


MEMORANDUM

TO: Dyanne Reese, Clerk of Council

FROM: Richard M. Evans, Finance Director 

DATE: September 28, 2004

SUBJECT: First Amendment to Water Service Agreement with
City of Port Wentworth

Attached for your file is the fully executed original of the subject agreement dated December 18, 2003. This agreement was authorized by City Council at its meeting of December 18, 2003.

cc: Harry Jue
Abe Ghaze

File # 11.139

STATE OF GEORGIA)
)
COUNTY OF CHATHAM)

FIRST AMENDMENT TO WATER
SERVICE AGREEMENT

THIS AGREEMENT, made and entered into as of the 18th day of December, 2003, by and between the CITY OF PORT WENTWORTH, a municipal corporation chartered under the laws of the State of Georgia, hereinafter referred to as **Port Wentworth**, and THE MAYOR AND ALDERMEN OF THE CITY OF SAVANNAH, a municipal corporation chartered under the laws of the State of Georgia, hereafter referred to as **Savannah**.

- W I T N E S S E T H -

WHEREAS, Savannah and Port Wentworth entered into a Water Service Agreement dated February 28, 2001 (hereinafter referred to as the "**2001 Agreement**") providing for the purchase of potable water by Port Wentworth from Savannah; and

WHEREAS, HHM Developers, Inc. (hereinafter referred to as the "**Developer**") is planning the development of a total of 827.0 acres (of which 206.6 is developable, 90.0 acres is restricted wetlands/buffers, and 530.4 acres is unrestricted wetlands) located within the city limits of Port Wentworth near the intersection of Meinhard Road and the planned future extension of Benton Drive (hereinafter referred to as the "**HHM Development**"); and

WHEREAS, the first phase of the HHM Development is a single family subdivision consisting of 138.07 developable acres in the southwest quadrant of the planned Meinhard Road/Benton Drive intersection and containing 464 single family lots to be known as "St. Augustine Forest" (herein after referred to as the "**First Phase**"); and

WHEREAS, the second phase of the HHM Development will be located on 55.04 developable acres in the southeast quadrant of the planned Meinhard Road/Benton Drive intersection and will consist of multi-family and/or commercial development (herein after referred to as the "**Second Phase**"); and

WHEREAS, Port Wentworth has requested that certain amendments be made to the 2001 Agreement to provide for the acceptance and treatment by Savannah of sanitary sewage generated within the HHM Development, and the creation of a second water delivery point for delivering water to Port Wentworth in the vicinity of the planned Meinhard Road/Benton Drive intersection; and

WHEREAS, Port Wentworth and/or the Developer plan to construct all on-site water and sewer utilities for the HHM Development, as well as, a sewage pumping station and force main to convey sanitary sewage from the HHM Development to the Savannah sewage system for treatment, and a new water metering station; 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, it is in the best interest of the citizens of the Port Wentworth and the Savannah that this agreement be consummated and that such commitments be made.

NOW THEREFORE, in consideration of the mutual covenants hereby made, the parties do agree as follows:

1. Amendments of the 2001 Agreement for Sewage Service for HHM Development.

The Whereas clauses set for above are hereby incorporated into the 2001 Agreement. The 2001 Agreement is hereby amended by adding the following new numbered Sections 14 through 24:

14. Sewage Treatment Capacity Reservation.

a. Initial Reservation. Savannah shall initially ~~reserve~~ treatment capacity in the amount of a monthly average of 139,200 gallons per day for normal strength domestic sanitary sewage at its Travis Field treatment facility. Subject to the terms and requirements of this Agreement, Savannah shall accept for treatment at its Travis Field treatment facility up to a maximum monthly average of 139,200 gallons per day of normal strength domestic sewage. Initially all sewage delivered by Port Wentworth to Savannah shall have originated within the First Phase.

b. Final Reservation. Upon completion and the initiation of operation by Savannah of the planned new sewage treatment facility to be located near the Savannah Water Filtration Plant, the sewage reservation flow quantity shall be increased to a total maximum monthly average of 293,450 gallons per day of normal strength domestic sewage. This quantity represents the estimated combined flow from the First Phase and the Second Phase. After the increase in the capacity reservation, all sewage delivered by Port Wentworth to Savannah shall have originated within the HHM Development.

→ No sewage from any other area shall be delivered to Savannah for treatment by Port Wentworth.

c. Normal Strength Domestic Sewage. For purposes of this Agreement, the term normal strength domestic sanitary sewage shall mean sewage meeting the requirements of Section 19 of this Agreement and having an annual average five-day biological oxygen demand ("BOD") of no more than 150 mg/L.

