

MINUTES OF BOARD MEETING: September 14, 2017
HENRY COUNTY WATER AUTHORITY

I. CALL TO ORDER/ATTENDANCE

The Board of Directors of the Henry County Water Authority held its regular meeting on Thursday, September 14, 2017. The meeting was duly advertised and was held at the Authority's Administration offices located at 1695 Highway 20 West, McDonough, Georgia. James C. Carter, Jr., Chairman, called the meeting to order at 8:02 a.m. The following members were present: James C. Carter, Jr., Harold Jenkins, Carlotta Harrell (via teleconference), Roslyn Williams and Warren Holder.

The following Authority staff and consultants were present:

Lindy D. Farmer, Jr., General Manager
Tony Carnell, Deputy Manager
Kim Osborne, Clerk
Roderick Burch, CFO, Division Manager
Scott Harrison, Division Manager, Operations
Scott Sage, Division Manager, Engineering
Pat Hembree, Division Manager, Water & Wastewater
Bill Banks, CIP Coordinator
Ray Sanders, Manager, Water/Sewer Operations Maintenance
GIS Department
Tara Brown, Environmental Compliance Coordinator
Dan Newcombe, IT Manager
Chris Wood, JWA
Andy Welch, Smith, Welch, Webb & White

II. ACCEPTANCE OF AGENDA

Mr. Carter presented the Agenda for approval by the Board. There were no amendments and motion was made by Mrs. Williams and seconded by Mr. Jenkins to accept the Agenda as presented. The motion carried (5-0).

III. VISITORS NONE

IV. REPORT OF ATTORNEY

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

V. REPORT OF GENERAL MANAGER

Discussion of 2017-2018 Water & Sewer Rates (Roderick Burch)

Mr. Burch addressed the Board concerning a proposed 2% increase in water and sewer rates for the coming year. He provided a power point presentation showing a comparison of current rates with the proposed 2% rate increase. Based on 7,000 gallons consumption, a water only customer would see an increase of \$0.98 cents per month and a water and sewer customer would see an increase of \$1.96 per month. Mr. Burch also reviewed water and sewer rates for area counties on 7,000 gallons consumption. He stated that the Authority's water and sewer rates fall in the middle range compared to other metro Atlanta counties. Mr. Burch pointed out that there was no increase in residential rates for the years 2014 and 2015, and only a 2% volumetric increase on last year's rates. He noted that in accordance with the Authority's Water Ordinance, rates automatically increase by 5% each year, unless the Board takes action otherwise. He further noted that the Authority's bond resolution contains a rate covenant which requires the Authority to establish rates and fees to comply with bond requirements without regard to the 2 mil tax levy. Mr. Farmer noted that the increase will help the Authority fund its \$924 million capital improvement program which includes some upcoming projects such as Fairview system pressure improvements. He noted that the Authority has funded projects in-house where possible, thereby avoiding taking on new debt through loans or SRF funding. He advised that if the Authority can continue to fund its projects in this manner, it can defer returning to the bond market for funding, and can reduce the amount of funds the Authority will need to borrow in the future. In order to provide sufficient notice to the Authority's customers, Mr. Burch recommended the Board take action to approve the proposed rate increase by resolution. Mr. Welch again pointed out that the Authority's water ordinance provides for a 5% rate increase; therefore, the current proposed increase of 2% is a reduction from the automatic increase set forth in the Water Ordinance. Mr. Carter opened the floor for discussion. Mrs. Harrell stated that she feels the increase is necessary due to the projects the Authority has planned for the future and to continue to provide a high level of service to the Authority's customers. It was Mr. Holder's position, that the 2% increase be imposed this year, but he favored no increase for 2018. Following discussion, Mr. Carter opened the floor for a motion to adopt a resolution to implement a 2% increase in water and sewer rates for 2017-2018. The motion was made by Mrs. Harrell and seconded by Mr. Holder to adopt Resolution 2017-10 to reduce the 5% annual rate increase to a 2% increase in water and sewer rates as provided for in the Authority's ordinances. The motion carried unanimously (5-0).

Recommendation to Surplus Equipment (Roderick Burch)

Mr. Burch presented a list of 9 items of property/equipment to be approved for surplus due to age and/or overall condition. Motion was made by Mr. Holder and

seconded by Mrs. Williams to declare these items as surplus as recommended by Mr. Burch. The motion carried unanimously (5-0).

