

MINUTES OF BOARD MEETING: February 4, 2021
HENRY COUNTY WATER AUTHORITY

I. CALL TO ORDER/ATTENDANCE

A meeting of the Henry County Water Authority Board, duly advertised, was held on Thursday, February 4, 2021, at the Authority's Administrative offices (Engineering Building) located at 100 Westridge Industrial Blvd., McDonough, GA. Mrs. Cletonya Stidom, Chair, called the meeting to order at 7:59 a.m. The following members were present: Cletonya Stidom, Warren Holder, Sandra Rozier, James C. Carter, Jr. and Siddiqah Gibson.

The following Authority staff and consultants were present:

Administration: Lindy D. Farmer, Jr., Tony Carnell, Kim Osborne, Roderick Burch
Division Managers: Scott Sage, Allen Rape,
Staff: Bill Banks
Legal Counsel: Andy Welch, Smith, Welch, Webb & White; Tom Owens, Raymond James

II. VISITORS: Honorable Holly Veal

III. ADMINISTRATION OF OATHS OF OFFICE

Following the Call to Order, Mrs. Stidom introduced the Honorable Holly Veal who administered the oath of office to Mrs. Stidom and Mr. Carter.

IV. ACCEPTANCE OF AGENDA

Mrs. Stidom presented the Agenda for acceptance by the Board. There were no amendments and a motion was made by Mr. Carter and seconded by Mrs. Gibson to accept the agenda as presented. The motion carried unanimously (5/0).

V. REPORT OF ATTORNEY

2021 Bond Issue and Resolution to Approve Sale of Bonds

Mr. Welch introduced Mr. Tom Owens of Raymond James who presented the results of the pricing of the Series 2021 bonds. He noted that the purpose of this bond series was to refinance the Authority's outstanding Series 2010 bonds. He reported that the Series 2021 bonds were received very favorably in the market. Mr. Owens reported that Raymond James conducted extensive pre-marketing efforts in advance of the sale which led to a large volume of orders for the limited supply of bonds. During the pricing period, Raymond James was able to lower yields by five basis points on average due to the demand for the bonds. The final pricing resulted in an "all-inclusive" interest rate of 0.71%.

The final gross savings from the refunding are \$3,257,999.58. On a present value basis, the savings are discounted to \$3,191,610.82. Mr. Owens emphasized that the gross savings

will be realized over the remaining term and are not cash that is currently available to spend. The Authority can expect an average reduction in the annual bond payments of around \$651,000 when compared to the prior debt service requirements.

Mr. Owens stated that the Authority received an outstanding bond rating of Aa2 from Moody's and that the rating is consistent with the rating received in recent bond issues. He noted that the rating agency and investors cited the Authority's history of financial conservatism, long-term planning, and appropriate management of system expansion based on sound engineering and demand projections, consistent performance and independent rate setting authority as positive credit factors. Mrs. Rozier inquired about the potential for the Authority to earn an upgrade to its bond rating, and if there are any internal processes that could be implemented to achieve an Aaa rating. Mr. Owens replied that the Authority should continue operating conservatively and to refer to the Moody's rating report for guidance. Mrs. Stidom inquired whether growth in the county would help the Authority achieve the Aaa rating. Mr. Owens advised that growth does help, but as the county grows the demand for services grows too, which triggers new facilities and more debt for the Authority. Mr. Owens expressed his appreciation for Raymond James' long-term relationship with the Authority. He also noted the quality and professionalism of the Authority's management and staff. In summary, the Series 2021 refunding exceeded the original savings expectations.

Following Mr. Owens' report, Mr. Welch distributed the Bond Purchase Agreement and the Supplemental First Lien Bond Resolution. He noted that the Board had taken action to approve the First Lien Bond Resolution at its November 12th, 2020, meeting but at that time the final numbers were unknown. With the sale of the bonds complete, the Resolution was revised to include updated information. Mr. Welch advised that the Board will need to take action to adopt the Supplemental First Lien Bond Resolution and Bond Purchase Agreement authorizing the sale of the bonds. Mrs. Stidom opened the floor for further discussion. There being none, a motion was made by Mrs. Rozier and seconded by Mrs. Gibson to approve and adopt the Supplemental Bond Resolution (HCWA Resolution No. 2021-02) and Bond Purchase Agreement as presented. Mrs. Stidom called for the vote and the motion carried unanimously 5/0.

V. REPORT OF GENERAL MANAGER

Jodeco Village Status Update

Mr. Carnell provided the Board with an update concerning the Jodeco Village litigation matter. He summarized the events that have led to the current situation which arose from a property dispute between the owners several years ago. That dispute was ultimately settled by the Georgia Court of Appeals. The property owner then blocked off the private sewer easement which had provided service to other property owners within the commercial development. The Authority has intervened and has tried to resolve the issue. The Authority's Board authorized the filing of an eminent domain proceeding, however, the property owner would not authorize entry upon the property to prepare a survey and appraisal. Therefore, the Authority's attorney, Mr. Ted Meeker, filed a right-of-entry petition in early December, 2020, in order to gain access

to the property. A hearing on this petition is scheduled for February 8th after which time the Authority's should have access to the property for the needed studies. A declaration of taking can then be filed. Mr. Meeker will address the Board following this action. Mrs. Rozier pointed out that this situation raises not only environmental concerns, but also issues of public safety. Mr. Holder agreed and noted that it was hoped EPD would intervene, but has not done so. Mr. Farmer also noted that Henry County Code Enforcement has been working with the property owners and the Authority. Mrs. Stidom closed the discussion and noted that a full update will be forthcoming at the Board's March meeting.