15. Delivery of Sanitary Sewage Originating within the HHM Development to the Savannah Sewage System. Port Wentworth or the Developer at their sole expense shall be responsible for the construction, maintenance, operation, and

ownership of a sewage pump station, force main, and gravity lines necessary to deliver sewage to a mutually agreed upon point on the Savannah sewage system. This connection point shall be the "**Sewage Delivery Point**". The Sewage Delivery Point, when mutually agreed upon, shall be documented in a certificate which describes the location of the Sewage Delivery Point and includes a map or diagram showing the location, which certificate and map or diagram shall become a part of this Agreement. Such map or diagram shall also show the location of the Sewage Meter (as hereinafter defined)

Pump stations in the Savannah conveyance system that will conduct HHM Development sewage to the Travis Field treatment facility (and ultimately to the planned new treatment facility near the Savannah Water Filtration Plant) will ultimately require larger pumps and motors to accommodate the HHM Development flows. The estimated incremental cost of the larger pumps, motors and related equipment is \$41,000. To compensate Savannah for assuming this increased capital costs that it will incur for the benefit of the HHM Development, Port Wentworth or the Developer shall pay Savannah \$41,000 upon execution of this Agreement.

16. Metering of Sewage Delivered by Port Wentworth to Savannah. A sewage meter shall be designed and installed so as to reliably measure and chart the quantity of all sewage delivered by Port Wentworth to the Sewage Delivery Point (the "**Sewage Meter**"). Port Wentworth or the Developer shall construct and fund the design and installation of the Sewage Meter. The design of the Sewage Meter (and any change to the approved design) shall be subject to the approval of Savannah.


After installation and inspection, Savannah shall assume ownership and maintenance responsibility for the Sewage Meter. Savannah shall be given free access to the Sewage Meter for maintenance, reading, and calibration purposes.

17. Sewage Capital Cost Recovery Charge. Port Wentworth shall pay a "**Sewage Capital Cost Recovery Charge**" to reimburse Savannah for the capital cost of the capacity reserved under this Agreement. This connection fee shall apply only to customers connecting to the Port Wentworth sewage system located within the HHM Development as depicted in Exhibit B attached hereto and made a part of this Agreement. The Sewage Capital Cost Recovery Charge shall be in addition to the connection fee for water capital cost recovery provided for in Section 3 of this Agreement.

a. Sewage Capital Cost Recovery Charge. The capital cost of reserved capacity of the sewage treatment capacity shall be covered by a Sewage Capital Cost Recovery Charge that Port Wentworth shall pay Savannah for each new customer that connects to the Port Wentworth sewage collection

system within the HHM Development. The Sewage Capital Cost Recovery Charge payable for each new customer shall be based on an Equivalent Residential Unit ("ERU") assigned to each new customer times the rate per ERU as defined below.

b. Rate per ERU. The fee rate per ERU shall be \$2,345 which is the sum of the following three components:



Standard out-side City tap-in fee	\$500
Additional Connection Fee for North Godly conveyance	\$345
Additional Connection Fee for Crossroads Treatment Facility	\$1,500

c. ERU Definition. "ERU" or "Equivalent Residential Unit" means, with respect to a sewer customer, the number residential units to which the water demand of that customer is equivalent, where a residential unit is assumed to have an average demand of 300 gallons per day. The number of ERUs assigned to any customer shall be determined in accordance with the water use load factors set forth in the Savannah Revenue Ordinance, as amended from time to time, provided however that the determination of the number of ERUs for customers in Port Wentworth shall be made on the same basis as for customers within Savannah.

d. When Sewage Capital Cost Recovery Charge is Payable. The Sewage Capital Cost Recovery Charge shall be paid at the same time and in the same manner as the Water Capital Cost Recovery Charge as provided for in Section 3 of this Agreement.

e. Port Wentworth Connection Fees. Port Wentworth is free to charge its new sewer customers any connection fee it wishes (either above or below the amount established in this agreement) for customers connecting to its sewer system, however, the amount payable by Port Wentworth to Savannah for each connection shall be at the rate stated above. Nothing herein shall prohibit Port Wentworth from requiring its new customers to pay a capital cost recovery charge or similar connection fee for new connections. Such connection fee arrangements between Port Wentworth its customers shall not relieve Port Wentworth of any of its obligations to make payments to Savannah required by this Agreement.

f. Fee Subject to Audit. Savannah and Port Wentworth shall cooperate in any audit and make available records concerning building permits and connections to its sewer system to permit verification of compliance with this section.



