

STATE OF GEORGIA)
)
COUNTY OF CHATHAM)
)

**WATER AND SEWER
SERVICE AGREEMENT**

THIS AGREEMENT made and entered into this _____ day of _____, 2019 between the **MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH**, a municipal corporation organized and existing under the laws of the State of Georgia (herein after referred to as "**Savannah**", and the **CITY OF BLOOMINGDALE, GEORGIA**, a municipal corporation organized and existing under the laws of the State of Georgia (herein after referred to as "**Bloomingtondale**"):

WHEREAS, Savannah and Bloomingtondale entered into a Water and Sewer Agreement dated June 4, 2007 and an amendment to said agreement dated August 2, 2018; and

WHEREAS, Article IX, Section III, Paragraph 1 of the Constitution of the State of Georgia provides that municipalities of the State may contract with one another for any period not exceeding fifty (50) years; and

WHEREAS, pursuant to such authority Savannah and Bloomingtondale desire to enter into a Water and Sewer Service Agreement to provide for water supply and sewage treatment capacity for areas currently within the City of Bloomingtondale; and

WHEREAS, it is in the best interest of the citizens of Savannah and Bloomingtondale that this agreement be consummated and that such commitments be made.

NOW THEREFORE, in consideration of the mutual covenants and agreements, and benefits to the parties, Savannah and Bloomingtondale agree as follows:

1. **Water Supply.** Savannah will make potable water available to Bloomingtondale meeting the drinking water requirements of all applicable regulatory agencies at a water metering station located at the Savannah-Bloomingtondale border in the vicinity of Little Neck Road ("**Little Neck Road Water Metering Station**"). The water available under this agreement shall be used solely to serve water customers located within current (as of the date of this Agreement) corporate limits of Bloomingtondale. The "**Water Delivery Point**" shall be a point within the Little Neck Road Water Metering Station immediately upstream (i.e. on the Savannah side) of the back flow prevention valve.

The maximum amount of water to be made available is 700 gallons per minute. In no event shall Savannah be obligated to deliver in excess of a monthly average of 1,000,000 gallons per day. Based on the standard that one (1) Equivalent Residential Unit represents water usage of 300 gallons per day, 1,000,000 gallons per day is equivalent to 3,333 ERUs.

2. **Water Capital Cost Recovery Charge.** To allow Savannah to recover capital costs it has incurred to enable delivery of water to the Water Delivery Point, Bloomingtondale shall pay a water connection charge for each Equivalent Residential Unit ("**ERU**") that connects to the Bloomingtondale water system.

New Connections shall include 1) new construction within the service area delineated and shown on Exhibit B and 2) existing structures and/or facilities which are, for the first time, directly connecting to or in the event of master meters being served by the water system owned and operated by Bloomingdale within the service area delineated and shown on Exhibit B. Bloomingdale shall pay a water connection charge of \$2,200 for each ERU that connects to or is served by the Bloomingdale water system after the effective date of this agreement. (Said charge is the sum of \$900 per ERU for the capital cost of water supply, and \$1,300 per ERU for the capital cost of water distribution.) The fee amount shall be subject to adjustment as provided below. In lieu of interest on the capital costs incurred by Savannah, it is agreed that this charge shall apply so long as this agreement is in effect. The number of ERUs assigned to any customer shall be determined by the Savannah Revenue Ordinance, as amended from time to time, provided however that the determination of the number of ERUs for customers in Bloomingdale shall be made on the same basis as for customers within Savannah. The Water Capital Cost Recovery Charge shall be paid by the end of the month following the month in which 1) a building permit for construction on a new customer's site was issued for new construction OR 2) a water customer account was established for an existing structure or facility connecting for the first time. Monthly payments shall be accompanied by a report identifying the specific location of each new customer for which payment is made together with a copy of each applicable building permit or water account application.

Bloomingdale is free to charge new customers any connection fee it wishes (either above or below the amounts stated above) for customers connecting to its water system, however, the amount payable by Bloomingdale to Savannah for each connection shall be as stated above.

