

INTERNAL STAFF UPDATE*

Tuesday, December 15, 2015

Century Aluminum:

As a follow up to the meeting with Santee Cooper Leadership and members of the Berkeley County Legislative Delegation that was held yesterday, the delegation members were supportive of Santee Cooper and the Board's efforts to retain as many jobs at Mt. Holly as possible without impacting the other customers. The delegation asked if Santee Cooper would "leave the deal on the table" that Santee Cooper offered at the meeting with Century Aluminum last Friday. Santee Cooper agreed to do so, even though Century's Board Members had rejected the offer.

Santee Cooper leadership also held a conference call this morning at 9:00 a.m. with the Century team. They confirmed the terms of Santee Cooper's offer including the provisions offered last Friday. Century's CEO Mike Bless indicated that he planned to discuss the offer with his Chairman and would get back on their decision.

Joint Legislative Oversight Committee – Santee Cooper: (ATTACHMENTS)

Speaker Lucas and Pro Tempore Leatherman selected the following members to serve on the Joint Legislative Oversight Committee's review of Santee Cooper:

- Senators: Alexander, Hutto, Grooms, Campbell, and Scott
- Representatives: Forrester, Crosby, Ott, Sandifer, and Mack

Attached are letters regarding this committee.

Senate Judiciary Subcommittee – S. 911, Car Dealership Closing Fee Bill:

The subcommittee met today to hear testimony from car dealers across the state, attorneys, the SC Consumer Affairs director, as well as consumer advocates regarding S. 911, (L. Martin) a bill that addresses the Supreme Court's decision on closing fees for car dealerships in the state. After many hours of testimony and debate it was decided that members of the subcommittee would carry over the bill to have amendments drafted to address their concerns with the current language of the bill. The subcommittee will meet again on Thursday, January 7th to amend the bill and determine whether to send the bill to full committee. Members include Chairman L. Martin, Sen. Hutto, and Sen. Massey.

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SENATOR HUGH K. LEATHERMAN, SR.
PRESIDENT *PRO TEMPORE*

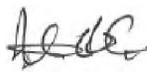


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THE SENATE OF SOUTH CAROLINA

TO: Senator Thomas Alexander
Senator Brad Hutto
Senator Larry Grooms
Senator Paul Campbell
Senator John Scott

CC: Speaker Jay Lucas

FROM: Senator Hugh K. Leatherman, Sr., President Pro Tempore 

DATE: December 14, 2015

SUBJECT: Joint Legislative Oversight Committee on the SC Public Service Authority

I want to thank you for your willingness to serve on a Joint Legislative Oversight Committee with the purpose of reviewing the South Carolina Public Service Authority, which is more commonly known as Santee Cooper. As you know, Santee Cooper is a state-owned electric and water utility which has an impact throughout the State of South Carolina. Speaker Lucas has appointed Representatives Bill Sandifer, Mike Forrester, Bill Crosby, Russell Ott, and David Mack to serve on the committee on behalf of the South Carolina House of Representatives. I have asked Senator Alexander and he has agreed to serve as Chairman of the committee.

With an ever changing electric and economic development landscape in the State and in accordance with mandated seven year oversight by the South Carolina Restructuring Act of 2014, it is essential for the Legislature to review operations at Santee Cooper to ensure the citizenry of our State that the organization is being run with the public trust in mind and meeting its obligation to help improve the lives of our fellow citizens. My charge to you is twofold: 1) to review all statutes to ensure Santee Cooper is meeting both the letter and intent of the law and to provide recommendations by the committee, if any, should any statutory changes be necessary and 2) to review the organizations strategic path as it relates to its short and long term corporate health to include, but not limited to, customer base and electrical generation. The committee may also review other areas as it deems necessary and beneficial as part of a healthy and robust review process as authorized by Title 2 Chapter 2 of the SC Code.

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JAMES H. LUCAS
SPEAKER OF THE HOUSE

December 14, 2015

The Honorable Hugh K. Leatherman, Sr.
President Pro Tempore
South Carolina Senate
111 Gressette Building
Columbia, South Carolina 29201

Dear Chairman Leatherman:

Thank you for the opportunity to begin a joint legislative oversight review of the South Carolina Public Service Authority. By this letter and at your request I am designating the following House members to serve on The Joint Legislative Oversight Committee for the South Carolina Public Service Authority:

The Honorable William R. "Bill" Sandifer
The Honorable P. Michael "Mike" Forrester
The Honorable David J. Mack, III
The Honorable William E. "Bill" Crosby
The Honorable Russell L. Ott

I know that these House members will serve ably alongside their Senate counterparts as they, jointly, undertake a review of one of South Carolina's most significant agencies.

Sincerely,

James H. Lucas
Speaker of the House

cc: The Honorable Thomas C. Alexander, Chairman
The Honorable William R. "Bill" Sandifer
The Honorable P. Michael "Mike" Forrester
The Honorable David J. Mack, III
The Honorable William E. "Bill" Crosby
The Honorable Russell L. Ott
The Honorable Charles F. Reid, Clerk of the House
The Honorable Jeffrey S. Gossett, Clerk of the Senate

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Public Information Services

The PDT contract awards \$3 million over a period of five years for public information services. Two firms each receive monthly payments of \$25,000, or \$300,000 per year, for a combined expenditure of \$600,000 per year for public information services. This includes personnel costs only and does not account for additional amounts to be paid to both firms as reimbursement for such items as brochures, mailings, business cards, website maintenance, catering, mileage, and computer and cell phone allowances.

