

**CITY OF CALHOUN
REGULAR CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING ST.
NOVEMBER 26, 2012 7:00 P.M.**

MINUTES

PRESENT: James F. Palmer, Mayor
Al Edwards, Mayor Pro Tem
George Crowley, Councilman
David Hammond, Councilman

ABSENT: Matt Barton, Councilman

ALSO: Eddie Peterson, City Administrator
Larry Vickery, Utilities General Manager
Paul Worley, City Clerk
Jeff DeFoor, Director of Electric Utilities
George Govignon, City Attorney
Garry Moss, Chief of Police

1. Mayor Palmer called the meeting to order and welcomed everyone in attendance.
 - A. Mayor Palmer gave the invocation.
2. Boy Scout Troup 22 led the group in the Pledge of Allegiance to the United States Flag.
3. Councilman Hammond made a motion to approve the agenda and Councilman Crowley seconded the motion. All voted aye, motion approved.
4. Councilman Edwards made a motion to approve the minutes of the November 12th, 2012 City Council Meeting. Councilman Crowley gave a second with all voting aye, motion approved. Councilman Hammond made a motion to approve the executive session minutes of November 12th, 2012. Councilman Crowley gave a second with all voting aye, motion approved.
5. **Mayor's Comments:**
 - A. Mayor Palmer welcomed Boy Scout Troup 22 to the Council meeting. The Troup leaders and Scouts introduced themselves and stated that there will be a "Taste of Scouting" event to be held at the BB&T Park on December 8th.
 - B. Mayor Palmer reminded the public of a hotel sign and building variance for Nimish Patel at a location of 1002 Hwy 53 E SE. Property owner is East 53 Commercial Development, LLC. Applying for a 50' variance for a sign and a 25' height variance to build a four story hotel. The ZAB will meet on December 6th and the public hearing will be on December 10th.
 - C. Mayor Palmer announced that the Mayor's Christmas Motorcade. With the advent of the Northwest Regional Hospital being closed, the mental health clients were moved to community-based housing. GMA is continuing to work with the cities in the Northwest

region and the state coordinators to ensure that the clients continue to receive Christmas gifts through the Motorcade. City Hall will be taking donations until December 10th, 2012.

- D. Mayor Palmer thanked BB&T Bank for donating their conference table to the City of Calhoun.

6. Public Hearings and Comments: None

7. Old Business:

- A. Councilman Crowley made a motion to remove from the table an intergovernmental agreement between the City of Calhoun and the City of Resaca concerning the installation and maintenance of a sanitary sewer system. Councilman Hammond gave a second with all voting aye, motion approved. General Manager Vickery stated that the original agreement had been modified to show more clarity in a few areas and City Attorney reviewed the changes. Councilman Crowley made a motion to approve the intergovernmental agreement between the City of Calhoun and the City of Resaca. Councilman Edwards gave a second with all voting aye, motion approved. Mayor Palmer stated that the expansion of the sewer system into Resaca would help to increase property values, encourage economic development, and add to the quality of life for Resaca residents. (copy attached)

8. New Business:

- A. Mayor Palmer read an Alcohol- Beer, Wine, Liquor manager change request for Rite Aid #4751 at a location of 910 South Wall Street. The prior manager was Laura Fritz and the proposed manager is Danielle R. Bunch. Councilman Hammond made a motion to approve the manager change request. Councilman Crowley gave a second with all voting aye, motion approved.
- B. Mayor Palmer conducted the renewal readings of the following businesses.
- i. Reading and approval/denial of Taxi Cab renewal requests
- **Jose A. Salaces for Charrito's Taxi**
 - **Moises A. Robleto for Taxi Express**
 - **Andres Hernandez for Oasis Taxi**
 - **Romualdo Rojo Martinez for Taxi Latino**
 - **Rolando Gonzalez for Taxi Tacana**
 - Councilman Crowley made a motion to approve the taxicab renewal requests. Councilman Hammond gave a second with all voting aye, motion approved.
- ii. Reading and approval/denial of Pawn License renewal requests
- **Chad Huffer for American Gold River Guns & Pawn**
 - **Larry Knight for Corner Pawn**
 - **Nancy P. Long for D & S Pawn**
 - **Robert Reich for Georgia Auto Pawn Inc**

