



AGENDA
BOARD MEETING
STRATEGIC PLANNING SESSION
Walnut Creek
May 16, 2024 – 8:30 a.m.

A meeting of the Henry County Water Authority Board, duly advertised, was held on Thursday, May 16, 2024, at the Authority's Walnut Creek Wastewater Reclamation Facility located at 1682 North Ola Road, McDonough, GA. The following Board members were present: Warren Holder, Chair; Sandra Rozier, Vice Chair; Myra Lott, Secretary/Treasurer; Bruce B. Holmes, Member (via teleconference); Fred Mays, Member-At-Large and Lindsey McGarity, Member.

HCWA Attendance: Administration - Tony V. Carnell, General Manager; Dave Peterson, CFO. Karen Lake-Thompson, Clerk; Directors: Tamara Woodie, HR; Dan Newcombe, IT, Tara Brown, Strategic Planning. Division Managers: Pat Hembree, Scott Sage, Allen Rape. Staff: Buster Cook, Water Pollution Control Manager; James Estes, Water Pollution Control Assistant Manager; Patrick Kelley, Sr. Water Resources Engineer; Travis Jackson, Strategic Coordinator; Ken Presley, Reservoir Manager; Rodney Stroud, Procurement Compliance Specialist; Cliff Hardin, Sewer Line Maintenance Manager.

Smith, Welch, Webb & White, LLC: Counsel - Andrew Welch, III, and Mercedes Fagan
Metropolitan North Georgia Water Planning District: Danny Johnson, P.E., Manager
JWA Public Communications: Public Relations - Chris Wood, PhD
Gallagher Risk Management: Scott Thompson, Matt Simmons & Daniel Duhart
Visitors: The Jeffares Family and Don Veum

CALL TO ORDER/WELCOME VISITORS

Chair Carter called the meeting to order at 8:30 a.m. and welcomed all in attendance.

INVOCATION Mr. Hembree gave the invocation.

ACCEPTANCE OF AGENDA

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

PUBLIC COMMENT None

SPECIAL PRESENTATION

Mr. Carnell recognized Mr. Jason Jeffares for his 37 years of service and dedication as well as his many contributions to the Authority. Chair Holder read the proclamation highlighting Mr. Jeffares' long-tenured career and the numerous industry awards the Authority received under his leadership. Mr. Jeffares thanked staff for the recognition and his family.

REPORT OF ATTORNEY

Mr. Welch introduced his associate Mercedes Fagan, the newest attorney at SWWW, who will be working on HCWA matters.

Resolution 2024-08: Mt. Carmel Park Easement Acquisition – Ambersley Property

Mr. Welch presented the resolution to acquire two (2) easements for the Mt. Carmel sewer line extension to take the soccer facility off septic and to serve a new community use building. Staff has not been able to contact the Ambersley property owner and the appraisal is at \$6600. The resolution provides for further notifications with the property owner and establishes the criteria for use of eminent domain should it become necessary, which is usually a 2-month process. Mr. Sage showed the map location of the project and easement area and identified a third easement at the location that has been obtained by Henry County Government. There being no further discussion, motion to approve the resolution as presented was made by Mr. McGarity and seconded by Mr. Mays. The motion carried (6/0).

Resolution 2024-09: Mt. Carmel Park Easement Acquisition – Simmons Property

Mr. Welch stated that this resolution was similar to 2024-08 and that the property owner may settle for \$2800 in the next week or two. The property owner has requested an adjusted route and staff accommodated the request. Motion to approve the resolution as presented was made by Mrs. Lott and seconded by Mr. McGarity. The motion carried (6/0).

Vertical Bridge Cell Phone Tower Agreement

Mr. Welch updated the Board on the Vertical Bridge Cell Phone Tower Agreement and that legal is negotiating the final contract and he will come back before the Board at the June meeting for final approval.

GDOT Easement Limited Agreement – SR 81 West @ New Morn Drive

Mr. Welch stated that negotiations are ongoing - legal is working with GDOT regarding the easement and shared that HCWA wants to be compensated by GDOT for the easement.

