

MINUTES OF THE STATE FISCAL ACCOUNTABILITY AUTHORITY MEETING

May 23, 2023 – 10:00 A. M.

The State Fiscal Accountability Authority (Authority) met at 10:00 a.m. on Tuesday, May 23, 2023, in Room 252 in the Edgar A. Brown Building with participation available by video. The following members participated in the meeting:

Mr. Curtis M. Loftis, Jr., State Treasurer;
Mr. Brian J. Gaines, Comptroller General;
Senator Harvey S. Peeler, Jr., Chairman Senate Finance Committee; and
Representative Bruce W. Bannister, Chairman, Ways and Means Committee.

Governor Henry McMaster was not in attendance for the meeting. The meeting was chaired by Mr. Loftis.

Also participating in the meeting were State Fiscal Accountability Authority Executive Director Grant Gillespie; Authority General Counsel Keith McCook; State Auditor George Kennedy; Senior Assistant Comptroller General Ronnie Head; Joint Bond Review Committee Director of Research Rick Harmon; Ways and Means Chief of Staff Daniel Boan; Authority Secretary Delbert H. Singleton, Jr.; and other State Fiscal Accountability Authority staff.

Adoption of Agenda for State Fiscal Accountability Authority

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority adopted the agenda after amending it by deleting regular session item 3(q) from the agenda at the request of the Department of Parks, Recreation, and Tourism..

Minutes of Previous Meetings

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority approved the minutes of the March 28, 2023, State Fiscal Accountability Authority meeting.

State Treasurer's Office: State Auditor's update regarding the status of their engagement to test the reconciliation of statewide cash balances as of December 31, 2022, to the cash balances by fund as presented in the State's annual comprehensive financial report (ACFR) (Regular Session Item #1)

The State Auditor was requested to provide an update and answer questions regarding the status of their engagement to test the reconciliation of statewide cash balances as of December 31, 2022, to the cash balances by fund as presented in the State's annual

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comprehensive financial report (ACFR).

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority received the State Auditor’s update regarding the status of their engagement to test the reconciliation of statewide cash balances as of December 31, 2022, to the cash balances by fund as presented in the State’s annual comprehensive financial report (ACFR) as information in accord with Authority policy.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

Secretary’s Note: Treasurer Loftis welcomed General Gaines to the meeting.

State Treasurer’s Office: Bond Counsel Selection (Regular Session Item #2)

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority received the State Treasurer’s Office report on the assignment of bond counsel as information in accord with Authority policy.

CONDUIT/OTHER ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer’s Counsel	Date STO Approved
\$7,235,000; South Carolina Jobs-Economic Development Authority (“SC JEDA”); Economic Development Revenue Bonds (Taxable), Series 2023; SC Saves Green Community Program - AAC East, LLC Project	SC Saves Green Community Program - AAC East, LLC Project Conduit: SCJEDA	Haynsworth Sinkler Boyd – Kimberly Witherspoon	Pope Flynn Group - Joe Lucas	3/15/2023
\$15,500,000; SC JEDA; Jobs-Economic Development Authority Educational Facilities Revenue Bonds, Series 2023; Virtus Academy	Virtus Academy Conduit: SC JEDA	Howell Linkous & Nettles – Alan Linkous and Sam Howell	Burr Forman – Michael Seezen and Assatta Williams	3/15/2023
\$100,000,000; SC JEDA; SC Jobs-Economic Development Authority Hospital Revenue Bonds, Series 2023 - Prisma Health	Prisma Health Conduit: SCJEDA	Haynsworth Sinkler Boyd – Kathy McKinney and Brad Love	Howell Linkous & Nettles – Sam Howell and Alan Linkous	4/19/2023

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GENERAL OBLIGATION / REVENUE ISSUES:

Description of Issue	Agency/Institution (Borrower)	Bond Counsel	Issuer's Counsel	Date STO Approved
\$30,500,000; State of South Carolina General Obligation State Institution Bonds (Issued on Behalf of Clemson University), Series 2023	State of South Carolina (on behalf of Clemson University)	Pope Flynn Group – Gary Pope	South Carolina Attorney General	4/11/2023
\$29,000,000; University of South Carolina Higher Education Revenue Refunding Bonds; Series 2023A	University of South Carolina	Pope Flynn Group – Gary Pope	Issuer's Counsel to the University of South Carolina - Terry Parham	4/10/2023
\$206,190,000; South Carolina State Housing Finance & Development Authority Mortgage Revenue Bonds; Series 2023A & 2023B	South Carolina State Housing Finance and Development Authority	Burr Forman McNair – Rion Foley	Issuer's Counsel to SC State Housing Authority – Lee Ann Watson (General Counsel)	4/10/2023

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

Department of Administration, Executive Budget Office: Permanent Improvement Projects (Regular Session Item #3)

The Authority was asked to approve the following permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office as noted herein. All items were reviewed favorably by the Joint Bond Review Committee (JBRC).

- (a) Project: JBRC Item 1: Clemson University
H12.9968: Jervey Athletic Center Renovations and Performance & Wellness Center Addition
- Request: Establish Phase I Pre-Design Budget to construct an addition to and renovate a portion of the Jervey Center.
- Included in CPIP: Yes – 2022 CPIP Priority 9 of 9 in FY23 (estimated at \$48,000,000)

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CHE Approval: 05/04/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Athletic Gifts & Donations				750,000	750,000
All Sources				<u>750,000</u>	<u>750,000</u>

Summary of Work: The project will construct an approximately 50,600 square foot addition and renovate approximately 18,850 square feet within the existing Athletic Center, including improvements for the volleyball and track and field programs. All roofing material options for the addition will be evaluated during the Phase I process. The facility improvements will include updated locker rooms for officials, Clemson and visiting teams, including showers, nutrition, bistro, lounge and film room spaces. Modernization of restrooms, concessions, seating and playing areas, raising the roof above the playing court, and additional equipment storage will also be included.

Rationale: With the addition of Women’s Gymnastics and Women’s Lacrosse, additional square footage is needed beyond the capacity of existing Performance and Wellness facilities, such as the weight room and sports medicine areas. The existing facility needs significant improvements and modernization of all lower-level areas, per the university. The renovation and addition were determined to be more cost effective than the alternative of replacing the facility with all new construction.

Facility Characteristics: The existing facility is 85,000 square feet and was constructed in 1972 (51 years old). Approximately 18,180 square feet of the facility will be renovated in this project. The addition to be constructed will be approximately 50,600 square feet. The facility currently provides services for all Clemson student-athletes but serves as the primary home of Women’s Volleyball and Men’s and Women’s Track and Field. In addition, it provides locker rooms for visiting volleyball teams, baseball teams, and officials/umpires. The improvements to the Jervey Performance and Wellness Center will be utilized by approximately 400 students and 45 staff.

Financial Impact: The project will be funded from Athletic Gifts & Donation Funds (uncommitted balance \$50 million at February 13, 2023). Revenues to this fund are received from individuals, corporations, and other entities that are to be expended for their restricted purposes. The project is expected to result

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in an increase of \$325,000 (year 1), \$334,750 (year 2), and \$344,792 (year 3) in annual operating expenses. The addition will be designed to meet Two Green Globes certification standards. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2022-2023. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$50,000,000 (internal) funded by Athletic Gifts and Donations.

(b) Project: JBRC Separate Item: Clemson University
H12.9963: Chiller Plants Expansions and Upgrades

Request: Change Source of Funds and Establish Phase II Full Construction Budget to expand and upgrade the three existing district chilled water facilities.

Included in CPIP: Yes – 2022 CPIP Priority 6 of 9 in FY23 (estimated at \$30,000,000)
Phase I Approval: August 2022 (estimated at \$30,000,000) (SFAA)
CHE Approval: 05/04/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Institution Bonds				30,000,000	30,000,000
Other, Maintenance & Stewardship	450,000			(450,000)	
All Sources	<u>450,000</u>			<u>29,550,000</u>	<u>30,000,000</u>

Summary of Work: This project will expand and upgrade existing chilled water facilities and includes expanding the existing district chilled water plants with underground utility distribution piping upgrades, replacing aging centrifugal chiller capacity, and adding capacity for future buildings and chiller plant building space. Most of the project will involve building out a large shell of a chiller plant building, next to the existing West Chiller Plant near Littlejohn Coliseum, with extra plant bays. Additionally, minor mechanical work on pumping, piping and controls will be done in the South and East Chiller Plants. For energy efficient district cooling production, the project will expand existing chilled water capacity by 30%.

Rationale: Per the university, new campus buildings being planned will exceed available cooling system production and distribution capabilities by 2026. The aging central energy facility will be phased out over the next ten years. The expansions will serve the proposed Advanced Materials Building and Lehotsky Replacement Building sites, existing campus building HVAC improvements, and the Douthit Hills chilled Water thermal storage tank.

Facility Characteristics: The West Energy Plant is 11,923 square feet and was constructed in 2016 (7 years old). This plant will be expanded to 24,903 square feet. The South Chiller Plant is 10,548 square feet and was constructed in 2008 (15 years old). The East Chiller Plant is 8,870 square feet and was constructed in 1985 (38 years old). The district chilled water plants will impact approximately 28,400 students, 5,800 faculty and staff, and numerous visitors.