- **Roderick Aycox for Instant Car Loans on Car Titles**
- **Hugh M. Austin for Title Exchange & Pawn of Calhoun, Inc**
- **Joseph Summerfield for Lendit LLC, DBA Gold N Guns**
- **L. A. Swanson, President for National Title Pawn of Calhoun**
- **Clifford L. Cochran for Pete's Music & Pawn**
- Councilman Hammond made a motion to approve the pawn license renewal requests. Councilman Crowley gave a second with all voting aye, motion approved.

iii. Reading and approval/denial of alcohol license renewal requests

Beer & Wine Package

- **Vipulkumur B. Patel for N Wall BP**
- **Jaime Bearden for Ingles Food Market**
- **Brian Morris for Food Lion**
- **Karen Aldridge for Kangaroo Express #3563**
- **Leslie Renfro for Kangaroo Express #3519**
- **Kevin Hankins for Kroger #393**
- **Davis Michael Bernier, Jr for Food Outlet, IGA**
- **Michael Boling for Wal-Mart Supercenter #1215**
- **James McConnell for R & R Grocery**
- **T Vanderbogart for Rite Aid #11828 located at 1101 Red Bud Rd**
- **Vilas V. Patel for A Knight Hi Tech**
- **Danielle Bunch for Rite Aid #4751**
- Councilman Hammond made a motion to approve the beer and wine package license requests. Councilman Crowley gave a second with all voting aye, motion approved.

Beer and Wine Pouring

- **Jeff Erwin for Dub's High on the Hog, Inc**
- **Jim Morris, Jr. for L J Foods, DBA Schroeder's**
- **Dimitrios Pateritsas for Gondolier's Pizza**
- Councilman Hammond made a motion to approve the beer and wine pouring license requests. Councilman Crowley gave a second with all voting aye, motion approved.

Beer Package

- **Ram Chandra Thapa for ABC Convenience**
- **Hanna Soliman for Food Mart #530**
- **Yogesh Patel for Food Mart & Tobacco**
- **Raymond J. Brown for J & J's Package Store**
- **Luz Elena Henderson for San-Marcos Market**
- **Ravi Patel for Little Giant**

- **Patsy Colleps for Chevron Food Mart**
- Councilman Crowley made a motion to approve the beer package license requests. Councilman Hammond gave a second with all voting aye, motion approved.

Beer Pouring

- **Juan Guillen for Los Panchos Restaurant**
- Councilman Hammond made a motion to approve the beer pouring license requests. Councilman Crowley gave a second with all voting aye, motion approved.

Beer, Wine, Liquor Package

- **Dilip S. Patel for ABC Liquor**
- **Jaimin Patel for Liquor Mart**
- **Yogesh Patel for Party Liquor**
- **Kamlesh R. Patel for Calhoun Liquor**
- **Brijesth R. Patel for Red Bud Road Liquor, Inc**
- Councilman Crowley made a motion to approve the beer, wine, and liquor package license requests. Councilman Edwards gave a second with all voting aye, motion approved.

Beer, Wine, Liquor Pouring

- **Juana Naranjo for El Pueblito Mexican Rest**
- **Ian B. Wonderling for Ruby Tuesday**
- **Jorge M. Alvarez for El Nopal**
- Councilman Hammond made a motion to approve the beer, wine, and liquor pouring license requests. Councilman Crowley gave a second with all voting aye, motion approved.

Combination Beer Package/Pouring at a Private Club

- **Terry B. Henderson for American Legion**
- Councilman Crowley made a motion to approve the beer package/pouring at a private club license requests. Councilman Edwards gave a second with all voting aye, motion approved.

