

MINUTES OF BOARD MEETING: October 8, 2020
HENRY COUNTY WATER AUTHORITY

I. CALL TO ORDER/ATTENDANCE:

A meeting of the Henry County Water Authority Board, duly advertised, was held on Thursday, October 8, 2020, in the Engineering Conference Room of the Authority's Administrative campus located at 100 Westridge Industrial Blvd., McDonough, GA. Mr. James C. Carter, Jr., Chairman, called the meeting to order at 8:02 a.m. The following members were present: James C. Carter, Jr., Warren Holder, Cletonya Stidom, Carlotta Harrell and Zuwena Poole. The following Authority staff and consultants were present:

Authority Staff: Lindy D. Farmer, Jr., Tony Carnell, Kim Osborne, Roderick Burch, Pat Hembree, Scott Harrison, Scott Sage, Allen Rape, Dan Newcombe, Bill Banks

Legal Counsel: Andy Welch, Smith, Welch, Webb & White; Ted Meeker, Sumner Meeker

II. VISITORS: None

III. ACCEPTANCE OF AGENDA:

Mr. Carter presented the Amended Agenda for acceptance by the Board. Item IX Executive Session was moved to the beginning of the meeting. Additionally, discussion of the proposed rock quarry in Butts County was added under Item IV Report of Attorney. Motion was made by Ms. Stidom and seconded by Mr. Holder to accept the Amended Agenda as presented. The motion carried (5/0).

IV. EXECUTIVE SESSION:

Mr. Carter called for an Executive Session in order to discuss a potential litigation matter. Motion was made by Ms. Stidom and seconded by Ms. Poole to enter into Executive Session at 8:03 a.m. for the stated purpose. The motion carried unanimously (5/0) and the Board entered into Executive Session.

Motion was made by Mr. Holder and seconded by Ms. Stidom to return to Open Session at 8:18 a.m. The motion carried unanimously (5-0).

V. REPORT OF ATTORNEY:

Mr. Welch addressed the Board concerning the Indian Creek Water Reclamation Facility expansion. He advised that he and Authority staff continue to communicate with Reeves Young in an effort to close out the contract. We are awaiting notification from Reeves Young that they have received all lien waivers from its subcontractors. Otherwise, the Authority's staff has completed all necessary steps to close the project. Mr. Welch advised that he has sent letters to Reeves Young and will notify them if we need to take further action, including possible notification of their surety not to release the bonds on the project until we have received the required information. He advised that the Authority is holding \$1.6 million on the contract.

Mr. Welch addressed the Board concerning a proposed surface mine project on Fincherville Road in Butts County. He noted that the proposed location is approximately 1,000 yards from the Authority's Tussahaw Reservoir dam. Mr. Farmer advised that he has sent correspondence to Mr. Steven Layson,

County Manager, Butts County, expressing the Authority's concerns about the proposed project emphasizing the Authority's concerns for the stability of the Tussahaw Reservoir dam. He advised the Board that the dam is classified by EPD as a "Category 1 Dam" which means there is significant potential for loss of human life if the dam is breached. Mr. Holder advised that the Authority's Board needs to take a position because there is so much at stake. He stated the Authority owes Butts County Commissioners its support concerning this matter. Ms. Stidom questioned if the project has been approved by Butts County zoning. Mr. Holder advised that it had not yet been approved, and this is why the Authority needs to notify them of our objections. Mrs. Harrell also stated that she had received inquiries from Henry County residents expressing concerns about air quality/environmental issues. Mr. Carter advised that he had also received inquiries about the project wherein concerns were expressed about the effects on water quality at the Tussahaw Reservoir. Mr. Welch presented a resolution in opposition of the project for the Board's consideration. Mr. Carter opened the floor for further discussion. There was none and a motion was made by Mrs. Harrell and seconded by Ms. Poole to approve and adopt Resolution No. 2020-07 stating the Authority's opposition to the proposed rock quarry project in Butts County. The motion carried (5/0).

VI. REPORT OF GENERAL MANAGER:

Ken's Foods Update Concerning Permit Issues (Pat Hembree)

Mr. Hembree reported to the Board concerning the status of permit issues at the Ken's Foods facility. He advised that the situation has improved and that Ken's Foods' facility is working well. The Authority has agreed to allow Ken's to discharge up to 75,000 gpd of effluent to the Authority's Walnut Creek facility. Ken's continues to submit the requested data to the Authority as required under the consent agreement. Mr. Hembree noted that they are operating within their permitted limits. He advised that during this process Ken's has learned more about its treatment facilities, and he feels the future risk of a similar situation is low. Mr. Carter inquired whether Ken's continues to be responsible for our consultant costs. Mr. Hembree advised that Ken's Foods' reimbursement of these expenses is part of the consent agreement.

