

**MINUTES OF BOARD MEETING: September 8, 2016 – 8:00 a.m.
HENRY COUNTY WATER AUTHORITY**

I. CALL TO ORDER/ATTENDANCE

A regular meeting of the Henry County Water Authority Board, duly advertised, was held on Thursday, September 8, 2016, at the Authority's Administrative offices located at 1695 Highway 20 West, McDonough, GA. Mr. James C. Carter, Jr., Chairman, called the meeting to order at 8:00 a.m. The following members were present: James C. Carter, Mike Barr and Harold Jenkins. The following Authority staff and consultants were present:

Lindy D. Farmer, Jr., General Manager
Roderick Burch, CFO
Pat Hembree, Div. Mgr., Water & Wastewater
Scott Sage, Div. Mgr. Engineering
Scott Harrison, Div. Manager, Operations
Kim Osborne, Clerk
Andy Welch, Smith, Welch, Webb & White

II. VISITORS Mr. John Page, President of Garden Gate Homeowners Association, addressed the Board concerning agricultural meters and billing questions. Mr. Burch met with him following the meeting to discuss his concerns.

III. ACCEPTANCE OF AGENDA

Mr. Carter presented the Agenda for approval by the Board. There were no amendments. Motion was made by Mr. Barr and seconded by Mr. Jenkins to accept the Agenda as presented. The motion carried (3-0).

IV. REPORT OF ATTORNEY

Mr. Welch advised that he had no matters on which to report.

V. REPORT OF GENERAL MANAGER

Clayton County Water Authority – Fairview Sewer Agreement

Mr. Burch addressed the Board concerning an agreement with Clayton County Water Authority to provide sewer capacity to serve the Fairview Road area specifically SPLOST Project No. 3491. The Authority reviewed options to provide sewer service to this area, and the agreement with Clayton County was deemed to be the most financially feasible option. Under this option, the Authority will be required to make an up-front payment to Clayton County in the amount of \$700,000 which is a capacity charge. Mr. Burch felt this is a reasonable charge for acquiring this capacity, when compared to the cost of constructing new facilities. The Fairview area is a slow developing area and the capacity being purchased from Clayton County should sustain us for some time. Mr. Farmer pointed out that the Board of Education has also expressed an interest in capacity provided by

that line. It was noted that counsel for both parties have reviewed the agreement, and the Board of Directors of Clayton County Water has approved the agreement and will execute it upon approval by Henry County Water Authority. It was Mr. Farmer's opinion that this agreement is the best option for providing service to the Fairview area, and it was his recommendation that the Board approve the agreement with Clayton County Water Authority. Mr. Carter acknowledged the recommendation made by staff, and opened the floor for further discussion or questions from the Board. There were none. Mr. Barr commended staff for working towards a feasible solution, and for working in cooperation with other entities to reach a resolve. Motion was made by Mr. Jenkins and seconded by Mr. Barr to approve the agreement with Clayton County Water Authority as presented. The motion carried (3-0).

TAVT Receipts

Mr. Burch reported that with the passage of SB 379, which became effective, July 1, 2016, the Henry County Tax Commissioner has remitted to the Authority an additional \$62,000 in vehicle ad valorem tax collections. Mr. Burch reminded the Board that SB 379 restored revenue to the Authority which was lost when the method of collecting vehicle ad valorem tax was changed with the implementation of the new TAVT tax. He advised that these additional collections could amount to approximately \$1,000,000 per year in revenue to the Authority to satisfy the Authority's debt service.

2016-17 Rates Review

Roderick Burch addressed the Board concerning the annual review of the Authority's rates. He advised that in order to follow the Authority's financial model, which provides for meeting the Authority's debit service, future capital improvements and other financial obligations, an increase in water and sewerage rates for all customers will be necessary this year. Under the Authority's current policy, an automatic increase of 5% is implemented annually, unless the Board takes alternative action. Mr. Burch advised that he and Mr. Farmer reviewed the Authority's financial position and feel that an increase of 2% will keep the Authority in line with its financial model. This increase will only be applied to the Authority's volumetric rates, not the base charge, and will apply to all Authority customers. Mr. Carter opened the floor for further discussion. Following discussion, a motion was made by Mr. Barr and seconded by Mr. Jenkins to adopt Resolution No. 2016-04 to implement a 2% rate increase on the Authority's volumetric rates for the year October 1, 2016 through September 30, 2017; in accordance with staff recommendation. The motion carried (3-0).

Highway 81 Water Storage Tank Construction Update

Pat Hembree provided a construction update on the East Henry – Highway 81 water storage tank. He advised that the contractor is making good progress and is currently pouring concrete. Once completed the tank will be approximately 200' in height and will provide for 2 mgd of storage. A presentation of construction photographs was also provided.

Drought Contingency/Reservoir Storage

Pat Hembree addressed the Board concerning current reservoir storage levels. He reported that average daily demand over a ten day period has been 19.47 mgd. The Authority's reservoirs are 2 – 3 feet below full pool. Mr. Hembree reported, however, that even with no significant rainfall, the Authority has total remaining reservoir volume to meet current demand for 375 days.

Cubihatcha Outdoor Classroom/Field Trips

Mr. Ken Presley, Assistant Reservoir Manager, addressed the Board concerning the upcoming 3rd grade field trips at the Cubihatcha Outdoor Learning Center. He stated that the Authority partners with the Board of Education, U.S. Fish and Wildlife, Georgia Farm Bureau, and other organizations to host this annual event. He advised that every school in Henry County is participating this year. Approximately 3,000 third grade students and their teachers are expected to attend. This year marks the 13th year of the field trip event and to date approximately 36,000 students have participated.

JWA Public Relations

Dr. Wood was not in attendance, however a written report concerning recent media relations was provided to the Board.

VI. PROJECTS AND ADJUSTMENTS

The following projects were presented for approval by the Board:

New Projects (By Developer)

DEV1058	Traditions@Crystal Lake Phase II
DEV3541	Red Oak Village

Budget Adjustments:

EXT3427	Rodgers Road Site Distance Improvement
EXT3519	Panola Lombard Service & Iperl Meter Replacement
SPLOST3520	Jodeco Road @ Oak Grove Road

Mr. Farmer advised that the projects are in compliance with Authority policy and recommended the Board take action to approve them. A motion was then made by Mr. Barr and seconded by Mr. Jenkins to approve the projects as presented. The motion carried (3-0).

VII. APPROVAL OF MINUTES – August 11, 2016 Regular Board Meeting

Mr. Carter opened the floor for discussion and approval of the minutes of the Authority’s regular meeting which was held on August 11, 2016. There were no revisions and a motion was made by Mr. Jenkins and seconded by Mr. Barr to approve the minutes as submitted. The motion carried (3-0).

VIII. EXECUTIVE SESSION NONE

IX. OTHER BUSINESS NONE

X. ADJOURNMENT Motion was made by Mr. Jenkins and seconded by Mr. Barr to adjourn the meeting at 9:12 a.m. Motion carried (3-0).

James C. Carter, Jr., Chairman

Kimberly Turner Osborne, Clerk