Financial Impact: This phase of the project will be funded from Institution Bond Funds (\$30 million to be issued). The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased because of the project. A portion of tuition is designated for capital improvements, currently \$1,005 per student per semester, and has increased from \$738 to \$1,005 for the academic years 2014-2015 to 2022-2023. \$380 of the \$1,005 is currently pledged for debt service. The balance of the fee, \$625 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$30,000,000 (internal) funded by State Institution Bonds. Contract execution is expected in December 2023 and completion of construction in April 2026.

(c) Project: JBRC Item 2: Coastal Carolina University
H17.9619: Shift Western End of University Boulevard

Request: Establish Phase II Full Construction Budget to realign 0.38 miles of the western end of University Boulevard southward to the edge of campus.

Included in CPIP: Yes – 2022 CPIP Priority 2 of 4 in FY23 (estimated at \$7,400,000)
Phase I Approval: May 2022 (estimated at \$7,400,000) (SFAA)
CHE Approval: 05/04/23

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Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Penny Sales Tax	111,000		111,000	7,289,000	7,400,000
All Sources	<u>111,000</u>		<u>111,000</u>	<u>7,289,000</u>	<u>7,400,000</u>

Summary of Work: This project will shift the western end of University Boulevard southward to the edge of the wetland slough. The proposed intersection of University Boulevard with SC 544 will be located approximately 680-feet south of the existing intersection and will line up with the southern entrance to Hillcrest Cemetery. The proposed intersection will include a new right turn lane and traffic signal and modification to the existing pond. The right turn lane includes a 180-degree taper off SC 544 followed by a 200-foot declaration lane onto an 85-degree radius turn lane onto University Blvd. The proposed right turn lane will require extending the existing dual 6-foot by 10-foot box culvert along SC 544. The new University Blvd. will run adjacent to the wetland area on the south side of the pond and soccer field and will realign with the existing University Blvd. at the intersection with Chanticleer Drive W. The typical section will include 2 travel lanes in each direction with curb and gutter, a landscaped median, and a 6-foot-wide sidewalk on the north side of the road. The turn off University Blvd. onto SC 544 includes two left turn lanes with a 132-foot taper for right turn only. A section of the existing University Blvd. between the new access drive off the new University Blvd. and Brooks Stadium parking lot will be removed, graded and seeded.

Rationale: Relocating University Boulevard southward would alleviate the concentration of pedestrians on/near this main campus thoroughfare. Additionally, relocation will permit expansion of the intercollegiate athletic complex allowing for construction of the proposed Indoor Football Practice Facility. This shift would also draw the intersection of University Boulevard with SC 544 closer to the University Place residential complex and YY parking lot allowing safer and more convenient pedestrian and bicycle access.

Facility Characteristics: University Boulevard is the main thoroughfare through campus. It is used by all students, faculty, staff, and visitors.

Financial Impact: The project will be funded from Penny Sales Tax Funds (uncommitted balance \$42.63 million at February 28, 2023). The Penny Sales Tax was approved in November 2008, started on March 1, 2009, and runs for 15 years. This funding can be utilized for construction, renovation, land

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acquisition or to offset debt service payments. The legislation guarantees that Coastal Carolina University will receive 13.3% of the sales tax collections. The University’s portion has averaged \$10,900,000 per year over the last five-year time period, and the balance with the State Treasurer does earn interest. The project is not expected to result in any change in annual operating expenditures. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$405 per student per semester, and has decreased from \$595 in 2014-2015 to \$405 in 2022-2023. \$255 of the \$405 is currently pledged for debt service. The balance of the fee, \$150 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$7,400,000 (internal) funded by Penny Sales Tax Funds. Contract execution is expected in June 2024 and completion of construction in December 2025.

(d) Project: JBRC Item 3: Coastal Carolina University
H17.9623: PGA Golf Management Program Academic Learning Lab Construction

Request: Establish Phase II Full Construction Budget to demolish the existing Hackler facility and to construct a new PGA Golf Management Program Academic Learning Lab at the Hackler Golf Course.

Included in CPIP: Yes – 2022 CPIP Priority 3 of 4 in FY23 (estimated at \$8,000,000)
Phase I Approval: April 2022 (estimated at \$8,000,000) (SFAA)
CHE Approval: 05/04/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Project Reserves	120,000		120,000	2,217,000	2,337,000
Other, Penny Sales Tax				2,800,000	2,800,000
Other, Gift (Horry County Higher Education Commission)				5,663,000	5,663,000
All Sources	<u>120,000</u>		<u>120,000</u>	<u>10,680,000</u>	<u>10,800,000</u>

Summary of Work: The project will demolish the existing facility (the existing cart storage will remain) and construct an approximately 16,000 square foot facility that will be located near the site of the existing Hackler Golf Course Clubhouse and will serve as a teaching/working lab with classrooms and hands-on spaces that serve the Golf Course functions. The existing parking lot will be utilized and modified to address drainage and additional parking. The building will be two stories and will consist of four main program components with central lobbies on both levels. The first floor will include a pro shop and restaurant. The second floor will include classrooms, swinging and putting labs and offices with associated support spaces. The roof to be installed on the facility will be a sloped synthetic slate shingle roofing system and will come with a minimum 20-year material and workmanship warranty.

Rationale: The PGA Golf Management Program at the university is one of only 17 PGA Golf Management University programs accredited by the PGA of America. The program prepares students for a successful career in the golf industry by combining academic studies and professional golf-training experiences. The program's curriculum has been carefully developed to offer students the opportunity to simultaneously complete the requirements for a Bachelor of Science degree in business administration, acquire valuable training experiences in the golf industry and complete the PGA of America's membership requirements. Completion of the university's PGA Golf Management program allows graduates to pursue careers as club or teaching professionals, golf-association administrators, representatives of golf equipment manufacturers or trade publications, and many more opportunities in the ever-growing golf industry.

Facility Characteristics: The Hackler Golf Course is owned and operated by Coastal Carolina University. The current clubhouse at the golf course was constructed in 1969 (54 years old), will be demolished and the new facility to be constructed will sit in its location. The facility will primarily be utilized by the PGA Golf Management Program. Enrollment in this program in Fall 2022 was 211, along with dedicated faculty and staff of 5 full-time employees.

Financial Impact: This phase of the project will be funded from Capital Project Reserve Funds (uncommitted balance \$4.56 million at February 28, 2023), Penny Sales Tax (uncommitted balance \$42.63 million at February 28, 2023), and Horry County Higher Education Commission Bond Funds (uncommitted balance \$5,663,000 at February 28, 2023) Revenue to the Capital Project Reserve Fund is from a September 2019 redemption of outstanding Series 2010A General Obligation Bonds. The transaction was funded entirely by existing university resources and funds that would have been used to service this

debt is collected into this account. Revenue from the Penny Sales Tax was approved in November 2008, started on March 1, 2009, and runs for 15 years. This funding can be utilized for construction, renovation, land acquisition or to offset debt service payments. The legislation guarantees that Coastal Carolina University will receive 13.3% of the sales tax collections. The University’s portion has averaged \$10,900,000 per year over the last five-year time period, and the balance with the State Treasurer does earn interest. Horry County Higher Education Commission issued general obligation bonds in March 2022 to finance its commitment. The project is not expected to result in any change in annual operating expenditures. The building will be constructed to meet Two Green Globes certification standards with anticipated energy savings of \$253,438 over a 30-year period. No student fees or tuition will be increased as a consequence of the project. A portion of tuition is designated for capital improvements, currently \$405 per student per semester, and has decreased from \$595 in 2014-2015 to \$405 in 2022-2023. \$255 of the \$405 is currently pledged for debt service. The balance of the fee, \$150 per student, per semester, is used to fund ongoing capital projects and maintenance.

Full Project Estimate: \$10,800,000 (internal) funded by Capital Project Reserves, Penny Sales Tax, and Horry County Higher Education Commission General Obligation Bond Funds. Contract execution is expected in September 2023 and completion of construction in December 2024. The estimated cost to complete the project has increased from the Phase I estimate and the 2022 CPIP due to escalating construction costs.

(e) Project: JBRC Item 4: Aiken Technical College
 H59.6250: Nursing Building Construction

Request: Establish Phase I Pre-Design Budget to construct a nursing building to house the expansion of the Health Science Technologies.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 6 in 2023 (estimated at \$14,500,000)
 CHE Approval: 03/31/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY18 Capital Reserve (21)				300,000	300,000
All Sources				<u>300,000</u>	<u>300,000</u>

Summary of Work: The project will to construct a 38,000 square foot, brick and mortar 1 ½ story nursing building that will include classrooms and laboratory space. All roofing material options will be evaluated during the Phase I process.

Rationale: Per the college, the current Health Sciences building lacks available space for expansion of the Health Science programs. The Surgical Technology program is proposing expansion to an Associate Degree Surgical Technology. The Medical Coding certificate is proposed to expand to a Health Information Management degree. The Radiological Technology degree proposes to add a Sonography component. A Dental Hygiene Associate Degree is proposed to augment the Dental Assistant diploma. New programs proposed include Pharmacy Technology, Cardiovascular Technology, BIO/Med Laboratory Technology and Dialysis Technicians. Additionally, this building will assist the college in meeting accreditation standards and demand for the programs.

