

April Minutes  
Special Called Council Meeting  
Commerce Civic Center  
April 24, 2006  
6:30 P.M.

A special called meeting of the Mayor and Council was held on Monday, April 24, 2006 at 6:30 P.M. in the Commerce Civic Center Commerce Room, 110 State Street. The meeting was called to order by Mayor Charles L. Hardy. City Clerk Shirley Willis called the roll and those in attendance were Mayor Charles Hardy, Mayor Pro Tem Dusty Slater, Councilmen Wayne Gholston, Donald Wilson, Mark Fitzpatrick, Bob Sosebee and Richard Massey, City Manager Clarence Bryant, City Attorney John Stell, one member of the press and approximately 150 citizens.

Councilman Donald Wilson gave the invocation.

Mayor Charles Hardy welcomed everyone to the meeting and said if there was anyone there to speak they could do so at that time.

A. Water and Sewer Debt Refinancing

Councilman Donald Wilson asked if the items would be handled all at one time or as three separate items. Mayor Hardy told Councilman Wilson that would be handled as Items A and B.

Bill Studdard of Dogwood Trail asked the council if there were any other options other than raising the rates. Mayor Charles Hardy said yes the refinancing could be done. Mr. Studdard said then we don't have any other option.

Leroy Jett of Andrew Jackson Street asked if it was just the sewer or the water and sewer. He also asked if the City of Commerce owed on the water plant. Finance Director Steve McKown replied that yes the GEFA loans were both water and sewer almost equally at 50%. Mr. Jett said he thought the SPLOST funds paid the water debt.

Bryan Harbin said the original GEFA loan was \$1.1 million. In the mid 1990's water and sewer revenue bonds were done and that financed the building of the lines at Roper Pump Company. Mr. Harbin told Mr. Jett that all debt that would be combined would be GEFA loans. Mr. Jett asked how much the water plant portion was and Mr. Harbin told him \$1.9 million. Mr. Jett said when the city was running lines into Madison County he spoke to Bob Sosebee and he thought there would be enough money left over to install those lines. According to Mr. Jett the rates doubled and that was supposed to be taken care of.

City Manager Clarence Bryant said let him back up and explain that the refinancing was to incorporate all debt together and to answer Mr. Studdard's statement the city did not

have to do anything. The refinancing would move the debt out three to five years down the road. It would take 100% of the debt service and pay a portion of it.

Steve McKown said the existing debt was \$14.1 million of which \$7 million was the wastewater treatment plant and \$281,000 of accrued interest. Mr. Jett asked if that much was spent on the treatment plant. There was almost \$9 million spent on the plant. Mr. McKown told Mr. Jett that SPLOST could not repay debt because it was specified for capital projects. Mr. Jett said that the lines run out Blacks Creek Church Road must be paid by customers. City Manager, Clarence Bryant said that SPLOST had paid for those lines.

Bryan Harbin said the cost to the inside city customers would be \$3.00 plus usage and the cost for the outside city customers would be \$5.80 plus usage. According to Mr. Harbin there were 3,400 water customers and 2,500 sewer customers. 700 Of those lived outside the city.

Councilman Donald Wilson said to answer Mr. Jett's question the City of Commerce would never get enough water customers to repay the line cost. Madison County was in the service area for Commerce. Mr. Jett said that a lot of people on water and sewer would pay but a lot of customers did not have sewer. Dogwood Trail had septic tanks. It was his opinion that a council member who wasn't on sewer should not vote.

Councilman Donald Wilson asked if the City of Commerce should sell their water and sewer system. The response was no.

Councilman Bob Sosebee made a motion, seconded by Councilman Donald Wilson to approve the refinancing of the water and sewer service debt.

The vote was unanimous.

- B. Retail Water and Sewer Rates, Wholesale Water Rates and Water and Sewer Tap Fees.

Mayor Charles Hardy read the rates as per the proposal.

