

**MINUTES OF BOARD MEETING: June 1, 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, June 1, 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 8:05 a.m. The following members were present: James C. Carter, Jr., Harold Jenkins, Carlotta Harrell, 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 Sage, Division Manager, Engineering  
Pat Hembree, Division Manager, Water & Wastewater  
Bill Banks, CIP Coordinator  
Allen Rape, GIS Manager  
A.J. Welch and Andy Welch, Smith, Welch, Webb & White  
Messrs. Gordon Mortin and Tom Owens, Raymond James

**II. ACCEPTANCE OF AGENDA**

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

**III. VISITORS Mr. Don Barnett (Gordon Mortin's guest)**

**IV. REPORT OF ATTORNEY**

Mr. Welch presented a resolution to authorize condemnation of a sewer line easement for the Campground Road sewer line project. He advised that a title search has been completed on the property, which is owned by Killearn Properties and J.H. Childs Company, and a number of liens and judgments were discovered. In order to obtain clear title to the required easement, Mr. Welch recommended it be acquired by a quick take condemnation action. It was his recommendation that the Board approve a resolution to this effect in order that the action can be timely filed. Mr. Carter opened the floor for further discussion. A motion was then made by Mrs. Harrell and seconded by Mr. Holder to approve and adopt Resolution No. 2017-05 authorizing condemnation of the required sewer line easement. The motion carried unanimously (5-0).

Mr. Welch presented a request from Ian and Katherine Fagan for a 60' ingress/egress easement to their property located on Preservation Drive. Mr. Welch advised that the Fagans will pay fair market value for the easement and will pay for an appraisal to establish that value. Mr. Welch noted that the Authority will not be conveying ownership to the property, only a right of ingress/egress. Mr. Carter opened the floor for further discussion. Mr. Farmer advised that he feels this is the best way to address the needs of the property owner and again pointed out that the Authority is not conveying title ownership of the property, only an easement, and that the property owners will be compensating the Authority for the easement. There being no further discussion Mr. Welch presented Resolution No. 2017-07 approving the conveyance of the easement for ingress/egress and authorizing the Chairman to execute all necessary documents. Motion was made by Mr. Holder and seconded by Mr. Jenkins to approve and adopt said resolution. The motion carried unanimously (5-0).

## **V. REPORT OF GENERAL MANAGER**

### Two-Mil Tax Presentation

Mr. Gordon Mortin of Raymond James gave a presentation concerning the history of the two mil tax, which was approved by voter referendum in 1968, and how this tax has benefited the Authority in terms of capital improvement planning and meeting the Authority's debt service obligations. He discussed the joint bond resolution between the Authority and the Board of Commissioners which formalizes the County's commitment to collect this tax for repayment of the debt. Mr. Mortin noted that with each bond issue the requirement to collect the tax is extended until the final maturity of the bonds. He emphasized that the Authority could not accomplish the development of its system, through its capital improvement plan, without the collection of the two mill tax. He pointed out that the Authority has been designated a natural Bond rating of Aa2 from the Rating Agencies, indicating the Authority's financial strength and ability to pay principal and interest requirements on all of its bonded indebtedness in a timely manner. He noted that this is an excellent rating which enables the Authority to achieve a lower rate of interest on its bond issues. Mr. Burch then reviewed the Authority's long-range capital improvement plan for 2016-2045. Mr. Welch provided a history of the creation of the Authority in 1961 by an act of legislation, and reviewed the changes to the legislation which were approved in 2013.

### Approval of FY 18 Budget

Mr. Burch presented for Board approval, the Authority's operating budget for FY 18 in the amount of \$64,801,814. He noted that the proposed budget was reviewed in detail at the Board's May meeting and work session. He pointed out that the expenditure for an updated sound system for the Board room and the Authority's engineering conference room in the amount of \$48,000 has been removed from the FY18 budget. He advised that there are no further revisions. He requested the Board take action to adopt Resolution No. 2017-06 approving the FY18 operating budget as presented. Mr. Carter opened the floor for further

discussion. He pointed out that the resolution to approve the FY18 budget also provides for the compensation of the Authority's Board at \$875.00 per month. Mr. Carter explained how the Authority Board's compensation was established and noted that the compensation is the same as it was four years ago when the Board of Commissioners approved a reduction in its compensation. Mr. Carter opened the floor for a motion to approve the FY18 budget as presented. Motion was made by Mr. Holder and seconded by Mrs. Harrell to adopt Resolution No. 2017-06 approving the Authority's FY18 operating budget in the amount of \$64,801,814 as well as establishing the Authority Board's monthly compensation in the amount of \$875.00. Mr. Carter opened the floor for further questions. Mrs. Harrell inquired whether the budget includes a rate increase for the coming year. Mr. Burch replied that the 2016-2017 rates were utilized when developing the FY18 budget. He pointed out that revenues were higher than expected, and that a rate increase was not estimated in this budget. However, water sales will be evaluated at the end of the summer to determine if the Authority's projections were met and at that time the need for a rate adjustment will be determined.

Request to Surplus Property

Mr. Burch presented a list containing 24 items of assets owned by the Authority which were recommended for surplus including a justification for salvage of the items. The list included vehicles, equipment, computers and other information technology items. Mr. Burch advised that the items will be listed for sale on Govdeals.com which is a public auction site. Motion was made by Mr. Jenkins and seconded by Mrs. Harrell to approve the surplus of the items presented. The motion carried (5-0).

Construction Update – East Henry Elevated Tank

Mr. Banks provided a construction update concerning the East Henry Elevated Water Tank utilizing a power point presentation. Mr. Farmer commended the Authority's staff and noted that the Authority saved funding on this project by utilizing its staff members to manage the project. The funds saved can be directed to other Authority projects.

**VI. PROJECTS**

The following projects were presented for approval by the Board.

Authority Projects:

MTRUPG3484C	Route 110 IPERL Meter Replacement
MTRUPG3484D	Highland Woodhaven IPERL Meter Replacement
MTRUPG3484E	Route 111 IPERL Meter Replacement

Developer Projects: NONE

Budget Adjustments:

SPLOST3409A	Frog Road Sewer Line Relocation
SPLOST3409	Frog Road Water Line Replacement
WATDIST3129C	S Ola System Improvement Const.
WATDIST3129B	S Ola System Improvement Design

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

**VII. APPROVAL OF MINUTES – May 4, 2017 Regular Board Meeting and Planning Session**

Mr. Carter opened the floor for discussion and approval of the minutes from the Authority’s regular Board meeting and planning session conducted on May 4, 2017. There were no revisions and a motion was made by Mr. Jenkins and seconded by Mrs. Williams to approve the minutes as submitted. The motion carried unanimously (5-0).

**VIII. OTHER BUSINESS**

Mr. Carter noted that there has been discussion of a joint meeting with the Henry County Board of Commissioners to be scheduled in the near future. Mr. Farmer is working to coordinate this meeting.

Mr. Carter noted that during the May Board meeting, Mr. Andy Welch presented information about the Board of Commissioners’ ethics/conflicts of interest policies. He encouraged members of the Board to review these policies for further discussion at the July Board meeting. Mr. Andy Welch explained how the Authority is governed under the County’s policy, and noted that the Authority’s Board must make the decision to either adopt its own policies or remain under the BOC policy.

**IX. EXECUTIVE SESSION NONE**

**X. ADJOURNMENT**

Motion was made by Mrs. Harrell and seconded by Mrs. Williams to adjourn the meeting at 10:13 a.m. The motion carried (5-0) and the meeting was adjourned.

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James C. Carter, Jr., Chairman

Kimberly Turner Osborne, Clerk