



## Utility Committee Meeting

### AGENDA

September 2, 2008

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#### I. CALL TO ORDER

#### II. MATTERS BEFORE COMMITTEE

1. [Approval - US Geological Survey Yearly Service Agreement](#)
2. [Approval - MGAG Gas Supply Contract](#)
3. [Request for Services - Security Bank](#)
4. [Approval - Surplus Items](#)

#### III. ADJOURN



## Utility Committee Meeting

### AGENDA

September 2, 2008

**Item:**

Approval - US Geological Survey Yearly Service Agreement

**Department:**

Water and Gas

**Additional Information:**

**Financial Impact:**

**Budgeted Item:**

**Recommendation / Request:**

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

**Attachments / click to download**

 [USGS Agreement Information](#)



# United States Department of the Interior

GEOLOGICAL SURVEY  
Water Resources Division  
Peachtree Business Center, Suite 130  
3039 Amwiler Road  
Atlanta, Georgia 30360-2824

Customer Number: GA006  
Agreement Number: 09E4GA25030005  
DUNS: XXXXXXXXX  
TIN: 586011431  
Fixed Cost Agreement: YES

July 30, 2008

Mr. Julian Jackson  
General Manager  
Monroe Water, Light and Gas Commission  
Post Office Box 725  
Monroe, Georgia 30655

Dear Mr. Jackson:

Enclosed please find two copies of the Joint Funding Agreement (JFA) with original signatures for the project entitled "the continued operation and routine maintenance of the streamflow rating and staff gages as follows:

02208198 Alcovy River at New Hope Church Road near Monroe, Georgia  
02208300 Alcovy River at U.S. Highway 78 near Monroe, Georgia

This agreement is entered into by the USGS under authority of 43 USC 36C; 43 USC 50; and 43 USC 50b. This JFA covers the period beginning on October 1, 2008, and ending on September 30, 2009, at a total cost of \$5,600 provided by MONROE WATER, LIGHT AND GAS COMMISSION, MONROE, GEORGIA.

Please have both copies signed by an authorized official(s), retaining one copy for your records, and returning the other to the attention of Edward H. Martin at the address shown above. Work cannot be started or continued until we receive the signed agreement. All work performed with funds from this agreement will be conducted on a fixed-price basis. Billing for this JFA will be rendered annually. Please do not send a check at this time as you will be billed at a later date which will include payment instructions with the address for mailing your check. The results of all work under this agreement will be available for publication by the U.S. Geological Survey.

If you have any questions or require additional information please contact Brian E. McCallum, Hydrologist, at 770-903-9127 or via email at [bemccall@usgs.gov](mailto:bemccall@usgs.gov).

Sincerely,

Edward H. Martin, Director  
USGS Georgia Water Science Center  
DUNS# 937842847 / Cost Center 2503

Enclosures

Item # 1

Form 9-1366  
(Nov. 1998)

**U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement**

Customer # GA006  
Agreement # 09E4GA25030005  
DUNS # XXXXXXXXX  
TIN# 586011431  
Fixed Cost  Yes  No

**For  
USGS Georgia Water Science Center**

THIS AGREEMENT is entered into as of the 1st day of October, 2008, by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the MONROE WATER, LIGHT AND GAS COMMISSION, MONROE, GEORGIA, party of the second part.

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation "the continued operation and routine maintenance of the streamflow rating and staff gages 02208198 Alcovy River at New Hope Church Road near Monroe, Georgia and 02208300 Alcovy River at U.S. Highway 78 near Monroe, Georgia," herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(a) includes In-Kind Services in the amount of \$-0-.
  - (a) \$0 by the party of the first part during the period October 1, 2008 to September 30, 2009
  - (b) \$5,600 by the party of the second part during the period October 1, 2008 to September 30, 2009
  - (c) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
  - (d) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.
3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.
7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.
8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
9. USGS will issue bills using Department of the Interior Bill for Collection (form DI-1040). Billing will be rendered annually. Ten (10%) percent of the final scheduled payment will be billed upon delivery of the final product. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).
10. Termination: The agreement will terminate on September 30, 2009, but may be amended at any time by mutual consent of the parties. Any party may terminate this agreement by providing 60 day's written notice to the other party. When an accepted agreement is cancelled or terminated by the party of the second part, the party of the first part is



authorized to collect costs incurred prior to cancellation or termination of the agreement plus any other termination costs.

**U.S. GEOLOGICAL SURVEY  
UNITED STATES  
DEPARTMENT OF THE INTERIOR**

**CUSTOMER**

**USGS Point of Contact**

**Point of Contact**

Name: Brian E. McCallum  
Address: 3039 Amwiler Road, Suite 130  
Atlanta, Georgia 30360  
Phone: 770-903-9127  
Fax: 770-903-9199  
E-mail: bemccall@usgs.gov

Name: Julian Jackson  
Address: Post Office Box 725  
Monroe, Georgia 30655  
Phone: 770-267-3429  
Fax: 770-266-5111  
E-mail: cityman@monroeaccess.net

**Signatures**

**Signatures**

By: Edward H. Martin Date: 7-30-08  
Name: Edward H. Martin  
Title: Director  
DUNS# 937842847  
Cost Center 2503

