

**CITY OF CALHOUN  
REGULAR CITY COUNCIL MEETING  
DEPOT COMMUNITY ROOM  
109 SOUTH KING ST  
NOVEMBER 14, 2011 7:00 P.M.**

**MINUTES**

**PRESENT: Al Edwards, Mayor Pro Tem  
George Crowley, Councilman  
David Hammond, Councilman  
Matt Barton, Councilman**

**ABSENT: James F. Palmer, Mayor**

**ALSO: Eddie Peterson, City Administrator  
Bill Bailey, City Attorney (Left early)  
Larry Vickery, Utilities General Manager  
Jeff DeFoor, Director of Electric Utilities  
Paul Worley, Deputy Clerk  
Jerry Crawford, Water and Sewer Director  
Gary Moss, Chief of Police  
Lenny Nesbitt, Fire Chief**

1. Mayor Pro Tem Edwards called the meeting to order and welcomed everyone in attendance.
  - A. Mayor Pro Tem Edwards gave the invocation.
2. Mayor Pro Tem Edwards led the group in the Pledge of Allegiance to the United States Flag.
3. Councilman Hammond made a motion to approve the agenda, Councilman Crowley seconded the motion. All voted aye, motion approved.
4. Councilman Barton made a motion to approve the minutes of the October 24, 2011 City Council Meeting. Councilman Crowley gave a second with all voting aye, motion approved.
5. **Mayor's Comments:**
  - A. Mayor Pro Tem Edwards welcomed the Youth Leadership group to the City Council meeting. The students present were representing Calhoun High, Gordon Central High, Sonoraville High, and Georgia Cumberland Academy. Gordon County Commissioner Judy Bailey, who represents the Youth Leadership group through the Calhoun/Gordon County Chamber of Commerce, was also present.
  - B. Mayor Pro Tem Edwards reminded the public of a zoning change request from PRD to A-1 for Worth Enterprises, Inc. The land is located on Dews Pond Road parcel number CG55-127 which contains 176 acres. The ZAB will meet on December 8<sup>th</sup> and the public hearing will be on December 12<sup>th</sup>.

- C. Mayor Pro Tem Edwards announced to the public the Mayor's Christmas Motorcade. The Northwest Regional Hospital has been closed and 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 8<sup>th</sup>, 2011.
- D. Mayor Pro Tem Edwards commented on the results of General Municipal Elections as follows:
- 1) The 2012 SPLOST passed with 2,075 voters in favor versus 928 against.
  - 2) City of Calhoun Mayor
    - James F. Palmer was unopposed
  - 3) Calhoun City Council Post 1
    - George Crowley was unopposed
  - 4) Calhoun City Council Post 2
    - Al Edwards received 953 votes
    - Lorene Potts received 312 votes
  - 5) Calhoun City School Board Post 4
    - Eddie Reeves received 690 votes
    - Trey Pierson received 573 votes
  - 6) Calhoun City School Board Post 5
    - Debra Moyer received 677 votes
    - Tony Swink received 593 votes
- E. Mayor Pro Tem Edwards announced that City Hall will be closed to observe Thanksgiving on Thursday November 24<sup>th</sup>.

**6. Council Comments:**

- A. Councilman Edwards gave the October reports as follows:

**1) Police Department**

- Made 901 cases with 16 DUI's
- Fines collected by Municipal Court - \$88,214.00
- Issued 821 warnings
- Investigated 58 highway accidents, 26 private property accidents
- Provided 46 escorts
- 1,597 incident reports
- Responded to 298 alarms
- Patrolled 65,478 miles
- Responded to 5,312 calls for service by E-911

**2) Fire Department**

- Responded to 158 calls for service for the suppression division, 3 fire incidents for damages
- Responded to 1 Overpressure rupture, explosion, overheat
- Responded to 102 medical service calls
- Responded to 6 hazardous conditions incidents

- Responded to 27 false alarms, 13 good intent, 0 severe weather & natural disaster
- Completed Firefighters Burn Foundation Boot Drive with Gordon County Fire, Collecting \$18,641.00 for the Burn Foundation.
- All personnel completed an Interior Search class at Gordon County Fire Department.
- Assisted CFD Inspectors with Fire Prevention classes at local schools and day care facilities for Fire Safety Month.
- Began the second round of pressure testing of fire hydrants in the City of Calhoun.

**3) Fire Inspection Department**

- 147 total reported activities/inspections which included 7 annual inspections, 5 new business inspections, 24 requested inspections, 3 follow-up or re-inspections, 2 burn-site inspections, 0 plan review, 0 sprinkler permit issued, and 70 consultations
- The Fire Prevention Program at the Calhoun Fire Department conducted classes from Pre-K through 5<sup>th</sup>. The Calhoun Fire Department also conducted Fire Extinguisher Classes with a total of 2,431 students.
- Oct. 4- 2 Fire Prevention Classes at First Baptist Church with 57 students
- Oct. 5- Observed Disaster Drill at Prime Outlets
- Oct. 5- Updated all contact sheets for City Schools in Firehouse
- Oct. 6- Fire Prevention Program at David's Daycare with 48 kids

**4) Downtown Development Authority and Main Street Program**

- Harvest Fest was a great success with 100 vendors and thousands of visitors coming to downtown.
- The DDA hosted 59 students and advisors from area High Schools this month. The students toured many businesses, Harris Arts Center, the GEM Theatre, and historic Johnston Hall Clinic.
- The DDA was also host for the Region One Main Street managers meeting this month. 12 area managers and DCA officials toured downtown after the quarterly meeting at the Depot.
- Visit with Santa at the Depot will be Saturday, December 3<sup>rd</sup>. The DDA is partnering with the Calhoun Kiwanis Club. Contact the Chamber of Commerce, a Kiwanis Club member or the DDA office at the Depot for more information.
- The Annual Christmas Parade will be Thursday, December 8<sup>th</sup> at 7:00 pm downtown sponsored by the Convention and Visitors Bureau, the Northwest GA Regional Fair Association and the Downtown Development Authority.

