

Hart County Water & Sewer Authority

Board of Directors Meeting February 20, 2017

The Hart County Water and Sewer Authority met on February 20th, 2017 in the Hart County Cooperative Extension Service Building. Chairman Hugh Holland called the meeting to order at 6:00 pm. Present were Vice Chairman Wade Carlton; Board Members Jerry Cannady, Larry Haley and Mike MacNabb; Director Pat Goran, Legal Counsel Walter Gordon, and Board Secretary/Treasurer Holly McBrayer. Also present were Hart County Board of Commissioners Chairman Joey Dorsey, Hart County Commissioner Marshall Sayer, The Hartwell Sun reporter Vivian Morgan and Hart County residents Terry Brock, Trudy Brock, Jason Cawthon, Greg Parker, Ricky Smith, and Lori Wood.

Welcome

Approval of Agenda

Mr. MacNabb motioned to approve the agenda and Mr. Haley seconded it. Mr. Cannady then recommended removing items 7G, 7I, 8A, 8B, and 8C from the agenda to allow time for the executive session. Mr. Holland requested that item 7G remain on the agenda. Mr. MacNabb amended his motion to approve the agenda with the removal of items 7I, 8A, 8B, and 8C. Mr. Haley seconded the motion which passed 5 – 0.

Introduction of, and remarks by, invited guests

Mr. Brock repeated the water service request for the Reese Lane, Park Lane and the Hanley Road area. Since very few commitment letters had been received, Mr. Brock requested a list of residents who had not yet committed. Ms. Brock stated she would contact Ms. McBrayer to obtain the potential customer list.

Approval of January 9th called meeting minutes, January 12th called meeting minutes and January 17th regular meeting minutes

Mr. Gordon stated that he did not have the called meeting minutes for January 9th or January 12th prepared. He also stated that no motions had been made at either meeting.

Mr. Cannady motioned to approve the January 17th regular meeting minutes. Mr. MacNabb seconded the motion which passed 5 – 0.

Financial report

Mr. Goran presented the financial report. He noted the significant amount spent for engineering consulting. Mr. Goran also noted changes to the HCWSA Available Funds sheet. He stated that Blackmon Road had been removed because it is now being funded with GEFA funds. He also stated that Wolf Creek Trail had been added to the HCWSA Available Funds sheet.

Old Business

2013 GEFA loan update and required modifications; requests for water service (including Bethany Church Area, Rock Springs area, Mouchet Road, Blackmon Road, end of Old Mount Hebron / Oak Mountain Lane / Amber Lane)

Mr. Goran stated that all 14 tap commitments for Tugaloo Heights Circle had been paid. He also stated that the Old Mt. Hebron Road / Oak Mountain Lane / Amber Lane and Blackmon Road projects are pending the EPD environmental reviews before construction can begin.

Reed Creek Phase II (2015 CDBG) and proposed addition of Cokesbury Highway

Mr. Goran asked for clarification on the previous vote to negotiate with the current contractor if the pricing was “reasonable” and who determined what defined “reasonable.” Mr. Goran noted that close to 2/3 of the project price is the negotiated pricing. Mr. Cannady motioned to continue with the change order with the current contractor. Mr. Haley seconded the motion which passed 5 – 0.

2017 CDBG application

Mr. Goran informed the Board that he, Mr. Holland and Mr. Cannady met and decided not to proceed with the 2017 CDBG grant application at this time due to numerous factors. Mr. Goran added that HCWSA will apply for a 2018 grant. The 2018 grant application deadline is April 1, 2018.

Mr. Cannady motioned to proceed with working with a group of people that would charge \$3 per survey to get income surveys for the 2018 grant. Mr. Cannady stated that he would be involved with training the group and would continue to monitor the results with Ms. McBrayer’s help. Mr. MacNabb seconded the motion which passed 5 - 0.

Bowersville Highway line extension

Mr. Goran informed the Board that the Bowersville Highway extension project is currently out to bid. Bids are due on March 21st at noon. Mr. Goran also informed the Board that Mr. Sanders has requested extending the water line about 500 feet. An easement is needed from Mr. Sanders anyway. Mr. Goran suggested waiting until bids had been received before considering the extension and the Board could base its decision on cost. Mr. Goran said that “here we come” letters will be sent out soon to addresses along the proposed route. After some discussion, it was agreed to send commitment letters to Bowersville Highway addresses to the Memorial Road intersection.

Requests for water service – Adamstown Road, Union Hill Church Road / Carrie Craft Road / Martin Dairy Road, Reese Lane / Park Lane / Hanley Road, Cedar Creek Circle

Mr. Goran presented cost estimates based on three different distances for Adamstown Road. Mr. Goran stated that these estimates did not include outside engineering and permitting costs, and that if HCWSA planned to bid these projects, the cost estimate for each would need to be increased to account for these additional costs. Mr. Holland stated that it was his opinion that all new projects should be bid. Mr. Holland suggested waiting on all new water service requests until SPLOST 5 funding had been determined. Mr. Holland then stated that he would abstain from voting on Adamstown Road and Martin Dairy Road due to a conflict of interest. Mr. Goran stated that he had a verbal commitment from the chicken farmer on Adamstown Road. Mr. Goran stated that the chicken farmer commitment would likely support any of the three options. Mr. Cannady requested a signed commitment letter from the chicken farmer, updated cost estimates to include EMI’s engineering and permitting fees, and the number of parcels for the next meeting.

Mr. Goran added that two chicken farmers on Union Hill Church Road have signed commitment letters. Mr. Carlton questioned if any residents in this area were experiencing poor water quality issues. Ms. Wood, a resident on Carrie Craft Road, said that she is currently using several filtration systems on her well and is still having issues. Mr. Carlton stated the Union Hill Church Road / Carrie Craft Road / Martin Dairy Road project seemed to be more urgent due to the need. Mr. Carlton suggested continuing to look at Union Hill Church Road / Carrie Craft Road / Martin Dairy Road at the next meeting.