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(USE ADDITIONAL PAPER IF ADDITIONAL SIGNATURES ARE REQUIRED)



## Utility Committee Meeting

### AGENDA

September 2, 2008

**Item:**

Approval - MGAG Gas Supply Contract

**Department:**

**Additional Information:**

**Financial Impact:**

**Budgeted Item:**

**Recommendation / Request:**

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

**Attachments / click to download**

[MGAG Gas Supply Contract](#)

**A RESOLUTION  
OF CITY OF MONROE**

APPROVING THE SECOND AMENDMENT TO GAS SUPPLY CONTRACT AND THE FIRST AMENDMENT TO GAS PORTFOLIO III PROJECT SUPPLEMENTAL CONTRACT, EACH BETWEEN CITY OF MONROE ("MEMBER") AND THE MUNICIPAL GAS AUTHORITY OF GEORGIA; AUTHORIZING THE EXECUTION, DELIVERY AND PERFORMANCE OF SUCH AMENDMENTS; AND FOR OTHER PURPOSES

---

**WHEREAS**, the 1987 Session of the General Assembly of the State of Georgia adopted the Municipal Gas Authority of Georgia Act (Ga. Laws 1987, p. 745 *et seq.* (codified at O.C.G.A. Sections 46-4-80 through 46-4-125)), as amended (the "Act"), creating the Municipal Gas Authority of Georgia (the "Gas Authority"), providing for its organization and purposes and authorizing it to contract with certain municipalities and other political subdivisions for the provision of an adequate and dependable wholesale supply of gas to meet the needs of the gas distribution systems of such political subdivisions; and

**WHEREAS**, the Gas Authority and the Member have entered into that certain Gas Supply Contract, as amended (the "Gas Supply Contract"), pursuant to which the Gas Authority has agreed to provide gas supplies to the Member for resale to its citizens, inhabitants and customers through its gas distribution system; and

**WHEREAS**, the Gas Authority and the Member have entered into a Supplemental Contract respecting the Gas Authority's Gas Portfolio III Project to provide for, among other things, (i) the approval of said Project as contemplated by the Gas Supply Contract and as more particularly described therein; and (ii) the issuance of Bonds to fund Project Costs, as more particularly described therein (the "Supplemental Contract"); and

**WHEREAS**, the Gas Authority and the Member have determined that it is in the best interest of the Gas Authority and the Member to amend certain provisions of the Gas Supply Contract and the Supplemental Contract in order to increase the aggregate principal amount of Bonds permitted to be issued thereunder, to extend the period during which such Bonds may be issued, and to extend the terms of such Bonds together with other confirming changes; and

**WHEREAS**, the Gas Authority and the Member have caused to be prepared a Second Amendment to Gas Supply Contract, dated as of December 1, 2008 (the "Second Amendment"), and a First Amendment to Supplemental Contract, dated as of December 1, 2008 (the "First Amendment," and together with the Second Amendment, the "Amendments"), to effect such amendments; and

**NOW, THEREFORE**, be it resolved by the governing body of the Member in meeting duly assembled, and it is hereby resolved by authority thereof, as follows:

**Section 1.** The Member hereby finds and determines that it is in its best interest to contract with the Gas Authority pursuant to O.C.G.A. Section 46-4-96(7) and the terms of the Gas Supply Contract, the Supplemental Contract and the Amendments and the Member hereby declares, in accordance with the Act, its intention to continue to so contract with the Gas Authority for the purchase of its gas supply.



**Section 2.** The Member hereby approves and authorizes the execution, delivery and performance of the Amendments in substantially the form of the drafts thereof attached to this Resolution as Exhibit "A" and Exhibit "B," respectively, and hereby incorporated herein by reference, subject to such changes, additions and deletions made in the discretion of the Mayor of the Member, with advice of counsel. The Amendments shall each be executed by the Mayor, attested by the Clerk, and shall have the Member's seal affixed thereto, and shall be delivered to the Gas Authority, and when so executed and delivered, shall be binding upon the Member in accordance with their respective terms. Execution of the Amendments as authorized herein shall be conclusive evidence of the Member's approval thereof.

**Section 3.** The Member hereby authorizes the Mayor and the Clerk, or any Assistant Clerk, to take any further actions and execute and deliver any other documents necessary to carry out the purpose of this Resolution, as amended from time to time, including, but not limited to, executing all documents necessary for validation and issuance of the Gas Authority's revenue bonds respecting the Gas Portfolio III Project.

**Section 4.** In the adoption of this Resolution, the Member hereby recognizes that this action will be relied upon by other municipalities and systems that own and operate gas distribution systems and that adopt similar resolutions in furtherance of the organization of the Gas Authority under the Act, and that the Member is also relying upon the adoption of such resolutions by such other municipalities and systems.