B. Councilman Barton gave the October reports as follows:

1) **Street Department**

- Completed 16 shop and 22 street department work orders.
- Placed 10 new street signs.
- Cleaned out ditches with the grade-all and back-hoe on Marine Drive and Northview Drive.
- Repaired pot holes at various locations around the city using approximately 11 tons of asphalt.
- Began installing 10,000 square feet of fescue sod on bare spots at Fain and Chandler cemeteries.
- Picked up and hauled off leaves and brush from Colbert cemetery.
- Paved approximately 1.1 miles of East Line Street/Dews Pond Road from Hillcrest Drive to Curtis Parkway using 1087 tons of asphalt. This is the DOT LMIG Program for 2011.

2) **Cemetery Department**

- Performed routine maintenance on Fain and Chandler Cemetery.
- Supervised the opening and closing of 9 grave sites.
- Sold 12 new grave spaces.
- Worked 10 grave sites.

3) **Rabies Control**

- Housed 19 dogs, and 16 cats
- Issued 6 warnings
- Answered 54 customer calls

4) **Parks Department**

- The Parks Department grounds crew picked up litter, hauled garbage to the dump, books from the library and maintained records at records room.
- Kept up maintenance on all equipment.
- Cleaned City Hall at weekly intervals.
- The building and maintenance crew performed routine maintenance on designed city buildings and all fountains.

5) **Safety Committee**

- Safety topic- eye and face protection
- Safety Inspection- Sewer Construction
- Accidents: Vehicle Accident-0
- Workers Comp: 2- Fire and Water Construction

6) **Recreation Department**

- The Calhoun Recreation Department Youth Football season was completed during the week of October 17-20.
- The Recreation Soccer season was completed during the week of October 24-29.
- The Fall Coed League was completed on October 27<sup>th</sup>.

- Youth Basketball: Registration was completed for 7-8 through 9-10 boys and girls October 28<sup>th</sup>. Registration will end on November 11<sup>th</sup> for 11-12 through high school. Assessments and drafts were held for the 7-8 and 9-10 leagues October 29<sup>th</sup>, November 1<sup>st</sup> and 2<sup>nd</sup>.
- Facility rentals for October: Ratner Pavilion- 8, Playground Pavilion- 14, Recreation Center- 8, Buford Field- 4.
- Events: Alzheimer's Walk- October 22<sup>nd</sup> and Calhoun Episcopal Church Hunger Walk- October 23<sup>rd</sup>.
- Calhoun Recreation Department will be hosting the following GRPA District 5 tournaments in November:
  - Soccer- November 14<sup>th</sup>-19<sup>th</sup>- U10 Coed, U12 Coed.
  - Football- November 15<sup>th</sup>, 17<sup>th</sup>, and 19<sup>th</sup>- 7/8, 9/10, 11/12

C. Councilman Crowley gave the October report as follows:

1) **Water, Sewer, and Engineering**

- Maintenance crews are going forward with minor upgrades to the Coosawattee Intake. The project consist of replacing check valves and switch gear for three of the four raw water pumps. The project is scheduled to be back on track by January 2012.
- Engineering Department is numbering each valve in the water system by attaching ID tags to the inside of each valve box. This is going very well and will provide better control when opening and closing key valves.
- Water System Flushing Program continues and is on schedule with Zone 1 completed and Zone 2 underway. Proposed schedules are listed on the City of Calhoun web site at [www.cityofcalhoun-ga.com](http://www.cityofcalhoun-ga.com).
- Regarding the phosphorus removal at the wastewater treatment plant; we are considering a large scale pilot study using sodium aluminate. This chemical could help reduce the amount of sludge produced by chemical precipitation of the phosphorus and also reduce the effects of chemical addition on the total alkalinity of the waste stream.

2) **Water Treatment Plant Facility**

- Pumped a total of 292,550,000 gallons of water for a daily average of 9,437,097 gallons.
- The Brittany Drive Treatment Plant produced 40.8% of the City's potable water for the month, and Big Springs – 0
- Rainfall 3.27"

3) **Waste Water Treatment Plant Facility**

- Treated a daily average of 4.832 MGD, with an average BOD effluent of 4, average suspended effluent of 9, and an average COD of 45.

4) **Water Distribution**

- 4 Water connections, 38 water service leaks repaired, 20 water main leaks repaired, 3 fire hydrant repaired, 3 change out of meters, 82 utility

locates called in for work orders, 374 utility locates responded to, and 83 misc. calls

- Continued installing new 8" line on Hwy. 156 in the area of Reeves Station Road
- Continued work with Engineering on main flushing project

**5) Waste Water Collection**

- 1,700' Sanitary Sewer Services TV inspected, 323 utility locates completed, 3 lift station repairs completed, 11,200' sanitary sewer lines cleaned, 79 manholes opened and inspected
- Continued work on Brittany Drive Well expansion site
- Continued work at Red Bud and College raising and lowering manholes

**6) Building Inspection Department**

- Issued 14 permits for an estimated cost of \$52,583.46. This included 0 new residential, 1 new commercial, 1 commercial remodeling, 2 residential HVAC, 3 commercial electrical, 0 industrial electrical, 2 residential electrical, and 3 sign permits

D. Councilman Hammond gave the October report as follows:

**1) Electric Department**

Long Term Projects under Construction

- The utilities construction crews continue to be supported by electric maintenance personnel as needed to maintain all Water Department and Treatment plants and controls.
- Phase II of the System Loss and the System Protection Programs for 2011-2012 continues with our GIS mapping updates. Our consultant, Power Engineering, has updated the system relay and protection coordination data as it becomes available.
- The new water treatment project is underway with the engineering of controls and instrumentation needed for plant operation.