System Maps and Plans. Port Wentworth shall, upon reasonable request, provide Savannah with updated diagrams or maps showing the sewer lines

and lots in the HHM Development. Such updated diagrams, maps or master plans shall be provided no less frequently than annually.

j. Adjustment to Consumption Rate. It is the intent of this agreement that new sewer customers shall contribute their share of the capital funding of sewage treatment capacity through the payment of the Sewer Capital Cost Recovery Charge. Port Wentworth agrees to diligently report all new building permits, and to remit the agreed upon Sewer Capital Cost Recovery Charges to Savannah. Any failure (that remains uncorrected) to remit such Sewer Capital Cost Recovery to Savannah discovered by audit or otherwise, shall entitle Savannah to temporarily increase the metered sewer consumption charges by an amount which would allow Savannah to recover an amount equal to the amount of Capital Cost Recovery Charges that were not properly remitted.

18. Metered Sewage Consumption Charge. Port Wentworth shall pay to Savannah a treatment charge for each 1000 gallons delivered to the Sewage Delivery Point as measured by the Sewage 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 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.

In no event shall the rate applicable to Port Wentworth be more or less than the Effective Rate charged by Savannah to its retail sewer 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 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 gallons) by 9.350 to arrive at an average effective rate in terms of dollars per 1000 gallons.

→ The applicable rate for 2004 shall be \$2.44 per 1,000 gallons. Payment shall be made monthly within 30 days of the receipt of the invoice for consumption charges.

19. Port Wentworth Sewage Characteristics, Industrial Pre-treatment and Sewer Use Regulations. Port Wentworth shall adopt regulations for sewer use in the HHM Development which are 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. These regulations are intended to prohibit the discharge into the Port Wentworth 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).

Port Wentworth shall provide a copy of its sewer use regulations to Savannah and any amendments thereto. Port Wentworth 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.

The sewage delivered by Port Wentworth to the Sewage Delivery Point 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:

Annual Average Concentration	
	mg/L
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

Port Wentworth shall sample and report each of the above parameters periodically


to demonstrate compliance.

20. Operation and Maintenance Responsibilities and Inflow / Infiltration. Port Wentworth shall be responsible for the construction, funding, operation, maintenance and compliance with applicable law and regulations of the Port Wentworth sewage collection system up to and including the Sewage Delivery Point. Nothing in this agreement shall obligate Savannah to maintain or operate the sewage collection system of Port Wentworth.


Savannah shall be responsible for the operation, maintenance and compliance with applicable law and regulations of all sewage transport and treatment systems downstream from the Sewage Delivery Point.

It is recognized that rules and regulations of regulatory agencies may require Savannah or Port Wentworth to undertake watershed assessments in connection with the permitting of sewage treatment facilities, or to undertake new water quality monitoring responsibilities. The parties shall keep each other informed on the potential impact that such new regulatory requirements may have. Each party shall be responsible for accomplishing, and funding, any actions required to achieve compliance with such regulatory requirements applicable to territory within each municipality's own boundary.

Port Wentworth shall reimburse any fines or costs imposed on Savannah by the action of any regulatory agency which are caused by, or arise out of, the operation of the Port Wentworth sewage collection system which is owned, maintained, and operated by Port Wentworth.



Port Wentworth shall operate the HHM Development sewage collection system so as to minimize the amount of inflow and infiltration of non-sanitary sewage into the sanitary sewer system. Port Wentworth shall prohibit the connection of storm drains to the sanitary sewer system, and shall remove any such connection when ever such interconnections are discovered. Port Wentworth shall indemnify Savannah for any costs or fines levied on Savannah by regulatory agencies which are attributable to inflow and infiltration of non-sanitary sewage within the Port Wentworth sanitary sewer system.



21. Meter Calibration Tests and Meter Failure. Maintenance of the Sewer Meter, including periodic calibration, shall be the responsibility of Savannah.

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.

22. Excess Usage. Excess usage means sewage delivered by Port Wentworth in any month in excess of the capacity reservation as defined in Section 14, or with characteristics exceeding the maximums provided in Section 19 hereof. Savannah shall give notice to Port Wentworth of the occurrence of excess usage. Upon receipt of such notice, Port Wentworth 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 Port Wentworth 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 18 hereof.