The Water Capital Cost Recovery Charge shall be in effect as of the date of this Agreement and shall apply to all geographic areas served by water provided under this agreement for the entire term of this agreement.

Savannah and Bloomingdale shall cooperate in any audit and make reasonably available records concerning building permits and connections to its water system to permit verification of compliance with this section.

3. **Metered Water Consumption Charge.** Bloomingdale shall pay to Savannah a consumption charge for each 1000 gallons delivered through the meter at the Water Delivery Point. The consumption charge shall be stated in terms of dollars per 1000 gallons. The rate at all times shall equal 0.67 (i.e. a 33% discount) multiplied by the Effective Rate charged by Savannah to its retail customers on the outside-city rate schedule with a monthly usage of 1,250 cubic feet (9,350 gallons) as set by the Savannah Revenue Ordinance, as changed from time to time.

"Effective Rate" for the purposes of the preceding paragraphs is computed by dividing the total monthly water charges for a customer with monthly usage of 1,250 cubic feet (9,350 gallons) by 9.350 to arrive at an average effective rate in terms of dollars per 1000 gallons.

The applicable rate for water delivered to Bloomingdale based on the 2019 Savannah water rate schedule is \$2.26 per 1000 gallons.

Payment shall be made within 30 days of the receipt of the invoice for consumption charges.

4. **Required Future Water Improvements.** In the event that Savannah is required by any regulatory agency, or by any law, rule, or regulation, to increase the level of treatment, or make other improvements or undertake capital maintenance to the I&D Water Treatment Plant, groundwater well system, or the water

transport system so as to increase the capital costs for providing water under this agreement, the water capital cost recovery charge and/or the water metered consumption charge shall be equitably adjusted. Said adjustments will be reviewed in detail with Bloomingdale.

For purposes of this section "capital maintenance" shall mean a renewal or replacement of facilities or equipment costing in excess of \$250,000.

5. **Operation and Maintenance and Water Quality Responsibilities.** Bloomingdale shall be responsible for (or responsible for causing) the construction, funding, operation, maintenance and compliance with applicable law and regulations of the Bloomingdale water system located in Bloomingdale downstream from the Water Delivery Point.

Savannah shall be responsible for delivering potable water meeting all drinking water requirements of applicable regulatory agencies to the Water Delivery Point. Savannah shall endeavor to maintain water supply at a monthly average pressure of 50 pounds per square inch and a minimum of 40 pounds per square inch. The quality of water after it passes through the Water Delivery Point shall be the responsibility of Bloomingdale.

6. **Minimum Water Usage for Water Quality.** In order to maintain a minimum water quality to the Water Delivery Point, Bloomingdale shall cause a minimum flow through the Water Delivery Point of not less than 35,000 gallons per day on a daily basis. Said minimum usage may be in the form consumptive use or flushing of the Bloomingdale system. Failure to cause said minimum flow may have undesirable impacts on the quality of water received by Bloomingdale, thus making Bloomingdale's responsibilities as described in Section 5 more difficult to achieve.

7. **Water Emergencies and Rationing.** In the event of an emergency which affects Savannah's ability to deliver water caused by force majeure, act of God, mechanical failure, transport line failure, contamination of source water supply, an order by a regulatory agency, or a similar uncontrollable circumstance, Savannah will be entitled to curtail deliveries to Bloomingdale during the duration of such emergency.

In the event Savannah institutes rationing of water, Bloomingdale shall be entitled to its pro-rata share of water based on actual water taken during the 12 months preceding the institution of any water rationing plan.

Savannah shall use reasonable diligence and care to deliver water to the Water Delivery Point and to avoid any shortage or interruption of such delivery.

8. **Sewage Treatment.** Savannah will accept for treatment domestic strength sanitary sewage delivered by Bloomingdale to a gravity sewer manhole located in the vicinity of the Bloomingdale-Savannah border near Little Neck Road (the "Sewage Delivery Point"). Said sewage shall be limited solely to sewage which originated from sewer customers located within current (as of the date of this Agreement) corporate limits of Bloomingdale south of Interstate Route 16 which area is delineated in Exhibit A.

