



## Henry County Water Authority

### BOARD MEETING

#### MINUTES

October 13, 2022 – 8:30 a.m.

#### Attendance:

Members of the Board: Cletonya LaGrand, Chair; Sandra Rozier, Vice Chair; Siddiqa Gibson, Secretary; Jimmy Carter, Warren Holder and Fred Mays

HCWA Staff: Tony Carnell, General Manager; Kim Osborne, Clerk; Karen Lake-Thompson, Deputy Clerk; Travis Jackson, Strategic Coordinator; Roderick Burch, CFO; Dave Peterson, Finance Manager; Scott Sage, Pat Hembree, Allen Rape – Division Managers; Tamara Woodie, HR Manager; Patrick Kelley, Engineering Manager;

Counsel: Andy Welch - Smith, Welch, Webb & White

Consultants: Sheree Knowles, Ardie Harrison – HR Knowledge Source

Visitors: Mr. Pavel Mayfield, WHLSHGroup; Mr. Gene Strickland, Liberty Communities

#### 1. CALL TO ORDER/WELCOME VISITORS

Chair LaGrand called the meeting to order at 8:32 a.m. and welcomed all in attendance.

#### 2. INVOCATION Mr. Mays gave the invocation.

#### 3. ACCEPTANCE OF AGENDA

Motion was made by Mr. Carter and seconded by Mrs. Gibson to accept the agenda as presented. The motion carried unanimously (6/0).

#### 4. PUBLIC COMMENT *None*

#### 5. REPORT OF ATTORNEY

Mr. Welch presented the following resolutions for Board approval:

Resolution Approving Memorandum of Understanding with Georgia Transmission Corporation for construction activities on its Luella Tap 115kV transmission line

Mr. Welch advised that Georgia Transmission has requested easements from the Authority which will cross the Authority's property along Lester Mill and Frog Roads, in order for Georgia Transmission to complete construction activities on its Luella transmission line. The Authority's staff reviewed the request and any concerns that were noted were addressed by Georgia Transmission prior to submitting the matter to the Board for approval.

Motion was made by Mrs. Rozier and seconded by Mr. Carter to adopt Resolution No. 2022-16 authorizing the Chair to enter into a Memorandum of Understanding with Georgia Transmission and to execute the requested easements. The motion carried 5/0/1. *(Mr. Holder recused himself from the meeting during Mr.*

*Welch's discussion of this matter, citing his service on the Central Georgia EMC Board and any potential conflict in connection therewith. He also abstained from voting on the adoption of the resolution presented by Mr. Welch.)*

Resolution Approving Revised Memorandum of Understanding with GDOT concerning the Managed Lanes Project from I-75 North from I-475 in Macon, Georgia to south of Bethlehem Road, Henry County Georgia. Motion was made by Mr. Holder and seconded by Mrs. Rozier to approve and adopt Resolution No. 2022-17 authorizing the Chair to execute a Revised Memorandum of Understanding with GDOT regarding the reimbursement to the Authority of the expenses it will incur with the relocation of any of its utilities which are affected by the project. The motion carried unanimously 6/0.

Resolution Approving Standard Utility Agreement with GDOT – Hwy 20 Road Widening Project from I-75 East to Phillips Drive, Henry County, Georgia. Motion was made by Mrs. Gibson and seconded by Mr. Carter to approve and adopt Resolution No. 2022-18 authorizing the Chair to execute a Standard Utility Agreement with GDOT concerning the reimbursement of certain expenses incurred by the Authority for relocating its water/sewer lines that are in conflict with the Ga Highway 20 Road Widening Project. The motion carried 6/0.

#### 6. REPORT OF GENERAL MANAGER

- HR Knowledge Source (Sheree Knowles/Ardie Harrison)

Tamara Woodie, HR Manager, introduced Sheree Knowles and Ardie Harrison from HR Knowledge Source. Mrs. Woodie advised that HR Knowledge Source has been retained to develop a new process for the evaluation of the General Manager. Ms. Knowles and Ms. Harrison gave a presentation about the components of the evaluation. A schedule was also distributed to the Board in order to arrange for one-on-one meetings with each Board member.

