

State of South Carolina

Office of the Governor

NIKKI R. HALEY
GOVERNOR

1205 PENDLETON STREET
COLUMBIA 29201

March 10, 2014

Mr. Scott Cooke
Executive Producer
News 19 WLTX
6027 Garners Ferry Road
Columbia, South Carolina 29209

Dear Mr. Cooke,

Our office received your Freedom of Information Act request for the following:

A copy of a letter that was sent to Gov. Haley by the attorney for Batesburg-Leesville, asking for a SLED investigation into the town's failed water/sewage project; and any other documents/emails from the Governor's Office pertaining to the Batesburg-Leesville water project and its proposed partnership with Saluda County.

Enclosed are records responsive to your request. Records have been redacted pursuant to Section 30-4-40(a)(2) of the South Carolina Code of Laws (information of a personal nature where the public disclosure thereof would constitute an unreasonable invasion of privacy may be exempt).

Please be advised that due to the low volume of records in our possession, our office has waived fees for copying and compiling records pursuant to Section 30-4-30(b).

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca Schimsa".

Rebecca S. Schimsa
Deputy Legal Counsel

Enclosures

Pitts, Ted

Subject: FW: Thanks

From: Katrina Shealy [<mailto:KatrinaShealy@scsenate.gov>]
Sent: Wednesday, February 13, 2013 4:05 PM
To: Pitts, Ted
Subject: Thanks

Ted, The other day when Ralph Kennedy and I met with Governor Haley we discussed the Water and sewer issues in Batesburg-Leesville and issues with a DHEC project. This is an email that I just received from Steve Cain a Town Council member when I asked how the Executive Session went. The Governor wanted to know if I found out anything that had gone on involving DHEC and the Water/Sewer Project. If you will relay this information I would very much appreciate.

We really need help in solving the issue so that we can hopefully bring economic development to this area.

Thanks for everything

Katrina

From: Steve Cain [[mailto:\[REDACTED\]@yahoo.com](mailto:[REDACTED]@yahoo.com)]
Sent: Tuesday, February 12, 2013 2:36 PM
To: Katrina Shealy
Subject: Re: Thanks

Thanks again for coming. The executive session went well. We came back and voted unanimously to begin the process of ending both the water and sewer contracts. Hopefully this places us on the road to a better decision that includes providing water/sewer service towards the I20 corridor. I hope that you and Rep. Kennedy will work with us and maybe we can interest the Governor in an industrial site nearby.

Senator, though this project is back on more solid footing, there remains a need to investigate how a \$500,000 DHEC grant was misspent on this project. The conversation last night was that this money didn't matter because it came from the state and not our town funds. This was a grant secured for the town by Jake Knotts and nothing in the grant was done ... I hope that there is some accountability taken for how this money was spent and individuals are held responsible.

Steve

From: Katrina Shealy <KatrinaShealy@scsenate.gov>
To: 'Steve Cain' <[\[REDACTED\]@yahoo.com](mailto:[REDACTED]@yahoo.com)>
Sent: Monday, February 11, 2013 11:25 PM
Subject: RE: Thanks

I hope that your "Executive Session" went well. Sorry I couldn't stay until that was over.

From: Steve Cain [mailto: [REDACTED]@yahoo.com]
Sent: Monday, February 11, 2013 10:52 PM
To: Katrina Shealy
Subject: Thanks

Senator,

Thanks very much for attending our council meeting tonight. I hope that we can get together soon.

Councilman Cain

Baker, Josh

From: Joan B Taylor <jbtaylor@batesburg-leesville.org>
Sent: Thursday, February 14, 2013 5:19 PM
To: Baker, Josh
Cc: 'Jim Wiszowaty'
Subject: FW: Saluda Water & Sewer - Batesburg-Leesville
Attachments: Spradley 02-14-13.pdf; ATT00001.htm

Thank you for reaching out to Batesburg-Leesville.

Look forward to working toward some type of resolution to help the citizens to have the water supply they deserve for generations to come.