The delivered sewage shall contain no toxic materials which would interfere with Savannah's biological treatment processes, and shall have characteristics which do not exceed the following parameter limits:

<u>Constituent</u>	<u>Maximum Concentration</u> <u>Mg/L</u>
Ammonia-Nitrogen	16
BOD	150
COD	500
Fat, Oil, and Grease	100
Total Suspended Solids	170
Total Toxic Organics	2.13
Cyanide (total)	0.041
Arsenic	0.003
Cadmium	0.003
Chromium	0.050
Copper	0.061
Lead	0.049
Mercury	0.0003
Nickel	0.021
Silver	0.005
Zinc	0.175

Bloomington shall sample and report each of the above parameters at least once each year to demonstrate compliance.

The maximum amount of acceptable sewage that may be delivered by Bloomington in any month is 320,000 gallons per day. In no event shall Savannah be obligated to accept in excess of an annual average of 320,000 gallons per day.

9. **Sewage Transport Facility Responsibilities.** Savannah shall construct, fund, own, and maintain (or cause the construction, funding and maintenance of) all pump stations and transport facilities necessary to conduct sewage from within Bloomington to the Sewage Delivery Point.

10. **Sewage Meter.** A Sewage Meter has been installed at the Bloomington sewage lift station. Savannah has assumed ownership and maintenance responsibility for said sewage meter. Savannah shall be given free access to the sewage meter for maintenance, reading, and calibration purposes and may, at its option, fund and install SCADA or other remote monitoring and reporting systems at the Sewage Meter site and in such a manner so as to not interfere with the normal operations and maintenance activities of the sewage lift station by Bloomington. Savannah may, at its option, abandon the existing Sewage Meter and fund, design, construct, and maintain a new sewage meter in another location so long as said new Sewage Meter captures only sewage flows from Bloomington.

11. **Sewage Capital Cost Recovery Charge.** To allow Savannah to recover capital costs it has incurred to enable the acceptance of sewage at the Sewage Delivery Point, Bloomington shall pay a sewage connection charge of \$4,650 for each Equivalent Residential Unit (“**ERU**”) that connects to the Bloomington sewage system,

within the area described in Section 8 above, after the effective date of this agreement. The fee amount shall be subject to adjustment as provided below. In lieu of interest on the capital costs incurred by Savannah, it is agreed that this charge shall apply so long as this agreement is in effect. The number of ERUs assigned to any customer shall be determined by the Savannah Revenue Ordinance, as amended from time to time. The Sewer Capital Cost Recovery Charge shall be paid by the end of the month following the month in which a building permit for construction on the new customer's site was issued (or by the end of the month without the issuance of a building permit). Monthly payments shall be accompanied by a report identifying the specific location of each new customer for which payment is made together with a copy of each applicable building permit.

Bloomington is free to charge new customers any connection fee it wishes (either above or below the amount stated above) for customers connecting to its sewer system, however, the amount payable by Bloomington to Savannah for each connection shall be as stated above.

The Sewage Capital Cost Recovery Charge shall be in effect as of the date of this Agreement and shall apply to all geographic areas from which sewage will be delivered to the Sewage Delivery Point for the entire term of this agreement.

Savannah and Bloomington shall cooperate in any audit and make reasonably available records concerning building permits and connections to its sewer system to permit verification of compliance with this section.

The fee per ERU as set forth in the first paragraph of this section is based on the estimate that the sewer infrastructure to be provided by Savannah to serve New Hampstead (and which will be used to accept sewage at the Sewage Delivery Point) is \$25,873,166. In the event the actual cost of said infrastructure exceeds this estimate, then the fee per ERU shall be subject to an equitable adjustment by Savannah. Any such adjustment will be reviewed in detail with Bloomington.

12 **Metered Sewage Consumption Charge.** Bloomington shall pay to Savannah a treatment charge for each 1000 gallons delivered through the Sewage Meter. The consumption charge shall be stated in terms of dollars per 1000 gallons. The rate at all times shall equal 0.67 (i.e. a 33% discount) multiplied by the Effective Rate charged by Savannah to its retail sewer customers on the outside-city rate schedule with a monthly usage of 1,250 cubic feet (9,350 gallons) as set by the Savannah Revenue Ordinance, as changed from time to time.

