

# **Agenda**

**Spalding County  
Water and Sewage Facilities Special Meeting  
September 9, 2020  
8:30 AM  
119 E. Solomon St, Room 108**

**I. OPENING (CALL TO ORDER)**

PLEASE SILENCE YOUR CELL PHONES AND ALL OTHER ELECTRONIC DEVICES

**II. INVOCATION**

**III. PLEDGE TO FLAG**

**IV. CITIZEN COMMENTS**

**V. FINANCIAL REPORT**

**VI. WATER SUPERINTENDENT REPORT**

**VII. OLD BUSINESS**

1. Consider approval of City of Griffin's proposed water sales agreement and exhibits.

**VIII. NEW BUSINESS**

1. Discuss the potential for a multi-supplier contract for the provision of water to the SCWA.
2. Consider approval of revised Water Sales Agreement and Intergovernmental Agreement defining the relationship between the City of Griffin, Georgia, and the Spalding County Water and Sewerage Facilities Authority.
3. Consider Special Called Meeting September 30, 2020 at 8:30 a.m.

**IX. OTHER BUSINESS**

**X. COUNTY MANAGERS COMMENTS**

**XI. AUTHORITY MEMBERS COMMENTS**

**XII. CLOSED SESSION**

**XIII. ADJOURNMENT**



## SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY

### Consider approval of COG Proposed Water Contract and Exhibits

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**Requesting Agency**

Spalding County Water Authority

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**Requested Action**

Consider approval of City of Griffin's proposed water sales agreement and exhibits.

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**Requirement for Board Action**

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**Is this Item Goal Related?**

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**Summary and Background**

The proposed contract utilizes the same rate calculation methods as in the current contract and changes the contract from a three party to a two party contract deleting the Board of Commissioners from the contract.

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**Fiscal Impact / Funding Source**

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**STAFF RECOMMENDATION**

Denial of approval

**ATTACHMENTS:**

Description	Upload Date	Type
<input type="checkbox"/> COG Proposed Water Sales Agreement	7/29/2020	Backup Material
<input type="checkbox"/> Exhibits A and B	7/29/2020	Backup Material
<input type="checkbox"/> Exhibit C	7/29/2020	Backup Material
<input type="checkbox"/> Exhibit D	7/29/2020	Backup Material

STATE OF GEORGIA,  
COUNTY OF SPALDING.

**WATER SALES AGREEMENT  
AND INTERGOVERNMENTAL AGREEMENT DEFINING THE  
RELATIONSHIP BETWEEN THE CITY OF GRIFFIN, GEORGIA,  
AND THE  
SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY**

**THIS AGREEMENT**, made and entered this \_\_\_\_ day of \_\_\_\_\_, 2020,  
by and between the CITY OF GRIFFIN, a Georgia municipal corporation (hereafter  
referred to as the “City”), and the SPALDING COUNTY WATER AND SEWERAGE  
FACILITIES AUTHORITY, a public corporation created by Georgia Laws 1982, p.  
4987, and amended by Ga. Laws 1988, p. 4822 and Ga. Laws 1993, p. 4863 (hereafter  
referred to as the “Authority”; collectively, the City and Authority are referred to as the  
“Parties”), provides as follows:

**WHEREAS**, the City, pursuant to its Charter and general laws, is empowered to  
own, operate, extend, and maintain a system of water supply, treatment, and distribution  
lines within and without its municipal boundaries, and by virtue of such authority owns  
and operates both a retail system of water supply, treatment and distribution throughout  
said City, and in portions of unincorporated Spalding County, and owns and operates a  
wholesale system of water supply and production which currently serves various water  
distribution systems, including but not limited to the Authority Water System, the Coweta  
County Water System, municipal water systems in Pike County operated by the cities of  
Zebulon, Williamson and Concord, with occasional sales of treated drinking water to the  
counties of Butts and Lamar;

**WHEREAS**, the Parties and County of Spalding, on December 13, 1995, entered into a Water Sales Agreement and Intergovernmental Contract, commencing January 1, 1996 and terminating on December 31, 2020 (hereafter referred to as the “1995 Agreement”). Under the terms of said 1995 Agreement, there was to be no early termination unless the governing bodies of all parties first mutually agreed and resolved that termination was in the mutual best interest of all parties;

**WHEREAS**, by authorizing the approval and execution of this Agreement (hereafter referred to as “this Agreement”, or the “2021 Agreement”), the Parties, through their governing bodies, find and conclude it is in the mutual best interest of both parties hereto, to allow the 1995 Agreement to expire, effective at 12:00 p.m. on December 31, 2020, and to enter into a new Water Sales Contract, effective at 12:01 a.m. on January 1, 2021, for a twenty-five (25) year term to run through and to include December 31, 2045; and

**WHEREAS**, the Spalding County Water and Sewerage Facilities Authority is a public corporation created for the purpose of acquiring, constructing, equipping, maintaining and operating water supply, treatment, and distribution facilities within its statutorily defined special district, being comprised of unincorporated Spalding County, pursuant to which said Authority in 1987 undertook to operate the Spalding County Water System, now known and referred to herein as the “Authority Water System”. Under the original 1995 Agreement, the City served as the exclusive and sole provider of treated drinking water to the Authority Water System.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, WARRANTIES, AND PROMISES HEREIN MADE, THE**



**RECEIPT, ADEQUACY AND SUFFICIENCY OF WHICH ARE MUTUALLY  
ACKNOWLEDGED, THE PARTIES AGREE TO BE BOUND, EACH UNTO THE  
OTHER, AS FOLLOWS:**

**ARTICLE I**  
**LEGAL AUTHORITY**

This writing shall constitute a binding, legal contract, valid and enforceable against both parties whose signatures shall appear in execution thereof, in accordance with the terms and conditions hereinafter set forth, under the authority granted by Article IX, Section III, Paragraph I of the 1983 Constitution of the State of Georgia, known as the “Intergovernmental Agreements” clause. Payment obligations set forth and established herein shall constitute a general obligation of the party affected to which its full faith and credit is hereby pledged. Each of the Parties covenant that it legally exists, has the requisite legal authority to provide the services contracted, has adequate and ample legal authority to perform the services contracted or to contract for such services, has adequate fiscal capability and staffing to utilize and provide such services, and otherwise to do all things necessary, convenient, desirable and expedient to carry out and perform the obligations and responsibilities herein set forth, either expressly or by reasonable implication. Furthermore, for the term of this agreement, all Parties agree to exercise good faith and best efforts to adequately fund and carry out such undertakings, including expressly, but without limitation, the power to establish, levy and enforce collection of reasonable rates, fees and charges for the operation of its respective water supply, treatment and distribution system and the services contemplated by this agreement. The Parties further covenant and agree to cooperate fully with one another in the joint undertakings required to further the spirit and intent of the agreement herein

made, including defending this agreement as valid, binding and enforceable in any proceeding in which it may be in issue, including future bond validation proceedings filed by any party.

The Parties covenant and agree they have fully performed all conditions precedent to execution of this 2021 Agreement, including obtaining the requisite authority to approve and execute the agreement by resolution of their governing bodies, obtaining any required review and approval in advance of execution by any officer, attorney, or agent of the governing body, and by causing a fully executed original thereof, with the party's corporate seal affixed, to be spread upon the Minutes of the meeting at which approved. Any and all objections or defenses of a procedural or technical nature to the validity and authenticity of this Agreement, or its admissibility in any legal or administrative proceeding is hereby waived.

By entering into this agreement, the Parties agree that the City acquires no property rights or ownership interest in the facilities or water system of the Authority, and the Authority acquire no property rights or ownership interest in the facilities or water system of the City.

## **ARTICLE II**

### **TERM OF AGREEMENT**

This Agreement shall become effective at 12:01 a.m. on January 1, 2021 and shall terminate at Midnight on December 31, 2045; provided, however, notwithstanding the foregoing, for the purposes of Article VI, EXTRATERRITORIAL WATER SALES BY CITY, the term of the covenants made by the Authority therein shall run for a term coinciding with the longest water sales agreement between the City and a water system

operator outside of Authority, or for a term not to exceed fifty (50) years from the effective date of this Agreement, whichever is less. It is expressly agreed that there shall be no early termination of this Agreement during the term stated unless both Parties first mutually find and agree that termination of this 2021 Agreement would be in the mutual best interest of both parties. Unilateral notification of termination or intent to terminate from future performance of the obligations hereby imposed for the full term stated shall not be effective or binding.

### **ARTICLE III**

#### **SALE OF WATER TO AUTHORITY**

Throughout the term of this Agreement, the City will be the exclusive and sole provider of treated drinking water for the Authority Water System, and shall be obligated to furnish all treated water requirements of the Authority Water System, subject to written notice of substantiated additional demand as set forth herein, except for treated drinking water sold by the Henry County Water & Sewer Authority exclusively to serve that portion of the Heron Bay Subdivision located in the Authority's service area, as authorized by the Water Master Plan 2010-2050, heretofore adopted by the Parties and Spalding County.

In order to establish objectively the Authority's water supply needs, the parties agree to jointly plan future needs of the Authority Water System, including (a) adoption of a timetable reflecting anticipated increased demands, and (b) periodic updates no less than twice annually for the purpose of establishing the projected needs for water supply, system maintenance, and capital improvements. If the City is unable to perform its water supply obligations under this agreement for more than 90 days following written notice

of increased demand by the Authority, the Authority is free to negotiate with an outside water supplier for its purchase for the amount required by the Authority that the City is unable to provide.

#### **ARTICLE IV** **SALES PRICE**

(a) The Authority agrees to pay the City for all water purchased for use by the Authority Water System, based upon the reading of meters as hereinafter set forth, pursuant to the pricing formula attached hereto as Exhibit “A”, which by reference is incorporated herein and made a part hereof. For illustrative purposes, attached hereto as Exhibit “B” is a *pro forma* example calculating the rate for water sold during 2019.

(b) Future rate adjustments shall be made annually, effective as of January 1 of the ensuing calendar year, based upon the most recent fiscal year-end audit of the City; in the event audited financial data is unavailable to impose new rates by January 1, not less than 30 days notice of the new rate shall be given, in writing, to the Authority, stating the date on which the new rate shall become effective.

(c) During and throughout the term of this Agreement, all water customers connected onto the Authority Water System shall be individually metered. Temporary customers shall be issued meters by the City on the same terms and conditions as its temporary customer policy provides. The parties acknowledge that some “unmetered water use” may occur, for main breaks, fire-fighting, construction of system improvements, and flushing hydrants for system maintenance. The Authority shall estimate its amount of unmetered water loss monthly and report to the City, in writing, for compliance with the State Water Plan. The parties agree to take all reasonable and

necessary measures to prevent unauthorized water use, including as necessary prosecution of violators for theft of utilities. The parties further agree that no customer of the Authority shall be entitled to receive non-billed water from the Authority Water System.

**ARTICLE V**  
**AGREEMENT NOT TO COMPETE**

The Authority agrees that during the term of this agreement the Authority shall purchase all treated drinking water requirements for the Authority Water System exclusively from the City. As further consideration for this Agreement, the City covenants not to serve any customers within unincorporated Spalding County outside its municipal limits, in competition with the Authority Water System; provided, the City shall retain those customers, and the right to exclusively serve customers on water distribution lines of the City in unincorporated Spalding County, now existing or as hereafter replaced, as shown in “pink” and described on the map attached hereto as Exhibit “C”, which is incorporated herein by reference and made a part hereof. In exchange therefor, the Authority covenants not to compete against the City for the right to serve any customers within the service areas delineated as City service areas on Exhibit “C”, unless consented to, in writing, by the City. City-owned facilities located in unincorporated Spalding County, outside of delineated City service areas shown on Exhibit “C”, shall be served and billed as customers of the City. The Parties agree the City’s Industrial Water rates to be most competitive in attracting industry to locate within Spalding County. Industries located in unincorporated Spalding County will be deemed City water customers, regardless of actual location, and billed at City rates. For purposes of this Agreement, an “industry” shall be defined as any water customer using a minimum daily average of 100,000 gallons.

**ARTICLE VI**  
**EXTRATERRITORIAL WATER SALES BY CITY**

The City has entered into written water supply agreements with jurisdictions outside of the Authority's service area under which treated drinking water is sold, at wholesale rates, to supply such jurisdiction(s) public water system on a requirements basis; the City contemplates it may enter into similar contracts in the future with other water systems outside of Authority. To facilitate such sales, the Authority agrees and consents that the City shall have the right to sell treated drinking water to wholesale customers, pursuant to water supply agreements, outside of Authority, by distribution through lines of the Authority Water System to an agreed metering point or points on or near the Authority boundary, at no charge to the City. The City agrees to pay a 1.0% transmission fee for water supplied to additional wholesale customers, supplied through Authority water mains. To the extent necessary for the City to satisfy the requirements and meet the terms of such contracts, the Authority recognizes that the term of such contracts may extend beyond the stated twenty-five (25) year term of this Agreement. It is therefore agreed that for the purposes of this Article alone, the provisions hereof shall survive the general term stated in Article II and shall continue for an indefinite period coinciding with the term of the longest outstanding water supply agreement, and any renewal or extension thereof, or fifty (50) years from the effective date of this 2021 Agreement, whichever is less.

**ARTICLE VII**  
**OPERATION OF THE AUTHORITY WATER SYSTEM**

(a) Throughout the term of this Agreement, the City shall operate and maintain the Authority Water System and said system shall remain interconnected with the City Water System in order that both may be operated as an "INTEGRAL SYSTEM". The Authority shall be responsible to obtain and maintain at all times a proper permit from the Georgia Department of Natural Resources, Environmental Protection Division (hereafter referred to as "Georgia EPD"), to operate a water distribution system and shall meet all applicable laws and regulations pertaining thereto; the City shall coordinate and cooperate with the Authority in this regard.

(b) If it should ever be determined by both of the Parties that it is in the mutual best interest of the Parties to disconnect the systems, the cost of disconnection shall be borne equally by the City and Authority; however, each party shall bear their own cost to reconfigure their respective systems. In the event of disconnection, a meter or series of meters shall be installed at one or more disconnection points at Authority expense, with the City having full access to read, maintain, calibrate, and repair such meters; any cost of calibration or meter replacement shall be billed by the City to the Authority in the event of disconnection, and the City shall cease its operation of the Authority Water System; provided, however, the Authority will continue to purchase treated drinking water from the City with the pricing formula adjusted to reflect elimination of the City's services related to system operations.

(c) As used in this Article, the term "operate and maintain" shall not require the City to extend, relocate, make major repairs to, replacement of, or upgrade any

facilities of the Authority Water System, including water lines that have become unserviceable due to age or physical obsolescence, or where existing lines are insufficient to meet present or future requirements and customer demand. The Authority shall maintain and repair or replace all of its elevated water tanks and booster pumps, at no cost to the City. The Authority shall install, at their own expense, chlorine injector stations, as recommended by the City, from time to time; the City shall operate and maintain these chlorine injector stations in accordance with permit requirements for residual chlorination of the system. The parties shall refrain from operating their tanks, pumps, valves and other components of their respective systems in a manner that interferes with or adversely affects the level of service on the other party's system. The City will furnish all electricity requirements of the Authority Water System at the Authority's expense.

