

Hart County Water and Sewer Authority Board of Directors Meeting February 24, 2025

The Hart County Water and Sewer Authority met on February 24, 2025, in the Hart County Cooperative Extension Service Building. Chairman Wade Carlton called the meeting to order at 6:02 pm. Present were Vice Chair Patti York, Board Members Larry Haley, Bennie Harper, Marvin Justice and as well as Legal Counsel Kim Higginbotham, Director Pat Goran, Office Manager Karen Neal and many community residents.

Welcome

Approval of Agenda

Mr. Haley made a motion to approve the agenda. Mr. Justice seconded the motion. The motion passed unanimously.

Approval of January 23, 2025 Regular Meeting Minutes

Ms. York made a motion to approve the minutes. Mr. Harper seconded the motion. The motion passed unanimously.

Public Comments

Residents from Holly Hills Drive were present to request Authority water service again. Several residents spoke of the poor quality of the water while others spoke of low volume. Residents also spoke of the high cost of filter systems. Currently, fifteen homeowners out of twenty-six have signed commitment letters. A resident spoke of one very good well in their area that produces significant volume. Mr. Haley and Ms. York stated that if the Authority were to be allowed to use the water produced from this well that might help in the negotiations to bring water to Holly Hills Drive. Residents were concerned with a near 100% commitment requirement to have construction approved, however the Board pointed out this is due to the large lot sizes and fewer homes. Residents were told that the Authority only receives funds from SPLOST and does not receive any revenue from property taxes. Mr. Carlton asked the residents to try to obtain a few more residents to commit and the Board will consider bringing water to Holly Hills Drive. Mr. Haley stated that if the request for water is not approved as part of the current construction project that residents will obtain water in the future. Mr. Carlton told residents the Board would take their comments under advisement and the Board would consider their request again at the next Board meeting on March 17, 2025.

Financial Report

Director Pat Goran presented the financial report briefly touching on net operational cash flow and the loan origination fee for the GEFA Reed Creek expansion project. He also mentioned that fluctuations in account balances would be the norm while paying for construction project materials and awaiting SPLOST reimbursement from the County.

Old Business

Request for Water Service – 4011 Elberton Highway Poultry Operation

The operators of this poultry operation were not present. A brief discussion was held.

Request for Water Service – Tree Farm Road

The owner of this property was not present. A brief discussion was held.

Georgia Environmental Finance Authority Loan for Expansion into Reed Creek Area

Mr. Goran stated EMI should have drawings ready to review in the next three weeks. Mr. Goran stated he would review the drawings, make any necessary markups and return to EMI. Mr. Goran and EMI will reach out to GEFA to determine the next steps to bid project out as soon as possible. Mr. Goran stated we would need to make the first draw request soon.

Will Bailey Road – Morris Road – Beacon Light Road – Mount Olivet Road Project

Mr. Goran stated that the contractor is currently working on Beacon Light Road and Morris Road. Mr. Goran asked if the Board would like HCWSA to send commitment letters to all the side streets not included in the original scope of the project and the Board agreed. Finally, Mr. Goran stated he wanted to make the Board aware of a recent accident between a motorist and one of the contractor's front-end loaders. No serious injuries were reported, and the motorist was found to be at fault.

Discussion of Authority's Wholesale Water Agreements

Mr. Carlton stated that the recent meeting between himself, Ms. York and Mr. Goran and City of Hartwell representatives Mayor Brandon Johnson, City Councilman Mike MacNabb, City Manager Jon Herschell, Public Works Director Dennis White and Assistant Public Works Director Ken Lystiuk to discuss a new wholesale water agreement was not as productive as he would have liked. Mr. Carlton discussed the 78% increase the City of Hartwell has applied to the Authority since December 2023. Discussion ensued about alternate options to purchase water given that the City of Hartwell is currently charging the Authority \$3.45 per thousand gallons of water instead of the previous \$2.29. Mr. Carlton also stated that at the end of the meeting it was mentioned that their attorney is a State Representative, and it may be a while before a new agreement could be reached. It was also agreed during the Hartwell meeting that if a rate lower than \$3.45 was agreed to credits would be applied to the Authority's accounts. Additionally, Mr. Carlton stated that the City repeatedly asked for a portion of the Authority's storage allocation on Hartwell Lake, and Mr. Carlton declined to agree to that. Mr. Goran stated that Hartwell had never previously expressed any interest in the HCWSA storage allotment. Ms. Higginbotham asked if the Authority could stop buying water from the City of Hartwell entirely, but Mr. Goran stated that would be difficult to do based on how our system operates and our current agreements with Lavonia and Royston; however, if a more reasonable price cannot be reached the Authority

should pursue other sources. Mr. Goran stated that he had hoped the new Hartwell agreement would be priced in line with Consumer Price Index increases. Ms. Higginbotham mentioned Georgia policy regulates power and gas as they are necessities to living and that she hoped that water would soon be treated in the same manner. Ms. Higginbotham closed by stating this is perhaps something the Governor's office would be interested in reviewing. Mr. Carlton stated Board Members should consider this information so the Board may decide on how best to move forward. Mr. Justice stated that he feels given current growth that the Authority should consider looking at groundwater as an alternate source or even building our own surface water treatment facility.

Damaged fire hydrant repair discussion

Mr. Goran stated he continues to wait on the volunteer firemen to return information to the Authority.

New Business

Consideration of customer retail rate increase

Mr. Goran shared information related to previous wholesale water pricing from Lavonia and Royston compared to what the City of Hartwell is now charging the Authority, as well as the customer retail rate policies of Lavonia, Royston and Franklin County. Additionally, Mr. Goran discussed how the increase from the City of Hartwell will affect the Authority's bottom line.

Mr. Carlton asked Ms. Higginbotham if we could include an insert with customer bills explaining HCWSA's rate increase is a direct result of a supplier raising their rate to the Authority 78%. Ms. Higginbotham affirmed.

Fiscal year 2024 audit

Mr. Goran directed the Board to the recently completed fiscal year 2024 financial audit in their packets. Mr. Goran stated the fiscal year 2024 financial audit is complete and the Authority is in a very good financial position.

Director's Comments

Mr. Goran stated that he had no further comments.

Members' Comments

Mr. Haley asked Mr. Goran to review the location of fire hydrants that are part of the current construction project as he feels the hydrants are too close to the road. Mr. Goran explained there are multiple utilities in the area that limit line placement options.

Upcoming Meetings

Mr. Carlton announced the next meeting dates would be March 17th and April 21st.

Adjournment

Ms. York made a motion to adjourn. Mr. Justice seconded the motion. The motion passed unanimously.

Wade Carlton, Chairman