**Section 5.** All resolutions or parts of resolutions in conflict herewith are hereby repealed.

**RESOLVED** this \_\_\_ day of \_\_\_\_\_, 2008.

**CITY OF MONROE**

By: \_\_\_\_\_  
Mayor

[SEAL]

Attest:

\_\_\_\_\_  
Clerk



**Exhibit "A"**

**[Attach Second Amendment]**

## SECOND AMENDMENT TO GAS SUPPLY CONTRACT

Between

**MUNICIPAL GAS AUTHORITY OF GEORGIA**

and

**CITY OF MONROE**

This **SECOND AMENDMENT TO CONTRACT**, made and entered into as of December 1, 2008, by and between **MUNICIPAL GAS AUTHORITY OF GEORGIA**, a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia (the "Gas Authority"), created by and existing under the provisions of Ga. Laws 1987, p. 745 *et seq.*, codified at O.C.G.A. Sections 46-4-80 through 46-4-125, as amended (the "Act"), and the **CITY OF MONROE**, a municipal corporation of the State of Georgia (the "Member"),

**WITNESSETH  
THAT:**

WHEREAS, the Member owns and operates a gas distribution system as contemplated by Section 46-4-100 of the Act and has determined to contract with the Gas Authority pursuant to the Act and the Intergovernmental Contracts Clause of the Constitution of the State of Georgia, Article IX, Section III, Paragraph I (the "Intergovernmental Contracts Clause"); and

WHEREAS, the Gas Authority and the Member have heretofore entered into a Gas Supply Contract terminating on December 31, 2025, subject to certain rights of the Member to elect Resigning Member Status, as defined in the Gas Supply Contract; and

WHEREAS, the Gas Authority has also entered into contracts in substantially the form of the Gas Supply Contract (each, a "Gas Supply Contract," and collectively, the "Gas Supply Contracts") with other municipalities that own and operate gas distributions systems (each, a "Member," and collectively, the "Members"); and

WHEREAS, the Gas Authority and the Members are contemplating the acquisition of long-term gas supplies or contract rights that may have contract terms expiring after the current expiration date of the Gas Supply Contracts; and

WHEREAS, the Intergovernmental Contracts Clause permits any county, municipality, or other political subdivision of the State to contract for any period not exceeding fifty years with each other or with any other public agency, public corporation, or public authority for joint services, for the provision of services or for the joint or separate use of facilities or equipment that the contracting parties are authorized by law to undertake or provide; and

WHEREAS, the Gas Authority and the Member have determined that it is in the best interest of the Gas Authority and its Members to provide for the extension of the term of the Gas Supply Contract for an additional 15 years; and

WHEREAS, Section 806 of the Gas Supply Contract provides that, subject to the terms of any debt instrument relating to Authorized Debt (defined in the Gas Supply Contract), the Gas Supply Contract may be amended by instrument in writing executed with the same formality as the Gas Supply Contract; and

WHEREAS, pursuant to Section 705 of the Gas Supply Contract, the Member has acknowledged and agreed that the Gas Authority may assign and pledge to any person to whom amounts are owing under Authorized Debt its right, title and interests in and to all or any portion of the payments to be made to the Gas Authority under the provisions of the Gas Supply Contract and any Supplemental Contracts; and

WHEREAS, the Member has acknowledged pursuant to Section 405 of the Supplemental Contracts it has entered into pursuant to the terms of the Gas Supply Contract that all payments to be made by the Member pursuant to the provisions of such Article IV shall be pledged to secure the payment of the Gas Authority's Bonds; and

WHEREAS, the Gas Authority has heretofore adopted its Gas Revenue Bond Resolution (Gas Portfolio III Project) on December 13, 2002, as amended and restated on January 26, 2003, as amended and supplemented (the "Bond Resolution"), and Section 5.10 of the Bond Resolution provides that the extension of the term of the Gas Supply Contract does not constitute an amendment pursuant to such Section; and

WHEREAS, the Gas Authority and the Member have caused to be prepared this Second Amendment to Gas Supply Contract, dated as of December 1, 2008 (the "Second Amendment"), to provide for the extension of the term of each of the Gas Supply Contracts with the Members;

**NOW, THEREFORE:** For and in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:

**Section 1.** Term. Section 101 of the Gas Supply Contract is hereby amended to extend the term stated therein for an additional 15 years beyond December 31, 2025 to December 31, 2040, and to extend the right of the Member to elect Resigning Member Status as provided in Section 101 of the Gas Supply Contract on each successive fifth anniversary after December 31, 2010 through December 31, 2035.

**Section 2.** Miscellaneous. This Second Amendment shall be read and taken together with the Gas Supply Contract as one and the same instrument. The Gas Supply Contract, as amended by this Second Amendment, is hereby ratified and affirmed in all respects. This Second Amendment is effective as of the date of execution hereof. This Second Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.



