



Exhibit 1 attached to this Agreement and made a part hereof.

- 1.6. "Water Delivery Point" shall mean the point at the Water Metering Station which is immediately upstream (i.e. on the Savannah side) from the backflow prevention valve.
- 1.7. "Water Metering Station" shall mean the metering facility that will house the Master Water Meter and backflow prevention value which shall be located at the point of interconnection of the Savannah water system and the Garden City water system.
- 1.8. "Water Minimum Purchase Quantity" shall mean the volume, in gallons, of water to be taken on a daily basis, of all water line extensions installed by Garden City as provided for in Section 2.2 of this Agreement. The volume of water line extension shall be calculated based on actual inside diameter of installed piping, including fittings, and the actual length of said water piping from the point of connection to the City of Savannah main to the backflow prevention device at the Water Metering Station.

## 2. **Water Service.**

- 2.1. **Water Supply.** Savannah shall endeavor to make potable water meeting the drinking water requirements of all applicable regulatory agencies available to Garden City at the Water Delivery Point at a monthly average pressure of 50 pounds per square inch and a minimum pressure of 20 pounds per square inch. The water available under this agreement shall be used by Garden City solely to serve water customers located within the Service Area.

Garden City shall not take, and Savannah shall not be obligated to deliver, water at a rate greater than the Maximum Water Delivery Rate. However, for periods during which water is being used for fighting fires to which the Garden City fire department has responded, Savannah shall endeavor to meet the water rate of flow demands for the duration of such fire fighting emergency.

Garden City shall not take, and Savannah shall not be obligated to deliver, water in excess of the Maximum Water Monthly Average in any month. Both parties agree that this agreement can be amended in the future to allow increases in Water Supply as requested by Garden City and approved by Savannah.

- 2.2. **Water Metering Station.** Garden City shall design, fund and construct the Water Metering Station including the Master Water Meter, chart recorder, control valves, and check valve to prevent backflow at the location to be mutually agreed upon by the City Manager of Savannah and the City Administrator of Garden City.

Garden City shall also design, fund and construct any water line extensions necessary to connect the Water Metering Station to the Savannah water system. The design of the Water Metering Station and any water line extensions necessary to connect said station to the Savannah water system shall be subject to review and approval by Savannah prior to construction.

Any SCADA (Supervisory Control and Data Acquisition System) monitoring equipment necessary to monitor and control the delivery of water at the Water Metering Station desired by Savannah shall be funded by Savannah.

Upon completion of the Water Metering Station and any water line extensions necessary to connect said station to the Savannah water system in accordance with the approved plans, Garden City shall convey ownership of the Water Metering Station to Savannah including fee simple title to the station site and all necessary rights for access to the site. After accepting ownership of the Water Metering Station, Savannah shall assume responsibility for the maintenance and calibration of same. The facilities conveyed shall include the entire station up to and including the backflow prevention check valve.

Garden City shall retain ownership, operation, and maintenance responsibilities for the waterline and associated appurtenances connecting the proposed water metering station to the Savannah water system existing along the western right-of-way of Dean Forest Road.

- 2.3. **Metered Water Consumption Charge.** To allow Savannah to recover operating costs it will incur to deliver water under this agreement, Garden City shall pay to Savannah a consumption charge for each 1000 gallons Savannah delivers to the Water Delivery Point as measured by the Water Master Meter. The consumption charge shall be stated in terms of dollars per 1000 gallons. The rate at all times shall equal .67 (i.e., a 33% discount) multiplied by the Effective Rate charged by Savannah to its retail water 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.

The current applicable consumption charge rate based on the 2019 Savannah municipal water rate, effective April 1, 2019 is \$2.26 per 1000 gallons (which is equivalent to \$1.69 per one hundred cubic feet).

In no event shall the consumption charge rate applicable to Garden City be more or less than the Effective Rate charged by Savannah to its retail water customers on the inside-city rate schedule with a monthly usage of 1,250 cubic feet (9,350 gallons) as set by the Savannah Revenue Ordinance, as amended from time to time.

Effective Rate for 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 1000-gallons to arrive at an average effective rate in terms of dollars per 1,000 gallons.