Facility Characteristics: The new 38,000 square foot building will house the Associate Degree in Nursing (ADN) program, the Certified Nursing Assistant (CNA) program, the Licensed Practical Nursing (LPN) program and the Emergency Medical Technician (EMT) program. The Nursing programs will be relocated from the current Health Sciences building to the new Nursing building, and the available space in the current Health Sciences building will be utilized to enhance existing programs and expand with additional offerings in the Health Sciences. The new facility will be utilized by approximately 200 students, faculty and staff.

Financial Impact: This phase of the project will be funded from FY18 Capital Reserve Funds (uncommitted balance \$3 million at March 9, 2023). The project is expected to result in increase of 3,937.50 (year 1), and \$15,750 (years 2 thru 3), in additional annual operating expenses. The building will be designed to meet LEED Silver certification standards. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$20,650,000 (internal). Phase II will be funded by FY23 Proviso 118.20 SRS Settlement, and Local Funds. The estimated cost to complete the project has increased from the Phase I estimate and the 2022 CPIP due to escalating construction costs, as well the increase in the square footage of the facility from 32,000 to 38,000 square feet.

(f) **Project:** JBRC Item 5: Aiken Technical College
H59.6251: 700 Building Renovations

Request: Establish Phase I Pre-Design Budget to renovate the 700/800 building to

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create additional office/administration space.

Included in CPIP: No – The need for this project was not recognized until after the submission of the 2022 CPIP.

CHE Approval: 03/16/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
FY15 Capital Reserve (29) (Redirected in FY22 Proviso 25.10)				37,500	37,500
All Sources				<u>37,500</u>	<u>37,500</u>

Summary of Work: The project will create additional office/administration space in building 700/800 due to preparing to take the 100/200 building offline due to the deterioration of the internal workings. The construction will serve to relocate several offices and renovate the existing restrooms throughout the 700 building. Building 700/800 will become the central hub for the campus. Building 100/200 will be demolished at a later date as part of a separate project.

Rationale: It was determined that the interior workings of building 100/200 are deteriorating and the cost to renovate the systems outweighed the return, per the college.

Facility Characteristics: Building 100/200 is 42,345 square feet and was constructed in 1973 (50 years old). Building 700/800 is 36,106 square feet and was constructed in 1978 (45 years old). Approximately 12,000 square feet of Building 700 will be renovated.

Financial Impact: This phase of the project will be funded from FY15 Capital Reserve Funds redirected in FY22 Proviso 25.10 (uncommitted balance \$330,630 at March 9, 2023). The project is expected to result in increase of \$200 (year 1), and \$2,300 (years 2 thru 3), in additional annual operating expenses. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$2,500,000 (internal). Phase II will be funded by FY15 Capital Reserve, and FY24 Appropriated State Funds requested during the FY23-24 budget process. If additional funds are not appropriated, the project will be funded

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with Local Funds.

(g) Project: JBRC Item 7: Horry Georgetown Technical College
 H59.6255: Construction of GT Workforce Training Center

Request: Establish Phase I Pre-Design Budget to construct a Marine Technology Center on the Georgetown Campus.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 4 in FY24 (estimated at \$12,500,000)
 CHE Approval: 05/04/23

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, College				250,000	250,00
All Sources				<u>250,000</u>	<u>250,000</u>

Summary of Work: The project will construct a conventional framed steel facility, with a brick veneer, with re-enforced corrugated metal siding. The building will include bay-style garage doors that are at least 14 feet high and 12 feet wide. It is anticipated that the roof system will be PVC roofing, although all roofing material options will be evaluated during the Phase I process. The floor system will be polished concrete and may require additional re-enforcements to support heavier load requirements of the equipment. The new building will contain classrooms and large open lab environments for hands-on training. The classrooms will include computer stations and diagnostic and simulation equipment. The labs will include commercial grade toolboxes and benches, tool and chemical storage areas, commercial grade hoists, mobile lifts, and other equipment to support the instructional requirements.

Rationale: Per the college, the existing workforce training space no longer supports the enrollment demands or infrastructure requirements of the college or its industry partners. The college’s boat building program is the only program of its kind in the state and there is a consistent waiting list for students seeking access to the marine motor program, per the college. The college currently has a waiting list of students for the programs that will be housed in the new facility.

Facility Characteristics: The existing workforce training space is 7,250 square feet and was constructed in 2008 (15 years old). This building is owned by Georgetown

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County and has been under a no-cost lease agreement since 2007. The college has had unrestricted use which will continue until 2042 when the property will transfer to the college. The new 25,000 square foot facility will be a stand-alone building. It will be primarily utilized by the Outboard Marine Motor Technician and Boat Building Technician programs. The building may also be used to support various trades-based high demand programs such as construction trades, including brick laying, electrician, and carpentry training. Approximately 76 students, faculty, staff and clients will utilize the facility annually.

Financial Impact: This phase of the project will be funded from College Funds (uncommitted balance \$46.91 million at February 28, 2023). The project is expected to result in an increase of \$28,000 (year 1), and \$112,000 (years 2 thru 3), in annual operating expenses. The Phase I amount requested is 1.9% of the estimated cost to complete the project because the college will use a Construction Manager at Risk (CMAR). The new building will be designed to meet Two Green Globes certification standards. No student fees or tuition will be increased as a consequence of the project. Currently, no portion of tuition is designated for capital improvements.

Full Project Estimate: \$13,000,000 (internal). Phase II will be funded by \$6,000,000 in College Funds, \$1,000,000 in Donations, and \$6,000,000 to be requested in the FY23-24 budget process. If the additional state funds are not received, the remaining cost will be funded by College funds.

(h) Project: JBRC Item 10: Department of Administration
 D50.6111: Sumter Street Arts Commission First Floor Renovation

Request: Establish Phase II Full Construction Budget to renovate the SC Arts Commission first floor office space.

Included in CPIP: Yes – 2022 CPIP Priority 24 of 24 in FY23 (estimated at \$750,000)

Phase I Approval: December 2022 (estimated at \$992,751) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, SC Arts Commission Operating	18,656		18,656	986,737	1,005,393
All Sources	<u>18,656</u>		<u>18,656</u>	<u>986,737</u>	<u>1,005,393</u>

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Summary of Work: The project will renovate approximately 6,066 square feet and includes renovation of the storefront entry, renovation of the bathroom and kitchen to accommodate educator and public workshops, and new office spaces. The work includes required ceiling, lighting, HVAC, plumbing and life safety modifications. Additionally, flex space will be created to be used for workshops and gallery space.

Rationale: Over the last two fiscal years the Arts Commission increased staff from 15 to 27 due to program growth and expanded statewide reach. Due to the expansion of programs, staff require additional office/flex space to provide training and workshop opportunities for educators and community non-profit groups statewide.

Facility Characteristics: The Sumter Street Building is approximately 37,501 square feet and was constructed in 1923 (100 years old). Approximately 6,066 square feet of the building will be renovated. The space is utilized by approximately 30 SC Arts Commission staff and various visitors annually.

Financial Impact: The project will be funded from SC Arts Commission Operating Funds (uncommitted balance \$1.10 million at February 24, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,005,393 (internal) funded by SC Arts Commission Operating State Funds. Contract execution is expected in October 2023 and completion of construction in July 2024.

(i) **Project:** JBRC Item 13: Office of the Adjutant General
 E24.9835: Aiken Readiness Center MILCON & Dreamport Center

Request: Increase Phase I Pre-Design Budget to add the cost to design the DreamPort Center on the University of South Carolina Aiken Campus.

Included in CPIP: Yes – 2022 CPIP priority 2 of 24 FY23 (estimated at \$33,036,729)

Phase I Approval: January 2022 (estimated at \$30,950,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22	149,981		149,981		149,981
Proviso 118.18 (69) (a)	453,944		453,944		453,944

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Federal, MILCON		242,000	242,000
Other, SRS			
All Sources	<u>603,925</u>	<u>603,925</u>	<u>242,000</u> <u>845,925</u>

Summary of Work: The project was established for the design and construction of both the Aiken Readiness Center and the Dreamport Center. This Phase I increase will complete the design work associated with construction of the Dreamport Center on property owned by Aiken County Commission for Higher Education on the campus of the University of South Carolina Aiken. This facility will consist of a collaborative innovation area, classrooms, testing and training rooms. It will also include a Secure Room for cyber protection activities.

Rationale: The initial Phase I received approval for the design of the Aiken Readiness Center. Since that time partial funding has been received for the construction of the Dreamport Center. Once full funding has been received for the Dreamport Center and the Aiken Readiness Center, Phase II construction will be submitted for approval. The construction of these facilities may be requested at separate times due to funding availability. The Readiness Center is required to provide a training facility that accommodates modernization and transformation of equipment and performance of their mission to support Strategic Depth of the Army and the unit training in the Army Modular Force configuration. The USC Aiken & National Guard Dreamport Center is a cyber security facility to allow for secure cyber protection activities to be conducted by the SC Army National Guard, USC Aiken, and other Cyber protection entities.