Projects and Maintenance under construction

- The Electric department continues to communicate with Calhoun Schools Construction Team for the new school. Engineering is complete for parking lot, baseball and soccer fields lighting, electric distribution line relocation, and underground conversion of existing facilities. A sample of the new LED light that is being considered is on display at the corner of the Depot parking lot. This new LED light uses less than 1/3 the amount of electricity that our present 175 watt lights use.
- The Electric Department continues to work with GDOT on the intersection improvements. New intersection lighting will begin as soon as traffic signal construction is complete.

- Electric utility pole integrity check is complete with 442 poles being checked out of the 5,000 City owned poles. Seventy poles were designated to be replaced.
- Christmas light and decorations are being installed.

Work orders in process or completed

- Newly created- 136
- Completed and closed- 123
- Consisting of:
  - Street and security lighting-62
  - New business and maintenance-8
  - After hours trouble and callouts-11
  - City electrical maintenance-26
  - Meter maintenance/replacement- 10
  - New customer meter sets- 6
  - Monthly total system locate tickets processed- 264

Electric system supplied- 30,414,377 Kwh in October. This is an increase of 7% over 2010, and 30% over 2009. Large industrial usage was up 3% from 2010 and 52% above 2009.

**EECBG Report - The Energy Efficiency and Conservation Block Grant Program**

Work will begin within a couple weeks on the relighting project at 7 City of Calhoun department buildings (Electric, Fiber, Street, Water Construction, City Hall, Police and Probation). Eastside School has completed an Energy Audit and we are recommending it be included in the relighting project. The Energy Audit program has been advertised and the Appliance Rebate program has begun. Both programs are being well received by our customers.

**2) Telecommunications Departments:**

- Added one 3 Meg point-to-point circuit and five new internet circuits.
- Disconnected one T1 circuit
- Increased existing customer bandwidth 3 Meg.
- Installed 1200 feet of new fiber and removed old fiber to route around intersection construction changes at Highways 53 and 41.
- Resolved another phone service billing dispute and cancelled unnecessary account.
- Provided support for financial server software upgrade and installed new software clients on 58 users' computers.
- Reprogrammed phones and computers for finance personnel moving from City Hall to Utilities.
- Provided support for new Police Department server software install and assisted with install on 6 client computers.
- Setup new software server for Engineering to share software license.
- Opened 34 and closed 41 work orders.

**3) Geographic Information Systems:**

- Created online map with schedule for water line flushing project.

- Continue to geo-code billing addresses to physical addresses, verify electric and water meter mapping for industrial and downtown commercial meters.
- Assisted Engineering with waste water infiltration project.
- Continue to map fire hydrant and hydrant valve locations in the county.
- Created analysis map for Police Department
- Updated Police and Fire zone maps.
- Updated city and GIS websites.

**4) Northwest Georgia Regional Commission**

- Councilman Hammond explained the scope and purpose of the Commission to the youth leadership group.
- Councilman Hammond stated that the projects listed on the Transportation SPLOST for Calhoun-Gordon County did make the final cut and will be included in the T-SPLOST if it passes in 2012.
- Councilman Hammond stated that if the T-SPLOST passes next year it will be the largest tax ever imposed in the State of Georgia. It would also be the largest expenditure on transportation since the interstate system was built.

**7. Public Hearings and Comments:**

- A. Mayor Pro Tem Edwards opened the public hearing for a beer pouring license request by Richard Hughes, manager, D/B/A: Captain D's, LLC, for a location of 463 Highway 53 East.
- Mayor Pro Tem Edwards asked if there were any comments from the applicant or the public. There were no comments.
  - Mayor Pro Tem Edwards closed the public hearing.
  - Councilman Barton made a motion to approve the beer pouring license request. Councilman Crowley gave a second with all voting aye, motion approved.

**8. Old Business:**

- A. Mayor Pro Tem Edwards conducted the second reading of a taxicab regulatory license request by Daniel A. Leon D/B/A Taxi Daniel, at a location of 94 East May Street. The public hearing will be on November 28<sup>th</sup>.

**9. New Business:**

- A. Roberta Charbonneau from the Voluntary Action Center (VAC) addressed the Council concerning November being Homeless Prevention Awareness Month. Mrs. Charbonneau stated that up to ten percent of children in Gordon County do not have a fixed, regular, and adequate residence to live in. There are many cases of multiple families living in one home. Many families do not have any source of heat for the upcoming winter months. Mrs. Charbonneau stated that VAC has helped house over 200 people in motels this year. Motel 6 has been a great partner in this

cause by reducing rates to house less privileged. VAC is also partnering with faith based organizations to help as many people as they can. Mrs. Charbonneau encouraged everyone to help with this cause in any way that they can.