(d) In accordance with the Minimum Standards for Public Water Systems, as approved by the Georgia Environment Protection Division (Georgia EPD), maintenance shall be routinely performed by the City to keep the Authority Water System in good operating condition and repair. The City shall make minor repairs including but not limited to broken service lines and water mains. Major repairs and/or replacement of the Authority Water System assets including but not limited to: water line replacements in the excess of 100 linear feet, fire hydrant replacements, water tanks, booster pumps, and chlorine booster stations shall be jointly planned based upon recommendations made by the Parties' consulting engineers in accordance with sound engineering principles. As required, the Parties shall coordinate the submission of plans for major repairs and/or replacements to Georgia EPD for its approval. In the event of an emergency causing a



major repair and/or replacement to the Authority Water System, the City may take action to stabilize the condition of the system, and shall contact the appropriate representative of the Authority to inform them of the emergency, with any costs incurred by the City to be reimbursed by the Authority. The cost of such major repairs or replacements shall be the sole responsibility of the Authority.

(e) Extensions to the Authority Water System shall be performed either by a licensed utility contractor, whose reliability and experience is known to the parties, engaged through a competitive bidding process, or by the Authority's own water department personnel; provided, however, all extensions shall conform to engineering design plans and specifications prepared by a licensed professional engineer and approved by Georgia EPD. All new extensions shall be pressure-tested and chlorinated prior to acceptance by the Authority, warranted by the contractor for not less than two (2) years from date of acceptance, and secured by a maintenance bond issued by a commercial surety licensed in Georgia, or cash bond. If the extension was performed by the Authority water department, the Authority shall be solely responsible for any cost of repair and/or replacement during the first two (2) years from date of completion. As-built scaled drawings, prepared by a professional engineer licensed in the State of Georgia, shall be furnished to the City, in digital format, within 30 days of final installation and acceptance of any extension. Except as provided above, the Authority shall refrain during the term of this Agreement from performing any extensions or doing any work on the Authority Water System, without the written approval of consent of the City. The parties agree that all future extensions to the Authority Water System shall be planned and constructed in a manner compatible with the operation of the City Water System while

said systems remain integrally connected. The City agrees to update its Water Model to intergrade any new development in unincorporated Spalding County and all future extensions of the Authority Water System at the cost of service to the Authority.

(f) During the term of this Agreement, the City shall read all customer meters on the Authority Water System on not less than a monthly basis (provided, however, the City may estimate billing for those customers whose meters cannot be accurately read due to circumstances beyond the City's control, but actual readings shall be made at least quarterly), and shall bill all such customers on a monthly basis, with the bills based on the customer's actual monthly water consumption at prevailing rates established by the Authority. Such statements may be separate or rendered by the City with charges for other utility services delivered to the customer by the City. Monthly, the City shall remit to the Authority all sums collected from customers of the Authority Water System, less deduction for sums payable to the City for water sold under this contract. The City shall furnish at least monthly to the Authority a complete and accurate accounting of all billings made, showing therein the current status of payments and collections, and other pertinent financial information. City collection policies and practices, including cut-off policies, shall be used exclusively in dealing with customers of the Authority Water System, up to the point at which the City deems an account to be uncollectible without resort to litigation, in which event information will be furnished to the Authority in order that appropriate collection proceedings may be filed. To the extent necessary and desirable, the Authority agree to adopt the same policies and procedures administered by the City and to designate therein the City as its agent for billing and collection purposes. Upon reasonable request, the City will cooperate fully with the Authority to assist in any

customer dispute arising out of the City's operation of the Authority Water System. In addition thereto, the City will perform all "utility locates" for and on behalf of the Authority.

(g) The Authority agrees to adopt such reasonable ordinances, rules, policies, and procedures as are required by law or regulation, or recommended from time to time by the City, governing connection requirements, water conservation practices, drought restrictions, cross-connection prohibitions, minimum standard plumbing (construction) codes and similar matters necessary or appropriate to facilitate the City's operation of the Authority Water System. In addition thereto, the Authority shall use its best efforts to diligently enforce minimum standards governing customer connections to the Authority Water System, including policies requiring connection by potential customers accessible to the system, prosecution of theft of utility services, and to report immediately to the City and/or to Georgia EPD any facts known or believed to constitute a violation thereof.

(h) In addition, the Authority shall take all necessary measures to require the County of Spalding to enact by ordinances, regulations and policies requiring new developments, subdivisions, and industries locating within unincorporated Spalding County to access the Authority Water System in lieu of alternatives, such as private water systems and groundwater drinking wells, as their drinking water source. Coordinated planning of water needs between Authority and City to promote growth on the parties' systems is encouraged; it shall be the responsibility of the Authority to notify the City, as far in advance as possible, of any prospective water customer having requirements of 100,000 gallons or more, per day average.

**ARTICLE VIII**  
**BREACH AND EXCLUSIVE REMEDY**

In consideration of the unique relationship herein established, the Parties agree that in the event of any alleged breach by any party or a dispute giving rise to an anticipated breach of future performance, the exclusive judicial remedy available to the Parties shall be Injunction and Complaint for Declaratory Judgment, filed in the Superior Court of Spalding County, Georgia. In the event the Court finds this Agreement to be in breach, specific performance shall be ordered against the non-performing party as the exclusive remedy therefor, together with award of attorney's fees and litigation costs to the non-breaching party. To the extent allowed by law, the Parties further agree that should such an action be filed, the filing party shall be entitled to petition said court for expedited handling, which the other party will not unreasonably oppose; expedited handling may include shortening the time normally allowed for response, discovery and trial. Upon filing of such action, the Parties agree to consent to imposition of interlocutory injunction to maintain the status quo pending the outcome of the proceeding. Furthermore, the Parties hereby consent, in the discretion of the trial judge, to the appointment of a neutral person, acceptable to all parties, to serve as a Special Master on issues of fact in lieu of fact-finding to be conducted by a jury. In the event the Court declines to appoint a Special Master, the Parties consent to a bench trial, as opposed to a trial by jury, with the Court being the sole finder of fact and determinant of law. The Parties agree that should any judicial proceeding be filed, it is in their mutual

best interest, and the Court should accept that any dispute be resolved equitably giving primary consideration to the enforcement of this Agreement for its full term.

**ARTICLE IX**  
**TRANSFER OF WATERLINE OWNERSHIP IN ANNEXED AREAS**

Upon future annexations by the City, occurring on or after the effective date of this Agreement, prior to final action upon an annexation ordinance or petition by a property owner to be annexed into the City, the City shall furnish notice of the proposed action to the County of Spalding and Authority, who shall within ten (10) days of receipt of such notice, give the City written notice of any existing water distribution facilities within the area proposed to be annexed. This notice shall quantify, by units, the length, size and type of water pipe, and original construction cost, comprising the Authority Water System facilities within the proposed area to be annexed. The Authority shall also furnish the date(s) of construction of the existing facilities. The City shall determine the replacement cost, less straight-line depreciation, using a 50 year useful life for all existing components, except water meters whose useful life shall be 10 years. No other components or labor shall be considered in determining replacement cost for purposes of this Article.

In acting upon an annexation, the City may pay to the Authority, within sixty (60) days of the effective date of the Annexation, the depreciated replacement cost as determined above and take title to and possession of the facilities affected. Otherwise, the City shall notify the Authority, in writing, that the annexation is not conditioned upon the purchase of affected facilities; provided, however, once the right to purchase facilities from the Authority is rejected, the City shall have no future right to insist upon their sale

at a later date. Upon the effective date of the annexation and the receipt of payment for the annexed facilities by the Authority, the right to serve customers affected and all obligations attached thereto, shall transfer to the City, including any changes in the then-prevailing rates to customers, and those customers shall thereafter be customers of the City Water System.

If the Parties dispute the depreciated replacement cost as determined herein, the Parties shall submit the issue for resolution by an impartial professional engineer, licensed in the State of Georgia, whose decision shall be binding.

#### **ARTICLE X** **INSURANCE, INDEMNIFICATION AND HOLD HARMLESS**

Each party covenants that it shall procure and maintain throughout the term of this Agreement a policy of comprehensive liability insurance coverage (or its equivalence through either a program of self-insurance or by participation in an interlocal risk management agency) in an amount not less than \$1,000,000.00 per occurrence, minimum aggregate \$2,000,000.00, in as broad a form as possible to cover liability risks normally associated with ownership and operation of a water distribution system (including, if available, products liability protection, coverage for claims arising out of or in any way connected with any loss or losses resulting from a failure to supply or maintain without interruption water in sufficient supply to customers, and pollution hazard), providing the entity with a defense and payment of resulting legal judgments from claims reasonably anticipated or risks likely foreseeable to occur out of the duties and responsibility herein undertaken.

In the event a claim is made against the Authority arising out of or resulting from a failure by the City to perform its obligations under this Agreement, or the negligent performance thereof, the City, to the extent allowed by law, shall indemnify and hold the Authority harmless from such claim, demand or suit. If a claim, demand or suit is made against the City arising out of or resulting from a failure by the Authority to perform its obligations under this Agreement, or the negligent performance thereof, the Authority, to the extent allowed by law, agrees to indemnify and hold the City harmless from such claim, demand or suit. The provisions of this Article are intended to cover defense of administrative enforcement or regulatory actions brought by Federal or State agencies against either party, including alleged violations of permits held by the parties.

## **ARTICLE XI**

### **EXECUTION, MODIFICATION, TERMINATION OF PRIOR AGREEMENTS**

(a) This Agreement shall be executed in two (2) original counterparts by both Parties and a fully-executed original shall be spread upon the Minutes of the governing body of each party. An exemplified copy by the Secretary, Clerk, or other records custodian of a party, shall be fully admissible in lieu of the original in any legal proceeding in which the existence, authenticity, interpretation, or enforceability of this Agreement is in issue.

(b) No modification or amendment of this Agreement shall be effective unless in writing, approved by both Parties, executed by their duly-authorized officers, and spread upon the Minutes of the parties' governing body. It is the intention of the Parties that this writing represents the full, complete and final understanding and agreement of the Parties as to all substantive matters addressed herein, and no further negotiations,

amendments or modifications are contemplated at the time of execution hereof. Future amendments should be limited to matters of material significance affecting the relationship herein established, giving as broad interpretation as possible to the spirit and intent of this Agreement when resolving any conflicts that may arise hereunder.

(c) For purposes of interpretation, all terms used in this Agreement shall have their common and usual meaning or significance, unless such term is a term of art within a professional field or industry, trade, or profession, such as professional engineering or the drinking water industry, in which event it shall have such technical meaning as may be assigned thereto. When statutes or regulations require specific acts to be performed, or dictate the manner of performance, such specifications shall be deemed the minimum standard governing such performance.

(d) By execution of this Agreement, prior to January 1, 2021, the Parties mutually agree that the 1995 Agreement shall expire on its stated terms and that services, payments and obligations incurred on or after January 1, 2021, shall be solely incurred pursuant to this Agreement.

(e) Notices given pursuant to this Agreement shall be deemed delivered if either personally served upon and delivered, or if sent by certified U.S. Mail, return receipt requested, addressed as shown below, with adequate postage thereon:

To the City:	City of Griffin
	One Griffin Center
	100 S. Hill Street, Third Floor
	P.O. Box T
	Griffin, GA 30224
	Attn: City Manager



To the Authority:                      Spalding County Water and Sewerage Facilities  
   Authority  
   119 East Solomon Street  
   Griffin, Georgia 30223  
   Attn: Chairman

(f) Time is of the essence of this Agreement.

(g) The provisions of this Agreement are hereby deemed and declared to be severable. If any provision of this Agreement, or the application of any provision to any circumstance, is held to be unconstitutional, unenforceable, against public policy, or otherwise invalid, for any reason, the remaining terms, conditions, and obligations contained herein shall not be affected thereby and this Agreement shall otherwise remain in full force and effect as valid, binding and enforceable.

**IN WITNESS WHEREOF**, the parties, acting through their duly authorized and empowered chairs of their respective governing bodies, as attested to by their respective clerks or secretaries, and to which their respective official seals have been affixed, have executed this Agreement, in triplicate originals, the day and year first above written.

**CITY OF GRIFFIN, GEORGIA**

By: \_\_\_\_\_  
Douglas S. Hollberg, Mayor

Attest: \_\_\_\_\_  
Kenny L. Smith, Secretary

Approved as to form:

\_\_\_\_\_  
Andrew J. Whalen, III  
City Attorney

**SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY**

By: \_\_\_\_\_  
David Lamb, Chairman

Attest: \_\_\_\_\_  
Secretary

Approved as to form:

\_\_\_\_\_  
James R. Fortune, Jr., Attorney

## EXHIBIT A

### NARRATIVE OF FORMULA FOR CALCULATION OF WHOLESALE WATER RATE TO SPALDING COUNTY/AUTHORITY

**<<FY 2019 data is used herein to calculate rates for calendar year 2020>>**

The wholesale water rate charged by the City to the County/Authority is based upon costs which are audited annually by the City's independent auditor. It is intended that these costs, both direct and indirect, be apportioned to the calculation of the County/Authority wholesale water rate in the manner described herein which reflects the actual cost of producing and distributing water and providing those services as required by the Agreement. Audited costs will be compiled for the prior fiscal year and the resulting wholesale rate will become effective to the County/Authority at the beginning of the next calendar year, subject to timely notice as provided in the Agreement.

The following narrative describes each of the variables that enter into the rate calculation and describes how the costs are apportioned. The apportionment of costs as described herein is linked to the specific terms of the Agreement. Reorganization of city departments during past years has resulted in some name changes, but the intent of these calculations is to allocate costs in accordance with the terms of the Agreement. Except in special cases, the capital costs expended under each cost item are apportioned in the same manner as the cost item is apportioned. Exceptions would be capital costs that do not benefit the County Water System; these would not be included in the wholesale cost.

**Water Sold** - In deriving the unit cost per 1,000 gallons of water, each of the various cost elements is divided by the volume of metered water over which that particular cost must be recovered. Two different volumes of "water sold" are defined for use in the rate formula. These are: "Integral system sales volume" and "Total metered production volume."

"Integral system sales volume" is defined as the volume of water sold to all customers of the City of Griffin and the County/Authority so long as the two systems are integrally connected with the City providing the services of meter reading and distribution system maintenance. This volume is measured as the sum of all meter readings of individual customers of the two systems, and for the previous year this volume was 1,508,341 thousand gallons.

"Total metered production volume" is defined as the total volume of water produced and sold by the City from its treatment facilities in the preceding fiscal year. For as long as the City and the County/Authority systems remain integrally connected, this volume is equal to the "Integral system sales volume" plus the metered water volume sold to any wholesale customers of the City system other than Spalding County, and for the previous year this volume was 2,698,847 thousand gallons.

## **Direct Costs of Water Utility**

**Office of the Water and Wastewater Director** - This item is the audited cost of operating the office of the Water and Wastewater Director which provides administrative and management support to the County Water System and City Water and Wastewater System. Fifty percent (50%) of the cost of this item is apportioned to the wholesale water rate on the assumption that half of the Director's time is spent on functions related to wholesale water and half of his time is spent on other functions. The unit charge for this cost is calculated on the "Total metered production volume."

