

## Millage Caps FY 2019 - 2020

County	July 1 2017 Estimate	July 1 2018 Estimate	Pop. Growth	CPI	FY 2020 Millage Cap
Abbeville	24,560	24,541	-0.08%	2.44%	2.44%
Aiken	168,256	169,401	0.68%	2.44%	3.12%
Allendale	9,001	8,903	-1.09%	2.44%	2.44%
Anderson	198,268	200,482	1.12%	2.44%	3.56%
Bamberg	14,397	14,275	-0.85%	2.44%	2.44%
Barnwell	21,356	21,112	-1.14%	2.44%	2.44%
Beaufort	186,492	188,715	1.19%	2.44%	3.63%
Berkeley	214,470	221,091	3.09%	2.44%	5.53%
Calhoun	14,693	14,520	-1.18%	2.44%	2.44%
Charleston	401,738	405,905	1.04%	2.44%	3.48%
Cherokee	56,925	57,078	0.27%	2.44%	2.71%
Chester	32,285	32,251	-0.11%	2.44%	2.44%
Chesterfield	45,920	45,754	-0.36%	2.44%	2.44%
Clarendon	34,000	33,700	-0.88%	2.44%	2.44%
Colleton	37,594	37,660	0.18%	2.44%	2.62%
Darlington	67,033	66,802	-0.34%	2.44%	2.44%
Dillon	30,551	30,599	0.16%	2.44%	2.60%
Dorchester	158,881	160,647	1.11%	2.44%	3.55%
Edgefield	26,772	27,052	1.05%	2.44%	3.49%
Fairfield	22,612	22,402	-0.93%	2.44%	2.44%
Florence	138,513	138,159	-0.26%	2.44%	2.44%
Georgetown	61,841	62,249	0.66%	2.44%	3.10%
Greenville	506,552	514,213	1.51%	2.44%	3.96%
Greenwood	70,587	70,741	0.22%	2.44%	2.66%
Hampton	19,501	19,351	-0.77%	2.44%	2.44%
Horry	332,651	344,147	3.46%	2.44%	5.90%
Jasper	28,398	28,971	2.02%	2.44%	4.46%
Kershaw	65,092	65,592	0.77%	2.44%	3.21%
Lancaster	92,624	95,380	2.98%	2.44%	5.42%
Laurens	66,915	66,994	0.12%	2.44%	2.56%
Lee	17,267	17,142	-0.72%	2.44%	2.44%
Lexington	290,818	295,032	1.45%	2.44%	3.89%
Marion	31,292	31,039	-0.81%	2.44%	2.44%
Marlboro	26,702	26,398	-1.14%	2.44%	2.44%
McCormick	9,567	9,410	-1.64%	2.44%	2.44%
Newberry	38,428	38,520	0.24%	2.44%	2.68%
Oconee	77,437	78,374	1.21%	2.44%	3.65%
Orangeburg	87,673	86,934	-0.84%	2.44%	2.44%
Pickens	123,687	124,937	1.01%	2.44%	3.45%
Richland	411,471	414,576	0.75%	2.44%	3.20%
Saluda	20,424	20,544	0.59%	2.44%	3.03%
Spartanburg	306,632	313,888	2.37%	2.44%	4.81%
Sumter	106,514	106,512	0.00%	2.44%	2.44%
Union	27,498	27,410	-0.32%	2.44%	2.44%
Williamsburg	31,185	30,606	-1.86%	2.44%	2.44%
York	266,146	274,118	3.00%	2.44%	5.44%
<b>South Carolina</b>	<b>5,021,219</b>	<b>5,084,127</b>	<b>1.25%</b>		

Pursuant to SC Code of Laws, 1976, Section 6-1-320. Population factor for negative population growth is zero.

Data Sources: S.C. Revenue and Fiscal Affairs Office, April 2019. Population as published by the U.S. Census Bureau, Population Division, April 2019; All Urban Consumer Price Index as published by the US Bureau of Labor Statistics for Calendar Year 2017 to Calendar Year 2018 in January 2019.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
EROSION & BRIDGE BUDGET  
FISCAL YEAR 2020**

	ACTUAL FY 2018	BUDGET FY 2019	ESTIMATED FY 2019	PROPOSED FY 2020	Budget Inc (Dec)
<b>AVAILABLE FUNDS JULY 1</b>					
CASH, INVEST & BFT CO TREAS	2,969,384	1,692,246	1,704,268	1,468,948	
INTERFUND TRANSFERS	255	-	1,592	4,090	
AR/(AP) & INVEST (GAIN)/LOSS	(35,278)	9,200	7,067	6,310	
<b>TOTAL FUNDS AVAILABLE</b>	<b>2,934,361</b>	<b>1,701,446</b>	<b>1,712,927</b>	<b>1,479,348</b>	
LESS EMERGENCY RESERVE	(228,800)	(235,660)	(235,660)	(235,660)	
LESS BRIDGE RESERVE	(493,846)	(205,550)	(205,550)	(249,700)	
LESS REVETMT CONSTR FUND (1)	(1,008,848)	(1,009,006)	(1,008,848)	(903,957)	
<b>CASH AVAILABLE FOR O&amp;M</b>	<b>1,202,867</b>	<b>251,230</b>	<b>262,869</b>	<b>90,031</b>	
<b>OPERATING EXPENSES</b>					
07-00-501-00 ADMINISTRATION	6,640	6,780	6,780	6,950	170
07-00-517-00 COMMISSIONERS EXPENSES	-	200	-	200	-
07-00-521-00 ACCOUNTING & AUDIT	1,262	1,300	1,260	1,660	360
07-00-522-00 LEGAL FEES	4,719	5,000	7,050	5,000	-
07-00-523-00 BANK SERVICE CHARGES	114	-	-	-	-
07-00-531-00 BRIDGE INSURANCE	126,664	145,670	135,030	144,000	(1,670)
07-00-533-00 LICENSES & TAXES	-	-	18	-	-
07-00-549-00 MISCELLANEOUS EXPENSE	200	-	50	-	-
07-00-562-00 GROIN REPAIR	-	-	-	-	-
07-00-564-00 REVETMENT REPAIR	12,766	24,000	14,790	20,000	(4,000)
07-00-566-00 BRIDGE INSPECT/MAINTENANCE	81,541	156,700	22,400	21,600	(135,100)
<b>TOTAL O&amp;M EXPENSES</b>	<b>233,907</b>	<b>339,650</b>	<b>187,378</b>	<b>199,410</b>	<b>(140,240)</b>
07-00-190-01 CAPITAL EXPENDITURES (2)	1,162,051	-	175,000	3,228,600	3,228,600
07-00-245-00 17 GO BOND PRINCIPAL PYMTS	57,000	51,000	51,000	52,000	1,000
07-00-246-00 18 GO BOND PRINCIPAL PYMTS	-	-	-	102,000	102,000
07-00-596-00 17 & 18 GO BOND INTEREST	21,923	57,870	57,870	168,170	110,300
<b>TOTAL EXPENDITURES</b>	<b>1,474,880</b>	<b>448,520</b>	<b>471,248</b>	<b>3,750,180</b>	<b>3,301,660</b>
ANTICIPATED REIMBURSEMT FR GO BOND	-	-	71,400	3,228,600	
<b>AVAILABLE CASH OVER (UNDER) EXPENSES</b>	<b>(272,014)</b>	<b>(197,290)</b>	<b>(136,979)</b>	<b>(431,549)</b>	<b>(234,259)</b>
<b>REVENUES</b>					
07-00-408-00 TAX PENALTIES	617	-	540	-	-
07-00-411-00 BRIDGE ATTACHMENT FEES	-	-	17,000	17,510	17,510
07-00-416-00 INTEREST INCOME	8,256	-	7,300	-	-
07-00-429-00 MISC INCOME (FEMA & INS)	29,944	-	-	-	-
07-00-499-00 INTERFUND TRANSFERS IN (OUT) (3)	78,923	108,870	108,870	322,170	213,300
EXCESS (REQUIRED) CASH	(154,275)	(88,420)	(3,269)	(91,869)	(3,449)
07-00-409-00 <b>TAX COLLECTIONS REQUIRED</b>	135,708	88,420	87,800	91,870	3,450
<b>BRIDGE RESERVE MILLAGE (4)</b>	-	50,000	49,650	50,000	-
PLUS EMERGENCY RESERVE	228,800	235,660	235,660	241,410	5,750
PLUS BRIDGE RESERVE	493,846	255,550	205,550	249,700	(5,850)
PLUS REMAINING REVMT CONSTR FUND	1,008,848	-	903,957	903,957	903,957
UNREALIZED INVEST GAIN (LOSS)	(11,387)	-	(6,310)	-	-
YR END TRANSFERS, (DB) CR	(1,592)	-	(4,090)	-	-
YR END ACCT REC/PAY, (DB) CR	4,320	-	-	-	-
<b>FUNDS AVAILABLE @ YEAR END</b>	<b>1,704,268</b>	<b>491,210</b>	<b>1,468,948</b>	<b>1,445,068</b>	<b>903,858</b>
Estimated assessed value/mill \$	46,573	\$ 46,584	\$ 46,584	\$ 47,746	1,162
Based on a collection rate of	100%	100%	99.3%	99.3%	
one mill equals \$	46,573	\$ 46,584	\$ 46,258	\$ 47,412	828
<b>O&amp;M TAXES LEVIED, MILLS</b>	1.67	1.90	1.90	2.0	0.10
<b>BRIDGE RESERVE TAXES LEVIED, MILLS</b>	-	1.07	1.07	1.1	0.03

Operations tax levy mill increase limited based on annual change in cpi & county population.

(1) Remaining GO bond proceeds in the revetment construction fund can only be used for purposes listed in the GO bond referendum authorizing the GO bond issue and must be used within 3 years of issue date.

(2) Capital expenditures totaling \$175,000 for additional repairs to the Porpoise revetment and costs associated with the 2019-20 bridge repair project were incurred in FY2019. \$103,600 was for the Porpoise revetment & was paid from remaining revetment GO bond funds. The estimated \$71,400 in costs associated with the bridge repair will be reimbursed from the 2019 GO bond issue. For FY2020, additional capital expenditures for the bridge repair are estimated at \$3,228,600 and will be paid from the 2019 GO bond proceeds.

(3) Interfund transfers include monies transferred from Bft Co Treasurer's debt service fund for annual debt service payments. Includes principal and interest.

(4) State law exempts millage used for building/maintaining a reserve from the millage increase limitation. The bridge insurance policy purchased in FY2019 has a deductible of \$500,000 for all losses due to a named windstorm. Millage will be assessed annually to increase the bridge reserve fund to a minimum of \$500,000.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
EROSION & BRIDGE DEPARTMENT**

**PROPOSED FISCAL YEAR 2020 BUDGET  
ACCOUNT DETAIL**

**TOTAL AVAILABLE FUNDS JULY 1** - Includes Erosion O&M checking account, Fripp Inlet Bridge investment & checking accounts, account with Beaufort County Treasurer's office for receipt of taxes, transfers (cash) between funds & due from other departments, & funds received from FIPOA for repairs to the Fripp Inlet Bridge.

**CASH AVAILABLE FOR O&M** – Available funds @ beginning of year less erosion funds set aside for emergencies such as unanticipated repairs to the Fripp Inlet revetment & anticipated remaining bridge reserves. For FY20, beginning bridge reserve was reduced to cover O&M costs during FY19 that could not be covered by capped tax levy. Available funds reduced by remaining revetment construction funds that are reserved for uses governed by the District's 2017 revetment bond resolution.

**OPERATING EXPENSES**

**07-00-501-00 Administration** – Water & sewer dept. fee for providing administrative & financial support for erosion & bridge dept. Budget based on FY2019 amount adjusted for annual avg. cpi increase from 2017 to 2018. Use \$ 6,950

**07-00-517-00 Commissioner's Expenses** - Reimbursement of expenses incurred by Commissioners related to erosion & bridge matters & prorated cost of election in odd numbered "fiscal" years. Use \$ 200

**07-00-521-00 Accounting & Audit** – Prorated amount for annual audit and accounting functions based on prior year, plus small increase due to increased work for GO bond accounting. Use \$ 1,660

**07-07-522-00 Legal Fees** – Budget based on prior year's budget. Includes expense associated with bridge repairs and maintenance funding. Use \$ 5,000

**07-00-523-00 Bank Service Charges** - Fees charged by Bank to maintain District's Bank accounts. Now included in Administration costs. Use \$ 0

**07-00-531-00 Bridge Insurance** –Budget amount based on prior year premium plus 6.6% increase. Use \$144,000

**07-00-533-00 Licenses & Taxes** – Based on prior year budget. Use \$ 0

**07-00-562-00 Groin Repair** – Budget amount based on prior three years' experience & the recommendation of Dr. Robert S. Young, PhD, in his June 2004 report, not to repair the groins. Use \$ 0

**07-00-564-00 Revetment Repair** –Budget for cost of minor repairs to newly rebuilt revetment and other erosion control structures. Use \$ 20,000

**07-00-566-00 Bridge Inspection/Maintenance** – Budget \$21,600 for inspections & maintenance: \$20,000 for bridge inspection, \$600 for monthly bridge cleaning, and \$1,000 for miscellaneous expenses. Use \$21,600

**07-00-190-01 Capital Expenditures** – Total for FY 2019 is expected to be approximately \$175,000 and includes \$103,600 for additional revetment-related capitalized costs paid from remaining revetment GO bond funds and \$71,400 for bridge repair-related capitalized costs. Additional capital expenditures of approximately \$3,228,600 for bridge repairs are expected in FY2020 and will be funded by GO bonds. Use \$3,228,600

**07-00-245-00 '17 GO Bond Principal Pymts** – Total of principal payments on 2017 GO Bond Issue for funding of Fripp Inlet Revetment repairs. Funds transferred from debt service account held at Beaufort County Treasurer's office and are shown as income under Interfund Transfers. Use \$ 52,000

**07-00-246-00 '19 GO Bond Principal Pymts** – Total of principal payments on 2019 GO Bond Issue for funding of Fripp Inlet Bridge repairs. Funds transferred from debt service account held at Beaufort County Treasurer's office and are shown as income under Interfund Transfers. Use \$ 102,000

**07-00-596-00 GO Bond Interest** – Total of interest payments on '17 & '19 GO Bonds for funding of Fripp Inlet Revetment & Bridge repairs. Funds transferred from debt service account held at Beaufort County Treasurer's office and are shown as income under Interfund Transfers. Use \$ 168,170

## **OPERATING REVENUES**

**07-00-408-00 Tax Penalties** – Collected by Beaufort Co. Treasurer for late payment of taxes. Use \$ 0

**07-00-411-00 Bridge Attachment Fees** – Fees collected for utility attachment to Fripp Bridge. Use \$ 17,510

**07-00-416-00 Interest Income** – Budget same amount as prior year. Use \$ 0

**07-00-499-00 Interfund Transfers In (Out)** – Funds transferred from Beaufort County Treasurer debt service fund for payment of principal and interest on 2017 & 2019 GO Bonds. Use \$322,170

**07-00-409-00 Taxes Collected/Required** – Budget amount based on operations expenditures in excess of cash available and other revenue sources, plus taxes collected to build a reserve for emergency bridge expenses, to include payment of insurance deductible. Millage imposed for operations and maintenance is limited by State law, which caps maximum annual tax millage increase. Millage imposed for building/maintaining a reserve is exempt from the millage increase limitation. Operations levy - \$91,870. Reserve levy - \$50,000. Use \$141,870

**FRIPP ISLAND FIRE DEPARTMENT  
FY-2020 Budget Comparison**

<b>ACCT NO</b>	<b>EXPENSES</b>	<b>ACTUAL FY-2018</b>	<b>APPROVED FY-2019</b>	<b>ESTIMATED FY-2019</b>	<b>PROPOSED FY-2020</b>	<b>BUDGET INC (DEC)</b>
	<b>EMPLOYEE EXPENSES</b>					
03-00-500-00	PAYROLL EXPENSE	1,850	1,760	1,760	1,760	-
03-00-501-00	SALARIES	310,985	365,440	321,620	376,000	10,560
03-00-504-00	FICA	19,152	22,660	20,000	23,310	650
03-00-505-00	FMED	4,479	5,300	4,700	5,450	150
03-00-506-00	RETIREMENT	43,324	52,840	47,600	54,200	1,360
03-00-509-00	MEDICAL INSURANCE	16,080	16,800	16,600	16,600	(200)
03-00-510-00	WORKMAN'S COMP	17,682	19,130	18,360	18,400	(730)
03-00-511-00	EMPLOYEE PHYSICAL	-	300	-	300	-
03-00-516-00	UNIFORMS & GEAR	3,380	2,750	5,000	3,000	250
03-00-519-00	VOLUNTEER RECOGNITION	-	150	130	150	-
	<b>TOTAL EMPLOYEE EXPENSES</b>	<b>416,933</b>	<b>487,130</b>	<b>435,770</b>	<b>499,170</b>	<b>12,040</b>
	<b>OPERATING EXPENSES</b>					
03-00-513-00	SEMINARS & SCHOOLS	443	1,400	1,400	1,400	-
03-00-514-00	TRAVEL & RELATED	100	200	200	200	-
03-00-517-00	COMMISSIONERS EXPENSES	-	100	150	100	-
03-00-521-00	ACCOUNTING & AUDIT	5,463	5,630	5,630	5,960	330
03-00-522-00	BANK CHARGES	-	-	-	-	-
03-00-523-00	BEVERAGES & COMPLEMENTS	558	700	550	700	-
03-00-525-00	CLEAN SUPPLIES/SUNDRIES	742	1,000	900	1,000	-
03-00-526-00	DUES	195	350	250	300	(50)
03-00-532-00	GENERAL INSURANCE	12,960	14,700	15,100	18,210	3,510
03-00-533-00	LEGAL FEES & TAXES (01)	1,457	500	575	600	100
03-00-534-00	ADMINISTRATIVE SUPPORT	-	13,920	13,920	19,010	5,090
03-00-537-00	OFFICE SUPPLIES	268	400	300	350	(50)
03-00-539-00	PRINTING	-	-	-	-	-
03-00-542-00	SUBSCRIPTIONS	1,664	1,600	1,600	1,750	150
03-00-549-00	MISCELLANEOUS	3,165	3,200	3,100	3,300	100
03-00-581-00	ELECTRICITY	6,197	6,200	5,000	5,600	(600)
03-00-582-00	LP GAS & GARBAGE	2,236	1,300	1,600	1,600	300
03-00-583-00	TELEPHONE	3,882	4,000	4,000	4,000	-
	<b>G&amp;A Expenses</b>	<b>39,329</b>	<b>55,200</b>	<b>54,275</b>	<b>64,080</b>	<b>8,880</b>
03-00-527-00	FIRE FIGHTING SUPPLIES	1,473	1,000	1,000	1,000	-
03-00-530-00	FIRE PREVENTION	1,106	1,000	1,000	1,000	-
03-00-531-00	MEDICAL SUPPLIES	147	400	300	400	-
03-00-541-00	SMALL TOOLS	218	300	500	300	-
03-00-543-00	GAS & OIL	5,065	5,500	5,000	5,500	-
03-00-558-00	GROUND & STATION MAINT	5,018	5,000	5,500	6,000	1,000
03-00-561-00	FIRE HYDRANTS	148	-	-	-	-
03-00-564-00	RADIOS & PAGERS	83	300	500	350	50
03-00-568-00	EQUIPMENT MAINTENANCE	4,172	2,000	2,200	2,200	200
03-00-569-00	VEHICLE MAINTENANCE	2,991	4,500	4,700	4,500	-
03-00-575-00	EMERGENCY/NATURAL DISAST	1,568	500	250	500	-
	<b>O&amp;M Expense</b>	<b>21,989</b>	<b>20,500</b>	<b>20,950</b>	<b>21,750</b>	<b>1,250</b>
	<b>TOTAL OPERATING EXPENSES</b>	<b>478,251</b>	<b>562,830</b>	<b>510,995</b>	<b>585,000</b>	<b>22,170</b>
	<b>ASSET ADDITIONS</b>					
03-00-590-00	PURCHASE OF FIXED ASSETS	39,445	35,000	36,234	28,100	(6,900)
03-00-591-00	FIRE TRUCK LEASE-PRINCIPAL	-	-	-	-	-
03-00-591-01	FIRE TRUCK LEASE-INTEREST	-	-	-	-	-
03-00-595-00	AMORT DEFERRED DEBT	-	-	-	-	-
09-00-595-00	NEW STATION PRINCIPAL	-	-	-	-	-
09-00-596-00	NEW STATION INTEREST	-	-	-	-	-
09-00-597-00	G.O. BOND COST	-	-	-	-	-
	<b>TOTAL ASSET ADDITIONS</b>	<b>39,445</b>	<b>35,000</b>	<b>36,234</b>	<b>28,100</b>	<b>(6,900)</b>
	<b>TOTAL EXPENDITURES</b>	<b>517,696</b>	<b>597,830</b>	<b>547,229</b>	<b>613,100</b>	<b>15,270</b>

