

**MEMORANDUM OF UNDERSTANDING IN SUPPORT OF  
OPTION TO TRANSFER SEWER SYSTEM**

This MEMORANDUM OF UNDERSTANDING IN SUPPORT OF OPTION TO TRANSFER SEWER SYSTEM (this “**MOU**”) is made and entered into this \_\_\_ day of December, 2020, by and among Greenville County, South Carolina (the “**County**”), Metropolitan Sewer Subdistrict, South Carolina (“**Metro**”), and Marietta Water, Fire, Sanitation, and Sewer District, South Carolina (the “**District**”), each a “**Party**” and collectively, the “**Parties.**” This MOU sets forth certain intentions and understandings of the Parties in connection with the transfer of certain assets and the right to provide sewer collection services within the District (“**Sewer Collection Service**”) to Metro and is not intended to create binding or enforceable obligations on any Party.

**RECITALS**

The District is a special purpose district of the State of South Carolina (the “**State**”) providing Sewer Collection Service and water service (“**Water Service**”) within the boundaries thereof (the “**District Boundaries**”), and in connection therewith, owns and operates a system for the collection of sewage consisting of sewer lines, pump stations, and other appurtenances (the “**District Sewer System**”) and a system for the provision of potable water consisting of water lines and other appurtenances (the “**Water System**”).

Metro is a special purpose district of the State providing Sewer Collection Service within the boundaries thereof (the “**Metro Boundaries**”), and in connection therewith owns and operates system for the collection of sewage consisting of sewer lines, pump stations, and other appurtenances (the “**Metro Sewer System**”).

Greenville County Council (the “**County Council**”) has undertaken to consolidate the District into Metro pursuant to Title 6, Chapter 11, Article 3 of the Code of Laws of South Carolina 1976, as amended (the “**SPD Boundary Laws**”), and in connection therewith has given first reading to an ordinance (the “**Consolidation Ordinance**”) consolidating the District and Berea Public Service District; Gantt Fire, Sewer and Police District; Parker Sewer and Fire Sub-District; Taylors Fire and Sewer District; and Wade Hampton Fire and Sewer District (collectively, the “**Consolidated Districts**”) into Metro (the “**Consolidation**”).

The Consolidation Ordinance provides that the Consolidation will be effective as of July 1, 2021 (the “**Effective Date**”). Under the terms of the Consolidation Ordinance, upon the Effective Date Metro would succeed to the powers, boundaries, and interests in real and personal property, intangible property, and financial assets of the District and the corporate existence of the District would cease, and in such event Water Service within the former District Boundaries would thereafter be provided by Greenville Water System. The Consolidation and the effects thereof are described in greater detail in a Plan of Consolidation (the “**Consolidation Plan**”) attached as an exhibit to the Consolidation Ordinance.

County Council has clearly expressed its preference for the District to maintain its current corporate existence for the purpose of providing Water Service through the Transfer of Sewer Collection Service (as defined in the Consolidation Plan) to Metro pursuant to Section XI of the Consolidation Plan entitled “Option of Consolidated Districts to Transfer Sewer System.” The Parties desire to enter into this MOU to set forth certain intended actions of Parties to effect the transfer of Sewer Collection Service within the District Boundaries from the District to Metro (the “**Sewer Transfer**”), pursuant to Section XI of the Consolidation Plan to consist of (1) the post-enactment amendment of the Consolidation Ordinance to

remove the District from the Consolidation; (2) the transfer of the District Sewer System and other assets and the rights to provide Sewer Collection Service within the District Boundaries to Metro; (3) the enlargement of the Metro Boundaries to overlap the District Boundaries; and (4) the continued existence of the District for the purpose of providing Water Service within the District Boundaries.

The District takes no position as to the validity of the Consolidation Ordinance to the extent the same may involuntarily alter the boundaries or services provided by the Consolidated Districts. However, the District agrees to withdraw with prejudice from all pending or planned litigation concerned the legality of the County's action.

**NOW, THEREFORE**, the Parties hereby set forth their mutual intentions and understandings in connection with the matters addressed herein, as follows:

**Section 1 Incorporation of Recitals.** The above recitals are hereby incorporated by reference into this MOU.

**Section 2 Acknowledgements of the Parties.** The Parties acknowledge the following in connection with intentions and understandings set forth herein:

A. The Parties are not authorized under State law to enter into agreements binding their respective governing bodies to take future legislative action. Consequently, the provisions of this MOU may not bind the governing bodies of the respective Parties to take the legislative actions necessary to carry out the Sewer Transfer. Nevertheless, the Parties enter into this MOU in good faith with the full intention to diligently pursue the actions necessary to carry out the Sewer Transfer.

B. The Parties acknowledge that the final enactment of the Consolidation Ordinance is contemplated under this MOU and is not contrary to the Parties carrying out the intentions set forth herein. All final enactments shall conform to the terms of this agreement to the fullest extent possible as set forth below.

