a fiduciary for the holding of certain Debt Service Reserve Funds; (7) allowing for the creation of a rate-stabilization fund; (8) increasing the date by which the annual audit is due from 120 days to 180 days; (9) modifying the approval threshold for certain changes to the bond ordinance from 66.66% to 51%; (10) increasing the acceleration threshold from 25% to 51% upon a default; and (11) adding certain covenants for the protection of the Trustee.

By granting this Consent, the Authority expressly authorizes the 2009 Bond to be governed by the terms of the Bond Ordinance. Further, the Authority expresses no opinion as to whether the consent of any other person is required for such amendment.

SOUTH CAROLINA WATER QUALITY
REVOLVING FUND AUTHORITY

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

Dated: October 4, 2016

EXHIBIT B

CONSENT OF BRANCH BANKING AND TRUST COMPANY

The undersigned hereby certifies that he is authorized to execute and deliver this Consent on behalf of Branch Banking and Trust Company (the "**Bank**") as holder of the now outstanding installments of the originally issued \$1,940,000 Waterworks and Sewer System Refunding Revenue Bond, Series 2011B, dated August 30, 2011 (the "**2011B Bond**").

The Bank hereby consents to the execution and delivery of "AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF WALTERBORO, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO dated October 4, 2016 (the "**Bond Ordinance**").

By granting this Consent, the Bank expressly authorizes the 2011B Bond to be governed by the terms of the Bond Ordinance. Further, the Bank expresses no opinion as to whether the consent of any other person is required for such amendment.

BRANCH BANKING AND TRUST COMPANY

By: _____

Andrew G. Smith
Senior Vice President

Dated: October 4, 2016

STATE OF SOUTH CAROLINA)
)
COUNTY OF COLLETON)

I, the undersigned City Clerk of the City of Walterboro, South Carolina (the “City”), DO
HEREBY CERTIFY THAT:

1. The foregoing constitutes a true, correct and verbatim copy of an amended and restated bond ordinance duly enacted by the City Council of the City of Walterboro (the “City Council”), the governing body of the City, on October 4, 2016 (the “Ordinance”). The Ordinance was read at two (2) public meetings of the City Council on two (2) separate days. An interval of at least six (6) days occurred between each reading. At each meeting of the City Council a quorum of the membership of the City Council were present and remained throughout. The original of the Ordinance is duly entered in the permanent records of minutes of meetings of the City Council, in my custody as City Clerk.

2. As required by Chapter 4, Title 30 of the Code of Laws of South Carolina, 1976, as amended, a notice of the above meetings (including the date, time, and place thereof, as well as an agenda) was posted prominently in the offices of the City and on the public website maintained by the City at least twenty-four hours prior to said meetings. In addition, the local news media and all persons requesting notification of meetings of the City Council were notified of the time, date, and place of such meetings, and were provided with a copy of the agenda therefor at least twenty-four hours in advance of such meetings.

3. The provisions of the Ordinance have not been amended or otherwise modified since its enactment and the Ordinance is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the City, this ___ day of _____, 2016.

(SEAL)

City Clerk
City of Walterboro, South Carolina

First Reading:
Second Reading:

ORDINANCE # 2016-10

A SERIES ORDINANCE

APPROVING THE FINANCING OF A WASTEWATER TREATMENT PLANT UPGRADE THROUGH THE BORROWING OF NOT EXCEEDING ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000), PLUS CAPITALIZED INTEREST, IF ANY, FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND, BY AGREEMENT WITH THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, PURSUANT TO TITLE 48, CHAPTER 5, CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED; PROVIDING FOR THE AGREEMENT TO MAKE AND TO ACCEPT A LOAN, THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT BETWEEN THE CITY OF WALTERBORO, SOUTH CAROLINA AND THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY, THE EXECUTION AND DELIVERY OF A PROMISSORY NOTE FROM THE CITY OF WALTERBORO, SOUTH CAROLINA TO THE SOUTH CAROLINA WATER QUALITY REVOLVING FUND AUTHORITY; AND OTHER MATTERS RELATING THERETO.