23. 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 sewage 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 point of the Savannah Crossroads Treatment Facility, 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 adjustments will be reviewed in detail with Port Wentworth.

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

24. Transfer and Assignment. Nothing in this Agreement shall convey to the Port Wentworth any rights of ownership to the sewage treatment capacity made available herein. The capacities made available are not transferable by the Port Wentworth for service to areas outside of the HHM Development. This Agreement may not be transferred or assigned in whole or in part without prior approval of the Savannah being endorsed thereon. Any violation of this limitation shall terminate the Savannah's obligation thereunder.

2. Amendments of the 2001 Agreement for Second Water Delivery Point. Section 1 and Section 2 of the 2001 Agreement are hereby amended to read as follows:

1. Water Supply. Savannah will make potable water available to Port Wentworth meeting the drinking water requirements of all applicable regulatory agencies at a

water metering station located near the Savannah-Port Wentworth border in the vicinity of Godley Road and State Route 21 ("**Water Metering Station #1**"). Savannah will also make potable water available to Port Wentworth meeting the drinking water requirements of all applicable regulatory agencies at a water metering station located near the planned Meinhard Road/Benton Drive intersection ("**Water Metering Station #2**"). Water Metering Station #1 and Water Metering Station #2 are hereinafter referred to collectively as "**Water Metering Station**" or "**Water Metering Stations**". The water available under this agreement shall be used to serve water customers located within the City of Port Wentworth. The "**Water Delivery Points**" or "**Water Delivery Point**" shall be a point in a metering station immediately upstream from the back flow prevention valve.

The aggregate maximum amount of water to be made available at all Water Delivery Points is 1,500 gallons per minute (for periods during which water is not being used for fighting fires to which the Port Wentworth fire department has responded). In no event shall Savannah be obligated to deliver in excess of a aggregate monthly average of 1,293,450 gallons per day to all Water Delivery Points serving Port Wentworth combined. Said monthly average maximum amount shall not include water delivered to other jurisdictions through the Port Wentworth water system as provided in Section 13 of this agreement.

2. Water Metering Stations.

a. Water Metering Station #1. Port Wentworth funded, designed, and constructed Water Metering Station #1 consisting of a master water meter, chart recorder, control valves, and check valve to prevent back flow at the location described in Section 1.

Upon completion of the station in accordance with the approved plans, Port Wentworth conveyed ownership of the 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 assumed responsibility for its maintenance and calibration. The facilities conveyed included the entire station up to and including the backflow prevention check valve.

Port Wentworth constructed and funded all water transmission facilities necessary to deliver water from Savannah's existing 30" line located in the right-of-way of State Route 21 to Water Metering Station #1. Port Wentworth is responsible for the maintenance of such transmission facilities.

b. Water Metering Station #2. Port Wentworth/Developer will design, and construct a water metering station consisting of a master water meter, chart recorder, control valves, and check valve to prevent back flow at the location

described in Section 1. The design of the water metering station shall be approved by Savannah. Port Wentworth/Developer shall fund and pay all costs of the water metering station.

Upon completion of the station in accordance with the approved plans, Port Wentworth shall convey ownership of the 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 its maintenance and calibration. The facilities conveyed shall include the entire station up to and including the backflow prevention check valve.

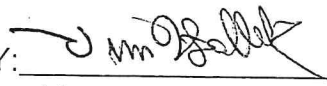
Water Metering Station #2 shall be served from an existing "tee" connection point on the 36 inch diameter water main in the Meinhard Road right-of-way. In the event an upgrade in the capacity of the water booster pump station located at the Savannah Water Filtration Plant is required in the future, Port Wentworth shall pay to Savannah its pro-rata share of the cost of such upgrade according to the ratio of Port Wentworth average flows through Water Metering Station #2 to total flow through the 36 inch Meinhard Road water main.

3. Other Amendments to the 2001 Agreement. Existing Sections 14 through 21 of the 2001 Agreement are hereby re-numbered as Sections 25 through 32.

4. All Other Sections of the 2001 Agreement Unchanged. All sections of the 2001 Agreement not amended by this Agreement, remain in full force and effect as originally set forth in the 2001 Agreement.

IN WITNESS WHEREOF, the Port Wentworth and the Savannah have caused this agreement to be executed by their proper corporate officers with their seals duly attached and attested to as of the day and year first written above.