**Water Production** - This item includes all costs related to operation and maintenance of facilities for water supply, treatment, pumping and elevated storage. One hundred percent (100%) of the cost of this item is apportioned to the wholesale water rate. The unit charge for this cost is calculated on the "Total metered production volume."

**Water Distribution** - This item includes all costs related to operation and maintenance of facilities for distributing the water from the treatment plant to the meter of the individual customer. All costs under this item are apportioned at one hundred percent (100%) to the wholesale water rate except that capital costs that do not benefit the County Water System are not included in the apportionment of this item to wholesale water rate. The unit charge for this cost is calculated on the "Integral system sales volume."

**Meter Reading** - This item includes costs related to automated meter reading of water meters for customers of the City Water System and the Spalding County Water System. The cost for this operation is apportioned to the wholesale water rate based on the number of County Water customers (meters) divided by the number of total City and County water customers, this ratio is 0.585 which results in 58.5% of meter reading costs apportioned to the wholesale water rate. This ratio will be computed annually and may change from year to year. The unit charge for this cost is calculated on the "Integral system sales volume".

**Depreciation** - This item includes annual depreciation of the City Water System. Depreciation on the City Water System assets is taken from the most recent annual audit report. The unit charge for this cost is calculated on the "Total metered production volume."

**Debt Service** - This item is Griffin's annual payment of principal and interest on outstanding debt associated with Regional Water Facilities. The ratio of expenditures for eligible water improvements is multiplied times the total annual principal and interest to calculate the portion of annual debt service allocated to the wholesale water rate. Eligible water improvements will include only those improvements related to regional water supply, water production, water storage and certain transmission facilities that benefit the County Water System as well as the City Water System. For FY 19 the principal and interest debt on regional water facilities applicable to Spalding County was \$4,037,097. The unit charge for this cost is calculated on the "Total metered production volume."

**General Fund Expenses (Administrative Support)** - Several departments within the General Fund provide support for the water system operation and employees. These include the office of City Manager, City Attorney, and all divisions of the Department of Finance and Administrative Services except Licensing. The operating cost for each of these departments is apportioned to the wholesale water rate based on the ratio of number of water department employees divided by number of all city employees. This ratio currently equals 0.1236. Thus 12.4% of the cost for the above departments is included in the wholesale water rate. This ratio will be computed annually and may change from year to year. The unit charge for this cost is calculated on the "Total metered production volume."

**Return on Audited Depreciated Fixed Assets** - Each year the city auditor determines the depreciated value of the City "water purification facilities and distribution system" (including supply facilities). The resulting figure is sometimes referred to herein as "Adjusted Depreciated Fixed Assets." The City and County/Authority have agreed that the wholesale water rate will include a return amount calculated as 4.88% of the Adjusted Depreciated Fixed Assets divided by the volume of water sold. The unit charge for this cost is calculated on the "Total metered production volume."

## Supplement to Narrative - Allocation of Percentages for Rate Calculation

(Showing data for calendar year 2020 rate calculation)

1. **Meter Reading** costs are apportioned on the basis of customers billed on the basis of meter readings, which currently is

City Water Customers	10,042
County Water Customers	14,139
Total Customers	<u>24,181</u>

$$14,139 \div 24,181 = 0.5847 \text{ or } 58.5\%$$

2. **Overhead and benefit** costs include insurance, social security, workers compensation, and other employee benefit expenses. These expenses are now expensed directly to the appropriate department under the line item entitled "personnel services". (Note this revised accounting policy eliminates the former method of estimating the allocation of this cost for each department).
3. **Administrative Support costs** for FY 2019 were \$6,573,705. It is apportioned to the water rate based on the number of Water System Employees (54.5) divided by Total City Employees (441). Thus, the water system portion is  $54.5 \div 441 = 0.1236$  or 12.4%.

**City of Griffin**  
**Wholesale Rate Calculation**  
For Spalding County Water and Sewerage Authority

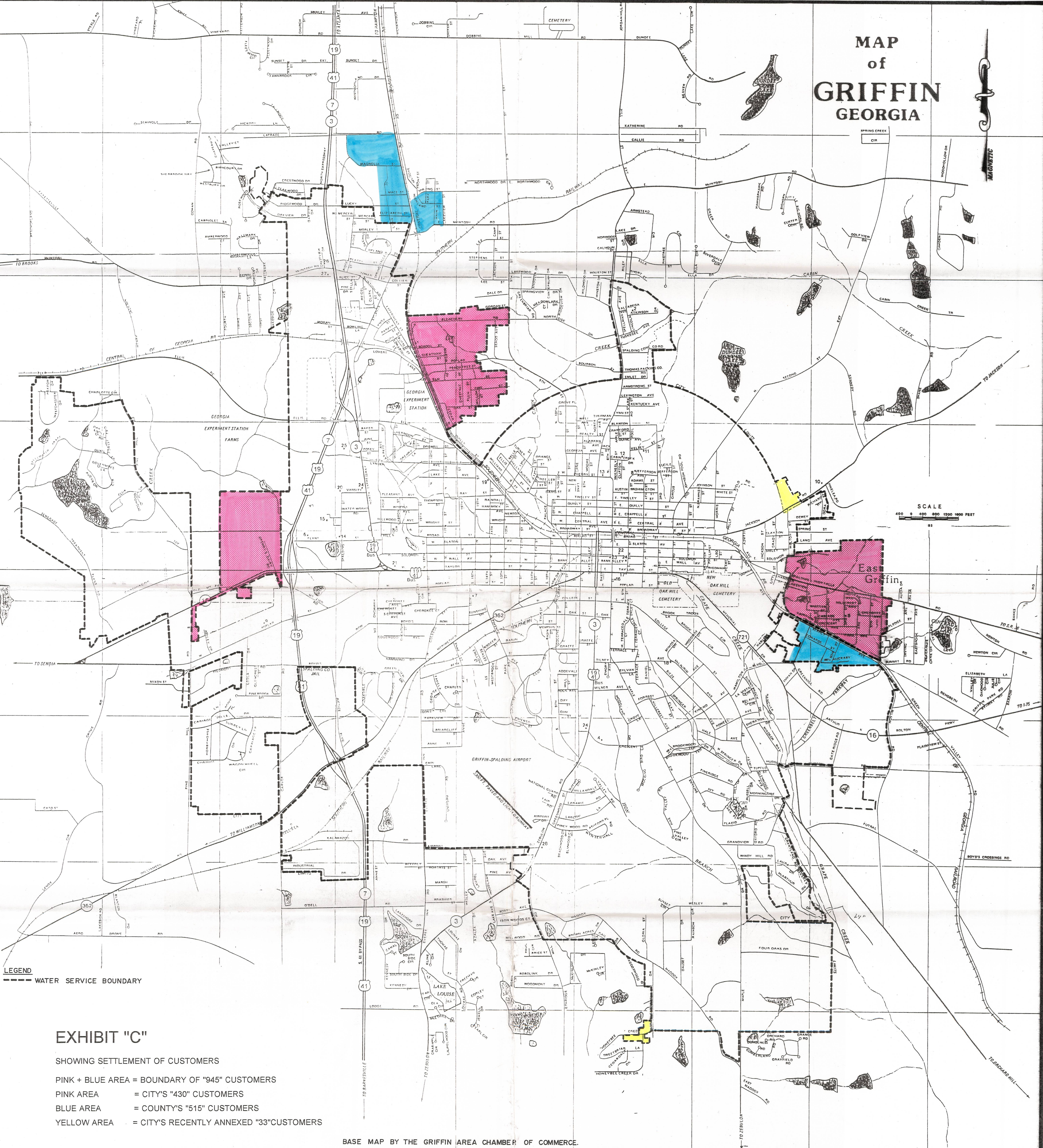
	<u>Allocation</u> %	<u>Water Sales</u> Basis	<u>FY 2020</u> Actual	<u>Cost</u> per kgal
<b>Operations and Debt Costs</b>				
<u>Office of Director</u>				
Personnel Services & Benefits	50%	Total	\$ 195,208	\$ 0.072
Purchased & Contract Services	50%	Total	27,112	0.010
Supplies	50%	Total	5,615	0.002
Other	50%	Total	-	0.000
<i>Subtotal: Office of Director</i>			\$ 227,936	\$ 0.084
<u>Water Production</u>				
Personnel Services & Benefits	100%	Total	\$ 1,287,671	\$ 0.476
Purchased & Contract Services	100%	Total	918,920	0.339
Supplies	100%	Total	1,437,954	0.531
Other	100%	Total	-	0.000
<i>Subtotal: Water Production</i>			\$ 3,644,544	\$ 1.346
<u>Water Distribution</u>				
Personnel Services & Benefits	100%	Integral	\$ 1,448,197	\$ 0.955
Purchased & Contract Services	100%	Integral	581,140	0.383
Supplies	100%	Integral	453,691	0.299
Other	100%	Integral	-	0.000
<i>Subtotal: Water Distribution</i>			\$ 2,483,028	\$ 1.638
<u>Meter Reading</u>				
Personnel Services & Benefits	100.0%	Integral	\$ -	\$ 0.000
Purchased & Contract Services	100.0%	Integral	27,454	0.018
AMR Support Costs	58.5%	Spalding	5,039	0.006
Other	100.0%	Integral	-	0.000
<i>Subtotal: Water Distribution</i>			\$ 32,493	\$ 0.025
<u>Depreciation</u>				
Water System	80%	Total	\$ 1,848,554	\$ 0.683
Regional Water System	0%	Total	-	0.000
<i>Subtotal: Depreciation</i>			\$ 1,848,554	\$ 0.683
<u>General Fund Expenses</u>				
Administrative Support	12.36%	Total	\$ 824,698	\$ 0.305
<i>Subtotal: Depreciation</i>			\$ 824,698	\$ 0.305
<u>Debt Service</u>				
FY 2020 Principal & Interest Regional System	100%	Total	\$ 4,035,462	\$ 1.491
<i>Subtotal: Debt Service</i>			\$ 4,035,462	\$ 1.491
<i>Subtotal: Operations &amp; Debt</i>			\$ 13,096,714	\$ 5.572
<b>Return on Depreciated Assets</b>				
=% of Net Book Value	4.88%		\$ 2,642,184	\$ 0.976
Not to Exceed 0% of Operations & Debt	0%		-	\$ 0.000
<i>Subtotal: Return on Depreciated Assets</i>		Total	\$ 2,642,184	\$ 0.976
<b>Total: Costs Recovered from Wholesale Rate</b>			<b>\$ 15,738,898</b>	<b>\$ 6.548</b>
<b>Water Sales (kgal)</b>				
Total System			2,706,867	
Integral System			1,515,884	
Total Water Produced			3,284,461	
<b>Costs per Kgal</b>				
Operations & Debt			\$ 5.572	
Return on Depreciated Assets			\$ 0.976	
<b>Total: Cost per Kgal (Wholesale Rate)</b>			<b>\$ 6.548</b>	



# MAP of GRIFFIN GEORGIA

MAGNETIC

SCALE  
400 800 1200 1600 FEET



LEGEND  
--- WATER SERVICE BOUNDARY

## EXHIBIT "C"

SHOWING SETTLEMENT OF CUSTOMERS

- PINK + BLUE AREA = BOUNDARY OF "945" CUSTOMERS
- PINK AREA = CITY'S "430" CUSTOMERS
- BLUE AREA = COUNTY'S "515" CUSTOMERS
- YELLOW AREA = CITY'S RECENTLY ANNEXED "33" CUSTOMERS

BASE MAP BY THE GRIFFIN AREA CHAMBER OF COMMERCE.



# EXHIBIT "D"

## Jackson Road Area

<u>Account #</u>	<u>Service Address</u>	<u>Current Customer</u>
1193001	1075 Jackson Road	Rock Tabernacle Church
2499203	1083 Jackson Road Apt. I	Sandra Daniel
2499903	1083 Jackson Road Apt. G	Clyde Smith
2500103	1083 Jackson Road Apt. B	Robert Sullivan
2501008	1083 Jackson Road Apt. A	David Chambers
2501103	1083 Jackson Road Apt. C	Hattie Holland
2501205	1083 Jackson Road Apt. D	Clifford James
2501302	1083 Jackson Road Apt. E	Melissa Owens
2501402	1083 Jackson Road Apt. F	Nestella Daniel
2501503	1083 Jackson Road Apt. H	Tawnya Cannon
2501604	1083 Jackson Road Apt. J	Dara Kelly
2390005	1089 Jackson Road	Dorothy Harper
2501702	1095 Jackson Road Apt. A	John Donaldson
2501802	1095 Jackson Road Apt. B	Ron Young
2384305	1101 Jackson Road Apt. B	Julie Pierce
2384405	1101 Jackson Road Apt. C	Edward Partain
2384505	1101 Jackson Road Apt. A	David Harper
2557501	1105 Jackson Road Apt. D	Latora Williams
2576901	1105 Jackson Road Apt. A	Tony Walker
2591001	1105 Jackson Road Apt. C	Dorothy Watts
2597101	1105 Jackson Road Apt. B	Lenny Akins
1319301	1235 Jackson Road	City of Griffin #3 Lift Station Water & Wastewater

EXHIBIT "D"

Honeybee Creek Area  
Annexation I

<u>Lot #</u>	<u>Service Address</u>	<u>Current Customer</u>
23	1714 Honeybee Creek Drive	Stanley Hammond
24	1712 Honeybee Creek Drive	Jack Tinley, Jr.
25	1710 Honeybee Creek Drive	Pamela Garrison
26	1708 Honeybee Creek Drive	Richard Kjetlyka
27	1706 Honeybee Creek Drive	Melisa Skipper
1	1704 Honeybee Creek Drive	Diana Vigh
31	1705 Honeybee Creek Drive	Mildred Hightower
3	2231 Honeybee Creek Drive	Steve Harrison
1	1661 Middlebrooks Drive	Glenn Howard
2	1663 Middlebrooks Drive	Shirley Elmore
33	1701 Middlebrooks Drive	Mike Cornelison



**SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY**  
**Discuss the potential for a multi-supplier arrangement**

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**Requesting Agency**

Spalding County Water Authority

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**Requested Action**

Discuss the potential for a multi-supplier contract for the provision of water to the SCWA.

---

**Requirement for Board Action**

---

**Is this Item Goal Related?**

---

**Summary and Background**

---

**Fiscal Impact / Funding Source**

---

**STAFF RECOMMENDATION**



## SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY 2013 Contract Revised

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**Requesting Agency**

County Manager

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**Requested Action**

Consider approval of revised Water Sales Agreement and Intergovernmental Agreement defining the relationship between the City of Griffin, Georgia, and the Spalding County Water and Sewerage Facilities Authority.

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**Requirement for Board Action**

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**Is this Item Goal Related?**

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**Summary and Background**

This contract is based on the 2013 contract the COG approved unanimously on May 14, 2013 upon a motion by City Commissioner Dick Morrow, seconded by Shaheer Beyah.

The contract removes depreciation over a 10 year period and provides for a 35 year agreement.