CITY OF WALTERBORO, SOUTH CAROLINA

Enacted: _____, 2016

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EXHIBIT A – FORM OF LOAN AGREEMENT A-1

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

ARTICLE I - FINDINGS OF FACT

Section 1.1. Findings of Fact. Incident to the adoption of this series ordinance (this “**2016 Series Ordinance**”), the City Council of the City of Walterboro (the “**City Council**”), the governing body of the City of Walterboro, South Carolina (the “**City**”), has made the following findings:

(a) The City is a municipality incorporated under the laws of the State of South Carolina (the “**State**”) and empowered by the provisions of Title 48, Chapter 5, Code of Laws of South Carolina, 1976, as amended (the “**Act**”) to: (i) undertake a sewer project as defined and approved pursuant to the the Federal Water Pollution Control Act, Chapter 26, Title 33, United States Code, as modified or amended; (ii) make application for and to receive assistance from the South Carolina Water Quality Revolving Fund Authority (the “**State Authority**”); (iii) comply with regulations relating to the receipt and disposition of money of the State Water Pollution Control Revolving Fund (the “**Fund**”) created by the Act; (iv) apply for and receive state grants; (v) enter into loan agreements; and (vi) comply with all terms and conditions of any loan agreement.

(b) Title 6, Chapter 21 of the Code of Laws of South Carolina, 1976, as amended, permits the incurrence of debt for the purpose of financing facilities for the furnishing of water, wastewater, and electric services and permits the securing of such indebtedness with a pledge of revenues and a statutory lien upon the system from which such revenues are derived.

(c) The City Council has determined that, in order for the City to adequately serve its customers, it is necessary to undertake certain improvements to its sewer system. The project consists of upgrades and improvements to the City’s wastewater treatment plant (the “**Project**”). The Project will be a part of and will constitute a portion of the City’s waterworks and sewer system of the City (the “**System**”).

(d) On June 7, 2016, the City Council adopted a resolution authorizing an application to the State Authority for a loan from the Fund (the “**Loan**”).

(e) On July 12, 2016, the State Authority, upon review of the City’s loan application, conditionally approved the Loan.

(f) The Loan is to be made and secured pursuant to a loan agreement between the City and the State Authority (the “**Loan Agreement**”), the form of which is attached hereto as **Exhibit A** and a promissory note executed and delivered by the City, registered in the name of the State Authority (the “**Note**”), the form of which is attached as Appendix E to the Loan Agreement. Pursuant to the Loan Agreement, the City will agree to use the proceeds of the Loan only to pay the actual eligible costs of the Project, and, if deemed prudent by the City, capitalized interest on the Note pursuant to the terms of the Loan Agreement; the City will also agree to pay to the State Authority such amounts as shall be required to provide for the payment of all amounts due with

respect to the repayment of the Loan. To secure its obligations, the City will grant to the State Authority a pledge of, and a lien upon the Gross Revenues of the System (as defined in the Bond Ordinance, which term is defined below). Additionally, the City has provided a statutory lien upon the System. Upon any failure of the City to make any payments to the State Authority pursuant to the Loan Agreement or the Note, the State Authority shall require the State Treasurer to pay to the State Authority, subject to provisions of the Act, such amount from the State appropriations to which the City may be or become entitled as may be necessary to provide for the payment of all amounts due with respect to the Note.

(g) The City Council is adopting this 2016 Series Ordinance in order to:

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

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

(iii) authorize the execution and delivery by, and on behalf of, the City of such other agreements and certificates and the taking of such other action by the City and its officers as shall be necessary or desirable in connection with the financing of the Project in order to carry out the intent of this 2016 Series Ordinance.