- B. Mayor Pro Tem Edwards conducted the first reading of an annexation and zoning of C-2 for 0.29 acres at a location of 1109 South Wall Street for Linda Walters. The ZAB will meet on January 5<sup>th</sup> 2012 and the Public Hearing will be on January 9<sup>th</sup> 2012.
- C. Mayor Pro Tem Edwards stated that the Mayor and Council were continuing to discuss options concerning updating the City's code of ordinances with regards to farm animals within the City limits.
- D. Mayor Pro Tem Edwards conducted the first reading of a taxicab regulatory license request by Manuel Reyes Salguero D/B/A: Reyes Taxi, at a location 820 North Wall Street. The public hearing will be on December 12<sup>th</sup>.
- E. Mayor Pro Tem Edwards read a request for an Alcohol- Beer, Wine, Liquor manager change request for The Kangaroo Express # 3513 at a location of 1476 Red Bud Road. The prior manager was Karen Aldridge and the proposed manager is Terra Watson.
  - Councilman Crowley made a motion to approve the manager change. Councilman Barton gave a second with all voting aye, motion approved.
- F. Mayor Pro Tem Edwards conducted the first reading of Taxi Cab renewal requests.
  - Hermelindo Davila for Taxi Abuelo
  - Edwin Herrera for Taxi Edwin
  - Romulando Martinez for Taxi Latino
  - Jose A. Salaices for Charrito's Taxi
  - Moises A. Robleto for Taxi Express
- G. Mayor Pro Tem Edwards conducted the first reading of Pawn License renewal requests.
  - 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
- H. Mayor Pro Tem Edwards conducted the first reading of Beer-Wine-Liquor License renewal requests.

**Beer & Liquor Pouring**

- Luis Rey Fitz Solis for El Rayos
- Stephanie Lowe for VFW Post #5376

**Beer & Wine Package**

- Vilas V. Patel for A Knight Hi Tech
- Ashish Kumar R. Chaudhari for Chaudhari Enterprises
- Terry Bouldin for Ingles Food Market
- Brian Morris for Food Lion
- Terra Watson for Kangaroo Express #3513
- Karen Aldridge for Kangaroo Express #3563
- Leslie Renfro for Kangaroo Express #3519

- Marlene Kimm for Kroger #393
- Davis Michael Bernier, Jr for Food Outlet, IGA
- Michael Boling for Wal-Mart Supercenter #1215
- James McConnell for R & R Grocery
- Laura Fritz for Rite Aid #4751 located at 910 S Wall St
- T Vanderbogart for Rite Aid #11828 located at 1101 Red Bud Rd

**Beer and Wine Pouring**

- Saleh Rashid for Atlanta Gate Rest
- Jeff Erwin for Dub's High on the Hog, Inc
- Jim Morris, Jr. for L J Foods, DBA Schroeder's
- Derrick Williams for Sharkey's Seafood & Wings

**Beer Package**

- Ram Chandra Thapa for ABC Convenience
- Patsy Colleps for Chevron Food Mart
- Hannah Soliman for Food Mart #530
- Yogesh Patel for Food Mart & Tobacco
- Raymond J. Brown for J & J's Package Store
- Ray Tierce for Tierce's Little Giant
- Satnam Singh for Quick Stop

**Beer Pouring**

- Jiang Jingsen for Eastern Buffet
- Dimitrios Pateritsas for Gondolier's Pizza
- Kitty Leung for Great Wall Chinese Restaurant
- Melba Jane Price for Pizza Hut

**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

**Beer, Wine, Liquor Pouring**

- Liborio Hernandez for Los Magueys #3
- Juana Naranjo for El Pueblito Mexican Resturant
- Jeff Mathis for Longhorn Steakhouse #5302
- Ian B. Wonderling for Ruby Tuesday
- Jorge M. Alvarez for El Nopal
- Jeff Silvers for Dawg Pound Sports & Grill

**Combination Beer Package/Pouring at a Private Club**

- Donna Blair for American Legion

10. Other written items not on the agenda: None

11. Work Reports:

A. Eddie Peterson, City Administrator

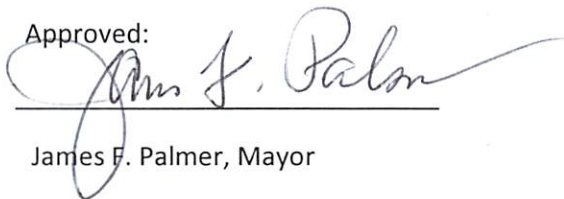
- o None

B. Larry Vickery, Utilities General Manager

- o Mr. Vickery discussed a Loan modification agreement with the Georgia Environmental Finance Authority (GEFA). The loan is for the construction of a 7 MGD deep bed gravity filtration system including chemical storage and feed, flocculation, four gravity filters, pipe gallery, treated water piping, one MG prestressed concrete clearwell, chlorination facilities, controls, meter pit, site work, yard piping, and all related appurtenances. The loan is in the amount of \$1,600,000.00. The completion of construction is scheduled for November 1, 2012. Councilman Crowley made a motion to allow Mayor Palmer to sign the modification of promissory note and loan agreement. Councilman Barton gave a second with all voting aye, motion approved.
- o Mr. Vickery discussed a supplemental contract for pole attachment management service with Electric Cities of Georgia, Inc. for certain services related to use of the City's utility poles by third parties (AT&T, Comcast). Councilman Hammond made a motion to allow Mayor Palmer sign the pole attachment contract. Councilman Barton gave a second with all voting aye, motion approved. (Summary Resolution attached)

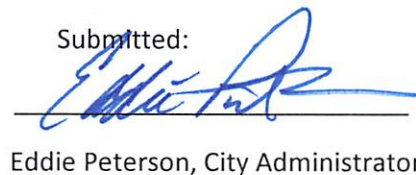
12. Councilman Hammond made a motion to adjourn. The motion was seconded by Councilman Barton with all voting aye, motion approved.