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**Fiscal Impact / Funding Source**

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**STAFF RECOMMENDATION**

Approval

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**ATTACHMENTS:**

Description	Upload Date	Type
<input type="checkbox"/> May 14, 2013 COG Minutes	9/3/2020	Backup Material
<input type="checkbox"/> Original 2013 Contract	9/3/2020	Backup Material

**CITY OF GRIFFIN BOARD OF COMMISSIONERS  
REGULAR SCHEDULED MEETING  
ONE GRIFFIN CENTER, W. ELMER GEORGE MUNICIPAL HALL  
TUESDAY, MAY 14, 2013**

Those present were, Chairperson Joanne Todd, Commissioners Shaheer Beyah, Cora Flowers, Doug Hollberg, Ryan McLemore, Dick Morrow, Cynthia Reid Ward, City Manager Kenny Smith and City Attorney Drew Whalen.

Commissioner Doug Hollberg led the Invocation.

Commissioner Ryan McLemore led the pledge to the flag.

*On motion by Commissioner Morrow, seconded by Commissioner Hollberg and unanimously passed, approval to amend the Agenda by adding Item #26: Acknowledge service of petition from Cedric West and waive further service regarding 2008 offense of Shoplifting.*

<b>PRESENTATIONS/DELEGATIONS</b>
----------------------------------

Taurus Freeman presented Carol Rainwater as the April 2013 “Strongest Link” award recipient. He described her as the first responder to complaints and usually the last to receive any recognition. As a Code Enforcement officer she must deal with complaints as well as the complainer. Carol is a stellar member of the Code Enforcement Task Force and has exemplified a high level of dependability, going above and beyond the call of duty frequently.

Ms. Rainwater introduced her family, advising they are her motivation. She credited every department in the City for working with her to get her job done.

Chief Frank Strickland presented Certification Manager Eddie Bogan with the third CALEA advanced award for the City of Griffin Police Department. It was actually effective in November, 2012, and demonstrates the department’s compliance with required policies.

Chairperson Todd and Commissioner Morrow expressed appreciation to the Police Department for their professionalism.

Bill Bosch recognized Lee Goodman of the Electric Department for his thirty (30) years of service to the City. Mike Blackmon, Superintendent of the Line Crew, said Lee is the kind of employee and friend that you can call at 2 AM and know he will be there, no matter what the situation. He described him as a friend to everyone.

Mr. Goodman said it doesn’t seem like it has been thirty years, and stated he enjoys his job and wouldn’t want to do anything else.

Chief Frank Strickland recognized Corporal Todd Harris of the Police Department for his twenty-five (25) years of service to the City. He has worked in Uniform Patrol, as a School

**CITY OF GRIFFIN BOARD OF COMMISSIONERS  
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Resource Officer and is now an excellent Investigator. Cpl. Harris thanked Mr. Smith and the Board of Commissioners for the opportunity to do what he loves.

Brant Keller recognized employees of the Still Branch Reservoir Water Treatment Plant for their recent award from the Georgia Association of Water Professionals (GAWP) as Plant of the Year for Surface Water 9.0-14.99 MGD. He praised the entire team highly advising they collectively have used the least amount of sick leave of any of his teams.

Jack Dozier, Executive Director of Georgia Association of Water Professionals, addressed the Board and said that 2.4 billion people around the world do not have safe drinking water. We tend to take for granted the luxury of clean water. He stressed that drinking water professionals are as important as anyone in this country. Mr. Dozier stated the GAWP does not give out awards for bells and whistles but rather the running of a great operation. Criteria is very strict, and there can be absolutely no violations. He credited the management of the City, stating the employees could not perform on this level without the support and resources you give them. Mr. Dozier presented the award to the Still Branch employees. Dr. Keller asked Deputy Director of Water/Wastewater, Joseph Johnson, to come forward and accept the award with his employees. Mr. Johnson said he knew that Still Branch was special when he came here, advising the employees have taught him more than he could ever teach them.

Director of Administrative Services Markus Schwab presented the Financials for March 2013, addressing the Cash Balance Report first. He said the remainder of Police and Court Technology funds would be transferred to complete the payment for the OSSI. LOST is tracking well at just a little shy of \$3.5 million. Bond payments are due from the SPLOST funds. The report shows expenses incurred to date. There was nothing extraordinary to report.

<b>CITIZEN COMMENTS</b>
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There were no citizen comments.

<b>PUBLIC HEARINGS</b>
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There were no Public Hearings.

<b>CONSENT AGENDA</b>
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*On motion by Commissioner Morrow, seconded by Commissioner Hollberg and passed on vote of 6 – 0 - 1, approval of Minutes of Joint Workshop with Housing Authority on April 9, 2013. Commissioner Flowers abstained.*



**CITY OF GRIFFIN BOARD OF COMMISSIONERS  
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*On motion by Commissioner Morrow, seconded by Commissioner Hollberg and passed on vote of 4 – 0 – 3, approval of Minutes of Workshop on April 23, 2013. Commissioners McLemore, Flowers and Beyah abstained.*

*On motion by Commissioner Morrow, seconded by Commissioner Hollberg and unanimously passed, approval of Minutes of Regular Scheduled Meeting on April 23, 2013.*

*On motion by Commissioner Morrow, Seconded by Commissioner Ward and unanimously passed, approval of:*

*Second and Final Reading of an amendment to the Unified Development Code of the City of Griffin (published as Article XII, Signs, Sec. 1214) with respect to regulation of Signs by Land Use: Emerging Corridor.*

*Second and Final Reading of an Ordinance amending the Code of Griffin at Chapter 94, Utilities, Article IX, Easement Acquisition Policy, Section 94-376, by deleting the present code in its entirety and enacting a new Section 94-376, eliminating the 20% multiplier in paragraph b.*

<b>REGULAR AGENDA</b>
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City Manager Kenny Smith advised he received a request from Rosalyn Payne, accompanied with over 400 signatures, supporting the naming of the City Pool for Zenobia Kinnebrew.

Commissioner Flowers stated she was not normally in favoring of placing individual names on City property. However, Ms. Kinnebrew was a longtime employee at the pool and had probably supervised and baby sat most of the kids in Griffin at some point in time. She recalled that your parent could drop you at the pool and know that you would be well taken care of.

*On motion by Commissioner Ward, seconded by Commissioner Beyah and unanimously passed, approval of a request to name the City Pool complex the “Zenobia Hood Kinnebrew City Pool”.*

*On motion by Commissioner Hollberg, seconded by Commissioner Ward and unanimously passed, approval to declare City of Griffin out of life cycle IT equipment surplus and sell through GovDeals online auction service.*

*On motion by Commissioner Morrow, seconded by Commissioner Ward and unanimously passed, approval to amend the General Fund Operating Budget for Fiscal year 2013 in the amount of \$12,100.00 in order to cover costs incurred in FY 2013 for material and items associated with the Archivist position.*

**CITY OF GRIFFIN BOARD OF COMMISSIONERS  
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Commissioner Morrow commented that the new Archivist is actively seeking materials for the Archives.

*On motion by Commissioner Hollberg, seconded by Commissioner Morrow and unanimously passed, approval to award bid and construction contract to lowest and best bidder, Davidson Hydrant and Utility Services, for the relocation of a 12" water main at the bridge on Maple Drive in the amount of \$52,742.00.*

*On motion by Commissioner Morrow, seconded by Commissioner Ward and unanimously passed, approval to purchase a pre-fabricated bridge from Contect Engineered Solutions for the bridge on Maple Drive in the amount of \$90,850.00.*

*On motion by Commissioner Hollberg, seconded by Commissioner Ward and passed on vote of 6 – 0 – 1, approval to award Brent Scarbrough & Company, Inc. a work request in the amount of \$19,880.00 for the connection of 260 linear feet of 8" water main on Georgia Hwy 19/41, and amend the budget accordingly. Commissioner Morrow abstained due to a conflict of interest.*

*On motion by Commissioner Hollberg, seconded by Commissioner McLemore and unanimously passed, approval of First Reading of an Ordinance establishing an Environmental Council and amending the Code of Griffin, Georgia at Chapter 98, Vegetation, Article II, Trees to allow the Environmental Council to function in lieu of the Tree Board.*

Commissioner Ward asked if the Tree Board had been disbanded. Commissioner McLemore advised it had not as of yet but would be. Appointments to the Environmental Council would be random rather than by district. Dr. Keller advised this would be a combination of the two boards and everyone has agreed to move forward.

*On motion by Commissioner Hollberg, seconded by Commissioner Beyah and unanimously passed, approval to amend the City of Griffin's Fiscal Year 2012-2013 Capital and Operating budget for the purchase of a K-9 Training Suit.*

*On motion by Commissioner Hollberg, seconded by Commissioner Beyah and unanimously passed, approval of the Timber Management Contract between Spalding County, the City of Griffin and Joel Vinson & Associates, Inc.*

*On motion by Commissioner Morrow, seconded by Commissioner Ward and unanimously passed, approval of an Intergovernmental Agreement between the City of Griffin and Spalding County for construction and operation of the Griffin-Spalding County Law Enforcement Firing Range.*



**CITY OF GRIFFIN BOARD OF COMMISSIONERS  
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*On motion by Commissioner Morrow, seconded by Commissioner Beyah and unanimously passed, approval to award a bid for a new fire suppression system to be installed in the IT Server Room to Georgia Independent Sprinklers, Inc. at a cost of \$28,000.00.*

*On motion by Commissioner Hollberg, seconded by Commissioner Morrow and unanimously passed, approval of Work Authorization No. 12, between the City of Griffin and Michael Baker Jr., Inc. Consulting Firm to provide administrative services for the acquisition via Federal Land Acquisition Regulations of a parcel of land adjacent to the Griffin-Spalding County Airport.*

*On motion by Commissioner Hollberg, seconded by Commissioner Morrow and unanimously passed acceptance of a Grant Agreement between the City of Griffin and the Georgia Department of Transportation to conduct Airport Improvement Project (AIP) AP013-9019-29(255) hereafter referred to as AIP-29, for the purpose of improving the Griffin-Spalding County Airport Infrastructure.*

*On motion by Commissioner Morrow, seconded by Commissioner Ward and unanimously passed, approval to amend the City of Griffin's Fiscal Year 2012-2013 Operating and Capital budget in the amount of \$225,600.00 for the Griffin-Spalding County Airport.*

Mr. Mohl stated the funding is to purchase additional fuel. Tara Field has been closed for the past two months, and there is a new Jet on the field as well. Therefore, fuel sales are extremely high right now.

*On motion by Commissioner Beyah, seconded by Commissioner Ward and unanimously passed, approval of a Resolution of Support endorsing the application by Meriwether Redevelopment I, LLC to the Georgia Department of Community Affairs for low-income housing tax credits and / or HOME funds for the redevelopment of the property currently known as Meriwether Homes.*

*On motion by Commissioner Morrow, seconded by Commissioner Beyah and unanimously passed, approval of a Water Sales Agreement with Spalding County and the Spalding County Water and Sewerage Authority to provide treated drinking water for the Spalding County Water System.*

*On motion by Commissioner Hollberg, seconded by Commissioner Morrow and unanimously passed, to remove from the table, and consider a revised Intergovernmental Agreement between the City of Griffin, Spalding County and the Griffin-Spalding County Airport Authority for joint funding of general aviation operations.*

**CITY OF GRIFFIN BOARD OF COMMISSIONERS  
REGULAR SCHEDULED MEETING  
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*On motion by Commissioner Morrow, seconded by Commissioner Hollberg and passed on vote of 6 - 1, approval of a revised Intergovernmental Agreement between the City of Griffin, Spalding County and the Griffin-Spalding County Airport Authority for joint funding of general aviation operations. Commissioner Cora Flowers voted "no".*

Mr. Whalen presented a petition of Habeas Corpus from Cedric West regarding his conviction of 2008 in Municipal Court. Mr. West advised he did not know what he was pleading to and documentation stating otherwise has not been located by the Police Department.

*On motion by Commissioner Morrow, seconded by Commissioner Hollberg and unanimously passed approval to authorize Chairperson Joanne Todd to acknowledge service of the petition of Habeas Corpus, and waive all further service of the same.*

<b>CITY MANAGER COMMENTS</b>
------------------------------

Mr. Smith said the "road diet" experiment on Hill Street would be completed soon and information regarding the project would be presented in the next workshop. The next Workshop on May 28<sup>th</sup> would also include a presentation regarding the latest MEAG updates, status of the Land Bank and the suggested revisions to the proposed budget.

Transportation Meeting is on Wednesday (tomorrow) and another Comprehensive Plan meeting is scheduled for Friday, May 24<sup>th</sup>. June 17<sup>th</sup> is the tentative date for a Joint City, County and Airport Authority Meeting.

Mr. Whalen informed the Commission he had completed the move of his offices into One Griffin Center.

<b>COMMISSION COMMENTS</b>
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Commissioner Beyah said he would like for the City to consider putting public restrooms at Raymond Head Park.

Commissioner Morrow advised he had been working on conducting interviews with local veterans to place in the Archives.

Commissioner Hollberg reminded everyone of June Jam on June 1.

Chairperson Todd advised she had submitted a letter of resignation to the Work Force Development Board as Chief Elected Official.

**CITY OF GRIFFIN BOARD OF COMMISSIONERS  
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*On motion by Commissioner Morrow, seconded by Commissioner Ward and unanimously passed, approval to adjourn the meeting at 7:12 P.M..*

Respectfully Submitted,

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Kenny L. Smith, City Manager/Secretary

ACCEPTED:

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Joanne Todd, Chairperson



Signed by COG

STATE OF GEORGIA,

COUNTY OF SPALDING.