Facility Characteristics: The USC Aiken & National Guard Dreamport Center to be constructed will be 25,000 square feet and will house the Office of the Adjutant General, University of South Carolina Aiken and other Cyber Security Agencies. There will be approximately 50 transient users per day. The National Guard Readiness Center to be constructed will be 42,839 square feet and will house 2 units (1221 Engineer Company & 135th Cyber Protection Company), consisting of 7 authorized full-time employees and 183 M-Day Soldiers that currently do not have a facility.

Financial Impact: This Phase I increase will be funded from Savannah River Site Litigation Settlement Funds (uncommitted balance \$10 million at February 14, 2023). The Dreamport Center is expected to result in an increase of \$36,000 (year 1), \$38,000 (year 2), and \$40,000 (year 3) in annual operating expenses. The Aiken Readiness Center is expected to result in an increase of \$72,000 (year 1), \$76,000 (year 2), and \$80,000 (year 3), in annual operating

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expenses. Both buildings will be designed to meet LEED Silver certification standards.

Full Project Estimate: \$38,650,948 (internal). Phase II of the Dreamport Center will be funded by \$9.758 million in Savannah River Site Litigation Settlement, and \$1.98 in Appropriated State (nonrecurring) Funds being requested in the FY23-FY24 budget process. Phase II of the Aiken Readiness Center will be funded by \$6.67 million in Appropriated State, (nonrecurring), \$20 million in Federal MILCON, and National Guard Bureau Funds.

(j) Project: JBRC Item 19: Department of Mental Health
 J12.9798: Roddey Pavilion HVAC and Domestic Water Piping and Flooring Replacement (Ward 136)

Request: Revise Scope, Change Project Name and Establish Phase II Full Construction Budget to replace the domestic and HVAC overhead water lines and the existing sheet vinyl flooring in a Ward at Roddey Pavilion.

Included in CPIP: No – Ward 134 was included in the 2021 CPIP and established thru Phase II. Ward 136 was not included in the 2022 CPIP submission due to lack of funding,

Phase I Approval: March 2021 (estimated at \$490,000) (JBRC)

Phase II Approval: October 2021 (estimated at \$1,100,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Other, Capital Improvement & Maintenance	7,350	1,092,650	1,100,000	200,000	1,300,000
All Sources	<u>7,350</u>	<u>1,092,650</u>	<u>1,100,000</u>	<u>200,000</u>	<u>1,300,000</u>

Summary of Work: The project was established to be completed in Ward 134; however, the work will now be completed in Ward 136 instead. The project includes replacing and relocating the HVAC controls in the patient rooms for the fan coils. The HVAC controls will be relocated to the hall so that servicing the units will be less intrusive to the residents that occupy the rooms. This project will also incorporate the recommendations from a recent legionella

study for resident and staff safety. Since the Ward will be vacant for the pipe replacement, they will also replace the existing sheet vinyl floor in the Ward.

Rationale: Due to water damage in October 2022 in Ward 136, it is necessary to complete that Ward first. Each Ward is very similar, requiring minimal modifications to the existing plan. The copper pipes are original to the building and leaking causing mold issues and stains on the ceiling. The average life cycle of a copper water line is 20-50 years. DHEC continues to cite the nursing home for the flooring throughout the facility during inspections.

Facility Characteristics: Roddey Pavilion, located on the C.M. Tucker Campus in Columbia, is 111,534 square feet and was constructed in 1983 (40 years old). The Ward included in this project to be renovated is 13,000 square feet. The pipes are original to the building and the flooring is 15-20 years old. The facility is utilized by over 200 staff and approximately 170 inpatient clients who occupy the building on a 24/7 basis.

Financial Impact: The project will be funded from Capital Improvement & Maintenance Funds (uncommitted balance \$22 million at February 15, 2023). Revenue to this fund is authorized by Proviso 35.7 (Act 97 of 2017) permitting deposit of amounts appropriated for deferred maintenance and other one-time funds from any source into an interest-bearing fund held by the State Treasurer for, among other purposes and subject to required approvals, capital projects and ordinary repair and maintenance. The project is expected to result in a decrease of \$2,000 (year 1), and \$5,000 (years 2 and 3) in annual operating expenses.

Full Project Estimate: \$1,300,000 (internal) funded by Capital Improvement & Maintenance Funds. Contract execution is expected in July 2023 with construction completion in December 2023.

(k) Project: JBRC Item 24: Department of Disabilities & Special Needs
J16.9941: Pee Dee Center - Mulberry & Pecan Dorms - Roof Replacement

Request: Establish Phase II Full Construction Budget to replace the entire roof on the Mulberry Dorms and the shingle roof sections of the Pecan Dorms.

Included in CPIP: Yes – 2022 CPIP Priority 5 of 11 in FY25 (estimated at \$500,000) & 2022 CPIP 5 of 11 in FY26 (estimated at \$500,000)

Phase I Approval: December 2022 (estimated at \$950,000) (JBRC)

CHE Approval: N/A

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Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Excess Debt Service	14,250		14,250	1,215,251	1,229,501
All Sources	<u>14,250</u>		<u>14,250</u>	<u>1,215,251</u>	<u>1,229,501</u>

Summary of Work: The project will include replacement of the shingle roofs and exterior fascia, soffit and trim board replacement and/or repair. The substrate will be repaired and caulked, with other related work to assure the entire building envelope is in good shape for all the Pee Dee Center’s Mulberry and Pecan Dorms. The new roofs to be installed will be a high commercial grade shingle and will come with a minimum 20-year material and workmanship warranty.

Rationale: Some of the existing roofs are 20+ years old, with continuous leaks and have reached the end of their life cycle. Attempts to patch and/or repair are no longer containing the issue.

Facility Characteristics: The Mulberry Dorms are 5,243 square foot each, totaling 36,701 square feet and were constructed in 1978 (45 years old). The existing roofs were installed between 1997 (26 years old) and 2002 (21 years old). The Pecan Dorms are 6,534 square foot each, totaling 32,670 square feet and were constructed in 1957 (66 years old). The existing roofs were installed between 1997 (26 years old) and 2002 (21 years old). There are approximately 118 residents and 395 staff who utilize these facilities.

Financial Impact: The project will be funded from Excess Debt Service funds (uncommitted balance \$6.14 million at March 31, 2023). Revenue to the fund is invested and held by the State Treasurer’s Office on behalf of SCDDSN and is comprised of revenues of the commission that exceed the payment due or to become due during the then current fiscal year and an additional sum equal to the maximum annual debt service requirement of the obligations for a succeeding fiscal year. The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,229,501 (internal) funded by Excess Debt Service Funds. Contract execution is expected in July 2023 with construction completion in June 2025.

- (1) **Project:** JBRC Item 26: Department of Corrections
 N04.9784: Statewide - Replace Fence Intrusion Detection Systems

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Request: Establish Phase II Full Construction Budget to replace the fence intrusion detection systems at five correctional institutions across the state.

Included in CPIP: Yes – 2022 CPIP Priority 1 of 10 in FY23 (estimated at \$1,022,723)

Phase I Approval: August 2022 (estimated at \$1,022,723) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward	15,340		15,340	1,007,383	1,022,723
All Sources	<u>15,340</u>		<u>15,340</u>	<u>1,007,383</u>	<u>1,022,723</u>

Summary of Work: The project will replace the fence intrusion detection systems at Lee, Evans, Perry, Kirkland, and Tyger River Correctional Institutions. The fence intrusion detection systems are used to alert the institution’s security personnel of an attempted escape. Any attempt to scale or cut the perimeter fence will set off an alarm in the control room showing where the event is occurring. This allows security to respond to the exact location quickly. Per the agency, the intrusion detection systems are an integral part of the layered security inside the state’s correctional institutions.

Rationale: The current fence intrusion detection systems are obsolete and spare parts are no longer available. Currently the agency is having components rebuilt as needed but as they continue to age it has become harder to find vendors who will repair these components.

Facility Characteristics: The Lee, Evans, Perry, Kirkland, and Tyger River Correctional Institutions have intrusion detection systems that were installed between 1982 (41 years old) and 1994 (29 years old) but are of the same design and manufacturer. These 5 institutions across the state house 5,406 inmates.

Financial Impact: The project will be funded from FY22 Carryforward Funds (uncommitted balance \$14.76 million on March 8, 2023). The project is not expected to result in any change in annual operating expenditures.

Full Project Estimate: \$1,022,723 (internal) funded by FY22 Carryforward Funds. Contract execution is expected in July 2023 with construction completion in July 2025.

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(m)Project: JBRC Item 27: Department of Corrections
 N04.9785: Livesay - B - Add AC to Dorms N-2, N-3 & N-4

Request: Establish Phase II Full Construction Budget to add air conditioning to dorms at Livesay Correctional Institution.

Included in CPIP: No – This project was not included in the 2022 CPIP submission because the focus has been to concentrate on higher security institutions for the installation of AC before lower security institutions. Livesay is a work camp and minimum-security facility, so this institution did not originally fall within the 5-year plan of the CPIP. However, with the projected savings realized from the revised estimate for Wateree River CI - Add AC to Dorms 1, 2 & 4 (N04-9787), the funds will be redirected to fund this project.

Phase I Approval: November 2022 (estimated at \$2,000,000) (SFAA)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward	30,000		30,000	1,977,900	2,007,900
All Sources	<u>30,000</u>		<u>30,000</u>	<u>1,977,900</u>	<u>2,007,900</u>

Summary of Work: The project scope will add air conditioning to Dorms N-2, N-3 & N-4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.