**FRIPP ISLAND FIRE DEPARTMENT  
OPERATION & MAINTENANCE  
REVENUES & CASH FLOW  
FY-2020**

	1ST QTR JUL-SEP	2ND QTR OCT-DEC	3RD QTR JAN-MAR	4TH QTR APR-JUN	TOTAL
<b>CASH BEGINNING OF PERIOD</b>	<b>\$376,401</b>				<b>\$376,401</b>
INTERFUND TRANSFERS	1,500				1,500
LESS CONTINGENCY RESERVE	(50,000)				(50,000)
<b>AVAILABLE CASH BEGINNING OF PERIOD</b>	<b>\$327,901</b>	<b>\$181,951</b>	<b>\$302,741</b>	<b>\$423,531</b>	<b>\$327,901</b>
EMPLOYEE EXPENSES	\$124,793	\$124,793	\$124,793	\$124,793	\$499,170
G&A EXPENSES	16,020	16,020	16,020	16,020	64,080
OPERATING EXPENSES	5,438	5,438	5,438	5,438	21,750
ASSET ADDITIONS (CAP OUTLAY)		14,050	14,050		28,100
<b>TOTAL EXPENDITURES</b>	<b>\$146,250</b>	<b>\$160,300</b>	<b>\$160,300</b>	<b>\$146,250</b>	<b>\$613,100</b>
03-00-408-00 TAX LEVY	\$0	\$280,790	\$280,790	\$23,400	\$584,969
03-00-408-01 RESERVE TAX LEVY	\$0	\$0	\$0	\$0	
03-00-406-00 TAP INS (1)	300	300	300	600	1,500
NET CASH INCREASE	(\$145,950)	\$120,790	\$120,790	(\$122,250)	(\$26,620)
<b>AVAILABLE CASH END OF PERIOD</b>	<b>\$181,951</b>	<b>\$302,741</b>	<b>\$423,531</b>	<b>\$301,281</b>	<b>\$301,281</b>
<b>ACTUAL CASH END OF PERIOD w/RESERVE</b>	<b>\$231,951</b>	<b>\$352,741</b>	<b>\$473,531</b>	<b>\$351,281</b>	

Required Tax Revenue: **\$584,970**  
Proposed Reserve: **\$0**

Value of mill for tax year 2019 **\$47,746**  
Provided by A. Holland, Bft. Co. on 4/4/2019

Tax Collection Rate: **99.3%**

Value of mill @ Collection Rate: **\$47,412**

Operations Tax Levy Required, mills : **12.3**  
Reserve Tax Levy Required, mills: **0.00**

Cash Balance at the end of the year needs to be sufficient to cover 1/2 of the annual budget for FY 2021.

Employee Expenses	\$257,070
Operating Expenses	44,200
<b>Total Cash Reserve</b>	<b>\$301,270</b>

(1) For all residential & commercial water taps, the District collects a \$300.00 "Fire Flow" fee.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
FIRE DEPARTMENT**

**PROPOSED FISCAL YEAR 2020 BUDGET  
ACCOUNT DETAIL**

**EMPLOYEE EXPENSES**

**03-00-500-00 Payroll Expense**

This expenditure includes salaries for the Fire Chief and 18 PT Firefighters. Use **\$1,760**

**03-00-501-00 Salaries**

This expenditure includes salaries for the Fire Chief and 18 PT Firefighters. Use **\$376,000**

**03-00-504-00 FICA**

Social Security based on 6.2% of total salary. Use **\$23,310**

**03-00-505-00 FMED**

Medicare based on 1.45% of total salary. Use **\$5,450**

**03-00-506-00 Retirement**

District's contribution to State Retirement System based on employees' regular & overtime pays. Effective July 1, 2019, the employer's contribution is 15.41% for SCRS and 17.84% for PORS. We have employees who have retired out of PORS and we have to pay into their PORS not their SCRS. Use **\$54,200**

**03-00-509-00 Medical Insurance**

The District provides coverage for all full time employees. As of 4/24/19, based on information provided by SC Public Employee Benefit Authority (PEBA), there is no projected health premium increase. Actual increases could be higher depending on the final decision by the SC Budget & Control Board. Use **\$16,600**

**03-00-510-00 Workman's Comp**

Estimated expense based on workmen's compensation annual premium for calendar year 2018 with a COLA included for salary increases. Use **\$18,400**

**03-00-511-00 Employee Physical**

This employee expenditure is for annual physicals and SCBA Fit Testing. Use **\$300**

**03-00-516-00 Uniforms & Gear**

This employee expenditure is established for uniforms/gear for all members of the Fire Department. Use **\$3,000**

**03-00-519-00 Firefighter Recognition**

This employee expenditure is established for meritorious action awards and length of service awards for all members of the Fire Department. Use **\$150**



## **OPERATING EXPENSES**

### **03-00-513-00 Training**

Training is the backbone of any department. This operating expenditure is established for firefighter and fire officer level training.

Use **\$1,400**

### **03-00-514-00 Travel & Related**

This operating expenditure is established for meals and accommodations while traveling to training or fire department related activities. Department business meals are also included in this expenditure.

Use **\$200**

### **03-00-517-00 Commissioner's Expenses**

This operating expenditure is established for expenses incurred for commissioner elections and other related expenses.

Use **\$100**

### **03-00-521-00 Accounting & Audit**

This operating expenditure is for the Fire Departments portion of the annual audit report and consulting on fiscal matters. The PSD has a contract with Webster Rogers LLP.

Use **\$5,960**

### **03-00-523-00 Beverages & Compliments**

This operating expenditure is for coffee, sugar, cream, cups and cold drinks. We provide beverages and complements for all fire department personnel during and after fire calls, training and meetings.

Use **\$700**

### **03-00-525-00 Cleaning Supplies / Sundries**

This operating expenditure is established in order to maintain a high standard of cleanliness and to provide a clean and infectious free workplace.

Use **\$1,000**

### **03-00-526-00 Dues**

This operating expenditure is for annual dues to the following in-state and out-of-state professional organizations: Beaufort County Fire Chief's Association, International Association of Fire Chiefs, National Fire Protection Association, International Association of Arson Investigators, SC IAAI.

Use **\$300**

### **03-00-532-00 General Insurance**

This operating expenditure is for liability, station, vehicle and materials insurance. Includes increases from the IRF across the board ranging from 15%-30% for 2020.

Use **\$18,210**

### **03-00-533-00 Legal Fees & Taxes (01)**

This operating expenditure is for potential Attorney fees and Storm Water Utility Taxes. Reflects higher taxes paid in 2018.

Use **\$600**

### **03-00-534-00 Administrative Support**

Cost of providing administrative & financial support for Fire Department operations. For the past several years, this cost has been discounted due to tax millage limitations. FY 2020 amount is discounted by 1/3 to prevent budget from exceeding tax millage cap.

Use **\$19,010**

### **03-00-537-00 Office Supplies**

This operating expenditure is established for various office supplies.

Use **\$350**

### **03-00-539-00 Printing**

This operating expenditure is established for printing, such as letterhead, business cards, envelopes and any large mail-out to the public.

Use **\$0**

**03-00-542-00 Subscriptions**

This operating expenditure is established for subscription services to trade periodicals, as well as our new reporting and records management system that was approved in FY-13. Use **\$1,750**

**03-00-549-00 Miscellaneous**

This operating expenditure is for miscellaneous expenses throughout the year. Use **\$3,300**

**03-00-581-00 Electricity**

This operating expenditure has been reduced from last fiscal year due in large part from a new HVAC unit being installed last summer. Use **\$5,600**

**03-00-582-00 LP Gas**

This operating expenditure is for LP Gas which we use for water heating and cooking. This is reduced due to Earthworx taking care of our trash pickup at no charge. Use **\$1,600**

**03-00-583-00 Telephone**

This operating expenditure is for telephones and telephone services. This department has three lines for the station, one for facsimile and two regular lines. We also have cellular service for one telephone, 1 iPad and 3 mobile hotspots. Use **\$4,000**

**03-00-527-00 Fire Fighting Supplies**

This operating expenditure is established for repair and maintenance of flashlights, SCBA, Chainsaws, Hose and misc. supplies. Use **\$1,000**

**03-00-530-00 Fire Prevention**

This operating expenditure is for the purchase of public education material. This Fire Department conducts fire safety education programs as requested for the Camp Fripp program and the multitude of station visitors throughout the year. We reach approximately 200 children a year. Use **\$1,000**

**03-00-531-00 Medical Supplies**

The number of medical emergencies increases each year. Beaufort County EMS supplies us with basic equipment, if we need to add additional or new equipment this is our responsibility. Use **\$400**

**03-00-541-00 Small Tools**

This operating expenditure is established for maintaining a complement of tools used for performing maintenance on vehicles and equipment. Use **\$300**

**03-00-543-00 Gas & Oil**

This operating expenditure is for fuel, oil and oil changes. Use **\$5,500**

**03-00-558-00 Grounds & Station Maintenance**

This operating expenditure is for maintenance of the firehouse both interior and exterior. Use **\$6,000**

**03-00-564-00 Radios & Pagers**

This operating expenditure is for the maintenance and repair of radios, both vhf and 700 MHz, and pagers. Use **\$350**

**03-00-568-00 Equipment Maintenance**

This operating expenditure is for the maintenance of generators, lights, ladders, nozzles, and fire extinguishers. Use **\$2,200**

**03-00-569-00 Vehicle Maintenance**

This operating expenditure is for minor preventive maintenance of department vehicles. Use **\$4,500**

**03-00-575-00 Emergency / Natural Disaster**

This operating expenditure is for anytime Fripp Island Fire Department may be evacuated due to an impending storm or other natural disaster. This expenditure would be used to purchase special supplies dependent on the nature of the incident. Use **\$500**

**ASSET ADDITIONS****03-00-590-00 Fixed Assets**

This expenditure is for replacement of our Holamtro Extrication Equipment, purchased in 2003. Our current set is a combination cutter and spreader tool. It runs off of hydraulic power supplied from a 4 cycle gasoline engine. We recently had to send the unit off to be serviced and were advised we need to consider replacing it as parts are becoming an issue to find. We were given a loaner set which was hydraulic over battery. This set has approximately three time the cutter and spreading power than our current unit has, is more portable and doesn't require daily maintenance other than checking battery life. The only thing needed to be grabbed from the truck is the tool itself. Today we have to grab the power unit, hoses, and tool. Overall weight will be reduced by approximately 60 pounds. Cost represents the tool, two batteries and the charger. Use **\$13,100**

**03-00-590-00 Fixed Assets**

This expenditure is for rehab of the station. This station was moved into during the end of 1999. We would like to replace all flooring and paint all interior surface. We would also like to begin exterior rehab, including replacing all gutters, and finish up outside over the next fiscal year. Use **\$15,000**

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
GENERAL OBLIGATION BOND DEBT SERVICE  
REVENUES & CASH FLOW  
FY-2020**

	1ST QTR JUL-SEP	2ND QTR OCT-DEC	3RD QTR JAN-MAR	4TH QTR APR-JUN	TOTAL
<b>CASH BEGINNING OF PERIOD</b>	<b>\$ 378,210</b>				
LESS DEBT SERVICE RESERVE	<u>(\$395,250)</u>				
<b>AVAILABLE CASH BEGINNING OF PERIOD</b>	<b>\$ (17,040)</b>				
<b>DEBT SERVICE PAYMENTS</b>					
WWTP IMPROVEMENT PAYMENT	\$ 15,200	\$ 15,200	\$ 15,200	\$ 15,200	\$ 60,800
WWTP DEBT PAYMENT	95,540	95,540	95,540	95,540	382,160
REVTMENT DEBT SERVICE	28,280	-	80,280	-	108,560
HWY 21 WATERLINE DEBT SVC	49,100	49,100	49,100	49,100	196,400
FRIPP BRIDGE DEBT SVC	-	-	165,610	-	165,610
<b>TOTAL EXPENDITURES</b>	<b>\$ 188,120</b>	<b>\$ 159,840</b>	<b>\$ 405,730</b>	<b>\$ 159,840</b>	<b>\$ 913,530</b>
<b>09-00-409-01 TAX LEVIES</b>					
WWTP IMPROVEMENTS	\$ -	\$ 29,180	\$ 29,180	\$ 2,430	\$ 60,800
WWTP	-	183,440	183,440	15,290	382,160
REVTMENT DEBT SERVICE	-	52,110	52,110	4,340	108,560
HWY 21 WATERLINE DEBT SVC	-	94,270	94,270	7,860	196,400
FRIPP BRIDGE DEBT SVC	-	102,510	102,510	8,540	213,570
<b>NET CASH INCREASE</b>	<b>\$ (188,120)</b>	<b>\$ 301,670</b>	<b>\$ 55,780</b>	<b>\$ (121,380)</b>	<b>\$ 47,950</b>
<b>TOTAL CASH END OF PERIOD</b>	<b>\$ 190,090</b>	<b>\$ 491,760</b>	<b>\$ 547,540</b>	<b>\$ 426,160</b>	
<b>Required Tax Revenue for WWTP Improvements:</b>	<b>\$60,800</b>				
<b>Required Tax Revenue for WWTP:</b>	<b>\$382,160</b>				
<b>Required Tax Revenue for Revetment:</b>	<b>\$108,560</b>				
<b>Required Tax Revenue for Hwy 21 Waterline:</b>	<b>\$196,400</b>				
<b>Required Tax Revenue for Fripp Bridge:</b>	<b>\$213,570</b>				
<b>Total Required Tax Revenue:</b>	<b>\$961,490</b>				
<b>Value of mill for tax year 2019</b>	<b>\$47,746</b>				
<b>Assessed value based on prior year</b>					
<b>Provided by A. Holland, Bft. Co. on 4/4/2019</b>					
<b>Tax Collection Rate:</b>	<b>99.3%</b>				
<b>Value of mill @ Collection Rate:</b>	<b>\$47,412</b>				
<b>Tax Levy Required, mills :</b>					
WWTP IMPROVEMENT BONDS	1.3				
WWTP BONDS	8.1				
REVTMENT BOND	2.3				
HWY 21 WATERLINE BOND	4.2				
FRIPP BRIDGE BOND	4.5				
			Total:	20.4	

Cash Balance at end of year needs to be sufficient to cover the annual debt service for two qtrly WWTP debt svc pymts, two qtrly waterline debt svc pymts, one biannual revetment debt svc pymt, and one biannual bridge debt svc pymt

WWTP Improvements Debt Svc Res	\$30,400
WWTP Debt Svc Res	191,080
Revetment Debt Svc Res	27,610
Hwy 21 Waterline Debt Svc Res	98,200
Fripp Bridge Debt Svc Res	47,960
	<u>\$395,250</u>

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
INCOME PROJECTION  
FISCAL YEAR 2020**

	<b>WATER</b>	<b>WASTEWATER</b>	<b>TOTAL</b>
<b>REVENUES</b>			
WATER & WASTEWATER SALES	926,760	692,620	1,619,380
VACUUM SEWER ASSESSMENT	-	365,950	365,950
TAP FEES	2,700	6,000	8,700
WATER TANK LEASE	244,950	-	244,950
OTHER REVENUES	29,250	6,820	36,070
<b>TOTAL OPERATING REVENUES</b>	<b>1,203,660</b>	<b>1,071,390</b>	<b>2,275,050</b>
<b>COST OF SALES</b>	<b>469,260</b>	<b>-</b>	<b>469,260</b>
<b>GROSS PROFITS FROM OPERATIONS</b>	<b>734,400</b>	<b>1,071,390</b>	<b>1,805,790</b>
<b>EXPENSES</b>			
GENERAL & ADMINISTRATIVE	307,185	307,185	614,370
WATER & WASTEWATER SYSTEM	78,540	249,250	327,790
<b>TOTAL OPERATING EXPENSES</b>	<b>385,725</b>	<b>556,435</b>	<b>942,160</b>
<b>NET OPERATING REVENUES</b>	<b>348,675</b>	<b>514,955</b>	<b>863,630</b>
<b>OTHER INCOME (EXPENSE)</b>			
INTEREST EARNED	52,000	16,000	68,000
AMORT OF DEFERRED DEBT	-	(15,070)	(15,070)
INTEREST ON BONDS	(64,800)	(130,800)	(195,600)
BOND PAYMENT FEES	-	(1,200)	(1,200)
BOND ISSUE FEES	-	-	-
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>(12,800)</b>	<b>(131,070)</b>	<b>(143,870)</b>
INTERFUND TRANSFERS IN (OUT)	196,400	442,960	639,360
<b>NET INCOME BEFORE DEPRECIATION</b>	<b>532,275</b>	<b>826,845</b>	<b>1,359,120</b>
<b>DEPRECIATION/LOSS ON DISPOSAL</b>	<b>183,825</b>	<b>461,225</b>	<b>645,050</b>
<b>NET INCOME (LOSS)</b>	<b>348,450</b>	<b>365,620</b>	<b>714,070</b>

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
CASH REQUIREMENTS  
FISCAL YEAR 2020**

	<b>CASH ON HAND 04/30/19 FY2019</b>	<b>CASH REQUIRED 07/01/19 FY2020</b>	<b>CASH REQUIRED 07/01/20 FY2021</b>
<b>AVAILABLE FUNDS</b>			
GROSS REVENUE/O&M FUNDS	768,981		
BEAUFORT CO VAC SEWER ASSESSMENTS	384,580		
ACCOUNTS RECEIVABLE	30,547		
ACCOUNTS PAYABLE/TRANSFERS	(44,158)		
<b>TOTAL OPERATING FUNDS</b>	<b>1,139,950</b>		
DEPRECIATION & CONTINGENCY FUNDS	4,639,960		
WWTP CONSTRUCTION FUND	-		
VAC SEWER CONST/PREPAY FUNDS	723,730		
2013 REVENUE BOND DS FUND (1)	33,430		
<b>TOTAL AVAILABLE FUNDS/INVEST</b>	<b>6,537,070</b>		
<b>REQUIRED CASH &amp; DEBT SERVICE RESERVES</b>			
<b>OPERATING FUNDS</b>			
(20% over O&M budget & Cost of Sales for one quarter)		486,990	506,470
13 BOND DEBT SERVICE FUND (matures 10/01/28) (1)	(33,430)	364,160	364,100
ASSET ADDITIONS/CAPITAL IMPROVEMENTS (2)	(67,600)	222,000	534,000
WATER SYSTEM CONTINGENCY RESERVE (3)		413,390	447,700
WASTEWATER SYSTEM CONTINGENCY RESERVE (3)		413,390	447,700
WWTP MEMBRANE REPLACEMENT (4)		201,000	241,200
13 REVENUE BOND PREPAYMENT (5)		640,280	675,280
<b>TOTAL REQUIRED CASH RESERVES</b>	<b>(101,030)</b>	<b>2,741,210</b>	<b>3,216,450</b>
<b>TOTAL CASH</b>	<b>6,436,040</b>	<b>2,741,210</b>	<b>3,216,450</b>

1. Bond Resolutions require funding a debt service account to pay the annual debt service.  
The required funds are transferred from the Beaufort County Treasurer upon collection of the annual vacuum sewer assessments. The 2013 bond proceeds prepaid the 2005 bond on 10/1/2014. Required cash for 7/1/2019 & 7/1/2020 DOES NOT include debt service funds for SRF G.O. bonds, which are funded by taxes, not revenues, and listed in the G.O. Bond Debt Service schedule.
2. Asset additions & capital improvements include remaining current year improvements funded by the District's cash reserves & on-going projects funded by bonds. FY2019 credit includes est. cost of office computer and WWTP RAS pump casings to be purch before end of FY19.
3. Contingency Reserves increased each year by 1/12 (8.3%) of the currently approved sum for the current fiscal year per the District's bond resolution requirements. For fiscal year 2019, the the approved contingency reserve was \$381,710 for water and \$381,710 for sewer. Contingency reserves are used for emergencies, major repairs , and "as needed" capital improvements such as small water line extensions and pump station rehab.
4. WWTP membranes installed March 2015 at a cost of \$263,951 and have a life of 8 years.  
Required cash based on original cost increased by 2.5% per year accrued over eight years.  
Includes new frames & shipping. Does not include installation.
5. 2013 refunding bond matures 10/01/28. 2005 refunded bond would have matured 10/01/25.  
Vacuum sewer assessments end in 2025 with \$1,397,200 owed on 2013 refunding revenue bond.  
Sewer const fund increased annually by approx. \$35,000 to prepay debt (see 5/14/13 minutes).

