

## **WATER SUPPLY CONTRACT**

This contract for the sale and purchase of water is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2025, by and between the **CITY OF DALLAS, GEORGIA**, by and through its City Council ("the City") and **PAULDING COUNTY, GEORGIA**, by and through its Board of Commissioners ("the County")(collectively "the Parties").

### **WITNESSETH:**

WHEREAS, the County provides and distributes water to the citizens of Paulding County; and

WHEREAS, the County has completed the construction of the Richland Creek Reservoir and Water Plant, supplies water, and owns a public water system which distributes water to all portions of Paulding County, Georgia; and

WHEREAS, an adequate and constant supply of water for the County's present and future users is of the utmost importance to the protection of the health, welfare, and property of its residents and to this end provision should be made therefore; and

WHEREAS, the County and the City originally entered into a written contract and agreement dated June 18, 1979, wherein provision was made for the County to supply water to the City upon certain terms and conditions, hereinafter called the "First Water Purchase Contract, " which contract has since expired; and

WHEREAS, the City will be returning the existing master meters and residential customers which operate within the Paulding County Water Service Area, as defined herein, at no cost to the County, within 120 days of contract execution; and

WHEREAS, there now exists a need for the City to purchase water for its existing system and for future expansion within its designated water service area; and

WHEREAS, the County owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the City's system and the estimated number of water users to be served by the City, and

WHEREAS, the Dallas City Council approved and authorized the execution of this Contract for the purchase of water from the County in accordance with the terms set forth in this Contract at its meeting held on the \_\_\_\_day of \_\_\_\_\_, 2025, and the execution of this Contract by the Mayor and attestation by the City Clerk was duly authorized; and

WHEREAS, the Paulding County Board of Commissioners approved and authorized the execution of this Contract for the sale of water to the City in accordance with the terms set forth in this Contract at its meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2025, and the execution of this Contract by the Chairman and attestation by the County Clerk was duly authorized;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements hereinafter set forth, the Parties agree as follows:

**1. Definitions**

Wholesale Rate - a uniform volumetric charge based on the metered delivery of water in thousands of gallons up to the City's Reserved Allocation

Billing Charge – The amount charged for water used.

**2. Quality and Quantity**

To furnish the City at the point of delivery hereinafter specified, during the term of this Contract or any renewal or extension thereof, potable treated water meeting applicable

purity standards of the Georgia Department of Public Health and Georgia Department of Natural Resources, Environmental Protection Division in such quantity as set forth in this Contract.

This Contract is subject to applicable rules, regulations, and laws of the State of Georgia; and the County and City will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

### **3. Delivery and Pressure**

The water will be furnished at a reasonably constant pressure from the existing master meters within the City water service area. The City will be solely responsible to regulate the pressure to its distribution system and storage tanks. Any additional delivery points requested by the City to the City's water service area may be considered by the County for approval within the County's sole discretion. Any additional delivery points approved by the County shall be in writing and subject to the same terms and conditions of this Contract.

If a pressure greater than that normally available at the point of delivery is required by the City, the cost of providing such greater pressure shall be borne by the City. Should infrastructure be installed for the purpose of boosting the pressure, the City agrees not to decrease the delivery pressure more than 15 p.s.i. below the normal operating pressure at any time. Emergency losses of pressure or supply due to main supply line breaks, power failures, flood, fire and fire suppression, earthquakes, other catastrophes, or such other causes beyond the control of either party shall excuse such party from this provision for such a period of time as may reasonably be necessary to restore service.

Any equipment installed by the City for the purpose of controlling the flow, pressure,

or measurement of water in the City's system must be approved by the Director of the Paulding County Water System, or the designee thereof, in writing to ensure continuity and compatibility between the two systems.

#### **4. Payment**

The City shall pay the County the invoiced amount for water supplied within 15 days of the date of invoice. In the event timely payment is not made, interest shall automatically begin to accrue on such delinquent amount at the rate of 7 percent per annum from the date such payment is due until the date of receipt of full payment of such delinquent amount and accrued interest thereon.

#### **5. Rates and Capacity**

a. Upon the City's return of customers behind residential meters located in the Paulding County Water Service Area, the County will sell water to the City at a cost of \$4.73 per thousand gallons.

b. The City shall have a purchase limit of 22.5 million gallons per month. The limit can be increased during the contract period with approval by both the City Council and the Board of Commissioners.

c. If the purchase limit of 22.5 million gallons of water per month is exceeded prior to approval of an increase in said purchase limit by the City Council and Board of Commissioners, the rate for the amount of the overage shall be 150 percent the Wholesale Rate.

## **6. Rate Changes**

The parties hereto recognize the obligation of the County to establish and from time to time revise the rate of compensation for water sold and services rendered by the County to its Wholesale and Non-Wholesale Customers, including but not limited to the City, under this Agreement. The Wholesale Rate increase will be the greater of 3 percent or the current wholesale rate increase published by Cobb County Marietta Water Authority. Notice of rate change shall be communicated to the City at least 45 days in advance.