Upper Reeves Creek Agreement with Clayton County Water Authority (Tony Carnell)

Mr. Carnell discussed the proposed Upper Reeves Creek Agreement with Clayton County Water Authority. He advised that this agreement will replace the 1986 agreement with Clayton County. He reviewed the service area covered by the agreement and pointed out that the Authority will own the water lines in the service area and will collect water and sewer fees for customers in that area. The sewer fees will be collected on behalf of Clayton County and those fees remitted to Clayton County Water Authority. It was Mr. Farmer's opinion that this agreement is good for the Authority and he recommended approval by the Board. Mr. Carter opened the floor for further discussion. He questioned whether the 10% administrative charge is customary. Mr. Farmer advised that it is a customary fee and that other entities also collect such fees. A motion was then made by Mrs. Williams and seconded by Mrs. Harrell to adopt Resolution No. 2017-11 authorizing the Chairman to execute the Upper Reeves Creek Agreement with Clayton County Water Authority. The motion carried unanimously (5-0).

Construction Update – Airport Sanitary Sewer Project

Mr. Sage gave a visual presentation and update concerning the construction of the Airport Sanitary Sewer project. He advised that the county has been notified that the project will exceed the \$2 million cost estimate, therefore, there will be no funds available for phase 3 of the project.

Leak Detection/Water Loss (Scott Sage, Brock Biles)

Messrs. Scott Sage and Brock Biles gave a presentation on the Authority's leak detection program. Mr. Sage pointed out that Mr. Carnell started the program for leak detection, and after a period of ten years his staff has calculated that approximately 1 billion gallons of water has been saved due to identified leaks. Mr. Sage commended the Authority's leak detection staff: Allen Rape, Brock Biles, Gary May, Dustin Ware, Brook Jackson, Michael Lunsford and Alex McCart for making the leak detection program so successful. Mr. Carnell also pointed out the importance of training and investment in the Authority's staff and how that training has benefited the Authority through the development of program such as this one. Mr. Carter also expressed his appreciation to the Authority's staff for their accomplishments.

Drought Contingency/Reservoir Storage (Pat Hembree)

Mr. Hembree reviewed the Authority's current reservoir levels reporting that the Authority's reservoirs are in good shape following recent rains. The Long Branch is the only

reservoir below full pool, down 1 ft. He reported that demand is averaging 17 mgd and with this current demand the Authority has 480 days of storage absent any rainfall during this time period. Mr. Hembree also advised that the Level 1 drought designation for Henry County has been lifted by EPD, however, non-drought watering schedules will be maintained.

Mr. Sanders addressed the Board concerning the effects of Hurricane Irma on the Authority's facilities and equipment. He reported that his staff had responded to 25 events during the storm, but there were no sanitary sewerage overflows. Mr. Carnell noted that Mr. Sanders has played an integral part in developing standards for the Authority's systems and maintenance. He has also developed a preventative maintenance program for the Authority. Mr. Carnell emphasized again the value of investing in employee training and development.

Public Relations

Dr. Chris Wood reviewed current public relations and upcoming events. A written report was provided to the Board. Tara Brown also presented information on the four-day Rain to Drain teacher workshop recently hosted by the Authority. She advised that Mr. Brian Harris prepared a professional video of the event free of charge. Mrs. Brown presented the finished video for the Board's review. It was a consensus of the Board that the video was outstanding and really highlighted the Authority and the contributions its staff makes to our community. The Board expressed its appreciation to Mrs. Brown, Mr. Harris and all Authority staff for this outstanding educational outreach.

Announcements:

Mr. Farmer announced that the Cubihatcha Kids 3rd grade field trips will be held this month.

VI. PROJECTS

The following projects were presented for approval by the Board:

New Projects:

GDOT3454	Blackhall Road@Jodeco Road W/L Extension
EXT3596	Karen Drive W/L Extension

Developer Projects:

DEV2632	Bellah Landing Phase 3
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Budget Adjustments: None

Mr. Farmer advised that the projects are in compliance with Authority policy. Mr. Holder made a motion to approve projects as presented. Mr. Jenkins seconded the motion and it carried unanimously (5-0).

VII. APPROVAL OF MINUTES – July 13, 2017 Regular Board Meeting

Mr. Carter opened the floor for discussion and approval of the minutes from the Authority's regular Board meeting conducted on July 13, 2017. There were no revisions and a motion was made by Mrs. Harrell and seconded by Mrs. Williams to approve the minutes as submitted. The motion carried unanimously (5-0).

VIII. OLD BUSINESS

Mr. Carter noted that the Board has had previous discussions concerning the possibility of adopting a Code of Ethics/Conflicts of Interest policy for the Authority. After polling members of the Board it was decided that the Authority should continue to comply with the provisions of the County's Ethics/Conflicts of Interest policies bringing a final resolution to this matter.

IX. OTHER BUSINESS

Mr. Carter advised that the General Manager's evaluation process will begin next month.

X. EXECUTIVE SESSION NONE

XI. ADJOURNMENT

Motion was made by Mr. Holder and seconded by Mrs. Williams to adjourn the meeting at 9:15 a.m. The motion carried (5-0) and the meeting was adjourned.

James C. Carter, Jr., Chairman

Kimberly Turner Osborne, Clerk