**IN WITNESS WHEREOF**, the parties have executed this Second Amendment as of the date first above written.

**MUNICIPAL GAS AUTHORITY OF  
GEORGIA**

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
GENERAL COUNSEL

ATTEST: \_\_\_\_\_  
ASST. SECRETARY-TREASURER

(SEAL)

**[SIGNATURES CONTINUED ON NEXT PAGE]**



**CITY OF MONROE**

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY ATTORNEY

ATTEST: \_\_\_\_\_  
CLERK

(SEAL)

**Exhibit "B"**

**[Attach First Amendment]**

**FIRST AMENDMENT TO SUPPLEMENTAL CONTRACT  
(GAS PORTFOLIO III PROJECT)**

**Between**

**MUNICIPAL GAS AUTHORITY OF GEORGIA**

**and**

**CITY OF MONROE**

This **FIRST AMENDMENT TO SUPPLEMENTAL CONTRACT (GAS PORTFOLIO III PROJECT)**, made and entered into as of December 1, 2008, by and between **MUNICIPAL GAS AUTHORITY OF GEORGIA**, a public body corporate and politic, a public corporation and an instrumentality of the State of Georgia (the "Gas Authority"), created by and existing under the provisions of Ga. Laws 1987, p. 745 *et seq.*, codified at O.C.G.A. Sections 46-4-80 through 46-4-125, as amended (the "Act"), and the **CITY OF MONROE**, a municipal corporation of the State of Georgia (the "Member"),

**WITNESSETH  
THAT:**

WHEREAS, the Member owns and operates a gas distribution system as contemplated by O.C.G.A. Section 46-4-100 and has determined to contract with the Gas Authority pursuant to the Act and Article IX, Section III, Paragraph I of the Constitution of the State of Georgia (the "Intergovernmental Contracts Clause"); and

WHEREAS, the Gas Authority and the Member have entered into that certain Gas Supply Contract (the "Gas Supply Contract"), pursuant to which the Gas Authority has agreed to provide gas supplies to the Member for resale to its citizens, inhabitants and customers through its gas distribution system; and

WHEREAS, the Gas Authority has also entered into contracts in substantially the form of the Gas Supply Contract (each, a "Gas Supply Contract" and collectively, the "Gas Supply Contracts") with other municipalities and systems that own and operate gas distribution systems (each, a "Member" and collectively, the "Members"); and

WHEREAS, the Gas Authority and the Members have determined to extend the term of their respective Gas Supply Contracts for an additional 15 years beyond the termination date of December 31, 2025 to December 31, 2040; and

WHEREAS, the Gas Authority and the Member have entered into a Supplemental Contract respecting the Gas Authority's Gas Portfolio III Project to provide for, among other things, (i) the approval of said Project as contemplated by the Gas Supply Contract

and as more particularly described therein; and (ii) the issuance of Bonds to fund Project Costs, as more particularly described therein (the "Supplemental Contract"); and

WHEREAS, the Gas Authority and the Members have determined that it is in the best interest of the Gas Authority and the Members to amend certain provisions of the respective Supplemental Contracts in order to increase the aggregate principal amount of Bonds permitted to be issued thereunder, to extend the period during which such Bonds may be issued, and to extend the terms of such Bonds together with other confirming changes; and

WHEREAS, Section 703 of the Supplemental Contract provides that, subject to the terms of the Bond Resolution (defined in the Supplemental Contract), the Supplemental Contract may be amended by instrument in writing executed with the same formality as the Supplemental Contract; and

WHEREAS, pursuant to Section 705 of the Gas Supply Contract, the Member has acknowledged and agreed that the Gas Authority may assign and pledge to any person to whom amounts are owing under Authorized Debt (defined in the Gas Supply Contract) its right, title and interests in and to all or any portion of the payments to be made to the Gas Authority under the provisions of the Gas Supply Contract and any Supplemental Contracts; and

WHEREAS, the Member has acknowledged pursuant to Section 405 of the Supplemental Contract that all payments to be made by the Member pursuant to the provisions of such Article IV of the Supplemental Contract shall be pledged to secure the payment of the Gas Authority's Bonds; and

WHEREAS, the Gas Authority has heretofore adopted its Gas Revenue Bond Resolution (Gas Portfolio III Project) on December 13, 2002, as amended and restated on January 26, 2003, as amended and supplemented (the "Bond Resolution"), and Section 5.10 of the Bond Resolution permits amendments to be made to the Supplemental Contract, provided that such amendments do not reduce the payments required thereunder or in any manner impair or adversely affect the rights of the Gas Authority thereunder or the rights or security of the bondholders or other parties secured under the Bond Resolution; and

WHEREAS, the Gas Authority and the Member have caused to be prepared this First Amendment to Supplemental Contract, dated as of December 1, 2008 (the "First Amendment"); and

WHEREAS, the holders of the Bonds and the Trustee under the Bond Resolution have consented to the execution of this First Amendment;

**NOW, THEREFORE:** For and in consideration of the premises and mutual covenants and agreements herein contained, the parties hereby agree as follows:



**Section 1.** **Amendment.** (a) Section 102(c)(3) of the Supplemental Contract, the definition of the term “Bonds,” is hereby amended by adding the phrase “together with any payment obligations under any gas production sharing or other agreements providing for the acquisition, ownership, operation, hedging and financing of natural gas reserves or interests therein, either by the Gas Authority alone or jointly with other governmental entities” at the end of such definition prior to the period, such Section, as amended, to read in its entirety as follows:

“‘Bonds’ shall mean the Bonds or other debt instruments issued by the Gas Authority pursuant to the provisions of the Bond Resolution to finance or refinance the Project Costs, whether or not any issue of such Bonds shall be subordinated as to payment to any other issue of such Bonds, and shall include refunding Bonds issued pursuant to the provisions of Section 302 hereof together with any payment obligations under any gas production sharing or other agreements providing for the acquisition, ownership, operation, hedging and financing of natural gas reserves or interests therein, either by the Gas Authority alone or jointly with other governmental entities.”