**WATER SALES AGREEMENT  
AND INTERGOVERNMENTAL AGREEMENT DEFINING THE  
RELATIONSHIP BETWEEN THE CITY OF GRIFFIN, GEORGIA,  
COUNTY OF SPALDING, GEORGIA, AND THE  
SPALDING COUNTY WATER AND SEWERAGE AUTHORITY**

**THIS AGREEMENT**, made and entered this \_\_\_\_ day of \_\_\_\_\_, 2013,  
by and between the CITY OF GRIFFIN, a Georgia municipal corporation (hereafter  
referred to as the “City”), the COUNTY OF SPALDING, a political subdivision of the  
State of Georgia (hereafter referred to as the “County”), and the SPALDING COUNTY  
WATER AND SEWERAGE AUTHORITY, a public corporation created by Georgia  
Laws 1982, p. 4987, and amended by Ga. Laws 1988, p. 4822 and Ga. Laws 1993, p.  
4863 (hereafter referred to as the “Authority”), provides as follows:

**WHEREAS**, the City, pursuant to its Charter and general laws, is empowered to  
own, operate, extend, and maintain a system of water supply, treatment, and distribution  
lines within and without its municipal boundaries, and by virtue of such authority owns  
and operates both a retail system of water supply, treatment and distribution throughout  
said City, and in portions of unincorporated Spalding County, and owns and operates a  
wholesale system of water supply and production which currently serves various water  
distribution systems, including but not limited to the Spalding County Water System, the  
Coweta County Water System, municipal water systems in Pike County operated by the  
cities of Zebulon, Williamson and Concord, with occasional sales of treated drinking  
water to the counties of Butts and Lamar;

**WHEREAS**, the parties, on December 13, 1995, entered into a Water Sales Agreement and Intergovernmental Contract, commencing January 1, 1996 and terminating on December 31, 2020 (hereafter referred to as the “1995 Agreement”). Under the terms of said 1995 Agreement, there was to be no early termination unless the governing bodies of all parties first mutually agree and resolve that termination was in the mutual best interest of all parties;

**WHEREAS**, by authorizing the approval and execution of this Agreement (hereafter referred to as “this Agreement”, or the “2013 Agreement”), the parties, through their governing bodies, find and conclude it is in the mutual best interest of all parties hereto, to terminate the 1995 Agreement, effective at 12:00 p.m. on June 30, 2013, and to enter into a new Water Sales Agreement and Intergovernmental Contract, effective at 12:01 a.m. on July 1, 2013, for a twenty-five (25) year term to run through and to include June 30, 2038, which 2013 Agreement shall, in all material respects modify and amend the 1995 Agreement, as of the 2013 Agreement’s effective date, and define and govern the relationship between the parties for the stated term thereof, as the successor thereto; provided, however, the 1995 Agreement shall continue in effect and survive the entry of the 2013 Agreement until such time as all services, payments, and obligations incurred thereunder are fully performed, delivered, and payment has been made accordingly; and

**WHEREAS**, the County, pursuant to Article IX, Section II, Paragraph III of the 1983 Constitution of the State of Georgia and general laws enacted pursuant thereto, is empowered to own and operate a water distribution system in unincorporated Spalding County. The Authority is a public corporation or limited local government created for the purpose of acquiring, constructing, equipping, maintaining and operating water supply,

treatment, and distribution facilities within its statutorily defined special district, being comprised of unincorporated Spalding County, pursuant to which said Authority in 1987 undertook to operate the Spalding County Water System. Under the original 1995 Agreement, the City served as the exclusive and sole provider of treated drinking water to the Spalding County Water System.

**NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, WARRANTIES, AND PROMISES HEREIN MADE, THE RECEIPT, ADEQUACY AND SUFFICIENCY OF WHICH ARE MUTUALLY ACKNOWLEDGED, THE PARTIES AGREE TO BE BOUND, EACH UNTO THE OTHER, AS FOLLOWS:**

**ARTICLE I**  
**LEGAL AUTHORITY**

This writing shall constitute a binding, legal contract, valid and enforceable against all parties whose signatures shall appear in execution thereof, in accordance with the terms and conditions hereinafter set forth, under the authority granted by Article IX, Section III, Paragraph I of the 1983 Constitution of the State of Georgia, known as the “Intergovernmental Agreements” clause. Payment obligations set forth and established herein shall constitute a general obligation of the party affected to which its full faith and credit is hereby pledged. Each of the parties covenant that it legally exists, has the requisite legal authority to provide the services contracted, has adequate and ample legal authority to perform the services contracted or to contract for such services, has adequate fiscal capability and staffing to utilize and provide such services, and otherwise to do all things necessary, convenient, desirable and expedient to carry out and perform the obligations and responsibilities herein set forth, either expressly or by reasonable

implication. Furthermore, for the term of this agreement, all parties agree to exercise good faith and best efforts to adequately fund and carry out such undertakings, including expressly, but without limitation, the power to establish, levy and enforce collection of reasonable rates, fees and charges for the operation of its respective water supply, treatment and distribution system and the services contemplated by this agreement. The parties further covenant and agree to cooperate fully with one another in the joint undertakings required to further the spirit and intent of the agreement herein made, including defending this agreement as valid, binding and enforceable in any proceeding in which it may be in issue, including future bond validation proceedings filed by any party.

The parties covenant and agree they have fully performed all conditions precedent to execution of this 2013 Agreement, including obtaining the requisite authority to approve and execute the agreement by resolution of their governing bodies, obtaining any required review and approval in advance of execution by any officer, attorney, or agent of the governing body, and by causing a fully executed original thereof, with the party's corporate seal affixed, to be spread upon the Minutes of the meeting at which approved. Any and all objections or defenses of a procedural or technical nature to the validity and authenticity of this Agreement, or its admissibility in any legal or administrative proceeding are hereby waived.

By entering into this agreement, the parties agree that the City acquires no property rights or ownership interest in the facilities or water system of the County and/or Authority, and the County and Authority acquire no property rights or ownership interest in the facilities or water system of the City.

**ARTICLE II**  
**TERM OF AGREEMENT**

This Agreement shall become effective at 12:01 a.m. on the first day of the month following its execution by all parties and shall terminate at Midnight on June 30, 2038; provided, however, notwithstanding the foregoing, for the purposes of Article VI, EXTRATERRITORIAL WATER SALES BY CITY, the term of the covenants made by the County and Authority therein shall run for a term coinciding with the longest water sales agreement between the City and a water system operator outside of Spalding County, or for a term not to exceed fifty (50) years from the effective date of this Agreement, whichever is less. It is expressly agreed that there shall be no early termination of this Agreement during the term stated unless all parties first mutually find and agree that termination of this 2013 Agreement would be in the mutual best interest of all parties. Unilateral notification of termination or intent to terminate from future performance of the obligations hereby imposed for the full term stated shall not be effective or binding.

**ARTICLE III**  
**SALE OF WATER TO COUNTY & AUTHORITY**

Throughout the term of this Agreement, the City will be the exclusive and sole provider of treated drinking water for the Spalding County Water System, and shall be obligated to furnish all treated water requirements of the Spalding County Water System , except for treated drinking water sold by the Henry County Water & Sewer Authority exclusively to serve that portion of the Heron Bay Subdivision located in Spalding



County, as authorized by the Water Master Plan 2010-2050, heretofore adopted by the parties.

In order to establish objectively the County and Authority's water supply needs, the parties agree to jointly plan future needs of the Spalding County Water System, including adoption of a timetable reflecting anticipated increased demands.

#### **ARTICLE IV** **SALES PRICE**

(a) The County and Authority agree to pay the City for all water purchased for use by the Spalding County Water System, based upon the reading of meters as hereinafter set forth, pursuant to the pricing formula attached hereto as Exhibit "A", which by reference is incorporated herein and made a part hereof. For illustrative purposes, attached hereto as Exhibit "B" is a *pro forma* example calculating the rate to be used for water sold during calendar year 2013, using actual audited cost for FY12 (ending June 30, 2012).

(b) Future rate adjustments shall be made annually, effective as of January 1 of the ensuing calendar year, based upon the most recent fiscal year-end audit of the City; in the event audited financial data is unavailable to impose new rates by January 1, not less than 30 days notice of the new rate shall be given, in writing, to the County and Authority, stating the date on which the new rate shall become effective.

(c) During and throughout the term of this Agreement, all water customers connected onto the Spalding County Water System shall be individually metered. Temporary customers shall be issued meters by the City on the same terms and conditions as its temporary customer policy provides. The parties acknowledge that some

“unmetered water use” may occur, for main breaks, fire-fighting, construction of system improvements, and flushing hydrants for system maintenance. The County/Authority shall estimate its amount of unmetered water loss monthly and report to the City, in writing, for compliance with the State Water Plan. The parties agree to take all reasonable and necessary measures to prevent unauthorized, unmetered water use, including as necessary prosecution of violators for theft of utilities. The parties further agree that no customer shall be entitled to receive “free” water from the Spalding County Water System. Unmetered water is determined by each Spalding County Department by the use of hydrant meters or by using engineering pipe calculations for determining the usage in water line flushing, culvert cleaning, fire fighting and training, and any other usage not individually metered in accordance with the AWWA Manual 36 - Water Audits and Loss Control Programs Manual of Water Supply Practices.

#### **ARTICLE V** **AGREEMENT NOT TO COMPETE**

The County and Authority agree that during the term of this Agreement the County and Authority shall purchase all treated drinking water requirements for the Spalding County Water System exclusively from the City. As further consideration for this Agreement, the City covenants not to serve any customers within unincorporated Spalding County, outside its municipal limits, in competition with the Spalding County Water System, other than qualified industries as hereinafter provided; provided, the City shall retain those customers, and the right to exclusively serve customers on water distribution lines of the City in unincorporated Spalding County, now existing or as hereafter replaced, as shown in “pink” and described on the map attached hereto as

Exhibit "C", which is incorporated herein by reference and made a part hereof. In exchange therefor, the County and Authority covenant not to compete against the City for the right to serve any customers within the service areas delineated as City service areas on Exhibit "C", unless consented to, in writing, by the City. City-owned facilities located in unincorporated Spalding County, outside of delineated City service areas shown on Exhibit "C", shall be served and billed as City customers. The parties have agreed the City's Industrial Water rates to be most competitive in attracting industry to locate in Spalding County. Industries located in unincorporated Spalding County will be deemed City water customers, regardless of actual location, and billed at City rates. For purposes of this Agreement, an "industry" shall be defined as any water customer using a minimum daily average of 100,000 gallons.

#### **ARTICLE VI** **EXTRATERRITORIAL WATER SALES BY CITY**

The City has entered into written water supply agreements with jurisdictions outside of Spalding County under which treated drinking water is sold, at wholesale rates, to supply such jurisdiction(s) public water system on a requirements basis; the City contemplates it may enter into similar contracts in the future with other water systems outside of Spalding County. To facilitate such sales, the County and Authority agree and consent that the City shall have the right to sell treated drinking water to wholesale customers, pursuant to water supply agreements, outside of Spalding County, by distribution through lines of the Spalding County Water System to an agreed metering point or points on or near the Spalding County boundary, at no charge to the City. To the extent necessary for the City to satisfy the requirements and meet the terms of such

contracts, the County and Authority recognize that the term of such contracts may extend beyond the stated twenty-five (25) year term of this Agreement. It is therefore agreed that for the purposes of this Article alone, the provisions hereof shall survive the general term stated in Article II and shall continue for an indefinite period coinciding with the term of the longest outstanding water supply agreement, and any renewal or extension thereof, or fifty (50) years from the effective date of this 2012 Agreement, whichever is less.

## **ARTICLE VII**

### **OPERATION OF THE SPALDING COUNTY WATER SYSTEM**

(a) Throughout the term of this Agreement, the City shall operate and maintain the Spalding County Water System and said system shall remain interconnected with the City Water System in order that both may be operated as an integral system. The County and Authority shall be responsible to obtain and maintain at all times a proper permit from the Georgia Department of Natural Resources, Environmental Protection Division (hereafter referred to as "Georgia EPD"), to operate a water distribution system and shall meet all applicable laws and regulations pertaining thereto; the City shall coordinate and cooperate with the County and Authority in this regard.

(b) If it should ever be determined by the governing bodies of the parties that it is in the mutual best interest of the parties to disconnect the systems, the cost of disconnection shall be borne equally by the City and County/Authority; however, each party shall bear their own cost to reconfigure their respective systems. In the event of disconnection, a meter or series of meters shall be installed at one or more disconnection points at County or Authority expense, with the City having full access to read, maintain, calibrate, repair and/or replace such meters; any cost of calibration or meter replacement

shall be billed by the City to the County and Authority. In the event of disconnection, the City shall cease operation of the Spalding County Water System; provided, however, the County and Authority shall continue to purchase all of its treated drinking water exclusively from the City for the term of this Agreement, with the pricing formula adjusted to reflect elimination of the City's services related to system operations.

(c) As used in this Article, the term "operate and maintain" shall not require the City to extend, relocate, make major repairs to, replacement of, or upgrade any facilities of the Spalding County Water System, including water lines that have become unserviceable due to age or physical obsolescence, or where existing lines are insufficient to meet present or future requirements and customer demand. The County and Authority shall maintain and repair or replace all of its elevated water tanks and booster pumps, at no cost to the City. The County and Authority shall install, at their own expense, chlorine injector stations, as recommended by the City, from time to time; the City shall operate and maintain these chlorine injector stations in accordance with permit requirements for residual chlorination of the system. The parties shall refrain from operating their tanks, pumps, valves and other components of their respective systems in a manner that interferes with or adversely affects the level of service on the other party's system. The City will install all water meters and tap connections to the system, at a charge to the County/Authority as defined in Exhibit "F", which the parties agree may, from time to time, be amended to reflect current costs. Electricity required to operate chlorine booster stations, water tanks, and booster pumps will be born by the City and reflected in the annual wholesale rate (Exhibit "A").

(d) As feasible in accordance with standard industry practices and permit requirements, maintenance shall be routinely scheduled and undertaken by the City to keep the Spalding County Water System in good operating condition and repair, reasonable wear and tear expected. Major repairs and/or replacement of facilities, including water line replacements in excess of 100 linear feet, water tanks, booster pumps, and chlorine booster stations, shall be jointly planned, based upon recommendations made by the parties' consulting engineers in accordance with sound engineering principles. As required, the parties shall coordinate the submission of plans for major repairs or replacements to Georgia EPD for its approval. In the event of an emergency causing a major repair/replacement to the Spalding County Water System, the City may initiate the repair to the point of stabilizing the condition of the system, with its costs to be reimbursed by the County or Authority. The cost of such major repairs or replacements shall be the sole responsibility of the County and Authority.

(e) Extensions to the Spalding County Water System shall be performed either by a licensed utility contractor, whose reliability and experience is known to the parties, engaged thorough a competitive bidding process, or by the County/Authority's own water department personnel; provided, however, all extensions shall conform to engineering design plans and specifications prepared by a licensed professional engineer and approved by Georgia EPD. All new extensions shall be pressure-tested and chlorinated prior to acceptance by the County and Authority, warranted by the contractor for not less than one (1) year from date of acceptance, and secured by a proper maintenance bond issued by a commercial surety licensed in Georgia or cash bond. If the extension was performed by the County or Authority water department, the County and

Authority shall be solely responsible for any cost of repair and/or replacement during the first year from date of completion. As-built scaled drawings, prepared by a professional engineer licensed in the State of Georgia, shall be furnished to the City, in digital format, within 30 days of final installation and acceptance of any extension. Except as provided above, the County and Authority shall refrain during the term of this Agreement from performing any extensions or doing any work on the Spalding County Water System, without the written approval of consent of the City. The parties agree that all future extensions to the Spalding County Water System shall be planned and constructed in a manner compatible with the operation of the City Water System while said systems remain integrally connected.

(f) During the term of this Agreement, the City shall read all customer meters on the Spalding County Water System on not less than a monthly basis (provided, however, the City may estimate billing for those customers whose meters cannot be accurately read due to circumstances beyond the City's control, but actual readings shall be made at least quarterly), and shall bill all such customers on a monthly basis, with the bills based on the customer's actual monthly water consumption at prevailing rates established by the County or Authority. Such statements may be separate or rendered by the City with charges for other utility services delivered to the customer by the City. Monthly, the City shall remit to the County and Authority all sums collected from customers of the Spalding County Water System, less deduction for sums payable to the City for water sold under this contract. The City shall furnish at least monthly to the County and Authority a complete and accurate accounting of all billings made, showing therein the current status of payments and collections, and other pertinent financial

information. City collection policies and practices, including cut-off policies, shall be used exclusively in dealing with customers of the Spalding County Water System, up to the point at which the City deems an account to be uncollectible without resort to litigation, in which event information will be furnished to the County and Authority in order that appropriate collection proceedings may be filed. To the extent necessary and desirable, the County and Authority agree to adopt the same policies and procedures administered by the City and to designate therein the City as its agent for billing and collection purposes. Upon reasonable request, the City will cooperate fully with the County and Authority to assist in any customer dispute arising out of the City's operation of the Spalding County Water System. In addition thereto, the City will perform all "utility locates" for and on behalf of the County and Authority.