9. Other written items not on the agenda: None

10. Work Reports:

A. Administrator Eddie Peterson

B. General Manager Larry Vickery

- I. Mr. Vickery stated that there was a need to discuss a few changes and reapprove a wholesale water agreement with Floyd County. The water agreement was approved during the 10/22/12 council meeting. The changes to the agreement are revisions to the minimum withdrawals. The first three year minimum withdrawals will be measured on an annual basis and the next seven years will be based on a monthly average. Councilman Crowley made a motion to approve the changes to the intergovernmental agreement for water distribution with Floyd County. Councilman Edwards gave a second with all voting aye, motion approved. (copy attached)

C. George Govignon

11. Councilman Hammond made a motion to adjourn. The motion was seconded by Councilman Edwards with all voting aye, motion approved.

Approved:



James F. Palmer, Mayor

Submitted:



Paul Worley, City Clerk

INTERGOVERNMENTAL AGREEMENT BETWEEN
CITY OF CALHOUN and TOWN OF RESACA

THIS AGREEMENT, made and entered into this 29th day of November, 2012, by and between the **City of Calhoun**, a municipal corporation chartered under the laws of the State of Georgia (sometimes hereinafter referred to as "Calhoun") and the **Town of Resaca**, a municipal corporation chartered under the laws of the State of Georgia (sometimes hereinafter referred to as "Resaca").

WHEREAS, Resaca desires to install a sanitary sewer system within and without the incorporated boundaries of the Town of Resaca (the "System"); and

WHEREAS, Calhoun operates Calhoun Utilities including its Wastewater Department that operates a sanitary sewer system; and

WHEREAS, Calhoun desires to operate said System, including billing customers and collecting payments, and to maintain and repair the System; and

WHEREAS, Resaca and Calhoun desire to enter into an Intergovernmental Agreement relating to the operation and maintenance of the System; and

WHEREAS, Resaca and Calhoun have reached a mutual agreement regarding the operation and maintenance of the System; and

WHEREAS, Resaca is installing the System with the assistance of funds from the U.S. Department of Agriculture (USDA) and therefore must maintain ownership of the System for the forty (40) year duration of the loan; and

WHEREAS, Article IX, Section III, Paragraph I, of the Constitution of the State of Georgia provides that counties and municipalities of the State of Georgia may contract with one another for any period not exceeding forty (40) years; and

WHEREAS, Resaca and Calhoun deem it to be in the best interest of the citizens of their respective jurisdictions that this Agreement be entered into to maintain and operate said System; and

WHEREAS, the Mayor and City Council of Calhoun have reviewed this Agreement and did, at the regular meeting of the City Council held on November 20, 2012 authorize its Mayor to sign this Agreement; and

WHEREAS, the Mayor and Town Council of Resaca has reviewed this Agreement and did, at the regular meeting of the City Council held on November 26, 2012 authorize its Mayor to sign this Agreement:

NOW, THEREFORE, for and in consideration of the mutual benefits flowing from one party to the other, the adequacy and sufficiency of which is hereby acknowledged, it is agreed as follows:

1.

System. Resaca shall install a sanitary sewer system within and without the incorporated area of the Town of Resaca (the "System"). A "Phase 1" project consisting of a pump station on Pilot property, trunk sewer across said property to SR 136 and connection to an existing Calhoun force main is under construction as of the signing of this Agreement, with future phases planned to expand service lines throughout Resaca. Calhoun shall not be responsible for the costs of any installation of the System.

2.

Applicable Regulations. Resaca agrees that all aspects of the System that it constructs, including any future expansion, shall comply with Calhoun regulations applicable to the Calhoun sewer system at the time of construction. For the duration of this agreement, the system shall be operated in accordance with all applicable rules, restrictions, and regulations adopted by the City of Calhoun for all sewer lines and customers.

3.

Operation. Calhoun shall operate the System being installed by Resaca, including providing wastewater treatment, through Calhoun Utilities and its Wastewater Department, or any other department assigned to such function in the future. Any future expansion installed by Resaca and complying with the City of Calhoun's standard specifications, shall automatically become a part of this Agreement. Calhoun shall be responsible for the payment of such operational costs out of its funds. Resaca shall not be responsible for costs of operation.

4.

