

GEFA Requirements

After review of the financial model and funding plan with GEFA, the following special conditions were applied in order to obtain the needed SRF funding for the South Hall Sewer District. These conditions were placed due to the low debt coverage ratios. GEFA typically requires a 1.05 minimum debt coverage ratio.

SPECIAL CONDITIONS

- 1) The County will increase Sewer Rates to \$79.17 per 6,000 gallons usage (or equivalent) per month, to be implemented no later than January 31, 2009. Resolution must be submitted to GEFA prior to contract execution.
- 2) A minimum of \$3,500,000 in annual SPLOST and/or General Funds will be designated for the Sewer/Wastewater Utility Enterprise Fund, until such time as this GEFA Loan is paid in full or until GEFA reduces or eliminates this requirement. (Resolution must be submitted prior to contract execution).
- 3) The County will restrict a minimum of \$2,500,000 in a separate bank account for the purpose of satisfying or guarantying the GEFA debt, to be in place until such time as this GEFA loan is paid in full or GEFA reduces this amount or no longer requires it. This account is to be fully funded no later than 06/30/2009.

The first condition is currently shown in the financial model and funding plan. The remaining two items will need to be fulfilled in order to obtain the SRF funds needed to complete the MCSRF. Once these items are addressed, the model can be updated to reflect changes in future revenue bond requirements and rate increase needs. Depending on the funding sources for these last two conditions, the rate increase and revenue bond requirements will change. If condition 2 is satisfied with SPLOST, the effect will be to reduce revenue bond/rate increase requirements. If condition 3 is satisfied with system revenues the effect will be to increase revenue bond/rate requirements.

Infrastructure Inventory and Projection of Needs

After JJG was selected by GPUD and Hall County to perform the update of the study, JJG chose Rochester and Associates (RAI), an engineering firm located in Gainesville, Georgia, as a partner consultant to 1) undertake a determination of the number of water meters on record and estimate the remaining water meters to be installed based on master plans of the three major developments in the area: Village at Deaton Creek, Reunion and Sterling on the Lakes, 2) evaluate reuse options for serving Reunion and Sterling on the Lakes in accordance with their