

Hart County Water & Sewer Authority

Board of Directors Meeting September 19, 2016

The Hart County Water and Sewer Authority met on September 19, 2016, in the Hart County Cooperative Extension Service Building. Chairman Hugh Holland called the meeting to order at 6:00 pm. Vice Chairman Wade Carlton; Board Members Jerry Cannady and Larry Haley; Director Pat Goran, Legal Counsel Walter Gordon and Board Secretary/Treasurer Holly McBrayer were present. Also present were Hartwell City Manager David Aldrich, Hartwell City Councilman Tray Hicks, The Hartwell Sun reporter Vivian Morgan; EMI representatives Jerry Hood and Russ Brink; Hart County residents Lisa LeCroy, Mike LeCroy and Gordon Stutts. Board Member Mike MacNabb was absent.

Welcome

Approval of Agenda

Mr. Cannady motioned to approve the agenda and Mr. Haley seconded it. The motion passed 4-0.

Introduction of, and remarks by, invited guests

Mr. Stutts thanked the HCWSA, its Board members, the Director and staff for installing water lines in his community. He also noted the dire need for public water throughout the county and asked that the Board and staff continue their hard work to complete this task.

Approval of August 22nd regular meeting minutes, September 1st called meeting minutes and September 13th called meeting minutes

Mr. Cannady motioned to approve the August 22nd regular meeting minutes and Mr. Carlton seconded it. The motion passed 4-0.

Mr. Cannady motioned to approve the September 1st called meeting minutes and Mr. Carlton seconded it. The motion passed 3-0. Mr. Haley abstained since he did not attend the meeting.

Mr. Cannady motioned to approve the September 13th called meeting minutes and Mr. Carlton seconded it. The motion passed 3-0. Mr. Haley abstained since he did not attend the meeting.

Financial report

Mr. Goran presented the financial report. Mr. Holland complimented Mr. Goran on a job well done regarding the water purchased percentage goals from HCWSA's wholesale suppliers.

Hartwell City Councilman Tray Hicks stated that Mayor Brandon Johnson unfortunately could not attend. He then presented the City's proposal to assist HCWSA with operations. Mr. Hicks said the City appreciated the Authority and recognized its need in the community. He also said the City would be glad to help anytime. Mr. Holland offered his thanks in return.

Old Business

Rock Springs Area project

Mr. Goran updated the Board on the Rock Springs area project progress. He stated the project is nearing completion. Mr. Goran reminded the Board that easements were needed before construction could begin on Mockingbird Lane and Gilbert Lane. He asked the Board to consider moving forward with Mockingbird only if easements could not be attained on Gilbert Lane.

Mr. Goran had asked Arrowood General Contracting to tie onto an existing line on Seraph Point but it is not currently pressurized. He expressed concern about the potential damage to the existing pipe when the pressure test was performed and that he did not know if tracer wire had been installed with the pipe. He recommended conducting a pressure test as well as compose a legal agreement between HCWSA and the developer that would not hold HCWSA responsible for any damage. Mr. Goran stated that one home existed in Seraph Point and the resident was interested in connecting to HCWSA's system. Mr. Goran estimated the cost at about \$8,000 to reach the home and stated that there would be an additional cost to do the entire subdivision. Board Members noted concerns such as future flushing cost and lack of potential customers. Mr. Gordon did not anticipate any problems receiving an easement from the developer which would be required because Seraph Point subdivision was not only a gated community but also a private road. Mr. Holland asked for a cost estimate and additional details for the October meeting agenda.

Reed Creek Phase II and proposed addition of Cokesbury Highway

Mr. Goran updated the Board on the Reed Creek Phase II project, which is essentially completed. He stated that "last chance letters" should be distributed soon with an October response date. Mr. Cannady volunteered to deliver the letters. Mr. Goran stated he would follow up with Commissioner Oglesby regarding the remaining income surveys needed for the Cokesbury Highway addition. Without additional income surveys the Cokesbury Highway addition may not be a viable option. Mr. Goran added that the Cokesbury Highway addition would need to be competitively bid.

Mouchet Road project

Mr. Goran updated the Board on the Mouchet Road project. The change order has been signed and approved. Arrowood is scheduled to begin construction within the next few weeks.

Request for water service – Blackmon Road chicken farmer

Mr. Goran presented a cost estimate based on Arrowood General Contracting honoring the Rock Springs contract unit prices and compared it to the EMI's ballpark estimate. The Board discussed bidding the project and the cost involved. After some discussion, Mr. Cannady motioned to approve Blackmon Road as a minor project contingent on using Arrowood General Contracting's Rock Springs unit prices and a commitment from the chicken farmer to purchase at least 576,000 gallons per year. Mr. Carlton seconded the motion which passed 3-1. Mr. Holland opposed citing a desire to solicit bids.

2017 CBDG application

Mr. Goran reviewed EMI's cost estimate and maps provided for both the northern and southern Mount Olivet areas. The Board must first vote to proceed with the grant application. Mr. Goran recommended choosing between the north and south area soon to allow for time to collect income surveys and prepare the grant application by the April 1, 2017 deadline. The income surveys will dictate the final target area to meet CBDG standards. He asked the Board to decide on a maximum dollar amount for local funds and which of the two areas to focus on. Mr. Hood recommended a minimum of \$200,000 commitment of local funds. The

northern map ties into the Rock Springs area but is also significantly more expensive. Mr. Hood stated the southern area appeared to better meet demographic requirements for a CDBG grant. Mr. Goran recommended decreasing the potential area to lower local costs since the amount of SPLOST dollars were unknown.