CITY OF PORT WENTWORTH

BY: 
Mayor

ATTEST: 
Clerk of Port Wentworth City Council

**THE MAYOR AND ALDERMEN OF
THE CITY OF SAVANNAH, GEORGIA**

BY: 
City Manager

ATTEST: 
Clerk of Savannah City Council

HHM DEVELOPERS LLC

City of Savannah

1017

Check Number: 1017

Check Date: Aug 30, 2004

Check Amount: \$41,000.00

Discount Taken Amount Paid

41,000.00

Item to be Paid - Description

WATER & SEWER

credit - 45239

HHM DEVELOPERS LLC

2 EAST BRYAN STREET

SUITE 1515

SAVANNAH, GA 31401

(912) 234-9600

WACHOVIA BANK, N.A.

64-115-611

1017

Aug 30, 2004

**\$41,000.00

PAY Forty-One Thousand and 00/100 Dollars
TO THE
ORDER
OF

City of Savannah

Richard Haggard

MP

⑈001017⑈ ⑆061101155⑆2000016331101⑈

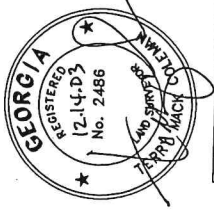
KERN-COLEMAN & CO.
 Consulting Engineers - Land Surveyors - Land Planners
 Architects - Landscape Architects - Environmentalists
 7 Mail Court (31-06) - P.O. Box 15179 (31416) - Savannah, GA
 Tele: (912) 394-8400 - Facsimile: (912) 394-1860 - E-mail: JKern@kerncoleman.com

EXHIBIT B

PLAT OF ST. AUGUSTINE FOREST BEING A PORTION OF 827.0 ACRES,
 FORMERLY KNOWN AS INTERNATIONAL PAPER REALTY
 CORPORATIONS, GODLEY #2 TRACT, 8th G.M. DISTRICT,
 CHATHAM COUNTY, GEORGIA

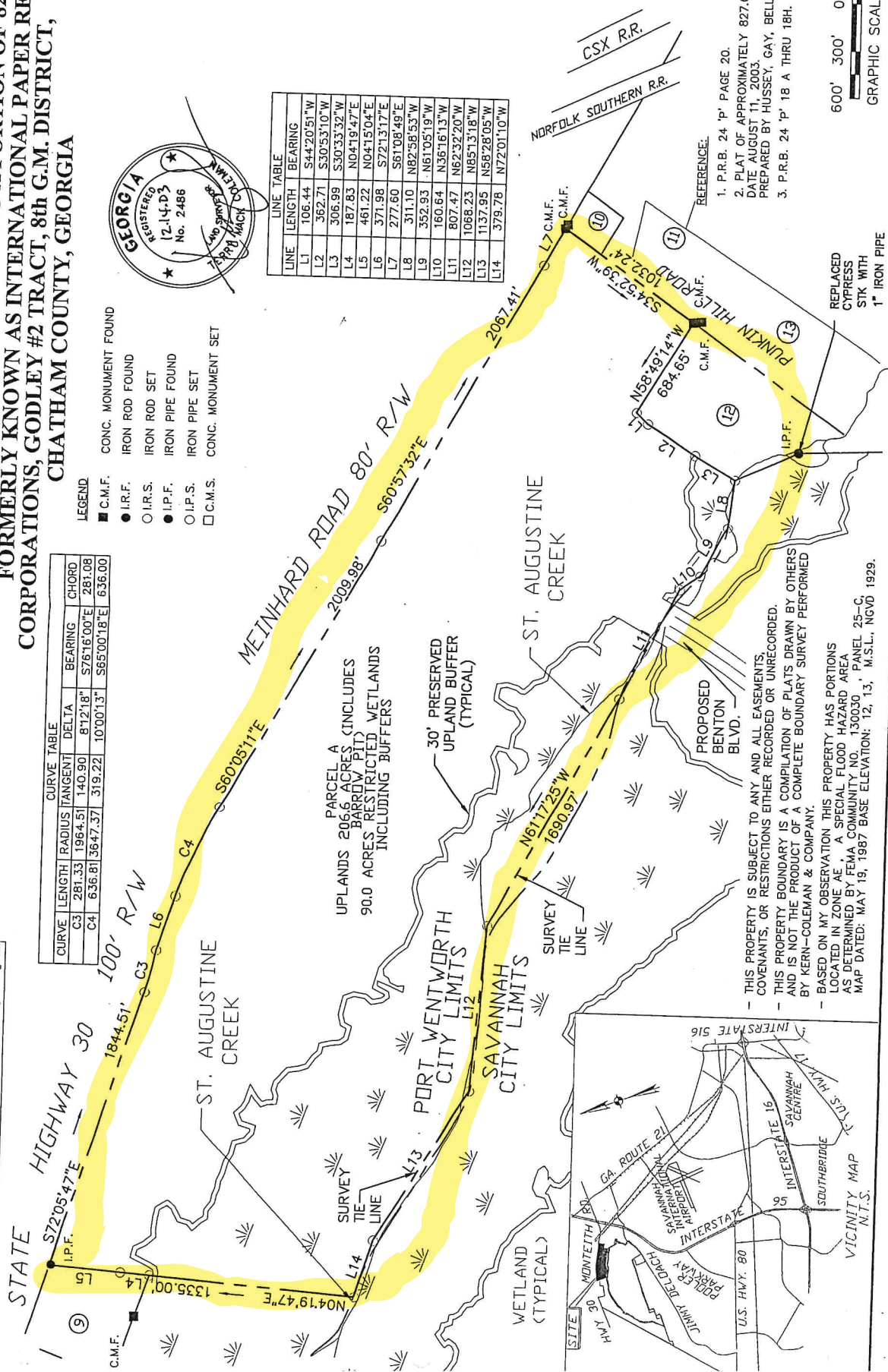
CURVE TABLE				
CURVE	LENGTH	RADIUS	TANGENT	CHORD
C3	281.33	1964.51	140.90	812.18"
C4	636.81	3647.37	319.22	10'00"13"
				S65'00"18"E
				636.00