(h) The City is authorized, pursuant to an ordinance enacted by the City Council on October 4, 2016, entitled, "AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF WATERWORKS AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF WALTERBORO, SOUTH CAROLINA, AND OTHER MATTERS RELATING THERETO" (the "**Bond Ordinance**"), to enact this 2016 Series Ordinance as a Series Ordinance thereunder and to issue the Note as a Series of Bonds thereunder; and the issuance of such Note is necessary for financing the Project. All capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Bond Ordinance.

(i) The Note will not be junior to any other revenue-secured debt of City and will be issued on parity with the following indebtedness: (A) the now outstanding installments of the originally issued \$3,040,971 Waterworks and Sewer System Improvement Revenue Bond, Series 2009, dated August 14, 2009; and (B) the now outstanding installments of the originally issued \$1,940,000 Waterworks and Sewer System Refunding Revenue Bond, Series 2011B, dated August 30, 2011 (together, the "**Outstanding Bonds**").

(j) The City previously issued its \$1,281,800 original principal amount Tax Increment Revenue Refunding Bond, Series 2011 dated August 30, 2011 (the "**2011 TIF Bond**"). The revenues of the System are also pledges to provide for the payment of the principal of and interest on the 2011 TIF Bond; provided, however, such pledge is inferior to the pledges of the revenues of the System that secure the payment of the Outstanding Bonds and any bond issued on parity, *inter sese*, hereafter.

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

- (i) the period of usefulness of the System is not less than twenty-five (25) years;
- (ii) the Date of Issue of the Note shall be the date that the Note is executed and delivered as provided in Section 3.1 of this 2016 Series Ordinance;
- (iii) the principal amount of the Note shall not exceed One Million Five Hundred Thousand Dollars (\$1,500,000), plus capitalized interest, if any, the exact principal amount (exclusive of capitalized interest) to be determined at the final disbursement of the Loan by the State Authority;
- (iv) the dates for payment of interest on the Note, and the dates of maturity and the amounts thereof, shall be as set forth in the Loan Agreement;
- (v) the Note is to be issued for the purpose of providing funds to defray all or a portion of the costs of the Project;
- (vi) the Note shall be designated "Waterworks and Sewer System Improvement Revenue Bond, Series 2016 of the City of Walterboro, South Carolina";
- (vii) the Note shall be sold to the State Authority in accordance with the Act;
- (viii) the Note shall bear interest at the rate set forth in the Loan Agreement;
- (ix) the Note shall be issued as a single term bond, payable by way of equal, amortized payments of principal and interest as set forth in the Loan Agreement;
- (x) the redemption prices and dates applicable to the Note shall be as set forth in the Loan Agreement and the Note;
- (xi) The Bank of New York Mellon Trust Company, N.A. shall serve as Trustee, Paying Agent and Registrar for the Note;
- (xii) the form of the Note shall be as provided in Appendix E to the Loan Agreement, a copy of which is attached hereto as **Exhibit A**;
- (xiii) the Note shall not be issued in book-entry form as permitted by Section 4.20 of the Bond Ordinance;

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

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

(xvi) the 2016 Debt Service Fund shall be established as a Debt Service Fund under the Bond Ordinance and the 2016 Debt Service Reserve Fund shall be established as a Debt Service Reserve Fund under the Bond Ordinance;

(xvii) because the State Authority will hold the proceeds of the Note until such time as they are requisitioned for costs, no construction fund shall be established; and

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

[END OF ARTICLE I]

ARTICLE II – AUTHORIZATION OF THE LOAN AND ESTABLISHMENT OF FUNDS

Section 2.1. Authorization of Loan. The City Council hereby authorizes the City’s acceptance of the Loan from the State Authority in an amount not exceeding \$1,500,000, plus capitalized interest, if any, pursuant to and in accordance with the provisions of the Loan Agreement.

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

Section 2.3. Establishment of Funds. There shall be established by the Chief Financial Officer (as defined in the Bond Ordinance) a 2016 Debt Service Fund, to be held by The Bank of New York Mellon Trust Company, N.A., as Trustee (the “*Trustee*”), and maintained in accordance with the provisions of the Bond Ordinance and the Loan Agreement.