(b) Section 301 of the Supplemental Contract is hereby amended by deleting such section in its entirety and inserting in lieu thereof the following language:

**“Section 301. Issuance of Bonds.**

Pursuant to the authority hereof, the Gas Authority is authorized to issue, in series as may be determined by the Gas Authority, Bonds pursuant to the Bond Resolution for the purpose of financing Project Costs. The Bonds may be issued in series through the close of business on December 31, 2014, with a maximum principal amount outstanding at any one time of \$1,500,000,000; provided, however, that such limitation shall not apply to any price or interest rate hedges or swap agreements entered into in connection with projects financed by any such Bonds. Each series of Bonds shall have a final maturity not in excess of 15 years from the date of issuance of each such series of Bonds.”

(c) Section 401 of the Supplemental Contract and the Schedule of Obligation Shares referenced in such Section and attached to the Supplemental Contract are hereby amended by deleting such Schedule of Obligation Shares in its entirety and inserting in lieu thereof the Revised Schedule of Obligation Shares attached hereto as Exhibit A and incorporated herein by this reference.

**Section 2.** **Miscellaneous.** This First Amendment shall be read and taken together with the Supplemental Contract as one and the same instrument. The Supplemental Contract, as amended by this First Amendment, is hereby ratified and affirmed in all respects. This First Amendment is effective as of the date of execution

hereof. This First Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties have executed this First Amendment as of the date first above written.

**MUNICIPAL GAS AUTHORITY OF  
GEORGIA**

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
GENERAL COUNSEL

ATTEST: \_\_\_\_\_  
ASST. SECRETARY-TREASURER

(SEAL)

**[SIGNATURES CONTINUED ON NEXT PAGE]**

**CITY OF MONROE**

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY ATTORNEY

ATTEST: \_\_\_\_\_  
CLERK

(SEAL)

**Exhibit A**

**MUNICIPAL GAS AUTHORITY OF GEORGIA**  
**REVISED SCHEDULE OF OBLIGATION SHARE PERCENTAGES FOR**  
**MEMBERS PARTICIPATING IN GAS PORTFOLIO III PROJECT**

**[TO BE PROVIDED]**



**CERTIFICATION**

I, the undersigned, Clerk of the CITY OF MONROE (the "Member"), DO HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of the Resolution duly adopted by the governing body of the Member at a meeting held on the \_\_\_ day of \_\_\_\_\_, 2008, duly called and open to the public in compliance with the laws of the State of Georgia, at which a quorum was present and acting throughout, the original of which Resolution has been duly recorded in the Minute Book of the Member, which is in my custody and control, and that the Resolution has not been rescinded or modified and is now in full force and effect.

GIVEN under the seal of the Member this \_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
Clerk

[SEAL]

**MUNICIPAL GAS AUTHORITY OF GEORGIA****CITY OF MONROE**Gas Supply Portfolio Summary  
July 18, 2008**I. PORTFOLIO I, II & III STRUCTURES****A. Supplemental Gas Supply Contracts**

1. Established gas supply portfolio projects for all Members to obtain long-term firm, guaranteed gas supplies at below market prices. Portfolio I established specific supplies by pipeline and Portfolio II and III combined all Members' supplies and made any pricing adjustments via the Gas Authority Pricing Policy.
2. Allowed for any number of participating Members as appropriate (late-joining Members became indemnity share participants).
3. Established total dollar principal amounts:
  - a) Portfolio I: \$165 million (Southern) and \$80 million (Transco)
  - b) Portfolio II: \$350 million
  - c) Portfolio III: \$500 million initially, with amount increasing dollar for dollar up to \$850 million as the Portfolio II bonds were retired
  - d) Portfolio III First Amendment: \$1.5 billion
4. Established supply acquisition periods for bond issuance and maximum terms for individual issues:
  - a) Portfolio I: 36-month period for bond issuance, with a maximum term of 7 years from issuance
  - b) Portfolio II: 60-month period for bond issuance, with a maximum term of 10 years from issuance
  - c) Portfolio III: 74-month period for bond issuance (to December 31, 2008), with a maximum term of 12 years from issuance.
  - d) Portfolio III First Amendment: 72-month period for bond issuance (to December 31, 2014), with a maximum term of 15 years from issuance.

**B. Operating Benefits**

1. No requirement to take any minimum quantity of gas.
2. Diversification of supply source risk (multiple suppliers with multiple wells and direct ownership in producing properties).
3. Guaranteed firm gas supply.

4. Diversification of credit risk (diverse credit enhancements used including surety bonds provided by diverse group of banks and insurance companies, natural gas reserve pledges from producing properties and direct ownership of producing properties).
5. Member is stakeholder in portfolio.
6. Gas billed to Member at spot market price.
7. Financial benefits of portfolio flow through to Members.