"Effective Rate" for purposes of the preceding paragraphs is computed by dividing the total monthly sewer charges for a customer with monthly usage of 1,250 cubic feet (9,350) by 9.350 to arrive at an average effective rate in terms of dollars per 1000 gallons.

The applicable rate for sewage delivered by Bloomington based on the 2019 Savannah sewer rate schedule is \$5.80 per 1000 gallons.

Payment shall be made monthly within 30 days of the receipt of the invoice for consumption charges.

13. **Required Future Sewage Treatment Improvements.** In the event that Savannah is required by any regulatory agency, or by any law, rule, or regulation, to make improvements to the sewage transport system, to increase the level of treatment, to undertake a capital maintenance project, or make other improvements to

(such as disposal of effluent by land application), or change, or eliminate the discharge of, the facility treating sewage delivered by Bloomingdale so as to increase the capital or operating costs for providing sewage service under this agreement, then the sewer capital cost recovery charge and/or the sewer metered consumption charge shall be equitably adjusted. Said adjusts will be reviewed in detail with Bloomingdale.

For purposes of this section “capital maintenance” shall mean a renewal or replacement of facilities or equipment costing in excess of \$250,000.

14. **Operation and Maintenance Responsibilities.** Bloomingdale shall be responsible for the construction, funding, operation, maintenance, and compliance with applicable law and regulations of the Bloomingdale sewage collection system up to and including the Sewage Delivery Point.

Savannah shall be responsible for the construction, operation, maintenance, and compliance with applicable law and regulations of all sewage transport and treatment systems within Savannah.

15. **Sewer Use Regulations.** Bloomingdale shall adopt and enforce regulations to prevent the discharge into its sewer system of any materials which by reason of character or quantity would:

- a. Interfere with the operation or efficiency of the sewage transport and treatment systems of Savannah, or not be susceptible to treatment by the treatment process.
- b. In any way cause a violation of any directive, regulation, or permit of the Environmental Protection Division of the Department of Natural Resources (“EPD”) or the industrial pre-treatment program of the City of Savannah or any other regulatory agency.
- c. Constitute a hazard to human or animal life due to toxicity, flammable or explosive characteristics of the pollutant(s).

Such regulations shall be no less stringent than the sewer use provisions of the “Combined Sewer Use and Pretreatment Ordinance” of the City of Savannah as amended from time to time, as adopted pursuant to, and in accordance with, the regulations of the EPD or any successor agency.

Bloomingdale shall notify Savannah of any violation of the sewer use regulations and take corrective action to stop such violation and minimize the effects of such violation.

16. **Meter Calibration Tests and Meter Failure.** Maintenance of the Water Meter and the Sewer Meter, including annual calibration, shall be the responsibility of Savannah.

Bloomingdale may request that additional calibrations of the water or sewage meters be made, but such requests may be made no more frequently than once in a twelve month period. The cost of meter calibration tests (requested by Bloomingdale) shall be paid by Bloomingdale unless the test determines that the registering error of the meter was greater than 15% in which case the cost shall be paid by Savannah. If as a result of such requested test, it is determined that a meter had a registering error greater than 15% then bills rendered during the twelve (12) months preceding the test shall be adjusted (up or down as applicable) based on the test results.

In the event that a meter does not properly register flows due to a mechanical failure, the flows during the period of such failure shall be estimated for billing purposes based on the average daily flow measured for the month preceding the failure when the meter was functioning properly.

17. **Interest on Overdue Payments and Non-Payment.** Interest at the legal rate shall be charged on the unpaid balanced of any amount not paid when due. Said interest shall begin to accrue on the payment due date.

Savannah will be relieved of its obligation to continue to deliver water to Bloomingdale and accept sewage from Bloomingdale in the event that payments due hereunder remain unpaid in excess of ninety (90) days after the date due. Bloomingdale shall be provided notice of non-payment, and shall have ten (10) days from the date of such notice to make payment before Savannah is relieved of its obligations.