As provided by Section 7.04(B)(2) of the Bond Ordinance, there shall also be established by the Chief Financial Officer a 2016 Debt Service Reserve Fund, to be kept in the custody and control of the State Treasurer’s Office and maintained in accordance with the provisions of the Bond Ordinance and the Loan Agreement.

[END OF ARTICLE II]

**ARTICLE III- LOAN AGREEMENT AND NOTE; FUNDING THE 2016 DEBT
SERVICE RESERVE FUND**

Section 3.1. Authorization of Loan Agreement and the Note. The Loan Agreement and the Note, in substantially the forms attached hereto as **Exhibit A**, with such changes as the Mayor of the City (the "***Mayor***") or the Chief Financial Officer shall approve (their execution to be conclusive evidence of such approval), are hereby approved. The execution and delivery of the Loan Agreement and the Note on behalf of the City are hereby authorized and directed. The Loan Agreement and the Note shall be dated as of the Date of Issue, which is expected to be October 6, 2016; however, such Date of Issue may be subject to change in the sole discretion of the Mayor. The Loan Agreement and the Note shall be executed on behalf of the City by the Mayor and attested by the City Clerk of the City (the "***Clerk***").

Section 3.2. Provision for Funding of the 2016 Debt Service Reserve Fund. The Reserve Requirement is defined in the Loan Agreement. The Chief Financial Officer is hereby authorized to cause the satisfaction of such Reserve Requirement by funding the 2016 Debt Service Reserve Fund with cash or cash equivalents. Once funded with cash, the City, acting through the State Treasurer's Office, will maintain the Reserve Requirement in accordance with the provisions of the Bond Ordinance and the Loan Agreement.

[END OF ARTICLE III]

ARTICLE IV- MISCELLANEOUS

Section 4.1. Other Instruments and Actions. In order to implement the Loan pursuant to the Loan Agreement and Note and to give full effect to the intent and meaning of this 2016 Series Ordinance and the agreements and actions herein authorized, the Mayor, the City Manager of the City, the Chief Financial Officer and the Clerk are hereby authorized to execute and deliver such certificates, showings, instruments and agreements and to take such further action as the Mayor shall deem necessary or desirable. Additionally, the Chief Financial Officer is authorized to cause satisfaction of any such fees or expenses as may be required to close the Note.

Section 4.2. Ordinance a Contract. This 2016 Series Ordinance shall constitute a contract between the City and the State Authority, and shall be enforceable as such against the City.

Section 4.3. Effective Date. This 2016 Series Ordinance shall become effective upon enactment by the City Council.

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

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

[END OF ARTICLE IV]

DONE, RATIFIED AND ENACTED this 4th day of October, 2016.

**CITY OF WALTERBORO, SOUTH
CAROLINA**

(SEAL)

By: _____
Mayor

Attest:

City Clerk
City of Walterboro, South Carolina

First Reading:
Second Reading:

STATE OF SOUTH CAROLINA)
)
COUNTY OF COLLETON)

I, the undersigned City Clerk of the City of Walterboro, South Carolina (the “City”), DO
HEREBY CERTIFY THAT:

1. The foregoing constitutes a true, correct and verbatim copy of a series ordinance duly enacted by the City Council of the City of Walterboro (the “City Council”), the governing body of the City, on October 4, 2016 (the “Ordinance”). The Ordinance was read at two (2) public meetings of the City Council on two (2) separate days. An interval of at least six (6) days occurred between each reading. At each meeting of the City Council a quorum of the membership of the City Council were present and remained throughout. The original of the Ordinance is duly entered in the permanent records of minutes of meetings of the City Council, in my custody as City Clerk.

2. As required by Chapter 4, Title 30 of the Code of Laws of South Carolina, 1976, as amended, a notice of the above meetings (including the date, time, and place thereof, as well as an agenda) was posted prominently in the offices of the City and on the public website maintained by the City at least twenty-four hours prior to said meetings. In addition, the local news media and all persons requesting notification of meetings of the City Council were notified of the time, date, and place of such meetings, and were provided with a copy of the agenda therefor at least twenty-four hours in advance of such meetings.

