

**CITY OF CALHOUN
MAYOR, COUNCIL & STAFF RETREAT
ATLANTA HILTON
JANUARY 22, 1999 – 3:00 P.M.**

MINUTES

PRESENT: JAMES F. PALMER, MAYOR
RONALD H. WOODS, MAYOR PRO TEM
JOHN D. SHELTON, JR., COUNCILMAN
RAY M. DENMON, COUNCILMAN
KELLY CORNWELL, DIRECTOR OF UTILITIES AND PUBLIC WORKS
EDDIE PETERSON, ASST. DIR. OF UTILITIES AND PUBLIC WORKS
CATHY HARRISON, CITY ADMINISTRATOR

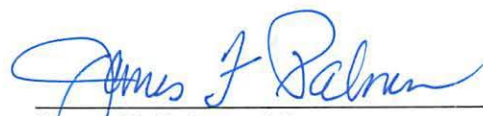
1. Mayor Palmer welcomed everyone and expressed appreciation for their attendance.
2. Mayor Palmer stated he would like to shift a couple of items around on the prepared agenda in order for the possibility of sewer into existing city areas to be discussed first.
 - a. Harrison and Cornwell reported that in the areas of Camelot, Amakanata, Saddle Brook, Sunset Hills, Thornwood, Idle Acres and Woodridge, there are a total of 299 houses currently without sewer.
 - b. Harrison reported that if the cost to service those areas is approximately \$3 million, that based upon state revolving loan funds at an interest rate of 3%, with an amortization schedule of 20 years, the monthly debt service per household for those twenty years would be \$42.00, in addition to their regular monthly sewer bills. The \$42.00 rate is based upon all 299 homes being assessed monthly for 20 years. New taps in the area would carry the same requirement. However, it could reduce the overall cost to each home. New taps would be reviewed annually.
 - c. Cornwell explained these areas would probably have a higher cost than normal sewer to a household, which runs between \$4,000 and \$5,000 per household, because of the right-of-way that would need to be acquired in order for sewer to be extended in the normal drainage areas, which, in this case, since the areas are already developed, would be at the back of some of the properties and not necessarily on road rights-of-way, and would require additional cost in order to complete the project. However, he stated this would give the Council a ballpark figure for them to consider, knowing that it might be higher based on any right-of-way costs that would be added to the equation.
 - d. The group discussed development of sewer policy on city limit extensions.
 - e. Following discussion of the upcoming projects in the City's five year capital plan, which includes replacing sewer in the downtown area as well as the line extension into the north industrial area. The Council discussed the possibility of borrowing funds through the SRF Fund to provide a new sewer line to the north industrial area in 1999-2000. The Council felt the renewal and replacement funds from prior years, as well as those to be accumulated for the current budget year, should be maintained for the downtown project, with those funds to accumulate interest to be added to the invested renewal and replacement funds. This project would begin in 2000-2001 or 2001-2002.
3. Mayor Palmer stated that he would like to have input from each person regarding the City's current sewer policy, which is limited to the city limits, except in very rare circumstances. He would like opinions for changing the current policy based upon requests from the County Commission Board and the Industrial Development Authority.
 - a. The conclusions addressed by the group were as follows:
 - 1) Sewer would be opened for extension into the unincorporated area. However, those extensions would be funded by developers, public or private, with the City to determine the size of the line. Every request will be evaluated in reference to needs, line and plant capabilities, the current city customer needs and the type of effluent involved.

- 2) The City will maintain ownership and control of any extensions into the unincorporated areas, as it does with the extensions inside the city limit area.
 - 3) The City will retain individual approval authority on all customer tie-ins, based on plant and line capacity, type of effluent, etc.
 - 4) The City's current customers would have first rights to any available capacity.
 - 5) The City retains the right to refuse service to any developer or individual who would not qualify based upon the factors to be established in a newly developed sewer policy.
 - 6) The City would maintain the current City-County sewer rate ratio.
 - b. It was the general consensus of the group that a new proposed policy be developed which incorporates these factors and other details, as needed.
 - c. Mayor Palmer stated that sewer is a community issue and it is time for the City to take a look at changing its policy, in order to meet the currently changing needs of the community.
 - d. Mayor Pro Tem Woods stated it would be necessary for the City to continue to price services for outside city limit customers, which would allow them to buy into the existing system, and to provide a reasonable margin above that cost and operating cost.
 - e. It was the consensus of the group, based upon all the discussion, to amend the current policy restricted to the city limit area with rare exceptions, to include extension into the unincorporated areas under the guidelines previously discussed.
 - f. Mayor Palmer stated he would like the policy refined and developed with the ability to make an announcement of the policy change at the end of February.
4. Mayor Palmer and Director Cornwell gave a report on the City's current problems regarding the well project.
- a. Mayor Palmer informed everyone that as of January 22, the final test on the well had not passed, with the findings of contamination from outside water sources, with the possibility that the only course of action would be to provide filtration for the system. Mayor Palmer stated the staff had been requested to run the pump continuously for the next several days, with additional samples to be taken, and for the water to be tested frequently for turbidity, with records maintained and made available to the state.
 - b. Mayor Palmer stated he had responded to the Mayor of Adairsville's earlier response regarding their desire to discontinue the Adairsville-Calhoun water agreement. He stated he asked Mayor Penson to consider a renewal of the contract, even for one year, understanding that it would be at a higher rate of cost. He stated he had asked for an appointment with Mayor Penson to discuss the matter more fully. However, at this time, he had not received a response.
 - c. Mayor Palmer stated the staff will continue to work with engineers and the state on the well project, and will keep the Council informed.
5. The session was adjourned shortly after 6:00 P.M.

Submitted:

Approved:


Cathy Harrison, City Administrator


James F. Palmer, Mayor