

MINUTES OF UNOFFICIAL DISCUSSIONS WITH  
CITY OF FAIRMOUNT OFFICIALS AND  
CITY OF CALHOUN OFFICIALS  
REGARDING FAIRMOUNT'S  
WATER SITUATION  
ON JULY 14, 1986 AT NOON

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July 14, 1986 - 12:00 NOON FAIRMOUNT OFFICIALS, DOLPH FULLER, MAYOR, COUNCIL MEMBERS, AIMEE LACEY, JIMMY CLARK, JAMES PADGETT, CALHOUN OFFICIALS, JOHN D. MEADOWS, III, MAYOR, COUNCIL MEMBERS, HERBERT KING, TOM BOND, H.A. OLDFIELD, JR., PAUL MCENTIRE, ENGINEER JOHN SWEITZER, CALHOUN CITY SUPERINTENDENT, JAMES HOBGOOD, CITY CLERK, CATHY HARRISON AND CHAMBER OF COMMERCE PRESIDENT, RON DOBBS MET IN THE CONFERENCE ROOM OF THE CHAMBER ON HIGHWAY 41, SOUTH.

1. Chamber President Dobbs called the meeting to order and welcomed everyone.
2. Fairmount Mayor Fuller stated a study of the Creek approximately twenty years ago indicated it was not an adequate water source for the City of Fairmount. Mayor Fuller stated due to lack of water from the creek, it had been necessary for the City of Fairmount to begin obtaining water on an emergency basis from the City of Calhoun a few weeks ago. He stated he and the Fairmount Council wished to discuss ways and means of obtaining water permanently from the City of Calhoun.
3. Engineer Sweitzer stated that extensive funds would be needed to renovate the Fairmount water plant in order to get it up to State standards, and since funds to renovate and maintain were not available, he would recommend that Fairmount ask the City of Calhoun to amend the current contract which would allow Fairmount to secure water from Calhoun on a permanent basis.
4. Calhoun Councilman Bond asked if this amendment would mean Calhoun would be billing customers and etc.?
5. Fairmount Mayor Fuller responded no, it would continue to be a wholesale situation as it is now.
6. Calhoun Councilman McEntire asked if the line would need to be looped from Concord Church to Fairmount to tie into the line from Ranger?
7. Calhoun City Supt. Hobgood responded no. He stated Calhoun could serve Fairmount as it is now and this method would probably be on a more secure basis than they have had for the last five years. The loop, tank and items would be things the City of Calhoun would have to look at for its system.
8. Fairmount Councilman Padgett stated he wished for Calhoun to be the primary source of water for Fairmount and leave the creek out of the picture altogether.
9. Calhoun Mayor Meadows stated the loop from Concord to Fairmount and tank has been in Calhoun's plans for sometime. He stated in view of Fairmount's situation it might be necessary for the implementation to be moved up, and this would mean a lot of money would be needed to complete the work.
10. Fairmount Mayor Fuller stated that Fairmount really has no alternative to consider.
11. Calhoun Mayor Meadows stated that before Calhoun entered into 15 years of debt to do the work, Calhoun would need an absolute agreement to furnish Fairmount water even beyond the 15 years, since the City of Calhoun would not make any profit on its investment for at least that long. He stated it would be necessary for the monthly wholesale water bill to be kept current. Mayor Meadows stated that any public hearings required for any contractual agreement would need to be handled by the officials of Fairmount.

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12. Engineer Sweitzer stated that the wholesale method would not solve Fairmount's problem in the long run. He stated that under the wholesale method, Fairmount would still operate the plant, make taps and have the maintenance and operation responsibility of the system.

Mr. Sweitzer stated the better of the choices would be for Fairmount to request Calhoun to use the retail alternative. He stated as long as Fairmount has outstanding bonds, the system could not be sold, or ownership transferred, but an operating contract could be signed by both parties which would allow Calhoun to make all sales direct to the customers.

He stated the proposed construction would include an 8" main extended from Concord church to Fairmount at approximately \$200,000.00; distribution improvements in Fairmount for approximately \$100,000.00; and a half million gallon water tank in Fairmount for approximately \$150,000.00, for a total cost of \$450,000.00. The financing of the project would be to attempt to acquire a State grant of \$200,000.00 and borrow \$250,000.00 through GEFA for 15 years.

As the February Fairmount rate study indicated, water rates should be increased to properly fund the current system, it would need to be increased to Calhoun's outside rate with an added 16¢ surcharge in order to have sufficient funds to repay Fairmount's bonded water debt, if the retail alternative was adopted.

13. Fairmount Councilman Clark asked if the retail method was agreed upon, would Calhoun extend water lines outside the City of Fairmount? Fairmount currently has an ordinance which prohibits water line extension for customers outside the City.
14. Calhoun City Supt. Hobgood stated the City of Calhoun's current policy is to extend water lines into area where there would be a minimum of 10 customers per mile if funds are available. The same policy would cover this area also.
15. Calhoun Mayor Meadows stated that if the retail method is adopted, Fairmount could reduce its tax millage by almost three mills.
16. Engineer Sweitzer stated any contract drawn will have to provide a 25% refund for Fairmount through June, 2003 in order to maintain the sinking funds as called for in the bond ordinance.
17. Fairmount Councilperson Lacey asked if there would be enough water for future industrial growth?
18. Engineer Sweitzer and Calhoun Supt. Hobgood both stated yes, but there are limits because the supply lines are 8" lines.
19. Calhoun Mayor Meadows stated the Calhoun Council has an obligation to do what is best for Calhoun residents, but that he and the Council realize the water system is also a County wide system and every effort must be made to accomodate Fairmount residents as funding is available. He stated to do these system changes at the prices quoted, Calhoun would definitely need a permanent contract to supply the water needs.
20. Calhoun Councilman McEntire stated the retail method seemed the best way to proceed since Fairmount is unable to do the maintenance and fund the extensive repairs to the present system.
21. Calhoun Councilman Oldfield asked which method, retail or wholesale, would be best?
22. Calhoun City Supt. Hobgood stated it would be necessary for Calhoun to have control of the system if it was going to spend \$450,000.00 to meet their water needs.
23. Calhoun Mayor Meadows stated that Fairmount might wish to collect water bills in Fairmount and send in once a month to the City of Calhoun. This would be handled in the same manner as in Plainville. Fairmount would be acting as a collection point, while meter reading and billing would originate from Calhoun.

24. Chamber President Dobbs suggested each City select a person from each Council to review the proposals step by step and then each discuss in detail with their respective Council. The Councils could meet again to negotiate the matter point by point and then public hearings could be arranged. He stated the Chamber would be glad to assist in any way possible, and the conference room would be available for their use.
25. Fairmount Mayor Fuller asked that both the retail and wholesale proposals be written up and distributed to each Council member.
26. The meeting was adjourned.

Respectfully submitted:



(Mrs.) Cathy Harrison,  
City Clerk - Treasurer

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