Expansion. The Town of Resaca and the City of Calhoun recognize that it is in their mutual interest to promote economic development within the Town and surrounding unincorporated areas. Toward this end, the two governing bodies will cooperate and support such development to the maximum practical extent. Either the Town of Resaca or the City of Calhoun may expand the System. Customers of any such expansion shall be customers of the Resaca System if said customers are located within the corporate limits of the Town of Resaca until such time as any indebtedness of the System is repaid. If said customers are located outside the corporate limits of the Town of Resaca, they shall become customers of the party initiating the expansion. The party initiating the expansion (Resaca or the City of Calhoun) shall be responsible for payment of all costs relating to such expansion under the party's established policies, procedures, contractual obligations or rate covenants. Customers located outside the Resaca corporate limits who

are served by an expansion of the Resaca System initiated by the City of Calhoun shall become customers of Calhoun and they shall pay a surcharge established by the Town of Resaca, based on their costs and the utilization of the Resaca system as cooperatively agreed.

5.

Cooperation. Resaca shall cooperate with any reasonable request of Calhoun related to the operation of the System. Calhoun agrees not to terminate operation of the System, or any portion thereof, without the official consent of Resaca, through action of its Town Council.

6.

Protection and Enforcement. Resaca shall cooperate in using its enforcement and police powers to assist in the operation of the System and the protection of the System, including enacting necessary ordinances and regulations governing the System, prosecuting citations, and related actions.

7.

Maintenance. Calhoun shall maintain the System, including providing for repair of sewer lines, maintenance of pump stations, and replacement of any components that fail in the future, in order to keep the System operational, including all its parts. Calhoun shall be responsible for the payment of such maintenance costs out of its funds. Resaca shall not be responsible for maintenance or upgrade costs.

8.

Billing. Calhoun shall be responsible for billing and collection of service fees from customers of the System. The City of Calhoun shall bill and collect the fees on a monthly basis at no cost to the Town of Resaca. The City of Calhoun shall remit the funds owed to the Town of Resaca on a monthly basis. For each customer, Calhoun shall keep the portion of the fees collected equivalent to its normal "Outside City Limits" rates and shall remit any additional amounts to the Town of Resaca, to cover Resaca's administrative costs relating to the System and the USDA loan and any other future indebtedness incurred for future expansion.

9.

Rates. The Town of Resaca shall set rates for customers within the Resaca Town Limits. Resaca agrees that it will charge minimum rates equal or in excess of the City of Calhoun's "Outside City Limits" rate structure, thereby guaranteeing that the City of Calhoun shall be able to retain sufficient fees to pay for the costs of operation of the System. Resaca shall be authorized to create multiple special service districts with differing rate structures. Calhoun agrees it shall not implement a separate tier of pricing

for Resaca residents. Resaca agrees to increase its rates to equal or exceed any future increase in Calhoun's "Outside City Limits" rate structure, to ensure Calhoun receives sufficient fees to pay for the costs of operation of the System.

10.

Ownership. From the date the project is commenced until such time as the initial USDA loan, with the aforementioned payment term of forty (40) years, is paid in full, all easements, pipes, pumps and related equipment necessary to operate the project shall be the property of the Town of Resaca, in fee simple. Upon payment in full of said USDA loan, the Town of Resaca shall convey to the City of Calhoun by general warranty deed and bill of sale all easements, pipes, pumps, and related equipment necessary to operate the System.

For the duration of this agreement, should the Town of Resaca be unable to satisfy their financial obligations with regard to said USDA loan or find themselves in default for same, then the City of Calhoun shall have the option to assume the debt obligation prior to any foreclosure proceedings. Upon such occurrence, the City of Calhoun shall then receive ownership of all of the aforementioned easements, pipes, pumps, and related equipment necessary to operate the System

11.

Access. Calhoun personnel shall be allowed full access to any portion of the System accessible by any sewer easement granted to Resaca in order to operate and maintain the system. Calhoun shall have control over the operation and maintenance of the System and Resaca shall not interfere with its operation and maintenance, except to the extent of enforcing obligations under this Agreement.

12.

