



## Henry County Water Authority

### MINUTES

#### BOARD MEETING

February 8, 2024 @ 8:30 a.m.

A meeting of the Henry County Water Authority Board, duly advertised, was held on Thursday, February 8, 2024, at the Authority's Administrative offices (Engineering Building) located at 100 Westridge Industrial Blvd., McDonough, GA. The following Board members were present: Sandra Rozier, Vice Chair; Myra Lott, Secretary/Treasurer; Bruce B. Holmes, Member; Warren Holder, Member; Fred Mays, Member-At-Large. Absent: Jimmy Carter, Member.

HCWA Attendance: Administration - Tony V. Carnell, General Manager; Karen Lake-Thompson, Clerk; Dave Peterson, CFO. Directors: Tamara Woodie, Human Resources, Dan Newcombe, IT, Tara Brown, Strategic Planning. Division Managers: Pat Hembree, Scott Sage, Allen Rape. Staff: Patrick Kelley and Travis Jackson

Counsel: Andrew Welch, III (Smith, Welch, Webb & White, LLC)

Presenters: Mauldin & Jenkins - Kirk Arich; Barge Design Group - Clay Zielinski & David Lavergne

Visitors: Don Veum, Craig McAdams and Montina Frasier

- **CALL TO ORDER/WELCOME VISITORS**

Chair Holder called the meeting to order at 8:31AM and welcomed all in attendance.

- **INVOCATION**

Mr. Holder introduced Pastor Craig McAdams of Hampton First Baptist Church who gave the invocation.

- **ACCEPTANCE OF AGENDA**

Motion to accept the agenda as presented was made by Mrs. Rozier and seconded by Mr. Holmes. The motion carried (5/0).

- **PUBLIC COMMENT** None

- **REPORT OF ATTORNEY**

#### Resolution (2024-01) – Authorizing HCWA to Accept Proposal from J.C. Carter Family Farm, LLC for Purchase of HCWA Surplus Property

Mr. Welch addressed the Board concerning Resolution 2024-01 and the due process that was followed including a sealed bid process, two (2) property appraisals, notifying adjoining property owners by mail, posting of legal notices, and 862 notices sent on BIDNET with 62 downloads. There was only one (1) bidder, J.C. Carter Family Farm, LLC. A map identifying the flood plan was shown to demonstrate the land had no benefit to HCWA now or in the future.

Mrs. Rozier inquired whether another appraisal was warranted due to the low numbers and expressed concern about the value of the property, the value added to Southern Belle Farms and the public perception for purposes of maintaining transparency to Commissioners and constituents.

Mr. Holmes inquired about the recent Henry County Board of Ethics (Ethics Board) recommendation and response. Mr. Welch stated SB22 had inconsistencies in its writing, specifying that the decision-making process of the Ethics Board only applied to Commissioners. He also stated during an Ethics Board meeting held in January discussions ensued regarding the process and minimum requirements. Ethics Board Member Felicia Harrell suggested using a real estate company for more bids, but Mr. Welch clarified that a sealed bid or courthouse bid were the only options. He further noted that HCWA followed all requirements, involving two (2) appraisers, Mike Biggers (MH Biggers & Associates) and Jane Easom, (Watson Easom & Associates).

Mrs. Rozier again expressed concerns regarding perception and a potential conflict of interest with a HCWA Board Member being legally represented by the HCWA Attorney. Mrs. Rozier also stressed the importance of the Board's integrity during this process making sure that HCWA went above and beyond their duty to maintain transparency. Mrs. Rozier asked Mr. Welch about his perception of a conflict of interest in representing both the Board and a member. Mr. Welch responded no, explaining that the Ethics Board review was initiated because Mr. Carter was a member of the HCWA Board and that the interest of the Authority and the Board Member are aligned.

More discussion ensued regarding legal and ethical requirements. There being no further discussion, a motion was made by Mrs. Rozier to not accept Resolution 2024-01 and seconded by Mr. Holmes. The motion failed 2/5, with Mr. Mays, Mr. Holder and Mrs. Lott opposing. Mr. Holmes stated his decision not to accept resolution 2024-01 was to address community concerns regarding the low bid. Mr. Welch stated the Authority followed all requirements.

Mr. Carnell stated that accessing the (landlocked) property by any other buyer other than the Carter Family would result in additional costs to a buyer due to the necessity of obtaining access from other property owners. Staff has had continued discussions around the possibility of using other appraisers connected with GDOT and Henry County SPLOST. Often, timing is a factor. However, being a certified appraiser and not conducting a proper appraisal would result in an appraiser compromising their license.

Mrs. Lott also expressed concerns about seeking an additional appraisal due to the portrayed image of not trusting the integrity of the appraisals and how that would ultimately reflect on other appraisals conducted for us by these companies.