C. At Section XI(A) of the Consolidation Plan, the County has stated that any Consolidated District choosing to transfer sewer service to Metro must do so by March 31, 2021. Given the extensive procedures necessary to remove the District or any other Consolidated District from the Consolidation and the desire to combine additional such actions into a single ordinance, the County intends to wait until after March 31, 2021, to undertake the amendment of the Consolidation Ordinance to remove the District from the Consolidation.

D. The transactions that will be necessary to effect the Sewer Transfer are expected to be memorialized in one or more agreements between Metro and the District (the "**Transfer Agreements**"). The Parties acknowledge that the negotiation of the Transfer Agreements will be a prerequisite to the removal of the District from the Consolidation. Metro and the District intend to negotiate the Transfer Agreements in good faith to fairly and equitably carry out the Sewer Transfer.

**Section 3 Intentions of the District.** The District intends to work in good faith to provide such records, information, and data and to take such actions as are necessary to consummate the Sewer Transfer as of the Effective Date, including taking such action as is necessary to petition the County Council to amend the Consolidation Ordinance to remove the District from the Consolidation and expand the Metro

Boundaries to overlap the District Boundaries and to convey the District Sewer System to Metro as of the Effective Date.

**Section 4 Intentions of Metro.** Metro intends to work in good faith to take such action as is necessary to consummate the Sewer Transfer as of the Effective Date, including taking such action as is necessary to petition the County Council to amend the Consolidation Ordinance to remove the District from the Consolidation and expand the Metro Boundaries to overlap the District Boundaries and to accept conveyance of the District Sewer System to Metro as of the Effective Date.

**Section 5 Transfer Agreements.** The parties hereby agree to negotiate the terms and conditions of the Transfer Agreements in good faith. The parties hereby acknowledge and agree that the following terms will be negotiated by the parties in connection with the Transfer Agreements: (i) the payment of up to \$29,258.63 for any sewer bond debt due and payable from the date of this MOU through the Effective Date to be paid within ten (10) days of the execution of the Transfer Agreements; (ii) reimbursement of all documented third party expenses and documented staff time incurred by the District in connection with the negotiation and completion of the Sewer Transfer, not to exceed the sum of \$50,000.00; and (iii) consulting agreements with one or more current employees of the District to assist in the operation and maintenance of the sewer collection lines after the completion of the Sewer Transfer.

**Section 6 Transfer of Sewer Assets.** As further outlined in the Transfer Agreement, the District shall transfer all easements and rights of way related to the sewer collection system operated by the District (the "*Sewer Easements*"). Except for the Sewer Easements, the District shall not be required to transfer any other real estate to Metro in connection with the Transfer Agreement. In areas where the sewer collection lines and water lines are located within the same easement/right of way areas, the parties will jointly share the easement/right of way area. All water lines and other water related assets shall be retained by the District and all sewer lines and other sewer related assets (pump stations, manholes, etc.) shall be conveyed to Metro in connection with the Sewer Transfer.

**Section 7 Intentions of the County.** Upon receipt of the petitions of Metro and the District and consistent with County Council's intent as set forth in Section XI(A) of the Consolidation Plan, County Council intends to place one or more ordinances before County Council amending the Consolidation Ordinance to remove the District from the Consolidation and expand the Metro Boundaries to overlap those of the District. Likewise, in connection with the enactment thereof, the County intends to consider such resolutions and conduct such public hearings as are necessary to fully comply with the provisions of the SPD Boundary Laws with respect to both the amendment of the Consolidation Ordinance and the expansion of the Metro Boundaries.

**Section 8 Authorization.** This MOU has been reviewed and has been authorized through appropriate action of the governing bodies of the Parties, respectively.

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**IN WITNESS WHEREOF**, the Parties have caused this MOU to be executed by their duly authorized representative as of the date first written above.

**GREENVILLE COUNTY**

ATTEST:

\_\_\_\_\_  
Herman G. Kirven, Jr., Chairman  
County Council

\_\_\_\_\_  
Regina McCaskill  
Clerk to Council


\_\_\_\_\_  
Joseph M. Kernell  
County Administrator


*[Signature Pages of Metro and the District to Follow]*

*[Signature Page of the County]*

**METROPOLITAN SEWER SUBDISTRICT**

ATTEST:

  
\_\_\_\_\_  
Caleb Freeman, Secretary  
Metropolitan Sewer Subdistrict Commission

  
\_\_\_\_\_  
Jim Freeland, Chairman  
Metropolitan Sewer Subdistrict Commission

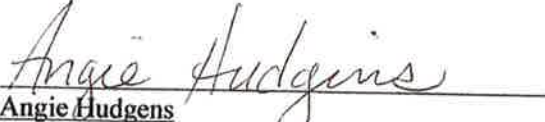
  
\_\_\_\_\_  
Carol Elliott, General Manager

**MARIETTA WATER, FIRE, SANITATION,  
AND SEWER DISTRICT**



Tyler Matheney Chairman  
Marietta Board of Commissioners

ATTEST:



Angie Hudgens  
Marietta Board of Commissioners



Charles Humphries, General Manager

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