Insurance. Until such time as ownership of the project by the Town of Resaca ends, the Town of Resaca will maintain adequate and sufficient liability and casualty insurance for the System and all pumps stations and appurtenances related thereto. The Town of Resaca will supply on an annual basis to the City of Calhoun written evidence of said coverage. The City of Calhoun will determine the sufficient level of coverage required

13.

Indemnification. Resaca and Calhoun agree to indemnify and hold harmless the other from and all claims, actions, injuries, damages and lawsuits resulting from either party's performance of their obligations under this agreement

14.

Notices. Official notices, payments and correspondence to Calhoun shall be delivered in person or transmitted via U. S. Mail, postage prepaid addressed to the Mayor of City of Calhoun at Post Office Box 248, Calhoun, GA 30703. Official notices and correspondence to Resaca shall be delivered in person or transmitted via U.S. Mail postage prepaid, addressed to the Mayor of Town of Resaca at Post Office Box P.O. Box 779, Resaca, Georgia 30735.

15.

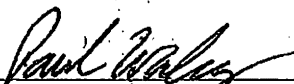
Term. This Agreement shall be effective upon date of execution by the last party to approve this Agreement shall have a term of forty (40) years, to comply with the limit set forth in Article IX, Section III, Paragraph I, of the Constitution of the State of Georgia.

16.

Legal. This Agreement contains all the terms and conditions and represents the entire Agreement between the parties and supersedes any pre-existing Agreement related to the Facility. Any alteration of this Agreement shall be invalid unless made by an amendment in writing, duly executed by the parties. There are no understandings, representations, or agreements, written or oral other than those contained in this Agreement. Paragraph headings are for convenience only and have no legal significance.

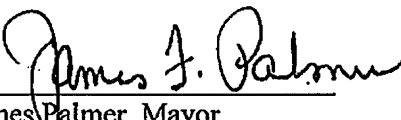
IN WITNESS WHEREOF, Resaca and Calhoun have caused this Agreement to be duly executed by their proper officers and attested with their corporate seals affixed hereto as set forth in duplicate originals.

Attest:



Paul Worley, City Clerk
[SEAL]

CITY OF CALHOUN, GEORGI



James Palmer, Mayor
Date: _____

Attest:

Debbie Martin, City Clerk
[SEAL]

TOWN OF RESACA

Samuel Allen, Mayor
Date: _____

INTERGOVERNMENTAL AGREEMENT FOR WATER DISTRIBUTION

BETWEEN THE CITY OF CALHOUN AND FLOYD COUNTY,

State of Georgia.

THIS AGREEMENT, made and entered into this 26 day of November, 2012,,
by and between THE CITY OF CALHOUN, a Municipal Corporation and political
subdivision of the State of Georgia, as Party of the First Part, hereinafter designated as
"Calhoun", and Floyd County a political subdivision of the State of Georgia, as Party of
the Second Part, hereinafter designated as "Floyd County".

RECITALS

- A. WHEREAS Calhoun owns and operates a water supply and distribution system in Calhoun and in part of adjacent Gordon County; and
- B. WHEREAS Floyd County owns and operates a water distribution system in Floyd County; and
- C. WHEREAS Floyd County has need for an additional source of potable water for distribution in portion of Floyd County; and
- D. WHEREAS Calhoun has determined that it has a sufficient municipal water system together with capacity to treat the water; and
- E. WHEREAS Calhoun is willing to extend one or more transmission mains to a point or points determined by both parties, and to provide a metered interconnections to the Floyd County distribution system; and
- F. WHEREAS said interconnection has long term benefits to both water systems; and
- G. WHEREAS it is the intent of both parties that Floyd County will purchase sufficient quantity of water each quarter to enable Calhoun to pay reasonable pumping, treatment and maintenance costs and for any infrastructure required for the transfer of said water.
- H. WHEREAS for the reasons hereinbefore set forth, Floyd County desires to contract with Calhoun for the purchase of water for supplying to its present customers and any future customers through the Floyd County water system to be operated exclusively by Floyd County; its assigns or successors as hereinafter provided; and

I. WHEREAS Calhoun, because of its resources and facilities, is willing to enter into this Agreement to furnish water to Floyd County under the terms and conditions hereinafter provided, and under the authority of and in accordance with Article IX, Section III, Paragraph I of the Constitution for the State of Georgia of 1983.

