



Henry County Water Authority

MINUTES

BOARD MEETING

June 8, 2023 – 8:30 a.m.

A meeting of the Henry County Water Authority Board, duly advertised, was held on Thursday, June 8, 2023, at the Authority's Administrative offices (Engineering Building) located at 100 Westridge Industrial Blvd., McDonough, GA. The following Board members were present: Jimmy Carter, Chair; Sandra Rozier, Vice Chair; Myra Lott, Secretary/Treasurer; Bruce Holmes, Member; Warren Holder, Member; Fred Mays, Member-At-Large

HCWA Attendance: Administration - Tony V. Carnell, General Manager; Karen Lake-Thompson, Clerk; Dave Peterson, CFO. Directors: (Dan Newcombe, IT). Division Managers: (Pat Hembree, Scott Sage, Allen Rape). Staff: Travis Jackson, Strategic Coordinator; John Wilson, AMI Foreman; Keith Hyde, AMI Supervisor; Jake Polvi, Field Service Supervisor.

Counsel: Brian Strickland, Smith, Welch, Webb & White

1. CALL TO ORDER/WELCOME VISITORS

Chair Carter called the meeting to order at 8:32AM and welcomed all in attendance.

2. INVOCATION

Mr. Carter introduced Pastor Trea Brinson, Eagles Landing First Baptist Church who gave the invocation.

3. ACCEPTANCE OF AGENDA

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

4. PUBLIC COMMENT None

5. SPECIAL PRESENTATION

Mr. Strickland presented Mr. Mays with a plaque from the Georgia General Assembly where he was recognized on March 29, 2023 with Senate Resolution 429 for his dedication as a "public servant who strives for excellence in all of his endeavors and whose primary concern is the welfare and safety of the citizens of Georgia". Lieutenant Fred Mays', Director, Office of Professional Standards, career spans over 40 years with the Georgia Bureau of Investigation (GBI), where he continues to exemplify leadership and serve as a role model in the community. Mr. Mays thanked staff and stated he is humbled and proud to serve his community.

6. REPORT OF ATTORNEY None

7. REPORT OF GENERAL MANAGER

Resolution to Adopt an Annual Operating Budget for FY2024; Inclusive of Board Member Salaries for FY2024 (Resolution 2023-10)

Mr. Peterson addressed the Board regarding the Authority's budget for FY24. He also noted that there have been no changes to the draft budget that was presented and reviewed by the Board during the May planning session. Mr. Peterson recommended the Board adopt Resolution 2023-10, approving the Authority's FY24 budget in the amount of \$82,865,000 and for the Board to establish their monthly salary.

Mr. Peterson presented the Board with four (4) Scenarios (A, B, C and D) for the selection of the Board FY24 compensation:

(A) Current Salary/\$1,170 Monthly

(B) 30% Henry County Chair/\$1,295 Monthly

(C) 30% of Non-Chair Member/\$1,035 Monthly

(D) 30% Average of Henry County Members/\$1,088

Mr. Carter reviewed the enabling legislation in regards to Commissioner salaries and opened up discussion to the floor.

Motion was made by Mrs. Rozier to go with Scenario B (*which was consistent with last year's vote*), and it was seconded by Mr. Holmes. Mrs. Rozier asked for clarification from Counsel on the legislation and discussion ensued. Mr. Holder provided a brief history of the Board salaries being tied to the County Sheriff in the past. Mr. Carter also noted that the Board should use Scenario C.

1st vote: A vote was brought before the Board for Scenario B by a show of hands and it was tied (3/3).
3 Yay (Rozier/Lott/Holmes) & 3 Nay (Mays/Holder/Carter)

2nd vote: A vote was brought before the Board for the same Scenario B by a show of hands it was tied again (3/3).
3 Yay (Rozier/Lott/Holmes) & 3 Nay (Mays/Holder/Carter)

More discussions were held by the Board with more clarification from Counsel on the enabling legislation.

3rd Vote: Motion was made by Mr. Holder and seconded by Mr. Mays for Scenario A. A vote was made by a show of hands and it was tied (3/3). 3 Yay (Holder/Mays/Carter) & 3 Nay (Rozier/Lott/Holmes)

More discussions were held by the Board with more clarification from Counsel on the enabling legislation.

4th Vote: Motion was made by Mrs. Rozier and seconded by Mr. Holmes for Scenario B, a vote was made by a show of hands and it was 4/2. Mr. Holder stated that he wants to get clarification on the legislation for next year, so there will be no room for discretion in the next decision. 4 Yay (Holder/ Rozier/Lott/Holmes) & 2 Nay (Mays/Carter)

Motion to approve FY24 Budget as presented and Board Compensation Scenario B was made by Mrs. Rozier and seconded by Mr. Holder to adopt Resolution 2023-10 as presented. The motion carried unanimously 6/0.