(g) The County and Authority agree to adopt such reasonable ordinances, rules, policies, and procedures as are required by law or regulation, or recommended from time to time by the City, governing connection requirements, water conservation practices, drought restrictions, cross-connection prohibitions, minimum standard plumbing (construction) codes and similar matters necessary or appropriate to facilitate the City's operation of the Spalding County Water System. In addition thereto, the County and Authority shall use their best efforts to diligently enforce minimum standards governing customer connections to the Spalding County Water System, including policies requiring connection by potential customers accessible to the system, prosecution of theft of utility services, and to report immediately to the City and/or to Georgia EPD any facts known or believed to constitute a violation thereof.



(h) In addition, the County shall adopt in its codes and ordinances policies requiring new developments, subdivisions, and industries locating within unincorporated Spalding County to access the Spalding County Water System in lieu of alternatives, such as private water systems and groundwater drinking wells, as their drinking water source. Coordinated planning of water needs between the County, Authority and City to promote growth on the parties' systems is encouraged; it shall be the responsibility of the County and Authority to notify the City, as far in advance as possible, of any prospective water customer having requirements of 100,000 gallons or more, per day average.

#### **ARTICLE VIII** **BREACH AND EXCLUSIVE REMEDY**

In consideration of the unique relationship herein established, the parties agree that in the event of any alleged breach by any party or a dispute giving rise to an anticipated breach of future performance, the exclusive judicial remedy available to the parties shall be Injunction and Complaint for Declaratory Judgment, filed in the Superior Court of Spalding County, Georgia. In the event the Court finds this Agreement to be in breach, specific performance shall be ordered against the non-performing party or parties as the exclusive remedy therefor, together with award of attorney's fees and litigation costs to the non-breaching party. To the extent allowed by law, the parties further agree that should such an action be filed, the filing party shall be entitled to petition said court for expedited handling, which the other parties will not unreasonably oppose; expedited handling may include shortening the time normally allowed for response, discovery and trial. Upon filing of such action, the parties agree to consent to imposition of interlocutory injunction to maintain the status quo pending the outcome of the proceeding.

Furthermore, the parties hereby consent, in the discretion of the trial judge, to the appointment of a neutral person, acceptable to all parties, to serve as a Special Master on issues of fact in lieu of fact-finding to be conducted by a jury. In the event the Court declines to appoint a Special Master, the parties consent to a bench trial, as opposed to a trial by jury, with the Court being the sole finder of fact and determinant of law. The parties agree that should any judicial proceeding be filed, it is in their mutual best interest, and the Court should accept that any dispute be resolved equitably giving primary consideration to the enforcement of this Agreement for its full term.

#### **ARTICLE IX** **TRANSFER OF WATERLINE OWNERSHIP IN ANNEXED AREAS**

The 1995 Agreement provided for customers on the Spalding County Water System in areas previously annexed by the City to be transferred to the City Water System (area shown in “yellow” on attached Exhibit “C” which by reference is incorporated herein) and for the City to take ownership of the waterlines serving those customers to become a portion of the City Water System (1995 customer list attached as Exhibit “D”). Simultaneously, the City agreed and quit-claimed to the County the right to serve those customers shown in “blue” on Exhibit “C”, with waterlines serving those areas to become a portion of the Spalding County Water System. The City retained the right to serve those customers in areas shown in “pink” on Exhibit “C”.

Upon future annexations by the City, occurring on or after the effective date of this Agreement, prior to final action upon an annexation ordinance or petition by a property owner to be annexed into the City, the City shall furnish notice of the proposed action to the County, who shall within ten (10) days of receipt of such notice, give the

City written notice of any existing water distribution facilities within the area proposed to be annexed. This notice shall quantify, by units, the length, size and type of waterpipe, and original construction cost, comprising the Spalding County Water System facilities within the proposed area to be annexed. The County or Authority shall also furnish the date(s) of construction of the existing facilities. The City shall determine the replacement cost, less straight-line depreciation, using a 50 year useful life for all existing components, except water meters whose useful life shall be 10 years. No other components or labor shall be considered in determining replacement cost for purposes of this Article.

In acting upon an annexation, the City may pay to the County the depreciated replacement cost as determined above and take title to and possession of the facilities affected. Otherwise, the City shall notify the County and Authority, in writing, that the annexation is not conditioned upon the purchase of affected facilities; provided, however, once the right to purchase facilities from the County and Authority is rejected, the City shall have no future right to insist upon their sale at a later date. Upon the effective date of the annexation and the receipt of payment for the annexed facilities by the County and Authority, the right to serve customers affected and the obligations attached thereto, shall transfer to the City, including any changes in the then-prevailing rates to customers, and those customers shall thereafter be customers of the City Water System.

If the parties dispute the depreciated replacement cost as determined herein, the parties shall submit the issue for resolution by an impartial professional engineer, licensed in the State of Georgia, whose decision shall be binding.

**ARTICLE X**  
**INSURANCE, INDEMNIFICATION AND HOLD HARMLESS**

Each party covenants that it shall procure and maintain throughout the term of this Agreement a policy of comprehensive liability insurance coverage (or its equivalence through either a program of self-insurance or by participation in an interlocal risk management agency) in an amount not less than \$1,000,000.00 per occurrence, minimum aggregate \$2,000,000.00, in as broad a form as possible to cover risks normally associated with ownership and operation of a water distribution system (including, if available, products liability protection, coverage for claims arising out of or in any way connected with any loss or losses resulting from a failure to supply or maintain without interruption water in sufficient supply to customers, and pollution hazard), providing the entity with a defense and payment of resulting legal judgments from claims reasonably anticipated or risks likely foreseeable to occur out of the duties and responsibility herein undertaken.

In the event a claim is made against the County or Authority arising out of or resulting from a failure by the City to perform its obligations under this Agreement, or the negligent performance thereof, the City, to the extent allowed by law, shall indemnify and hold the County and/or Authority harmless from such claim, demand or suit. If a claim, demand or suit is made against the City arising out of or resulting from a failure by the County and/or Authority to perform its obligations under this Agreement, or the negligent performance thereof, the County and/or Authority, to the extent allowed by law, agrees to indemnify and hold the City harmless from such claim, demand or suit. The provisions of this Article are intended to cover defense of administrative enforcement or

regulatory actions brought by Federal or State agencies against either party, including alleged violations of permits held by the parties.

**ARTICLE XI**  
**EXECUTION, MODIFICATION, TERMINATION OF PRIOR AGREEMENTS**

(a) This Agreement shall be executed in three (3) original counterparts by all parties and a fully-executed original shall be spread upon the Minutes of the governing body of each party. An exemplified copy by the Secretary, Clerk, or other records custodian of a party, shall be fully admissible in lieu of the original in any legal proceeding in which the existence, authenticity, interpretation, or enforceability of this Agreement is in issue.

(b) No modification or amendment of this Agreement shall be effective unless in writing, approved by all parties, executed by their duly-authorized officers, and spread upon the Minutes of the parties' governing body. It is the intention of the parties that this writing represents the full, complete and final understanding and agreement of the parties as to all substantive matters addressed herein, and no further negotiations, amendments or modifications are contemplated at the time of execution hereof. Future amendments should be limited to matters of material significance affecting the relationship herein established, giving as broad interpretation as possible to the spirit and intent of this Agreement when resolving any conflicts that may arise hereunder.

(c) For purposes of interpretation, all terms used in this Agreement shall have their common and usual meaning or significance, unless such term is a term of art within a professional field or industry, trade, or profession, such as professional engineering or the drinking water industry, in which event it shall have such technical meaning as may

be assigned thereto. When statutes or regulations require specific acts to be performed, or dictate the manner of performance, such specifications shall be deemed the minimum standard governing such performance.

(d) By execution of this Agreement, to be effective July 1, 2013, the parties mutually agree that the 1995 Agreement is superceded and shall survive only for the purpose and until such time as all services, payments, and obligations thereunder have been fully performed. Services, payments and obligations incurred on or after July 1, 2013 shall be solely incurred pursuant to this Agreement and not the 1995 Agreement.

(e) Notices given pursuant to this Agreement shall be deemed delivered if either personally served upon and delivered, or if sent by certified U.S. Mail, return receipt requested, addressed as shown below, with adequate postage thereon:

To the City:                      City of Griffin  
One Griffin Center  
100 S. Hill Street  
P.O. Box T  
Griffin, GA 30224  
Attn: Chairperson

To the County:                      County of Spalding  
119 East Solomon Street  
Griffin, Georgia 30223  
Attn: Chairman

To the Authority:                      Spalding County Water & Sewerage Authority  
119 East Solomon Street  
Griffin, Georgia 30223  
Attn: Chairman

(f) Time is of the essence of this Agreement.

(g) The provisions of this Agreement are hereby deemed and declared to be severable. If any provision of this Agreement, or the application of any provision to any circumstance, is held to be unconstitutional, unenforceable, against public policy, or



otherwise invalid, for any reason, the remaining terms, conditions, and obligations contained herein shall not be affected thereby and this Agreement shall otherwise remain in full force and effect as valid, binding and enforceable.

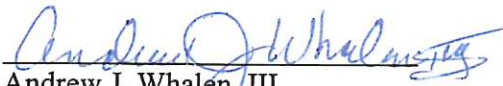
IN WITNESS WHEREOF, the parties, acting through their duly authorized and empowered chairs of their respective governing bodies, as attested to by their respective clerks or secretaries, and to which their respective official seals have been affixed, have executed this Agreement, in triplicate originals, the day and year first above written.

**CITY OF GRIFFIN, GEORGIA**

By:   
Joanne Todd, Chairperson

Attest:   
Kenny L. Smith, Secretary

Approved as to form:

  
Andrew J. Whalen, III  
City Attorney

**COUNTY OF SPALDING, GEORGIA**

By: \_\_\_\_\_  
Gwen Flowers-Taylor, Chairman

Attest: \_\_\_\_\_  
William Wilson, County Clerk

Approved as to form:

\_\_\_\_\_  
James R. Fortune, Jr.  
County Attorney

**SPALDING COUNTY WATER AND SEWERAGE AUTHORITY**

By: \_\_\_\_\_  
David Lamb, Chairman

Attest: \_\_\_\_\_  
Secretary

Approved as to form:

\_\_\_\_\_  
James R. Fortune, Jr., Attorney





EXHIBIT "A"  
NARRATIVE OF FORMULA FOR  
CALCULATION OF WHOLESALE WATER RATE  
TO SPALDING COUNTY/AUTHORITY

<<Numbers shown herein are for calendar year 2013 rate calculation>>

The wholesale water rate charged by the City to the County/Authority is based upon costs which are audited annually by the City's independent auditor. It is intended that these costs, both direct and indirect, be apportioned to the calculation of the County/Authority wholesale water rate in the manner described herein which reflects the actual cost of producing and distributing water and providing those services as required by the Agreement. Audited costs will be compiled for the prior fiscal year ending June 30th and the resulting wholesale rate will become effective to the County/Authority at the beginning of the next calendar year, subject to timely notice as provided in the Agreement.

The following narrative describes each of the variables that enter into the rate calculation and describes how the costs are apportioned. The apportionment of costs as described herein is linked to the specific terms of the Agreement. Reorganization of city departments during the past year has resulted in some name changes, but the intent of these calculations is to allocate costs in accordance with the terms of the Agreement. Except in special cases, the capital costs expended under each cost item are apportioned in the same manner as the cost item is apportioned. Exceptions would be capital costs that do not benefit the Regional Water System; and are not be included in the wholesale cost.

**Water Sold** - In deriving the unit cost per 1,000 gallons of water, each of the various cost elements is divided by the volume of metered water over which that particular cost must be recovered. Two different volumes of "water sold" are defined for use in the rate formula. These are: "Integral system sales volume" and "Total metered production volume".

"Integral system sales volume" is defined as the volume of water sold to all customers of the City of Griffin and the County/Authority. This volume is measured as the sum of all meter readings of individual customers of the two systems.

"Total metered production volume" is defined as the total volume of water produced and sold by the City from its treatment facilities in the preceding fiscal year. If the County/Authority system ever disconnects from the City system, in which case master meters would be installed and the pipe system is reconfigured at the boundary of the City - County water systems, then the "total metered production volume" will be taken as the total volume of water metered as it is pumped from the City water treatment plant(s).

#### **Direct Costs of Water Utility**

**Office of the Public Works and Utilities Director and Deputy Director of Water and Wastewater-** This item is the audited cost of operating the office of the Public Works and Utilities Director and Deputy Director of Water and Wastewater which provides administrative and

management support to the County Water System and City Water and Wastewater System. Fifty percent (50 %) of the cost of this item is apportioned to the wholesale water rate on the assumption that half of the Director's time is spent on functions related to wholesale water and half of his time is spent on other functions. The unit charge for this cost is calculated on the "*Total metered production volume*".

**Water Production** - This item includes all costs related to operation and maintenance of facilities for water supply, treatment, pumping and elevated storage. One hundred percent (100 %) of the cost of this item is apportioned to the wholesale water rate. The unit charge for this cost is calculated on the "*Total metered production volume*".

**Water Distribution** - This item includes all costs related to operation and maintenance of facilities for distributing the water from the treatment plant to the meter of the individual customer. All costs under this item are apportioned at one hundred percent (100 %) to the wholesale water rate except that capital costs that do not benefit the County Water System are not included in the apportionment of this item to wholesale water rate. The unit charge for this cost is calculated on the "*Integral system sales volume*".

**Meter Reading** - This item includes the total cost of meter reading one hundred percent (100%) for Spalding County water system meters and the apportion of AMR Support apportioned to Spalding County meters as referenced in Exhibit "F". The unit charge for this cost is calculated on the "*Integral system sales volume*".

**Depreciation** - This item includes annual depreciation of the City Water System assets and it includes overhead and cost of benefits of the City Water Department. Depreciation on the City Water System assets is taken from the most recent annual audit report.

**Debt Service** - This item is the City's annual payment of principal and interest on outstanding water and wastewater system debt. A separate accounting is kept on each bond issue, loan or other unit of debt. For each unit of debt (bond issue, loan, etc.), the amount of funds used for eligible water improvements will be recorded at the completion of construction (budgeted figures will be used during the construction period) as will the amount used for wastewater improvements and non-eligible water improvements. And the ratio of expenditures for eligible water improvements will be multiplied times the annual principal and interest to calculate the portion of annual debt service allocated to the wholesale water rate. Eligible water improvements will include only those improvements related to water supply, water production, water storage and certain transmission facilities that benefit the County Water System as well as the City Water System. The unit charge for this cost is calculated on the "*Total metered production volume*".