Joan B. Taylor,
Town Manager

From: Chris Spradley [mailto:chris@mttlaw.com]
Sent: Thursday, February 14, 2013 4:08 PM
To: B-L_Officials
Subject: Fwd: Saluda Water & Sewer - Batesburg-Leesville

Here is the response. Please advise.

Sent from my iPad

Begin forwarded message:

From: "G.P. Callison, Jr." <gpcallison@callisondorn.com>
Date: February 14, 2013, 3:57:48 PM EST
To: Chris Spradley <chris@mttlaw.com>
Subject: Saluda Water & Sewer - Batesburg-Leesville

Please see attached correspondence. Thanks. G.P.

--

G.P. Callison, Jr.
CALLISON, DORN, THOMASON
& KNOTT, P.A.
P.O. Box 3208
Greenwood, SC 29648
864.223.8111
gpcallison@callisondorn.com



Trial Attorneys & Counselors at Law

G. William Thomason
G.P. Callison, Jr.
Bradley W. Knott*
Watson L. Dorn (Retired)
G.P. Callison (1908 – 1998)

P.O. Box 3208 (29648)
215 Park Avenue (29648)
Greenwood, SC
www.callisondorn.com

Telephone
864.223.8111
Facsimile
864.223.4468

*Certified Family Court Mediator

February 14, 2013

Christian G. Spradley, Esquire
MOORE, TAYLOR & THOMAS, P.A.
110 South Main Street
Saluda, S.C. 29138

VIA email to chris@mttlaw.com

RE: Water Capacity Sale and Purchase Agreement between the Saluda County
Water and Sewer Authority and the Town of Batesburg-Leesville, South Carolina

Wastewater Treatment Services and Capacity Sale and Purchase Agreement
between the Saluda County Water and Sewer Authority and the Town of
Batesburg-Leesville, South Carolina

Dear Chris:

I have been instructed by the Saluda County Water and Sewer Authority to respond to your letter of February 12, 2013 and our telephone conference on that date. I will not address all of the issues and rumors concerning the water and sewer projects as this is not necessary.

It appears that both the Town and the Authority recognize that these projects are not viable under the present circumstances and the two agreements should be terminated. In a recent meeting with Jason Fell, the Authority's Manager, Mayor Wizowaty stated that the Town would like to terminate the two agreements and you stated the same to me in our telephone conversation of February 12, 2013.

Given these circumstances, it would appear to be in the best interest of the Authority and the Town to terminate the Water Capacity Sale and Purchase Agreement and the Wastewater Treatment Services and Capacity Sale and Purchase Agreement

by mutual agreement. This proposed mutual agreement would terminate both agreements and mutually release any and all claims of the parties against one another related to the agreements. Upon approval and execution of the mutual agreement, each party could then move forward on its own accord.

I think both parties would benefit from the termination of the agreements and the release of all claims related thereto. Batesburg-Leesville has stated its desire to terminate the agreements and the Authority concurs.

In your letter, you asked for a response by March 4, 2013. As we both know, time is critical and there is no reason to delay what both parties desire to do. Therefore, rather than wait to March 4th, it is requested that this matter be the subject of a special called meeting by the Town and the Authority to be held on the same date and at the same time at our respective locations. The mutual agreement could be approved and executed at that time. I would suggest that this be done next week on Tuesday, February 19, 2013, at 6:00 p.m. or Thursday, February 21, 2013, at 6:00 p.m., or if these dates and times do not work, at a date and time that is acceptable to both parties.

Please let me know if the Town is receptive to the execution of a mutual termination agreement and release. If so, I will prepare the mutual agreement and forward it to you for your review and comments. Also, let me know if the Town is willing to expedite this matter and consider it at a special called meeting as requested herein.

With kind regards, I am

Very truly yours,

Callison, Dorn, Thomason
& Knott, P.A.