Resolution to Adopt an Adjusted Schedule of Rates, Fees, and Penalties, Inclusive of Adjustments to Water and Sewer Rates, Effective October 1, 2023 (Resolution 2023-11)

Mr. Peterson discussed the proposed rate increase for water and sewer rates to become effective with October consumption. He noted that the Authority's consultant, Raftelis, completed a rate study, the results were presented to the Board at the May planning session. Mr. Peterson stated the resolution presented today for the Board's consideration is the same information that was discussed at the May planning session. He also provided a side-by-side comparison of current rates versus proposed rates. Further discussions were held by the Board including the Authority's efforts to address customers facing hardships and the Authority's proactive response which includes Round-Up participation, liberal cut-off customer notifications/payment plan options.

Motion was made by Mr. Holder and seconded by Mr. Holmes to adopt Resolution 2023-11 approving the 2023 Rates, Fees & Penalties as presented. The motion carried unanimously (6/0).

Resolution to Renew Supplier Inclusion Program (Resolution 2023-12)

Mr. Stroud informed the Board on the success of the recent HCWA Spring Supplier Conference held on May 4th, 45 vendors attended, sessions included: "How to do Business with HCWA"; and "Learning How to Navigate Through Some of the Roadblocks That Hinders Small Businesses."

Mr. Stroud also provided an overview highlighting the accomplishments of the Supplier Inclusion Program (SIP) and Local Sheltered Market Program (LSMP), which has created opportunities for Local Small Businesses (LSBE), Minority-Owned Businesses (MBE), Women-Owned Businesses (WBE) and Veteran-Owned Businesses (VBE). There are now 145 Vendors registered in these programs compared to 33 reported in February 2023.

Mr. Stroud reported internal spending on LSMP and SIP increased from \$96,000 reported in February 2023 to over \$1.1M currently. HCWA dollars are also at work through some of our prime contractors. Presently, over \$15Million in purchase orders has been dedicated to LSBE, WBE, MBE, and VBE through the Walnut Creek Expansion Project.

Mrs. Rozier thanked everyone for seeing the importance of DEI (Diversity Equity & Inclusion) and the progress that was made.

Motion was made by Mrs. Rozier and seconded by Mrs. Lott to adopt Resolution 2023-12 as presented. The motion carried unanimously (6/0).

Update - Advanced Metering Infrastructure (AMI)

Mr. Carnell introduced AMI /Field Services staff: John Wilson, Keith Hyde and Jake Polvi who provided an update on HCWA's leading AMI technology. The presentation consisted of a high-level overview of HCWA's history of meter reading from the first manual readers in 1968 to present day automated readers (smart meters). The new smart meter technology has saved HCWA over \$1.5 Million due to 60% decrease in truck rolls as well as over 3,414 work days saved not having to drive out to manually read meters. Smart meters allow staff the capability to turn on/off meters remotely, monitor pressure, provide increased data accuracy, and preventative maintenance measures.

Most importantly, HCWA customers using the new app/portal are notified instantly of high-water consumption and possible leaks, which was very helpful over the holidays when Georgia experienced an arctic freeze during December 2022. HCWA staff were able to shut-off water valves saving customers/businesses thousands of dollars in property damage and high-water bills. Mrs. Rozier commented that her neighbor was alerted of a possible leak and Mr. Mays stated that he was also alerted during that time and also benefited from the new customer portal. Staff also noted that HCWA is seen as an industry leader in AMI technology and they continue to share best practices, technology with other utilities. They also discussed some of the supply chain challenges with completing the meter replacement program that is 63% completed.

Update – May 18, 2023 EPD Audit Letter to HCWA

Mr. Carnell addressed the Board concerning the EPD Audit Letter which stated that the Authority is in compliance with Metro North Georgia Water Planning District's Water Resource Management Plan.

Update - Code of Ethics Training (August 10, 2023)

Mr. Carnell confirmed that the Henry County Board of Ethics will conduct the Ethics training after the regularly scheduled Authority Board meeting on August 10, 2023 at the Walnut Creek Water Reclamation Facility.

Update - Risk Management & Insurance Broker Services

Mr. Carnell notified the Board that the Authority will be moving forward with Gallagher & Company (Gallagher) for Risk Management and Insurance Broker Services. He further explained that a Request for Proposal was sent out and four (4) companies responded. After careful consideration/interviewing staff (Finance/Human Resources/Procurement/Risk Management) determined Gallagher's approach to loss control, selecting the correct coverage/policy limits and claims assistance would help the Authority to improve overall safety and reduce total costs.