NOW, THEREFORE, for and in consideration of the mutual covenants and provisions as hereinafter provided, the parties hereto mutually agree as follows:

ITEM ONE

Calhoun shall at its own expense construct, operate and maintain improvements to its supply, pumping, treatment, and distribution system necessary to comply with the terms of this Agreement, said distribution improvements being lines sufficient in diameter.

ITEM TWO

A. Calhoun shall, upon completion of said improvements, furnish water on demand to Floyd County at a point or points, determined by both parties, provided the amount demanded Floyd County each day is between 0 million gallons per day (0.0 MGD) and 0.60 million gallons (0.60 MGD) on the maximum day. Calhoun shall endeavor to provide a minimum residual pressure not less than 120 pounds per square inch at the elevation of 650' N.G.V.D. In the first three years of this Agreement, Calhoun may, at its sole discretion, furnish water in greater amounts if requested by the County. After year three and until the end of this Agreement, Calhoun shall furnish water on demand to Floyd County provided the amount demanded is between 0.0 MGD and 1.00 MGD on the maximum day. Calhoun may, at its sole discretion, furnish water in greater amounts in years four through seven of this Agreement if requested by Floyd County. Calhoun shall ensure that the supplied and received water under the terms of this Agreement shall meet the minimum standards, as amended, for safe drinking water as established by the Environmental Protection Division of the State of Georgia, Department of Natural Resources.

- B. For the first three years of the Agreement, Floyd County shall purchase and pay for, in accordance with Item Four an amount of water from Calhoun equal to at least an average of 0.10 million gallons per day (0.10 MGD), (the "Minimum Daily Purchase Amount") calculated by taking the sum of all water purchased per year of the Agreement divided by Three Hundred and Sixty Five (365) (the "Annual Daily Average Method"). For the remaining contract period of seven (7) years, Floyd County shall purchase and shall pay for, in accordance with Item Four an amount of water from Calhoun equal to at least an average of 0.60 million gallons per day (0.60 MGD), (the new "Minimum Daily Purchase Amount" effective beginning in year four of the Agreement) calculated by taking the sum of all water purchased per month divided by the number of days in the month (the "Monthly Daily Average Method"). The required minimum purchase by Floyd County shall be computed by averaging the daily amount supplied for each billing year for the first three years of this Agreement. For the final seven years of this Agreement, the required minimum purchase by Floyd County shall be computed by averaging the daily amount supplied for each billing month.
- C. This rate is for total volume consumed, and not any amount consumed per actual connection. At the time of the execution of this Agreement, the parties have agreed to two connections: (1) at the county line adjacent to Highway 156; and (2) at the county line adjacent to Highway 53. The parties reserve the right to add additional connections as may be mutually agreed upon based upon considerations such as location and volume requirements.

ITEM THREE

METERING

Calhoun shall furnish, operate and maintain necessary and adequate metering equipment at the point of interconnection and shall calibrate such metering equipment whenever requested by Floyd County, but not more often than once every twelve (12) months. Floyd County, in order to monitor its use requirement as set out in Item Two, B., shall have unimpeded access to read Calhoun's meters at least one (1) time per week during the term of this Agreement. In the exercise

of this access, Floyd County will notify by phone Calhoun at least two (2) hours prior to the time Floyd County will read the said meter, and Calhoun at its option may be present at said reading; however, failure of Calhoun to be present will not delay the timely exercise by Floyd County of this meter reading, provided actual contact by phone was made to the appropriate Calhoun official.

ITEM FOUR

COMPENSATION (PRICE)

Floyd County agrees to pay \$1.40 per 1000 gallons for water furnished by Calhoun for the first three (3) years of this Agreement with a minimum purchase of 0.10 million gallons per day based upon the Annual Daily Average Method. Should Floyd County be furnished amounts equal to or greater than 0.60 million gallons per day based upon the Annual Daily Average Method during the first three years of the Agreement, the rate per 1000 gallons shall be \$1.20 per 1000 gallons. In order to comply with Item 2B of the Agreement, each year in years one through three of the Agreement, if Floyd County fails to purchase 36.5 million gallons of water per year, Floyd County agrees to pay to Calhoun \$1.40 per 1000 gallons for the difference, if any, between 36.5 million gallons and the actual lower quantity of water purchased by Floyd County in said year. The rate may be adjusted annually each year thereafter. The rate shall not exceed the rate as charged to the top ten industrial customers of Calhoun.