VI. PROJECTS AND ADJUSTMENTS

The following projects were presented, noted to be compliant with Authority policy and were recommended for approval by the Board. Mr. Allen Rape, Division Manager of Customer Support Services, discussed the Authority's Route 311 Iperl Meter Replacement and Patillo AMI Base Station projects. He noted that these projects are part of the Authority's ongoing smart meter change out program. He explained that the meters transmit data to the tower which transmits back to the Authority. We receive hourly readings from the system which allows staff to identify leak situations and to notify the customer quickly of the situation. This technology saves money for the customer and the Authority. Mrs. Rozier inquired about the time schedule for completing the change-out program. Mr. Rape advised that approximately 40% of the meters have been installed at this time, and that funds are budgeted to complete a change-out of approximately 6,000 meters per year. He explained that as meters age, they must be replaced, and that the Authority has implemented a change-out in phases. He stated that in about 4 years, the Authority should have completed a total meter change-out to the AMS system. This technology alleviates any drive-by readings by Authority staff which save staff time and vehicle/fuel expenses. Mrs. Gibson inquired whether new meters are installed when new developments come in. Mr. Rape confirmed that iPerl meters are installed in new developments.

Mr. Pat Hembree, Division Manager of Water Production and Reclamation, discussed the final close out of the Indian Creek Water Reclamation Facility expansion project. He stated that the contractor was slow to submit the required documents and lien waivers to close out the project. However, the Authority has now received the required lien waivers. Mr. Hembree also stated that the contractor is reimbursing the Authority for additional fees and engineering costs incurred by the Authority. They are also waiving the interest that they could have been entitled to on the retainage held by the Authority. Mrs. Rozier expressed concerns about the delay and inquired whether this contractor will be approved for future projects. Mr. Hembree advised that the Authority will not be using this contractor for future projects. Mr. Farmer noted that construction of the project was not held up and that there are no issues with the project itself. He stated that it is a "good project" and the facility is running well. He concurred that the contractor was slow to respond to administrative/paperwork requirements.

New Projects:

MTRUPG3486Q	Route 311 Iperl Meter Replacement
MTRUPG3572C	Patillo AMI M400 Base Station

Budget Adjustments:

IC2852B Indian Creek WRF, Expansion (Project Close-out)

Following discussion, Mrs. Stidom opened the floor for a motion to approve the projects as presented. Mr. Carter made the motion to approve which was seconded by Mr. Holder. The motion carried unanimously (5/0).

Mr. Farmer offered to answer any additional questions from the Board regarding the project list. Mrs. Rozier requested a presentation at a future meeting to review the project approval process. Mr. Burch explained that once the Board approves a project it is placed on a project list. Once that project is complete, the list is updated and the completed project is reflected on that list with a line drawn through it and will then be removed from the list. Mrs. Rozier requested that along with the project list that is submitted to the Board, a report should also be included concerning any closed project indicating any concerns or issues with that project. Mrs. Stidom requested that the report also include any adjustments for those closed projects. Mrs. Gibson stated that a legend be included on the report to assist the Board with the meaning of the terminology used on the report. Mr. Carnell advised that Engineering staff has developed a handout which explains the project approval process, and a copy will be provided to the Board with the next agenda.

VII. APPROVAL OF MINUTES January 14, 2021 Regular Board Meeting

The minutes of the January 14, 2021 regular meeting of the Board were presented for approval. There were changes requested concerning the discussion of the Charitable Assistance Program. The minutes will be revised and presented for approval at the Board's March 11, 2021 meeting.

Additional discussion was held concerning the Authority's Charitable Assistance Program. The Board requested information concerning how many customers have been assisted by the program and how much money is available to provide that assistance. Mrs. Stidom noted that Mrs. Rozier and Mrs. Gibson both have experience with non-profits and that a committee should be formed to review the administration of the program. Mrs. Stidom advised that the Board is not pleased with the selection of Connecting Henry for the program's administration. She requested staff to go back and look at other options. Mrs. Stidom requested a 5 year report of people assisted by Samaritan's Together. Mrs. Rozier requested that the report include the dollar value of the awards provided. Mr. Farmer noted that the Authority is no longer utilizing the services of Samaritan's Together. Mrs. Stidom advised that further discussion is warranted concerning the administration of the program and she would like the Board to work on this with staff.

VIII. NEW BUSINESS

Mrs. Rozier requested that the Authority's Board meetings be held virtually beginning with the March meeting. Mrs. Stidom inquired of staff if we have the option of utilizing WebEx for virtual attendance, but clarified that if any member of the Board wishes to attend in person they may do so. If the meeting is not streamed live on Facebook, a link to the meeting should be provided on the Authority's website.

Motion was made by Mrs. Rozier and seconded by Mrs. Gibson that Board meetings be held virtually and made available to the public through a link on the Authority's website. Mrs. Stidom opened the floor for discussion. Mr. Holder noted that the Authority's meetings have always been open to the public. Mrs. Rozier stated that we need to do a better job of letting the public know about our meetings as we move forward in order to bridge the gap between community and the Authority. Mr. Holder noted that the Authority has a presence in public schools by the programs that it provides and it has a newsletter that reaches 60,000 customers. He stated that media will get us to more people, but that we have reached out to the public in many ways. Mrs. Gibson noted that people have become more accustomed to meeting virtually due to the pandemic. Mrs. Stidom stated that when the agenda is posted for the Authority's Board meetings it should include the WebEx link so that a member of the public may sign in to the meeting. Mr. Farmer noted that the county is now utilizing the WebEx platform for its meetings.

IX. ADJOURNMENT Motion was made by Mr. Holder and seconded by Mr. Carter to adjourn the meeting at 9:23 a.m. The motion carried (5-0) and the meeting was adjourned.

Cletonya Stidom., Chair

Kim Osborne, Clerk