G. P. Callison, Jr.

Baker, Josh

From: Baker, Josh
Sent: Wednesday, February 27, 2013 12:25 PM
To: Katrina Shealy
Subject: RE: Batesburg-Leesville

Senator,
I am available any time today except for a block of meetings between 1:00 and 2:30, and am available for you any time tomorrow.
Best,
Joshua

From: Katrina Shealy [<mailto:KatrinaShealy@scsenate.gov>]
Sent: Wednesday, February 27, 2013 10:25 AM
To: Baker, Josh
Subject: Batesburg-Leesville

Josh,

When can we meet again to discuss Batesburg-Leesville. I understand that the town attorney has now become involved with the issues with Mr. Cain. I think the attorney sent a letter to the Governor and the Attorney General. I met with Mr. Cain yesterday and he provided me with some additional information on money that had been spent with B. P. Barber to provide engineering plans for the project but he also provided me with information from DHEC saying the project could not be done.

I am not sure who needs to handle this.

Thanks,
Katrina

Moore, Taylor & Thomas, P.A.

110 S. MAIN STREET

SALUDA, SOUTH CAROLINA 29138



Governor Nikki R. Haley
Office of the Governor
1205 Pendleton Street
Columbia SC 29201-3740



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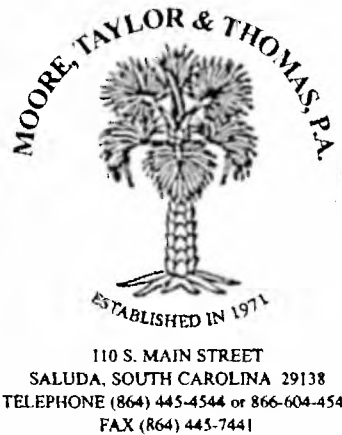
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RECEIVED
FEB 27 2013
referred to
Nikki R. Haley
OFFICE OF THE GOVERNOR

S. JAHUE MOORE
J. MARK TAYLOR*
DAVID L. THOMAS
C. VANCE STRICKLIN, JR.
JAMES EDWARD BRADLEY
SHEILA McNAIR ROBINSON
ROBERT D. HAZEL
CHRISTIAN G. SPRADLEY
C. DAVID SAWYER, JR.
WILLIAM H. EDWARDS
STANLEY L. MYERS
JANE H. DOWNEY**
S. JAHUE MOORE, JR.
JOHN C. BRADLEY, JR.



MELISSA K. MOORE
WILLIAM B. FORTINO
R. NICHOLS "NICK" RILEY, JR.
M. BROOKS BIEDIGER
AMBER L. CARY

RETIRED:
BILLY C. COLEMAN

GREENVILLE OFFICE:
(864) 271-6371
WEST COLUMBIA OFFICE:
(803) 796-9160

February 26, 2013

Governor Nikki R. Haley
Office of the Governor
1205 Pendleton Street
Columbia, South Carolina 29201

The Honorable Alan Wilson
South Carolina Attorney General
Post Office Box 11549
Columbia, South Carolina 29211

Chief Mark Keel
South Carolina Law Enforcement Division
Post Office Box 21398
Columbia, South Carolina 29221

U.S. Attorney William N. Nettles
Wells Fargo Building
1441 Main Street Suite 500
Columbia, South Carolina 29201

The Honorable James R. Metts
Lexington County Sheriff
521 Gibson Road
Lexington, South Carolina 29072

Re: Town of Batesburg-Leesville
Councilman Stephen Cain

Dear Governor Haley, General Wilson, Chief Keel, U.S. Attorney Nettles, and Sheriff Metts,

I am writing to request any help you or your agency can provide to end a continuing dispute in the Town of Batesburg-Leesville. I was hired by the Town of Batesburg-Leesville to serve as the Town Attorney approximately 6 months ago. Since my hiring, there have been accusations made by Councilman Stephen Cain which can not be substantiated. My investigation is obviously not satisfactory to Mr. Cain, so I am requesting your agency's aid and expertise.