REPORT OF GENERAL MANAGER

Proposed GA EPD Consent Order for Walnut Creek LAS

Mr. Carnell stated that HCWA received a Proposed Consent Order from EPD on April 15, 2024, with notice to respond within 30 days to EPD with a CAP (corrective action plan). The Proposed Consent Order was all-inclusive of the Sanitary Sewer Overflows (SSOs) as well as violations at the other plants. HCWA staff met with legal to propose a CAP. A meeting is scheduled with EPD for June 4, 2024, to negotiate items on the consent order.

Mr. Hembree showed a map of the 1,000 acres consisting of 8,500 spray heads at the Walnut Creek Land Application System (LAS). HCWA has previously submitted a CAP, but EPD marked it up and returned it. HCWA was looking to do a pilot study to conduct soil injections of an emulsifier, this was not an option for EPD, as they did not do this on an active spray field, and shutting down the fields is not an option at this point. Once HCWA gets the consent order modified, we will begin working on a CAP again.

Mr. Carnell shared that they combined our permits, so our LAS permit is tied to our treatment permit which will have the appearance of a brand-new plant as though it is under consent order due to the LAS issues. Mr. Welch shared, that the General Manager has made it clear to EPD that HCWA needs every bit of the LAS capacity. It appears unclear to EPD that we cannot shut down any portion of the LAS. Forty (40) years ago, EPD preferred LAS and now there is such a demand for water that they lean toward direct discharge.

Mr. Holder asked if we have tested nitrates in South River or creeks in the area. Mr. Kelly shared that stream and creek levels are very low compared to ground monitoring wells, below 10 MCL with 15 years of documentation.

Further discussions ensued with Board members asking questions and staff responding. Mr. Carnell shared that HCWA will be working on testing different options proposed by EPD (i.e. planting Bermuda grass and testing nutrients of hay coming off the land). Mr. Hembree shared that currently the fields are planted with pines to harvest hay. The EPD is proposing grasses stating it's more effective at removing nutrients from the soil.

Mr. Carnell stated having the brand-new plant expansion tied into the current plant, will give the appearance of a brand-new plant that will come on line with the Consent Order.

HCWA Property Encroachment at Lakefront Park

Mr. Presley provided the timeline of events regarding the Heron Bay lakefront park encroachment. On March 23, 2023, staff noticed cut trees and met with Heron Bay HOA on August 8, 2023, to discuss violations. Heron Bay HOA took no responsibility for the encroachment violation. Furthermore, there was no proof or witnesses and HCWA staff focused on working with the HOA to mitigate and restore the buffer. Heron Bay HOA invited HCWA to HOA meetings to educate the community on buffer zones/violations, to date no invite/action taken by HOA. HCWA staff has since marked the property lines and placed signage on property and trees. HCWA staff worked with the HOA landscaper for a year.

October 23, 2023, staff remarked property lines and added signs along the lakefront park area. December 7, 2023, staff met with Ethan Leake (NatureScapes) to discuss design options but still have not received any plans. On April 9, 2024, a landscaper noticed 40 shrub clusters and 12 large trees had been cut. Police were notified and a report was filed, showing disturbance areas. Owners within the Lakefront property shared the identity of the party responsible. The vegetation buffer zone was displayed on a map, showing the easily visible signage present before the cuts. Additional photos from a field observation identified the cut spots.

April 15, 2024, there was an HOA Board meeting to discuss remediation. On May 2, 2024, the Henry County Police Department filed charges for criminal damage to property, a second-degree felony. The accused property owner was arrested on May 7, 2024, a day after he asked HCWA staff if there was another way to resolve the issue outside of criminal proceedings. Mr. Rape noted that there was no other option to handle the matter, but the Authority would be open to discussions with the DA to reduce the charge to a misdemeanor if a remediation plan can be created that is suitable to the Authority and restitution is paid for all expenses. Currently, HCWA staff is awaiting a response from those handling the case to remediate it.