Firm invoices offer a breakdown of employee hours spent on public information activities related to the Penny Tax. One of the firms purportedly has one full-time employee dedicated to Penny Tax projects. One additional person from each firm records an average of 10-15 hours per week for a combined total of approximately 20-30 hours per week. It is unclear exactly what work has been actually performed as no documentation detailing the work has been provided.

In effect, the Penny Tax program is paying \$50,000 per month, \$600,000 per year, and \$3 Million over five years (before reimbursements) for the equivalent of fewer than two full-time employees – when an entire public information office already exists within Richland County government and other PDT members also provide public relations services.

In comparison, according to US Bureau of Labor statistics, the annual mean wage for a Public Relations and Fundraising Manager in South Carolina is \$85,890; the mean wage for a Public Relations Specialist salary is \$49,200 per year. The total annual cost for both employees would be \$135,090, excluding taxes and benefits.

As outlined above, Council has misappropriated a significant amount of Penny revenue and is scheduled to spend millions of additional dollars over the next several years for expenditures falling outside the parameters of the transportation tax laws. The County should take action to correct these expenses both prospectively and by reimbursement for previously paid amounts.

Thank you again for Richland County's cooperation on this matter. Please call me if you have any questions or wish to further discuss these issues. Of course, the Department will be unable to comment on ongoing criminal investigations.

Yours very truly,


Rick Reames III
Director

RRIII/afw

CC: The Honorable David A. Adams, Richland County Treasurer
The Honorable Torrey Rush, Chairman, Richland County Council

DSS DSNAP Report

All numbers are estimates until final reconciliation for federal report(s), and are subject to variation.

Total Estimates for DSNAP Implementation (Tuesday, October 27th through Friday, December 11th)

DSNAP Applications Received	DSNAP Applications Approved Onsite	DSNAP Applications Denied Onsite	Estimated Approval Rate
210,033	184,173	25,860	88%

Onsite Estimates for Friday, December 11, 2015

County	DSNAP Applications Received	DSNAP Applications Approved Onsite	DSNAP Applications Denied Onsite	Estimated Approval Rate
Greenville	2,021	1,746	275	86%
Marion	796	701	95	88%
Spartanburg	1,463	1,193	270	82%
TOTAL Estimate	4,280	3,640	640	85%

Week 6 Estimates (12/7 – 12/11)

County	DSNAP Applications Received	DSNAP Applications Approved Onsite	DSNAP Applications Denied Onsite	Estimated Approval Rate
Greenville	12,741	1,0926	1,815	86%
Marion	6,616	5,978	638	90%
Spartanburg	9,389	7,471	1,918	80%
TOTAL Estimate	28,746	24,375	4,371	85%

Week 5 Estimates (12/1 – 12/3)

County	DSNAP Applications Received	DSNAP Applications Approved Onsite	DSNAP Applications Denied Onsite	Estimated Approval Rate
Darlington	6,633	6,017	616	91%
Georgetown	6,420	5,648	772	88%
Greenwood	2,727	2,015	712	74%
Kershaw	4,302	3,595	707	84%
Orangeburg	10,077	8,957	1,120	89%
TOTAL Estimate	30,159	26,232	3,927	87%

Week 4 Estimates (11/16 – 11/20)

County	DSNAP Applications	DSNAP Applications Approved Onsite	DSNAP Applications	Estimated Approval Rate
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	Received		Denied Onsite	
Berkeley	13,808	12,263	1,545	89%
Charleston	28,575	24,367	4,208	85%
Florence	14,890	12,906	1,984	87%
Horry	17,397	16,013	1,384	92%
TOTAL Estimate	74,670	65,549	9,121	88%

Week 3 Estimates (11/12 – 11/14)

County	DSNAP Applications Received	DSNAP Applications Approved Onsite	DSNAP Applications Denied Onsite	Estimated Approval Rate
Fairfield	2,163	1,785	378	83%

Week 2 Estimates (11/2 – 11/6)

County	DSNAP Applications Received	DSNAP Applications Approved Onsite	DSNAP Applications Denied Onsite	Estimated Approval Rate
Dorchester	9,579	8,400	1,179	88%
Lexington	7,266	6,357	909	87%
Richland	31,256	27,681	3,575	89%
Sumter	11,453	10,286	1,167	91%
TOTAL Estimate	59,554	52,724	6,830	89%

Week 1 Estimates (10/27 – 10/29)

County	DSNAP Applications Received	DSNAP Applications Approved Onsite	DSNAP Applications Denied Onsite	Estimated Approval Rate
Bamberg	895	794	101	89%
Calhoun	1,416	1,309	107	92%
Clarendon	2,922	2,716	206	93%
Colleton	2,549	2,255	294	88%
Lee	2,692	2,542	150	94%
Newberry	615	547	68	89%
Williamsburg	3,652	3,345	307	92%
TOTAL Estimate	14,741	13,508	1,233	92%

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