Facility Characteristics: Dorms N-2, N-3 & N-4 are of the same design, total 18,252 square feet and were constructed in 1973 (50 years old). Each housing unit accommodates 144 inmates and 3 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$14.76 million on March 8, 2023). The project

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is expected to result in an increase of \$22,500 (years 1 thru 3), in annual operating expenses.

Full Project Estimate: \$2,007,900 (internal) funded by Appropriated State, FY22 Carryforward Funds. Contract execution is expected in November 2023 with construction completion in January 2026.

(n) Project: JBRC Item 28: Department of Corrections
 N04.9786: Turbeville & Kershaw CI - Add Air-Conditioning to 256 Bed Housing Units

Request: Establish Phase II Full Construction to add air conditioning to two housing units located at Turbeville Correctional Institution and Kershaw Correctional Institution.

Included in CPIP: Yes – 2022 CPIP Priority 10 of 10 in FY23 (estimated at \$8,000,000)
 Phase I Approval: November 2022 (estimated at \$8,000,000) (SFAA)
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward	120,000		120,000	7,880,000	8,000,000
All Sources	<u>120,000</u>		<u>120,000</u>	<u>7,880,000</u>	<u>8,000,000</u>

Summary of Work: The project scope will add air conditioning to both buildings and will include the addition of a chiller, new air-handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: The housing units were designed and constructed with heat and ventilation only.

Facility Characteristics: Both the Turbeville II and the Kershaw CI are each 29,470 square feet and were constructed in 2003 (20 years old). Each housing unit accommodates 256 inmates and 3 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$14.76 million on March 8, 2023). The project is expected to result in an increase of \$72,876 (years 1 thru 3), in annual operating expenses.

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Full Project Estimate: \$8,000,000 (internal) funded by Appropriated State, FY22 Carryforward Funds. Contract execution is expected in January 2024 with construction completion in December 2026.

(o) Project: JBRC Item 29: Department of Corrections
 N04.9787: Wateree River CI - Add AC to Dorms 1, 2 & 4

Request: Establish Phase II Full Construction Budget to add air conditioning to dorms at Wateree Correctional Institution.

Included in CPIP: Yes – 2022 CPIP Priority 9 of 10 in FY23 (estimated at \$6,000,000)
 Phase I Approval: November 2022 (Estimated at \$4,000,000) (SFAA)
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, FY22 Carryforward	90,000		90,000	3,322,650	3,412,650
All Sources	<u>90,000</u>		<u>90,000</u>	<u>3,322,650</u>	<u>3,412,650</u>

Summary of Work: The project scope will add air conditioning to Dorms 1, 2, & 4 and will include the addition of new-air handlers, duct work and electrical upgrades to run the new equipment. The work will be accomplished by a general/mechanical contractor.

Rationale: All three dorms were designed and constructed with heat and ventilation only. The addition of AC to the dorms will increase the habitability and comfort for the inmates which improves security and safety while also increasing the building systems life span by controlling the humidity inside, per the agency.

Facility Characteristics: Dorms 1 & 2 are approximately 12,818 square feet each and were constructed in 1982 (41 years old). Dorm 4 is approximately 13,631 square feet and was constructed in 1991 (32 years old). Each housing unit accommodates 288 inmates and 9 staff.

Financial Impact: The project will be funded from Appropriated State, FY22 Carryforward Funds (uncommitted balance \$14.76 million on March 8, 2023). The project is expected to result in an increase of \$32,000 (years 1 thru 3), in annual operating expenses.

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Full Project Estimate: \$3,412,650 (internal) funded by Appropriated State, FY22 Carryforward Funds. Contract execution is expected in January 2024 with construction completion in June 2026.

Other: The estimate cost to complete the project has decreased from the 2022 CPIP submission and the Phase I estimate due to the determination that more existing duct work can be used than originally anticipated. In addition, two other upgrades at Wateree CI that are ongoing including a new campus wide fire alarm and electrical upgrades will keep from having to update those systems with this project to ensure code compliance. These factors helped to reduce the projected cost.

(p) Project: JBRC Item 30: Department of Corrections
 N04.9789: Statewide Cross Fencing and Recreation Yard Relocation

Request: Establish Phase II Full Construction Budget to relocate the recreation yards at Turbeville, Ridgeland, and Kershaw, and install additional security fencing at these institutions as well as at the remaining 11, Level 2 and Level 3 institutions across the state.

Included in CPIP: Yes – 2022 Priority 6 of 7 in FY24 (estimated at \$6,200,000)
 Phase I Approval: December 2022 (estimated at \$6,200,000) (SFAA)
 CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating	93,000		93,000	6,108,750	6,201,750
All Sources	<u>93,000</u>		<u>93,000</u>	<u>6,108,750</u>	<u>6,201,750</u>

Summary of Work: The project will move the recreation yards at three institutions, Turbeville CI, Kershaw CI, and Ridgeland CI to the front of the dorms. Current designs call for 2,100 linear feet of fencing at Turbeville CI, 2,200 linear feet at Kershaw CI and 2,100 linear feet at Ridgeland CI. The remainder of the security fence will be spread out at the remaining Level 2 and 3 institutions across the state (11 Institutions) as security audits are conducted and additional needs are identified. The security fencing inside the institutions consists of 12 ft tall 9-gauge chain link fence topped with at least one roll of razor wire (number of rolls of razor wire depend on the institution and location of the fence inside of the institution) embedded in a concrete

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ribbon. Electronic gates to control movement through the yards will be installed, and sidewalks and underground utilities will be rerouted as needed.

Rationale: Currently the recreation yard is located at the back of the housing unit at these correctional institutions, where inmates are blocked from most site lines of the staff. This project will increase the security and safety of the staff and inmates by increasing the staff’s situation awareness, per the agency.

Facility Characteristics: The new recreation yards at Turbeville CI, Kershaw CI, and Ridgeland CI will be approximately 4,000 square feet each, and each dorm will have 2 recreation yards, one for each wing, totaling 8 yards for each institution. These yards will be used by approximately 3,449 inmates.

Financial Impact: The project will be funded from Appropriated State, Operating Funds (uncommitted balance \$49.38 million on March 8, 2023). The project is not expected to result any change in annual operating expenses.

Full Project Estimate: \$6,201,750 (internal) funded by Appropriated State, Operating Funds. Contract execution is expected in October 2023 with construction completion in December 2026.

(q) Project: JBRC Item 34: Department of Parks, Recreation & Tourism
P28.9812: Mountain Bridge River Falls Acquisition

Request: Establish Final Land Acquisition to purchase 170.97 acres of land adjacent to Jones Gap State Park in Greenville County.

Included in CPIP: Yes – 2022 CPIP Priority 59 of 59 in FY27 (estimated at \$2,000,000)

Phase I Approval: March 2022 (estimated at \$380,000) (JBRC)

CHE Approval: N/A

Source of Funds	Original Budget Amount	Cumulative Changes Since Original Budget	Current Budget	Adjustment Requested	Total Budget After Current Adjustment
Appropriated State, Operating				500,000	500,000
Federal, LWCF				500,000	500,000
Other, Park Revenue	30,000		30,000		30,000
All Sources	<u>30,000</u>		<u>30,000</u>	<u>1,000,000</u>	<u>1,030,000</u>

Rationale: The property will provide for public recreation in an area that has seen tremendous growth, per the agency. The acquisition will provide public access while protecting a unique landscape of South Carolina, the Blue Ridge escarpment with its unique flora and fauna. This acquisition will also help to address current capacity issues of the park by providing more opportunities for trails, public recreation and access points to Jones Gam and the Mountain Bridge Wilderness area.

Characteristics: This property includes the Blue Ridge Escarpment which includes a hardwood forest with diverse flora and fauna creeks and waterfalls. It is anticipated that approximately 50,000 park visitors to the Mountain Bridge Wilderness Area/Jones Gap State Park will visit the property a year.

Financial Impact: The property is offered by Naturaland Trust of Greenville, SC for \$1,000,000. The acquisition will be funded from Appropriated State, Operating Funds (uncommitted balance \$2.4 million at April 12, 2023) and Land & Water Conservation Funds (\$500K committed for the project at October 1, 2022). The project is not expected to result in any change in annual operating expenditures. An appraisal was completed in April 2022 and valued the property at \$1,580,000. A Building Condition Assessment was completed in January 2023 for the hunting cabin and found some immediate needs and hazards. The anticipated cost to address these items is \$38,981. A Phase I Environmental Site Assessment was completed in December 2022 and revealed no evidence of recognized environmental conditions in connection with the property, and therefore a Phase II assessment is not recommended at this time. Letters of support are not required because the property is owned by a nonprofit organization.