Approved:



James F. Palmer, Mayor

Submitted:



Eddie Peterson, City Administrator

MODIFICATION OF PROMISSORY NOTE AND LOAN AGREEMENT

**THIS MODIFICATION OF PROMISSORY NOTE AND LOAN AGREEMENT** (this "Modification") dated December 7, 2011, by and between **CITY OF CALHOUN**, Georgia, a Georgia public body corporate and politic (the "Borrower"), and the **DRINKING WATER STATE REVOLVING FUND, ADMINISTERED BY GEORGIA ENVIRONMENTAL FINANCE AUTHORITY**, a Georgia public corporation (the "Lender")

Statement of Facts

A. The Lender and the Borrower are parties to that certain Contract for Financing Environmental Facilities and for Other Services, dated **DECEMBER 2, 2010**, as amended prior to the date hereof (as so amended, the "Loan Agreement"; all capitalized terms used in this Modification but not defined herein have the meanings given in the Loan Agreement), pursuant to which the Lender made a loan to the Borrower in accordance with the terms and conditions thereof. The Borrower's obligation to repay such loan is evidenced by that certain Promissory Note, dated **OCTOBER 25, 2010**, as amended prior to the date hereof (as so amended, the "Note").

B. The Lender and the Borrower desire to modify the Loan Agreement and Note in certain respects in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, in consideration of the premises, the covenants and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Lender and the Borrower further agree as follows:

Statement of Terms

1. **Amendments of Note.** Subject to the fulfillment of the conditions precedent to the effectiveness of this Modification that are set forth below, the Note is hereby amended as follows:

Accrued interest on this Note shall be payable monthly on the first day of each calendar month until the first day of the calendar month following the earlier of (1) the Completion Date (as defined in the hereinafter defined Loan Agreement), (2) **DECEMBER 1, 2012**, or (3) the date that the loan evidenced by this Note is fully disbursed (the "**Amortization Commencement Date**"). Principal of and interest on this Note shall be payable in **TWO HUNDRED THIRTY-NINE (239)** consecutive monthly installments equal to the Installment Amount (as hereinafter defined), commencing on the first day of the calendar month following the Amortization Commencement Date, and continuing to be due on the first day of each succeeding calendar month thereafter, together with a final installment equal to the entire remaining unpaid principal balance of and all accrued interest on this Note, which shall be due and payable on the date that is **20 years** from the Amortization Commencement Date (the "**Maturity Date**").

**2. Amendments of Loan Agreement.** Subject to the fulfillment of the conditions precedent to the effectiveness of this Modification that are set forth below, the Loan Agreement is hereby amended as follows:

Section 2 (a) of the Loan Agreement is hereby amended and restated to read as follows: "The Lender agrees to advance to the Borrower, on or prior to the earlier of (1) the Completion Date (as hereinafter defined), (2) **DECEMBER 1, 2012**, or (3) the date that the loan evidenced by this Note is fully disbursed, the Loan in a principal amount of up to \$1,600,000 which Loan may be disbursed in one or more advances but each such disbursement shall reduce the Lender's loan commitment hereunder and any sums advanced hereunder may not be repaid and then re-borrowed."

Exhibit A is amended and restated to read as written in the attached Exhibit A.

**3. No Other Waivers or Amendments.** Except for the amendments expressly set forth and referred to in Section 1 and 2 above, the Note and the Loan Agreement shall remain unchanged and in full force and effect. Nothing in this Modification is intended, or shall be construed, to constitute a novation or an accord and satisfaction of any of the obligations created by the Note.

**4. Representations and Warranties.** To induce the Lender to enter into this Modification, the Borrower does hereby warrant, represent, and covenant to the Lender that: (a) each representation or warranty of the Borrower set forth in the Loan Agreement is hereby restated and reaffirmed as true and correct on and as of the date hereof as if such representation or warranty were made on and as of the date hereof (except to the extent that any such representation or warranty expressly relates to a prior specific date or period) and no Event of Default has occurred and is continuing as of this date under the Loan Agreement; and (b) the Borrower has the power and is duly authorized to enter into, deliver, and perform this Modification, and this Modification is the legal, valid, and binding obligation of the Borrower enforceable against it in accordance with its terms.

**5. Conditions Precedent to Effectiveness of this Modification.** The effectiveness of this Modification is subject to the truth and accuracy in all material respects of the representations and warranties of the Borrower contained in Section 4 above and to the fulfillment of the following additional conditions precedent:

- a. the Lender shall have received one or more counterparts of this Modification duly executed and delivered by the Borrower; and
- b. the Lender shall have received (1) a certified copy of the resolution adopted by the Borrower's governing body, substantially in the form of Exhibit E attached hereto, and (2) a signed opinion of counsel to the Borrower, substantially in the form of Exhibit F attached hereto.