The Board consensus was that the southern map was the better choice to receive the grant. Mr. Holland requested revised and reduced cost estimates for the southern area of Mount Olivet to be reviewed at the October meeting.

Procurement Policy

Hart County currently has two separate policies. One is for use of federal funds and the other for when federal funds are not used. Mr. Gordon advised the Board of his recommended changes to the proposed procurement policy including adding the phrase “responsive and responsible contractors/firms.” Mr. Gordon also noted that according to Georgia state law sealed bids are required over \$100,000, not \$150,000 as listed in the document provided. Mr. Gordon stated that he redrafted HCWSA’s template to include Department of Labor safety standards and other items for small projects.

Mr. Cannady motioned to adopt the proposed procurement policy with Mr. Gordon’s revisions as the “federal funds” procurement policy and preparing a separate less complicated procurement policy for “other” funds and add those to HCWSA’s approved policies. Mr. Haley seconded the motion which passed 4-0.

Status of proposed Hartwell, Royston sewage treatment agreements

The Board reviewed the counter proposed sewer agreement from the City of Royston. After some discussion, it was agreed that there was a need for clarification regarding “Section 2” which listed the service area as a “two miles from the boundaries of the city.” Mr. Cannady volunteered to contact the City of Royston for clarification. The Board will review the agreement at the October meeting.

No response has yet been received from the City of Hartwell.

New Business

Rose Acre Farms’ request for lower water rate

Mr. Goran informed the Board that Rose Acre Farms had used around 3 million gallons of water during the past billing period. Because of this, Rose Acre Farms requested consideration for a lower water rate. HCWSA’s current policy exempted Rose Acre Farms from the base fees for all of their meters for the past month since their usage was over 2 million gallons in August. Mr. Cannady stated that HCWSA’s rates had not been increased since 2008. No further action was taken.

Proposed FY17 Budget

Mr. Goran presented the proposed FY17 budget. Mr. Cannady motioned to approve the FY17 budget. He then withdrew his motion to allow the Board Members more time to review it.

Mr. Cannady discussed state sales tax and the possibility of HCWSA receiving a sales tax refund paid by its contractors on recent construction projects. Mr. Goran informed the Board that he had pursued the option previously and was advised against by HCWSA’s previous auditor. Mr. Cannady stated he would contact HCWSA’s current auditor, Burch Crooms, for further information. Mr. Hood volunteered to share any information that he had from his previous experience on this subject.

After reviewing the budget and some discussion, Mr. Cannady motioned to approve the FY17 budget. Mr. Haley seconded the motion which passed 4-0.

Annual review of Board Members' potential conflict of interest

The Board Members signed and returned the conflict of interest forms with the exception of Mr. MacNabb who was not present. It was agreed that a copy would be emailed to Mr. MacNabb.

Public Comments

Mr. Hood informed the Board of his experience with other entities with respect to sales tax.

Mr. Hood presented EMI's proposal to assist the HCWSA in water system operation only. He stated that EMI currently assists 25 to 30 other utilities in a limited capacity. Mr. Hood specified that the quote did not include a Director or staff, but did provide an "on call" person who would bill travel time and that person would not need to be located in Hart County. Mr. Hood stated the proposal was unaffordable for a small water system such as HCWSA. He also stated the cost would be about double using a private company like EMI compared to an employee with salary and benefits. The Board thanked EMI for their proposal.

Mr. Cannady stated he had contacted EMI to prepare "as built" drawings and that he would be working with Mr. Goran to update the "as built" drawings and the sampling map for a complete water system map. Mr. Cannady stated that he would like to have HCWSA purchase software and hardware and obtain precise locations for valves, meters, etc.

Director's Comments

Mr. Goran informed the Board of HCWSA's recent EPD sanitary survey which occurs typically once every three years. HCWSA was deemed to be an "outstanding performer." Because of the good review, HCWSA will be reviewed in five years instead of three. The next survey is scheduled for 2021.

Members' Comments

Mr. Holland thanked Mr. Goran for his years of service and his commitment to providing water to many county residents and his exceptional job with meeting the water purchased percentage goal. He also alluded to Mr. Brink's positive and previous comments on Mr. Goran's ability to meet those goals.

Upcoming Meetings

HCWSA upcoming Board meeting will be Monday, October 17th. After some discussion, the Board agreed to set a November meeting date at the October meeting since Mr. Holland would be unavailable.

Executive Session

Mr. Cannady motioned to go into executive session. Mr. Haley seconded the motion which passed 4-0.

Mr. Carlton motioned to come out of executive session and Mr. Haley seconded it. The motion passed 4-0.

Mr. Carlton motioned to invite a Field Technician candidate for an interview on Thursday, September 22, 2016 during a called meeting with the stipulation that if the candidate declined the Board would then offer

employment to one of the previously interviewed candidates. Mr. Cannady seconded the motion which passed 4-0.

Mr. Carlton motioned to name Mr. Cannady "Interim" Director until a replacement for Mr. Goran was hired. Mr. Holland seconded the motion which passed 4-0.

Mr. Haley motioned to retain Ms. McBrayer at full time status with a pay increase to match Hart County pay grade 15 beginning October 1, 2016. Mr. Cannady seconded the motion which passed 4-0.

Adjournment

Mr. Haley motioned to adjourn and Mr. Carlton seconded it. The motion passed 4-0.

Hugh Holland, Chairman

Holly McBrayer, Secretary

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