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
CASH FLOW PROJECTION  
FISCAL YEAR 2020**

	WATER	WASTEWATER	TOTAL
<b>CASH AT BEGINNING OF PERIOD</b>			<b>6,436,040</b>
<b>REVENUES &amp; INCOME</b>			
WATER & SEWER SALES	926,760	692,620	1,619,380
VACUUM SEWER ASSESSMENT	-	365,950	365,950
TAP FEES	2,700	6,000	8,700
WATER TANK LEASE	244,950	-	244,950
OTHER REVENUES	29,250	6,820	36,070
INTEREST EARNED	52,000	16,000	68,000
INTERFUND TRANSFERS IN (OUT)	196,400	442,960	639,360
<b>TOTAL REVENUES &amp; INCOME</b>	<b>1,452,060</b>	<b>1,530,350</b>	<b>2,982,410</b>
<b>COST OF SALES</b>	<b>469,260</b>	<b>-</b>	<b>469,260</b>
<b>EXPENSES</b>			
GENERAL & ADMINISTRATIVE	307,185	307,185	614,370
WATER & WASTEWATER SYSTEM	78,540	249,250	327,790
<b>EXPENSES BEFORE DEPRECIATION</b>	<b>385,725</b>	<b>556,435</b>	<b>942,160</b>
<b>ANNUAL BOND DEBT SERVICE</b>			
BONDS - PRINCIPAL	131,540	676,310	807,850
- INTEREST	64,800	130,800	195,600
BOND PAYMENT FEES	-	1,200	1,200
BOND ISSUE FEES	-	-	-
<b>TOTAL DEBT EXPENDITURES</b>	<b>196,340</b>	<b>808,310</b>	<b>1,004,650</b>
<b>OPERATING CASH INCREASE (DECREASE)</b>	<b>400,735</b>	<b>165,605</b>	<b>566,340</b>
<b>CAPITAL CONTRIBUTIONS (EXPENDITURES)</b>			
ASSET ADDITIONS	(37,500)	(184,500)	(222,000)
CONSTRUCTION IN PROGRESS	-	-	-
<b>TOTAL CAPITAL CONTRIB. (EXPENDITURES)</b>	<b>(37,500)</b>	<b>(184,500)</b>	<b>(222,000)</b>
<b>TOTAL CASH INCREASE (DECREASE)</b>	<b>363,235</b>	<b>(18,895)</b>	<b>344,340</b>
<b>CASH @ END OF PERIOD</b>			<b>6,780,380</b>
<b>REQUIRED CASH @ END OF PERIOD (1)</b>			<b>3,216,450</b>
<b>CASH OVER (UNDER) RESERVE REQUIREMENTS (2)</b>			<b>3,563,931</b>

1. Required cash includes operating funds for one quarter (three months) & debt service reserves.
2. Funds in excess of cash requirements are available for contingencies, the purchase of assets, & capital improvements. There are some large water system expenses expected in the next few years. Maintenance and repair expenses increase each year as infrastructure ages.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
REVENUE TEST FOR SERIES 2013 REVENUE BOND ISSUE  
FISCAL YEAR 2020**

	<b>WATER</b>	<b>WASTEWATER</b>	<b>TOTAL</b>
OPERATING REVENUES	1,203,660	1,071,390	2,275,050
(LESS) AD VALOREM TAX REVENUE (1)	196,400	442,960	639,360
(LOSS) ON SALE OF FIXED ASSETS	-	-	-
INTEREST INCOME	52,000	16,000	68,000
(LESS) CONSTRUCTION FUND INTEREST (2)	-	(16,000)	(16,000)
<b>GROSS REVENUES</b>	<b>1,452,060</b>	<b>1,514,350</b>	<b>2,966,410</b>
LESS COST OF SALES	469,260	-	469,260
LESS OPERATING EXPENSES (3)	385,725	556,435	942,160
LESS BOND PAYMENT FEES	-	1,200	1,200
<b>NET REVENUES</b>	<b>597,075</b>	<b>956,715</b>	<b>1,553,790</b>
G.O./REVENUE BOND DEBT SERVICE			
CURRENT- PRINCIPAL	131,540	676,310	807,850
- INTEREST	64,800	130,800	195,600
LESS REFUNDED BOND DEBT (4)	-	-	-
<b>TOTAL DEBT SERVICE</b>	<b>196,340</b>	<b>807,110</b>	<b>1,003,450</b>
<b>ACTUAL NET REVENUE / DEBT SERVICE</b>	<b>3.04</b>	<b>1.19</b>	<b>1.55</b>
<b>REQUIRED NET REVENUE / DEBT SERVICE</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>

(1) Ad valorem property taxes are excluded from calculating net earnings for revenue test unless used for O&M or for payment of G.O. bonds

(2) Interest earned on vacuum sewer construction fund was excluded from net earnings.

(3) Depreciation, amortization of debt expenses, bond interest, & bond issue expense are not included in O&M expenses for revenue test.

(4) N/A in FY20



**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
PROPOSED BUDGET  
FISCAL YEAR 2020**

<b>ACCT NO</b>	<b>ACTUAL FY 2018</b>	<b>BUDGET FY 2019</b>	<b>ESTIMATED FY 2019</b>	<b>PROPOSED FY 2020</b>	<b>BUDGET INC (DEC)</b>
<b>OPERATING REVENUES</b>					
01-00-401-00 WATER CONSUMPTION	921,970	915,270	912,000	926,760	11,490
01-00-402-00 SEWER USE	690,572	687,790	693,120	692,620	4,830
01-00-403-00 PENALTIES	7,100	6,400	6,540	6,820	420
01-00-404-03 VACUUM SEWER ASSESSMENT	370,299	366,990	368,480	365,950	(1,040)
01-00-406-02 WATER TAP FEES	3,400	2,800	2,800	2,700	(100)
01-00-406-03 SEWER TAP FEES	8,400	6,000	6,000	6,000	-
01-00-407-00 ADMINISTRATIVE FEES	2,725	2,300	2,750	2,750	450
01-00-408-00 RECONNECTION FEES	1,980	1,700	1,890	1,930	230
01-00-410-00 WATER TRANSPORT FEE	8,795	9,240	9,850	10,210	970
01-00-410-01 EFFLUENT DISPOSAL FEE	822	1,030	2,480	1,070	40
01-00-412-00 WATER TANK LEASE	230,953	234,650	238,430	244,950	10,300
01-00-429-00 MISCELLANEOUS REVENUE	24,413	11,990	16,180	13,290	1,300
<b>TOTAL OPERATING REVENUES</b>	<b>2,271,428</b>	<b>2,246,160</b>	<b>2,260,520</b>	<b>2,275,050</b>	<b>28,890</b>
<b>COST OF SALES</b>					
01-00-451-00 WAREHOUSE SALES	0	-	-	-	-
01-00-452-00 WATER PURCHASES	441,372	456,330	453,120	469,260	12,930
<b>TOTAL COST OF SALES</b>	<b>441,372</b>	<b>456,330</b>	<b>453,120</b>	<b>469,260</b>	<b>12,930</b>
<b>GROSS PROFIT FROM OPERATIONS</b>	<b>1,830,056</b>	<b>1,789,830</b>	<b>1,807,400</b>	<b>1,805,790</b>	<b>15,960</b>
<b>GENERAL &amp; ADMINISTRATION</b>					
01-01-500-00 PAYROLL EXPENSE	537	550	620	550	-
01-01-501-00 SALARIES	288,634	308,500	298,330	318,000	9,500
01-01-502-00 OVERTIME LABOR	18,611	12,340	14,780	12,720	380
01-01-504-00 FICA	18,139	19,890	19,410	20,500	610
01-01-505-00 FMED	4,242	4,650	4,540	4,800	150
01-01-506-00 SC RETIREMENT	56,988	46,230	45,120	50,970	4,740
01-01-509-00 MED., LIFE & DISABILITY INSURANCE	74,322	76,070	70,530	69,800	(6,270)
01-01-510-00 WORKMAN'S COMPENSATION	5,204	5,200	4,860	5,120	(80)
01-01-512-00 LICENSE RENEWAL	180	360	360	360	-
01-01-513-00 TRAINING & CONVENTION FEES	1,506	3,500	3,500	4,000	500
01-01-514-00 UNIFORMS	196	1,000	700	1,050	50
01-01-515-00 TRAVEL	-	400	1,500	1,500	1,100
01-01-516-00 BUSINESS MEALS	-	100	-	100	-
01-01-517-00 COMMISSIONER'S EXPENSES	1,105	700	1,140	2,000	1,300
01-01-518-00 FIRE DEPART ADMIN SUPPORT	-	(13,920)	(13,920)	(19,010)	(5,090)
01-01-519-00 EROSION ADMIN SUPPORT	(6,640)	(6,780)	(6,780)	(6,950)	(170)
01-01-521-00 ACCOUNTING & AUDIT	6,735	5,970	6,060	6,250	280
01-01-522-00 BAD DEBT	139	200	140	200	-
01-01-523-00 BANK SERVICE CHARGES	5,424	9,780	3,500	5,500	(4,280)
01-01-523-01 CREDIT CARD SERVICE FEES	1,393	2,000	1,720	2,000	-
01-01-526-00 DUES & SUBSCRIPTIONS	4,045	4,550	4,550	4,550	-
01-01-528-00 ENGINEERING & CONSULTING	379	10,000	500	5,000	(5,000)

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
PROPOSED BUDGET  
FISCAL YEAR 2020**

<b>ACCT NO</b>	<b>ACTUAL FY 2018</b>	<b>BUDGET FY 2019</b>	<b>ESTIMATED FY 2019</b>	<b>PROPOSED FY 2020</b>	<b>BUDGET INC (DEC)</b>
01-01-531-00 INSURANCE	41,603	45,200	43,260	53,450	8,250
01-01-532-00 LEGAL FEES	3,343	2,500	6,000	3,500	1,000
01-01-533-00 LICENSES, TAXES & PERMIT FEES	11,048	11,725	11,725	11,880	155
01-01-535-00 METER READING & RELATED	12	-	-	-	-
01-01-537-00 OFFICE SUPPLIES	2,942	2,800	3,380	3,000	200
01-01-538-00 POSTAGE & FREIGHT	7,336	7,580	7,830	7,650	70
01-01-539-00 PRINTING	987	1,050	1,450	1,500	450
01-01-540-00 PROGRAM MAINTENANCE	4,594	12,780	9,080	11,480	(1,300)
01-01-543-00 VEHICLE GAS & OIL	11,710	11,400	11,400	11,400	-
01-01-549-00 MISCELLANEOUS	5,040	2,500	3,000	3,500	1,000
01-01-558-00 BUILDING & GROUNDS MAINTENANCE	4,992	5,480	5,200	5,480	-
01-01-562-00 GRAPHIC SERVICES	-	200	-	200	-
01-01-568-00 SUPPORT EQUIPMENT MAINTENANCE	66	400	480	2,200	1,800
01-01-569-00 VEHICLE MAINTENANCE	1,177	2,000	4,200	2,000	-
01-01-581-00 ELECTRICITY & LP GAS, OFFICE	2,245	2,880	2,300	2,300	(580)
01-01-583-00 TELEPHONE & COMMUNICATIONS	6,711	7,000	5,820	5,820	(1,180)
<b>TOTAL G &amp; A EXPENSES</b>	<b>584,947</b>	<b>606,785</b>	<b>576,285</b>	<b>614,370</b>	<b>7,585</b>
<b>WATER SYSTEM EXPENSES</b>					
01-02-524-00 CHEMICALS	-	200	-	200	-
01-02-542-00 SMALL TOOLS & SUPPLIES	845	1,000	2,600	1,000	-
01-02-545-00 WATER TAP COSTS	1,861	1,280	1,520	1,520	240
01-02-557-00 BOOSTER PUMPS	4,453	2,250	1,000	2,250	-
01-02-560-00 CONTROLS & INSTRUMENTATION	269	250	250	500	250
01-02-561-00 FIRE HYDRANTS	260	1,000	1,000	1,000	-
01-02-568-00 SUPPORT EQUIPMENT MAINT	43	500	200	500	-
01-02-570-00 WATER LINES	14,726	8,000	6,500	8,000	-
01-02-571-00 WATER METER REPAIR	2,946	8,000	3,000	4,000	(4,000)
01-02-572-00 WATER QUAL MONITORING	2,858	3,380	3,100	3,380	-
01-02-573-00 WATER TANKS	45,282	42,040	40,500	43,150	1,110
01-02-581-00 ELECTRICITY	10,579	11,750	9,540	10,580	(1,170)
01-02-583-00 TELEPHONE/SCADA	2,254	2,460	2,260	2,460	-
<b>TOTAL WATER O&amp;M EXPENSES</b>	<b>86,375</b>	<b>82,110</b>	<b>71,470</b>	<b>78,540</b>	<b>(3,570)</b>
<b>WASTEWATER EXPENSES</b>					
01-03-524-00 CHEMICALS	2,817	4,020	3,210	4,020	-
01-03-525-00 CLEANING SUPPLIES	37	150	50	150	-
01-03-527-00 EFFLUENT MONITORING, WWTP	20,662	21,850	22,560	23,650	1,800
01-03-529-00 GENERATOR FUEL/MAINT, WWTP	1,223	4,000	2,800	3,000	(1,000)
01-03-529-02 GENERATOR FUEL/MAINT, VAC SEW	1,363	1,780	7,650	3,000	1,220
01-03-541-00 SLUDGE DISPOSAL, WWTP	59,400	47,000	54,820	55,000	8,000
01-03-542-00 SMALL TOOLS & SUPPLIES	1,708	1,900	3,610	1,800	(100)
01-03-545-00 SEWER TAP COSTS	6,500	-	-	-	-
01-03-558-00 BUILDING & GROUNDS, WWTP	3,484	4,460	3,900	4,560	100
01-03-559-00 UV DISINFECTION SYSTEM, WWTP	-	500	-	500	-

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
PROPOSED BUDGET  
FISCAL YEAR 2020**

<b>ACCT NO</b>	<b>ACTUAL FY 2018</b>	<b>BUDGET FY 2019</b>	<b>ESTIMATED FY 2019</b>	<b>PROPOSED FY 2020</b>	<b>BUDGET INC (DEC)</b>
01-03-560-00 CONTROLS/INSTRUMENTS, WWTP	9,552	2,600	2,600	3,000	400
01-03-563-00 GRAVITY SEWER LINES	1,982	6,000	3,000	6,000	-
01-03-563-02 VAC SEWER LINES	3,413	4,500	500	4,500	-
01-03-564-00 EFFLUENT DISPOSAL, WWTP	6,820	5,000	2,500	3,520	(1,480)
01-03-565-00 WASTEWATER TREATMENT	7,577	36,000	30,000	36,000	-
01-03-566-00 SEWER FORCE MAINS	73	2,000	250	1,000	(1,000)
01-03-567-00 WASTEWATER PUMPING STATIONS	31,209	10,000	3,000	10,000	-
01-03-567-02 VACUUM SEWER STATION	1,250	4,800	6,000	5,500	700
01-03-581-00 ELECTRICITY-WWPS	14,098	15,600	12,210	14,100	(1,500)
01-03-581-01 ELECTRICITY-WWTP	52,292	63,700	49,840	52,300	(11,400)
01-03-581-02 ELECTRICITY-VAC SEWER	16,202	15,470	13,220	16,210	740
01-03-583-00 TELEPHONE	971	725	1,260	1,440	715
<b>TOTAL WASTEWATER O&amp;M EXPENSES</b>	<b>242,633</b>	<b>252,055</b>	<b>222,980</b>	<b>249,250</b>	<b>(2,805)</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>913,955</b>	<b>940,950</b>	<b>870,735</b>	<b>942,160</b>	<b>1,210</b>
<b>NET OPERATING REVENUES</b>	<b>916,101</b>	<b>848,880</b>	<b>936,665</b>	<b>863,630</b>	<b>14,750</b>
<b>OTHER INCOME</b>					
01-00-416-00 INTEREST/NOT RESTRICTED	46,526	50,000	52,100	52,000	2,000
01-00-417-00 INTEREST/RESTRICTED	15,306	11,000	16,620	16,000	5,000
<b>TOTAL OTHER INCOME</b>	<b>61,832</b>	<b>61,000</b>	<b>68,720</b>	<b>68,000</b>	<b>7,000</b>
<b>OTHER EXPENSES</b>					
01-01-595-00 AMORT OF DEFERRED DEBT	15,070	15,070	15,070	15,070	-
01-01-596-00 INTEREST ON BONDS	159,022	180,060	180,060	195,600	15,540
01-01-597-00 BOND PAYMENT FEES	1,200	1,200	1,200	1,200	-
01-01-598-00 BOND ISSUE FEES	11,199	-	-	-	-
<b>TOTAL OTHER EXPENSES</b>	<b>186,491</b>	<b>196,330</b>	<b>196,330</b>	<b>211,870</b>	<b>15,540</b>
01-00-499-00 INTERFUND TRANSFERS IN (OUT)	442,931	542,960	541,110	639,360	96,400
<b>NET INCOME BEFORE DEPRECIATION</b>	<b>1,234,374</b>	<b>1,256,510</b>	<b>1,350,165</b>	<b>1,359,120</b>	<b>102,610</b>
<b>DEPRECIATION</b>					
01-01-611-00 G&A DEPRECIATION	39,074	34,680	34,420	37,090	2,410
01-02-611-00 WATER SYSTEM DEPRECIATION	98,641	140,000	104,070	165,280	25,280
01-03-611-00 WASTEWATER SYS DEPRECIATION	428,056	435,410	429,300	442,680	7,270
<b>TOTAL DEPRECIATION</b>	<b>565,771</b>	<b>610,090</b>	<b>567,790</b>	<b>645,050</b>	<b>34,960</b>
<b>NET INCOME (LOSS)</b>	<b>668,603</b>	<b>646,420</b>	<b>782,375</b>	<b>714,070</b>	<b>67,650</b>
<b>ASSET ADDITIONS &amp; IMPROVEMENTS</b>					
01-00-172-00 BUILDINGS & GROUNDS	13,152	-	-	-	-
01-00-173-00 WATER SYSTEM	14,700	-	-	20,000	20,000

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER OPERATIONS  
PROPOSED BUDGET  
FISCAL YEAR 2020**

<b>ACCT NO</b>	<b>ACTUAL FY 2018</b>	<b>BUDGET FY 2019</b>	<b>ESTIMATED FY 2019</b>	<b>PROPOSED FY 2020</b>	<b>BUDGET INC (DEC)</b>
01-00-174-00 OFFICE FURNITURE & EQUIPMENT	13,418	-	1,930	-	-
01-00-175-00 FIELD SUPPORT EQUIPMENT	55,821	56,200	55,620	-	(56,200)
01-00-176-00 WELLS & PUMP STATIONS	-	500,000	-	6,000	(494,000)
01-00-177-00 LIFT STATIONS	18,226	-	5,090	63,000	63,000
01-00-179-00 WASTEWATER TREATMENT PLANT	-	135,000	65,000	110,000	(25,000)
01-00-181-00 VEHICLES	-	-	-	23,000	23,000
01-00-180-00 COMPUTERS, SOFTWARE, ETC	2,517	3,000	2,600	-	(3,000)
<b>TOTAL ASSET ADD. &amp; IMPROVEMENTS</b>	<b>117,835</b>	<b>694,200</b>	<b>130,240</b>	<b>222,000</b>	<b>(472,200)</b>
<b>CAPITAL PROJECTS IN PROGRESS</b>					
01-00-190-14 HWY 21 WATERLINE RELOCATION	186,725	3,056,150	2,845,670	-	(3,056,150)
- INTENTIONALLY BLANK	-	-	-	-	-
- INTENTIONALLY BLANK	-	-	-	-	-
<b>TOTAL CAPITAL PROJECTS</b>	<b>186,725</b>	<b>3,056,150</b>	<b>2,845,670</b>	<b>-</b>	<b>(3,056,150)</b>
<b>TOTAL ASSETS &amp; CAPITAL PROJECTS</b>	<b>304,559</b>	<b>3,750,350</b>	<b>2,975,910</b>	<b>222,000</b>	<b>(3,528,350)</b>