**6. Counterparts.** This Modification may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Modification to be duly executed and delivered as of the date specified at the beginning hereof

CITY OF CALHOUN

By: James F. Baber

Name: James F. Baber

Title: Mayor

Approved As to Form:

(SEAL)

Y. P. Bailey  
Borrower's Attorney

Attest:

Paul Worley

Name: Paul Worley

Title: Deputy Clerk

G.A. BAC NO 032400

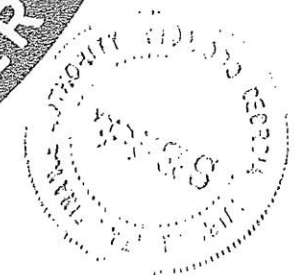
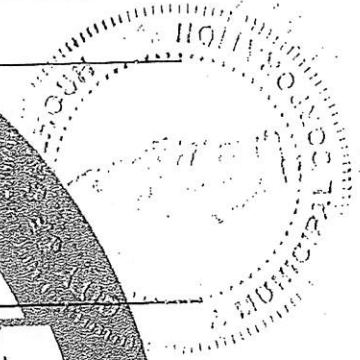
DRINKING WATER STATE  
REVOLVING FUND, ADMINISTERED  
BY GEORGIA ENVIRONMENTAL  
FINANCE AUTHORITY

By: Kevin Clark

Kevin Clark  
Executive Director

(SEAL)

ENERGY • LAND • WATER



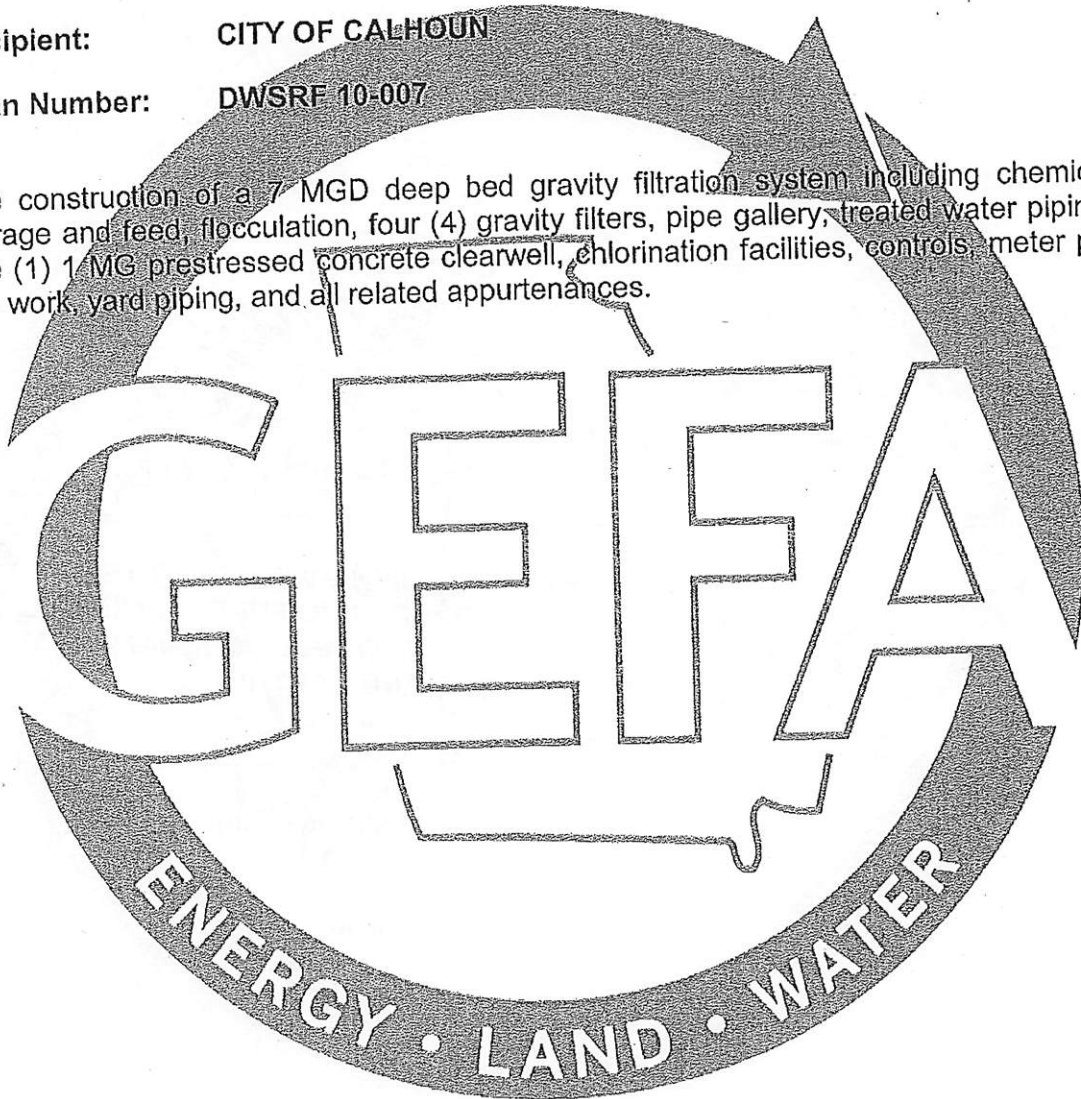
DESCRIPTION OF THE PROJECT

SCOPE OF WORK

Recipient: CITY OF CALHOUN

Loan Number: DWSRF 10-007

The construction of a 7 MGD deep bed gravity filtration system including chemical storage and feed, flocculation, four (4) gravity filters, pipe gallery, treated water piping, one (1) 1 MG prestressed concrete clearwell, chlorination facilities, controls, meter pit, site work, yard piping, and all related appurtenances.