Chair Holder stated every adjoining property owner had the opportunity to bid, and the landlocked property, along with the stream, further impacted the value. Chair Holder did not perceive a lack of transparency and that the Ethics Board was notified and conducted a formal review, as well as the bid was made available to all. Mrs. Rozier inquired if certified letters were sent to other bidders, Mr. Carnell confirmed they were not certified. Mrs. Rozier stated the letters might have been mistaken for junk mail.

There being no further discussion, motion to accept the proposal from J.C. Carter Family Farm, LLC for purchase of HCWA Surplus Property was made as follows: Mr. Holmes – No; Mr. Mays – Yes; Mrs. Lott – Yes; Mrs. Rozier – No; Mr. Holder – Yes. The motion carried 3/5, accepting Resolution 2024-01 as presented.



Resolution (2024-02) – Authorizing HCWA to Accept Donation of Property (Hayes & Crane) on Peeksville Road

Mr. Welch stated the property is on the tax rolls as being delinquent and involves two separate owners, one of whom is deceased. It was also noted that the Tax Commissioner contacted the General Manager directly to see if HCWA was interested in receiving the donated property in exchange for the Authority paying the delinquent taxes. Mr. Welch explained that the remaining steps include securing the title and settling the estimated taxes owed of \$6,000, with total cost not exceed \$8,000 including any other unplanned expenses/fees. It was noted, if the property was sold to another party, it would not meet the required 2-acre minimum size restriction to build on without a variance from HCWA and Henry County. There needs to be consideration for potential construction (i.e. septic tank) close to one of the reservoirs. Mrs. Rozier sought clarification on the back taxes, which was thought to be around \$6,000 by Mr. Welch.

Mr. Carnell stated that he spoke with the Tax Commissioner and the taxes owed was confirmed as \$6,523.85.

There being no further discussion, a motion was made by Mrs. Rozier and seconded by Mrs. Lott to approve Resolution 2024-02 as presented meeting requirements with the total cost not to exceed \$8,000 per Mr. Welch. The motion carried 5/0.

• **REPORT OF GENERAL MANAGER**

Quarterly Financial Update & FY23 Audit Report

Mr. Peterson introduced Mr. Arich, auditor with Mauldin & Jenkins who reported the results of HCWA's Financial Audit for FY23 (July 2022 - June 2023), consisting of the Audit Discussion & Analysis and Annual Comprehensive Report. Mr. Arich highlighted that the audit revealed no deficiencies, making it a best-case scenario. The additional information provided by HCWA staff for the audit went above and beyond expectations. Similar to FY22, the FY23 audit will be submitted to the Government Finance Officers Association (GFOA) Certificate of Excellence certification.

Mrs. Rozier thanked Mr. Peterson and his team for the hard work that they do. Mr. Peterson replied preparing for the Financial Audit is a painstaking process of gathering information such as cancelled checks, journal entries, statements and thanked his Finance Manager, Mrs. MacDonald and her staff for a job well done.

Mr. Peterson presented the quarterly financial update for FY24 which included revenue, expense and debt through 6 months of the fiscal year, with comparisons to both budget and prior years.

Mr. Peterson updated the Board on a recent notice from the Georgia Environmental Finance Authority (GEFA) stating that HCWA would not receive the second \$50 million loan installment as agreed upon. A meeting was held with HCWA (General Manager & CFO) and GEFA to discuss the original terms and the promise made by GEFA for the two (2) \$50 million loans. The GEFA Director acknowledged the supplemental information provided by HCWA and indicated that the remaining \$50 million loan might have to be split into two or three loans instead of one.

Mr. Carnell informed the Board that Mr. Welch is working to ensure that GEFA honors the original agreement. It was also noted that the Georgia Association of Water Professionals (GAWP) reported similar issues with GEFA pushing back on promised loans, suggesting that GEFA may have overcommitted to other entities as well. Mr. Welch stated that HCWA has documentation, including mapped out payment plans, meeting minutes, documentation accepted and approved by staff to reinforce the agreement. He added that GEFA committed to HCWA to start the Walnut Creek project, and it is crucial to continue building the facility to treat sewage as the community expands. Mr. Carnell stated not having the loan would put HCWA

in a position of having to prioritize other projects that are already approved. HCWA is currently using its own funds to cover expenses due to the delayed \$50 million loan.

Mr. Peterson also provided an update on HCWA's Charitable Assistance Program (CAP). There was an increase in customers rounding up and donating to the CAP. He also noted that HCWA will open a Request for Proposal for a second CAP administrator to manage the program to reach more families. He also noted that in FY24 close to \$10K was raised and has aided 29 households in Henry County.

#### Recommendation to Surplus Authority Assets

Mr. Peterson presented the surplus list of Authority Assets. He noted that all items will be sold on govdeals.com to recoup monies for the Authority. A motion to approve the surplus assets as presented was made by Mrs. Rozier and seconded by Mr. Holmes. The motion carried 5/0.

