

CITY COUNCIL PRESENT: Hamrick, Figueras, Bruner, Wangemann, Segars
COMMISSIONERS PRESENT: Mecum, Lutz, Powell, Gibbs, Stowe
CITY STAFF PRESENT: Padgett, Sheppard, Palmour, Felts, Jordan, Grayson
COUNTY STAFF PRESENT: Nix, Blalock, Crumley, McCain

Commission Chairman Richard Mecum called the meeting to order for the Hall County Board of Commissioners.

Mayor Pro Tem Robert L. Hamrick called the meeting to order for the Gainesville City Council.

PRESENTATION OF INTERGOVERNMENTAL AGREEMENT:

Assistant County Administrator Marty Nix stated staff was directed to review all sewer options for the 365 Gateway Industrial Park noting it is a prime location for economic development. He commented on looking forward to a partnership with the City of Gainesville and hoped today's meeting would provide a platform for future partnership opportunities. Mr. Nix thanked Ken Rearden (Hall County Director of Public Works and Utilities) and Kelly Randall (Gainesville Public Utilities Director) for working on the details of the agreement.

City Manager Kip Padgett stated this has been a good partnership and a team effort between City and County staff. He reviewed the following bullet points which summarized the agreement:

- The City will treat up to 750,000 gallons per day along the State Route 365 corridor. The discharge point will be at the intersection of Howard Road and White Sulfur Road.
- There will be a payment from Hall County to the City of Gainesville in the amount of \$640,000 for downstream improvements at the discharge point to treat required flowage. This will allow the County to use the treatment plant capacity and system upgrade improvements purchased from a previous commission for this corridor.
- Everything upstream of the discharge point, i.e., White Sulphur and Howard Road, will be owned, installed maintained and operated by Hall County. The area downstream of the discharge point will be owned by the City of Gainesville.
- The City of Gainesville will amend the Pump Station 26 Contract to make the necessary improvements to treat Hall County's wastewater and will be ready when the County desires to commit.
- The City of Gainesville and Hall County will enter into a separate contract for the City to provide industrial pre-treatment services.

Motion to approve the intergovernmental agreement.

Motion made by Commissioner Powell
Motion seconded by Commissioner Stowe

DISCUSSION:

Commissioner Stowe amended the motion by asking Hall County staff to continue working on their permit as previously discussed.

Commissioner Powell accepted the amendment.

Commissioner Lutz stated he had prepared a speech which he would not read but would like to have added to minutes for the record. The submission was documented as follows:

“Chairman, Mayor, Commissioners, and Councilmembers,

There are a couple of misperceptions that I would like to straighten out: 1st, the idea that the commission has not been able to stick to a decision on the sewer for SR. 365 and 2nd, the idea that we have been negotiating in bad faith with Lula.

To begin with, I believe that this commission has always felt that the county would eventually build a sewer plant to service the 365 corridor. The county started working on permitting a plant before I joined the commission and we haven’t stopped since I came on board. When the county decided to partner with the development authority in creating the Gateway Industrial Centre, we found ourselves in a position where the process of permitting and building our own plant would delay the infrastructure needed for the industrial park which would strand the investment that the taxpayers of Hall County have made.

It was with the idea of expediency in mind that the county chose to look at capitalizing on other investments that we have made into municipal sewer systems in order to meet the timelines that would be required by businesses moving into the industrial park. In the past, the county paid ~\$14.5 for capacity in Gainesville and ~\$1.5m for capacity at Lula. At no time did the county ever stop working on permitting a sewer plant that would be used to meet the long term needs for the corridor.

Unfortunately, the negotiations with Lula did not work. When Lula made a proposal to the county early this year, Lula agreed to basic terms that frankly they seemed to never intend on living up to. Instead, Lula kept rejecting the county’s IGA and kept submitting their own that had terms I believe unacceptable to the people of Hall County. Perhaps I was naïve to think that the county should be able to use something that they paid \$1.5m for, and at this time I have to consider if it wouldn’t be prudent to ask for a refund.

When it can be seen that the county had come to an impasse with Lula, the commission voted to suspend negotiations with Lula and let them know that they had a take it or leave it offer. Understanding that Chairman Mecum was elected countywide and that Commissioner Gibbs was elected to represent the district encompassing Lula, at no time would I expect that they would not be able to continue to talk with their constituents. However, when the Chairman brought forth a new proposal from Lula with the expectation that he had 3 votes to pass it, I found that it contained some of the same language that we had rejected in the past along with a new provision that said any reduction in flows would cause the county to pay the full retail rate for sewer even though the county would have made all the investments to deliver the sewer to the plant while retaining the liability of maintaining the county owned facilities.

The second point needs to be made concerns a quote from the September 23rd Gainesville Times article titled, *Gainesville, Hall to hold joint meeting on sewer service*. In the article, there is a quote that says: “Despite talking with Lula, Richard Mecum, Hall County Board Chairman, said the county has been talking with Gainesville “all along.”” I wholehearted disagree with this statement. To my knowledge, our staff did not start

talking with Gainesville about a potential partnership until Wednesday or Thursday the week before.

In conclusion, it has been a long process in getting to this point. The county has made a significant investment into the Gateway Industrial Centre and I would like to extend my sincere thanks to the City of Gainesville for stepping in to ensure that the taxpayers of Hall County will be able to recoup their investment in a timely manner.”

Commissioner Gibbs commented on the benefits of the partnership.

Commission Chairman Mecum thanked the City for their help. He felt the two entities had come together quickly and looked forward to working with the City on behalf of this project.

Commissioner Powell thanked the City for working with the County noting the project is good for the community. He felt confident moving forward.

Votes favoring the motion: Mecum, Lutz, Powell, Gibbs, Stowe

Mayor Pro Tem Hamrick asked for the pleasure of the Council.

Motion to approve the agreement.

Motion made by Council Member Bruner
Motion seconded by Council Member Wangemann

DISCUSSION:

Upon inquiry from Council Member Figueras, Commission Chairman Mecum indicated the County had spoken with the City of Lula.

Council Member Wangemann thanked the Commissioners for working with the City. This was a great moment and it was good to see everyone working together. He hoped this would establish a precedent for the future to do things for the betterment of Hall County.

Mayor Pro Tem Hamrick and Council Member Figueras expressed appreciation for the staff.

Votes favoring the motion: Hamrick, Figueras, Bruner, Wangemann, Segars

ADJOURNMENT: 4:13 PM

/dj

Robert L. Hamrick, Mayor Pro Tempore

Denise O. Jordan, City Clerk