## II. PORTFOLIO I, II & III - ACTUAL TRANSACTIONS

### A. Transaction Summary Table

Bond Issue	Start Date	Term (Yrs)	Original Principal (Millions)	Supplier Name	Estimated Years of Flowing Gas	Approximate Volume (MMBtu)
<b>Portfolio I</b>						
Southern Series A-D	1991-1994	5-6	\$133	Texcon, Apache & Shell	5-6	90,269,000
Transco Series A&B	1991	6	\$71.3	Apache, Shell & Coral	6	48,600,000
<b>Portfolio II</b>						
Series A	1996	10	\$57.3	Texaco	10	48,600,000
Series B	1997	10	\$115.9	Apache	10	48,600,000
Series C	1998	10	\$178.2	Aquila/Columbia	10	48,600,000
<b>Portfolio III</b>						
Series A	2003	12	\$71.0	Energen CBM	20+	95,803,000
Series B	2006	10.5	\$61.0	DART CBM	20+	52,463,000
PGP Pool 1	2005	12	\$153.2	Sundown	20+	70,317,000
PGP Pool 2	2005	12	\$60.9	Various	20+	24,534,000

### B. City of Monroe Obligation Share

Portfolio III Obligation Share: 2.15400%

### C. Portfolio II and III Results for Monroe

Year	Volume (MMBtu)	Portfolio Return		SDC* Collected	Net Benefit to Member	
		Total	Per MMBtu		Total	Per MMBtu
2002	717,004	\$129,939	\$0.181	\$21,510	\$108,429	\$0.151
2003	743,271	\$142,531	\$0.192	\$22,298	\$120,233	\$0.162
2004	730,654	\$142,791	\$0.195	\$21,920	\$120,872	\$0.165
2005	692,610	\$142,282	\$0.205	\$20,778	\$121,504	\$0.175
2006	568,691	\$124,689	\$0.219	\$17,061	\$107,628	\$0.189
2007	372,602	\$111,399	\$0.299	\$0	\$111,399	\$0.299
Total	3,824,832	\$793,631	\$0.207	\$103,567	\$690,064	\$0.180

\* SDC - Supply Demand Charge for Firm Guaranteed Gas Supply. This charge was eliminated 1/1/2007



### III. PROPOSED PORTFOLIO III AMENDMENTS

#### A. Proposed Amendment to Portfolio III Supplemental Contract - Dated December 1, 2008

1. Amendment to Portfolio III Supplemental Contract only changes issuance period and maximum dollar principal outlined in 2 and 3 below.
2. Would amend the maximum dollar principal amount for Portfolio III to \$1.5 billion from its current \$850 million. This change is driven by the rising cost of gas (more than double) since executing the original supplemental contract.
3. Would amend the issuance period by extending it six years to December 31, 2014. This change will allow the Gas Authority to add financed gas supplies to the existing Portfolio III project to meet Members' long term gas supply requirements well into the future.

#### B. Operating Benefits

1. Same flexibility in operations under the current Portfolio III Supplemental Contract.

### IV. AMENDED PORTFOLIO III FINANCIAL OVERVIEW

A. Incremental Change in Portfolio III Amount	\$650 million
B. Total Maximum Portfolio III Principal Outstanding	\$1.5 billion
C. City of Monroe Obligation Share	1.15325%

The Member's Obligation Share is calculated as the percentage of the Member's annual purchases for 2007 to the total purchases for all participating Members. The Obligation Share indicated above assumes that all Members for the Gas Authority will approve the amendments to the Portfolio III Supplemental Contract. This method is consistent with the calculations used to determine Member Returns.

#### D. Expected Result

These amendments are expected to allow us to continue to deliver results significantly higher than Portfolio I and II.



## MUNICIPAL GAS AUTHORITY OF GEORGIA

### GAS SUPPLY PORTFOLIO III – CONTRACT AMENDMENTS

July 18, 2008

#### Frequently Asked Questions

- 1. Why do we need to amend our current Portfolio III Supplemental Gas Supply Contract? What's wrong with the contract already in place?**

The Portfolio III Supplemental Contract currently in place has both a dollar limit and a time limit for the Gas Authority to acquire long-term financed gas supplies. In the original Portfolio III Supplemental Contract, the time limit for additional acquisitions will expire on December 31, 2008, and the maximum dollar limit is \$850 million. It also sets a maximum term for outstanding debt at 12 years. We currently have \$346.1 million of outstanding debt associated with Portfolio III, but the end of the issuance period is rapidly approaching. In order to continue acquiring supplies to satisfy our Members' long term needs, we must amend the Portfolio III Supplemental Contract with our Members.

- 2. How does the amended Supplemental Contract differ from the one we have today?**

The amended Supplemental Contract has two basic changes from the current contract. First, the amended Supplemental Contract establishes a total dollar limit of \$1.5 billion of outstanding debt at any given time during the term. Portfolio III is currently limited to \$850 million. Second, the amended Supplemental Contract extends the period for bond issuance for six (6) years to December 31, 2014, with maturities not to exceed 15 years from the date of issue. Portfolio III currently limits the maturity horizon to 12 years and the issuance period ends December 31, 2008.

- 3. Why is the \$850 million limit being raised to \$1.5 billion when the current outstanding debt is only \$346.1 million?**

The cost of gas has more than doubled since the inception of Portfolio III, therefore it takes over twice as much capital to buy the same volume of gas. In addition, we are planning to lengthen the terms of future acquisitions and this requires more capital to be available.