## **7. Ability to Pay**

City agrees at all times to establish and maintain rates, fees, and charges for water distributed to its users sufficient to assure its ability to perform its obligations herein provided. It is expressly understood by the parties hereto that all payments due to County hereunder are to be made from water and/or sewer revenues received by City.

## **8. Metering**

City agrees to furnish and install, at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the City. Such equipment shall become the sole property of County for operating and maintaining the same. The metering equipment shall be approved by the Director of the Paulding County Water System or his designee. The County agrees to test and calibrate such metering equipment as it deems necessary but not less than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous reading of any meter disclosed by test to be inaccurate shall be corrected for the three months prior to such tests in

accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the month immediately prior to the failure unless County and City shall agree upon a different amount. The metering equipment shall be read on or near the twentieth day of each month.

Both the County and the City are implementing advanced metering infrastructure (AMI) within their service areas. Both jurisdictions agree to work cooperatively to expand their AMI infrastructure to reduce unnecessary duplication of infrastructure and expense as follows:

- a) The City and County will work with a common vendor to advance the ability for both entities to read the master meters.
- b) The City will allow the County and the County will allow the City to utilize antennas installed by each respective jurisdiction for improving AMI in both service areas.
- c) The County and City shall work with the meter supplier to ensure that the County and City have access to master meter data to perform analytics on both the County and City system.

## **9. Modification of Contract**

The provisions of this contract may be modified or altered by mutual written agreement of the parties.

## **10. Bonds and Bonding**

Both the City and the County shall have the right to issue and sell revenue bonds for the purpose of making additions or extensions to their respective water systems or for other legal purposes and all such revenue certificates, including the computation, determination or estimation of the financial ability of the applicable entity to repay such certificates, may be based

or predicated upon the provisions of this Contract. Nothing herein shall in any way be construed to prohibit the County from issuing revenue bonds based upon revenues from its water system or to prohibit the City from issuing revenue bonds based upon the revenues from its water system. Further, nothing herein shall be construed so as to prohibit the County from pledging the revenues from its water system in conjunction with the revenues from other utilities maintained by the County to secure the payment of any revenue bonds.

Each party hereto agrees to cooperate fully and in good faith with the other party in promoting the sale of any revenue bonds issued by such party so as to reasonably minimize the cost thereof to the issuing party and to endeavor to obtain an interest rate or rates thereon most favorable to the issuing party.

The construction of additions and extensions to the County's infrastructure may be financed by a loan made or insured by, and/or a grant from, the United States of America, acting through one or more of its agencies. Additionally, the construction of additions and extensions to the County's infrastructure may be financed by a loan made or insured by, and/or a grant from, the State of Georgia, acting through one or more of its agencies, including the Georgia Environmental Finance Authority. In the event that such construction is so financed by either of these means, the City agrees to cooperate in all reasonable ways with the County in securing such loans and/or grants, including adjustment of water rates and charges.

## **11. Service Area and Master Meters**

The Paulding County Water Service Area Map, attached hereto as Exhibit A, shall establish the boundaries of water service for a period of ten years from the date of execution of this Contract. Water customers of each respective jurisdiction shall be determined in accordance with the Water Service Area Map. City water customers shall be those located within the

Dallas Water Service Area. County water customers shall be those located outside of the Dallas Water Service Area. Any water customers of the City located outside of the Dallas Water Service Area and any master meters serving those customers shall be transferred and assigned to the County, without cost, within 120 days of the execution of this Contract. The City shall pay the County a penalty of \$15,000.00 for each day that, because of the action or inaction of the City, the complete transfer of master meters has not occurred by the transfer deadline. Additionally, where either party is found serving a water customer outside of its designated water service area, the offending party shall pay to the other party a penalty of \$15,000.00 unless otherwise mutually agreed. Any such penalty payments shall be processed in accordance with Section 4.

Each respective jurisdiction shall have the right to provide water service to its own government buildings and potable wells/pumping station facilities regardless of where such facilities are located.

## **12. Meetings**

The County may schedule meetings with the City to discuss matters covered by this Contract. The meter supplier shall be included in such meetings as necessary to help coordinate any metering items needing to be addressed.

## **13. Effective Date; Term; Termination**

The Effective Date of this Contract shall be the date on which the last party executes the Contract, and except as otherwise provided herein regarding the 10-year duration of the Paulding County Water Service Area Map, the Contract shall endure for a term of 30 years from the date of the initial acceptance. This Contract shall serve as a revision to the Water Distribution Service Delivery Strategy between the Parties.



Should the City choose to terminate this Contract before the end of the term or any renewal thereof, the City will notify the County in writing two (2) years in advance of the termination date. Failure of the City to notify the County in writing of its desire to terminate this Contract at least two (2) years prior to such termination, shall make the City obligated to pay to the County a sum equal to the County's billing to the City for water for the twelve (12) months immediately prior to notice of termination.