Mr. Goran reminded the Board that the current cost estimates do not include outside engineering, permitting, and bidding costs since these projects were originally being considered under the GEFA loan and that will increase the cost estimates and therefore increase the number of commitment letters needed.

Mr. Holland stated that Cedar Creek Circle needed almost 100% commitment from residents before it would be considered cost efficient.

Request for water service – North Point “subdivision” (off Swan Sanders Road)

Mr. Gordon said there were no major impediments to proceeding with the North Point subdivision. However, Mr. Gordon confirmed that the parcel in question owned by Mr. Parker is currently being taxed as rural timberland and not a subdivision. Mr. Gordon informed the Board that the Hart County Board of Commissioners approved the project as a subdivision several years ago without requiring that the road be paved. Mr. Gordon stated that it would be prudent to have the plat redrawn and ask the current Hart County Board of Commissioners to revisit and approve the parcel as a subdivision so that HCWSA can lawfully occupy it.

Mr. Cannady questioned whether or not Mr. Parker would be changing the tax parcel records and begin being taxed as a subdivision.

Mr. Parker agreed but stated that the project would be completed in three stages.

Mr. Goran stated that Mr. Parker had verbally agreed to bear the entire cost of the installation and was willing to pay in advance for meters, back flow preventers and radio read transmitters. Mr. Goran recommended not requiring Mr. Parker to pay a base fee of \$19 per month for water service since Mr. Parker was paying for the complete installation. Mr. Goran also recommended having Mr. Gordon create a legal agreement to ensure that the agreement between Mr. Parker and HCWSA would stay with the property if sold, including HCWSA acquiring the waterlines and having easements for maintenance purposes.

Mr. Dorsey expressed concern regarding the private ownership of the road.

Mr. Cannady motioned to proceed contingent on the signed legal agreement, that HCWSA would acquire the water lines after a period of one year and that the installation meets HCWSA guidelines. Mr. Haley seconded the motion which passed 5 – 0.

Mr. Holland asked that Mr. Goran and Mr. Gordon write a subdivision policy based on the North Point subdivision agreement and have it ready for the next meeting.

Mr. Holland then requested adding 8A back to the agenda and all agreed.

Discussion of commitment letters, interest letters and timing of committed customer tap payments

After much discussion, Mr. Cannady motioned to require a \$200 deposit with the receipt of a signed commitment letter going forward for new projects contingent on Mr. Gordon's research. Mr. MacNabb seconded the motion which passed 5 – 0.

GEFA loan for radio read retrofit and meter replacement

Mr. Goran informed the Board of the progress of the loan. Mr. Goran stated that the loan documents received from GEFA have two concerns. The original loan request was for \$275,000 but the current documents reflect \$365,000. Additionally, the loan should be for 10 years, not 5. Mr. Goran also noted that the loan included 40% principal forgiveness based on the original requested \$275,000. Mr. Holland questioned why there had been an increase without Board approval. Mr. Cannady answered that EMI's estimates included costs of larger meters that HCWSA did not intend to purchase at this time as well as other factors. Mr. Holland stated the loan should be for the original \$275,000 amount and a 10 year repayment period. Mr. Holland asked that Mr. Goran review this with GEFA and revisit at the next meeting.

New Business

City of Hartwell's request for increase in wholesale water price

Mr. Goran reviewed the letter received from the City of Hartwell requesting an increase in their water rate. After some discussion about the water purchase contract, all agreed that Mr. Holland and Mr. Gordon would reach out to the City of Hartwell's Mayor and City Manager to discuss the proposal. Mr. Goran noted that it was important to set a precedent for HCWSA's other two suppliers and Mr. Gordon agreed.

Public Comments

None

Director's Comments

Mr. Goran informed the Board of his planned vacation March 16 through March 19.

Mr. Goran also informed the Board of legal documents received regarding damage to a Comcast line by Cedar Farms and Construction. Mr. Gordon stated that HCWSA was not liable in any way and will write an official letter to all parties involved. Mr. Holland asked that the letter should also request that HCWSA receive no further contact.

Mr. Goran informed the Board that HCWSA may have to relocate a portion of its water line in front of the new Haering facility due to their excavating / grading. HCWSA may also need to extend its existing water and sewer lines on the other side of Knox Bridge Crossing from Haering. HCWSA may also have to upsize its existing water line in front of the Haering facility for fire protection purposes. HCWSA will have to extend its sewer line to Haering. Mr. Goran shared with the Board that Dwayne Dye said that an HCWSA Board member had committed to providing and installing a fire meter. Mr. Goran estimated that a fire meter would cost between \$8,000 and \$15,000, not including a vault, backflow preventer, valves and possibly a bypass line. Mr. Holland stated that the Board has not voted to provide a fire meter and only the Board as a whole could make that kind of commitment.

Mr. Goran informed the Board that the Georgia Association of Water Professionals' annual meeting would be held on Jekyll Island from April 11th to April 12th and that the Georgia Rural Water Association's annual

meeting will be held on Jekyll Island from May 9th to May 11th, 2017, and asked if any Board Members were interested in attending.

Members' Comments

Mr. Holland suggested scheduling a called meeting for executive session. Mr. Holland stated that the personnel issue should be resolved by March 1, 2017. A called meeting will be held Monday, February 27, 2017 at 6 p.m.

Upcoming Meetings – March 20, 2017 and April 17th, 2017

The next regular Board meetings will be held on Monday, March 20th, 2017 and Monday, April 17th, 2017.

Adjournment

Hugh Holland, Chairman

Holly McBrayer, Secretary