
AN ORDINANCE OF THE OF THE CITY COUNCIL OF THE CITY OF LIBERTY
AUTHORIZING A WATER PURCHASE AGREEMENT WITH PICKENS COUNTY
WATER AUTHORITY, AS AMENDED; AND MATTERS RELATED THERETO

Ordinance 2021-11 Approving Water Purchase Agreement

Enacted November 8, 2021

NOW THEREFORE BE IT ORDAINED by the City Council of the City of Liberty (the “**City Council**”), the governing body of the City of Liberty, South Carolina (the “**City**”) in meeting duly assembled:

Section 1 Findings. The City Council makes the following findings of fact in connection with the enactment of this ordinance (this “**Ordinance**”):

(a) The City is a political subdivision of the State of South Carolina, and is authorized to provide water service pursuant to Article VIII, § 16 of the Constitution of the State of South Carolina, a referendum authorizing such service, and Title 5, Chapter 31 of the Code of Laws of South Carolina 1976, as amended.

(b) Pickens County Water Authority (the “**Authority**”) was established by Act No. 240 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1971, as amended, to acquire supplies of fresh water capable of being used for industrial and domestic purposes, and to distribute such water.

(c) On October 7, 2019, the City of Pickens, South Carolina, the Easley-Central Water District, the Authority, and Six Mile Rural Community Water District (each an “**Initial Member**” and collectively the “**Initial Members**”), incorporated the Pickens Regional Joint Water System (the “**Joint System**”) pursuant to Title 6, Chapter 25 of the Code of Laws of South Carolina 1976, as amended (the “**Enabling Act**”) for the purpose of planning, financing, developing, constructing, acquiring, improving, enlarging, selling, leasing, maintaining and operating water facilities within the service areas of such entities.

(d) The City is currently in the process of becoming a member of the Joint System.

(e) Pursuant to Section 6-25-128 of the Enabling Act, the Joint System and the members thereof are authorized to enter into contracts concerning the sale or purchase of capacity and output from a project.

(f) In furtherance of such purposes, Joint System has determined to undertake the Project (as defined in the herein defined Project Participation Agreement). This undertaking will provide the primary source of water for the Participants (as such term is defined in the Project Participation Agreement).

(g) In order to provide for the financing and development of the Project and the purchasing and selling of water generated therefrom, the Joint System and the Participants have determined to set forth their respective rights and obligations in a Project Participation Agreement among the Joint System and the Participants, a substantially final form of which is attached hereto as Exhibit A (the “**Project Participation Agreement**”).

(h) By agreement dated September 11, 2006, the Authority and the City entered into an agreement (the “**Prior Agreement**”) for the sole purpose of selling fresh water to the City from the allotment authorized to the County of Pickens pursuant to a contract between the

Authority and Greenville Water System from which the City currently obtains water from the existing 72-inch water transmission main.

(i) Maintaining the status quo until the Joint System's new water plant can be constructed will require refinancing a loan of the Authority currently outstanding that was used to finance a 24-inch, 20-inch, and 12-inch water supply transmission main from the existing 72-inch water supply transmission main owned and operated by the Greenville Water System to the vicinity of the former Liberty City Water Filtration Plant and the Meter of the Southside Water District (the "***U.S. Highway 178 Water Main***").

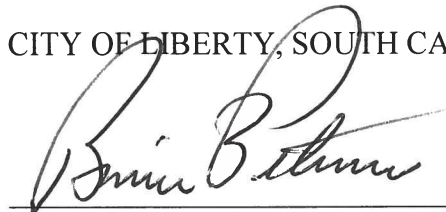
(j) The Authority and the City both plan to become Participants in the Project Participation Agreement, however prior to such time the Parties seek to both maintain the existing successful arrangement represented by the Prior Agreement and provide for a transition to the Project Participation Agreement, and, accordingly, have planned for such transition and memorialized their respective responsibilities and obligations in the water purchase agreement attached hereto as Exhibit A (the "***Water Purchase Agreement***"), which, upon execution thereof, supersedes and replaces the Prior Agreement.

Section 2 Approval of Water Purchase Agreement and Execution Thereof. The Water Purchase Agreement is hereby approved with such changes as the Mayor shall determine necessary and appropriate, his execution thereof on behalf of the City constituting conclusive evidence of the approval of all such changes

Section 3 Effective Date. The provisions of this Ordinance shall be effective immediately upon the adoption hereof.

ENACTED AS AN ORDINANCE and approved at a meeting duly assembled by the City Council this 8th day of November 2021.

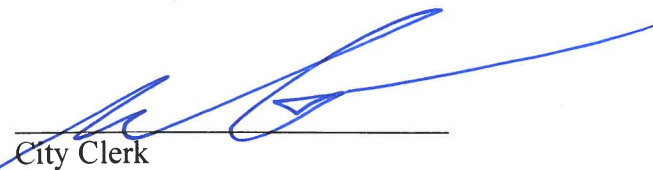
CITY OF LIBERTY, SOUTH CAROLINA



Mayor

(SEAL)

ATTEST:


City Clerk

First Reading: October 11, 2021
Second Reading: November 8, 2021

Exhibit A

Water Purchase Agreement