For the remaining contract period of seven (7) years; the rate shall be established at \$1.20 per 1000 gallons for water furnished by Calhoun with a minimum purchase of 0.60 million gallons per day based upon the Monthly Daily Average Method yearly average. Should Floyd County be furnished amounts equal to or greater than 0.60 million gallons per day, based upon the Monthly Daily Average Method during years four through ten of this Agreement, the rate per 1000 gallons shall be established at \$1.20 per 1000 gallons during the remaining seven year period. Floyd County agrees to pay \$1.20 per 1000 gallons for the difference between Minimum Daily Purchase Amount over a month period and the actual amount of water purchased by Floyd County if Floyd County fails to purchase the

Minimum Daily Purchase Amount in any of month in years four through ten of this Agreement. In order to comply with Item 2B of the Agreement, each year in years four through ten of the Agreement, if Floyd County fails to purchase 18.25 million gallons of water per month, Floyd County agrees to pay to Calhoun \$1.20 per 1000 gallons for the difference, if any, between 18.25 million gallons each month and the actual lower quantity of water purchased by Floyd County in said month. The rate may be adjusted annually each year thereafter. The rate shall not exceed the rate as charged to the top ten industrial customers of Calhoun.

ITEM FIVE

PAYMENT TERMS

- A. Calhoun for each billing quarter during the term of this Agreement shall read the meter on the fifteenth (15) day of the last month of that billing quarter and shall forthwith forward its invoice for that quarter's usage to Floyd County, which due date for said invoice is to be the first (1st) day of the first month of the next billing quarter. During the first three years of this Agreement, any amounts owed by Floyd County for failing to purchase the required daily amounts based upon a yearly average will be paid by Floyd County at the end of each applicable year of the Agreement. During the final seven years of this Agreement, any amounts owed by Floyd County for failing to purchase the required daily amounts based upon a monthly average will be paid by Floyd County at the end of each applicable month.
- B. If Floyd County does not pay said quarterly invoice from Calhoun for its usage within fifteen (15) days after said due date as provided hereinbefore, Floyd County shall pay in addition to said invoice amount the sum equal to five percent (5%) of said invoice amount as a late charge. Calhoun shall be entitled to interrupt the flow of water upon non-payment.

ITEM SIX

SERVICE AREA

Calhoun shall not extend water lines in Floyd County to serve new customers without the written consent of Floyd County. Calhoun will continue to serve their existing customers and any new customer located along their existing lines in Floyd County. Floyd County shall not extend water lines in Gordon County to serve customers without the written consent of Calhoun. Either party may extend transmission water mains through each county to facilitate wholesale connections with other counties.

ITEM SEVEN

TERMS OF CONTRACT (RENEWALS)

- A. This Agreement shall be for a period from that date on which water is first made available to Floyd County at the point of connection but not later than January 1, 2013 and shall end January 1, 2023.
- B. This Agreement may be renewed or extended for one or more, additional five (5) year periods with the following provisions:
 1. Both parties must agree in writing to said extension.
 2. The rate to be paid by Floyd County to Calhoun for water delivered during the additional terms shall not exceed the rate as charged to the top ten industrial customers of Calhoun and adjusted annually.
 3. During the second five (5) year term either party may terminate this Agreement by giving the other party a two year notice. This notice shall be sent by certified mail to the respective party at the following locations.

City of Calhoun,
Attn: Utilities General Manager
P O Box 248
Calhoun, GA 30703

Floyd County Manager

P. O. Box 946
Rome, GA, 30162-0946

C. Force Majeure

1. The term Force Majeure as used in this Agreement shall mean acts of God, acts of terrorism, insurrection, riots, epidemics, landslides,

lightning, earthquakes, fires, storms, floods, washouts, droughts, explosions, civil disturbances, acts of the public enemy, and war.