- Water and Sewer Model/Critical Asset Presentation (Patrick Kelley)

Mr. Kelley gave a presentation concerning the Authority's water and sewer hydraulic models. He provided background concerning the development of the models and how they are used internally including an emphasis on capacity certification. He also discussed the role of critical assets and emergency response plans in the Effective Utility Management initiative. He also spoke concerning the important role that hydraulic modeling plays in future planning and the development of the Authority's long-term CIP plan.

- Recommendation of Award – Walnut Creek WRF Expansion – Pat Hembree

Mr. Hembree addressed the Board concerning bid opening held on September 9<sup>th</sup>, 2022, for the 6 mgd expansion of the Walnut Creek Water Reclamation Facility. He reminded the Board that in order to try gain more contractor participation in this project, the bid date was pushed back. Despite that effort, he advised that only two bids were received; Archer Western/PC submitted a bid in the amount of \$181,715,000, and Western Summit whose bid was \$214,426,000. Mr. Hembree stated that there was concern about the large disparity between the two bids. Archer Western was requested to review their bid and to notify the Authority if there was a major error noted in the bid. Archer Western advised that there were no errors in the bid they submitted. The Authority's consultant, ESI, has verified the bids and has recommended the contract be awarded to the low bidder, Western Summit/PC.

Mr. Hembree noted that the low bid was much higher than anticipated (\$30 per gallon). He stated that after receiving the bids on this project, Engineering Strategies reviewed recent bids for similar size wastewater treatment plant expansions in Georgia and found that most treatment plant bids are coming in right now between \$24/gallon up to \$54/gallon, and that the bid received from Archer is not out of line with what has been seen on other projects. Mr. Hembree pointed out the disadvantages of rebidding the project as costs could come back even higher, and also delay the project. Mr. Carnell also expressed concern that the Walnut Creek Facility is approaching capacity and that this construction contract is a 30-month contract, therefore, time is of the essence and we must begin construction.

Mr. Burch discussed funding options for the project including applying for SRF loans through GEFA. He advised that SRF funding requires Disadvantaged Business Enterprise (DBE) participation, and that contractors must follow specific criteria set forth by GEFA. Mrs. Rozier emphasized the importance of promoting these opportunities to all local and minority subcontractors. Chair LaGrand suggested utilizing outlets such as the Council for Quality Growth, Georgia Minority Council and the Henry County Chamber of Commerce since these agencies have connections with many companies. Chair LaGrand also emphasized that it should be mandatory that Archer Western attend the Authority's October Vendor Supply Conference.

There being no further discussion, Mr. Hembree advised that due to the critical nature of this project and the realization that costs are higher than expected and could continue to rise due to inflation and supply chain issues, staff recommends notice of award be given to Archer Western/PC in the amount of \$181,715,000.00. Motion was made by Mrs. Rozier and seconded by Mr. Holder to accept the bid submitted by Archer Western/PC JV II in the amount of \$181,715,000 and that notice of award be issued accordingly. The motion carried unanimously 6/0. ***Mrs. Rozier noted for the record that the initial budget for this project was \$90 million dollars.***

***The Board took a break at 10:09 a.m. and returned to session at 10:16 a.m.***

- Quarterly Financial Report – Dave Peterson

Mr. Peterson gave a presentation concerning the Authority's first quarter FY23 financial position. He stated that FY2022 finished strong, with revenue exceeding projections. He also noted that the Authority only spent 90% of the total expenditures budget. He reported that for the first 3 months of FY 2023, water and sewer sales are coming in ahead of budget, with expenditures at about 21% of the total expenditures budget for the first three months. He noted that the new rates established by the recent Rate Study and approved by the Board in June will go into effect with October usage/November billings. Mr. Peterson advised that inflation continues to be an issue, with the monthly CPI figures around 8.2% as of the most recent data.

