



CITY OF ATLANTA

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Dear Community Partner:

If you have lived in Atlanta for a length of time, you will remember the City's situation in the 1990s. Our water and sewer systems were literally collapsing and polluting the environment. The Georgia General Assembly passed a bill mandating that Atlanta reduce the amount of phosphorous it was discharging into the river. The City was paying more than \$10,000 a day in fines; fines and penalties totaled \$38 million. Atlanta was criticized across the state for its excessive pollution of the Chattahoochee River at the expense of downstream communities like Columbus, LaGrange and Phenix City, Alabama. Finally, in 1995, the Upper Chattahoochee Riverkeeper and other plaintiffs sued the City for its failure to meet state water quality standards. The State and the U.S. Government filed a second lawsuit against the City in 1997.

The problem was the City's water and sewer infrastructure, some of it dating to the late 1800s. Leaks, blockages, debris, collapses and general lack of maintenance were leading to sewage backups and overflows, brown water complaints and contamination of local waterways. Atlanta was becoming the poster child for infrastructure neglect.

The two lawsuits led to federal consent decrees under which the City agreed to make extensive improvements to its wastewater system. In addition, the City's drinking water system required repairs and upgrades. The total cost of the improvements that would become the Clean Water Atlanta program was \$3.9 billion. Creating the program was the first of many tough decisions Atlanta would have to make on behalf of its residents and our downstream neighbors.

Clean Water Atlanta represents nothing less than a total overhaul of the City's water and wastewater systems. To fund such an extensive program, Atlanta asked its ratepayers to assume an enormous burden, with unprecedented rate increases and tolerance of the inconvenience associated with massive construction projects. City residents passed a one-cent sales tax to help fund Clean Water Atlanta, and the City issued \$865 million in revenue bonds. (It has since authorized another \$600 million in commercial paper and has taken on \$100 million in low-interest state loans.)

It is important to remember that the City's drinking water and wastewater systems are actually regional systems that serve 1.2 million customers daily over a 650-square-mile area. The City provides wholesale drinking water service to Hapeville, Union City and Fairburn, along with Fayette, Coweta and Clayton counties. It accepts and treats wastewater from East Point, College Park and Hapeville, as well as Clayton, DeKalb and Fulton counties.

Clean Water Atlanta is now almost at the halfway point. I am proud to say that we are on schedule to meet virtually all of the hundreds of consent decree milestones set by EPA and EPD on time and on budget. We are making significant progress, and I wanted to share some information about that progress with you. I want you to know what your support of this program has meant for the City, the Chattahoochee River and our other urban streams, and our downstream neighbors.

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The City also is spending \$263 million to build new transmission mains to ensure that we can support continued growth and development in South Fulton County. Additionally, Atlanta is spending another \$65 million on drinking water infrastructure to serve North Fulton. In addition, we have begun a three-year, \$35 million program to replace and retrofit the 150,000 meters in our drinking water system with Automated Meter Reading capability to ensure more accurate billing. Atlanta has contracted \$305 million of the \$922 million in drinking water system capital improvements.

Greenway Acquisition Program

The City recently completed an eight-county Greenway Acquisition Program. We have acquired nearly 2,000 acres of greenways, defined as natural areas bordering waterways, either through purchase of a conservation easement or fee simple title, which will protect more than 20 miles of streambanks in perpetuity. Greenways help filter stormwater runoff and provide a buffer for creeks, streams and rivers. More than 700 acres of newly acquired greenways are in the City; the rest are protecting streams and creeks in Douglas, Rockdale, DeKalb, Fulton, Cobb, Carroll, Paulding and Coweta counties.

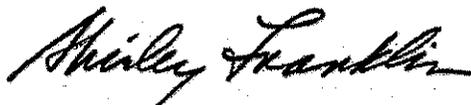
Operational Improvements

Finally, Atlanta has overhauled its billing system, established online and remote payment options and created a new Call Center to better serve our customers. The new billing system, along with the recently launched Automated Meter Reading project, will help ensure accurate meter readings and offers customers more information about their usage patterns, an important tool in managing water consumption and costs.

As you can see, we have made significant progress and investments in our water and wastewater systems. But we know there is much more to do. If we don't have a major construction project in your neighborhood yet, chances are good that we will soon. We understand how disruptive these projects are, but there is no easy way to ensure that the Chattahoochee River, the South River and their tributaries will continue to provide the clean drinking water and recreational opportunities that are so important to Georgians. Clean Water Atlanta represents a new way of thinking in Atlanta, one that acknowledges the debt we owe to our urban waterways and the responsibility we have toward future generations of Atlantans and our downstream neighbors. I remain committed to my vision of the Chattahoochee and South rivers as some of the cleanest urban rivers in the country.

We have pledged to be responsible stewards of both the environment and the financial resources you have entrusted to us to ensure that Clean Water Atlanta meets or exceeds all the goals we have set. With your continued support, we will continue to work to make this vision a reality.

Sincerely,



Shirley Franklin