Full Project Estimate: \$1,030,000 (internal) funded by Appropriated State Operating Funds.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority approved the permanent improvement project establishment requests and budget revisions as requested by the Department of Administration, Executive Budget Office.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

Department of Administration, Facilities Management and Property Services: Easements (Regular Session #4)

The Department of Administration requested approval of the following easements in accordance with SC Code of Laws:

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- (a) County Location: Charleston
From: Department of Administration
To: South Carolina Public Service Authority (Santee Cooper)
Consideration: \$700 administrative fee
\$1,918.81
Description/Purpose: To grant a 1.293± acre non-exclusive easement for the construction, installation, operation and maintenance of an overhead electric transmission line and related support poles across Penny's Creek on Johns Island. The easement is needed to ensure reliability of the power line serving Johns Island, Kiawah Island, Seabrook Island and Wadmalaw Island. The easement will contain the State's standard termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is \$700 administrative fee plus the average sales price per acre of improved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.
- (b) County Location: Charleston
From: Department of Administration
To: South Carolina Public Service Authority (Santee Cooper)
Consideration: \$700 administrative fee
\$3,848.01
Description/Purpose: To grant a 2.593± acre non-exclusive easement for the construction, installation, operation and maintenance of an overhead electric transmission line and related support poles across Murray Creek on Johns Island. The easement is needed to ensure reliability of the power line serving Johns Island, Kiawah Island, Seabrook Island and Wadmalaw Island. The easement will contain the State's standard termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The term of the easement will be fifty (50) years. Consideration is \$700 administrative fee plus the average sales price per acre of improved agricultural land for easements across navigable waterways and submerged lands. There are no exceptions requested with regard to the 2022 easement policy.

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- (c) County Location: Calhoun
From: South Carolina State University
To: South Carolina Public Service Authority (Santee Cooper)
and invitees
Consideration: \$700 administrative fee
\$1
Description/Purpose: To grant a right-of-way and access easement totaling 7.16± acres along three existing roads (Camp Daniels Road, Marshall Road and Nance Drive) on Grantee’s property for the purpose of ingress and egress across and upon South Carolina State University’s Camp Harry Daniels. The easement is needed to provide access to 27 lots in the Washington Point Subdivision in Elloree, SC leased by Santee Cooper to third party leaseholders designated by SCSU. Santee Cooper would use the roads to allow lessees to access the leased lots that are not otherwise accessible. Santee Cooper has advised that the roads has been used for this purpose for at least 40 years with no written agreement in place. The easement is necessary for the implementation of a lease management plan for the Washington Point subdivision. Pursuant to a Lease Management Agreement between Santee Cooper and SCSU and approved by JBRC on December 7, 2021, lease revenues will be used to secure, maintain, and repair the access roads with any excess dedicated to fund SCSU scholarships. The term of the easement will be approximately forty (40) years to be coterminous with the Lease Management Agreement approved by JBRC on December 7, 2021. Should the Lease Management Agreement terminate for any reason, the easement will also terminate. The easement will contain the State’s standard termination language that if the easement holder abandons the easement, is in breach, or ceases to use the easement for its intended purpose, it will terminate. The easement is of mutual benefit to Santee Cooper and SCSU and, as such, the University has requested that the easement be granted for nominal consideration. The University has also determined that, in accordance with the requirement of the statute, the easement does not appear to materially impair the utility of the property or damage it. There are no exceptions requested with regard to the 2022 easement policy.

Upon a motion made by Representative Bannister, seconded by Senator Peeler, the Authority approved granting the referenced easements as recommended by the Department of Administration, Facilities Management.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

Department of Administration, Facilities Management and Property Services: Clemson University Lease at 1 Research Drive in Greenville (Regular Session #5)

Clemson University requested approval to continue leasing ±12,845 square feet of space located on the fourth (4) floor of 1 Research Drive in Greenville from LICAR, LLC. The space has been used by Clemson University as a research center since October 2016. The current lease costs \$213,869.25 (\$16.65/SF) annually plus operating costs and will expire on February 29, 2024.

After contacting state agencies to verify no adequate State space was available, the Department of Administration solicited for commercial space for 3, 5, 7 and 10-year terms. The current location was the only offer received in response to the solicitation.

The requested lease term is five (5) years commencing March 1, 2024. The rate for the first year of the term will be \$17.00/SF for an annual aggregate of \$218,365.00. After the first year, the rate will escalate by 2%. The lease also includes an optional extended term of 5 years as shown in the chart below.

<u>INITIAL TERM</u>				
<u>TERM</u>	<u>PERIOD: FROM - TO</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>BASIC RENT</u>
YEAR 1	3/1/2024 – 2/28/2025	\$218,365.00	\$18,197.08	\$17.00
YEAR 2	3/1/2025 – 2/28/2026	\$222,732.30	\$18,561.03	\$17.34
YEAR 3	3/1/2026 – 2/28/2027	\$227,186.95	\$18,932.25	\$17.69
YEAR 4	3/1/2027 – 2/29/2028	\$231,730.68	\$19,310.89	\$18.04
YEAR 5	3/1/2028 – 2/28/2029	\$236,365.30	\$19,697.11	\$18.40
<u>OPTIONAL EXTENDED TERM</u>				
YEAR 6	3/1/2029 – 2/28/2030	\$241,092.60	\$20,091.05	\$18.77
YEAR 7	3/1/2030 – 2/28/2031	\$245,914.46	\$20,492.87	\$19.14
YEAR 8	3/1/2031 – 2/28/2032	\$250,832.75	\$20,902.73	\$19.53
YEAR 9	3/1/2032 – 2/28/2033	\$255,849.40	\$21,320.78	\$19.92
YEAR 10	3/1/2033 – 2/28/2034	\$260,966.39	\$21,747.20	\$20.32

The University will also be responsible for its prorata share of operating expenses which are estimated at \$8.00/SF or \$102,760.00 for the first year and subject to any operating expense increases thereafter. The lease meets the state space standard of 210SF/person with a density of 205SF/person.

The following chart represents comparable lease rates of similar space in the area:

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Tenant	Location	Rate
Vocational Rehabilitation	301 North Main Street, Greenville	\$20.90
DHEC	660 Mauldin Rd, Greenville	\$20.00
DMV	122 Edgeworth St, Greenville	\$29.23
Vacant	701 Brookfield Parkway, Greenville	\$25.00*

Unless otherwise indicated, the rates shown in the table include operating expenses but may be subject to escalations over the term.

*Rate does not include operating expenses

The lease also provides for free parking in a 1,200 space parking garage in close proximity to the building.

There are adequate funds for the lease according to the Budget Approval Form submitted by Clemson University on March 8, 2023. Lease payments will be funded through grant funding. No option to purchase the property is included in the lease. The lease was approved by the Clemson University Board of Trustees on February 3, 2023, the Commission on Higher Education on May 4, 2023, and JBRC on May 16, 2023.

Upon a motion by Senator Peeler, seconded by Representative Bannister, as requested by Department of Administration, Facilities Management and Property Services, the Authority approved the proposed five-year lease and the optional extension of five years for Clemson University for ±12,845 square feet of space at 1 Research Drive in Greenville from LICAR LLC.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

Department of Administration, Facilities Management and Property Services: SC Department of Commerce Road Lease to Navy Land Partners, L.P. (Regular Session #6)

The SC Department of Commerce Division of Public Railways (“Palmetto Railways”) requested approval to lease the road identified in that certain parcel on the former Navy Yard, located in North Charleston, South Carolina as Charleston County TMS # 400-00-00-062 to Navy Land Partners, L.P. (the “Road”). The Road was acquired by Palmetto Railways as part of multiple acquisitions in relation to the building of the Naval Base Intermodal Facility (NBIF).

Palmetto Railways subsequently determined the Road was not necessary for the NBIF and, in April 2022, requested and received approval from the State Fiscal Accountability Authority to sell the property which included the Road and an adjacent parking lot, A

competitive bid process was conducted through the Department of Administration but ultimately Palmetto Railways decided not to sell the parcel as it would help the SC Ports Authority with access to the NBIF site and for use as a potential laydown area during construction.

Palmetto Railways proposed to lease the Road to Navy Land Partners, L.P. for a term of twenty (20) years beginning on the Effective Date and ending at midnight on December 31, 2043 (the “Expiration Date”). As consideration for the lease, Navy Land Partners, L.P. will pay annual rent in the amount of \$1.00 and will, within three (3) years of the Effective Date, make and pay for the repaving of those portions of the Road that are potholed. Also, within five (5) years of the Effective Date of the lease, Navy Land Partners, L.P. will make and pay for those additional road improvements as specified in plans and specifications to be delivered by Navy Land Partners, L.P. to Palmetto Railways, and Navy Land Partners, L.P. agrees to maintain the road at its sole expense throughout the lease term. The road is currently in severe disrepair and the improvements are estimated to cost approximately \$3.5M. Navy Land Partners, L.P. has previously acquired various surplus properties from Palmetto Railways, including two historic storehouses (Storehouses 8 and 9) and desires to improve the Road to provide local access to the redevelopment which will include a series of restaurants, shops, offices, apartments and live/work units.

Upon the earlier of the completion of the improvements by Navy Land Partners, L.P. or the end of the lease term, Navy Land Partners, L.P. may request that the lease be terminated and that Palmetto Railways transfer, grant or dedicate the Road to the City of North Charleston, the SC Department of Transportation (SCDOT) or a similar public agency. If the City of North Charleston, SCDOT, or similar public agency does not accept such transfer, grant or dedication, the lease will remain in effect and Palmetto Railways will convey the Road to Navy Land Partners, L.P. by a quit claim deed on the Expiration Date, with the requirement in the deed that Navy Land Partners, L.P. will maintain the road as open to the public in perpetuity.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority:

(1) Approved the proposed 20-year ground lease from Palmetto Railways to Navy Land Partners, LP of a portion of Noisette Boulevard identified by Charleston County TMS#400-00-00-062.