The foregoing notwithstanding, interest on an overdue unpaid balance shall not accrue during any period required to investigate the accuracy of meter calibrations as provided in Section 16.

18. **Excess Usage.**

a. Water. Excess water usage means water taken by Bloomingdale in excess of the quantities specified in Section 1 hereof. Savannah shall give notice to Bloomingdale of the occurrence of excess water usage. Upon receipt of such notice, Bloomingdale shall immediately take steps to eliminate such excess water usage.

If after 30 days of such notice excess water usage continues to occur, the Savannah, at its option, may adjust the Water Capital Cost Recovery Charge to equitably recover additional costs on account of such excess usage and Bloomingdale shall pay charges at such adjusted rates, and/or Savannah may install physical devices to limit the quantity of water taken to be within the quantities provided for under this agreement. In addition it is agreed that the consumption charge for excess water taken shall be 1.5 the consumption charges defined in Section 4 hereof.

b. Sewage. Excess sewage usage means sewage delivered by Bloomingdale in any month in excess of the quantities specified in Section 8 hereof, or with characteristics exceeding the maximum concentrations provided in Section 8 hereof. Savannah shall give notice to Bloomingdale of the occurrence of excess sewage usage. Upon receipt of such notice, Bloomingdale shall immediately take steps to eliminate such excess sewage usage.

If after 30 days of such notice excess sewage usage continues to occur, then Savannah, at its option, may adjust the Sewage Capital Cost Recovery Charge to equitably recover additional costs on account of such excess usage and Bloomingdale shall pay charges at such adjusted rates, and/or Savannah may install physical devices to limit the quantity of sewage delivered to be within the quantities provided for under this agreement. In addition, it is agreed that the consumption charge for excess sewage delivered shall be 1.5 times the consumption charges defined in Section 12 hereof.

19. **Provisions of Law.** All generally applicable provisions of law now or hereafter in effect relating to water and sewer service by the City of Savannah shall be applicable to this agreement.

If to Savannah: City of Savannah
Attention: City Manager
P.O. Box 1027
Savannah, GA 31402

With Copy to: City of Savannah
Attention: City Attorney
P.O. Box 1027
Savannah, GA 31402

22. **Adjustments to Water and Sewer Quantities.** The parties hereto may from time to time request adjustments in the quantity of water and sewage treatment capacity provided in Section 1 and Section 8 hereof for use in the area delineated by Exhibit A. However, before any adjustment is effective it must be mutually agreed upon by the parties by written amendment to this Agreement.

23. **Miscellaneous.**

- a. **Amendments.** No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of the parties hereto.
- b. **Counterparts.** This Agreement may be signed in several counterparts, each one of which shall be an original and all of which when taken together will constitute one Agreement between the parties.
- c. **Validity and Enforcement.** If any provision of this agreement is held invalid or unenforceable, the validity and enforceability of the remaining provisions of the agreement shall not be affected thereby, unless the provision held invalid is a material element of this agreement.
- d. **Waivers.** No delay or failure to exercise a right under this agreement shall impair such right or shall be construed to be a waiver thereof, and any such rights may be exercised from time to time and as often as deemed expedient. Any waiver shall be in writing and signed by the party granting such waiver.
- e. **Headings.** The headings of the sections of this agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.
- f. **Previous Water and Sewer Agreements:** The above referenced Water and Sewer Agreement dated June 4, 2007 and Amendment dated August 2, 2018 shall be null and void in their entirety upon the execution of this agreement.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their duly authorized officers and their seals affixed as of the day and year first above written.

Executed in the presence of:

MAYOR AND ALDERMEN OF THE
CITY OF SAVANNAH, GEORGIA

Witness

By: _____
City Manager

Notary Public

Attest: _____
Clerk of Council

(SEAL)

Executed in the presence of:

CITY OF BLOOMINGDALE, GEORGIA

Witness

By: _____

Notary Public

Attest: _____

(SEAL)

DRAFT