- Recommendation to Surplus Authority Assets – Dave Peterson

Mr. Peterson presented a list of Authority assets which have been recommended by staff for surplus. He noted that many of these items are from the Tussehaw Water Treatment facility. Motion was made by Mr. Carter and seconded by Mr. Holder to authorize the surplus of the items as recommended by staff. The motion carried unanimously 6/0.

- Succession Planning/CFO Search

Mr. Carnell addressed the Board to provide an update concerning succession planning and the new CFO search. He noted that one of the focus areas of the General Manager is to complete a succession plan. He introduced Tamara Woodie, HR Manager who reported that an RFP was issued soliciting bids from firms who could assist the Authority with developing its succession plan. She advised that the Authority has selected HR Knowledge Source who has already begun the process by interviewing department managers and utilizing various tools to identify employees with talent for future growth in the organization, and what may be needed in terms of employee development. Mrs. Woodie noted that there are a number of employees eligible to retire now and a greater number eligible in the near future. Mr. Carnell noted that there are no other water utilities in the metro area that he is aware of, that are doing what the Authority is doing.

Mr. Carnell gave an update on the CFO search. He advised that an RFP was sent out for consultants to assist with this process and that the Authority has selected Mercer Group Associates. A nationwide search has been conducted and applications are due by Friday. The first group of finalists for interviews will be chosen next Friday. Mr. Carnell stated that his plan is to have the new CFO begin in January prior to Mr. Burch's retirement on January 31<sup>st</sup>.

Mr. Carnell also commented on the following:

- The Atlanta Regional Commission – State of the Region address will be held on October 28, 2022.
- The Authority's Water Sewer Operations Maintenance Department will host an Open House for Authority employees later this month to highlight the Indian Creek facility and its functions.
- The Authority participated in the recent Hands of Hope Charity Kick Ball Tournament. The Authority's team took on the Henry County Sheriff's Department team in the final game with the Authority taking the win!
- The Authority is participating in the City of McDonough's Scarecrow Competition. The Authority's entry can be seen at the McDonough Welcome Center.
- Commissioner Thomas hosted a First Responders event at JP Moseley Park which was attended by Lindsey Sanders and Temika Moore representing the Authority. A table display provided information about the Authority including job opportunities.
- Mr. Carnell will be meeting with Southern Crescent Technical College concerning the Water and Wastewater Certification courses.

## 7. PROJECTS and ADJUSTMENTS

Mr. Sage addressed the Board concerning the following projects which were presented for Board approval:

New Projects:	EXT3818	Lewis Road PVC WL Replacement
	GDOT3707	GA Hwy 20/81 I-75 to Phillips Drive
	GDOT3707A	GA Hwy 20/81 Relocate WL, SL
	GDOT3707B	GA Hwy 20/81 Relocate 2 Water Meter Vaults
	TUSS2807G	Tussahaw WTP Vault and Vault Project

Motion was made by Mr. Carter and seconded by Mrs. Gibson to approve new projects as presented. There was no further discussion and the motion carried unanimously 6/0.

The following Developer Projects were presented for approval:

Developer Projects:	DEV3780	Airline Road Development
	DEV3783	Singley Drive Waterline Ext.
	DEV3822	Hemphill Road Sewer Ext.

Motion was made by Mrs. Rozier and seconded by Mr. Mays to approve Developer Projects as presented. There was no further discussion and the motion carried unanimously 6/0.

Budget Adjustments: None

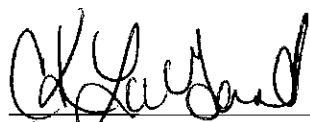
8. APPROVAL OF MINUTES September 8, 2022 Regular Meeting of the Board

Motion was made by Mrs. Gibson and seconded by Mr. Holder to approve the minutes of the September 8, 2022 Board meeting. The motion carried unanimously (6/0).

9. EXECUTIVE SESSION There was no Executive Session.

10. ADJOURNMENT

Motion was made by Mr. Holder and seconded by Mrs. Rozier to adjourn the meeting at 11:11 a.m. The motion carried unanimously (6/0).

  
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Cletonya LaGrand, Chair

Kim Osborne, Clerk