- 4. Why is it necessary for us to extend the term of the "base" Gas Supply Contract?**

Member obligations related to the amended Supplemental Contract for Portfolio III supplies could extend for a total of 21 years from the effective date of the amended Supplemental Contract through December 31, 2029. The term of your current Gas Supply Contract expires December 31, 2025. The credit rating agencies and bond insurers are comfortable with our credit as long as our base Gas Supply Contract with Members extends well past the termination of any Supplemental Contracts. Therefore, in order to maintain our strong contractual structure and high credit rating, we need for the term of the Gas Supply Contract to extend well past the final possible maturity of Portfolio III bonds. Members still maintain the right to elect Resigning Member status on each successive fifth anniversary date after December 31, 1995 through December 31, 2040.

- 5. Why is the "base" Gas Supply Contract being extended to December 31, 2040, while the amended Portfolio III Supplement Contract only goes out to December 31, 2029?**



In addition to handling the circumstance outlined in number 4 above, the amendment eliminates the need for another amendment to extend before reaching the sunset date of the original contract. By statute our Georgia Members cannot enter into an agreement exceeding 50 years. December 31, 2040 marks that 50-year limit. At that point in time we will have no option to amend or extend. A new agreement will be required.

**6. Has there been any change in the way my Obligation or Indemnity share is calculated?**

In the original Supplemental Contract for Portfolio III the Members' Obligation and Indemnity share percentages were calculated based on 2001 annual purchases as compared to the total of all Members' annual purchases. In the proposed amendment for Portfolio III, we are updating the calculation to be a percentage of each Member's average annual purchases as of December 31, 2007. Although we do not ever expect to rely on these Obligation and Indemnity Shares, the change will help us maintain a high credit rating on the debt because it better matches the ability of each Member to repay their portion of the Portfolio III debt.

**7. Why are you extending the possible term of the gas supply prepayments from 12 years to 15 years?**

During the original issuance period for Portfolio III, we encountered significant market changes including producers and bankers with interest in supplying gas to us for longer terms. Because of the discounting involved in the prepayment calculation, it would be to our benefit to consider a longer contract if that opportunity becomes available. The extension of the authorized term will allow us that flexibility.

**8. Why should my city enter into the new Supplemental Contract?**

Financing our gas supply, as we have in the Portfolio I, II and III Projects, is clearly the most economical way to meet our Members' long-term requirements with firm gas supplies. The more than 15 years of solid economic results from the Portfolio Projects demonstrate this fact with costs significantly below market prices. The Portfolio Projects have not only yielded costs significantly below the market price for comparable long-term firm supplies but have produced costs below the 30-day spot market price (refer to Section II - C of the attached Gas Supply Portfolio Summary for Member-specific results). With these amendments, we expect Portfolio III to continue to show results even better than the prior Portfolio Projects.

**9. How do financed gas supplies authorized by the new Supplemental Contract save my system money?**

Financed gas supplies save our Members money by taking advantage of several opportunities: First, through the aggregation of the needs of 76 Member cities, the Gas Authority is able to negotiate for the purchase of a large quantity of gas. This increases the interest of suppliers in both bidding on the contract and in offering attractive pricing. Second, because we are prepaying for the gas supply, we benefit from the discount rate used to determine the net present value of the firm gas supplies. Since the Gas Authority has access to tax-exempt interest rates for the purchase of natural gas supplies, our cost of capital is lower than the discount rate the supplier uses in calculating the prepayment, which yields substantial savings for our Members; the longer the term, the greater the impact of the discount. Finally, with both our large volumes and ability to issue debt, we have been able to pursue other attractive supply options for our Members, such as acquiring direct interests in natural gas producing properties. By moving upstream in the natural gas supply chain, we achieve additional cost savings over and above our low cost financing.

**10. Why are we amending and extending Portfolio III when we were told that our gas supply is now being purchased through “Main Street Natural Gas”?**

The Gas Authority is only meeting a portion of the Members’ supply requirements through Main Street Natural Gas. The amendment to Portfolio III is designed to cover those supplies acquired outside of Main Street. Those supplies primarily include natural gas reserves acquired directly by the Gas Authority or through Public Gas Partners.

**NEXT STEPS**

We have enclosed the following:

1. First Amendment to Gas Supply Contract (3 copies)
2. Supplemental Gas Supply Contract (3 copies)
3. Sample Authorizing Resolution (1 copy)

**STEP 1: Please forward one copy of the above-mentioned documents to your city attorney.**

Although these documents are basically identical to the existing contracts, your attorney may have some questions. Please ask your attorney to contact Ms. Della Wager Wells at Alston & Bird with any legal questions pertaining to the contract. Ms. Wells’ phone number is (404) 881-7891.

**STEP 2: After reviewing the documents, your city attorney must return all of the documents to you for execution.**

**STEP 3: Participate in one of our Summer Regional Meetings.**

We are hosting Summer Regional Meetings in August for the purpose of reviewing the contractual amendments. Please plan to participate in one of the following meetings and encourage other key personnel and officials from your city to join you. The meetings will provide forums in which you can ask questions or simply benefit through the presentation and the hearing of others’ questions. The meetings will begin at 10:00 a.m. and conclude over lunch.

