

# **Hart County Water and Sewer Authority**

## **Board of Directors Meeting January 19, 2023**

The Hart County Water and Sewer Authority met on January 19<sup>th</sup>, 2022, in the Hart County Cooperative Extension Service Building. Chairman Wade Carlton called the meeting to order at 6:00 pm. Present were Board Members Larry Haley, Bennie Harper, Marvin Justice, and Patti York; Director Pat Goran; Attorney Kim Higginbotham; Board Secretary/Treasurer Holly McBrayer; Hart County Board of Commissioners Chairman Marshall Sayer; Hart County residents Scott and Julie Franklin.

### **Welcome**

### **Approval of Agenda**

Ms. York motioned to approve the agenda. Mr. Harper seconded the motion which passed 5 – 0.

### **Public Comments: remarks by invited guests**

Mr. and Mrs. Franklin requested water service for Lamb Road citing water quality issues, repeated community well maintenance and the fact that they were unable to install their own individual well per state and local minimum lot size requirements. Mr. Franklin also stated that he knew of other individuals in the area that would also be interested in access to public water.

Mr. Carlton stated that the request would be taken under consideration and asked Mr. Goran to provide a cost estimate at the next meeting.

### **Approval of December 12<sup>th</sup> regular meeting minutes**

Mr. Haley motioned to approve the December 12<sup>th</sup> regular meeting minutes. Mr. Justice seconded the motion which passed 5 – 0.

### **Financial report**

Mr. Goran presented the financial report.

Mr. Carlton questioned if the GDOT bridge replacement on Royston Highway would affect HCWSA. Mr. Goran answered that the Authority will incur the expense for tree stump grinding and removal estimated at \$18,000. He said the cost to relocate the water lines would be significantly more expensive. Mr. Goran volunteered to reach out to GDOT to discuss if any financial assistance may be available.

Mr. Goran informed the Board that HCWSA had received notice of a rate increase from the City of Lavonia and has been purposely buying less water from Lavonia in anticipation of the higher rate.

### **Old Business**

### **Discussion of water and sewer service delivery territories**

Mr. Goran stated that the City of Hartwell's annexation request for the Parkdale/Liberty Hill area had been agreed to by the Hart County Board of Commissioners with certain conditions and that the Hartwell City Council had voted to proceed with the annexation at their last meeting.

## **Suggested capital projects for Board consideration**

Mr. Goran stated that GEFA did not approve the GEFA loan application with principal forgiveness. However, if an approved municipality rejected their loan opportunity, which is highly unlikely, the Board could revisit this funding option at that time. Mr. Goran said the Authority could apply for a GEFA loan at any time with reasonable rates but not principal forgiveness.

## **Discussion of potential 2023 Community Development Block Grant target areas**

Mr. Goran stated that Allen-Smith Consulting had determined, based on their research, that there were no viable target areas that would meet the Georgia Department of Community Affairs's criteria for a CDBG grant.

## **New Business**

### **Proposed City of Lavonia wholesale water rate increase**

Mr. Goran informed the Board that the official rate increase notice letter had been received from the City of Lavonia. Mr. Goran said that he had exchanged emails with the city manager about the rationale for the increase. Mr. Goran said that the water purchase agreement requires the supplier to demonstrate how their costs to treat and produce the water sold had increased. He added that the contract limited the increase to no more than the change in the Consumer Price Index and to not be higher than the increase to Lavonia's retail customers. Mr. Goran said that City of Lavonia had not increased what it charged HCWSA since 2013 while their most recent retail customer rate increase of varying percentages was in 2018.

Mr. Carlton suggested that Mr. Goran reach out to the City of Lavonia for negotiation based on their lack of rate increase for industrial customers, Lavonia's use of HCWSA's Hartwell Lake water storage permit, and the fact that HCWSA is likely Lavonia's biggest customer. Mr. Justice agreed. Mr. Goran said that he would reach out to the City of Lavonia and report the results at the next meeting.

Mr. Goran mentioned that the sewage treatment agreement with Lavonia has a five year opt out provision by either party.

### **Review of Authority's current water purchase agreements**

Mr. Goran stated that the water purchase agreements will expire on December 31<sup>st</sup> as follows: City of Lavonia 2023, City of Hartwell 2024, and the City of Royston 2024. Mr. Goran also said that while there are no minimum purchase requirements in any of the three agreements, HCWSA needs to buy some water from each of our suppliers to maintain water quality in our system. Mr. Goran said that he had spoken with both Lavonia and Royston about the possibility of HCWSA making cost contributions to upgrades of their treatment facilities in exchange for verifiable guaranteed pricing and longer contract periods.

### **Consideration of investigating groundwater sources for Authority future water supply**

Mr. Goran shared the proposal to research groundwater resources with a first phase cost estimate of \$122,550. He explained that while there were no guarantees to find resources for HCWSA's own wells, the results of the study itself would be of significant importance when negotiating with suppliers. He also stated that if groundwater was found in sufficient quantities it would be much less expensive to treat than surface water. Mr. Goran said that this project would be an investment in the Authority's future water supply, and that at any time during the study process the Authority could opt-out and not be required to pay the full amount, only for the services rendered. He also said that the research would take between 6 and 9 months to complete. For these reasons Mr. Goran recommended proceeding with this project.

After much discussion, the Board requested that Mr. Goran provide additional proposals from other companies and agreed to revisit this topic at the meeting.

### **Request for water service – Hometown Road poultry operation**

Mr. Goran presented a water service request for a poultry operation on Hometown Road and provided two cost estimates. The first estimate would run the entire length of Hometown Road between the recently installed lines on Seed Cleaner Road and Friendship Road for an estimated cost of \$129,690 and the second going to the farm only at \$31,119.

After a brief discussion, the Board agreed to revisit this topic at the next meeting.

### **Fiscal year 2022 audit**

Mr. Goran shared the FY22 financial audit findings with the Board. He noted the \$786,388 “net cash provided by operating activities” was a key indicator of how well HCWSA was performing financially.

### **Director’s Comments**

Mr. Goran stated that historically the Board has voted on a Chair and Vice Chair in a formal vote as required by the Authority’s legislation.

Mr. Goran said that the 2022 EPD water loss audit was currently underway.

### **Members’ Comments**

Mr. Haley inquired about the down tree and the disposition of the retired work trucks. Mr. Goran replied that the tree in question was on county property and that the retired trucks had been promised to the county to use for parts.

Mr. Justice stated that he thought the ground water research was a good idea, but also thought getting multiple bids was the right course of action.

### **Upcoming Meetings – February 20<sup>th</sup> and March 20<sup>th</sup>**

The next Board meetings will be held on Monday, February 20<sup>th</sup>, 2023 and Monday, March 20<sup>th</sup>, 2023.

### **Adjournment**

Ms. Justice motioned to adjourn, and Mr. Harper seconded it. The motion passed 5 - 0.

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Wade Carlton, Chairman

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Holly McBrayer, Secretary