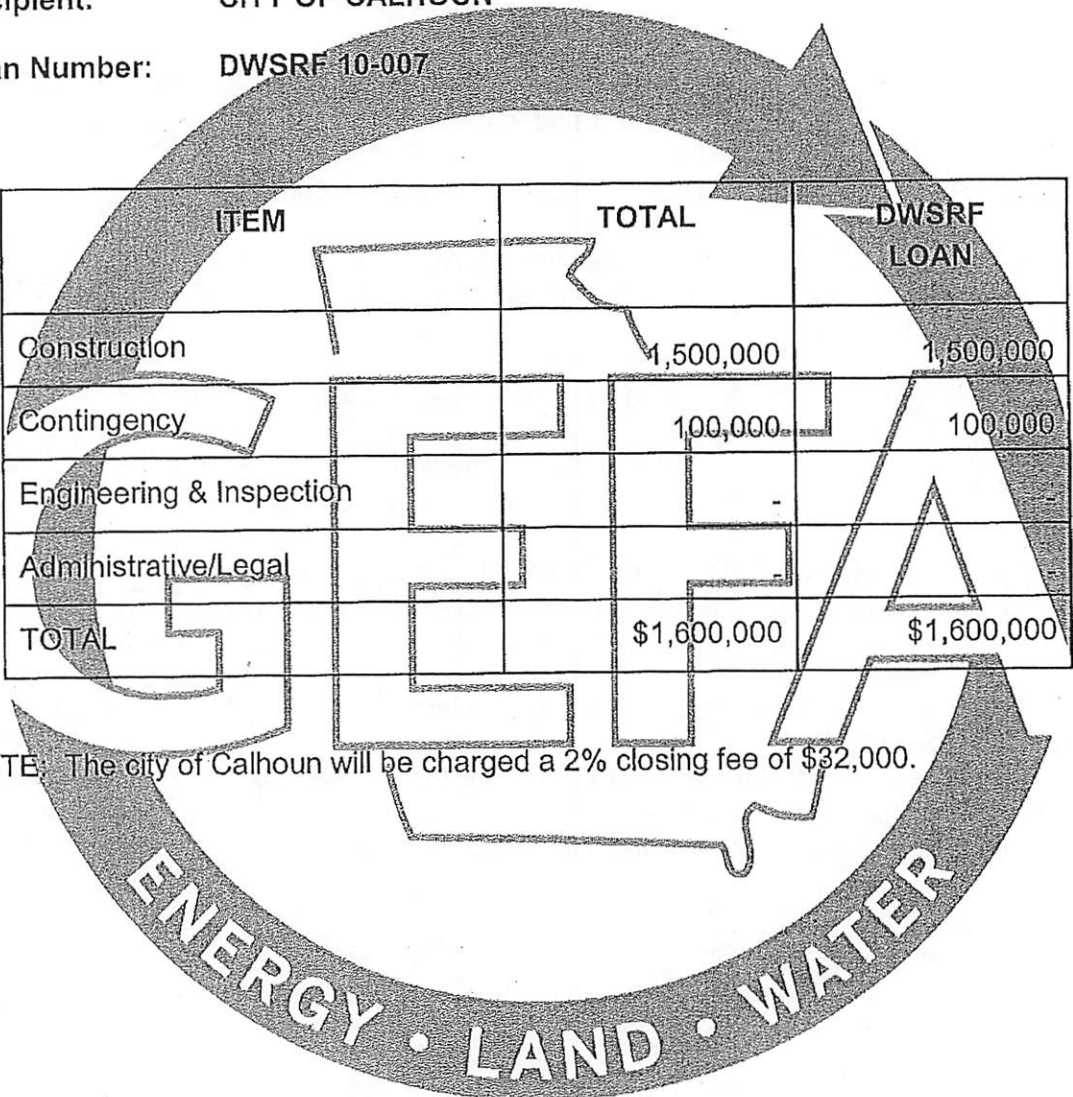


DESCRIPTION OF THE PROJECT

PROJECT BUDGET

Recipient: CITY OF CALHOUN

Loan Number: DWSRF 10-007



ITEM	TOTAL	DWSRF LOAN
Construction	1,500,000	1,500,000
Contingency	100,000	100,000
Engineering & Inspection	-	-
Administrative/Legal	-	-
TOTAL	\$1,600,000	\$1,600,000

NOTE: The city of Calhoun will be charged a 2% closing fee of \$32,000.

EXTRACT OF MINUTES  
RESOLUTION OF GOVERNING BODY

Recipient: CITY OF CALHOUN

Loan Number: DWSRF 10-007

At a duly called meeting of the governing body of the Borrower identified above (the "Borrower") held on the 14<sup>th</sup> day of November, 2011, the following resolution was introduced and adopted.


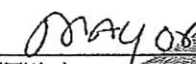
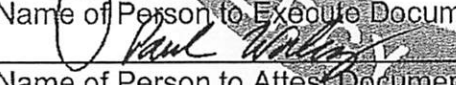

**WHEREAS**, the Borrower has borrowed \$1,600,000 from the Georgia Environmental Finance Authority (the "Lender"), pursuant to the terms of a Contract for Financing Environmental Facilities and for Other Services (the "Loan Agreement"), dated **DECEMBER 2, 2010**, between the Borrower and the Lender; and

**WHEREAS**, the Borrower's obligation to repay the loan made pursuant to the Loan Agreement is evidenced by a Promissory Note (the "Note"), dated **OCTOBER 25, 2010**, of the Borrower; and

**WHEREAS**, the Borrower and the Lender have determined to amend and modify the Note and the Loan Agreement, pursuant to the terms of a Modification of Promissory Note and Loan Agreement (the "Modification") between the Borrower and the Lender, the form of which has been presented to this meeting;

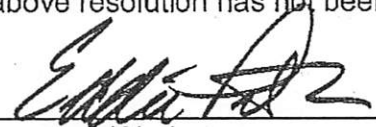
**NOW, THEREFORE, BE IT RESOLVED** by the governing body of the Borrower that the form, terms, and conditions and the execution, delivery, and performance of the Modification are hereby approved and authorized.

