

AUGUST 11, 1997

10:15 P.M.

EXECUTIVE SESSION  
DEPOT COMMUNITY ROOM  
109 SOUTH KING STREET

PRESENT: JOHN D. MEADOWS, III, MAYOR  
JOHN D. SHELTON, MAYOR PRO-TEM  
JIMMY PALMER, COUNCILMAN  
RON WOODS, COUNCILMAN

ALSO: WILLIAM P. BAILEY, CITY ATTORNEY  
KELLY CORNWELL, DIRECTOR UTILITIES/PUBLIC  
WORKS  
EDDIE PETERSON, ASST. DIRECTOR UTILITIES/  
PUBLIC WORKS  
CATHY HARRISON, CITY ADMINISTRATOR  
JOHN SWEITZER, SWEITZER ENGINEERING  
LARRY VICKERY, ELECTRICAL SUPERINTENDENT

1. Kelly Cornwell stated he and Eddie Peterson had met several times with Mr. Bates, the owner of Big Springs, and based upon the discussion, he had asked John Sweitzer of Sweitzer Engineering to prepare data for the Mayor and Council to review as an idea of the estimated worth of the springs and a possible negotiating time table. John Sweitzer reviewed the material distributed which provided assumptions for the acreage Mr. Bates would wish to retain; the spring water operation which he wishes to continue, as well as, the water volume the operation would require. The assumptions also included two or three different scenarios in which the City would pay for the repairs to the dam, or where those repairs would be paid for by Mr. Bates, and the cost calculated in the overall value of the system. They reviewed the possibilities in terms of a 50 year lease from Mr. Bates, and an outright purchase by the City. Following a lengthy discussion on each proposal, Mayor Meadows stated he would be more in favor of an outright purchase, rather than a long terms lease with Mr. Bates. Councilman Woods expressed the same sentiments, and following additional discussion, the Mayor and Council authorized Cornwell and Peterson to meet with Mr. Bates in the near future, and to negotiate in the range of an outright purchase by the City in the area of \$3,800,000. to \$4,200,000. with many additional legal requirements that would need to be addressed prior to the consummation of any agreement.
2. Kelly Cornwell and Larry Vickery presented their latest information from TVA in regards to negotiations for the City's electric facility. They stated under the proposed deregulation, the City of Calhoun stands a very good chance of loosing its top three electrical customers, and probably several more. They stated that should this occur, the City of Calhoun would have little chance of being able to retain enough customer base to provide sufficient monthly sales to pay the debt service which the City has with MEAG. This would result in the City of Calhoun levying advalorem taxes to supplement the electric operation. Mr. Cornwell and Mr. Vickery stated TVA had reviewed every possibility, and had concluded as did Georgia Power/The Southern Company, that it would be impossible for the City of Calhoun to extricate itself from the \$119,000,000.00 of debt it had obligated itself through long term bonds with MEAG for purchasing generation facilities from Georgia Power. They stated, however, that NGEMC and TVA were willing to work through a situation where they would agree to support any losses from those major companies, and would underwrite the City's system to the point that actual customers could be transferred to NGEMC, with wholesale power coming through TVA for the

supplemental power and project power to come through MEAG. The City would be the conduit for paying the MEAG bills, however, it would have no retail customers. The discussion continued for some time, with a final statement from the Mayor and Council that negotiations should continue, however, they felt the City should obtain specialized opinions from an outside professional source which would protect the City in terms of making sure that any agreement proposed by both parties would be favorable to the City of Calhoun, and to evaluate other alternatives.

3. Cornwell and Harrison stated that in the 1997-98 Budget, an assistant for Dan Shuler had been provided, and that based upon the budget and upon a successful interviewing process, an assistant had been hired and would be on board beginning the first of September, 1997. The individual would be Jerry Crawford, who would be moving to the area, and who would provide a lot of expertise for the department. Also associated with this hiring of an assistant, it was determined and had been projected in the 1997-98 Budget that Mark Williamson would be moved to a Department Head position as Technical Engineer for the Water and Sewer Construction Department. Following discussion, Councilman Woods made a motion to appoint Mark Williamson as Department Head with the title of Technical Engineer for Water/Sewer Construction, 2nd by Councilman Palmer with Councilman Woods, Councilman Palmer and Mayor Pro-Tem Shelton voting affirmatively, motion carried.
4. The Council again reviewed the Budget and funds for adjusting employee pay for the current fiscal year. The Council stated that within the next few weeks, they would authorize set sums of funds to be allocated to departments in order for the Department Heads to grant merit increases to those employees who have exhibited the proper attitude regarding their job. The Mayor and Council asked Kelly Cornwell and Cathy Harrison to review the Department Heads, and to make recommendations for those positions.
5. The meeting was adjourned at 11:30 P. M.

Approved:

Submitted:



John D. Meadows, III  
Mayor



Cathy Harrison  
City Adminsitrator