**WATER & WASTEWATER OPERATIONS  
PROPOSED ASSET ADDITIONS & CAPITAL IMPROVEMENTS IN PROGRESS  
FISCAL YEAR 2020**

	PROPOSED FY 2020	PROPOSED FY 2021	BEYOND FY 2021
<b>Office Furniture, Computers, Software &amp; Equipment</b>			
Computer Addition/Laptop Addition	-	-	-
Upgrade Software	-	-	-
<b>Total Furniture &amp; Equipment</b>	-	-	-
<b>Field Support Equipment</b>			
Sewer Vac Truck with Jetter	-	-	100,000
<b>Total Field Support Equipment</b>	-	-	100,000
<b>Water System Improvements</b>			
New Haven Master Meter Replacement	20,000	-	-
Butchers Island BPS Pressure Transmitters	6,000	-	-
Rehab Hunting Island Water Pumping Station		500,000	-
Asbestos/Concrete Pipelines (replace or line)			N/A
<b>Total Water System Improvements</b>	<b>26,000</b>	<b>500,000</b>	-
<b>Wastewater System Improvements</b>			
CJFV Sewer Line Rehab/Lining			150,000
SludgeTruck, used			100,000
Fairway Club Lift Station Pump Replacement		20,000	
Fairway Club Lift Station Piping Rehab	30,000		
Lift Station Pump Replacements (budget for 2)	13,000	14,000	
Vac Station Pump Rebuilds (budget for 2)	20,000		
WWTP Spare Blowers (budget for 2)	20,000		
Washer/Compactor Replacement (WWTP)	90,000		
<b>Total Wastewater System Improvements</b>	<b>173,000</b>	<b>34,000</b>	<b>250,000</b>
<b>Vehicles</b>			
Field truck	23,000	-	-
<b>Total Vehicles</b>	<b>23,000</b>	-	-
<b>Total Proposed Asset Additions &amp; Improvements</b>	<b>222,000</b>	<b>534,000</b>	<b>350,000</b>
<b>Capital Projects in Progress</b>			
Harbor River Water Main Crossing	-	-	-
<b>Total Capital Projects in Progress</b>	-	-	-
<b>Total Asset Additions/Improvements &amp; CIP</b>	<b>222,000</b>	<b>534,000</b>	<b>350,000</b>

**FRIPP ISLAND PUBLIC SERVICE DISTRICT  
WATER & WASTEWATER DEPARTMENT**

**PROPOSED FISCAL YEAR 2020 BUDGET  
ACCOUNT DETAIL**

**OPERATING REVENUES**

**01-00-401-00 Water Consumption** – Propose increasing volumetric rate by \$0.12/1,000 gallons (3.5% for lowest tier). BJWSA anticipates 3.5% increase to wholesale water rate (\$0.10/1,000 gallons). Proposed FY2020 revenue based on actual water consumption for the twelve month period from 4/1/18 to 03/31/19 plus volumetric increase. Assume three new customers. Use \$926,760

**01-00-402-00 Sewer Use** – Propose increasing sewer rates by \$0.50/qtr. from \$100.50/qtr. to \$101.00/qtr. (0.5%). Last sewer rate increase was \$0.50/qtr. in FY2019. Increased sewer operations costs necessitate a modest increase in rates. Proposed FY2020 revenue based on actual revenue for twelve month period from 4/1/18 to 3/31/19, plus increase. Assume three new customers. Use \$692,620

**01-00-403-00 Penalties** - Based on average of prior year actual & FY2019 estimated. Use \$ 6,820

**01-00-404-03 Vacuum Sewer Assessment** – Annual assessments for 281 lots in divisions 2 & 3 @ \$503.54 each 451 lots in divisions 4 & 5 @ \$498.89. Fee assessed on December 2019 tax bill to pay '05 & '13 revenue bond debt service due April 1, 2020 & October 1, 2020. Use \$365,950

**01-00-406-02 Water Tap Fees** – Five new taps were estimated for FY2019 – actual expected is five. Anticipate five new taps for FY2020. Tap fee is \$800 or \$900 (\$500 for 5/8<sup>th</sup> meter & \$600 for ¾ meter plus \$300 for fire) to help pay water system improvements & fire department O&M costs. 3 houses @ \$500 and 2 houses at \$600 Use \$ 2,700

**01-00-406-00 Sewer Tap Fees** – Five new taps were estimated for FY2019 – actual expected is five. For FY2020 anticipate five sewer taps @ \$1,200. Use \$ 6,000

**01-00-407-00 Administrative Fees** – Fee charged to establish a new account or transfer service to a new customer. Budget based on estimated FY2019. Use \$ 2,750

**01-00-408-00 Reconnection Fees** - Based on average of actual FY2018 and estimated FY2019. Use \$ 1,930

**01-00-410-00 Water Transport Fee** – Annual average CPI from 2017 to 2018 increased 2.44%. Harbor Island transportation charge will increase to 36¢ per 1,000 gals. Anticipate 28.380 million gallons in FY2020 based on 4/1/18-3/31/19 actual. 28,380k x \$0.36 = \$10,210 Use \$ 10,210

**01-00-410-01 Effluent Disposal Fee** – Harbor Island effluent disposal fee of \$0.08/1,000 gals remains unchanged based on average annual CPI increase of 2.44% from 2017 to 2018. Budget based on actual disposal of 13.325 mil gals of Harbor Island's effluent, 3/1/18 – 2/28/19, @ \$0.08/1,000 gals. (Assumes turbidity does not exceed level to trigger higher rate.) Use \$ 1,070

**01-00-412-00 Water Tank Lease** - Annual lease payment by cellular phone companies for antenna space on water tanks. Budget does not include possible new tank space lease by Hargray. Use \$244,950

**01-00-429-00 Miscellaneous Revenue** - Recovery of annual Safe Drinking Water Fee charged by SCDHEC - \$8,690. (Cost prorated equally among total number of customers); Jetting Fees - \$300 (6 @ \$50); late payment penalties on taxes & reimbursement for emergency repairs bills - \$4,000. Estimated for FY2019 exceeds budget due to auction of retired field operations vehicles during the year. Use \$ 13,290

## **COST OF SALES**

**01-00-451-00 Warehouse Sales** – Assume purchase & sale of inventory items net to zero. Use \$ 0

**01-00-452-00 Purchase of Water** – BJW&SA wholesale water rate increased \$0.08/1,000 (3%) gals from \$2.79/1,000 gals to \$2.87/1,000 gals for FY2019. For FY2020, BJW&SA will increase rate an additional \$0.10 (3.5%) to \$2.97/1,000 gals. Purchases increased slightly from 156.7 million gals in FY2016 to 157 million gals in FY2017, then increased to 158.2 million gals in FY2018. Estimated cost for FY2019 based on 4/1/18 - 3/31/19 actual purchase of 157.9 million gals. Use average of FY2018 actual and FY2019 estimated = 158 million gals x \$2.97/1,000. Use \$469,260

## **GENERAL AND ADMINISTRATIVE EXPENSES**

**01-01-500-00 Payroll Expense** – Annual cost of outsourced payroll processing. Use \$ 550

**01-01-501-00 Salaries** – Annual salaries include salary increases for current administrative & operations personnel. Estimated cost for FY2019 lower than budgeted due to office manager resignation. FY2020 budget reflects cost of living increases of 3% for all positions and includes salary for part-time clerical worker. Annual avg. cpi from 2017 to 2018 increased 2.44%. Use \$318,000

**01-01-502-00 Overtime Labor** – Estimated cost for FY2019 reflects additional overtime costs due to operator callouts for sewer lift stations and leaks due to Hargray installation. Budget is calculated at 4% of salary expense. Use \$ 12,720

**01-01-504-00 FICA** – Social Security is 6.2% of total salary. Use \$ 20,500

**01-01-505-00 FMED** – Medicare based on 1.45% of total salary. Use \$ 4,800

**01-01-506-00 SC Retirement** – District's contribution to State Retirement System based on full-time employees' regular & overtime pays. FY2018 actual cost reflects adjustment for pension liability reporting, per GASB Statement Nos. 68 and 71. Estimated FY2019 does not include pension liability estimate. For FY2020, employer's contribution increases 1% to 15.41%. Use \$ 50,970

**01-01-509-00 Medical, Life & Disability Insurance** - District provides full family coverage for all full-time employees and retirees. As of 4/24/19, SC Employee Insurance Program projection does not include a premium increase. Actual increase could be higher or lower depending on the final decision by the SC Budget & Control Board. Use \$ 69,800

**01-01-510-00 Workmen's Compensation** – Estimated expense based on estimated worker's compensation annual premium for calendar year 2019, adjusted to include full year part-time clerical worker. Use \$ 5,120

**01-01-512-00 License Renewal** – Cost of renewal of water & wastewater licenses for operators (nine @ \$40.00 each). Use \$ 360

**01-01-513-00 Training & Convention Fees** – Budget \$2,000 for continuing education requirements & \$2,000 for manager and/or Commissioners to attend functions of special interest to the District. Use \$ 4,000

**01-01-514-00 Uniforms** – Based on three operators @ \$300 each and three office staff (shirts for hurricane re-entry) @ \$50 each. Use \$ 1,050

**01-01-515-00 Travel** – Mileage & other travel expenses incurred by manager & commissioners performing District business. Estimated FY2019 includes expenses for Chairman and Vice-Chairman to attend SC Special Purpose Districts conference. FY2020 budget increased to include commissioner SCSPD costs. Use \$ 1,500

**01-01-516-00 Business Meals** – Budget amount same as prior year. Use \$ 100

**01-01-517-00 Commissioner's Expenses** - Reimbursement of expenses incurred by Commissioners while performing District business. Estimated FY2019 includes lodging costs for anticipated hurricane evacuation. Budget increased to include potential for evacuations in FY2020. Use \$ 2,000

**01-01-518-00 Fire Depart Administrative Support** – Cost of providing administrative & financial support for fire dept. operations. FY2018 and FY2019 budgets would have been \$27,250 and \$27,830, respectively, but were reduced due to tax levy limitations on Fire Department and Erosion operations. Based on 2.44% annual average increase in CPI from 2017-2018, cost is \$28,510. Reduced to 1/3 of calculated cost due to tax levy limitations on Fire Department operations. Use \$ 19,010

**01-01-519-00 Erosion Administrative Support** – Cost of providing administrative & financial support for erosion & bridge operations. Based on the above, the fee would be \$6,950 in FY 2020. Use \$ 6,950

**01-01-521-00 Accounting & Audit** - Used for annual audit report and consulting in fiscal matters and includes cost to publish annual budget hearing. Based on estimated cost for FY2019 with 3% increase for inflation. Pro-rata share of expense for water operations derived as follows:

Total FY2020	\$13,870	
Less Fire Dept.	5,960	
Less Erosion	<u>1,660</u>	
Wtr & Sew Operations	\$6,250	Use \$ 6,250

**01-01-522-00 Bad Debt** –Budget for non-collectible accounts same as FY2019. Use \$ 200

**01-01-523-00 Bank Service Charges** - Fees charged by Bank to maintain District's Bank accounts and lockbox service for utility billing operations. FY2019 was lower than budget due to actual costs being offset by interest on available funds. Budget reduced as costs are projected to remain low for FY2020. Use \$ 5,500

**01-01-523-01 Credit Card Service Fees** - Fees charged by Bank to allow District's customers to pay bills via credit card. Projections for FY2019 included additional fees anticipated with customer's ability to pay bills online, but online billpay is not yet available, reducing the estimated FY2019 cost. Budget same as last year. Use \$ 2,000

**01-01-526-00 Dues & Subscriptions** - Membership in SC Assoc. of Special Purpose Districts (\$1,850 max), Crescent Society (\$250), AWWA (\$700), Water Utility Council (\$200), SC Rural Water Association (\$450), SEDA (\$250), SC811 (\$450), and SC Water Pollution Control Association & WEF (\$400). Use \$ 4,550



**01-01-528-00 Engineering & Consulting** – Estimated FY2019 lower than expected because costs related to current projects were capitalized and the Hunting Island Booster Pump Station rehab was not started in FY2019. Budget reduced to reflect lower costs in recent years. Use \$ 5,000

**01-01-531-00 Insurance** – State Fiscal Accountability Authority provides property insurance, liability coverage, and vehicle insurance through the Insurance Reserve Fund. SFAA plans increases in all policy premiums ranging from 15-30% effective July 1, 2019, which will affect the District's policies that renew 2/1/2020. The District's bond covenants also require a fidelity bond for all persons handling money or signing checks – cost of fidelity bond is \$800 (est.) for \$500,000 coverage with a \$5,000 deductible. Increase \$8,250 for expected premium increase. Use \$ 53,450

**01-01-532-00 Legal Fees** – Estimated for FY2019 higher than budgeted due to increased fees related to a change in general legal counsel. Budget based on average of FY2017, FY2018 & est. FY2019. Use \$ 3,500

**01-01-533-00 Licenses, Taxes & Permit Fees** - SCDHEC Safe Drinking Water Fee (\$8,700), ND permit for wastewater plant (\$1,600), lab certification (\$400), Beaufort Co. storm water fee (\$1,000), group asbestos license (\$25), sales and use tax for online purchases (est. \$150). Use \$ 11,880

**01-01-535-00 Meter Reading & Related** – Budget same as prior year. Use \$ 0

**01-01-537-00 Office Supplies** - For stationary, copy paper, checks, computer supplies, etc. Increased to cover higher cost of supplies. Use \$ 3,000

**01-01-538-00 Postage and Freight** –Budget includes postage for quarterly utility bills, rental of postage meter & folder/stuffer, freight charges for parts & materials. Budget increased to reflect higher postage prices and new standard finance charge for Pitney Bowes account. Use \$ 7,650

**01-01-539-00 Printing** – Prior year exceeded budget due to printing costs of customer educational flyers. Budget includes cost of bill stock & envelopes, billing inserts and increased for additional customer education materials during FY2020. Use \$ 1,500

**01-01-540-00 Program Maintenance** – Annual license fees for accounting/utility billing software (\$2,750), Microsoft Office (\$400), Microsoft Cloud (\$1,500), WWTP monitoring software (\$400), antivirus/antimalware software (\$180) & handheld meter reading system (\$550), plus technical support (\$5,700). Technical support budget includes support during upgrade to cloud-based accounting & utility billing software, which began in FY2019 and will continue in FY2020. Use \$ 11,480

**01-01-543-00 Vehicle Gas & Oil** – Budget same as last year. Use \$ 11,400

**01-01-549-00 Miscellaneous** – For items not fitting other account descriptions such as annual employee Christmas gifts. Estimated FY2019 includes lodging costs for District staff during anticipated hurricane evacuation. Budget increased to include potential for evacuations during FY2020. Use \$ 3,500

**01-01-558-00 Buildings & Grounds Maintenance** – Based on \$100/month for cleaning office, \$250/month for grounds maintenance, \$70/qtr for pest control & \$1,000 for miscellaneous. Use \$ 5,480

**01-01-562-00 Graphic Services** – Budget for blueprint and Mylar reproduction. Use \$ 200

**01-01-568-00 Support Equipment Maintenance** – Maintenance for office machines. Estimated for FY2019

includes new maintenance agreement for backup generator. Budget increased for FY2020 to include copier maintenance/supply agreement (approx. \$1,300/yr.) and backup generator maintenance. Use \$ 2,200

**01-01-569-00 Vehicle Maintenance** – FY2019 estimated actual exceeds budget due to unexpected vehicle repairs. Use of newer vehicles in FY2020 should limit expenses. Budget same as last year. Use \$ 2,000

**01-01-581-00 Electricity & LP Gas** – Budget based on estimated FY2019 costs. Use \$ 2,300

**01-01-583-00 Telephone & Communications** – Expense for office telephone, mobile phones, & recurring website and email charges. FY2019 expense was lower than anticipated due to consolidation of office and mobile phone services with Verizon. Budget based on estimated FY2019. Use \$ 5,820

## **WATER SYSTEM EXPENSES**

**01-02-524-00 Chemicals** - Purchase chlorine for emergency chlorination, if needed and decontamination of broken water lines. Use \$ 200

**01-02-542-00 Small Tools & Supplies** – To purchase supplies and special tools to maintain water system. FY2019 expense exceeded budget due to increased costs related to marking lines for Hargray installation. Budget amount based on prior two years' experience. Use \$ 1,000

**01-02-545-00 Water Tap Costs** – Budget increased for anticipated increase in new taps. Use \$ 1,520

**01-02-557-00 Booster Pumps** – Budget for maintenance/repair of booster pump stations same as last year. Use \$ 2,250

**01-02-560-00 Controls & Instrumentation** – Budget for controls & instrument repairs for pumping stations and water towers. Budget increased due to age of equipment. Use \$ 500

**01-02-561-00 Fire Hydrants** – Budget for miscellaneous repairs to fire hydrants. Budget same as last year. Use \$ 1,000

**01-02-568-00 Support Equipment Maintenance** - Budget \$500 for expenses, such as replacement of hoses, motors or diaphragms on portable pumps. Use \$ 500

**01-02-570-00 Water Lines** – Budget includes \$3,000 for routine water line repairs and \$5,000 for one major repair. Budget same as last year. Use \$ 8,000

**01-02-571-00 Water Meter Repair** – Repair, replacement & testing of meters. FY19 budget included repair of New Haven master meter, which could not be repaired & must be replaced. Replacement cost will be capitalized. Budget reduced to FY18 level. Use \$ 4,000

**01-02-572-00 Water Quality Monitoring** - Budget to cover cost of sampling. (1) State regulations require 4 bacteriological samples per month. BJW&SA presently performs this analysis at \$30.00 per sample. Budget \$1,560 for 48 routine samples plus 4 repeats if necessary. (2) Include \$260 for water quality test kits & reagents. (3) Include \$1,300 for publishing annual consumer confidence report in newspaper. (4) Include \$260 for annual purchase of WS unknowns required by lab certification regulations. Use \$ 3,380

**01-02-573-00 Water Tanks** - Budget for contract maintenance program: 75k tank @ \$11,130, 200k tank @

\$15,870 & 250k tank @ \$14,600; plus misc. items such as altitude valve repair, etc. @ \$1,550. Use \$ 43,150

**01-02-581-00 Electricity** - Power for operation of booster pumps and lights at each water tank. FY2019 estimated actual under budget due to legislated credits from SCE&G. Budget based on the actual expense for FY2018 (less HIU's prorated amount for Butcher's Island pumping station). Use \$ 10,580

**01-02-583-00 Telephone/SCADA** – SCADA system controlling the telemetry between Butcher's Island & Hunting Island pump stations and the 200,000 & 250,000 gallon elevated water tanks. Annual monitoring fee is \$2,254. Budget includes \$200 for misc. repairs to batteries, cables, etc. Use \$ 2,460

## **WASTEWATER SYSTEM EXPENSES**

**01-03-524-00 Chemicals** – Sodium hypochlorite for biological cleaning: 12 - 55 gal drum x \$150 = \$1,800. Citric acid for cleaning mineral deposits: 2 clean/yr., use 6, 50lb bags x \$100 = \$600. Caustic soda for increasing pH: 1 - 560lb drum/qtr. x \$185 ea. = \$740. Fuel surcharge: 8 deliveries @ \$10 ea. & \$800 for deodorant blocks for TV p/s. Use \$ 4,020

**01-03-525-00 Cleaning Supplies** – Estimate for cleaning office/pump building. Same as FY2019. Use \$ 150

**01-03-527-00 Effluent Monitoring, WWTP** – Influent & effluent sampling performed once per week as permit requires and split samples w/ SCDHEC for two days (\$380 x 52 = \$19,760/year + \$90 x 26 = \$2,340/year). Purchase reagents & supplies for chlorine residual, pH analysis & MLSS (\$450), repair/replacement of pH meter or DO meter (\$800), & annual analysis of unknowns required by lab certification regulations (\$300). Use \$ 23,650