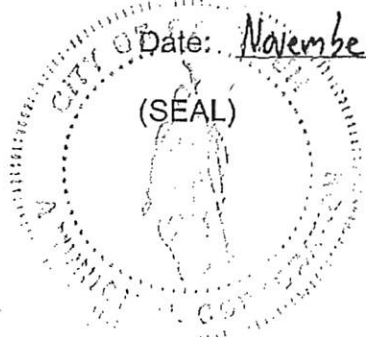
**BE IT FURTHER RESOLVED** by the governing body of the Borrower that the terms of the Modification are in the best interests of the Borrower, and the governing body of the Borrower designates and authorizes the following persons to execute and deliver, and to attest, respectively, the Modification, and any related documents necessary to the consummation of the transactions contemplated by the Modification.

	
_____ (Name of Person to Execute Documents)	_____ (Title)
	
_____ (Name of Person to Attest Documents)	_____ (Title)

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect.

Date: November 15, 2011.

  
\_\_\_\_\_  
Secretary/Clerk



**A RESOLUTION  
OF THE CITY OF CALHOUN**

**APPROVING THE SUPPLEMENTAL CONTRACT (POLE ATTACHMENT MANAGEMENT SERVICE) WITH ELECTRIC CITIES OF GEORGIA, INC.; AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF SUCH CONTRACT; AND FOR OTHER PURPOSES**

---

WHEREAS, Electric Cities of Georgia, Inc., a Georgia nonprofit corporation organized to perform services on behalf of its Participants pursuant to the Georgia Nonprofit Code and Section 115 of the Internal Revenue Code (the "Electric Cities"), and certain Participants, including, but not limited to, the CITY OF CALHOUN (the "Pole Participant"), have entered into a Participant Services Contract, dated as of March 1, 2009, as amended and supplemented (each, a "Services Contract," and together, the "Services Contracts"); capitalized terms used herein, but not defined shall have the meaning set forth in the Services Contracts or the hereinafter defined Contract, as applicable; and

WHEREAS, many of the Participants, including Pole Participant, have expressed an interest in contracting with Electric Cities for (a) certain services related to use of their utility poles by third parties, including, but not limited to, management of certain pole attachment and joint use agreements and other pole attachment arrangements (the "Pole Services"), and (b) certain other services from time to time upon request, including, but not limited to, pole inventories, rate and contract negotiation, and mapping (the "Other Services," and together with the Pole Services, the "Services"); and

WHEREAS, Electric Cities and Pole Participant have determined that there is a need for such Services for the Participants and Electric Cities desires to provide such Services; and

WHEREAS, Electric Cities and Pole Participant have determined that it is in their respective best interests that Electric Cities subcontract initially to provide certain of the Services to the Participants contracting for such Services; and

WHEREAS, as a Georgia nonprofit formed on behalf of its Participants, Electric Cities must provide for a method by which any costs and expenses that it incurs respecting the Services are to be recovered; and

WHEREAS, Electric Cities and Pole Participant have caused to be prepared a draft form Supplemental Contract for Participants to contract for the Services (the "Contract");

NOW, THEREFORE, be it resolved by the governing body of the Pole Participant in a meeting duly assembled, and it is hereby resolved by authority thereof, as follows:

Section 1. The Pole Participant hereby finds and determines that it is in its best interest to contract with Electric Cities under the terms of the Contract.

Section 2. The Pole Participant hereby approves and authorizes the execution, delivery and performance of the Contract, including the exhibits thereto, in substantially the form of the draft thereof presented at this meeting and filed in the Pole Participant's meeting minutes, and hereby incorporated herein by reference, subject to such changes, additions and deletions made in the discretion of the Mayor (the "Authorized Official") of the Pole Participant, with advice of counsel. The Contract shall be executed by the Authorized Official, attested by the appropriate officer of the Pole Participant, and shall have the Pole Participant's seal affixed thereto, and shall be delivered to Electric Cities, and when so executed and delivered, shall be binding upon the Pole Participant in accordance with its terms. Execution of the Contract as authorized herein shall be conclusive evidence of the Pole Participant's approval thereof.

Section 3. The Pole Participant hereby authorizes the Authorized Official and \_\_\_\_\_, or either of them, to take any further actions and execute and deliver any other documents necessary to carry out the purpose of this Resolution, including, but not limited to, communicating the decisions of the Pole Participant to Electric Cities with respect to any matter respecting the Contract, as amended from time to time.

Section 4. In the adoption of this Resolution, the Pole Participant hereby recognizes that this action will be relied upon by other municipalities and systems that own and operate electric distribution systems and that adopt similar resolutions in furtherance of joint action through Electric Cities respecting the Services, and that the Pole Participant is also relying upon the adoption of such resolutions by such other municipalities and systems. The Contracts and the Services Contracts together constitute an intergovernmental contract among the Pole Participant and the other Participants under the Intergovernmental Contracts Clause of the Constitution of the State of Georgia, Article IX, Section III, Paragraph I.

Section 5. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

RESOLVED this 14 day of November, 2011.

CITY OF CALHOUN

By: Jim J. Palmer  
Its: Mayor  
City of Calhoun

[SEAL]

Attest:

Paul Wesley  
Its: City of Calhoun