3. The provisions of the Ordinance have not been amended or otherwise modified since its enactment and the Ordinance is in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the official seal of the City,
this ___ day of _____, 2016.

(SEAL)

City Clerk
City of Walterboro, South Carolina

First Reading:
Second Reading:

PROCLAMATION No. 2016-06
By the City of Walterboro, South Carolina

Brag A Little About Walterboro Week

WHEREAS, the City of Walterboro is a vibrant and forward thinking community full of southern hospitality and great economic potential, and

WHEREAS, a vital component to our continued evolution and growth is drawing new visitors and residents to Walterboro, an effort that starts by creating a positive environment that will foster prosperity and advancement. and

WHEREAS, the City of Walterboro is committed to engaging its residents with initiatives that promote pride and civic involvement, which is proven to contribute to a robust and socially, environmentally and financially sustainable community, and

WHEREAS, the people of Walterboro and Colleton County are a great resource, we are asking that citizens support a city-wide campaign during which signs will be displayed outside homes and businesses, reinforcing what makes them proud to live in Walterboro,

NOW, THEREFORE, BE IT PROCLAIMED by the Mayor and City Council of the City of Walterboro, South Carolina, in Council Assembled, that September 2016 shall be designated as

“BRAG A LITTLE ABOUT WALTERBORO MONTH”

in the City of Walterboro and encourages its citizens to participate in this campaign, making a visible statement that we are committed to improving the quality of life for all citizens in the City of Walterboro and Colleton County, and are proud of the achievements of our town.

IN WITNESS WHEREOF, I hereunto set my hand and caused the official seal of the City of Walterboro, South Carolina, to be affixed in this 6th day of September, 2016.

William T. Young, Jr., Mayor

ATTEST:

Betty J. Hudson, City Clerk

RESOLUTION NO. 2016-R-08

A RESOLUTION COMMITTING THE CITY OF WALTERBORO TO PROVIDE A LOCAL MATCH IN THE AMOUNT OF \$2,500 FOR A MUNICIPAL ASSOCIATION OF SOUTH CAROLINA HOMETOWN ECONOMIC DEVELOPMENT GRANT

WHEREAS, the Municipal Association of South Carolina is offering Hometown Economic Development Grants to South Carolina cities and towns to implement economic development projects that will make a positive impact on the quality of life in their communities; and

WHEREAS, the City of Walterboro is a legally constituted municipality in the State of South Carolina; and

WHEREAS, the City of Walterboro has determined that it is in the best interests of the City to apply to the Municipal Association of South Carolina for a Hometown Economic Development Grant.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Walterboro, South Carolina in a meeting duly assembled:

The Council hereby commits to provide a local match of \$2,500, which equals the minimum ten percent (10%) local match required by the Municipal Association of South Carolina, to support the City of Walterboro application for a \$25,000 Hometown Economic Development Grant. These grant and local matching funds will be used for engineering work for the Discovery Center for the Walterboro Wildlife Sanctuary. This resolution is made regarding the submission of an application for Hometown Economic Development Grant funds to the Municipal Association of South Carolina on or before September 30, 2016.

ADOPTED, this 6th day of September, 2016.

CITY OF WALTERBORO, SOUTH CAROLINA

By: _____
William T. Young, Jr., Mayor

ATTEST:

Betty J. Hudson, City Clerk

**NAIFA/Walterboro
Po Box 1814
Walterboro, SC 29488**

September 6, 2016

Dear Mayor and City Council;

We are requesting permission to hang our banner for Life Insurance Awareness Month in September. We would like to hang it the week of September 12-16. If this week is unavailable please let us know which week in September will be available. Our banner has also been designed to meet the city banner codes and was approved last year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Deborah Culpepper', with a stylized flourish at the end.