**01-03-529-00 Generator Fuel/Maint, WWTP** – FY2019 cost lower than anticipated. Reduced budget for lower anticipated maintenance costs. \$2,300 for maintenance & \$700 for fuel. Use \$ 3,000

**01-03-529-02 Generator Fuel/Maint, Vac Sew** - Increased for higher anticipated maintenance costs. \$2,500 for maintenance & \$500 for fuel. Use \$ 3,000

**01-03-541-00 Sludge Disposal, WWTP** – FY2019 cost was higher than anticipated. Budget based on FY2019 estimated. Cost \$500/dry ton for disposal & \$160/1000 gal for transportation. Use \$ 55,000

**01-03-542-00 Small Tools & Supplies** – FY2019 expense exceeded budget due to increased costs related to marking lines for Hargray installation. Budget amount based on prior two years' experience. Use \$ 1,800

**01-03-545-00 Sewer Tap Costs** – Budget amount based on prior & current year. Do not anticipate new sewer tap costs in FY2019. Use \$ 0

**01-03-558-00 Building and Grounds, WWTP** – Grounds maintenance around wastewater treatment plant includes \$120/mo. dumpster rental, \$400/dump fee (est. 2/yr.), \$110/ton disposal for 12 tons & \$125/qtr. fuel/environmental recovery fee, \$500 estimate for routine grounds maintenance. Use \$ 4,560

**01-03-559-00 UV Disinfection System, WWTP** – Bulb replacement not required. UV off. Use \$ 500

**01-03-560-00 Controls & Instrumentation, WWTP** – Budget for instrument calibration & routine maintenance items such as fuses & unforeseen repairs based on prior years' expenses with increase for higher

costs related to age of equipment. Use \$ 3,000

**01-03-563-00 Gravity Sewer Lines** – Budget \$1,500 for line maintenance & \$4,500 for cleaning of lines in CJFV and other areas if required. Budget same as last year. Use \$ 6,000

**01-03-563-02 Vacuum Sewer Lines** – Budget for line maintenance & valve pit maintenance. Budget same as last year. Use \$ 4,500

**01-03-564-00 Effluent Disposal, WWTP** – FY2019 budget included increase for anticipated cleaning of mussels from holding pond but those costs were not incurred. Effluent transfer station &/or storage tank (\$1,000) & \$210/mo for effluent pond weed control. Use \$ 3,520

**01-03-565-00 Wastewater Treatment & Disposal** – Budget based on age of facility, experience for routine maintenance & unforeseen repairs less amounts for disinfection, controls & instruments, & effluent disposal. Use \$ 36,000

**01-03-566-00 Sewer Force Mains** – Budget for routine maintenance repairs. Use \$ 1,000

**01-03-567-00 Wastewater Pumping Stations** – Budget based on historical experience with increase for age of facilities and increased costs associated with processing non-flushable items. Use \$ 10,000

**01-03-567-02 Vacuum Sewer Station** – FY19 estimated actual exceeded budget due to unforeseen maintenance requirements. Budget increased for age of equipment. Use \$ 5,500

**01-03-581-00 Electricity, WWPS** – FY2019 estimated actual under budget due to legislated credits from SCE&G. Budget based on the actual expense for FY2018. Use \$ 14,100

**01-03-581-01 Electricity, WWTP** – FY2019 estimated actual under budget due to legislated credits from SCE&G. Budget based on the actual expense for FY2018. Use \$ 52,300

**01-03-581-02 Electricity, VS** – FY2019 estimated actual under budget due to legislated credits from SCE&G. Budget based on actual expense for FY2018. Use \$ 16,210

**01-03-583-00 Telephone** – Phone service connecting vacuum sewer station and WWTP alarm system to emergency alert system & IT support. FY2019 budget exceeded due to addition of internet failover device at WWTP. Budget based on current monthly charges X 12 months. Use \$ 1,440

#### **OTHER INCOME**

**01-00-416-00 Interest/Not Restricted** - Interest earned on operating funds & depreciation & contingent investment account. Use \$ 52,000

**01-00-417-00 Interest/Restricted** – Interest earned on sewer construction account funds. Use \$ 16,000

#### **OTHER EXPENSES**

**01-01-595-00 Amortization of Deferred Debt** – Amortization of issuance costs for 2005 G.O., 2013 revenue & 2014 G.O. bond issues. Based on auditor's prior year adjusting journal entry. Use \$ 15,070

**01-01-596-00 Interest on Bonds** – Interest on 2005 WWTP G.O. bond, 2013 revenue refunding bond, 2014 WWTP improvement G.O. bond & 2018 H. R. Waterline Replacement G.O. bond. Use \$195,600

**01-01-597-00 Bond Payment Fees** – Cash management fees, Trustee Fees & Paying Agent Fees charged by First Commercial Bank for investing bond debt service funds & for the collection & handling of expired coupons & bonds for series 2013 bond issue. Use \$ 1,200

**01-01-598-00 Bond Issue Fees** – For FY2019 no expense anticipated. Use \$ 0

## **TRANSFERS**

**01-00-499-00 Interfund Transfers In (Out)** – Transfer of taxes collected by Beaufort County Treasurer to pay annual debt service for WWTP and H.R. waterline replacement G.O. bonds from debt service fund to water & sewer fund. Use \$639,360

## **DEPRECIATION**

**01-01-611-00 G&A Depreciation** – Includes annual depreciation of new vehicle for field ops. Use \$ 37,090

**01-02-611-00 Water System Depreciation** – FY2019 estimated does not include increase for new water main across Harbor River because project was not fully completed at end of year. FY2020 budget increased to include annual depreciation for new US 21 water main across Harbor River and New Haven master meter replacement. Use \$165,280

**01-03-611-00 Wastewater System Depreciation** – FY2019 estimated does not include increase for washer/compactor that was included in budget but not completed. FY2020 budget increased to annual depreciation for lift station pump replacements & rebuilds and WWTP washer/compactor replacement. Use \$442,680

## **ASSET ADDITIONS & CAPITAL IMPROVEMENTS**

**01-00-173-00 Water System** – Budget for replacement of New Haven master meter that could not be repaired. Use \$20,000

**01-00-176-00 Wells & Pump Stations** – Budget for two pressure transmitters to replace chart recorders, allowing for off-site monitoring of Butcher's Island Pump Station. Use \$6,000

**01-00-177-00 Lift Stations** – Budget for replacement of two lift station pumps (\$13,000), two vacuum station pump rebuilds (\$20,000), and rehab of piping to Fairway Club lift station (est. \$30,000). Use \$63,000

**01-00-179-00 Treatment Plant** – For FY2019, RAS pumps were not replaced, but rehabbed with new casings, resulting in a savings of \$35,000 and extending the life of the pumps by approximately 8 years. The washer/compactor budgeted for replacement in FY2019 could not be replaced due to time constraints. Preliminary quotes indicate a cost in the range of \$80k-\$100k. Budget also includes 2 spare blowers at approximately \$10,000 each. Use \$110,000

**01-00-181-00 Vehicles** – Replacement of one vehicle for use by field operators was approved by Commission in March 2019 and ordered, but the vehicle will not be delivered or paid for until FY2020. Use \$ 23,000

**RESOLUTION  
WATER & SEWER RATES FOR FISCAL YEAR 2020**

**ADOPTION OF WATER AND SEWER RATES FOR THE FISCAL YEAR STARTING  
JULY 01, 2019 AND ENDING JUNE 30, 2020**

**WHEREAS**, the Fripp Island Public Service District has prepared and adopted a budget for the fiscal year starting July 01, 2019, which requires the imposition of water and sewer rates on the residents receiving service.

**NOW, THEREFORE, BE IT RESOLVED**, that the following water and sewer rates schedule will be in effect for the fiscal year starting July 01, 2019.

**WATER RATES**

<b>Customer Category</b>	<b>Minimum Bill/Quarter</b>	<b>Water Consumption Over Minimum</b>
<b>Residential</b>		
Single family lots	\$ 45.50	
Multi-family units	\$ 45.50	
0-10,000 gals./qtr./unit		\$3.57/1,000 gals.
10,001-50,000 gals./qtr./unit		\$3.77/1,000 gals.
50,001-150,000 gals./qtr./unit		\$4.17/1,000 gals.
over 150,000 gals./qtr./unit		\$4.47/1,000 gals.
<b>Commercial/Irrigation</b>		Same as residential
¾" meter	\$ 45.50	
1" meter	\$ 77.35	
1½" meter	\$ 150.15	
2" meter	\$ 241.15	
3" meter	\$ 458.80	
<b>Hotel/Motel per Room (Sunsuites)</b>	\$ 24.50	
0-5,000 gals./qtr./unit		\$3.57/1,000 gals.
5,001-25,000 gals./qtr./unit		\$3.77/1,000 gals.
25,001-75,000 gals./qtr./unit		\$4.17/1,000 gals.
over 75,000 gals./qtr./unit		\$4.47/1,000 gals.
<b>Jetting (Hydrant Meter)</b>	N/A	Same as residential
<b>Off Island Individual Customers</b>	\$ 63.90	Same as residential
<b>Hunting Island Fishing Pier</b>	\$ 172.30	Same as residential
<b>Hunting Island State Park</b>	\$8,739.50	
0-7,200,000 gals./qtr.		\$3.57/1,000 gals.
Over 7,200,000 gals./qtr.		\$3.97/1,000 gals.

**RESOLUTION  
WATER & SEWER RATES FOR FISCAL YEAR 2020**

Hunting Island State Park, South	\$ 259.60	Same as Hunting Isl. S.P.
Harbor Island Transportation Fee	N/A	\$0.36/1,000 gals.

1. Where a single water meter serves more than one unit, multiply the minimum rate for the customer category by the number of units.
2. Delinquent accounts will be charged a 1.5% finance charge on the unpaid balance not paid by the date due.

**SEWER RATES**

<b>Customer Category</b>	<b>Minimum Bill/Quarter</b>	<b>Excess Over 22,500 Gals.</b>
Residential (Single family or multi-family)	\$101.00	N/A - Flat Rate
Commercial	\$101.00	\$6.15/1,000 gals.
Hotel/Motel Room (Sunsuites)	\$54.50	N/A - Flat Rate
Harbor Island Effluent Disposal Fee	N/A	\$0.08/1,000 gals.

1. Where a single water meter serves more than one unit, multiply the sewer rate by the number of units.
2. Delinquent accounts will be charged a 1.5% finance charge on the unpaid balance not paid by the date due.
3. If Harbor Island's wastewater effluent requires additional treatment prior to disposal, the Harbor Island effluent disposal fee increases to \$6.15/1,000 gallons.

**NON-PAYMENT FEE**

A past due notice will be sent to all delinquent water and/or sewer accounts. If payment for a past due account is not received by the deadline stated on the notice, a \$60.00 non-payment fee will be added to the account.

**RECONNECTION FEES**

Water and/or sewer service disconnected for non-payment will be charged a \$45.00 reconnection fee in addition to the \$60.00 non-payment fee added to the customer's account.

Water disconnected at the customer's request will be charged a \$45.00 reconnection fee.

**ADMINISTRATIVE FEE**

A \$25.00 non-refundable administrative fee will be charged to establish a new account, transfer

**RESOLUTION  
WATER & SEWER RATES FOR FISCAL YEAR 2020**

service to a new customer or to re-establish a terminated account.

**TAP FEES**

**WATER**

5/8" Meter	\$ 500.00
3/4" Meter	\$ 600.00
1" Meter	\$ 700.00
1 1/2" Meter	\$ 900.00
2" Meter	\$1000.00
One meter for multiple units	\$500.00/unit
Hydrant Meter (Jetting)	\$ 50.00
Fire Flow (not required for irrigation meters or hydrant meter installation)	\$ 300.00

1. Where a single water meter serves more than one residential unit, multiply the 5/8" water meter tap-in rate by the number of units.
2. Where a single water meter serves more than one residential unit, multiply the fire flow fee by the number of units.
3. An advance payment of \$150.00 will be collected for water used during construction.
4. An advance payment of \$50.00 will be collected for water used with a hydrant meter.

**SEWER**

Residential	\$1,200.00
Commercial	\$200.00/toilet or \$1,200.00 whichever is greater

1. Where a single water meter serves more than one residential unit, multiply the residential sewer tap-in rate by the number of units.

**WATER CAPACITY FEES**

All new development or expansions to existing development including, but not limited to, residential subdivisions, condominiums (villas), motels/hotels, and commercial facilities shall pay a \$3.00 per gallon water capacity capital contribution fee prior to receiving water service. The amount of water capacity required and purchased shall be adequate to meet the peak daily demand of the new development as determined solely by the Fripp Island Public Service District.



**RESOLUTION  
WATER & SEWER RATES FOR FISCAL YEAR 2020**

**This Resolution ratified and adopted by the FRIPP ISLAND PUBLIC SERVICE  
DISTRICT COMMISSION on June 11, 2019.**

(SEAL)

\_\_\_\_\_  
Dan H. McCormick, Chairman  
Fripp Island Public Service District  
South Carolina

Attest:

\_\_\_\_\_  
Angel L. Hughes, Secretary  
Fripp Island Public Service District  
South Carolina

ATT I

**RESOLUTION  
TAX LEVIES AND FRONT-FOOT ASSESSMENTS FOR FISCAL YEAR 2020  
TO BE IMPOSED ON CALENDAR YEAR 2019 PROPERTY TAX BILLS**

**ADOPTION OF TAX LEVIES AND FRONT-FOOT ASSESSMENTS FOR THE FISCAL  
YEAR STARTING JULY 01, 2019 AND ENDING JUNE 30, 2020**

**WHEREAS**, the Fripp Island Public Service District is authorized by enabling legislation of the South Carolina General Assembly to raise funds for corporate purposes of the District by causing the levy of a tax therefore; and

**WHEREAS**, the Fripp Island Public Service District is authorized by enabling legislation of the South Carolina General Assembly to impose assessments based on front footage upon lots or parcels of land within the District abutting on water or sewer lines of the District; and

**WHEREAS**, the Fripp Island Public Service District is authorized by enabling legislation of the South Carolina General Assembly to levy a tax upon all taxable property within the District sufficient to pay any general obligation bond debt and associated interest due; and

**WHEREAS**, the Fripp Island Public Service District has prepared and adopted a budget for the fiscal year starting July 1, 2019, which requires the imposition of tax levies for fire protection, erosion control, bridge repair and maintenance operations, general obligation bond debt and interest payments, and the imposition of front-foot assessments upon certain lots or parcels of land abutting certain District-owned infrastructure

**NOW, THEREFORE, BE IT RESOLVED**, that the following tax levies and special assessments will be imposed for the fiscal year starting July 01, 2019.

**TAX LEVIES**

<b>Tax Authority</b>	<b>Tax Collection Account</b>	<b>Tax Levy</b>
Fripp Island PSD Operating		
Erosion/Bridge O&M	7031-Erosion & Bridge Ops	___ Mills
Erosion/Bridge Res.	7031-Erosion & Bridge Ops	___ Mills
Fire O&M	7041-Fire Dept Ops	___ Mills
Fire Res.	7041-Fire Dept Ops	___ Mills
	<b>Total Operating</b>	<b>___ Mills</b>
Fripp Island PSD Debt		
General Obligation Bonds	7033-Fire Debt	___ Mills
	<b>Total Debt</b>	<b>___ Mills</b>
Fripp Island PSD Nat'l Dis.		
Erosion/Bridge O&M	7031-Erosion & Bridge Ops	___ Mills
	<b>Total Natural Disaster</b>	<b>___ Mills</b>

**RESOLUTION  
TAX LEVIES AND FRONT-FOOT ASSESSMENTS FOR FISCAL YEAR 2020  
TO BE IMPOSED ON CALENDAR YEAR 2019 PROPERTY TAX BILLS**

**SPECIAL ASSESSMENTS**

<b>Tax Authority</b>	<b>Tax Collection Account</b>	<b>Assessment</b>
Fripp Island Fees		
Fripp Island Phase 1	7032-Fripp Island Fee No 1	\$_____
Fripp Island Phase 2	7032-Fripp Island Fee No 2	\$_____

**This Resolution ratified and adopted by the FRIPP ISLAND PUBLIC SERVICE  
DISTRICT COMMISSION on June 11, 2019.**

(SEAL)

\_\_\_\_\_  
Dan H. McCormick, Chairman  
Fripp Island Public Service District  
South Carolina

Attest:

\_\_\_\_\_  
Angel L. Hughes, Secretary  
Fripp Island Public Service District  
South Carolina

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A RESOLUTION TO PROVIDE FOR THE ISSUANCE AND SALE OF NOT EXCEEDING THREE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000) OF GENERAL OBLIGATION BONDS, OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, TO PRESCRIBE THE PURPOSES FOR WHICH THE PROCEEDS SHALL BE EXPENDED, TO PROVIDE FOR THE PAYMENT THEREOF, AND OTHER MATTERS RELATING THERETO.

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BOND RESOLUTION

May 14, 2019

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## TABLE OF CONTENTS

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### ARTICLE I FINDINGS OF FACT

Section 1.01	Findings.....	1
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### ARTICLE II DEFINITIONS AND CONSTRUCTION

Section 2.01	Definitions.....	3
Section 2.02	Construction .....	6

### ARTICLE III ISSUANCE OF BONDS

Section 3.01	Ordering the Issuance of Bonds .....	7
Section 3.02	Maturity Schedule of Bonds; Details of Bonds.....	7
Section 3.03	Provision for Payment of Interest on the Bonds .....	7
Section 3.04	Medium of Payment; Place of Payment of Principal .....	8
Section 3.05	Agreement to Maintain Registrar and Paying Agent.....	8
Section 3.06	Execution and Authentication .....	8
Section 3.07	Exchange of Bonds .....	8
Section 3.08	Transferability and Registry.....	9
Section 3.09	Transfer of Bonds .....	9
Section 3.10	Regulations with Respect to Exchanges and Transfers .....	9
Section 3.11	Mutilated, Destroyed, Lost, and Stolen Bonds .....	10
Section 3.12	Holder as Owner of Bonds.....	10
Section 3.13	Cancellation of Bonds.....	10
Section 3.14	Payments Due Saturdays, Sundays, and Holidays .....	11
Section 3.15	Conditions Relating to Naming of Interest Rates.....	11
Section 3.16	Tax Exemption in South Carolina .....	11
Section 3.17	Order to Levy Ad Valorem Taxes to Pay Principal and Interest of Bonds .....	11
Section 3.18	Notice to Auditor and Treasurer to Levy Tax .....	12
Section 3.19	Bonds Issued in Physical or Book-Entry Form .....	12
Section 3.20	Form of Bonds.....	13
Section 3.21	Bond Anticipation Notes.....	13

### ARTICLE IV REDEMPTION OR PURCHASE OF BONDS

Section 4.01	Authorization of Redemption.....	15
Section 4.02	Election to Redeem.....	15

Section 4.03	Notice of Redemption .....	15
Section 4.04	Selection by Registrar of Bonds to be Redeemed .....	16
Section 4.05	Deposit of Redemption Price .....	16
Section 4.06	Partial Redemption of Bonds .....	16
Section 4.07	Purchases of Bonds Outstanding .....	17

## ARTICLE V SALE OF BONDS

Section 5.01	Sale and Award of Bonds.....	18
Section 5.02	Manner of Public Sale.....	18
Section 5.03	Authorization to Negotiate Sale in Certain Circumstances .....	19

## ARTICLE VI DISPOSITION OF PROCEEDS OF SALE OF BONDS

Section 6.01	Disposition of Bond Proceeds Including Temporary Investments .....	20
--------------	--	----

## ARTICLE VII DEFEASANCE OF BONDS

Section 7.01	Defeasance .....	21
--------------	------------------	----

## ARTICLE VIII CONCERNING THE FIDUCIARIES

Section 8.01	Fiduciary; Appointment and Acceptance of Duties .....	23
Section 8.02	Responsibilities of Fiduciaries .....	23
Section 8.03	Evidence on Which Fiduciaries May Act .....	23
Section 8.04	Compensation .....	24
Section 8.05	Certain Permitted Acts .....	24
Section 8.06	Resignation of Any Fiduciary .....	24
Section 8.07	Removal of Fiduciary .....	24
Section 8.08	Appointment of Successor Fiduciaries .....	24
Section 8.09	Transfer of Rights and Property to Successor .....	25
Section 8.10	Merger or Consolidation .....	25
Section 8.11	Adoption of Authentication.....	26

## ARTICLE IX TAX AND SECURITIES LAW COVENANTS

Section 9.01	Compliance with the Code .....	27
Section 9.02	Ability to Meet Arbitrage Requirements .....	28
Section 9.03	Qualified Tax-Exempt Obligations .....	28
Section 9.04	Taxable Series .....	28

Section 9.05	Securities Law Covenants .....	28
--------------	--------------------------------	----

## ARTICLE X MISCELLANEOUS

Section 10.01	Failure to Present Bonds .....	30
Section 10.02	Professional Services .....	30
Section 10.03	Filing of Copies of Resolution .....	30
Section 10.04	Further Action by Officers of the District .....	30
Section 10.05	Resolution to Constitute Contract .....	31
Section 10.06	Savings Clause; Severability of Invalid Provisions .....	31
Section 10.07	Successors .....	31
Section 10.08	General Repealer; Effective Date .....	31

**Exhibit A      Form of Bond**

**Exhibit B      Form of Summary Notice of Sale**

**BE IT RESOLVED BY THE FRIPP ISLAND PUBLIC SERVICE DISTRICT COMMISSION OF THE FRIPP ISLAND PUBLIC SERVICE DISTRICT, SOUTH CAROLINA, IN MEETING DULY ASSEMBLED:**

**ARTICLE I**

**FINDINGS OF FACT**

Section 1.01 Findings.

