

**AUGUST 20, 2007
CITY OF SENOIA
CALLED COUNCIL MEETING
3:00 PM**

VISITORS: Ben Turnipseed, Ellis Cadenhead, Harold Logsdon, Mike Harmon, Mark McCarum, Bill Weston, Pat Hembree, Tom Reese, Jerry Anny Conner, Theron Gay, John Thompson, Murray McAfee, Sarah Campbell, Bill Weston and Buddy Welsh.

**COUNCIL PRESENT: Belisle, Graham, Grover and Owens
COUNCIL ABSENT: Harrison**

1. CALL TO ORDER/WELCOME VISITORS

Mayor Belisle called the meeting to order and welcomed all.

2. PURPOSE OF CALLED MEETING

Discussion of Sewer Expansion

Mayor Belisle thanked all for coming and stated that with the discussion of the sewer expansion there is one issue still outstanding which a designated service delivery area for the City that will help in determining future debt service. Mr. Ferry then reminded all of the original Memorandum of Understanding which outlined capacity and current limits with the construction of a new plant, a service area for Senoia taking into consideration the proposed annexations that are outlined in Senoia's Comp Plan. Mr. Whalen informed all of a recent study conducted regarding Senoia's rate structure and possible solutions. Mayor Belisle clarified that the number of customers is a major concern. Theron Gay stated the problem with a specified delivery area is that without annexation, the City has no jurisdiction and the County will not allow the City to dictate. Ellis Cadenhead reminded all that the biggest thing with expansion will be an intergovernmental agreement. All concerned agreed. Tom Reese stated that his development is in the middle and willing to work with both the City and county but are on a deadline and do have other options and asks what Reese Development can do to help all move forward. Mr. Whalen stated that with feasibility and financial control we should be able to reach a happy medium. Mr. Welsh suggested one jurisdiction could own and operate and the other would own a certain amount of capacity. Build strictly on % of ownership and the manager able to recoup all costs involved in the treatment, divide impacts based on % of ownership and recommending annexation that will reimburse on a "unit basis". Mr. Welsh continued that if an engineer couldn't be agreed upon one can be chosen who doesn't work for either but Reese Development is sitting in the middle and this needs resolved. Mr. Gay stated that he feels this is a good opportunity and both need to come up with something benefiting both, adding EPD will look favorable on the two working together. Mr. Welsh then suggested going into the new plant 50-50, let Coweta operate, manage and set up rates and Senoia can rent capacity

for “x number of years” and project it out. This can be done through engineer calculation. C. Owens stated the City has a proposed annexation area and any previous annexations that are sent to the County are faced with objections. We have tried pre-addressing annexations and those submitted are face objections as well. Mr. Gay stated that all annexations are different and it would be hard to not to address individually as the concern of the County is protecting their property owners. Mr. Whalen reminded all that the County has never denied the City any annexation. C. Graham stated that Senoia needs a way to justify capacity through a service delivery area. The question of a 1 or 2 million gallon plant was asked. Mr. Gay stated that he feels a 1 million gallon plant would be sufficient, with the understanding that either party could expand when needed. Mr. Gay stated that he feels the City and County can work together. Mayor Belisle stated that the City finances are his number one concern. Mr. Whalen added that this is not something that needs to be tacked on to taxpayers and wants to create a system that users are paying. Mr. Gay added that the County does not have a customer base for the larger plant and wants to look at what we need today and then 5 or 6 years down the road revisit and go from there. Mr. Turnipseed stated that Senoia currently has a waste load allocation of 1-2 million but might not get that discharge in the future. Mr. Whalen asked Mr. Reese if he sees any changes in his projected capacity or construction & was told construction is scheduled to begin late 08 or early 09 and other than the initial 20,000 needed for the school board, anticipates no changes. Mayor Belisle stated that Senoia is protecting our ability to service our debt and future customers and what we’re going to need. C. Graham reminded all that Senoia has already spent monies to get where we are today and asked what the City can expect in return. Mr. Gay stated the City will recoup and have the ability for future sewer but there is still a long way to go, adding that if this is a joint project it will be a much easier process and reasonable to recoup all dollars involved. Mayor Belisle means no disrespect but reminded all that the County has someone paying to get them into the sewer business. Mr. Welsh stated again that once ownership and management is determined all of the other issues can be dealt with. Mr. Turnipseed informed all that the City has pump stations all over and eventually will have gravity sewer. At the present time the pump stations can be upgraded, with the short term cost to upgrade very small. It is understood that Mayor Belisle wants to tie down a service area but according to Mr. Gay this will be difficult for the county to overcome. Mr. Reese stated that he wants to leave here with “either its going to work or its not” and suggested putting thresholds in the agreement that are satisfactory will all. C. Owens indicated that he would like to see something in place regarding annexations. C. Graham asked that language be added that annexations will be less impeding than in the past. Mayor Belisle asked Senoia Council if this sounds “doable” and all think it will be as long as there is an ironclad agreement. Mr. Welsh asked that all get together for some resolve and offered his help Mayor Belisle would like the MOU drawn up by September 1st. Mr. Whalen indicated that it should be prepared by the 2nd meeting in September. All were in agreement that the

