

Bond Case Briefs

Municipal Finance Law Since 1971

PUBLIC UTILITIES - GEORGIA

City of Sandy Springs v. City of Atlanta

Court of Appeals of Georgia - February 26, 2021 - S.E.2d - 2021 WL 750431

First city brought action against second city, which was the county's retail water service provider pursuant to a previously-executed service delivery agreement, alleging violations of the Open Records Act and Service Delivery Strategy (SDS) Act and seeking injunctive relief, stemming from second city's refusal to review and revise purportedly arbitrary and unreasonable water rate differentials.

The Superior Court dismissed the claims alleging violations of the SDS Act, and denied first city's motion to transfer venue. First city appealed.

The Court of Appeals held that:

- First city was not an "affected municipality" under SDS Act entitled to mandatory mediation of its claim that second city's refusal to review rate violated Act, and
- First city was required to submit challenge to reasonableness of rate to alternative dispute resolution before bringing challenge in court.

First city was not an "affected municipality" within meaning of Service Delivery Strategy Act entitled to mandatory mediation, conducted in a separate jurisdiction, of its claim that refusal of second city, the county's retail water service provider pursuant to terms of previously-executed service delivery agreement, to review and revise water rates charged to first city's customers violated the Act, where first city was not an express party to agreement, was unincorporated when agreement was originally executed, and never passed a resolution adopting agreement.

First city was required to submit its challenge to the reasonableness of the water rate differential imposed by second city, the county's retail water service provider pursuant to the terms of a previously-executed service delivery agreement, to some form of alternative dispute resolution before bringing challenge in court, under section of the Service Delivery Strategy Act providing the process for a governing authority to challenge water and sewer rate differential imposed by another governing authority located in same jurisdiction.