For the last several years the Town has been a party to contracts with the Saluda County Water and Sewer Authority for certain projects which included receiving funding from Federal agencies as well as applying for licenses from South Carolina state agencies. Mr. Cain has been vehemently opposed to these projects. From the day I was hired, Councilman Cain stated that the projects were fraudulent, that the process was not legal, and that the Mayor, Town Administrator, Attorneys, and Engineers were all involved in a scheme to defraud the State of South Carolina, the Federal Government, the Batesburg-Leesville citizens, as well as profiting personally from the projects. When these claims were made, I asked for any proof he may have of his allegations, and have never been provided any document or explanation beyond the allegation.

One of my law partners and I have reviewed the projects, the process and the funding and can find no wrongdoing. I personally have spent hours looking over documentation only to find everything in order. Since I did not report back to Mr. Cain that he was correct, he has threatened me and our firm. He now claims that somehow I am involved in the fraud.

I request your agency contact Councilman Cain and inquire of him as to what proof, if any, he has of any wrongdoing and take the appropriate action to follow up as you deem appropriate. He will not tell me what was done wrong, maybe he will tell you or one of your investigators. His contact information is as follows:

Stephen Cain
103 S. Pine Street
Batesburg-Leesville South Carolina 29006
803-604-7663
[REDACTED]@yahoo.com

I would further request, that your agency report all findings to the Town Council once your investigation is complete. After years of allegations and threatened investigations, it is time that these issues be resolved with finality. The citizens of the Town deserve no less and should expect no less.

I appreciate your assistance in this matter and look forward to you and your agency handling this matter as you see fit. The Town stands ready to assist you and your staff any way possible, and the administrative staff is ready to provide any and all

documentation you may require. Feel free to contact me if I can be of assistance or answer questions.

Thank you again,

Yours Very Truly,

A handwritten signature in black ink, appearing to read 'C.G.S.', with a long horizontal flourish extending to the right.

Christian G. Spradley

Cc: Batesburg-Leesville Mayor and Council
Joan Taylor, Administrator for Town of Batesburg Leesville
Senator Katrina F. Shealy

Batesburg
Leesville

TOWN COUNCIL

Come Sample the South

STEVE CAIN
District Three Council Member
Post Office Box 2329
Batesburg-Leesville, SC 29070

CAPITAL DISTRICT EXPRESS

12 MAR 2013 PM 1 L



Governor NIKK R Haley
Office of the Governor
1205 Pendleton Street
Columbia, SC 29201

answered

Called

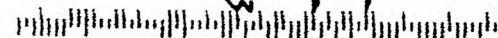
5.20.2013

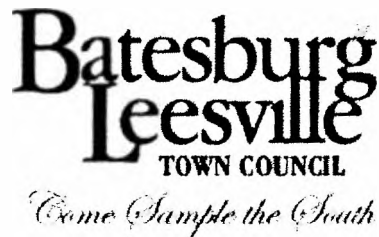
MAR 14 2013

John

19011E

29201374099





March 1, 2013

Governor Nikki R. Haley
Office of the Governor
1205 Pendleton Street
Columbia, SC 29201

The Honorable Katrina Frye Shealy
613 Gressett Bldg.
Columbia, SC 29201

The Honorable Alan Wilson
South Carolina Attorney General
Post Office Box 11549
Columbia, SC 29211

Chief Mark Keel
South Carolina Law Enforcement Division
Post Office Box 21398
Columbia, SC 29211

US Attorney William N Nettles
Wells Fargo Building
1441 Main Street Ste. 500
Columbia, SC 29201

The Honorable James R. Metts
Lexington County Sheriff
521 Gibson Road
Lexington, SC 29072

Dear Governor Haley, Senator Shealy, Attorney General Wilson, US Attorney Nettles, Chief Keel, and Sheriff Metts:

I am a twice-elected town councilman in Batesburg-Leesville, South Carolina. When I took office, I affirmed an oath to uphold the laws of South Carolina and those of the United States of America, plus look after the best interests of our town's citizens. I take this obligation very seriously. I understand this duty to include reporting waste, fraud and abuse to the proper authorities. In addition to my duties as an elected official and as a citizen, I also

130 S. Pine Street, Batesburg-Leesville, SC 29006
(803) 807-1593

311661

believe that I am afforded certain protections under South Carolina and Federal whistleblower laws.

