

Honorable Chairman, distinguished Commissioners, Staff and Residents of Hall County,

My name is Craig Lutz. I reside at 8072 Sleepy Lagoon Way in Flowery Branch. I am not here this evening to give you the opinion of the city of Flowery Branch, I am here as a resident of South Hall County and one of the 1500 customers on the South Hall Sewer system. I have been joined by several of my neighbors from Sterling on the Lake. Please raise your hand if you are from Sterling.

Commissioners: Frustration, anger, confusion: these are just some of the emotions we have been feeling for the past several weeks as we have learned more about the predicament 1500 homes will be subjected to if you adopt Chapter 13.10 of The Official Code of Hall County as it was presented at the last voting session. This evening I would like to talk about the frustration in lack of transparency and communication, the anger behind wasted tax payer dollars and the jeopardy we have been placed in, and the confusion over conflicting statements and contracts. While I think we can all agree that the proper way to bill for sewage is based on water usage, I think you will soon see why we are feeling these intense emotions.

We are frustrated at the lack of communication to the citizens and municipalities from this commission. House Bill 489 effective on May 1<sup>st</sup>, 1997 states in article 1 which was codified in O.C.G.A. 36-70-1, "The purpose of this chapter article is to provide for local governments to serve these essential public interests (being water, sewer and other utilities) of the state by authorizing and promoting the establishment, implementation, and performance of coordinated and comprehensive planning by municipal governments and county governments..." The key words here are coordinated and comprehensive planning. This should be further reinforced by the fact that when sewer districts were initially established in Hall County, district 16 where Hall County plans to deliver sewer was titled Hall County/Municipal district which should have provoked coordination between the governments, not the blitzkrieg that the county has under taken. O.C.G.A. 36-70-2 defines "coordinated and comprehensive planning" as "planning by counties and municipalities undertaken in accordance with the minimum standards and procedures for preparation of plans, for implementation of plans, and for participation in the coordinated and comprehensive planning process..." There has been no coordination between the county and municipalities as evidenced by a letter from the City of Braselton to the Hall County Board of Commissioners dated December 8, 2008, which says, "per Senior Assistant Attorney General John E. Hennell's opinion of August 11, 2008, a County can only serve unincorporated areas within a municipality's sphere of influence if that municipality consents to same..." Obviously, if coordination and planning had occurred, then there wouldn't be an issue.

The lack of coordination has defeated the purpose of House Bill 489 that according to the Georgia Department of Community Affairs web site was not only to "provide a flexible framework for local governments and authorities to agree on service delivery arrangements.", but it was also "to minimize any duplication or competition among local governments and authorities providing local services." This lack of coordination has generated anger due to taxpayer waste as we now have duplicated force mains pumping sewage in opposite directions in South Hall County. The waste in taxpayers dollars can be directly tied to the lack of communication and coordination that House Bill 489 was designed to prevent. The county has taken a 15 million dollar sewer plant and run up close to 46 million dollars in debt

leaving the 1500 homes on the system liable for the lack of coordination and planning from this authority.

And finally we are confused. We see the new rates, but we are told that they will not be enforced due to the sales contract from when you bought the plant that says the purchaser, being Hall County, will use it's best efforts to cause the maximum monthly charge to customers not to exceed 42 dollars. What about the people in Deaton Creek that are being redirected off of the Mulberry Sewer plant, are they protected by the contract if they are no longer on the plant? Can you put a law on the books and not enforce it? What does it take to remove the GEFA requirement that has forced you to establish these ungodly high rates? Unfortunately, those of us who have tried to find out these answers either by attending meetings or directing questions to you and your staff have run into roadblocks and political gamesmanship. For example, instead of the commission discussing the rate structure in an open meeting, you have used the attorney client privilege as a veil of secrecy which almost shows your admission to legal wrongdoing.

As a citizen of South Hall County and one of the 1500 customers stuck with this enormous debt I have 4 requests: 1- that you strike the rates from this ordinance, 2- that you form a group consisting of 1 elected and 1 appoint official from each governmental agency including City of Braselton, City of Buford, City of Flowery Branch, City of Oakwood and Hall County along with an HOA representation from Deaton Creek, Reunion and Sterling on the Lake to discuss the overall strategy and plan for South Hall, 3- that this commission passes by resolution a statement of intent letter that indicates that the debt will be paid by SPLOST 6 if approved by the voters and not used for additional construction and 4- that the county create an irrigation fund to separately meter sprinkler use for residents in Deaton Creek, Reunion and Sterling on the lake.

I think we can all agree that these rates are callous. While they may be set to meet a GEFA requirement, GEFA stated that this condition was placed due to the low debt coverage ratio. In other words, like many people caught up in the mortgage mess, the County is a high risk investment because of our debt ratio. We need to aggressively work on this condition either through GEFA or by meeting the proper requirement. Setting the rate and not enforcing it, is not the proper solution. It is deceptive to GEFA and sets a poor precedent for a government to create laws that there is no intention to support.

Secondly, we need to work together to ensure that we are exercising our fiduciary duty with tax payer dollars. Sending sewage from Deaton Creek which is next to Braselton up to Gainesville while Oakwood is sending sewage the opposite way to Braselton doesn't make sense, and has caused the exact problem that House Bill 489 was designed to prevent. How much money was spent on force mains that are essentially in the same trench going in opposite directions?

During this time of recession, it does not make sense to continue to build. We should pay down the debt and let any growth pay for its self. There is no way that 1500 residents can carry the load of the debt you have in play. I believe that if you want support for the SPLOST referendum in March, you need to make a commitment to all of the tax payers in Hall County that you will not leave us with this enormous debt. We need to know that your intention is to pay off the debt with SPLOST.

Finally, all of the residents that are on South Hall Sewer live in neighborhoods with restrictive covenants. One day this drought will be over and we will be forced by our homeowners associations to comply with covenants that require seasonal planting and healthy lawns. It should be noted that at this time my neighborhood recognizes the drought situation and has given the owners a lot of latitude. However, I know that pre drought I had neighbors that were using up to 40 ccfs of water per month. By using water in and the rate of \$9.87 their sewer bill would be well over \$300. After they include their water, they would have the equivalent of a payment on a new SUV. Hall County needs to consider this issue and assist the homeowners by subsidizing agricultural water meters for residents with sprinkler systems or residents that want to water manually.

While these requests may appear to delay things, we are not in an urgent economic position where the infrastructure has to be done now. I believe this would be a good time to pause and calibrate the needs in South Hall. The responsible thing to do is to go back to the intent of House Bill 489, which is to use coordination and comprehensive planning to avoid the issues that have brought us all to this meeting tonight. Thank you for your consideration.