2. In any case by reason of Force Majeure, Calhoun or Floyd County is rendered unable wholly or in part to carry out its obligation under this Agreement, notice and full particulars of such Force Majeure are to be given in writing within a reasonable period of time by the party unable to carry out its obligations to the other party.
3. The obligation of the party given such notice, so far as it is affected by Force Majeure shall be suspended during the continuance of the inability claimed, but no longer.
4. Both Calhoun and Floyd County may exercise their respective rights under this Force Majeure section with regards to all provisions of this contract.

ITEM EIGHT

MISCELLANEOUS PROVISIONS

- A. The parties agree that this contract shall and all undertakings and obligations herein contained shall not be deemed to constitute a debt of either of the parties hereunder or a pledge of the faith and credit of either party, and neither party shall have the right to compel and exercise of the taxing power of the respective subdivisions to perform any of the terms hereof or to pay any sums due hereunder, and neither party shall be subject to any pecuniary liability hereunder in connection with payment of water furnished except to the extent of funds available which have been produced by the water system.
- B. The failure to comply with the provisions of the contract by either party shall, at the option of the nonbreaching party, terminate this Agreement.
- C. Calhoun will reasonably attempt to operate and maintain its system at all times in an efficient manner and will take such reasonable action in good faith as is necessary to furnish Floyd County with the quantities of water which are agreed to between the parties under this contract.

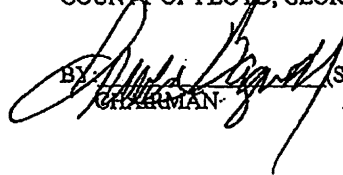
At the sole discretion of the City of Calhoun, in the event of an extended shortage of water, or if the supply of water available to Calhoun is otherwise diminished over an extended period of time, the supply of water to Floyd County shall be reduced or diminished in the same ratio or proportion as the supply to Calhoun's other customers is reduced or diminished and the minimum required purchase obligation of Floyd County shall be correspondingly reduced. In the event that Calhoun experiences a shortage of water in Calhoun and/ or receives a Georgia Environmental Protection Division (EPD) emergency order specifying that emergency measures be taken in response to a drought related water shortage, Floyd County will be notified of the water shortage or EPD order and required to reduce water purchases by immediate implementation of its own Emergency Water Shortage/Drought Contingency Plan at the plan step appropriate to the shortage stated in the notice, or mandated by EPD. Should an EPD Order mandate delivering of less than 0.1 MGD to Floyd County in the first three years of this Agreement or less than 0.6 MGD to Floyd County in years four through ten of the Agreement or any extensions thereof and be in effect for more than 60 days, at the request of Floyd County, Calhoun shall grant a credit against additional amounts owed by the County if any at the end of each year. Nothing contained in this paragraph or any other paragraph of this contract shall be construed to impose any liability, civil or otherwise, on Calhoun for any failure of pressure at point of connection or any interruption of service.

- D. Any amendment, modification, or alteration of the terms hereof shall not be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.
- E. All provisions, sections, agreements, and covenants contained herein are severable, and in the event that any of them shall be held to be invalid by any competent Court, this contract shall be interpreted as if such invalid provisions, sections, agreements or covenants were not contained herein.


F. It is agreed by the parties hereto that this contract shall be governed by the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties have, by and through their respective duly authorized officer, hereunto and unto a duplicate original, set their respective signatures and seals, the day and year first above written.

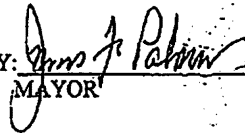
COUNTY OF FLOYD, GEORGIA

BY:  (SEAL)
CLERK 11-13-12

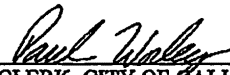
ATTEST:


CLERK, COUNTY OF FLOYD 11-13-12

THE CITY OF CALHOUN

BY:  (SEAL)
MAYOR

ATTEST:


CLERK, CITY OF CALHOUN