**General Fund Expenses (Administrative Support)** - Several departments within the General Fund provide support for the water system operation and employees. These include the office of City Manager, City Attorney, and all divisions of the Department of Administrative Services consisting of Administrative Services, Accounting, Purchasing, Information Technology Center, Human Resources, and Risk Management. Customer Service and Service Workers reside in the Electric

Department Utility Fund which provides support services for customer billing, collection and meter management. The operating cost for each of these departments is apportioned to the wholesale water rate based on the ratio of number of water department employees divided by number of all city employees. This ratio currently equals 11.54. Thus 11.54% of the cost for the above departments is included in the wholesale water rate. This ratio will be computed annually and may change from year to year. . The unit charge for this cost is calculated on the "*Total metered production volume*".

**Return on Audited Depreciated Fixed Assets** - Each year the city auditor determines the depreciated value of the City "water purification facilities and distribution system" (including supply facilities). The resulting figure is sometimes referred to herein as "Adjusted Depreciated Fixed Assets". The City and County/Authority have agreed that the wholesale water rate will include a return amount calculated as 4.88 % of the Adjusted Depreciated Fixed Assets divided by the volume of water sold. However, the markup will not exceed twenty percent (20%) of the unit cost of Operations and Debt subtotal as shown on accompanying Exhibit "B". The unit charge for this cost is calculated on the "*Total metered production volume*".

**SPALDING COUNTY WATER CONTRACT EXHIBIT "B" 2013**

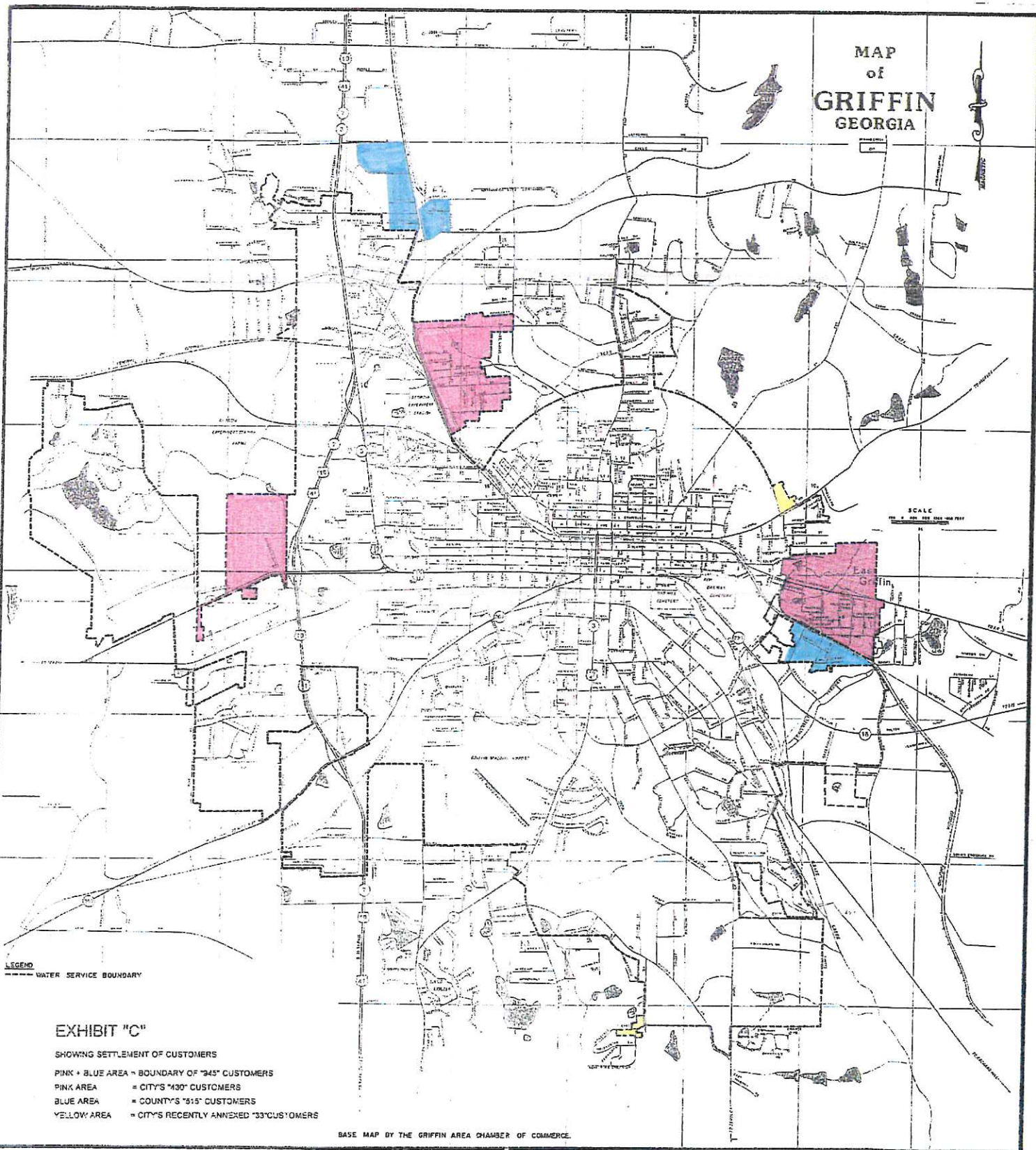
City of Griffin  
Wholesale Rate Model  
Spalding County Water and Sewerage Authority Calculation

Operations and Debt Costs	Allocated %	Water Sales	FY 2012 Audited	Cost per kgal
<u>Office of Director</u>				
Personnel Services & Benefits	50%	Total	\$ 181,910	\$ 0.069
Purchased & Contract Services	50%	Total	51,672	\$ 0.019
Supplies	50%	Total	3,685	\$ 0.001
Other	50%	Total	-	\$ -
<b>Subtotal: Office of Director</b>			<b>\$ 237,267</b>	<b>\$ 0.089</b>
<u>Water Production</u>				
Personnel Services & Benefits	100%	Total	\$ 997,910	\$ 0.376
Purchased & Contract Services	100%	Total	521,357	\$ 0.197
Supplies	100%	Total	1,322,624	\$ 0.499
Other	100%	Total	-	\$ -
<b>Subtotal: Water Production</b>			<b>\$ 2,841,891</b>	<b>\$ 1.071</b>
<u>Water Distribution</u>				
Personnel Services & Benefits	100%	Integral	\$ 958,218	\$ 0.610
Purchased & Contract Services	100%	Integral	481,145	\$ 0.306
Supplies	100%	Integral	1,691,837	\$ 1.077
Other	100%	Integral	-	\$ -
<b>Subtotal: Water Distribution</b>			<b>\$ 3,131,200</b>	<b>\$ 1.993</b>
<u>Meter Reading</u>				
Personnel Services & Benefits	47.4%	Integral	\$ -	\$ -
Purchased & Contract Services	47.4%	Integral	105,903	\$ 0.067
Supplies	47.4%	Integral	-	\$ -
Other	47.4%	Integral	-	\$ -
<b>Subtotal: Water Distribution</b>			<b>\$ 105,903</b>	<b>\$ 0.067</b>
<u>Depreciation</u>				
Water System	100%	Total	\$ 1,875,828	\$ 0.707
Regional Water System	0%	Total	-	\$ -
<b>Subtotal: Depreciation</b>			<b>\$ 1,875,828</b>	<b>\$ 0.707</b>
<u>General Fund Expenses</u>				
Administrative Support	11.5%	Total	\$ 552,219	\$ 0.208
<b>Subtotal: Depreciation</b>			<b>\$ 552,219</b>	<b>\$ 0.208</b>
<u>Debt Service</u>				
Principal & Interest Regional System	100%	Total	\$ 3,697,298	\$ 1.394
<b>Subtotal: Debt Service</b>			<b>\$ 3,697,298</b>	<b>\$ 1.394</b>
<b>Subtotal: Operations &amp; Debt</b>			<b>\$ 12,441,608</b>	<b>\$ 5.53</b>
<u>Return on Depreciated Assets</u>				
=% of Net Book Value	4.88%		\$ 2,603,736	\$ 0.981
Not to Exceed 0% of Operations & Debt	20%		-	\$ -
<b>Subtotal: Return on Depreciated Assets</b>		<b>Total</b>	<b>\$ 2,603,736</b>	<b>\$ 0.981</b>
<b>Total: Costs Recovered from Wholesale Rate</b>			<b>\$ 15,045,344</b>	<b>\$ 6.51</b>
% Change			7.39%	
<u>Water Sales (kgal)</u>				
Total Metered Production Volume			2,653,042	
Integral System Sales Volume			1,570,917	
<u>Costs per Kgal</u>				
Operations & Debt			\$ 5.530	
Return on Depreciated Assets			\$ 0.981	
<b>Total: Cost per Kgal (Wholesale Rate)</b>			<b>\$ 6.511</b>	
% Change				



# MAP of GRIFFIN GEORGIA

SCALE  
1" = 1 MILE



# EXHIBIT "D"

## Jackson Road Area

<u>Account #</u>	<u>Service Address</u>	<u>Current Customer</u>
1193001	1075 Jackson Road	Rock Tabernacle Church
2499203	1083 Jackson Road Apt. I	Sandra Daniel
2499903	1083 Jackson Road Apt. G	Clyde Smith
2500103	1083 Jackson Road Apt. B	Robert Sullivan
2501008	1083 Jackson Road Apt. A	David Chambers
2501103	1083 Jackson Road Apt. C	Hattie Holland
2501205	1083 Jackson Road Apt. D	Clifford James
2501302	1083 Jackson Road Apt. E	Melissa Owens
2501402	1083 Jackson Road Apt. F	Nestella Daniel
2501503	1083 Jackson Road Apt. H	Tawnya Cannon
2501604	1083 Jackson Road Apt. J	Dara Kelly
2390005	1089 Jackson Road	Dorothy Harper
2501702	1095 Jackson Road Apt. A	John Donaldson
2501802	1095 Jackson Road Apt. B	Ron Young
2384305	1101 Jackson Road Apt. B	Julie Pierce
2384405	1101 Jackson Road Apt. C	Edward Partain
2384505	1101 Jackson Road Apt. A	David Harper
2557501	1105 Jackson Road Apt. D	Latora Williams
2576901	1105 Jackson Road Apt. A	Tony Walker
2591001	1105 Jackson Road Apt. C	Dorothy Watts
2597101	1105 Jackson Road Apt. B	Lenny Akins
1319301	1235 Jackson Road	City of Griffin #3 Lift Station Water & Wastewater



EXHIBIT "D"

Honeybee Creek Area  
Annexation I

<u>Lot #</u>	<u>Service Address</u>	<u>Current Customer</u>
23	1714 Honeybee Creek Drive	Stanley Hammond
24	1712 Honeybee Creek Drive	Jack Tinley, Jr.
25	1710 Honeybee Creek Drive	Pamela Garrison
26	1708 Honeybee Creek Drive	Richard Kjettyka
27	1706 Honeybee Creek Drive	Melisa Skipper
1	1704 Honeybee Creek Drive	Diana Vigh
31	1705 Honeybee Creek Drive	Mildred Hightower
3	2231 Honeybee Creek Drive	Steve Harrison
1	1661 Middlebrooks Drive	Glenn Howard
2	1663 Middlebrooks Drive	Shirley Elmore
33	1701 Middlebrooks Drive	Mike Cornelison

**Exhibit "E" 2013**  
**Meter Reading Cost Calculation - Spalding County**

**January 1, 2013 thru June 30, 2013**

Meters read will be calculated as designated in 1995 Contract and as demonstrate in Exhibit "A" and Exhibit "B"

**July 1, 2013 thru December 31, 2037**

Spalding County meters will be billed according to actual cost of reading plus the portion of the Spalding County's AMR Support and software upgrades and demonstrated in Exhibit "A".

**Example: AMR Support Year 2012**

Integral Meter Read	21,777 x 12 months = 261,324	
Spalding County	12,305 x 12 month = 147,660	(Total Spalding Meters Read)
Griffin	9,472 x 12 month = 113,664	
Spalding County	56.5%	
Griffin	43.5%	

See Schedule "F" for Rate Schedule January 1, 2013 thru June 30, 2013 (balance of contract) July 1, 2013 thru December 31, 2037

**Example: Spalding County Meter Reading Cost 2012**

AMR Support	\$ 8,000.00
Spalding	\$ 4,520.00
Griffin	\$ 3,480.00
Cost to Read	\$250,000.00
Spalding County Meters 2012	
Spalding AMR Support	<u>\$ 4,520.00</u>
Total Cost of	
Spalding County Meter	
Reading	\$ 254,520.00

## **Spalding County Water Contract Exhibit "F" 2013**

### **Water Tap Installation Cost**

3/4" Line	\$ 850.00
1" Line	\$ 1,125.00

Meters larger than 1" must be installed by an approved contractor to City of Griffin and Spalding County Water Authority Specifications and inspected by both entities

## Spalding County Rate Model "EXAMPLE" Forecast

### Variables for Proposed Contract

Return on Depreciated Assets

=X% of Net Book Value

Not to Exceed X% of Operations & Debt

-4.88%
20%

Current contract based on 4.88% of NBV with no "not-to-exceed" amount

### Estimated Spalding County Revenue

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Audited		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Current Contract	\$ 5,120,006	\$ 5,234,269	\$ 4,988,398	\$ 5,191,768	\$ 5,363,409	\$ 5,262,538	\$ 5,611,633
Proposed Contract	\$ 5,028,995	\$ 5,206,032	\$ 4,988,398	\$ 5,145,006	\$ 5,281,900	\$ 5,259,063	\$ 5,607,343
\$ Diff from Current Contract	\$ (91,010)	\$ (28,237)	\$ -	\$ (46,763)	\$ (81,508)	\$ (3,475)	\$ (4,290)
Total: FY 2014 thru FY 2020			\$ (136,036)				
Total FY 2014 thru FY 2040			\$ (136,036)				

### Costs per Kgal - Wholesale Rate

	CY 13	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19
Current Contract							
Operations & Debt	\$ 5.530	\$ 5.287	\$ 5.225	\$ 5.307	\$ 5.391	\$ 5.482	\$ 5.707
Return on Depreciated Assets	\$ 0.981	\$ 0.901	\$ 0.864	\$ 1.006	\$ 0.962	\$ 0.926	\$ 0.891
Total: Current Contract Wholesale Rate	\$ 6.511	\$ 6.188	\$ 6.089	\$ 6.314	\$ 6.353	\$ 6.408	\$ 6.598
% Change	0.00%	-4.96%	-1.61%	3.69%	0.62%	0.87%	2.96%