**14. Severability**

Should any phrase, clause, sentence or paragraph of this Contract for any reason be held to be invalid, illegal, or unconstitutional by a court of competent jurisdiction, it is the intention of each of the parties hereto that such infirmity shall in no way affect the remaining provisions of the Contract which shall remain in full force and effect.

**15. Law; Venue**

This Contract shall be governed by the laws of the State of Georgia. Exclusive venue for any litigation shall be in Paulding County Superior Court.

**16. Mediation**

The Parties to this Contract shall in good faith attempt to resolve all disputes regarding the application or enforcement of this Contract amicably. In the event no amicable resolution can be reached, the parties may submit their claims to non-binding mediation prior to filing any action in law or equity, both of which would be appropriate actions. The cost of any mediation

shall be borne equally by the two parties.

**17. Transfer or Assignment**

This Agreement may not be transferred or assigned, in part or in whole, without the written consent of both parties herein.

**18. Effect of Contract**

The terms, provisions and conditions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Both parties have participated fully in the negotiation and preparation hereof; and, accordingly, this Agreement shall not be more strictly construed against any one of the parties.

**19. Ownership of Paulding County System**

The City agrees that payment of the Wholesale Rate provided to the City, does not constitute, and shall not be construed to be, consideration paid for any ownership right, ownership interest, indicia of ownership or other property right in any of the County's facilities, including but not limited to water lines, treatment facilities, pumping and storage infrastructure, and/or the Richland Creek Reservoir.

**20. Force Majeure and Temporary Inability to Perform**

In case by reason of force majeure either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time

after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein, shall mean acts of God, war, natural disaster, catastrophe, or any other emergency creating conditions under which either party's compliance with the Agreement would become impossible or create a substantial financial burden upon the party.

The County will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the City with quantities of water required by this Contract. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the County is otherwise diminished over an extended period of time, the supply of water to City's consumers shall be reduced or diminished equally with the supply to County's.

## **21. Emergency Action**

The County acting as the agent of the City under this Contract may take emergency action, up to and including temporary discontinuation of service, to stop or prevent any backflow into its jurisdiction that is generated in, or transported through, the City's jurisdiction when in the reasonable opinion of the County items such as a major water line break, flooding, or construction activities leading to a loss of pressure, presents, or may present, an imminent

danger to the health or welfare of humans or property, which reasonably appears to threaten the environment, or which threatens to cause interference or contamination of a County main. The County agrees to provide such notice as is practicable to affected water users and the City of its intent to take emergency action prior to taking action. In the event such emergency action results in the necessity to repair damaged water infrastructure or facilities located in the City and which are a part of the City's water system, the actual cost of such repair shall be the responsibility and obligation of the City.

## **22. Waiver**

A failure to initiate action as to any breach shall not be deemed as a waiver of that right of action and all such uninitiated rights of action shall be cumulative.

## **23. Notices**

All notices and other communications required or permitted under this Contract shall be in writing and addressed to such parties below and shall be deemed to be effective when actually received or refused. Either party may change the address to which future notices or other communications shall be sent.

### **CITY OF DALLAS:**

Mayor

Dallas City Council

129 E. Memorial Drive

### **PAULDING COUNTY:**

Chairman

Paulding County Board of Commissioners

240 Constitution Boulevard

Dallas, Georgia 30132

Dallas, Georgia 30132

With Copy to:

With Copy to:

City Manager

County Manager

City of Dallas

Paulding County

129 E. Memorial Drive

240 Constitution Boulevard

Dallas, Georgia 30132

Dallas, Georgia 30132

#### **24. Default, Termination**

Failure to pay any of the payments required under this Contract when due or failure of either party to comply with any covenant, term, or obligation of this Contract shall constitute a material default on the part of such party. In any such event the non-defaulting party may, bring any suit, action, or proceeding in law or in equity, including but not limited to mandamus, injunction and/or action for specific performance, as may be necessary or appropriate to enforce any provision, covenant, term or obligation of this Contract against the other party. In addition to any other provisions contained in this Contract, in the event either party fails to fulfill its obligations or abide by the terms of this Contract, and after having received written notice from the non-defaulting party identifying the breach and allowing for an

opportunity to cure (at least 30 days), and such breach continues, then the non-defaulting party may terminate this Contract by providing written notice to the other party specifying the effective date of termination.

**25. Time of Essence**

Time is of the essence of this Contract.

**26. Number of Original Documents**

It is agreed between the parties that this Contract may be executed in two or more originals, all of which shall constitute one and the same document, and any one of which may be used for any purpose for which an original executed document may be used.

SO AGREED by the undersigned on the date herein above written:

**CITY OF DALLAS, GEORGIA**

By:

\_\_\_\_\_  
L. James Kelly, Mayor

Attest:

\_\_\_\_\_  
City Clerk

Date \_\_\_\_\_

(City Seal)

**PAULDING COUNTY, GEORGIA**

By:

\_\_\_\_\_  
Timothy B. Estes, Chairman

Attest

\_\_\_\_\_  
County Clerk

Date \_\_\_\_\_

(County Seal)

\_\_\_\_\_

**EXHIBIT A**