#### Talmadge Property Feasibility Study Update

Mr. Carnell stated the completion date of the Feasibility Study is fast approaching and the following update will be provided. Mr. Sage confirmed March 2024 as the expected end date for the study and introduced Barge Design Group project managers, Clay Zielinski (Water) and David Lavergne (Wastewater).

Mr. Zielinski provided an overview of the water distribution system improvements needed to accommodate the proposed development, noting that this evaluation is still a work in progress at the time of his presentation. He discussed necessary improvements at certain time intervals, or trigger points, given that the proposed development is programmed over a 20-30-year time frame.

Mr. Lavergne provided an overview of the wastewater collection, conveyance, and treatment system improvements needed to accommodate the proposed development. He also noted that this evaluation is a work in progress. He stated that Barge Design has submitted a request to the Georgia EPD, and are awaiting feedback regarding guidance for treatment and discharge limits into the Flint River basin.

Mr. Holmes inquired if the feasibility study included the entire GEOSAM Plan. Mr. Carnell clarified that it included the entire development with the exception of the lots within the critical area surrounding Clayton County's reservoir. Those are the lots that were greyed out and not in compliance with the Watershed Protection Ordinance. Chair Holder informed the Board that there would be additional growth in the area as a result of this project and asked if that was included. He also asked which Commissioner District was the proposed development located. Mr. Carnell shared that additional growth outside of the development was considered as part of the study, and the majority of the Talmadge Project is in District 5 (Commissioner Lewis), yet some of the needed improvements, such as the Elevated Storage Tank, would be located in District 1 (Commissioner Wilson).

Mr. Sage concluded that the improvements to accommodate the development would need to be implemented in phases, occurring over time as dictated by the demand of new growth. Mrs. Lott asked for more information on the Bear Creek treatment process. Mr. Lavergne explained that currently, Bear Creek is a Land Application System (LAS) facility that will need upgrading and will be converted to a direct stream discharge. The effluent has to be high quality due to stream discharge.

#### 2024 HCWA Goals & Objectives

Mrs. Brown provided an overview of the 2024 Goals and Objectives and went over the Effective Utility Management (EUM) Primer, which has ten (10) attributes and is widely recognized and adopted within the utility industry. HCWA's top four (4) priorities are Customer Satisfaction, Employee Leadership & Development, Infrastructure and Operational Optimization. Mrs. Brown highlighted some of HCWA's top priorities such as developing a safe boating program, recruiting & educational programs, expand employee



cross training, smart energy software, remote hydrant flushing as well as the possible expansion of a customer service emergency after-hours call center. In addition, Mr. Carnell highlighted other General Manager focus areas that include cybersecurity, the CIP Master Plan Review, Comprehensive Plan Agreements with the local cities in the county, continued outreach to stakeholders, and an EUM Assessment for the next year 2025 group of priorities are all major goals.

Mr. Carnell thanked Mrs. Brown and Mr. Jackson for leading and working with the EUM committees comprised of employees, where HCWA Goals & Objectives were developed.

Mr. Holder thanked staff for always thinking ahead and staying on top of HCWA's goals. He also stated that the Authority was built on visionaries and HCWA continues to lead the industry. Additionally, he highlighted the importance of viewing those in Utilities as first responders who are equally vital.

Mr. Mays stated he's proud to be on the Board and part of a great organization with employees doing great things, such as keeping the facilities in working order. He also commended Dr. Wood for his great work with media reporting.

- **PROJECTS and ADJUSTMENTS**

Mr. Sage addressed the Board concerning the new project, developer projects and the \$10,000 budget adjustment, showing map locations and descriptions for each which are all within the Authority's policy.

New Project:	EXT3850J Harper Drive Water Line Ext Harper Exchange project
Developer Projects:	DEV2678 Kingston Phase 3 DEV3553 Jodeco West Water/Sewer Ext DEV3877 Henry County Aquatic Center
Budget Adjustment:	SPLOST3765 Bridges Road at Willow Lane

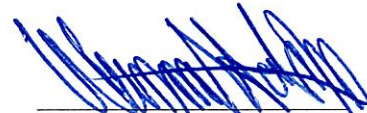
Motion to approve the projects and budget adjustment as presented was made by Mr. Holmes and seconded by Mr. Mays. The motion carried 5/0.

- **APPROVAL OF MINUTES**

Motion to approve the January 11, 2024 Regular Meeting minutes was made by Mr. Mays and seconded by Mrs. Lott. The motion carried 5/0.

- **ADJOURNMENT**

Motion was made by Mr. Holmes and seconded by Mr. Mays to adjourn the meeting at 10:30AM. The motion carried 5/0.



Warren Holder, Chairman

Minutes recorded by:  
Karen Lake-Thompson