Mr. Mays suggested that staff coordinate with the District Attorney prior to the District Attorney reaching any settlement with the accused property owner. Mr. Holder noted that these situations will only get worse as development increases around the reservoir buffer zones, especially since individuals do not seem to read the restrictive covenants in their contracts.

Mr. Rape shared that education goes out to the real estate agents who have these lots listed improperly as lakefront properties.

Announcements

Mr. Carnell reported on the GAWP awards received by HCWA: Tussahaw Water Treatment Plant, Plant of the Year; Towaliga Water Treatment Plant, Certificate of Distinguished Merit; Michael Dodson (Sewer Line Maintenance Field Supervisor), District 3 Collections Top Operator; Robert Sims (Water & Sewer Operations Maintenance Technician), Top Maintenance Technician; Education Program of Excellence; Towaliga Water Treatment Plant & Tussahaw Water Treatment Plant, Drinking Water Facility Platinum; Indian Creek Water Reclamation Facility, Wastewater Facility Gold; and Bear Creek Land Application, LAS Facility Gold.

Mrs. Brown stated there were 13 registered participants for HCWA's Citizens Academy (May 16, 18, 30 & June 1, 13, 15), this program creates ambassadors of Water.

Mr. Presley reported on HCWA Safe Boating Week (May 20–25) and noted Georgia ranks no. 7 nationally for boating accidents with most people not wearing life jackets. HCWA staff will be out promoting boat safety with the public and will have life jacket loaner stations available. Prizes will be given on the spot for those adhering to the rules.

Mr. Presley reported on HCWA's 3rd Annual Kids Fishing Day (June 8) and that there are 430 people registered. Mr. Carnell invited the Board to the event. It was also noted that HCWA may have to shut down registration to promote safety and crowd control.

Mrs. Woodie reported on HCWA's partnership with Southern Crescent Technical College and the launching of the Pre-Apprenticeship Summer Program (May 22 – July 16) for 12 interns. The internship will target High School juniors and seniors, focusing more on employability skills such as human relations, job acquisition, personal finance, and diversity. Four (4) HCWA departments will participate: Reservoir & Grounds, Water Sewer Operations Maintenance, Wastewater, and the Water Plant. Twenty-one applications have been received from public, private & home-schooled students. There are three (3) returning interns from last year and one (1) student was hired as a regular part-time employee.

HCWA Waterworks Summer Camp (July 9-12) – 8 students signed up so far, rising 9th graders, targeting introduction to water careers, job skills, and personal financial training – spots still available.

Mr. Carnell announced the City of Hampton Target distribution ribbon cutting on May 20 and asked that Board Members RSVP, if interested in attending. The City of McDonough is hosting the Municipal Dinner on May 28, where key staff will be in attendance and for Board members to let him know if interested.

PROJECTS and ADJUSTMENTS

Mr. Sage addressed the Board concerning the new projects. There being no further discussion, motion was made by Mr. Mays and seconded by Mr. McGarity to approve the new projects as presented. The motion carried (6/0).

New Projects: EXT3920 Flippen Rd & Dutchtown School W/L Connection
 EXT3850K Lee Rd Water Line Extension
 SPLOST3452 McDonough Parkway Extension/SR42-SR
 SPLOST3805 Flippen Rd Extension

Mr. Sage addressed the Board concerning the developer projects. There being no further discussion, motion was made by Mrs. Rozier and seconded by Mr. McGarity to approve the developer projects as presented. The motion carried (6/0).

Developer Projects: DEV1114 Laurel Creek
 DEV3559 Price Drive Extension
 DEV3843 North Ola Subdivision
 DEV3881 Walker Grove
 DEV3907 Patillo Road Subdivision

Mr. Sage addressed the Board regarding the budget adjustment of \$206K. GDOT relocated water and sewer lines due to road widening which turned out to be a rock bore costing \$90K. HCWA is seeking reimbursement from GDOT. Motion was made by Mrs. Rozier and seconded by Mrs. Lott to approve the budget adjustment as presented. The motion carried (6/0).

