

WATER COMMITTEE
JANUARY 14, 2009
MINUTES

MEMBERS PRESENT:

Pete Frisina, Chairman
Tony Parrott
Jack Krakeel
James K “Chip” Conner
Chris Clark, Vice Chairman
David Jaeger
Russell Ray

ABSENT:

NON-VOTING MEMBERS:

STAFF PRESENT:

The meeting was called to order by Chairman Pete Frisina at 8:00 A.M.

I. ELECTION OF CHAIR.

Tony Parrott nominated Pete Frisina as Chair of the Water Committee. Jack Krakeel seconded and there was no opposition.

II. ELECTION OF VICE CHAIR.

Tony Parrott nominated Chris Clark as Vice Chair of the Water Committee. Jack Krakeel seconded and there was no opposition.

III. APPROVAL OF 2009 MEETING SCHEDULE.

Chip Conner made the motion to recommend to the Board of Commissioners to accept the 2009 meeting schedule as presented. Tony Parrott seconded and there was no opposition.

IV. APPROVAL OF MINUTES FROM THE MEETING ON DECEMBER 10, 2008.

Chip Conner made the motion and Tony Parrott seconded, to approve the minutes from the meeting on December 10, 2008. There was no opposition.

V. LAKE MCINTOSH UPDATE.

Mr. Parrott reported they did a show and tell in Coweta County. They used a drawing produced by Mallett & Associates to show where the lake is located. Mr. Parrott pointed out the USGS gauges to the Committee on this drawing.

Mr. Jaeger explained that the blue line on the drawing is the 780 contour, which is the shoreline at normal pool elevation. The green line represents what the County actually owns. The county owns a little bit beyond the shoreline. The orange line is the easement up to approximately elevation 790. It approximates that contour to allow for a ten foot vertical rise above normal pool in the event of a major storm or flood; above and beyond the 100 year storm. It is a storm that DNR makes us design to for dam safety. The County actually owns the property in the green and then we have a flood easement above that to elevation 790.

Mr. Parrott commented that the biggest question they had in Coweta County was when they could put in a dock and what size boat could they put in. Mr. Jaeger went on to say that shoreline access was their main curiosity. Mr. Conner stated that the largest number of people there, were from Planterra Ridge in Peachtree City.

Mr. Jaeger reported that the timbering project has been idle since the last Water Committee meeting with the holidays and the recent wet weather; there hasn't been any activity out there. They have very little left to do, but it is really a matter of accessibility, right now.

Mr. Jaeger stated that yesterday he had some correspondence with the archaeological folks. They are working on the second of the two mitigation sites, doing a Phase I survey. They identified one potential site that would be of significance. It is similar to what they found at the Mixon tract, which he reported on at the last Water Committee meeting. They will be sending that location over to Kent Campbell for evaluation. On the Mixon tract, where they found these, they were in areas where there was no work other than planting that was planned; as long as planting is done by hand and there is no mechanical disturbing of the land then it is not considered something that would need further investigation. They are going to try to get Ken to evaluate the second property, which is the Denaly-Waggoner tract in Spalding County and see if the site that has been identified is in an area that would be impacted by a post mitigation plan. Again, that and the findings on the Mixon tract would have to be approved by the Corp.

Mr. Jaeger stated that a bid date of February 10 has been set for the fencing of the six different sites. Further discussion pertained to finalizing the contract on the Busey tract, seventeen acres; this might change the amount of fencing that would be needed in the bid.

Mr. Jaeger explained that the bid was done so that each individual site could be awarded separately and to separate bidders, so that if there is a time benefit to having multiple contractors working we can do it that way; it will also be unit priced. If the overall perimeter ends up being longer, we will just extend the total cost; and an addendum could be done and the bid date extended, if necessary.

