

**Minutes of the South Fulton Municipal Regional Water And
Sewer Authority Meeting Held on September 10th, 2019,
Union City, City Hall, 5047 Union Street, Union City, GA 30291**

BOARD MEMBERS PRESENT: Vince R. Williams, J. Clark Boddie, Elizabeth Carr Hurst, Shayla J. Nealy, Laura Mullis, James Whitmore and Sonja Fillingame

BOARD MEMBERS ABSENT: None

Consultants Present: Dennis Davenport, Dan Post, Laura Benz and Andrea Gray

Others Present: Hope M. Larisey with Integrated Science Engineering

Call To Order: Chairwoman Shayla J. Nealy called the meeting to order at 7:00 PM.

Approval Of The Minutes: A motion was made by Vince R. Williams to approve the minutes of the August 13th, 2019 meeting, seconded by Elizabeth Carr Hurst with corrections. A vote was taken, the motion passed unanimously.

New Business: None

Old Business: None

Reports:

Legal – Dennis Davenport discussed the name change for the Authority with the Board members.

The Board discussed various names and decided on name Middle Chattahoochee Regional Water and Sewer Authority.

Dennis Davenport also stated that as the Authority is required to post each meeting in two local newspapers, no other government is required to, so when the name change is submitted, the add a request to the legislation to change that requirement saving the Authority money by posting the meetings at the meeting location.

A motion was made by J. Clark Boddie to approve to change the name of the Authority to the Middle Chattahoochee Regional Water and Sewer Authority, seconded by Vince R. Williams. A vote was taken, the motion passed unanimously.

Finance – Dan Post reviewed with the Board:

1. The August 2019 financial statement.
2. Requested approval for draw number 196 in the amount of \$29,677.20 from the construction account.

J. Clark Boddie made a motion to approve draw number 196 in the amount of \$29,677.20 from the construction account seconded by Sonja Fillingame. A vote was taken, the motion passed unanimously.

3. New signature cards

Project Managers – Laura Benz and Andrea Gray reviewed with the Board:

See attached memorandum for details

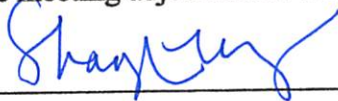
1. Water Withdrawal Application Process:
 - a. Minimum Instream Flow
 - b. Responses to comments
 - c. Non Depletable Flow
 - d. District Audits
 - e. Treatability Analysis
 - f. Swap
2. Compensatory Mitigation
 - a. Site Specific Sites
 - b. Resale of Mitigation Credits
3. Reservoir Land

Chairwoman Shayla J. Nealy reviewed the meeting that she and Vince R. Williams had with Mayor Bottoms.

Executive Session: None

Sonja Fillingame made a motion to adjourn the meeting, seconded by Elizabeth Carr Hurst. A vote was taken, the motion passed unanimously.

The meeting adjourned at 7:34 PM



Shayla J. Nealy, Chairwoman

October 08th, 2019

Date Minutes Approved by Board

MEMORANDUM

To: S. Fulton Municipal Regional Water & Sewer Authority Member Cities Councils
(Fairburn, Palmetto and Union City)

From: Laura Benz & Andrea Gray

Date: September 10, 2019

Re: S. Fulton Authority Project Update

Water Withdrawal Application/Process: EPD published the Notice of Intent to issue the permit to the three cities with a thirty (30) day comment period beginning March 8, 2019. The City of Atlanta requested a 30-day extension to the comment period, which was granted, resulting in the comment period expiring on May 8, 2019. EPD received three comments letters all dated May 8, 2019 submitted by the City of Atlanta, Atlanta Regional Commission and the Chattahoochee Riverkeeper.

The Authority's consultants met with EPD to discuss the response to comments on July 29, 2019 and have revised the responses according to EPD's input and began assembling the Exhibits. Finalization of the responses is pending: 1) EPD approval of an alternate minimum instream flow; and 2) finalization of Metropolitan North Georgia Water Planning District ("MNGWPD") audits for the three cities.

Minimum Instream Flow: As previously discussed, EPD's model shows there are four days over a 73-year period when the Authority will not be able to withdraw a portion or all of the permitted 13.25 mgd. Schnabel Engineering analyzed the model and determined that the low flow days are all Mondays following the absence of hydropower generation releases during the weekends. The Authority has explored the following options but determined that they are either not feasible or not preferred due to logistics or cost: obtaining a contract with an adjacent water supplier, utilizing Palmetto's existing reservoir or utilizing other lakes closer to the water treatment plant. The favored and least-costly option is the adoption of a modified minimum instream flow in the Chattahoochee River that addresses the four days over the period of record. The Interim Minimum Instream Flow Protection Guidance is set out in the May 2001 White Paper which provides three minimum flows, including a site-specific study which requires a review of potential impacts to fish and water quality as a result of the modified minimum instream flow.

The Authority's consultants coordinated with EPD and the Department of Natural Resources Fisheries Division to determine the scope of a site-specific study. The fisheries division recommended a review of potential impacts to fish species and recreational access. The fieldwork for this study is complete and the report should be complete within the next couple of weeks. No concerns regarding recreation were noted given that there is no access within the study area. FEMA mapping would provide a more accurate representation of water depth and was recommended by the environmental consultant. The Authority will evaluate the costs and benefits of converting FEMA mapping to EPD's modeling. Once finalized, the report will be submitted to EPD as support for approval of the alternate minimum instream flow.

District Audits: The Atlanta Regional Commission ("ARC") and the District aid communities in completing audit documentation. Fairburn, Palmetto, and Union City representatives met with ARC and MNGWPD representatives on August 21st, August 27th and September 4th respectively. The goal is to submit the complete audits as soon as possible to allow EPD to continue processing the water withdrawal permit.