Budget Adjustment: GDOT3707A GA Hwy 20/81 Relocation WL/SL

APPROVAL OF MINUTES Motion was made by Mrs. Lott and seconded by Mr. McGarity to approve the April 11, 2024 Board Minutes. The motion carried (6/0).

The Board took a recess at 9:40 AM and reconvened at 9:50 AM.

STRATEGIC PLANNING SESSION

Opening Remarks

Chair Holder welcomed everyone and thanked staff for their preparations for the meeting. Mr. Carnell shared the primary purpose of the Strategic Planning Session is to set the FY25 budget and to show the Capital Improvement Plan (CIP), which is the guidance document that assists HCWA with the financial plan and model. Mr. Carnell also welcomed guest speakers, Gallagher & Co., and Danny Johnson with the Metro North Georgia Water Planning District. He also thanked staff for their hard work in preparing for the sessions.

CIP/Master Plan Update

Mr. Sage showed a video timeline of HCWA's system progression from 1970 to 2023. Mr. Sage also noted it is a regulatory requirement by MNGWPD that the CIP is updated every 5 years, the last one was back in 2020. He stated that Barge Design Solutions will provide the 2025 update and that the key drivers are population, demand, and flow projections.

Mr. Hembree provided an overview of raw water supply & future raw water source options explaining the county population determines the withdrawal projections and when to expand the water treatment system. Mr. Sage added that Data Centers are starting to pop up around the state and requires 3 MGD of water for cooling, equivalent to serving 37K residents.

Mr. Hembree stated that the 2015 Master Plan showed the year 2050 as the timeframe to consider the next plant expansion. A map identifying future raw water source options was shown, including the South River, Walnut Creek low-head dam, and the Big Cotton Indian low-head dam. Mr. Carnell informed everyone that raising the level at Tussahaw was a more expensive option, as determined in a 50-year study.

Draft FY25 Proposed Budget/Board Compensation

Mr. Carnell shared that staff (Division Managers & Directors) have already reviewed and prepared what is being presented. He also expressed thanks to Mr. Peterson and the Finance team for preparing the budget for consideration.

Mr. Peterson presented the proposed FY25 budget. He reviewed projected revenues from water sales, sewer fees, 2 Mil Tax, impact fees, and connection fees. Personnel costs, operating/capital expenditures, and debt (GEFA-SRF Loans and Revenue Bonds) were also explained. Mr. Peterson explained that the proposed budget includes a water rate increase of 2%, sewer rate increase of 3%, and 10% municipal rate increase.

Mr. Peterson advised that the final FY25 operating budget in the amount of \$86,668,000 will be presented to the Board for approval at the June meeting unless there are any recommended modifications as a result of the presentation. He also advised that the Board members will need to provide their proposed salary information during the meeting.

Mrs. Rozier inquired about any outstanding impact fee debt by the municipalities. Mr. Peterson stated things are much better, with only under \$100K outstanding, and emphasized that the Authority is keeping up with what is owed.

Charitable Assistance Program

Mr. Peterson presented a report from Connecting Henry and Samaritans Together (our newest partner) on the Authority's Charitable Assistance Program (CAP) for the period of July 2023 – April 2024. He stated that 3,250 customers are participating in CAP and collecting about \$1,600 per month, which has assisted 62 households in Henry County.

Status of Purchasing Policy Programs & Outreach Efforts

Mr. Stroud provided an overview of HCWA's LBPP, LSMP, and SIP procurement programs. The LBPP (Local Business Preference Program), gives a 5% preference to any Henry County business. The LSMP (Local Sheltered Market Program) is designed to promote opportunities for local small businesses; and set aside certain contracts that are \$100K or less. The SIP (Supplier Inclusion Program) is designed to attract a diverse group of suppliers such as minority-owned, women-owned, or veteran-owned businesses.