Incident to the adoption of this bond resolution (this "Resolution"), the Fripp Island Public Service District Commission (the "Commission"), the governing body of the Fripp Island Public Service District, South Carolina (the "District"), has made the following findings:

1. The District was created as a special purpose district established in Beaufort County, South Carolina (the "County"), as a body politic and corporate pursuant to the provisions of Act No. 1042 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1962, as amended.

2. In carrying out its functions and duties, the Commission determined that a need exists at the present time to issue general obligation bonds of the District in order to defray: (A) the costs of improving, equipping, repairing, and reconstructing the Fripp Inlet bridge and related infrastructure (the "Project"); and (B) the costs of issuance of such bonds.

3. The County Council of Beaufort County, South Carolina (the "County Council"), as the governing body of the County, is empowered by Act No. 1189, enacted at the 1974 Session of the South Carolina General Assembly and now codified as Sections 6-11-810 through 6-11-1050, inclusive, of the Code of Laws of South Carolina 1976, as amended (the "Act"), to authorize the governing body of any special purpose district to provide funds to be used in furtherance of any power or function committed to such special purpose district and in effect on March 7, 1973.

4. Pursuant to the provisions of Section 6-11-860 of the Act, the Commission requested the County Council to hold public hearings and to approve the issuance and delivery of not exceeding \$5,300,000 of general obligation bonds for the purpose of defraying (A) the costs of improving, equipping, repairing, and reconstructing the Fripp Inlet bridge and related infrastructure; and (B) the costs of issuance of such bonds. On September 24, 2018, the County Council held a public hearing on the question of the issuance of such general obligation bonds. On October 8, 2018, County Council enacted an ordinance authorizing the District to issue general obligation bonds of the District in an aggregate principal amount not to exceed \$5,300,000, conditioned on a successful referendum.

5. On December 11, 2018, a successful referendum was held in the District authorizing the issuance of general obligation bonds of the District in an aggregate principal amount not to exceed \$5,300,000 (the "Referendum").

6. At the Referendum, the following question was submitted to the qualified electors of the District:



Shall the Fripp Island Public Service District, located in Beaufort County, South Carolina (the "District"), be authorized to issue and sell, either as a single issue or as several separate issues, general obligation bonds of the District in an aggregate principal amount of not exceeding \$5,300,000, the proceeds of which shall be applied to defray: (A) the costs of improving, equipping, repairing, and reconstructing the Fripp Inlet bridge and related infrastructure; and (B) the costs of issuance of such bonds?

The Referendum was duly conducted and the qualified electors of the District voted in favor of the issuance of general obligation bonds by a vote of 161 in favor to 13 against. The result of the Referendum was declared by the County Council by resolution dated January 14, 2019, and a copy of said resolution was filed with the Clerk of Court of the County on February 6, 2019.

7. Article X, Section 14, of Constitution of the State of South Carolina, 1895, as amended (the "Constitution") provides that the General Assembly may, by general law, prescribe that general obligation debt may be incurred by the governing body of any special purpose district for any of its corporate purposes in any amount not exceeding 8% of the assessed value of the taxable property in such special purpose district (the "Debt Limit") unless authorized by a majority vote of the qualified electors of the special purpose district voting in a referendum authorized by law. In such event, there shall be no conditions or restrictions limiting the incurring of such indebtedness except as specified in such Article and such debt shall not count against the Debt Limit of the District imposed by Article X, Section 14 of the Constitution. Accordingly, any of the indebtedness approved pursuant to the Referendum shall not be applied as against the Debt Limit.

8. The Commission has received construction bids for the Project and now estimates that the costs of undertaking the Project, together with the costs of issuance of the general obligation bonds authorized herein, will be an amount not exceeding \$3,400,000.

9. On the basis of the foregoing, the Commission has determined to avail itself of the authorization granted by the Enabling Act (as defined herein) and through the Referendum, and issue general obligation bonds in the principal amount of not exceeding \$3,400,000 to defray (A) the costs of improving, equipping, repairing, and reconstructing the Fripp Inlet bridge and related infrastructure; and (B) the costs of issuance of such bonds under the provisions of this Resolution, which shall become effective upon its adoption.

[End of Article I]

## ARTICLE II

### DEFINITIONS AND CONSTRUCTION

#### Section 2.01 Definitions.

As used in this Resolution unless the context otherwise requires, the following terms shall have the following respective meanings:

**“Auditor”** means the Auditor of Beaufort County, South Carolina.

**“Authorized Investments”** mean and include any securities which at the time of determination are legal investments for political subdivisions in South Carolina as provided by the South Carolina Code.

**“Authorized Officer”** means any one of the Authorized Officers, which may act individually as the Authorized Officer or on behalf of the Authorized Officers.

**“Authorized Officers”** means the Chairman (and in his absence the Vice Chairman), and District Manager, and any other officer of the Commission or employee of the District designated from time to time as an Authorized Officer by resolution of the District, and when used with reference to any act or document also means any other person authorized by resolution of the District to perform such act or sign such document.

**“Bond”** or **“Bonds”** means any of the Bonds of the District authorized by this Resolution.

**“Bond Account Fund”** means a fund which serves as the depository account for the proceeds of a Series of Bonds, which may be held by the District or the Treasurer.

**“Bond Counsel”** shall mean the law firm of Pope Flynn, LLC.

**“Bondholder”** or **“Holder”** or **“Holders of Bonds”** or **“Owner”** or similar term means, when used with respect to Bonds or a Bond, any person who shall be registered as the owner of any Bonds Outstanding.

**“Bond Payment”** means the periodic payment of Principal Installments of and interest on the Bonds.

**“Bond Payment Date”** means the date or dates upon which interest on any of the Bonds authorized by this Resolution is due and payable, or on which both a Principal Installment and interest shall be payable on any of the Bonds.

**“Chairman”** means the Chairman of the Commission.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Commission”** means the Fripp Island Public Service District Commission, the governing body of the District, or any successor governing body of the District.

**“Corporate Trust Office”** when used with respect to any Paying Agent or Registrar, means the office at which its principal corporate trust business shall be administered.

**“District”** means the Fripp Island Public Service District, South Carolina.

**“District Manager”** shall mean the manager of the District.

**“Enabling Act”** means Article X, Section 14 of the Constitution of the State of South Carolina, 1895, as amended; Title 6, Chapter 11, Article 5 of the South Carolina Code; and Title 11, Chapter 27 of the South Carolina Code.

**“Escrow Agent”** means a financial institution appointed by an Authorized Officer of the District to hold funds for the purpose of defeasing the Bonds in accordance with Article VII of this Resolution.

**“Fiduciary”** means the Paying Agent and the Registrar, including any financial institution appointed to serve as such, and their successors and assigns.

**“Government Obligations”** means and includes direct general obligations of the United States of America or agencies thereof or obligations, the payment of principal or interest on which is fully and unconditionally guaranteed by the United States of America.

**“Note”** or **“Notes”** means bond anticipation notes, issued pursuant to the authorizations of Sections 11-17-10 to 11-17-120 of the South Carolina Code, and this Resolution, for the purpose of defraying the cost of the Project or for the purpose of refunding a Note or Notes.

**“Outstanding”** when used in this Resolution, with respect to Bonds, means as of any date, all Bonds theretofore authenticated and delivered pursuant to this Resolution except:

- (i) any Bond cancelled or delivered to the Registrar for cancellation on or before such date;
- (ii) any Bond (or any portion thereof) deemed to have been paid in accordance with the provisions of Section 7.01 hereof; and
- (iii) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to Section 3.10 of this Resolution.

**“Paying Agent”** means any bank, trust company or national banking association which is authorized to pay the principal of or interest on any Bonds and has the duties, responsibilities and rights provided for in this Resolution, and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The entity named as Paying Agent may also act as Registrar. Notwithstanding the above definition of Paying Agent, if the Bonds are delivered in physical form, the Paying Agent shall be the Treasurer.

**“Person”** means an individual, a partnership, a corporation, a trust, a trustee, an unincorporated organization, or a government or an agency or political subdivision thereof.

***“Principal Installment”*** means, as of any date of calculation, the principal amount of all Bonds due on a specified date.

***“Project”*** has that meaning described in paragraph 2 of Section 1.01 herein.

***“Purchaser”*** means the purchaser of the Bond or Bonds.

***“Record Date”*** means the fifteenth day of the month immediately preceding a Bond Payment Date.

***“Redemption Price”*** when used with respect to a Bond or portion thereof to be redeemed, means the principal amount of such Bond or such portion thereof plus the applicable premium, if any, and accrued interest, as applicable, payable upon redemption thereof pursuant to this Resolution.

***“Registrar”*** means any bank, trust company, or national banking association which is authorized to maintain an accurate list of those who from time to time shall be the Holders of the Bonds and shall effect the exchange and transfer of Bonds in accordance with the provisions of this Resolution and having the duties, responsibilities, and rights provided for in this Resolution and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to this Resolution. The institution named as Registrar may also act as Paying Agent. Notwithstanding the above definition of Registrar, if the Bonds are delivered in physical form, the Registrar shall be the Treasurer.

***“Registry Books”*** means the books to be kept at the Corporate Trust Office of the Registrar for the registration and transfer of the Bonds.

***“Resolution”*** means this Resolution, as the same may be amended or supplemented from time to time in accordance with the terms hereof.

***“Secretary”*** shall mean the Secretary of the Commission.

***“Securities Depository”*** shall mean The Depository Trust Company, New York, New York, or another recognized securities depository selected by the District, which securities depository maintains a book-entry system in respect of the Bonds, 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 the 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. Cede & Co. shall serve as the initial Securities Depository Nominee hereunder.

***“Series”*** or ***“Series of Bonds”*** shall mean Bonds issued hereunder as a single issue, i.e., sold and closed on the same dates under a common designation.

***“South Carolina Code”*** means the Code of Laws of South Carolina 1976, as amended.

“*State*” means the State of South Carolina.

“*Taxable Series*” means as Series of Bonds so designated by an Authorized Officer, the interest upon which is not excludable from income for federal income tax purposes.

“*Treasurer*” means the Treasurer of Beaufort County, South Carolina.

Section 2.02 Construction.

In this Resolution, unless the context otherwise requires:

(a) Articles and Sections referred to by number shall mean the corresponding Articles and Sections of this Resolution.

(b) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms refer to this Resolution, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before the date of adoption of this Resolution.

(c) Words of the masculine gender shall mean and include correlative words of the female and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

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

[End of Article II]

## ARTICLE III

### ISSUANCE OF BONDS

#### Section 3.01 Ordering the Issuance of Bonds.

Pursuant to the provisions of the Enabling Act, and for the purpose of defraying the costs of the Project and paying costs of issuance associated therewith, there shall be issued not exceeding Three Million Four Hundred Thousand Dollars (\$3,400,000) of General Obligation Bonds of the District (the "Bonds" or the "Bond"). An Authorized Officer shall determine (1) whether to issue the Bonds as a single Series or from time to time in multiple Series of Bonds, (2) whether and how to designate such Series with different years and alphabetic designations so as to properly distinguish each Series of Bonds being issued, and (3) the principal amount of each Series of Bonds.

#### Section 3.02 Maturity Schedule of Bonds; Details of Bonds.

The Bonds shall mature on the dates and in the principal amounts as determined by an Authorized Officer, upon advice of the District's financial advisor and Bond Counsel, provided that the aggregate principal amount of the Bonds issued hereunder shall not exceed \$3,400,000, and no Bonds shall mature later than 25 years from their date of issuance. The Authorized Officer shall determine certain details of the Bonds, including:

(1) whether the Bonds will be issued in fully registered form registered in the name of the purchaser thereof or under a book-entry only system, registered in the name of Cede & Co. as the registered owner and nominee of The Depository Trust Company, New York, New York, which in such instance will act as securities depository for the Bonds;

(2) the date of sale, the date of issuance, the maturity schedule, the denomination of the Bonds, and the Bond Payment Dates of the Bonds;

(3) whether to award the Bonds on a net interest cost or true interest cost basis;

(4) whether, and in what manner, the Bonds may be subject to optional redemption;  
and

(5) such other matters regarding the Bonds as are necessary, desirable or appropriate to effect the issuance thereof.

Prior to the issuance of a Series of Bonds, the Commission may, by resolution, alter any of the conditions specified above or elsewhere herein.

#### Section 3.03 Provision for Payment of Interest on the Bonds.

The Bonds shall be authenticated on such dates as they shall, in each case, be delivered. The original issue date of the Bonds shall be the first day or such other day of the month in which the Bonds are delivered as may be designated by an Authorized Officer. The Bonds shall bear interest, at the rates per annum determined in accordance with Section 3.15 hereof (on the basis of a 360 day year of twelve 30-day months) from the Bond Payment Date to which interest has been

paid next preceding the authentication date thereof, unless the authentication date is a Bond Payment Date, in which case from such authentication date, or if dated prior to the initial Bond Payment Date for Bonds of that Series, then from the original issue date of that Series. The interest to be paid on any Bond Payment Date shall be paid to the Person in whose name such Bond is registered at the close of business on the Record Date next preceding a Bond Payment Date.

Section 3.04 Medium of Payment; Place of Payment of Principal.

(a) The Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) If the Bonds are issued in book-entry form, the Bond Payments shall be payable at the Corporate Trust Office of the Paying Agent and payment of the interest on each Bond shall be made by the Paying Agent to the Person appearing on each Record Date on the Registry Books, which Registry Books shall be held by the Registrar, as the registered owner thereof, by check or draft mailed to such registered owner at his address as it appears on such Registry Books in sufficient time to reach such registered owner on the Bond Payment Date. Payment of the Principal Installment of all Bonds shall be made upon the presentation and surrender for cancellation of such Bonds as the same shall become due and payable.

Section 3.05 Agreement to Maintain Registrar and Paying Agent.

Subject to the last paragraph of this Section 3.05, as long as any of the Bonds remain Outstanding there shall be a Registrar and a Paying Agent each of which shall be a financial institution maintaining Corporate Trust Offices where (1) the Bonds may be presented for registration of transfers and exchanges, (2) notices and demands to or upon the District in respect of the Bonds may be served, and (3) the Bonds may be presented for payment, exchange and transfer. Initially, the financial institution designated by the Authorized Officer shall act as both Registrar and Paying Agent. The single institution so chosen shall exercise both the functions of the Registrar and the Paying Agent.

If a Series of Bonds is issued in the form of a single bond in physical form, the Treasurer's office shall serve as the Registrar and Paying Agent for the Bonds and shall fulfill all functions of the Registrar and Paying Agent enumerated herein. It shall also serve as Registrar and Paying Agent should the Bonds initially be held in a book-entry system and such system is subsequently discontinued.

Section 3.06 Execution and Authentication.

(a) The Bonds shall be executed in the name and on behalf of the District by the manual signature of the Chairman, or in his absence the Vice Chairman of the Commission, with the official seal of the District impressed, imprinted or otherwise reproduced thereon, and attested by the manual signature of the Secretary or another Authorized Officer. The Bonds may bear the manual signature of any person who shall have been such an Authorized Officer authorized to sign the Bond at the time such Bond was so executed, and shall bind the District notwithstanding the fact that his or her authorization may have ceased prior to the authentication and delivery of the Bond.

(b) Each Bond shall not be valid or obligatory for any purpose nor shall it be entitled to any right or benefit hereunder unless there shall be endorsed on the Bond a certificate of authentication in the form set forth in this Resolution, duly executed by the manual signature of the Registrar, and such certificate of authentication upon any Bond executed on behalf of the District shall be conclusive evidence that the Bond so authenticated has been duly issued hereunder and that the Holder thereof is entitled to the benefit of the terms and provisions of this Resolution.

#### Section 3.07 Exchange of Bonds.

Each Bond, upon surrender thereof at the office of the Registrar along with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney, may, at the option of the registered Holder thereof, be exchanged for a new Bond of the same interest rate and maturity. So long as such Bond remains Outstanding, the District shall make all necessary provisions to permit the exchange of the Bond. Such new Bond shall reflect the principal amount thereof as then yet unpaid.

#### Section 3.08 Transferability and Registry.

Each Bond shall at all times, when the same is Outstanding, be payable to a Person, and shall be transferable only in accordance with the provisions for registration and transfer contained in this Resolution and in such Bond. So long as such Bond remains Outstanding, the Registrar shall maintain and keep, at its offices, the Registry Books for the registration and transfer of the Bond, and, upon presentation thereof for such purpose at such office, the District shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, such Bond. So long as such Bond remains Outstanding, the District shall make all necessary provisions to permit the transfer of such Bond at the office of the Registrar.

#### Section 3.09 Transfer of Bonds.

Each Bond shall be transferable only upon the Registry Books of the Registrar, upon presentation and surrender thereof by the Holder of such Bond in person or by his attorney duly authorized in writing, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered Holder or his duly authorized attorney. Upon surrender for transfer of the Bond, the District shall execute, authenticate and deliver, in the name of the Person who is the transferee, a new Bond of the same principal amount and maturity and rate of interest as the surrendered Bond. Such new Bond shall reflect the principal amount thereof as then yet unpaid.

#### Section 3.10 Regulations with Respect to Exchanges and Transfers

Any Bond surrendered in any exchange or transfer shall forthwith be cancelled by the Registrar. For each such exchange or transfer of such Bond, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the Holder requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The District shall not be obligated to issue, exchange or transfer any Bond during the 15 days next preceding any (a) Bond Payment Date, or (b) date upon which a Bond will be redeemed.



### Section 3.11 Mutilated, Destroyed, Lost and Stolen Bonds.

(a) If the Holder surrenders a mutilated Bond to the Registrar or the Registrar receives evidence to its satisfaction of the destruction, loss, or theft of a Bond, and there is delivered to the Registrar such security or indemnity as may be required by it to save it harmless, then, in the absence of notice that such Bond has been acquired by a *bona fide* purchaser, the District shall execute, and upon District request, the Registrar shall authenticate and deliver, in exchange for the mutilated Bond or in lieu of any such destroyed, lost, or stolen Bond, a new Bond of like tenor, maturity, and interest rate bearing a number unlike that of such mutilated, destroyed, lost, or stolen Bond, and shall thereupon cancel any such mutilated Bond so surrendered. In case any such mutilated, destroyed, lost, or stolen Bond has become or is to become due for final payment within one month, the District in its discretion may, instead of issuing a new Bond, pay such Bond.

(b) Upon the issuance of any new Bond under this Section 3.11, the Registrar may require the payment of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees or other fees, of the District or the Registrar connected therewith.

(c) Each new Bond issued pursuant to this Section 3.11 in lieu of any destroyed, lost, or stolen Bond, shall constitute an additional contractual obligation of the District, whether or not the destroyed, lost, or stolen Bond shall at any time be enforceable by anyone, and shall be entitled to all the benefits hereof equally and proportionately with each Bond duly issued pursuant to this Resolution.

(d) Each Bond shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of the mutilated, destroyed, lost, or stolen Bond and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement or payment of the mutilated, destroyed, lost, or stolen Bond or securities.