Costco Update

Mr. Carnell reported that the engineers for Costco have submitted to the Authority a routing for the gravity sewer for the project, and it appears it is the same routing that the Authority had initially suggested and will work for the proposed project. The Authority's staff is in the process of reviewing the application for a water and sewer availability letter and will be issuing that soon. Mr. Sage provided a power point presentation depicting the proposed routing. Ms. Stidom noted that if this routing will provide service to the development then Commissioner Clemmons will be fine with it. Mr. Farmer clarified that the project will be at developer expense and that the expense is less than the original estimate. Ms. Stidom also emphasized the need for construction of sewerage infrastructure concurrently with the construction of the western parallel connector. She advised that rights-of-way are currently being acquired and that the Authority needs to look at ways to provide sewer for new businesses that will be locating in that area. Mrs. Harrell questioned whether this project should be added to the Authority's CIP plan. Mr. Farmer agreed that it should be a part of the CIP so that we can begin to identify locations for sewerage infrastructure, and possibly a regional lift station to serve that area. Mrs. Harrell emphasized that the Authority needs to be informed as the project progresses. Mr. Holder noted the importance of regular meetings between the Authority, Board of Commissioners and Development Authority. Ms. Stidom agreed and recommended that Commissioners and

their appointees from each district should meet with Lindy at least annually to discuss needs in their respective districts. Mr. Carnell stated that while the Authority does have some communication with GDOT, the Development Authority and Planning & Zoning, the Authority also needs to know when a project is designated as one of “economic impact,” as this information is important to the Authority for future planning.

Quarterly Financial Report/Resolution Concerning Water/Sewer Rates FY21
(Roderick Burch, CFO)

Mr. Burch provided a power point presentation to the Board concerning the Authority’s quarterly financial report. He reviewed revenue sources for FY20. He also reviewed water and sewer revenues collected during the first quarter of FY21. He noted that water sales are down some due to the high rainfall over the summer. He stated other revenues are good, and we are ahead of projections. Mr. Burch advised that for FY20 all departments were within budget. He noted that for FY21 expenditures in all departments are within budget parameters. Mr. Burch then reported concerning the Authority’s outstanding debt. He noted that the Authority may have an opportunity to reduce some of its bond debt. He will present a parameters resolution to the Board at the November meeting which sets out certain conditions, and if those conditions are met, the Authority can consider moving forward. Mr. Holder noted that a bond refunding will require BOC support and he encouraged members of the Board to affirm to their respective commissioners that a bond refunding will not extend the 2 mil tax.

Mr. Burch also discussed a resolution to establish water and sewer rates for the coming year. He reminded the Board that unless alternative action is taken by the Board, an automatic 5% increase in water and sewer rates will be implemented. It was Mr. Burch’s recommendation that the Board adopt a resolution implementing a 0% increase in rates for the coming year. He reviewed the Authority’s current rates as well as rate increases over the last 10 years. He noted that the University of North Carolina Environmental Finance Center compares rates charged by surrounding counties, and although the data is one year old, the data does show that the Authority’s rates are comparable with other counties. Mrs. Harrell inquired about the affect a 0% increase will have on revenues for the coming year. She stated she does not want to see a significant increase next year as a result of a 0% increase this year. Mr. Burch advised that a review of water sales last year show a favorable outlook despite the fact that water sales are down for the first three months of FY21. After discussion, a motion was made by Mr. Holder and seconded by Ms. Stidom to approve and adopt Resolution No. 2020-08 providing for a 0% increase in water and sewer rates for FY21. The motion carried (5/0).

Public Relations Report (Chris Wood, PhD)

Dr. Wood provided a public relations report. A clip file of media releases/coverage was provided. He also showed a news clip aired by CBS46 where the Authority’s staff was interviewed on the topic of “no fats/rags down the drain.”

VII. PROJECTS AND ADJUSTMENTS:

The following projects were presented, noted to be in compliance with Authority policy and recommended for approval by the Board.

New Projects by Authority: GDOT3703 SR20 & I-75 Diverging Diamond Interchange

EXT3708 Emson Village Sewerline Acquisition
EXT2911B Walnut Creek Septage Receiving Station Upgrade

Mr. Sage provided additional information regarding the GDOT “Diverging Diamond” project. Mr. Banks reported concerning the need to upgrade the Walnut Creek receiving station. He noted that the Authority collects approximately \$190,000 per year in fees for the dumping of septage at its facility.

Developer Projects: None
Budget Adjustments: None

Motion was made by Ms. Poole and seconded by Mr. Holder to approve the projects as presented. The motion carried unanimously (5/0).

VIII. APPROVAL OF MINUTES: September 10, 2020 Regular Meeting

The minutes of the September 10, 2020 Regular Meeting and Executive Session of the Board were approved on motion made by Ms. Stidom and seconded by Mrs. Harrell. The motion carried (5-0).

IX. OTHER BUSINESS:

Mr. Carter provided a report concerning the General Manager’s evaluation process. He and Ms. Poole will be meeting later this month to review responses received from the Board. He advised that a presentation will be made to the full Board at the November meeting.

X. ADJOURNMENT:

Motion was made by Ms. Stidom and seconded by Mrs. Harrell to authorize the Chairman to execute the Affidavit concerning Executive Session matters and to adjourn the meeting at 10:33 a.m. The motion carried (5-0) and the meeting was adjourned.

James C. Carter, Jr., Chairman

Kimberly Turner Osborne, Clerk