Councilman Donald Wilson again asked if they could be broken down or in two different votes. Mayor Charles Hardy said yes but they were all tied together.

The proposed rates are as follows:

Water and Sewer Rates  
Effective May 1, 2006

Water Rates

<u>Monthly Rate</u>	<u>Inside City Rate</u>	<u>Outside City Rate</u>
Minimum Bill	\$3.00	\$6.00
Per 1,000 Gallons	\$3.85 for each 1,000 gallons or portion thereof	\$5.80 for each 1,000 gallons or portion thereof

Sewer Rates

<u>Monthly Rate</u>	<u>Inside City Rate</u>	<u>Outside City Rate</u>
Minimum Bill	\$3.00	\$6.00
Per 1,000 Gallons of water used	\$5.25 for each 1,000 gallons or portion thereof	\$7.90 for each 1,000 gallons or portion thereof

SO ORDAINED THIS 10<sup>th</sup> day of April, 2006

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Charles L. Hardy, Jr., Mayor

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Shirley Willis, City Clerk

The proposed wholesale water rates were as follows:

City of Commerce  
Wholesale Water Rates  
Effective May 1, 2006

USAGE

0 to 1,000,000 Gallons	\$3.00 per gallon
Minimum	\$3,000.00 per month
1,000,001 to 5,000,000 Gallons	\$2.90 per gallon
5,000,001 to 10,000,000 Gallons	\$2.80 per gallon
10,000,001 Plus	\$2.70 per gallon

SO ORDAINED THIS 10<sup>th</sup> day of April, 2006.

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Charles L. Hardy, Jr., Mayor

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Shirley Willis, City Clerk

The tap fees proposed were as follows:

City of Commerce  
Water & Sewer Tap Fees  
Effective April 11, 2006

Water Tap Fees

¾" Meter	\$ 2,500.00
1" Meter	3,000.00
2" Meter	6,000.00
4" Meter*	25,000.00
6" Meter*	40,000.00
8" Meter*	55,000.00

Fire Lines

All fire lines shall include an approved fire line meter and backflow preventer. Tap fees shall be equal to those of the corresponding water tap fees for each meter size. Design and construction costs will be the responsibility of the customer.

Sewer Tap Fees

¾" Meter	\$ 4,000.00
1" Meter	5,000.00
2" Meter	8,000.00
4" Meter*	25,000.00
6" Meter*	40,000.00
8" Meter*	55,000.00

Multi Family (All Meters)	\$ 5,000.00
Plus	\$ 1,000 for each one bedroom unit
	2,000 for each two bedroom unit
	3,000 for each three bedroom unit
	4,000 for each four bedroom unit

Hotel/Motel same as Multi Family

Non Residential same as Residential

\*Meter and related accessories must be provided and installed by customer per City of Commerce specifications.

SO ORDAINED THIS 10<sup>th</sup> day of April, 2006.

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Charles L. Hardy, Jr., Mayor

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Shirley Willis, City Clerk

Councilman Richard Massey made a motion, seconded by Councilman Bob Sosebee to approve the water and sewer rates, the wholesale water rates and the water and sewer tap fees as presented.

Mayor Pro Tem Dusty Slater said the WPCP debt must be paid. He said although he inherited a debt he did not see any other way to pay but to increase the rates.

The vote was five for (Dusty Slater, Richard Massey, Bob Sosebee, Wayne Gholston and Mark Fitzpatrick) one against (Donald Wilson).

Councilman Donald Wilson said he was not trying to stop progress of the City of Commerce and he appreciated the e-mails. He said one person had sent 93 e-mails and had 75 to 100 people opposed to the increase. He said he was staying with the people.

Councilman Richard Massey made a motion, seconded by Mayor Pro Tem Dusty Slater to adjourn the meeting.

The vote was unanimous.

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Charles L. Hardy, Jr., Mayor

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Shirley Willis, City Clerk