- LEGEND
- C.M.F.
 - I.R.F.
 - I.R.S.
 - I.P.F.
 - I.P.S.
 - C.M.S.
- CONC. MONUMENT FOUND
 IRON ROD FOUND
 IRON ROD SET
 IRON PIPE FOUND
 IRON PIPE SET
 CONC. MONUMENT SET

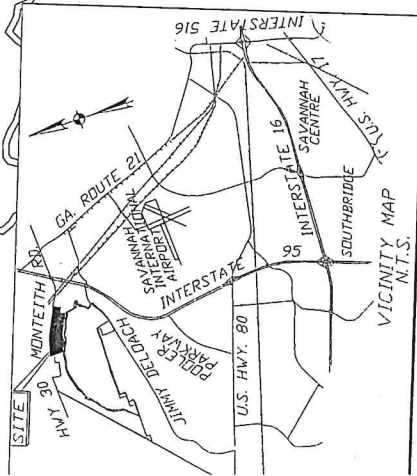


GRID NORTH
 GA EAST ZONE NAD 83

LINE	LENGTH	BEARING
L1	106.44	S44°20'51"W
L2	362.71	S30°53'10"W
L3	306.99	S30°33'32"W
L4	187.83	N04°19'47"E
L5	461.22	N04°15'04"E
L6	371.98	S72°13'17"E
L7	277.60	S61°08'49"E
L8	311.10	N82°58'53"W
L9	352.93	N61°05'19"W
L10	160.64	N36°16'13"W
L11	807.47	N62°32'20"W
L12	1068.23	N85°13'18"W
L13	1137.95	N58°28'05"W
L14	379.78	N72°01'10"W



- THIS PROPERTY IS SUBJECT TO ANY AND ALL EASEMENTS, COVENANTS, OR RESTRICTIONS EITHER RECORDED OR UNRECORDED.
 - THIS PROPERTY BOUNDARY IS A COMPILATION OF PLATS DRAWN BY OTHERS AND IS NOT THE PRODUCT OF A COMPLETE BOUNDARY SURVEY PERFORMED BY KERN-COLEMAN & COMPANY.
 - BASED ON MY OBSERVATION THIS PROPERTY HAS PORTIONS LOCATED IN ZONE A SPECIAL FLOOD HAZARD AREA AS DETERMINED BY FEMA COMMUNITY NO. 130030, PANEL 25-C, MAP DATED: MAY 15, 1987 BASE ELEVATION: 12, 13, M.S.L., NGVD 1929.



- REFERENCE:
1. P.R.B. 24 'p' PAGE 20.
 2. PLAT OF APPROXIMATELY 827.0 ACRES, DATE AUGUST 11, 2003, PREPARED BY HUSSEY, GAY, BELL AND DEYOUNG
 3. P.R.B. 24 'p' 18 A THRU 18H.

600' 300' 0' 600'
 GRAPHIC SCALE: 1" = 600'
 DECEMBER 2003