



Henry County Water Authority

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NEWS

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FACT SHEET

HCWA History and Background on the 2 Mil Tax

The Henry County Water Authority (HCWA) was founded in 1961, through 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 Mil Tax on all property in Henry County for developing the water and sewer system.

The 2 Mil 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 Authority's Bond Documents specify that the 2 Mil Tax must be levied on all taxable property within the boundaries of Henry County, until the HCWA makes its final payment on senior lien bonds to pay off that long-term debt.

The 2 Mil 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 Mil Tax, the HCWA would have to increase rates by 26.1 percent to generate the same revenue necessary to provide the level of services the Authority offers currently.

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

The 2 Mil Tax accounts for roughly 18.4 percent of the overall revenue of the HCWA, according to numbers from the FY 2017 Comprehensive Annual Financial Report (CAFR).

In 2017, the 2 Mil Tax accounted for \$14,207,466, based on numbers from the FY 2017 CAFR, for the Authority to apply to its approximately \$22 million in annual debt service.

The Authority is in the third year of a 30-year Capital Improvement Program (CIP) totaling over \$924 million. As of Feb. 1, 2018, the HCWA has \$883 million left to go in CIP appropriations.

Note: The Authority has received seven straight Certificates of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), an award based on the Authority's Comprehensive Annual Financial Report (CAFR). The financials referenced in this 2 Mil Tax FACT SHEET are based on numbers from the FY 2017 CAFR.