Deborah Culpepper, President Elect

REQUESTS TO HANG BANNERS

2015 TO PRESENT

April 1-7, 2015	National Crime Victim's Rights Week, Denise Pinckney
Sept. 7-11, 2015	Life Insurance Awareness Month, Ericka Woods, Naifa-Walterboro
April 1-8, 2016	Crime Victim's Rights Week, Denise Pinckney
May 1-20, 2016	Relay for Life Event, Marilyn Bazzle
May 8-14, 2016	Nursing Home Week, Rachel Campbell, PruittHealth - Walterboro



August 31, 2016

Walterboro City Council
242 Hampton Street
Walterboro, SC 29488

Re: 2nd Annual Brag A Little About Walterboro Campaign

Dear Mayor and City Council,

The Walterboro Tourism Commission is excited to launch its 2nd Annual Brag A Little About Walterboro Campaign this month. We look forward to another successful year. By extending the length of the campaign we hope to see increased participation, and reach more individuals and organizations.

To increase the visibility of the campaign, the Walterboro Tourism Commission requests approval of the following:

- A banner announcing Brag a Little About Walterboro Month to be displayed September 19th-30th, 2016 (mock-up below)

BRAG A LITTLE ABOUT WALTERBORO

Thank you for your support and encouragement.

Sincerely,

Michelle Strickland, Tourism Director
843-538-4353
mstrickland@walterborosc.org

To Whom it may concern:

September is ovarian cancer awareness month and we all know Kendra Crosby was passionate about raising awareness for genealogical cancers. I would like to place teal ribbons on the lamp post downtown similarly to what we did last year. If approved, ribbons will go up Sept 7nd and will be down the last day of September.

The ribbons will help serve as a reminder for women to take and early action to help prevent cancer spread below the belt.

Thank You for your time,

Suzanne Butler, Ricky Crosby, Ashley Thomas

843-909-9780

WALTERBORO POLICE DEPARTMENT

CITY OF WALTERBORO

242 HAMPTON STREET • POST OFFICE BOX 709

Walterboro, South Carolina 29488



WADE B. MARVIN

CHIEF

TEL. 843-549-1811

FAX 843-549-8583

police@walterborosc.org

Domestic Violence Awareness Month

As we all know October is Criminal Domestic Violence Awareness month. Domestic Violence Awareness Month (DVAM) evolved from the "Day of Unity" in October 1981 observed by the National Coalition Against Domestic Violence. The intent was to connect advocates across the nation who were working to end violence against women and their children. The Day of Unity soon became an entire week devoted to a range of activities conducted at the local, state, and national levels. The activities conducted were as varied and diverse as the program sponsors but had common themes: mourning those who have died because of domestic violence, celebrating those who have survived, and connecting those who work to end violence.

In October 1987, the first Domestic Violence Awareness Month was observed. That same year marks the initiation of the first national domestic violence toll-free hotline. In 1989 the U.S. Congress passed Public Law 101-112 designating October of that year as National Domestic Violence Awareness Month. Such legislation has passed every year since with NCADV providing key leadership in this effort. Each year, the Day of Unity is celebrated the first Monday of Domestic Violence Awareness Month. As of September 23, 2008 the City of Walterboro has adopted October as Domestic Violence Awareness Month.

In observance of Domestic Violence Awareness Month on Monday, October 3, 2016 at 6p.m. the Walterboro Police Department will be conducting a **Walk Against Domestic Violence**. This walk will be dedicated to all victims of domestic violence. Walking a mile in someone else's shoe gives us a better insight of what others may be going through. We will open with a domestic violence victim survivor as our guest speaker to share her story followed by a walk. The route in which we will be taking is as follows: starting on Hampton Street in front of City Hall then we will be making a right turn onto Lucas Street, then a right turn onto Carn Street another right onto Walters Street then one last right back onto Hampton Street ending back in front of City Hall. Surrounding area law enforcement, victim advocates, first responders and the public are invited to share this event along with us. Criminal Domestic Violence is a serious crime, not only does it affect the adults victims but their children as well. So I am asking that you all help me advocate for the victims by sharing with us this awareness day.

