



Henry County Water Authority

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NEWS

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FACT SHEET

HCWA History and Background on the 2 Mill Tax

The Henry County Water Authority (HCWA) was founded in 1961, through (the Authority) Act of the Georgia General Assembly, establishing an autonomous Authority (enterprise), separate from Henry County Government, to construct and manage a water and sewer utility.

In 1968, an Amendment to the Authority Act provided for the collection of a 2 Mill Tax on all property in Henry County for developing the water and sewer system.

The 2 Mill Tax was necessary for the HCWA to be able to pursue bond issues to secure funding for the development and extension of necessary water and sewer infrastructure throughout Henry County, to serve existing and future residents and businesses.

The 1968 Constitutional Amendment was extended in the 1983 Constitution by approval of the State Legislature.

The 2 Mill Tax is pledged to pay for the Authority's outstanding senior lien debt. The total debt of the Authority is \$140 million, consisting of \$56 million of senior lien revenue bonds, \$50 million non-senior lien revenue bonds and another \$34 million in GEFA loans. The final maturity date of the Authority's outstanding revenue bonds is Feb 1, 2030.

The 2 Mill Tax has created a significant savings for HCWA ratepayers because it allows the Authority to receive a higher bond rating, resulting in reduced interest rates on its bonds – the primary source of long-term debt.

Without the 2 Mill Tax, HCWA rates would need to increase by an estimated 29 percent to provide the same level of services the Authority offers currently.

The 2 Mill tax benefits homeowners in Henry County whether they have services from HCWA or not. On average, a homeowner (whose home is valued at \$250,000) saves \$341 per year on their insurance premium as a result of an ISO rating of Class 4 instead of an ISO rating of Class 10W. Henry County has an ISO rating of Class 2.

Among the additional benefits of the 2 Mill Tax is its role in facilitating economic and industrial development, as well as assisting the Authority in addressing environmental and public health issues.

The Authority's 2020-2050 capital improvement plan (updated Jan 2021) totals \$965 million.