He noted feedback from suppliers on challenges faced have been resources, insurance, bonding, scope of work, documentation, and using correct commodity codes. It was noted that during HCWA's Spring Suppliers Conference, 100% of those participating in the survey saw value in the conference.

The registration numbers for the procurement programs have increased from 15 (June 2022) to 175 (June 2023), and spending with those in the program has grown from \$54K to \$2.5M in the same period. Finally, Walnut Creek's \$181M expansion project spending with diverse business enterprises is at \$8.4M (\$4.5M with minority-owned and \$3.9M women-owned) and \$52.7M with local subcontractors.

The Board took a break for lunch at 12:33 PM and reconvened at 1:05 PM

Mrs. Rozier left the meeting at 12:34 PM.

Overview of HCWA Ordinances, Policies and Procedures

Mrs. Brown presented a brief overview of HCWA's enabling legislation, the Water Use Ordinance which was adopted in 1986 and updated in 2014 to include cross connections and backflow prevention, Sewer Use Ordinance, Watershed Protection, Reservoir Buffer Protection & Access Ordinance, Impact Fee Ordinance, and Comprehensive Plan Agreements with the Cities to be renewed this year.

Risk Management Strategic Review

Mrs. Woodie shared her concerns regarding staff safety and shared the launching of HCWA's new Mobile Traffic Unit (MTU) to help keep employees safe and visible during water/sewer line repairs. The MTU was created with the help of Clayton County Water Authority and Mr. Hardin's team.

Mrs. Woodie introduced Mr. Thomson, Mr. Simmons & Mr. Duhart with Gallagher & Company to present on risk management and insurance. They shared some of the external risk factors impacting insurance rates such as social inflation, climate change, cyber risks, and political violence, as well as various programs to assist HCWA in addressing risk.

Data Centers and Impacts on Water/Wastewater System

Mr. Johnson gave a presentation on data centers, showing a map of 52 current and 24 proposed data centers in Georgia. Two types were identified, one being the Hyper-Scalers (Meta, Amazon & Apple) are in larger demand and building data centers to process AI, MS Teams, and digital computing. House Bill 1192, which would have suspended the sales tax exemption for two years for data centers, was vetoed. The location preference is usually close to major cities to stay near fiber lines. The data centers cool by evaporation, providing only a 20% return to the sewer system, thus 80% is lost. There is a significant incentive to bring these data centers in, especially with community projects, but the tradeoff is limiting resources. The State of Georgia has addressed the power aspect of data centers but not the water resource impact. No trends are showing that the demand for data centers is decreasing. Data centers need redundancy for power and water to maintain temperatures in the facility. Another concern of data centers are their impacts on return water flows to the streams.

Status of Accomplishments/Goals & Objectives

Mr. Jackson updated the Board on the 2024 Goals/Objectives as well as the 10 attributes of the Effective Utility Management (EUM) groups focus areas of Customer Satisfaction, Employee & Leadership Development, Infrastructure Strategy & Performance, and Operational Optimization. Mr. Jackson also provided an overview of the General Manager's 2024 Focus Areas.

Walnut Creek Wastewater Treatment Plant Construction Update

Mr. Hembree provided an update on the Walnut Creek Water Reclamation Facility 6 MGD expansion showing location maps, solar dryer, and sludge press installs. Mr. Cook shared some of the challenges such as traffic congestion, day-to-day tasks, work around equipment, staging of equipment where HCWA staff is working, re-directing deliveries, planning projects cleaning, and contractor equipment.

The biggest concern is completion of construction prior to flows exceeding permitted capacity. Staff is doing everything possible to ensure and prepare in the event HCWA runs out of permit.

Closing Remarks

Mr. Holder thanked all of the staff for being thorough and professional.

ADJOURNMENT

Motion was made by Mr. Mays and seconded by Mr. McGarity to adjourn the meeting at 3:18 PM. The motion carried (6/0).



Warren Holder, Chairman

Minutes prepared by:
Karen Lake-Thompson, Clerk