### Section 3.12 Holder as Owner of Bonds.

The District, Registrar, and any Paying Agent may treat the Holder of any Bond as the absolute owner thereof, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the Bond Payment on such Bond and for all other purposes, and payment of the Bond Payment shall be made only to, or upon the order of, such Holder. All payments to such Holder 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 the District shall not be affected by any notice to the contrary.

### Section 3.13 Cancellation of Bonds.

The Registrar shall destroy each Bond when the same shall be surrendered to it for cancellation. In such event, such Bond shall no longer be deemed Outstanding under this Resolution and no Bond shall be issued in lieu thereof.

Section 3.14 Payments Due Saturdays, Sundays and Holidays.

In any case where the Bond Payment Date shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions are authorized by law to close, then payment of the Bond Payment need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, with the same force and effect as if made on the Bond Payment Date and no interest shall accrue for the period after such date.

Section 3.15 Conditions Related to Naming Interest Rates.

The Bonds shall bear such rate or rates of interest as shall at the sale of such Bonds be determined using either the net interest cost or true interest cost method (as determined by an Authorized Officer) calculated in the manner hereinafter prescribed in this Section 3.15 at a price of not less than par, but:

- (a) all Bonds of the same maturity and Series shall bear the same rate of interest;
- (b) no rate of interest named shall be more than five per centum (5%) higher than the lowest rate of interest named; and
- (c) any premium offered must be paid in case as part of the purchase price.

An Authorized Officer is authorized to impose additional conditions for the sale of the Bonds.

Section 3.16 Tax Exemption in South Carolina.

Both the Principal Installments of and interest on the Bonds shall be exempt from all State, county, municipal, school district, and all other taxes or assessments of the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, transfer, or certain franchise taxes.

Section 3.17 Order to Levy Ad Valorem Taxes to Pay Principal and Interest of Bonds.

For the payment of the Principal Installments of and interest on the Bonds as the same become due and for the creation of such sinking fund as may be necessary therefor, the full faith, credit and taxing power of the District are hereby irrevocably pledged. There shall be levied an ad valorem tax upon all taxable property located within the District sufficient, after taking into account any moneys in the sinking fund, to pay the principal of and interest on each Bond as the same become due and to create such sinking fund as may be necessary therefor by the Auditor and collected by the Treasurer in the same manner as other county taxes are levied and collected. Such tax constitutes a tax, without limit, on all taxable property in the District sufficient to pay the principal and interest of each Bond as it matures and to create such sinking fund as may be necessary therefor.

Section 3.18 Notice to Auditor and Treasurer to Levy Tax.

The Auditor and the Treasurer shall each be notified of the issuance of any Series of Bonds, and directed to levy and collect, upon all taxable property in the District an annual tax sufficient to meet the payment of the Principal Installment and interest on said Bonds, as the same respectively mature, and to create such sinking fund as may be necessary therefor.

Section 3.19 Bonds Issued in Physical or Book Entry Form.

(a) Notwithstanding anything to the contrary herein, an Authorized Officer may determine that the Bonds will be issued in physical form to the Purchaser or issued under the book-entry only system in fully registered form, registered in the name of Cede & Co. as the registered owner and securities depository nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as initial securities depository for the Bonds. Notwithstanding anything to the contrary herein, so long as the Bonds are being held under a book-entry system of a securities depository, transfers of beneficial ownership of the Bonds will be effected pursuant to rules and procedures established by such securities depository.

(b) As long as a book-entry system is in effect for the Bonds, the Securities Depository Nominee will be recognized as the holder of the Bonds for the purposes of: (i) paying the principal, interest, and premium, if any, on such Bonds, (ii) selecting the portions of such Bonds to be redeemed, if Bonds are to be redeemed in part, (iii) giving any notice permitted or required to be given to Bondholders under this Resolution, (iv) registering the transfer of Bonds, and (v) requesting any consent or other action to be taken by the holders of such Bonds, and for all other purposes whatsoever, and the District shall not be affected by any notice to the contrary.

(c) The District shall not have any responsibility or obligation to any participant, any beneficial owner or any other person claiming a beneficial ownership in any Bonds which are registered to a Securities Depository Nominee under or through the Securities Depository with respect to any action taken by the Securities Depository as holder of such Bonds.

(d) The Paying Agent shall pay all principal, interest and premium, if any, on Bonds issued under a book-entry system, only to the Securities Depository or the Securities Depository Nominee, as the case may be, for such Bonds, and all such payments shall be valid and effectual to fully satisfy and discharge the obligations with respect to the principal of and premium, if any, and interest on such Bonds.

(e) In the event that the District determines that it is in the best interest of the District to discontinue the book-entry system of transfer for the Bonds, or that the interests of the beneficial owners of the Bonds may be adversely affected if the book-entry system is continued, then the District shall notify the Securities Depository of such determination. In such event, the District shall appoint the Treasurer as Registrar and Paying Agent, which shall authenticate, register and deliver physical certificates for the Bonds in exchange for the Bonds registered in the name of the Securities Depository Nominee.

(f) In the event that the Securities Depository for the Bonds discontinues providing its services, the District shall either engage the services of another Securities Depository or arrange

with the Registrar and Paying Agent for the delivery of physical certificates in the manner described in subparagraph (e) above.

(g) In connection with any notice or other communication to be provided to the holders of Bonds by the District or by the Registrar and Paying Agent with respect to any consent or other action to be taken by the holders of Bonds, the District or the Registrar and Paying Agent, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository Nominee notice of such record date not less than 15 days in advance of such record date to the extent possible.

#### Section 3.20 Form of Bonds.

The form of the Bonds, and registration provisions to be endorsed thereon, shall be substantially as set forth in Exhibit A attached hereto, and made a part of this Resolution. The form of the Bonds may include such revisions as may be determined appropriate by an Authorized Officer, with the execution of the Bonds being conclusive as to such determination.

#### Section 3.21 Bond Anticipation Notes.

(a) There may be issued in anticipation of the issuance of the Bonds one or more Notes, at the discretion of an Authorized Officer, provided that no Note shall be expressed to mature longer than one year after its date of issue. For the payment of the principal of and interest on the Notes as the same shall fall due, the full faith, credit, and taxing power of the District shall be pledged. In addition thereto, so much of the principal proceeds of the Bonds when issued shall and is hereby directed to be applied, to the extent necessary, to the payment of the Notes, both principal and interest; and, further, the District covenants and irrevocably pledges to effect the issuance of the Bonds or, in the alternative, to refund or renew outstanding Notes in order that the proceeds thereof will be sufficient to provide for the retirement of any Notes issued pursuant hereto.

(b) The proceeds derived from the sale of the Notes issued pursuant to this Resolution shall be paid to the Treasurer, to be deposited in a fund held for such purposes, and shall be expended and made use of in accordance with the restrictions of Article VI of this Resolution.

(c) Both the principal of and interest on the Notes shall be exempt, in accordance with the provisions of Section 12-2-50 of the South Carolina Code, from all State, county, municipal, school district and all other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate, or transfer taxes, but the interest on the Notes may be included for certain franchise fees or taxes.

(d) The Notes shall be issued at such interest rates and maturity dates, and with such provisions for early redemption, as may be determined by an Authorized Officer. Requests for proposals for the purchase of any Note shall be solicited from at least three (3) institutions selected by an Authorized Officer. The Note shall be awarded to the institution offering the lowest single fixed rate of interest therefor, at a price of not less than par, adjusted for any cash premium, running from the date of delivery of the Note to the maturity date thereof, unless all bids are rejected.

(e) The Note shall be in non-negotiable form, payable to the purchaser thereof, but subject to assignment by the named payee or any assignee thereof by an instrument in writing duly executed by the payee or any assignee of the payee, notice of which shall be given to the District.

[End of Article III]

## ARTICLE IV

### REDEMPTION OR PURCHASE OF BONDS

#### Section 4.01 Authorization of Redemption.

An Authorized Officer shall determine whether and to what extent the Bonds will be subject to optional redemption prior to maturity, and the details and terms of such optional redemption.

#### Section 4.02 Election to Redeem.

In the event that the District shall elect to redeem Bonds, it shall give notice to the Registrar and Paying Agent of each optional redemption, which notice may be conditional in the discretion of an Authorized Officer. Each notice of redemption shall specify the date fixed for redemption and the Bonds which are to be redeemed. Such notice shall be given at least 30 days prior to the date fixed for redemption or such lesser number of days as shall be acceptable to the Registrar.

#### Section 4.03 Notice of Redemption.

(a) When any Bonds are to be redeemed, the Registrar shall give notice of the redemption of the Bonds in the name of the District specifying: (i) the Bonds, the particular Series thereof, and maturities to be redeemed; (ii) the redemption date; (iii) the Redemption Price; (iv) the numbers and other distinguishing marks of the Bonds to be redeemed unless all of the Bonds Outstanding are to be redeemed; (v) the place or places where amounts due upon such redemption will be payable; (vi) whether the redemption of the Bonds is conditioned upon any event; and (vii) in the case of Bonds to be redeemed in part only, the respective portions of the principal thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this Section 4.03 unless such condition has been satisfied as of the redemption date. The Registrar shall mail by registered mail a copy of such notice, postage prepaid, not less than 30 days before the redemption date to the registered Holders of all the Bonds or portions of the Bonds which are to be redeemed at their addresses which appear upon the Registry Books, but failure to so mail any such notice to any of such Holders shall not affect the validity of the proceedings for the redemption of the Bonds held by Holders to whom written notice has been mailed. The obligation of the Registrar to give the notice required by this Section 4.03 shall not be conditioned upon the prior payment to the Paying Agent of money or the delivery to the Paying Agent of Authorized Investments sufficient to pay the Redemption Price of the Bonds to which such notice relates or the interest thereon to the redemption date.

(b) Notice of redemption having been given as provided in subsection (a) hereof, the Bonds or portions thereof so to be redeemed shall, on the date fixed for redemption, become due and payable at the Redemption Price specified therein plus accrued interest to the redemption date, and upon presentation and surrender thereof at the place specified in such notice, such Bonds or portions thereof shall be paid at the Redemption Price, plus accrued interest to the

redemption date; provided, however, that in the event of any conditional provision in the notice, the Bonds will not become due and payable as provided in this Section 4.03 until such condition has been satisfied as of the redemption date. On and after the redemption date (unless the District shall default in the payment of the Redemption Price and accrued interest, or any conditional provision in the notice shall not have been satisfied as of the redemption date), such Bonds shall cease to bear interest, and such Bonds shall no longer be considered as Outstanding hereunder. If money sufficient to pay the Redemption Price and accrued interest has not been made available by the District to the Paying Agent on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne, had they not been called for redemption, until the same shall have been paid.

Section 4.04 Selection by Registrar of Bonds to be Redeemed.

(a) If less than all of the Bonds of like maturity are to be redeemed, the particular Bonds or portions of the Bonds to be redeemed shall be selected, not less than 45 days prior to the date fixed for redemption, by the Registrar by lot or in such other manner as the Registrar may deem to be appropriate, provided, however, that for so long as the Bonds are held in book-entry only form, the selection of Bonds to be redeemed hereunder shall be in accordance with the rules of the Securities Depository.

(b) In making such selection, the Registrar shall treat each Bond to be redeemed as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If any Bond is to be redeemed in part, the portion to be so redeemed shall be in a principal amount of an authorized denomination.

(c) The Registrar shall promptly notify the District in writing of the Bonds so selected for redemption.

Section 4.05 Deposit of Redemption Price.

On or before any date fixed for redemption of any Bonds, cash and/or a principal amount of non-callable Government Obligations maturing or redeemable at the option of the Holder thereof not later than the date fixed for redemption which, together with income to be earned on such Government Obligations prior to such date fixed for redemption, will be sufficient to provide cash to pay the Redemption Price of and accrued interest on all Bonds or portions thereof which are to be redeemed on such date, shall be deposited with the Paying Agent unless such amount shall have been previously deposited with the Paying Agent. Provided, however, that in the event of a conditional redemption such condition is not met, this Section 4.05 is inapplicable.

Section 4.06 Partial Redemption of Bonds.

In the event part but not all of a Bond Outstanding shall be selected for redemption, upon presentation and surrender of such Bond by the Holder thereof or his attorney duly authorized in writing (with, if the District or the Registrar so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the District and the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) to the Registrar, the District shall

execute and the Registrar shall authenticate and deliver to or upon the order of such Holder, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a Bond or Bonds of any authorized denomination of like tenor. Bonds so presented and surrendered shall be cancelled in accordance with Section 3.13 hereof.

Section 4.07 Purchases of Bonds Outstanding.

Purchases of Bonds Outstanding may also be made by the District at any time with money available to it from any source. Upon any such purchase the District shall deliver such Bonds to the Registrar for cancellation.

[End of Article IV]



## ARTICLE V

### SALE OF BONDS

#### Section 5.01 Sale and Award of Bonds.

The Bonds shall be sold at a date and time certain after public notice thereof at not less than par and accrued interest to the date of delivery. Bids shall be received at such time and date and in such manner as determined by an Authorized Officer. Unless all bids are rejected, the award of the Bonds may be made by an Authorized Officer to the bidder offering the most advantageous terms to the District, with the basis of such award to be set forth in the official notice of sale used in connection with the sale of the Bonds (the "Official Notice of Sale"). In lieu of publishing the Official Notice of Sale in its entirety to notice the sale, an Authorized Officer may elect to publish an abbreviated form of such notice (the "Summary Notice of Sale") and provide the Official Notice of Sale to those parties who request the same pursuant to the instructions provided in the Summary Notice of Sale. The substantially final form of the Summary Notice of Sale is set forth at Exhibit B hereto.

#### Section 5.02 Manner of Public Sale.

Not less than 7 days following the publication of either the Official Notice of Sale or Summary Notice of Sale in a newspaper of general circulation in the State, and/or, if deemed appropriate by an Authorized Officer, in a financial publication published in the City of New York, New York, any Series of the Bonds may be sold pursuant to either of the following methods as determined by an Authorized Officer:

- (a) *Competitive Direct Placement.* The Bond may be sold to an institution or institutions as a means of making a commercial loan. In such case, the Commission authorizes an Authorized Officer to distribute the Official Notice of Sale to prospective purchasers of the Bond and award the Bond on the basis of the terms and conditions contained therein. The Bond shall be issued as a single Bond, without CUSIP identification. The purchaser of the Bond shall execute an investor letter to the District acknowledging its purchase of the Bond as a means of making a commercial loan.
- (b) *Competitive Public Offering.* The Bonds may be sold in the public capital markets to an underwriter for the purpose of reselling such Bonds. In such case, the Commission hereby authorizes an Authorized Officer to prepare, or cause to be prepared, a Preliminary Official Statement and distribute the Preliminary Official Statement and the Official Notice of Sale to prospective purchasers of the Bonds. The Commission authorizes an Authorized Officer to designate the Preliminary Official Statement as "final" for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission. The Authorized Officers are further authorized to see to the completion of the final form of the Official Statement upon the sale of the Bonds so that it may be provided to the purchaser.

Section 5.03 Authorization to Negotiate Sale in Certain Circumstances.

An Authorized Officer may negotiate the sale of the Bond directly with a purchaser in either of the following circumstances:

- (a) In the event no bids are received or in the event all bids are rejected in accordance with Section 11-27-40(9)(c) of the South Carolina Code.
- (b) Should the Bonds be sold as a Series in an amount not exceeding \$1,500,000 and mature not later than 10 years from its date of issuance, the sale of such Series of Bonds may be negotiated at private sale at an interest rate to be agreed to by an Authorized Officer and the purchaser of the Bond. In negotiating the sale of the Bond, an Authorized Officer is authorized to solicit bids from qualified lenders for the purchase of the Bond and the award of any such solicitation shall be made under the same standards as provided in Section 5.02(a) above. If the Bond is sold under the provisions of this subsection, notice of the sale of the Bond meeting the requirements of 11-27-40(4) of the South Carolina Code shall be given not less than seven (7) days prior to delivery of the Bond.

[End of Article V]

## ARTICLE VI

### DISPOSITION OF PROCEEDS OF SALE OF BONDS

#### Section 6.01 Disposition of Bond Proceeds including Temporary Investments.

The proceeds derived from each sale of the Bonds issued pursuant to this Resolution shall be paid to the Treasurer, to be deposited in a Bond Account Fund for the District, and shall be expended and made use of by the Commission as follows:

(a) any accrued interest shall be applied to the payment of the first installment of interest to become due on such Bonds;

(b) any premium shall be applied to the payment of the first Principal Installment of such Bonds; and

(c) the remaining proceeds shall be expended and made use of by the Commission to defray the cost of issuing the Bonds and to defray the costs of the Project described in Section 1.01 hereof, or to repay any Notes, as applicable.

Pending the use of the proceeds of the Bonds or Notes, the same shall be invested and reinvested in Authorized Investments; provided, that neither the Purchaser nor any Holder of the Bonds shall be liable for the proper application of the proceeds thereof.

[End of Article VI]

## ARTICLE VII

### DEFEASANCE OF BONDS

#### Section 7.01 Defeasance.

(A) If all of the Bonds issued pursuant to this Resolution and all interest thereon shall have been paid and discharged, then the obligations of the District under this Resolution and all other rights granted hereby shall cease and determine. The Bonds shall be deemed to have been paid and discharged within the meaning of this Article under each of the following circumstances, viz:

(1) The Paying Agent shall hold, at the stated maturity of each of the Bonds, in trust and irrevocably appropriated thereto, sufficient moneys for the payment of the Principal Installments and interest thereof; or

(2) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred on any Bond Payment Date, and thereafter tender of such payment shall have been made, and at such time as the Paying Agent shall hold in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of such payment; or

(3) If the District shall elect to provide for the payment of the Bonds prior to their stated maturities and shall have deposited with the Paying Agent, or other Escrow Agent, in an irrevocable trust moneys which shall be sufficient, or Government Obligations, the principal of and interest on which when due will provide moneys, which together with moneys, if any, deposited with the Paying Agent or Escrow Agent at the same time, shall be sufficient to pay when due the Principal Installments or redemption price and interest due and to become due on the Bonds on and prior to their maturity dates or redemption dates, as the case may be. In the event that the District shall elect to redeem Bonds prior to their stated maturities, the District shall proceed in the manner prescribed by Article IV hereof.

Neither the Government Obligations nor moneys deposited with the Paying Agent or Escrow Agent pursuant to this Section 7.01 nor the principal or interest payments thereon shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Principal Installment or Redemption Price, and interest on said Bonds; provided that any cash received from such principal or interest payments on Government Obligations deposited with the Paying Agent, if not then needed for such purpose, shall, to the extent practicable, be invested and reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the Principal Installment or Redemption Price, and interest to become due on said Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and interest earned from such reinvestments not required for the payment of the Principal Installment or Redemption Price, and interest may be paid over to the District, as received by the Paying Agent or Escrow Agent, free and clear of any trust, lien or pledge.

(B) In addition to the above requirements of paragraphs (1), (2), and (3) in order for this Resolution to be discharged, all other fees, expenses and charges of the Paying Agent or Escrow Agent shall have been paid in full at that time.

(C) Notwithstanding the satisfaction and discharge of this Resolution, the Paying Agent or Escrow Agent, as applicable, shall continue to be obligated to hold in trust any moneys or investments then held by the Paying Agent or Escrow Agent for the payment of the Principal Installments, and interest on, the Bonds, to pay to the owners of Bonds the funds so held by the Paying Agent or Escrow Agent as and when payment becomes due.

(D) Any release under this Section 7.01 shall be without prejudice to the rights of the Paying Agent or Escrow Agent to be paid reasonable compensation for all services rendered under this Resolution and all reasonable expenses, charges, and other disbursements and those of their respective attorneys, agents, and employees, incurred on and about the performance of the powers and duties under this Resolution.

(E) Any moneys which at any time shall be deposited with the Paying Agent or Escrow Agent by or on behalf of the District for the purpose of paying and discharging any Bonds shall be and are hereby assigned, transferred, and set over to the Paying Agent or Escrow Agent, as applicable, in trust for the respective holders of the Bonds, and the moneys shall be and are hereby irrevocably appropriated to the payment and discharge thereof. If, through lapse of time or otherwise, the holders of such Bonds shall no longer be entitled to enforce payment of their obligations, then, in that event, it shall be the duty of the Paying Agent or Escrow Agent to transfer the funds to the District.

[End of Article VII]

**ARTICLE VIII**  
**CONCERNING THE FIDUCIARIES**

Section 8.01   Fiduciary; Appointment and Acceptance of Duties.