Being an elected official in Batesburg-Leesville since the inception of the failed water/sewer project by and between BL and Saluda County Water & Sewer Authority, I have first-hand knowledge, documentation, information and a time-line for what is clearly waste, deceit probably fraud, and abuse, which requires a thorough investigation.

My duty as an elected official requires me to report such abuse to the proper authorities. As such, I reported my evidence to our town attorneys through Chris Spradley at the Moore, Thomas & Taylor law firm and requested that they assist me in reporting this information to the proper authorities.

Where I am satisfied that attorney Spradley contacted you all, I am also concerned and offended that his highly editorialized letter sounds more like a temper-tantrum than a request for a serious investigation. The Batesburg-Leesville Council raised water rates 27.9% and the Town Manager spent more than \$1.2 million dollars on preliminary items for this failed infrastructure project which never broke ground. Bad decisions were made regarding expenditures for this project and lies were told. I am seeking a Federal and/or State probe into the details of this project to be absolutely sure that taxpayer money was spent properly. I regret that attorney Spradley has chosen to berate me in his letter to you, plus his letter has subsequently been published on the front page of this week's edition of the local "Twin City News" paper. Unlike Chris Spradley of Moore, Thomas & Taylor, mine is a strictly professional interest in fact finding and not a personal pursuit to chide someone.

I am herewith officially asking you all for a thorough state and/or federal investigation into the water and sewer project by and between Batesburg-Leesville and the Saluda County Water & Sewer Authority and the principals involved.

I look forward to your response.

My Best,
Councilman Cain

Baker, Josh

From: Katrina Shealy <KatrinaShealy@scsenate.gov>
Sent: Thursday, March 28, 2013 9:20 AM
To: Baker, Josh
Subject: RE: Batesburg-Leesville

Josh, I know that we still need to work on the water issues in Batesburg-Leesville. I am just at a loss as to "Where do we go from here?" Both sides have written the Attorney General and asked for a SLED investigation into the issues in the town involving spending and the conflicts with the town. I spoke with Alan the first of the week and he tells me that SLED is looking into the information received and he will let me know if the findings warrant an investigation. In the meantime there are actual citizens of Batesburg-Leesville who are paying for the problems created by a Mayor and Town Council that just don't like each other. As the newly elected Senator I feel I need to seek guidance from someone but not sure if it needs to come from the municipal association or where. Any suggestions from you would be appreciated.

I have talked with members of the town who are on the planning council and those who unaware just how serious the situation has become. A group from the SC Poultry Festival which is held in Batesburg-Leesville is planning a trip to the Statehouse the first week in May to celebrate their accomplishments. I really want to help Batesburg-Leesville. I know there are some grants available for Beautification and have talked with members of the town about these and would like to find out more about helping them secure this help. Outside of the "leadership" the citizens seem genuinely interested in wanting to help the town.

Thanks for any help you can give. I think if we could have a meeting of possibly the Planning Council with members of staff and possibly others this may be helpful.

Katrina

From: Baker, Josh [<mailto:JoshBaker@gov.sc.gov>]
Sent: Thursday, March 07, 2013 2:28 PM
To: Katrina Shealy
Subject: RE: Batesburg-Leesville

Sen. Shealy,

I know that we haven't had a chance to sit down and talk, but I have been in contact with Jerry Strawbridge and am aware of the mutual dissolution of the contracts between Saluda and Batesburg-Leesville. I know that Saluda will still have the capacity to draw water from the lake, but understand that B-L may still have some issues securing access to and a permit for drawing water. I'll keep the invitation open to have the Mayor or Council members up here to talk about resolving their conflicts to move the now local water project forward, but defer to your judgment on that. Let me know what we can do.

Best,
Joshua

From: Katrina Shealy [<mailto:KatrinaShealy@scsenate.gov>]
Sent: Wednesday, February 27, 2013 10:25 AM
To: Baker, Josh
Subject: Batesburg-Leesville

Josh,

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Thanks,
Katrina