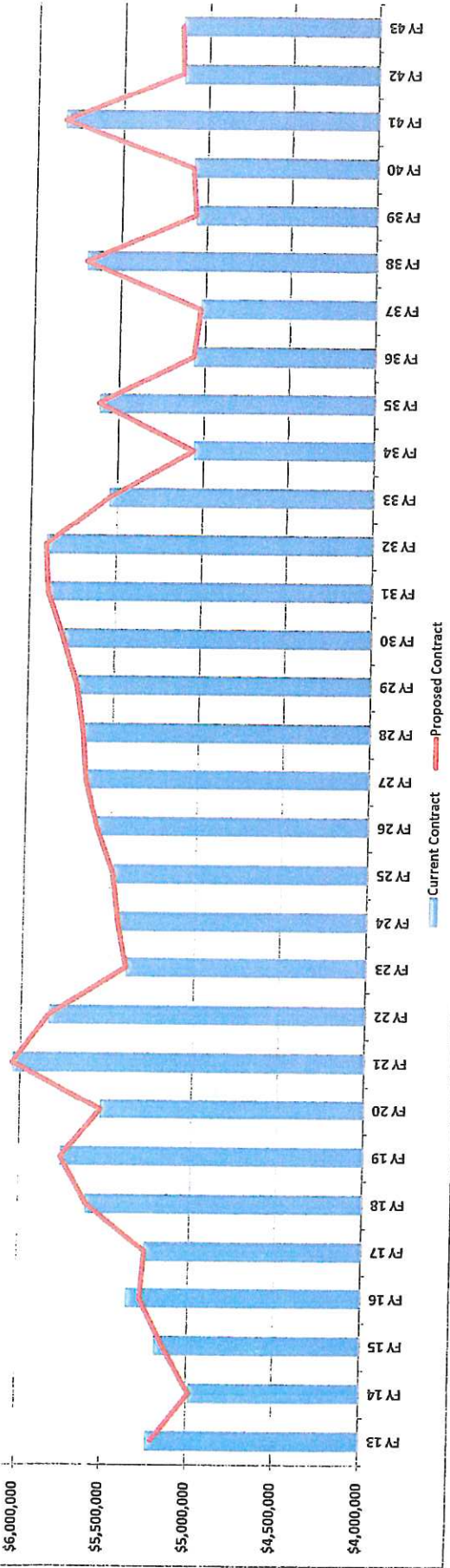
### Proposed Contract

Operations & Debt	\$ 5.530	\$ 5.287	\$ 5.225	\$ 5.307	\$ 5.391	\$ 5.482	\$ 5.707
Return on Depreciated Assets	\$ 0.938	\$ 0.878	\$ 0.864	\$ 0.882	\$ 0.899	\$ 0.917	\$ 0.891
Total: Proposed Contract Wholesale Rate	\$ 6.468	\$ 6.165	\$ 6.089	\$ 6.190	\$ 6.291	\$ 6.399	\$ 6.598
\$ Diff from Current Contract	(\$ 0.044)	(\$ 0.023)	\$ 0.000	(\$ 0.124)	(\$ 0.062)	(\$ 0.009)	\$ 0.000

# Spalding County Rate Model "EXAMPLE" Forecast

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Return on Depreciated Assets							
=% of Net Book Value							
4.88%							
Not to Exceed 20% of Operations &							
20.00%							
Subtotal: Return on Investment/Costs	\$2,488,322	\$2,448,710	\$2,424,135	\$2,490,276	\$2,553,391	\$2,620,943	\$2,476,450
Total							
Total: Costs Recovered from Wholesale Rate	\$14,929,929	\$14,692,262	\$14,567,708	\$14,941,655	\$15,320,349	\$15,725,657	\$16,517,505
% Change	9.92%	-1.59%	-0.85%	2.57%	2.53%	2.65%	0.74%
Water Sales (kgal)							
Total System	2,653,042	2,788,532	2,805,468	2,822,572	2,839,848	2,857,297	2,892,718
Integral System	1,570,917	1,586,626	1,602,493	1,618,517	1,634,702	1,651,049	1,684,234
Total Water Produced	3,239,116	3,258,789	3,278,657	3,298,725	3,318,993	3,339,464	3,381,019
Costs per Kgal							
Operations & Debt							
Return on Depreciated Assets							
	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2020
	\$ 5.530	\$ 5.287	\$ 5.225	\$ 5.307	\$ 5.391	\$ 5.482	\$ 5.749
	\$0.94	\$0.88	\$0.86	\$0.88	\$0.90	\$0.92	\$0.86
Total: Cost per Kgal (Wholesale Rate)							
% Change							
	\$6.47	\$6.17	\$6.09	\$6.19	\$6.29	\$6.40	\$6.61
	8.89%	-4.68%	-1.24%	1.66%	1.63%	1.73%	0.10%

## Spalding County Estimated Revenue



### Variables for Proposed Contract

Return on Depreciated Assets  
=X% of Net Book Value  
Not to Exceed X% of Operations & Debt

Current contract based on 4.88% of NBV with no "not-to-exceed" amount

### Estimated Spalding County Revenue

	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
Current Contract	\$ 5,120,006	\$ 5,234,269	\$ 4,988,398	\$ 5,191,768	\$ 5,363,409	\$ 5,262,538	\$ 5,611,633	\$ 5,761,639	\$ 5,532,297	\$ 6,051,885	\$ 5,844,947	\$ 5,400,278	\$ 5,451,661	\$ 5,486,024
Proposed Contract	\$ 5,028,995	\$ 5,206,032	\$ 4,988,398	\$ 5,145,006	\$ 5,281,900	\$ 5,259,063	\$ 5,607,343	\$ 5,761,639	\$ 5,532,297	\$ 6,051,885	\$ 5,844,947	\$ 5,400,278	\$ 5,451,661	\$ 5,486,024
\$ Diff from Current Contract	\$ (91,010)	\$ (28,237)	\$ -	\$ (46,763)	\$ (81,508)	\$ (3,475)	\$ (4,290)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total FY 2014 thru FY 2020	\$ (136,036)													
Total FY 2014 thru FY 2040	\$ (136,036)													

### Costs per Kgal - Wholesale Rate

	CY 13	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	CY 23	CY 24	CY 25	CY 26
Current Contract	\$ 5,530	\$ 5,287	\$ 5,225	\$ 5,307	\$ 5,391	\$ 5,482	\$ 5,707	\$ 5,749	\$ 5,865	\$ 6,147	\$ 5,369	\$ 5,385	\$ 5,396	\$ 5,408
Operations & Debt	\$ 0,981	\$ 0,901	\$ 0,864	\$ 1,006	\$ 0,962	\$ 0,926	\$ 0,891	\$ 0,856	\$ 0,821	\$ 0,786	\$ 0,602	\$ 0,568	\$ 0,535	\$ 0,502
Total: Current Contract Wholesale Rate	\$ 6,511	\$ 6,188	\$ 6,089	\$ 6,314	\$ 6,353	\$ 6,408	\$ 6,598	\$ 6,605	\$ 6,686	\$ 6,933	\$ 5,971	\$ 5,953	\$ 5,931	\$ 5,910
% Change	0.00%	-4.96%	-1.61%	3.69%	0.62%	0.87%	2.96%	0.10%	1.23%	3.69%	-13.88%	-0.29%	-0.38%	-0.35%
Proposed Contract	\$ 5,530	\$ 5,287	\$ 5,225	\$ 5,307	\$ 5,391	\$ 5,482	\$ 5,707	\$ 5,749	\$ 5,865	\$ 6,147	\$ 5,369	\$ 5,385	\$ 5,396	\$ 5,408
Operations & Debt	\$ 0,938	\$ 0,878	\$ 0,864	\$ 0,882	\$ 0,899	\$ 0,917	\$ 0,891	\$ 0,856	\$ 0,821	\$ 0,786	\$ 0,602	\$ 0,568	\$ 0,535	\$ 0,502
Total: Proposed Contract Wholesale Rate	\$ 6,468	\$ 6,165	\$ 6,089	\$ 6,190	\$ 6,291	\$ 6,399	\$ 6,598	\$ 6,605	\$ 6,686	\$ 6,933	\$ 5,971	\$ 5,953	\$ 5,931	\$ 5,910
\$ Diff from Current Contract	(\$ 0,044)	(\$ 0,023)	\$ 0,000	(\$ 0,124)	(\$ 0,062)	(\$ 0,009)	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000	\$ 0,000



City of Griffin  
Wholesale Rate Model  
Spalding County Water and Sewerage Authority Calculation - Contract Modification Proposal 1

	Allocated %	Water Sales	FY 2012 Audited	FY 2013 Projected	FY 2014 Projected	FY 2015 Projected	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
<b>Operations and Debt Costs</b>									
<b>Office of Director</b>									
Personnel Services & Benefits	50%	Total	\$ 181,910	\$ 184,638	\$ 187,408	\$ 190,219	\$ 193,072	\$ 195,968	\$ 198,908
Purchased & Contract Services	50%	Total	51,672	52,447	53,234	54,032	54,843	55,666	56,501
Supplies	50%	Total	3,685	3,741	3,797	3,854	3,911	3,970	4,030
Other	50%	Total	-	-	-	-	-	-	-
<b>Subtotal: Office of Director</b>			\$ 237,267	\$ 240,826	\$ 244,438	\$ 248,105	\$ 251,827	\$ 255,604	\$ 259,438
<b>Water Production</b>									
Personnel Services & Benefits	100%	Total	\$ 997,910	\$ 1,012,879	\$ 1,028,072	\$ 1,043,493	\$ 1,059,146	\$ 1,075,033	\$ 1,091,158
Purchased & Contract Services	100%	Total	521,357	529,177	537,115	545,171	553,349	561,649	570,074
Supplies	100%	Total	1,322,624	1,342,463	1,362,600	1,383,039	1,403,785	1,424,842	1,446,214
Other	100%	Total	-	-	-	-	-	-	-
<b>Subtotal: Water Production</b>			\$ 2,841,891	\$ 2,884,519	\$ 2,927,787	\$ 2,971,704	\$ 3,016,280	\$ 3,061,524	\$ 3,107,447
<b>Water Distribution</b>									
Personnel Services & Benefits	100%	Integral	\$ 958,218	\$ 972,591	\$ 987,180	\$ 1,001,988	\$ 1,017,018	\$ 1,032,273	\$ 1,047,757
Purchased & Contract Services	100%	Integral	481,145	488,362	495,688	503,123	510,670	518,330	526,105
Supplies	100%	Integral	1,691,837	1,717,215	1,742,973	1,769,118	1,795,654	1,822,589	1,849,928
Other	100%	Integral	-	-	-	-	-	-	-
<b>Subtotal: Water Distribution</b>			\$ 3,131,200	\$ 3,178,168	\$ 3,225,841	\$ 3,274,228	\$ 3,323,342	\$ 3,373,192	\$ 3,423,790
<b>Meter Reading</b>									
Personnel Services & Benefits	47.4%	Integral	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased & Contract Services	47.4%	Integral	105,903	107,494	109,106	110,743	112,404	114,090	115,802
AMR Support Costs	56.5%	Spalding	-	4,521	4,588	4,657	4,727	4,798	4,870
Other	47.4%	Integral	-	-	-	-	-	-	-
<b>Subtotal: Water Distribution</b>			\$ 105,903	\$ 112,015	\$ 113,695	\$ 115,400	\$ 117,131	\$ 118,888	\$ 120,672
<b>Depreciation</b>									
Water System	100%	Total	\$ 1,875,828	\$ 1,855,304	\$ 1,827,497	\$ 2,029,774	\$ 2,237,590	\$ 2,219,294	\$ 2,236,882
Regional Water System	0%	Total	-	-	-	-	-	-	-
<b>Subtotal: Depreciation</b>			\$ 1,875,828	\$ 1,855,304	\$ 1,827,497	\$ 2,029,774	\$ 2,237,590	\$ 2,219,294	\$ 2,236,882
<b>General Fund Expenses</b>									
Administrative Support	11.5%	Total	\$ 552,219	\$ 560,503	\$ 568,910	\$ 577,444	\$ 586,105	\$ 594,381	\$ 603,297
<b>Subtotal: General Fund Expenses</b>			\$ 552,219	\$ 560,503	\$ 568,910	\$ 577,444	\$ 586,105	\$ 594,381	\$ 603,297
<b>Debt Service</b>									
Principal & Interest Regional System	100%	Total	\$ 3,697,298	\$ 3,412,217	\$ 3,235,406	\$ 3,234,724	\$ 3,234,683	\$ 3,481,831	\$ 4,081,975
<b>Subtotal: Debt Service</b>			\$ 3,697,298	\$ 3,412,217	\$ 3,235,406	\$ 3,234,724	\$ 3,234,683	\$ 3,481,831	\$ 4,081,975
<b>Subtotal: Operations &amp; Debt</b>			\$ 12,441,608	\$ 12,243,552	\$ 12,143,574	\$ 12,451,379	\$ 12,766,957	\$ 13,104,714	\$ 13,833,501
<b>Return on Depreciated Assets</b>									
=% of Net Book Value	88%		\$ 2,603,736	\$ 2,513,256	\$ 2,424,135	\$ 2,339,984	\$ 2,730,564	\$ 2,646,734	\$ 2,562,048
Not to Exceed 20% of Operations & Debt	20.00%		\$ 2,488,322	\$ 2,448,710	\$ 2,428,745	\$ 2,490,276	\$ 2,553,391	\$ 2,620,943	\$ 2,766,700
<b>Subtotal: Return on Investment/Costs</b>		Total	\$ 2,488,322	\$ 2,448,710	\$ 2,424,135	\$ 2,490,276	\$ 2,553,391	\$ 2,620,943	\$ 2,562,048
<b>Total: Costs Recovered from Wholesale Rate</b>			\$ 14,929,929	\$ 14,692,262	\$ 14,567,708	\$ 14,941,655	\$ 15,320,349	\$ 15,725,657	\$ 16,395,549
% Change			9.92%	-1.59%	-0.85%	2.57%	2.53%	2.65%	4.26%
<b>Water Sales (kgal)</b>									
Total System			2,653,042	2,788,532	2,805,468	2,822,572	2,839,848	2,857,297	2,874,920
Integral System			1,570,917	1,586,626	1,602,493	1,618,517	1,634,702	1,651,049	1,667,559
Total Water Produced			3,239,116	3,258,789	3,278,657	3,298,725	3,318,993	3,339,464	3,360,138
<b>Costs per Kgal</b>									
Operations & Debt			\$ 5.530	\$ 5.287	\$ 5.225	\$ 5.307	\$ 5.391	\$ 5.482	\$ 5.707
Return on Depreciated Assets			\$ 0.938	\$ 0.878	\$ 0.864	\$ 0.882	\$ 0.899	\$ 0.917	\$ 0.891
<b>Total: Cost per Kgal (Wholesale Rate)</b>			\$ 6.468	\$ 6.165	\$ 6.089	\$ 6.190	\$ 6.291	\$ 6.399	\$ 6.598
% Change			8.89%	-4.68%	-1.24%	1.66%	1.63%	1.73%	3.11%
<b>Depreciation %: Spalding Contract Modification</b>									
			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<b>Original Rate Base</b>			\$ 15,045,344	\$ 14,756,808	\$ 14,567,708	\$ 15,291,364	\$ 15,497,521	\$ 15,751,448	\$ 16,395,549

STOP: Change variables on 'Spalding Comparison' Wkst!



## SPALDING COUNTY WATER AND SEWERAGE FACILITIES AUTHORITY Consider Special Called Meeting

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**Requesting Agency**

Spalding County Water Authority

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**Requested Action**

Consider Special Called Meeting September 30, 2020 at 8:30 a.m.

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**Requirement for Board Action**

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**Is this Item Goal Related?**

---

**Summary and Background**

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**Fiscal Impact / Funding Source**

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**STAFF RECOMMENDATION**