**Water Capital Cost Recovery Charge.** To allow Savannah to recover capital costs it has incurred to provide water supply capacity to Garden City under this Agreement, Garden City shall pay to Savannah a Water Capital Cost Recovery Charge. The Water Capital Cost Recovery Charge shall apply to all metered usage measured by the Master Water Meter. The Water Capital Cost Recovery Charge will be paid by Garden City in two methods:

- 2.3.1. For existing residents, commercial/industrial facilities, and other existing facilities identified within the service area as of the date of this agreement, a total of 90 ERUs is calculated and mutually agreed upon by Savannah and Garden City. Garden City shall pay monthly to Savannah a Water Capital Recovery Charge based on the prevailing water connection charge for areas outside of the City as set by the Savannah Revenue Ordinance, as amended from time to time (currently \$1,380 per ERU) amortized at 5% annually over a 20-year period multiplied by the identified 90 ERUs of existing development within the service area. Based on the current outside-city connection charge of \$1,380 per ERU, the Water Capital Cost Recovery Fee rate shall initially be \$819.67 per month.
- 2.3.2. For new development and redevelopment within the service area, new customers will pay the prevailing water connection charge for areas outside of the City as set by the Savannah Revenue Ordinance, as amended from time to time (currently \$1,380 per ERU). New customers must pay the water connection charge prior to connection and installation of meter.

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 Garden City 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 a building permit for construction on the new customer's site was issued (or by the end of the month following the month of connection in the case of a customer who is permitted to connect 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.

- 2.5.3 Garden City is free to charge new customers any connection fee it wishes

(either above or below the amount stated above) for customers connecting to its water system, however, the amount payable by Garden City to Savannah for each connection shall be as stated above.

The Water Capital Cost Recovery Charge shall apply to each and every new water service throughout the entire service area limits, as established on the date of this agreement, of the Garden City SR 307/Interstate 16 Northeast Quadrant Area. Garden City is free to use wholesale water as contemplated herein to provide water service throughout the entire service area as shown on Exhibit 1, as established on the date of this agreement of Garden City.

Savannah and Garden City 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.

It is the intent of this agreement that all new water customers shall contribute their share of the capital funding of water supply facilities through the payment of the Water Capital Cost Recovery Charge. Garden City agrees to diligently report new connections to their water system, and to remit the agreed upon Capital Cost Recovery Charges to Savannah. Any failure to remit such Capital Cost Recovery Charges to Savannah discovered by audit or otherwise, shall entitle Savannah to temporarily increase the metered consumption charge to recover an amount equal to the amount of Capital Cost Recovery Charges that were not properly remitted.

- 2.4. **Minimum Purchase Quantity and Water Quality.** In each billing period Garden City shall be required to purchase water in a quantity equal to or greater than the Water Minimum Purchase Quantity as defined in Section 1.8. In order to achieve this quantity, Garden City may need to flush water. This is necessary to maintain water quality at the delivery point in a manner consistent with the Georgia Rules for Safe Drinking Water.
- 2.5. **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 or the water transport system so as to increase the capital costs for providing water under this agreement, then 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 Garden City.

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

- 2.6. **Operation and Maintenance and Water Quality Responsibilities.** Garden City shall be responsible for the construction, funding, operation, maintenance and compliance with applicable law and regulations of the Garden City water and sewer system located in Garden City 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. The quality of water after it passes through the Water Delivery Point shall be the responsibility of Garden City.

It is recognized that rules and regulations of regulatory agencies may require Savannah to implement new disinfection technology or other changes that may affect the chemical characteristics of the delivered water. Such changes may in turn require corresponding changes in the operation of the Garden City water system. The parties shall keep each other informed on the potential impact that such new regulatory requirements may have. Each party shall be responsible for making, and funding, the changes that such requirements may impose on its own system.

- 2.7. **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 other uncontrollable circumstance, Savannah will be entitled to curtail deliveries to Garden City during the duration of such emergency.

In the event Savannah institutes rationing of water, Garden City 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.

3. **System Maps and Plans.** Garden City shall, upon reasonable request, provide Savannah with updated diagrams or maps showing the water and sewer lines, and parcel lots in the Service Area, and master plans for areas of future planned water and sewer service. Such updated diagrams, maps or master plans shall be provided no less frequently than annually, unless the configuration of water system, maps, and master plans remain unchanged from previous information provided.
4. **Meter Calibration Tests and Meter Failure.** Maintenance of the Water Master Meter, including periodic calibration, shall be the responsibility of Savannah.