(2) Approved the transfer, grant or dedication of the leased premises to the City of North

Charleston, SCDOT or a similar public agency at the (a) completion of the improvements required by the lease or (b) expiration of the lease, whichever shall occur first.

(3) Approved the conveyance of the leased premises to Navy Land Partners, LP at the expiration of the lease if the City of North Charleston, SCDOT or similar agency does not accept the transfer, grant or dedication.

Information relating to this matter has been retained in these files and is identified as Exhibit 6.

Department of Administration, Facilities Management and Property Services: Petition to Request Annexation of Department of Natural Resources Property into the Town of Great Falls (Regular Session #7)

The Town of Great Falls requested annexation of South Carolina Department of Natural Resources (SCDNR) land into its corporate limits. The SCDNR land consists of approximately 25.8 acres that lies along the Catawba River and adjoins the town limits on the west side and the Great Falls Reservoir on the east side. Duke Energy is constructing kayaking and canoeing channels and associated public facilities at the Reservoir in accordance with the Catawba-Wateree Hydro Project. The annexation will allow the Town to provide emergency management and law enforcement support for these facilities. The South Carolina Department of Natural Resources supports the Town's plans to annex the property and will benefit from law enforcement and emergency services. In addition, the annexation will enhance public recreation opportunities in the Great Falls area and promote enjoyment of the state's natural resources. A public hearing was conducted by the Town of Great Falls on April 3, 2023, and there was no public opposition to the annexation. Additionally, the district's legislative representatives were contacted and have no opposition to the annexation.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority approved the petition requesting annexation of the Department of Natural Resources land into the Town of Great Falls, as recommended by the Department of Administration, Facilities Management and Property Services.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

Patriots Point Development Authority: Report Regarding Lease to Patriots Annex, LLC

(Regular Session #8)

On October 5, 2017, the Authority approved a lease agreement between Patriots Point Development Authority (PPDA) and Patriots Annex, LLC. The approval required PPDA to submit a report to the Authority each year prior to March 31st regarding the status of the proposed lease. The attached report, dated March 27, 2023, provides an update on the status of the development.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority received as information, a report from Patriots Point Development Authority updating the status of the Patriots Annex development.

Information relating to this matter has been retained in these files and is identified as Exhibit 8.

Division of Procurement Services: Audit and Certification - The Citadel (Regular Session #9)

At its January 31, 2023, meeting, the Authority directed The Citadel to provide a written corrective action plan regarding organization and filing of procurement workpaper files to the Division of Procurement Services (DPS) for submittal to the Authority. Attached is the College's written correction action plan.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority received The Citadel's corrective action plan for information only, as recommended by the Division of Procurement Services.

Information relating to this matter has been retained in these files and is identified as Exhibit 9.

Division of Procurement Services: Audit and Certification - Department of Health and Environmental Control (DHEC) (Regular Session #10)

The S.C. Consolidated Procurement Code and ensuing regulations (Procurement Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§ 11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may

make direct procurements. On June 27, 2018, the Authority delegated procurement authority to the Department of Health and Environmental Control (DHEC) as follows:

	<u>Certification Limits</u>
Drugs, Biological for Human use; Contraceptives, Biochemicals, And Biochemical Research	\$12,000,000 per commitment
All other Supplies and Services	\$2,000,000 per commitment
Consulting Services	\$250,000 per commitment
Information Technology	\$225,000 per commitment

Per SC Code Ann. § 11-35-1210 (1) (b) and Regulation 19-445.2020B, the Director of the Division of Procurement Services (DPS) may authorize a governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. At the request of DHEC and with the concurrence of the Office of the State Engineer, the Director of DPS authorized an increase in DHEC’s procurement authority for Construction Services on February 11, 2020, for award of small Construction Contracts up to \$100,000.¹

In accordance with S.C. Code Ann. § 11-35-1230, DPS audited the procurement operating policies and procedures of DHEC to determine whether the Agency’s system of internal controls over procurement was adequate to ensure compliance, in all material respects, with the Procurement Code. DPS found DHEC’s system of internal controls over procurement was adequate to ensure compliance with the Procurement Code, with minor exceptions as described in the audit report. DHEC has either implemented or initiated implementation of the recommended improvements.

Per S.C. Code Ann. §11-35-1210, the Department of Health and Environmental Control requested that the Authority reauthorize it to make direct procurements and increase the certification limits for all other Supplies & Services and Information Technology.

¹ \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority authorized the Department of Health and Environmental Control to make direct procurements at the following limits for three years from date of approval:

	<u>Certification Limits</u>
Drugs, Biological for Human use; Contraceptives, Biochemicals, And Biochemical Research	\$12,000,000 per commitment
All Other Supplies and Services ²	*\$ 3,000,000 per commitment
Information Technology ³	*\$ 500,000 per commitment
Construction Contract Award	*\$ 100,000 per commitment

*Total potential purchase commitment whether single year or multi-term contracts are used.

² Supplies and Services includes non-IT consulting services.

³ Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

Division of Procurement Services: Audit and Certification - Tri-County Technical College (Regular Session Item #11)

The S.C. Consolidated Procurement Code and ensuing regulations (Code) authorize agencies to make direct procurements up to \$50,000 and to enter sole source and emergency procurement contracts with no dollar limitation. S.C. Code Ann. §§11-35-1210(1), 1560, and 1570, and Regulation 19-445.2000C (1). The Code authorizes the Authority to delegate additional procurement authority by assigning dollar limits below which an agency may make direct procurements. Tri-County Technical College (TCTC) has never asked the Authority for delegation of additional procurement authority.

Per SC Code Ann. § 11-35-1210 (1) (b) and Regulation 19-445.2020B, the Director of the Division of Procurement Services may authorize a governmental body to make direct procurements not under term contracts in an amount up to one hundred fifty thousand dollars. At the request of TCTC and with the concurrence of the Office of the State Engineer, the Director of the Division of Procurement Services (DPS) authorized an increase in TCTC's procurement authority for Construction Services on December 17, 2019, for award of small Construction Contracts up to \$100,000.⁴

Per S.C. Code Ann. §11-35-1210, TCTC requested that the Authority approve the direct procurements for Supplies & Services, Information Technology and Construction Services.

	<u>Certification \$ Limits</u>
Supplies and Services ⁵	250,000 per commitment*
Information Technology ⁶	150,000 per commitment*
Construction Contract Award	150,000 per commitment*

*Total potential purchase commitment whether single year or multi-term contracts are used.

In accordance with S.C. Code Ann. § 11-35-1230, the Division of Procurement Services (DPS) audited the procurement operating policies and procedures of TCTC to determine whether the internal controls of the College's procurement system were adequate to ensure compliance, in all material respects, with the Procurement Code. We found that TCTC's system of internal controls over procurement was adequate to ensure compliance with the Procurement Code as described in the audit report. However, we identified opportunities for improvement and made recommendations.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority authorized Tri-County Technical College to make direct procurements at the following limits, similar to authorization granted to other South Carolina technical colleges, for three years from date of approval:

	<u>Certification \$ Limits</u>
Supplies and Services ²	250,000 per commitment*
Information Technology ³	150,000 per commitment*
Construction Contract Award	150,000 per commitment*

*Total potential purchase commitment whether single year or multi-term contracts are used.

⁴ \$100,000 is the small procurement limit for construction. Up to this amount, the agency need only make a written request for written quotes and obtain three or more quotes.

⁵ Supplies and Services includes non-IT consulting services.

⁶ Information Technology includes consultant assistance for any aspect of information technology, systems, and networks.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

Division of Procurement Services: Audit Update for Florence Darlington Technical College Gift Card Program (Regular Session Item #12)

At its January 31, 2023, meeting, the Authority required Florence Darlington Technical College (the College) to have an independent audit of its gift card program to determine whether the

College used gift cards for any improper purpose. The completed audit report by Mauldin & Jenkins (M&J) was attached to this agenda item.

John White, Materials Management Officer, appeared before the Authority on this matter. He stated that the school has been advised per the Authority's directive to cease selling gift cards until such time that the gift card program can be reviewed and for recommendations to be made to dispose of remaining gift cards. Senator Peeler asked how many cards are there and what their value is. Mr. White said he did not know the total number of cards still on hand, but the value of the cards is between \$90,000 and \$91,000. Senator Peeler asked who owns the cards to which Mr. White responded that the school owns the cards.

Mr. Loftis noted that the auditors have provided an array of options and recommended activities. He said he would like for Mr. White to review those recommendations and provide the Authority with a list of preferred actions. Mr. White stated that it is their intent to review the auditors' recommendations and make appropriate recommendations to the Authority. Senator Peeler asked that those recommendations be given at the next Authority meeting.

Mr. Loftis noted that the school has a new president who is competent and well qualified, but that he has a wake-up call that is not limited to just the bookstore. He said this matter is now at the president's level and he hopes the president seizes the day on this issue.

