

INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT is made and entered into this 3rd day of September, 2025, by and between **ATKINSON COUNTY, GEORGIA** (hereinafter the "County"), and **PEARSON, GEORGIA** (hereinafter the "City"), pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia of 1983, which authorizes counties and municipalities to contract with one another for the provision of services and the joint use of facilities, and all other applicable laws, rules, and regulations of the State of Georgia;

WHEREAS, the City owns and operates a municipal water and sewer system serving its residents; and

WHEREAS, the City requires immediate maintenance and repair of said system but is presently ineligible to receive certain funding available for said purposes; and

WHEREAS, the County has applied for and been awarded grant funds from the Georgia Environmental Finance Authority (GEFA) that may be used for water and sewer system maintenance and repair; and

WHEREAS, the County may be able to apply for and be awarded other grant funds that may be used for water and sewer system maintenance and repair; and

WHEREAS, the parties desire to enter into this Agreement to allow the County to assume control and operation of the City's water and sewer system and to carry out temporary maintenance and repair of the City's water and sewer system using said grant funds and potential grant funds.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Purpose

The purpose of this Agreement is to authorize the County to assume control and operation of the City's water and sewer system and to perform temporary maintenance and repair services to the City's water and sewer system utilizing grant funds received by the County. This Agreement does not cover or include trash pickup or solid waste collection handled by the City (see Section 9 regarding billing for trash pickup and County reimbursement to City for the same).

2. Scope of Services

The County shall, either directly or through contractors, perform maintenance and repair to the City's water and sewer system as identified and approved by both parties. Such services may include, but are not limited to: (1) Emergency and corrective repairs; (2) Routine maintenance necessary to keep the system operational; (3) Replacement of system components as permitted under the grant; (4) Project management and reporting requirements associated with the grant.

3. Grant Administration

The County shall be the official recipient and administrator of the grant funds and will open and maintain a separate checking account for the grant funds. The County shall ensure compliance with all applicable grant conditions, state and federal requirements, and audit provisions. The City shall cooperate with the County in providing access, documentation, and

information necessary to carry out grant-funded projects. The grant would be audited under the County since the grant would be in the County's name. The expenses paid through the grant would be recognized as contributions each month for what was spent, as other income, and the same amounts would then be recognized as an expense.

4. Ownership of Facilities

The City shall retain full ownership, responsibility, and control of its water and sewer system. Nothing in this Agreement shall be construed as transferring ownership or permanent operation of the system to the County.

5. Transfer of Operations

The City hereby authorizes the County to assume full control and operation of the City's Water and Sewer Department during the term of this Agreement. The County shall be responsible for day-to-day operations, billing, collections, and maintenance of the system. Employees of the water and sewer department shall remain classified as City employees. Direction and supervision of said employees shall be with the County during the term of this Agreement.

6. Water and Sewer Operating Account

The County shall establish and maintain a dedicated Pearson Water and Sewer checking account ("Operating Account"). All revenues collected from water and sewer customers shall be deposited into this Operating Account. Disbursements from the Operating Account shall be used exclusively for the operation, maintenance, payroll reimbursement, and other costs related to the Water and Sewer Department.

7. Payroll Reimbursement

The City shall continue to process and report payroll for existing Water and Sewer Department employees. The City will pay said employees through the City's general fund and then submit payroll documentation to the County for reimbursement to the City's general fund from the Operating Account for said employees. Payroll reimbursement shall be treated as an invoice payable by the County within ten (10) days of receipt. Reimbursement requests submitted by the City shall include payroll registers and supporting documentation. New hires, terminations, or changes in employee status shall require advance written approval of both parties before costs are incurred and reimbursed.

8. Maintenance & Operating Expenses

The County shall pay all costs for maintenance, operation, and repair of the water and sewer system from the Operating Account, including but not limited to equipment, supplies, utilities, and contractor services, during the term of this Agreement.

9. Billing & Collections

The County shall be responsible for generating and mailing water and sewer bills to customers. The County will hire a water and sewer clerk to take care of billing and collections, and that position will be paid from the Operating Account. Customers shall remit payment directly to the County. All such revenues shall be deposited into the Operating Account. The City will work with the County on transferring the necessary documents, records, software, or other items necessary to effectuate the County's assumption of the water billing and collection. The County will include billing for trash pickup on the water and

sewer billing statements and then reimburse the City for said trash pickup fees collected.

10. Duration

This Agreement shall commence on the 3rd day of September, 2025, and shall continue until the completion of all grant-funded projects or the 3rd day of September, 2026, whichever occurs first, unless earlier terminated under Section 14. This Agreement shall be extended by mutual agreement of the parties hereto.

11. Financial Terms

The County shall utilize grant funds and Operating Account funds exclusively for the purposes set forth herein. The County shall maintain detailed records of expenditures and provide accounting to the City upon request. The County shall provide the City with quarterly financial statements of the Operating Account, including revenues collected, expenditures paid, and account balances. An annual audited financial statement for the Operating Account shall be provided to the City within ninety (90) days of the close of each fiscal year.

12. Water and Sewer Rates

The City shall retain authority to establish water and sewer rates, fees, and charges applicable to customers of the system. The County shall apply and enforce such rates as adopted by the City. Any proposed changes to rates shall be adopted by the City Council only after consultation with the County regarding operational needs during the term of this Agreement.

13. Liability & Insurance

Each party shall be responsible for its own employees, officers, and agents. The County shall ensure that contractors performing services maintain appropriate insurance coverage. To the extent permitted by Georgia law, neither party waives sovereign immunity. In addition to the provisions herein, the County agrees to indemnify and hold harmless the City, its officers, employees, and agents from and against any and all claims, damages, losses, liabilities, and expenses, including reasonable attorney's fees, arising out of or related to the County's operation of the Water and Sewer Department, except to the extent caused by the negligence or willful misconduct of the City. The City likewise agrees to indemnify and hold harmless the County for claims arising from the City's actions or omissions.

14. Termination

This Agreement may be terminated by either party upon sixty (60) days' written notice, provided that termination shall not affect the County's obligation to complete or account for grant-funded activities already undertaken.

15. Transition of Operations

Upon termination or expiration of this Agreement, the County shall cooperate fully with the City to ensure an orderly transition of the Water and Sewer Department back to the City. Such transition shall include, without limitation: (1) transfer of all customer account records, billing software, and payment histories; (2) transfer of all remaining funds in the Operating Account to the City; (3) provision of a final accounting report; and (4) continuation of billing and collection services by the County for up to sixty (60) days after

termination if requested by the City, with costs reimbursed from the Operating Account.

16. Dispute Resolution

In the event of any dispute arising under this Agreement, the parties agree to first attempt resolution through good-faith negotiation. If the dispute cannot be resolved by negotiation, the parties shall submit the matter to non-binding mediation before a mutually agreed mediator located in Atkinson County. Only after mediation may either party pursue legal action in a court of competent jurisdiction.

17. Miscellaneous

This Agreement constitutes the entire agreement between the parties. Amendments must be in writing and executed by both parties. This Agreement shall be governed by the laws of the State of Georgia.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

ATKINSON COUNTY, GEORGIA

By: _____
Chairman, Board of Commissioners

Attest:

County Clerk

PEARSON, GEORGIA

By: _____
Mayor

Attest:

City Clerk