Treatability Analysis: An engineering report will be required as a part of the Water System Permit (a separate permit required to operate the system which is issued upon construction of the facilities).

SWAP: ARC continues to work towards the SWAP being completed by January 1, 2020. A coordination meeting is set for October 2, 2019 the purpose of which is to review and comment on our watershed's ranking in the 2020 Source Water Assessment Plan report prior to the publishing of data. ARC's schedule is as follows:

August - December:

- Aug. 16th - Calendar invites to stakeholders for individual meetings
- Mid-September - Finalize total rankings for all management zones
- Sept. 16th-27th - Individual stakeholder meetings
- October-November – complete drafts of final report and consumer confidence reports
- Dec. – Finalize documents, data, and consumer confidence reports

Next Steps: Obtain the final information needed to prepare the response to comments, finalize and submit the District audits, finalize the response to comments based on input from EPD, prepare and submit site-specific study to support alternate minimum instream flow proposal, update the engineering RFP for the preliminary engineering work and refine the budget and cost estimates accordingly and evaluate sources of funds including additional GEFA loans.

Compensatory Mitigation

Site Specific Sites: The Mitigation Bankers continue to work through the mitigation bank authorization process and the coordination with new regulatory guidance. The Prospectus for the Mulberry Creek site was submitted in January and is moving forward with development of the mitigation banking instrument.

Resale of Mitigation Credits: USACE Office of Counsel requested documentation of the settlement between the Monastery and Bob Holbrook, which were provided for review. The USACE is completing its final review of the documents and the credits should be released for remarketing shortly. The Blue Creek mitigation credits are currently included within a proposal for the Dog River Reservoir expansion which is pending before the Douglas County WSA for an additional month before being released for sale to other interested parties.

Reservoir Land

A memorandum outlining the terms of the Authority's purchase of the reservoir site from Mr. Carl Bouckaert was distributed to the Authority via email and an additional copy is attached hereto. The Authority will evaluate its options and obligations and determine how it wants to proceed. Mr. Bouckaert is currently engaged in master planning for his 8,000 acres surrounding the reservoir property.

MEMORANDUM

To: South Fulton Municipal Regional Water & Sewer Authority

Date: August 14, 2019

Re: Repurchase Option and Right of Refusal Summary

The terms of the repurchase option and right of first refusal are governed by the MOU dated September 20, 2010. The Authority acquired all of the necessary property and associated rights for the construction and operation of the Bear Creek reservoir with a pumped diversion from the Chattahoochee river for a purchase price of \$8,500,000.00. There is language that the contract was a "bargain sale" allowing Oracle Fulton Land, LLC ("Bouckaert") tax benefits that may need to be addressed.

As set forth in Section 13.13, Bouckaert has option to repurchase the property if the Authority at any time abandons the project or if it fails to commence construction of the Reservoir by July 1, 2020 as evidenced by the Authority giving notice to proceed to a contractor for the construction of the reservoir/dam, then Bouckaert may exercise its option to repurchase the property.

If Bouckaert elects to repurchase the Property he must provide the Authority written notice of his election to repurchase in accordance with Section 11 of the MOU and by the earlier of (i) within 60 days of the Authority's abandonment of the project or (ii) July 1, 2020. The repurchase price shall be \$8,500,000.

If Bouckaert does not exercise aforesaid right to repurchase, Bouckaert shall have a right of first refusal for ten years thereafter to purchase the Property or any fee simple part thereof. Upon the Authority's receipt of a written bona fide offer to purchase the Property or any fee simple part thereof from a third party, the Authority shall notify Bouckaert of the material terms thereof (a "refusal notice" and Bouckaert has 30 days from the effective date of the refusal notice to exercise right of first refusal by notice to the Authority. If Bouckaert has not exercised right of first refusal within 30 days from Refusal notice then Authority may sell to third party on or after 31st day and right of first refusal shall be void. If Bouckaert does exercise right of refusal then parties shall then be obligated to buy/sell at price and terms of 3rd party offer except as to:

- Closing of Bouckaert repurchase option or exercised right of refusal shall occur at the place mentioned in Section 5.3 of the MOU within 30 days of repurchase notice or exercise of right of first refusal, and at the closing the Authority in exchange for the full payment of the repurchase price at closing shall quitclaim all of its rights, title and interest in the property or the property subject to the refusal notice to Bouckaert
- Nothing shall apply/prevent Authority from granting easements, covenants, licenses leases or other interests in the Property or parts thereof in conjunction with planning for/construction of reservoir.

It is important to note that the repurchase provision set forth in Section 13.13 did not contemplate retaining portions of the property, only the entirety of the Property acquired with the MOU.¹ Similarly no value was placed on the individual rights acquired within the MOU. Upon review of the Property

¹ At this time EPD still prohibited direct withdrawals, therefore was not deemed a feasible option.

current held by the Authority, the following would need to be retained for the operation of the direct withdrawal:

- Water withdrawal intake property (1.0 acre)
- Water treatment plant property (18 acres)
- Access road to dam (60 ft construction; 40ft permanent) to get down to near withdrawal
- 2 x 50' pipeline easements
- Access to water treatment plant site (non-exclusive 60' wide easement)
- Water withdrawal pipeline and access easement (50' wide easement from water withdrawal intake land to old reservoir site)
 - There would need to be a pipeline through the reservoir area to provide a connection between the withdrawal and the treatment site since the original plan was to have the pipeline at the base of the dam and then at the upper end of the reservoir at the treatment plant.

The Authority would no longer need: (1) Entire reservoir normal pool area in fee simple (would need pipeline through area); (2) Dam breach zone; and (3) 150' buffer area.