Garden City may request that additional calibrations of the 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 Garden City) shall be paid by Garden City 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) month 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, then 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.

5. **Indemnification.** Savannah shall indemnify and hold Garden City harmless for any costs it may suffer that resulted from negligence of Savannah in the operation of its water system.

Garden City shall indemnify and hold Savannah harmless for any costs it may suffer that resulted from negligence of Garden City in the operation of its water and sewer system.

6. **Interest on Overdue Payments and Non-Payment.** Interest at the legal rate shall be charged on the unpaid balance 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 Garden City, in the event that payments due hereunder remain unpaid in excess of ninety (90) days after the date due. Garden City 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.

7. **Excess Usage.** Excess Usage means water taken by Garden City in any hour (for periods during which water is not being used for fighting fires to which the Garden City fire department has responded) in excess of the Maximum Water Delivery Rate, or water taken in excess of the Maximum Water Monthly Average. Savannah shall give notice to Garden City of the occurrence of Excess Usage. Upon receipt of such notice, Garden City shall immediately take steps to eliminate such Excess Usage.

If after 30 days of such notice Excess Usage continues to occur, then Savannah, at its option, may adjust the Metered Water Consumption Charge and Water Capital Cost Recovery Charge to equitably recover additional costs on account of such Excess Usage and Garden City shall pay charges at such adjusted rates, and/or Savannah may install physical devices to limit the quantity of water taken to be to be within the quantities provided for under this Agreement. In addition, it is agreed that the charges for excess water taken shall be 1.5 times the charges defined in Sections 2.4 and 2.5 hereof.





provisions, by ten (10) year renewal terms to the extent allowed under Article IX, Section III, Paragraph 1 of the Constitution of the State of Georgia.

However, the parties recognize that changing environmental conditions, changing costs, new or changed laws, rules, regulations or orders of the state or federal governments, or other changed circumstances, may make renegotiation of provisions of this Agreement necessary prior to the end of the initial term or any extended term. Therefore, it is agreed that the parties may call for the renegotiation of provisions of this Agreement affected by changed circumstances to achieve an equitable revision.

It is further agreed in the event that changed circumstances cause the charges provided for by Sections 2.4 and 2.5 to be inadequate to cover all costs incurred by Savannah (including a rate of return) to furnish the services to Garden City (unless such changed circumstances were caused by Savannah's own negligence), that Savannah shall be entitled to place revised consumption charges in effect which are sufficient to cover all costs, after giving notice to Garden City 90 days in advance of the effective date of any such consumption charge change. Savannah will make an equitable adjustment in any revised consumption charge in the event that the change circumstances that caused a consumption charge change is temporary, or is remedied so that it no longer has an impact on the costs incurred by Savannah to furnish service to Garden City, but in no event will revised consumption charges be less than provided in Section 2.4 or Section 2.5. Any rate change by Savannah under this provision shall be applied equitably to all customers which are similarly situated so that no customer, including Garden City, is burdened with an additional share of water system costs unfairly.

## 12. **Miscellaneous** -

- 12.1. **Governing Law**. This agreement is a Georgia contract and shall be construed and enforced in accordance with the laws of the State of Georgia.
- 12.2. **Severability**. If any provision of this agreement shall be declared invalid or unenforceable for any reason by a court of competent jurisdiction, the parties declare that it shall be severable, and that all remaining provisions of this agreement shall remain in full force and effect.
- 12.3. **Entire Agreement**. This instrument represent the entire agreement between the parties and supersedes any prior oral or written understandings.
- 12.4. **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.
- 12.5. **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.

- 12.6. **Amendments**. No amendment to this agreement shall be effective unless it is in writing and signed by duly authorized representatives of the parties hereto.
- 12.7. **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.

(Signatures start on next page)

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**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:

**THE MAYOR AND ALDRMEN OF THE CITY OF SAVANNAH**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Patrick Monahan, Acting City Manager

\_\_\_\_\_  
Notary Public

Attest: \_\_\_\_\_  
Mark Massey, Clerk of Council

(SEAL)

(SEAL)

Executed in the presence of:

**CITY OF GARDEN CITY**

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Ron Feldner, PE, City Manager

\_\_\_\_\_  
Notary Public

Attest: \_\_\_\_\_

(SEAL)

(SEAL)

## Schedule of Exhibits

Exhibit 1 – Map of the Service Area as defined in Section 1.5

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