Update - Cubihatcha Kids Fishing Day

Mr. Carnell reminded the Board about the 2nd Annual Cubihatcha Kids Fishing Day taking place Saturday, June 10th at the Cubihatcha Education Nature Center in Locust Grove.

Update – EPD (Nitrate Issues)

Mr. Hembree updated the Board on the nitrate issues by stating: "Many years ago as we were expanding the Authority wastewater treatment systems, the EPD gave the Authority no other options but Land Application System (LAS) for disposal of treated wastewater." This caused the Authority to purchase thousands of acres of property and construct a massive spray irrigation system for the Walnut Creek Wastewater treatment plant. Soon after the LAS went into operation, the downgradient monitoring wells showing elevated nitrate levels. As the years progressed, the monitoring well data was reported but the EPD never raised any concerns. Only after implementation of a new digital reporting system did the nitrate numbers catch their attention. Over the past few years, HCWA has been in discussions with the EPD about several of the monitoring wells which now show nitrate levels above the Maximum Contaminant Level (MCL) of 10 mg/l.

Recently, the Authority engaged the services of David Huff (soil scientist and geologist) with Nutter and Associates, Inc. Working with Mr. Huff, HCWA put together a corrective action plan in response to a notice of violation issued by the EPD in October 2022. This plan contains several action items, one of which includes the injection of emulsifiers into the ground water table to neutralize and reduce the nitrate levels.

On June 7, 2023, Authority staff along with Mr. Nutter met with Johanna Smith at the EPD along with 2 members of her staff. A draft of the corrective action plan was verbally presented to the EPD and Ms. Smith indicated that she agreed with the approach and even believed there was good potential for success but still expressed her desire to issue a Consent Order to the Authority in order to provide an organized method for tracking progress and success. Mr. Carnell expressed to Ms. Smith that a Consent Order could be viewed by the public as an indication that there was some sort of negligence on the part of the Authority and it was our belief that we could successfully implement this corrective action plan with a simple memorandum of agreement between the Authority and the Georgia EPD. Ms. Smith agreed to allow the Authority to present the finalized Corrective Action Plan to the EPD for approval and then agreed to give the Authority 90 Days to prove successful results utilizing this technique of injecting emulsifiers into the ground water table near these monitoring wells in question.

Bethlehem Bottoms at Price Drive Sanitary Sewer Ext Bid Recommendation

Mr. Sage presented the Board with the tabulated bid results and recommendation letter to award Coggins Constructions Company, LLC who was the lowest bidder at \$2,229,370. There were three (3) bidders for the construction: 1. Helix Group, Inc., submitted bid for \$2.7 Million; 2. Strack Inc., submitted bid for \$2.6M and; 3. Coggins Construction Company, LLC was the lowest bidder at \$2.2Million.

Mr. Sage also noted that staff may have to come back to the Board for a project budget adjustment due to unknown soil conditions at the Interstate-75 (I-75) jack & bore site location. He noted the construction cost does not include tunneling, which may need to be done if the soils are not suitable for boring at the jack & bore site location. Pilot test drills will need to be conducted and another \$750,000 - \$1M will be added to the contract price to bore under I-75.

Motion to approve \$2.3M was made by Mrs. Rozier and seconded by Mr. Holder (*knowing that staff may come back before the Board for an adjustment to cover the cost of tunneling, if necessary*). The motion carried (6/0).

8. PROJECTS and ADJUSTMENTS

Mr. Sage addressed the Board concerning the following projects and provided a description of each project which are all within the Authority's policy. Mr. Sage noted the Pullin Rd project is part of the ARPA extension.

- New Projects: EXT3850A Pullin Rd Water Line Ext
- Developer Projects: None
- Budget Adjustments: EXT2820B Bethlehem Bottoms at Price Drive Sanitary Sewer Ext
SPLOST3785 Racetrack Rd @ Iris Lake Road

Motion was made by Mr. Holder and seconded by Mr. Mays to approve the New Projects, Developer Projects and Budget Adjustment as presented. The motion carried (6/0).

9. APPROVAL OF MINUTES

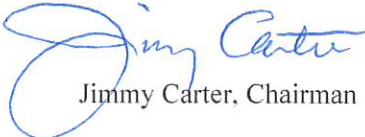
Motion was made by Mrs. Rozier and seconded by Mrs. Lott to approve the May 18, 2023 Executive Session Minutes. The motion carried (6/0).

Motion was made by Mr. Holder and seconded by Mr. Mays to approve the May 18, 2023 Board minutes. The motion carried (6/0).

10. EXECUTIVE SESSION NONE

11. ADJOURNMENT

Motion was made by Mrs. Rozier and seconded by Mr. Mays to adjourn the meeting at 10:49AM. The motion carried (6/0).


Jimmy Carter, Chairman

Karen Lake-Thompson, Clerk