Representative Bannister asked if there is a level of comfort in knowing what was done with all the gift cards. Mr. White said there is a level of comfort that a majority of the cards have been sold, but that there is no level of comfort that it is known where all of the cards have gone. He said the report indicates that a small number of cards were discounted 100% and it is not known what has happened with those cards. Mr. White stated the total amount discounted was some \$3,000. He noted that there are issues with inventory control in that the numbers do not match up which raises the question of what happened to the cards. He further stated that the report noted there were property management control issues as well.

Dr. Jermaine Ford, Florence Darlington's President, appeared before the Authority. He noted that he has been at the college for about 18 months and that they are turning things around. He said the sale of gift cards has been suspended because of the audit report and that no cards are being sold. He said they are awaiting recommendations from the Division of Procurement Services.

Senator Peeler noted that there is no finality to the issue. He stated that he wants to know how this matter started and how it is going to be addressed. Mr. Loftis commented that he shares Senator Peeler's concerns.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority received the Mauldin & Jenkins' audit report for information only, as recommended by the Division of Procurement Services and required that Division of Procurement Services to provide recommendations for corrective action concerning Florence Darlington Technical College's gift card program.

Information relating to this matter has been retained in these files and is identified as Exhibit 12

Division of Procurement Services: Exemption from Articles 9 and 10 of the Consolidated Procurement Code for the Department of Health and Environmental Control (DHEC) to acquire engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program (Regular Session Item #13)

Section 11-35-710 authorizes the State Fiscal Accountability Authority (the "Authority") to "exempt specific supplies, services, information technology, or construction from the purchasing procedures" of the South Carolina Consolidated Procurement Code. At its May 2, 2017 meeting, the Authority granted DHEC's request for an exemption from Articles 9 and 10 of the Consolidated Procurement Code for the Department of Health and Environmental Control (DHEC) to acquire engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program. However, the Authority provided that the exemption would sunset in five years unless reauthorized by the Authority. This exemption expired on May 2, 2022. DHEC requested that the Authority reauthorize the exemption. Reauthorization will allow DHEC to contract ahead of time for contractors who will be on standby and available to respond immediately in the event an emergency situation related to a DHEC regulated dam arises in the future.

The South Carolina Dams and Reservoirs Safety Act vests the South Carolina Dams and Reservoirs Safety Program (housed in the Department of Health and Environmental Control) with regulatory authority over certain dams in the State. This authority includes the power to conduct inspections and take enforcement actions among other things. When DHEC

finds that the condition of a dam presents such a “danger to the safety of life or property as not to permit time for the issuance and enforcement of a repair order,” Section 49-11-190 of the act allows DHEC to issue emergency orders. When DHEC cannot locate an owner or an owner fails to comply with an emergency order, DHEC may enter onto the property and take immediate action to protect life and property. Such actions include a wide range of potential activities up to and including removal of the dam. These activities typically require engineering and construction services.

In response to both the October 2015 flood and the October 2016 hurricane, the engineering and construction needs were met in accordance with the Emergency procurement procedures set forth in §11-35-1570. However, as expectations of the South Carolina Dams and Reservoirs Safety Program evolved in light of these two events, there is an ongoing expectation for DHEC to intervene when critical situations are identified, posing a threat to public safety, and where the dam owner will not or cannot implement corrective actions to make their dam safe.

Rather than procuring engineering and construction services on an emergency basis, DHEC prefers to procure and contract for these services in advance to be prepared to respond to urgent situations as they arise. These contracts would provide for services on an as needed/as requested basis. However, Article 9 of the Consolidated Procurement Code, which governs the procurement of construction services, does not provide for contracts for services on an as needed/as requested basis. Article 9 also contains provisions intended to protect state property and mechanics performing work on state property. Even though this is a small percentage of total cost, DHEC does not believe the added cost to DHEC of these requirements is necessary for work ordered by the South Carolina Dams and Reservoirs Safety Program on dams that the State does not own. Especially since DHEC anticipates that in the majority, if not all cases, it will only make one payment to the contractor on any one project. Finally, Article 10 of the Consolidated Procurement Code, which does provide for contracts for construction services on an as needed/as requested basis, places strict limits on expenditures on any one project which will be problematic if a future project exceeds this limit. Article 10 also requires a secondary level of competition for construction which may delay a response to an emergency situation.

For the foregoing reasons, DHEC requests an exemption from the procedures of Articles 9 and 10 of the Consolidated Procurement Code to procure engineering, construction, and related services for the South Carolina Dams and Reservoirs Safety Program. DHEC will procure such engineering, construction, and related services pursuant to Article 5 of the Consolidated Procurement. Moreover, DHEC will acquire engineering services based on the qualifications of offerors using qualification-based selection criteria similar to those set forth in Section 11-35-3220(5)(a).

Upon a motion by Representative Bannister, seconded by Senator Peeler, as recommended by the Division of Procurement Services the Authority under authority of S.C. Code Section 11-35-710, approved an exemption from the procedures of Articles 9 and 10 of the Consolidated Procurement Code to procure construction and architect-engineer and land surveying services for the South Carolina Dams and Reservoirs Safety Program. Further required that:

1. Contracts awarded pursuant to this exemption must be used only for actions taken pursuant to Section 49-11-190(D) that are “necessary to provide protection to life or property,” as referred to in that Section;
2. Use of this exemption for construction is conditioned on conducting the procurement in accordance with Article 5 of the Procurement Code, and for acquisitions of professional services, on using only the selection criteria authorized by Section 11-35-3220(5)(a);
3. DHEC submit quarterly reports of their acquisitions under this exemption to the Division of Procurement Services, and
4. This exemption shall sunset in five years unless reauthorized by the Authority.

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

Clemson University: Not exceeding \$30,500,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University), of the State of South Carolina (Regular Session Item #14)

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$30,500,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University), of the State of South Carolina.

The proceeds of the bonds will defray the costs: (i) to construct, reconstruct, and improve chilled water plant, thermal energy, and utility piping facilities, and related improvements and infrastructure, on the campus of the University; (ii) to reimburse the University for expenses incurred in anticipation of the issuance of such State Institution Bonds and (iii) to pay for expenses related to the issuance of such State Institution Bonds.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority adopted a resolution making provision for the issuance and sale of not exceeding \$30,500,000 of General Obligation State Institution Bonds (Issued on Behalf of Clemson University), of the State of South Carolina.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

University of South Carolina: Not Exceeding \$29,000,000 University of South Carolina Higher Education Revenue Refunding Bonds, Series 2023 (Regular Session Item #15)

The Authority was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$29,000,000 of University of South Carolina Higher Education Revenue Refunding Bonds, Series 2023.

The proceeds of the bonds will be used to defray a portion of the costs to refund all or a portion of the May 1, 2024, through May 1, 2043, maturities of the \$37,185,000 original principal amount University of South Carolina Higher Education Refunding Revenue Bonds, Series 2013 and to pay the cost of issuance of the Series 2023 Bonds.

Upon a motion by Senator Peeler, seconded by Representative Bannister, the Authority adopted a resolution making provision for the issuance not exceeding \$29,000,000 of Higher Education Revenue Refunding Bonds of the University of South Carolina.

Information relating to this matter has been retained in these files and is identified as Exhibit 15.

***Executive Director: Revenue Bonds (State Housing Finance and Development Authority)
(Regular Session Item #16)***

The required review on the following proposal to issue revenue bonds has been completed with satisfactory results. The project required approval under State law.

- a. Issuing Authority: State Housing Finance and Development Authority
- Amount of Issue: N/E \$206,190,000 Mortgage Revenue Bonds, Series 2023A and B
- Allocation Needed: -0-
- Name of Project: Mortgage Revenue Bonds, Series 2022A and B
- Employment Impact: n/a
- Project Description: mortgage revenue bonds
- Bond Counsel: Rion D. Foley, Burr Forman McNair

[**Note:** Late 2022, SC Housing issued \$206 million in short term notes to preserve otherwise expiring single family volume cap. Long-term refunding bonds will redeem short term notes, with proceeds to be used to purchase mortgages.]

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority adopted the resolution approving the referenced proposal to issue revenue bonds for the State Housing Finance and Development Authority as noted in the item.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

Office of Executive Director: Permanent Improvement Projects Approved Pursuant to Proviso 117.140 (Regular Session Item #17)

Proviso 117.140 of Fiscal Year 2022-2023 exempts public institutions of higher learning from the approvals required by Section 2-47-50 for permanent improvement projects depending on the type of institution and the cost of each project.

All projects approved pursuant to the proviso must be reported annually. Each institution's report is attached.

Upon a motion by Representative Bannister, seconded by Senator Peeler, the Authority pursuant to Proviso 117.140, received as information reports regarding permanent improvement projects approved by public institutions of higher learning pursuant to the proviso's exemption from the requirements of Section 2-47-50.

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

State Fiscal Accountability Authority: Future Meeting (Regular Session Item #18)

Upon a motion by Representative Bannister, seconded by Mr. Gaines, the Authority agreed to meet at 2:00 p.m. on Wednesday, June 28, 2023, in Room 252, Edgar A. Brown Building.

Adjournment

The meeting was adjourned at 10:20 a.m.

[Secretary's Note: In compliance with Code Section 30-4-80, public notice of and the agenda for this meeting were posted near the Board Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 9:30 a.m. on Friday, May 19, 2023.]