A financial institution chosen pursuant to Section 3.05 hereof to act as Paying Agent and Registrar hereunder shall accept the duties and trusts imposed upon it by this Resolution and shall agree in writing to perform such trusts but only upon the terms and conditions set forth in this Article VIII. Similarly, each financial institution appointed as a successor Registrar or as a successor Paying Agent shall signify its acceptance of the duties and trusts imposed by this Resolution by a written acceptance.

Section 8.02   Responsibilities of Fiduciaries.

The recitals of fact herein and in the Bonds contained shall be taken as the statements of the District and no Fiduciary assumes any responsibility for the correctness of the same except in respect of the authentication certificate of the Registrar endorsed on the Bonds. No Fiduciary makes any representations as to the validity or sufficiency of this Resolution or of any Bonds or as to the security afforded by this Resolution, and no Fiduciary shall incur any liability in respect thereof. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof or to advance any of its own moneys, unless indemnified to its reasonable satisfaction. No Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

Section 8.03   Evidence on Which Fiduciaries May Act.

(a)   Each Fiduciary, upon receipt of any notice, resolution, request, consent order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. Each Fiduciary may consult with counsel, who may or may not be of counsel to the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

(b)   Whenever any Fiduciary shall deem it necessary or desirable that a matter to be proved or established prior to taking or suffering any action under this Resolution, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Resolution upon the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may deem reasonable.

(c) Except as otherwise expressly provided in this Resolution any request, order, notice or other direction required or permitted to be furnished pursuant to any provision thereof by the District to any Fiduciary shall be sufficiently executed if executed in the name of the District by an Authorized Officer.

Section 8.04 Compensation.

The District shall pay to each Fiduciary from time to time reasonable compensation based on the then standard fee schedule of the Fiduciary for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution; provided, however, that any specific agreement between the District and a Fiduciary with respect to the compensation of such Fiduciary shall control the compensation to be paid to such Fiduciary.

Section 8.05 Certain Permitted Acts.

Any Fiduciary may become the owner or underwriter of any Bonds, notes or other obligations of the District or conduct any banking activities with respect to the District, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers or directors to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Resolution.

Section 8.06 Resignation of Any Fiduciary.

Any Fiduciary may at any time resign and be discharged of the duties and obligations created by this Resolution by giving not less than sixty (60) days written notice to the District and not less than thirty (30) days written notice to the Holders of the Bonds as established by the Registry Books prior to the next succeeding Bond Payment Date and such resignation shall take effect upon the date specified in such notice unless previously a successor shall have been appointed by the District pursuant to Section 8.08 hereof in which event such resignation shall take effect immediately on the appointment of such successor. In no event, however, shall such a resignation take effect until a successor has been appointed.

Section 8.07 Removal of Fiduciary.

Any Fiduciary may be removed at any time by an instrument or concurrent instruments in writing, filed with the District and such Fiduciary, and signed by the Bondholders representing a majority in principal amount of the Bonds then Outstanding or their attorneys in fact duly authorized, excluding any Bonds held by or for the account of the District.

Section 8.08 Appointment of Successor Fiduciaries.

In case any Fiduciary hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable or acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the District. Every such Fiduciary appointed pursuant to the provisions of this Section 8.08 shall be a trust company or bank organized under the laws of the United States of America or any State thereof and which is in good standing, within or outside

the State, having a stockholders' equity of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trusts upon reasonable and customary terms.

If in a proper case no appointment of a successor Fiduciary shall be made by the District pursuant to the foregoing provisions of this Section 8.08 within forty-five (45) days after any Fiduciary shall have given to the District written notice as provided in Section 8.06 hereof or after a vacancy in the office of such Fiduciary shall have occurred by reason of its removal or inability to act, the former Fiduciary or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor.

#### Section 8.09 Transfer of Rights and Property to Successor.

Any successor Fiduciary appointed under this Resolution shall execute, acknowledge and deliver to its predecessor, and also to the District, an instrument accepting 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 such predecessor Fiduciary, with like effect as if originally named in such capacity; but the Fiduciary ceasing to act shall nevertheless, on the written request of the District, or of the successor, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor all the right, title and interest of the predecessor Fiduciary in and to any property held by it under this Resolution, and shall pay over, assign and deliver to the successor Fiduciary any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the District be required by such successor Fiduciary for more fully and certainly vesting in and confirming to such successor any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the District. Any such successor Fiduciary shall promptly notify the Paying Agent and depositaries, if any, of its appointment as Fiduciary.

#### Section 8.10 Merger or Consolidation.

Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it may be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank or trust company organized under the laws of any State of the United States or a national banking association, and shall be authorized by law to perform all the duties imposed upon it by this Resolution, shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.



Section 8.11 Adoption of Authentication.

In case any of the Bonds contemplated to be issued under this Resolution shall have been authenticated but not delivered, any successor Registrar may adopt the certificate of authentication of any predecessor Registrar so authenticating such Bonds and deliver such Bonds so authenticated. In case any such Bonds shall not have been authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in the name of the successor Registrar, and in all such cases such certificate shall be of full force and effect.

[End of Article VIII]

## ARTICLE IX

### TAX AND SECURITIES LAW COVENANTS

#### Section 9.01 Compliance with the Code.

The District will comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the tax-exempt status of the interest on the Bonds, including, without limitation, the requirement to file the information report Form 8038-G with the Internal Revenue Service. In this connection, the District covenants to execute any and all certificates, agreements or other documentation as it may be advised by Bond Counsel that will enable it to comply with this Section 9.01, and such agreements or other documentation may be executed by an Authorized Officer.

The District hereby represents and covenants that it will not take any action which will, or fail to take any action which failure will, cause interest on the Bonds to become includable in the gross income of the Holder thereof for federal income tax purposes pursuant to the provisions of the Code and regulations promulgated thereunder in effect on the date of original issuance of Bonds. Without limiting the generality of the foregoing, the District represents and covenants that:

(a) All property provided by the net proceeds of the Bonds will be owned by the District in accordance with the rules governing the ownership of property for federal income tax purposes until the Series of the Bonds have been paid.

(b) The District shall not permit the proceeds of the Bonds or any facility financed with the proceeds of the Bonds to be used in any manner that would result in (a) ten percent (10%) or more of such proceeds being considered as having been used directly or indirectly in any trade or business carried on by any natural person or in any activity carried on by a person other than a natural person other than a governmental unit as provided in Section 141(b) of the Code, or (b) five percent (5%) or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(c) The District is not a party to nor will it enter into any contracts with any person for the use or management of any facility provided with the proceeds of the Bonds that do not conform to the guidelines set forth in Revenue Procedure 2017-13, as modified or amended by any subsequent pronouncement of the United States Treasury.

(d) The District will not sell or lease any property provided by the Bonds to any person unless it obtains the opinion of nationally recognized bond counsel that such lease or sale will not affect the tax exempt status of interest on the Bonds.

(e) The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code. The District has not entered into any leases or sales or service contract with any federal government agency and will not enter into any such leases or contracts unless it obtains the opinion of nationally recognized bond counsel that such action will not affect the tax exemption of the Bonds.

#### Section 9.02 Ability to Meet Arbitrage Requirements.

Careful consideration has been given to the time in which the expenditures will be made. It has been ascertained that all of the money received from the proceeds of the Bonds will be expended within the limitations imposed by Section 148 of the Code and the Treasury regulations promulgated pursuant thereto. Accordingly, the Commission will be able to certify upon reasonable grounds that the Bonds herein provided for are not "arbitrage bonds" within the meaning of Section 148 of the Code.

#### Section 9.03 Qualified Tax-Exempt Obligations.

In the event that at the time of closing of a Series of Bonds the District expects to issue no tax-exempt obligations in a given calendar year which, along with the Bonds, would aggregate more than \$10,000,000, an Authorized Officer may designate such Series of Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

#### Section 9.04 Taxable Series.

The Authorized Officers are hereby authorized to designate a Series of Bonds as a Taxable Series. The provisions of the preceding Sections of this Article IX shall not apply to Bonds of a Taxable Series.

#### Section 9.05 Securities Law Covenants.

(a) The District hereby covenants and agrees that it will comply with and carry out all of the provisions of any continuing disclosure certificate or agreement, executed by an Authorized Officer and dated the date of delivery of the Bonds, which will meet the requirements, as applicable, of Section 11-1-85 of the South Carolina Code, which may require, among other things, that the District file with a central repository when requested: (1) a copy of its annual independent audit within 30 days of its receipt and acceptance and (2) event-specific information, within 30 days of an event adversely affecting more than five percent of its revenues or five percent of its tax base. The only remedy for failure by the District to comply with the covenants in this Section 9.05 shall be an action for specific performance of this covenant. The District specifically reserves the right to amend this covenant to reflect any change in Section 11-1-85 of the South Carolina Code, without the consent of any Bondholder.

(b) The District hereby covenants and agrees that it will comply with and carry out all of the provisions of a continuing disclosure certificate (the "Continuing Disclosure Undertaking"), executed by an Authorized Officer and dated the date of delivery of the Bonds, which will meet the requirements, as applicable, of Rule 15c2-12 of the United States Securities and Exchange Commission. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Undertaking shall not be considered an event of default hereunder; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section. The execution of the Continuing Disclosure Undertaking shall constitute conclusive evidence of the approval by the person executing the same of any and all modifications and amendments thereto. Additionally, the Authorized Officer is authorized to contract with a dissemination agent for certain dissemination

services associated with the execution and delivery of the Continuing Disclosure Undertaking.

(c) In the event the Bonds are not sold as securities, but rather sold to a Direct Placement Bidder as a commercial loan, no Continuing Disclosure Undertaking shall be required.

[End of Article IX]

## ARTICLE X

### MISCELLANEOUS

#### Section 10.01 Failure to Present Bonds.

Anything in this Resolution to the contrary notwithstanding, any money held by the Paying Agent in trust for the payment and discharge of any of the Bonds, or the interest thereon, which remains unclaimed for such period of time, after the date when such Bonds have become due and payable, that the Holder thereof shall no longer be able to enforce the payment thereof, the Paying Agent shall at the written request of the District pay such money to the District as its absolute property and free from trust, and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the District for the payment of such Bonds; provided, however, the Paying Agent shall forward to the District all moneys which remain unclaimed during a period five (5) years from a Bond Payment Date, provided, however, that before being required to make any such payment to the District, the Paying Agent, at the expense of the District, may conduct such investigations as may in the opinion of the Paying Agent be necessary to locate the Holders of those who would take if the Holder shall have died.

#### Section 10.02 Professional Services.

The District hereby authorizes, approves or ratifies, as applicable, the engagement of First Tryon Advisors, a business of First Tryon Securities, LLC, to act as financial advisor and Pope Flynn, LLC to act as Bond Counsel and Disclosure Counsel (if appropriate) in connection with the issuance of each Series of Bonds and authorizes the Authorized Officers to engage the services of such other professionals and institutions of a type and in a manner customary in connection with the issuance of municipal bonds, including, but not limited to, contractual arrangements with legal and financial advisors, rating agencies, verification agents, financial and trust institutions, printers and the suppliers of other goods and services in connection with the sale, execution and delivery of the Bonds, as is necessary and desirable.

#### Section 10.03 Filing of Copies of Resolution.

Copies of this Resolution shall be filed in the offices of the Commission, the office of the Clerk of Court for Beaufort County (as a part of the Record of Proceedings) and at the Corporate Trust Offices of each of the Paying Agent and Registrar.

#### Section 10.04 Further Action by Officers of the District.

The Commission hereby authorizes any Authorized Officer, and all other appropriate officials of the District, to execute all such agreements, documents and instruments as may be necessary, required or appropriate to effect the issuance of the Bonds. The Secretary is authorized and directed to attest and otherwise certify all appropriate agreements, documents and instruments in connection with the issuance of the Bonds.

Section 10.05    Resolution to Constitute Contract.

In consideration of the purchase and acceptance of the Bonds by those who shall purchase and hold the same from time to time, the provisions of this Resolution shall be deemed to be and shall constitute a contract between the District and the Holders from time to time of the Bonds, and such provisions are covenants and agreements with such Holders which the District hereby determined to be necessary and desirable for the security and payment thereof. The pledge hereof and the provisions, covenants, and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection, and security of the Holders of any and all of the Bonds, all of which shall be of equal rank without preference, priority or distinction of any Bonds over any other Bonds.

Section 10.06    Savings Clause; Severability of Invalid Provisions.

If any one or more of the covenants or agreements provided in this Resolution should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Section 10.07    Successors.

Whenever in this Resolution the District is named or referred to, it shall be deemed to include any entity, which may succeed to the principal functions and powers of the District, and all the covenants and agreements contained in this Resolution or by or on behalf of the District shall bind and inure to the benefit of said successor whether so expressed or not.

Section 10.08    General Repealer; Effective Date.

All rules, regulations, and resolutions and parts thereof, procedural or otherwise in conflict herewith or the proceedings authorizing the issuance of the Bonds are to the extent of such conflict, hereby repealed and this Resolution shall take effect and be in full force upon adoption.

[End of Article X]

DONE IN MEETING DULY ASSEMBLED, THIS 14TH DAY OF MAY, 2019.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT,  
SOUTH CAROLINA**

By: 

Chairman, Fripp Island Public Service District  
Commission

(SEAL)

Attest:

  
Secretary, Fripp Island Public Service District Commission

## EXHIBIT A

(FORM OF BOND)  
(FACE OF BOND)

UNITED STATES OF AMERICA  
STATE OF SOUTH CAROLINA  
FRIPP ISLAND PUBLIC SERVICE DISTRICT  
GENERAL OBLIGATION BONDS  
SERIES 201\_

No. 1 \$\_\_\_\_\_

Interest RateMaturity DateIssue DateCUSIP

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

KNOW ALL MEN BY THESE PRESENTS, that Fripp Island Public Service District, South Carolina (the "District"), is justly indebted and, for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, upon presentation and surrender of this Bond at the principal office of \_\_\_\_\_ (the "Registrar/Paying Agent"), and to pay interest on such principal sum at the interest rate set forth above (calculated on the basis of a 360-day year of twelve 30-day months), until the District's obligation with respect to the payment of such principal sum shall be discharged.

Interest on this Bond is payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year (each, a "Bond Payment Date") beginning \_\_\_\_\_ 1, 20\_\_\_\_. This bond bears interest from the Issue Date shown above, if no interest has yet been paid; otherwise from the last Bond Payment Date to which interest has been paid and which Bond Payment Date is on or prior to the authentication date thereof.

Interest will be payable by check or draft mailed to the person in whose name this Bond is registered on the Registry Books maintained by the Registrar, at the close of business on the 15th day of the calendar month next preceding each semiannual interest payment date. The principal and interest on this Bond are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for public and private debts, provided, however, that interest on this fully registered Bond shall be paid by check or draft as set forth above.

This Bond is one of an issue of Bonds (the "Bonds") of like date of original issue, tenor and effect, except as to number, date of maturity, denomination and rate of interest, issued in an original aggregate principal amount of \$\_\_\_\_\_, pursuant to and in accordance with the Constitution and laws of the State of South Carolina, including Article X, Section 14 of the



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Constitution of the State of South Carolina, 1895, as amended; Title 6, Chapter 11 of the Code of Laws of South Carolina 1976, as amended; and Title 11, Chapter 27 of the Code of Laws of South Carolina 1976, as amended; an ordinance enacted by the County Council of Beaufort County, South Carolina, on October 8, 2018; a successful referendum held on December 11, 2018; and a resolution duly adopted by the Fripp Island Public Service District Commission, its governing body, on May 14, 2019 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Resolution.

This Bond shall not be valid or obligatory for any purpose, until the Certificate of Authentication hereon shall have been duly executed by the Registrar.

**FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BOND AS IT MATURES AND FOR THE CREATION OF SUCH SINKING FUND AS MAY BE NECESSARY THEREFOR, THE FULL FAITH, CREDIT, RESOURCES AND TAXING POWER OF THE DISTRICT ARE HEREBY IRREVOCABLY PLEDGED, AND THERE SHALL BE LEVIED AND COLLECTED ANNUALLY A TAX, WITHOUT LIMIT, ON ALL TAXABLE PROPERTY IN THE DISTRICT SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST OF THE BOND AS THEY BECOME DUE AND PAYABLE AND TO CREATE SUCH SINKING FUND AS MAY BE NECESSARY THEREFOR.**

The Bonds are being issued by means of a book-entry system with no physical distribution of Bond certificates to be made except as provided in the Resolution. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the name of the Securities Depository Nominee, is being issued and required to be deposited with the Securities Depository and immobilized in its custody. The book-entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in the principal amount of \$5,000 or any multiple thereof being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The District, and the Paying Agent will recognize the Securities Depository Nominee, while the registered owner of this Bond, as the owner of this Bond for all purposes, including payments of principal of and redemption premium, if any, and interest on this Bond, notices and voting. Transfer of principal and interest payments to Participants of the Securities Depository will be the responsibility of the Securities Depository, and transfer of principal, redemption premium, if any, and interest payments to beneficial owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The District will not be responsible or liable for such transfers of payments or for maintaining, supervision or reviewing the records maintained by the Securities Depository, the Securities Depository Nominee, its Participants or persons acting through such Participants. While the Securities Depository Nominee is the owner of this Bond, notwithstanding, the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements between the Paying Agent or its successors under the Resolution and the Securities Depository.

## EXHIBIT A

The Bonds maturing on or after March 1, 20\_\_, shall be subject to redemption, at the option of the District, on and after March 1, 20\_\_, in whole or in part at any time at par plus accrued interest to the date fixed for redemption.

This Bond is transferable only upon the Registry Books kept for that purpose at the Corporate Trust Office of the Registrar by the registered owner hereof in person or by his duly authorized attorney upon surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond or Bonds of the same series, aggregate principal amount, interest rate, and maturity shall be issued to the transferee in exchange herefor as provided in the Resolution. The District and the Registrar/Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes.

Under the laws of the State of South Carolina, this Bond and the interest hereon are exempt from all State, county, municipal, school district and other taxes or assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes, but the interest hereon may be included in certain franchise fees or taxes.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of the State of South Carolina to exist, to happen and to be performed precedent to or in the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law; that the amount of this Bond, together with all other general obligation and bonded indebtedness of the District does not exceed the applicable limitation of indebtedness under the laws of the State of South Carolina; and that provision has been made for the levy and collection of a tax, without limit, on all taxable property in the District sufficient to pay the principal and interest of this Bond as they become due and payable and to create such sinking fund as may be necessary therefor.

**EXHIBIT A**

IN WITNESS WHEREOF, the Fripp Island Public Service District Commission has caused this Bond to be signed by the Chairman of the Commission and its corporate seal to be hereunto impressed and attested to by the manual signature of its Secretary.

**FRIPP ISLAND PUBLIC SERVICE DISTRICT,  
SOUTH CAROLINA**

By: \_\_\_\_\_  
Chairman, Fripp Island Public Service District  
Commission

(SEAL)

Attest:

\_\_\_\_\_  
Secretary, Fripp Island Public Service District Commission

**CERTIFICATE OF AUTHENTICATION**

This is the Bond described in the within mentioned Resolution of the Fripp Island Public Service District, South Carolina dated May 14, 2019.

\_\_\_\_\_  
[Authorized Representative]  
[Registrar]

## EXHIBIT A

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common

UNIF GIFT MIN ACT - under Uniform Gift to Minors Act \_\_\_\_ (state)

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of  
survivorship and not as tenants  
in common

Additional abbreviations may also be used though not in above list.

Date:

### (FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Please print or type name and address of Transferee and Social Security or other identifying number of Transferee) the within Bond and all rights and title thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_  
\_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
\_\_\_\_\_

**FORM OF SUMMARY NOTICE OF SALE**

Bids will be received by the Fripp Island Public Service District, South Carolina, at \_\_:00 a.m. (Eastern Time) on [DATE], pursuant to, and subject to the terms of, the Official Notice of Sale with respect to the sale of the \$\_\_\_\_\_ General Obligation Bond[s], Series 201\_\_ of Fripp Island Public Service District, South Carolina. The par amount of the bonds is subject to adjustment as set forth in the Official Notice of Sale. The Official Notice of Sale and other information will be available on or before [DATE] and is available from \_\_\_\_\_ (telephone: (\_\_\_\_) \_\_\_\_ - \_\_\_\_; email: \_\_\_\_\_).