Mr. Jaeger stated that they are involved with a modification to the existing access road. He showed the committee on the drawing where the access comes off TDK Boulevard along a dirt/gravel road that runs down to the dam site. The airport is in the process now of moving some equipment farther north from the runway. The golf holes have been relocated by the golf course. They are moving the piece of equipment out farther to give them better approach. They have a certain area designated as a clear zone. The existing access road, in effect, is gone, but still is usable at the current time. Shortly, it will be out of service. There was a planned extension of TDK Boulevard that anticipated this work and brought the road around the clear zone. Currently, the County owns part of that right of way and

Peachtree City owns portions of it. There are some complications about the right of way, ownership, and reversion clauses back to the previous owners that are currently being worked out. The County has been in discussions with Peachtree City and with the airport; the plan at the current time is to have the airport's contractor that is doing the runway work build a new access road within the right of way, so that we will have permitted access to the reservoir. In doing so, that opens up more permitting issues with the State for NPDES stormwater permitting and also with the Corp of Engineers. They have completed the drawings to submit to the State NPDES, and they have also completed all the field work that impacts the streams and the wetlands. Mr. Jaeger went on to say that he has been told by the environmentalist that we would qualify under a nationwide permit which does not require mitigation. The archaeologist that is also doing the reservoir is going to research, without having to do a field visit, to be able to state that there is no archaeological impact as well. Within a week, all that should be complete. The pre-construction notice will then be submitted to the Corp, saying this access is planned and has no archaeological impact, and no mitigation requirements. The submittal date is 45 days, if the Corp does not respond, the County can begin work. Further discussion pertained to meeting the deadline.

Mr. Parrott mentioned a news article about the proposed development overlooking the lake. Some of the homes will be 4,000 square feet.

VI. RATE INCREASE DISCUSSION.

Mr. Parrott explained that when he discussed the 10% rate increase he did not have the recommendation include raising the minimum bill by the same 10%. He presented a chart showing the 10% increase for the minimum bill for each size meter. He referenced the year end disclosure report prepared by Finance and went on to say that our net income was \$1,007,000.00 in 2008 and in 2007 our net income was 3, 375,000.00. The operating expenses went down less than \$200,000.00 because most of the costs are fixed cost. For the first time in a long time, the total number of customers dropped. At year end, which was June 30, we went from 27,234 to 27,010; we dropped 224 customers, which means, there were that many additional vacant, nonpaying houses out there. We also set another record in December, we sold 1 water meter. This was for an existing house that had a well.

Chairman Frisina commented that 125 homes were built last year. The average had been around 300, in the unincorporated area. Further discussion pertained to the economical impact on the County.

Mr. Parrott said the 10% would change the water rates from 2.80 per thousand to 3.08 per thousand, with the minimum for a $\frac{3}{4}$ meter going from 16.00 for the first 2,000 gallons to \$17.60. The base rate is the only thing that has held us afloat for the last couple of years in making our payments.

Mr. Krakeel stated that he has a fundamental question of how does this rate increase reflect the additional cost of Lake McIntosh. Mr. Parrott said the increase

in revenue with this rate increase will give us coverage for the \$15,000,000.00 revenue bond that we will need. It will get us the 1.7 coverage. That is assuming that the average water sales are 8.5 mgd, which is about flat.

The committee discussed how our rates compare to other rates in the area, how a rate increase will affect the customers and the debt coverage ratio we need.

There was general discussion about the City of Fayetteville water department merger.

Mr. Krakeel stated that we have not had a rate increase since 1991, we are going to have to float a bond this spring for construction of the reservoir and the dam construction, around \$15,000,000.00, and the conservation program has been very effective, but it has also reduced total revenue (about 10%). We don't know when that will pick back up.

Further discussion was about the down turn in construction, new meter sales dropping, the different factors that are attributed to a rate increase, whether the rate increase should be all at one time or do part of it one year, and part the next.

Chip Conner made a motion to recommend to the Board of Commissioners to increase the minimum water bill by the same 10% increase as the previously recommended increase per thousand gallons used. Tony Parrott seconded and there was no opposition.

Mr. Parrott mentioned a news article about the Halloween Darter that has been found in the Chattahoochee/Flint River system. He also mentioned that we have had some complaints about the hydrilla problem in Lake Peachtree. We can't treat the hydrilla with copper sulfate to the level of which it would take care of it, without impacting it as a water reservoir and having a potential fish kill. Peachtree City is offering to buy some grass carp and they want us to buy some more at the same time. The information he received from the University of Georgia recommended ten per acre, so we will be looking at adding some more as part of maintenance of the lake.

There being no further business, Chairman Pete Frisina adjourned the meeting at 9:10 A.M.

Peter A. Frisina

The foregoing minutes were approved at the regular Water Committee meeting on the 28th day of January, 2009.

Lisa Quick