designated representatives will meet again on Tuesday, September 11th at 3:00 PM. C. Graham made motion to recess for ten minutes & was 2nd by C. Owens. Motion carried unanimously.

Mr. Whalen told Council that there are a few options. The first being the City put up all financials for acquisition and would be exclusive owner. After receiving the rate structure study Mr. Whalen is of the opinion that the current rates are not covering our debt service and we are weighing heavily on development and capital recovery fees. Mayor Belisle asked that this study be given to Mr. Turnipseed. Mr. Turnipseed doesn't understand how this could be with the recent loans acquired by the City as these are based on our 5-year budget. Mr. Turnipseed also stated that if the City builds a 2 million gallon plant GEFA repay would be roughly \$630,000 for 20 years and asks if we will have the customer base in the future to pay as GEFA won't lend without customer base. It was also mentioned that it would be cheaper by gallon to build a 2 million gallon plant. Mr. Turnipseed stated that he is very concerned with venturing into a deal without ownership and doesn't know why the County won't designate a service area. C. Graham suggests a joint agreement and working a deal as partners and was told by Mr. Turnipseed that it's not always a "50-50". Mr. Whalen agrees with the cost of the plant but doesn't think we can afford it right now as the development build out is way out. The County has also been asked to waive impact fees but nothing has been asked of the City to date. Mayor Belisle said that the developer will pay for all upgrades. Mr. Whalen suggests a plant could be operational by approximately 2011; we can reserve capacity for Reese in our existing system and have the rest as needed. The permitting process could take up to two years and once issued will be good for 5 years. If at all feasible, Mayor Belisle would like to build a 2mg plant. Mr. Turnipseed estimates the cost of a 1 mg plant to be 6.5 million and a 2mg plant 8 million and stressed that this only the cost for the plants. Mr. Turnipseed informed all that the two pump stations at Twin Lakes have been upgraded and everything in the City is being pumped to the highest point which is the least feasible. We acquired the existing plant at a great price and if the City builds a new plant we can use it exclusively. Regarding the anti-degradation study being done by GBT, the Mayor wants Mr. Turnipseed to continue and not let lag. C. Owens stated that if we're not going to have a delivery area it doesn't sound feasible. Mayor Belisle stated if we get language in place and guaranteed capacity it will be doable but will not sign if the City doesn't get what we want. C. Graham asked for a jointly owned plant with shared revenues and was told by Mr. Whalen that won't happen. Mayor Belisle then asked Council if they want Mr. Whalen and Mr. Ferry to negotiate and was told yes. Mr. Turnipseed reminded all that the only way it's going to work is for them to connect to our system initially. C. Owens asked if we can collect capital recovery fees outside the City and do we have capacity to service & was told yes

to both. Mr. Turnipseed asked that the City try to get service between the plant and the city limits. Mayor Belisle asked what issues does Council want to negotiate. The list consists of owner/operator, the ability to purchase 250-500 gpd, expansion at capacity, interceptor and enlargement, service territory and annexation issues. Mr. Ferry will get the list together and set up a meeting and send via email. Mayor Belisle asked that a value is brought to the table and not just costs previously spent but value as well. Mr. Ferry was concerned not so much with the sewer discussions but with talk over annexation issues.

3. ADJOURN

C. Graham made motion to adjourn the August 20, 2007 Called Council meeting & was 2nd by C. Owens. Motion carried unanimously.