Walterboro Police Department
Crime Victims Assistance Program Coordinator
OFC. Denise Pinckney

**CITY OF WALTERBORO
PARADE/PROCESSION PERMIT REQUEST**

(PLEASE PRINT INFORMATION REQUESTED)

Application Date: 8/25/16

1. Person submitting application: Denise Pinckney
Address: 242 Hampton St Walterboro SC
Telephone: 843 782 1042

2. Name of Organization: Walterboro Police Department
Chairperson/President: Denise Pinckney
Address: 242 Hampton Street Walterboro SC 29481
Telephone: 843-782-1042

3. Parade Chairman: Denise Pinckney
Address: 242 Hampton Walterboro SC 29488
Telephone: 843 782 1042


4. Date/Time of Parade: 10/3/16 6pm - 7pm

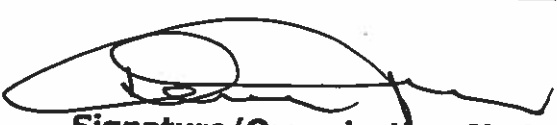
5. Parade Route requested (Attach Sketch) _____

6. Number of Vehicles/Floats: 0 Number of Animals: 0

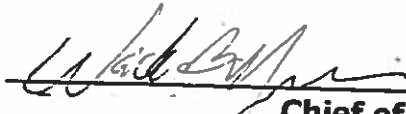
7. Portion (width) of street parade will occupy: 1 lane

8. Additional Information (Upon Request): _____


Signature/Parade Chairman


Signature/Organization Chairperson

_____ Approval _____ Disapproval


_____, Chief of Police

_____, City Manager

NOTE: >>> Call Police Dept. (549-1811) to confirm Parade/Procession Route three days prior to parade.

WALTERBORO POLICE DEPARTMENT

WALK AGAINST DOMESTIC VIOLENCE



October is Domestic Violence Awareness Month and the Walterboro Police Department will be hosting a “Walk in Their Shoes” in honor of the victims and survivors of Domestic Violence.

Come Out and Join Us

Date: Monday October 3rd, 2016

Time: 6:00pm

**Location: Walterboro Police Department
242 Hampton Street
Walterboro, S.C. 29488**

**Route: Hampton Street to Lucas Street to Carn
Street to Walter Street and ending back
on Hampton Street at City Hall.**



**CITY OF WALTERBORO
PARADE/PROCESSION PERMIT REQUEST**

(PLEASE PRINT INFORMATION REQUESTED)

Application Date: 8-18-16

1. Person submitting application: Bob Tiegs
Address: 120 Azalea Dr. W'boro
Telephone: 843 549 1097

 2. Name of Organization: Colleton County Veterans Council
Chairperson/President: Johnny Holmes
Address: Cottageville
Telephone: 843 908-2123

 3. Parade Chairman: Bob Tiegs
Address: _____
Telephone: _____

 4. Date/Time of Parade: Nov. 13 2016 Sunday 2pm

 5. Parade Route requested (Attach Sketch) _____

 6. Number of Vehicles/Floats: 30 Number of Animals: 0

 7. Portion (width) of street parade will occupy: Whole Street

 8. Additional Information (Upon Request): Request street to be closed at 1:00 pm
- Bob Tiegs _____ Signature/Parade Chairman
Johnny Holmes _____ Signature/Organization Chairperson

Approval _____ Disapproval

[Signature] _____
Director of Public Safety

_____ _____
City Manager

NOTE: >>> Call Public Safety (549-1811) to confirm Parade/Procession Route three days prior to parade.

The parade route will start on Hampton St.
at the Colleton Center, proceed east turn right
on Jeffries Highway, turn right on Washingto-
St., turn right on Neyle St, turn right on
N. Miller st. and end back at the Colleton Cente