**Meeting Dates & Locations**

Aug 15 <sup>th</sup> Roanoke, AL The Galley	Aug 18 <sup>th</sup> Louisville Magnolia House	Aug 20 <sup>th</sup> Perry Rozar Park	Aug 22 <sup>nd</sup> Adairsville Northside Bank
Aug 25 <sup>th</sup> Tifton ABAC	Aug 26 <sup>th</sup> Thomasville Municipal Auditorium	Aug 28 <sup>th</sup> Commerce Civic Center	

**STEP 4. Return three (3) sets of each original signed document by October 31, 2008:**

- A. First Amendment to Gas Supply Contract
- B. Supplemental Gas Supply Contract



## Utility Committee Meeting

### AGENDA

September 2, 2008

**Item:**

Request for Services - Security Bank

**Department:**

**Additional Information:**

**Financial Impact:**

**Budgeted Item:**

**Recommendation / Request:**

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

**Attachments / click to download**

[Security Bank Request](#)



## Security Real Estate Services, Inc.

*A wholly owned subsidiary of Security Bank of Bibb County*  
3465 Lawrenceville Suwanee Rd. Suite B Suwanee, GA 30024  
Voice: 770-932-9820  
Mobile: 770-757-9538  
Email: [stillman.steve@SecurityBank.net](mailto:stillman.steve@SecurityBank.net)

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August 26, 2008

The City of Monroe  
Attn: Julian Jackson - City Administrator  
City Hall  
Post Office Box 1249  
Monroe, Georgia 30655

Dear Sirs:

This letter is to respectfully request that the City Of Monroe agree to provide sewer service to a tract of land owned by Security Bank in the city limits of Monroe. The property was acquired via foreclosure on November 6, 2007. It consists of approximately 150 acres known as Tax Parcel C-75-160 Walton County, on either side of Highway 78. The property is currently under contract to a developer who plans to improve the property with office and retail development. Closing of our sale to the developer is currently scheduled for December.

We have visited with Walton County and have a letter from Wendell Geiger, General Manager of the Walton County Water and Sewage Authority stating that his department may consent to a release of the subject Sewer Service Territory to the City of Monroe, although Walton County will continue to provide water service.

Yours truly:



Steve Stillman

Senior Vice President



# WALTON COUNTY WATER & SEWERAGE AUTHORITY

PO BOX 880  
2171 HIGHWAY 81 SOUTHWEST  
LOGANVILLE, GA 30052

**Wendell H. Geiger**  
General Manager

(770) 466-4887 • (770) 466-1821  
Facsimile (770) 466-6129

July 18, 2008

Security Bank  
Attn: Steve Stillman, Senior Vice President  
3465 Lawrenceville-Suwanee Road, Suite B  
Suwanee, Georgia 30024

**COPY**

**RE: Letter of Water Service Availability  
Tax Parcel C-75-160, Walton County, Georgia**

Dear Mr. Stillman:

This letter is to acknowledge that the above referenced property lies within the Water Service Territory of the Walton County Water and Sewerage Authority (WCWSA), and that water service is currently available to the property via an existing 10-inch water main along US Highway 78.

The property also lies within the Sewer Service Territory of the WCWSA, however no current facilities or service is available at this time. Current plans provide for the WCWSA to extend sewer service to this area within 4 to 6 years, subject to project approval and availability of funds. Should the subject property be developed prior to sewer system installation by the WCWSA, the WCWSA may consent to a release of the subject Sewer Service Territory ONLY to the City of Monroe if they are able and agreeable to provide such service.

Under no circumstances would the WCWSA release Water Service Territory rights, based on existing facilities and service availability.

Should you have any questions regarding this information, please feel free to contact me at 770-466-1821.

Sincerely,

Wendell Geiger  
General Manager

cc: Ryan Sullivan, 4353 Atlanta Hwy, Suite 100, Loganville, GA 30052  
Jimmy Parker, PPI  
Kevin Little, Chairman Walton Co. BOC

Item # 3



## Utility Committee Meeting

### AGENDA

September 2, 2008

**Item:**

Approval - Surplus Items

**Department:**

**Additional Information:**

Requesting to surplus the items listed on GovDeals at the next auction from 9/30/08 to 10/14/08.

**Financial Impact:**

**Budgeted Item:**

**Recommendation / Request:**

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

 [Suplus Items List](#)

- 1990 GMC Line Truck, TC7D042 Truck Cab & Chassis, VIN#1GDM7D1G0LV510318, purchased 11/8/1990 for \$84,000.00 for the Electric Department
- 1996 Ditch Witch 5100 Trencher, 58HP Deutz Diesel Engine, ID# 5M0679, purchased 04/19/96 for \$49,647.00 for Multi Use
- 1992 Ditch Witch 2310-E4 Trencher purchased 06/30/1992 for \$20,706.00 for Multi Use
- Metal Gas Building measuring 18' x 28' x approximately 10' tall
- Used 4 Terminal Electric Meters from the AMR changeout– approximately 6000 over the next 2 to 3 years
- Used system amplifiers and line extenders from the Cable Rebuild project over the next year
- Used water meters from the AMR changeout – approximately 7500 over the next 5 years