

Peachtree City Water and Sewerage Authority

September 17, 2018

The Peachtree City Water and Sewerage Authority held a Special Called Meeting on Monday, September 17, 2018, in the conference room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Vanessa Fleisch, Vice-Chairman Mike King, Treasurer/Secretary Terry Ernst, Board Member Phil Prebor, Ms. Melissa Griffis (attorney with Rosenweig, Jones, Horne & Griffis), Dan Davis (ISE), Kim Keefer (ISE), Bo Davis (ISE), Leslie Baer (ISE), Nathan Brooks (WASA staff), John Dufresne, Corinne Kehayes, Linda Flowers, and Pam Kemp. Board Member Kevin Madden was absent.

Ms. Fleisch called the meeting to order at 6:30 pm, and began with the Pledge of Allegiance.

Ms. Fleisch asked for a motion to amend the agenda to add "Public Comment" as line item "B" following item "A". Mr. Prebor made the motion, seconded by Mr. King. Motion carried.

Ms. Kim Keefer presented a summary of the proposed Fiscal Year 2019 budget (see attached PowerPoint). Mr. King asked about the availability of a truck to pull the backhoe trailer and Ms. Keefer confirmed that the Authority currently owns a truck able to pull the trailer. Ms. Fleisch asked regarding confirmation of which projects would not be implemented in FY 2019; Ms. Keefer noted that some are completed from the FY 2018 budget and some will not move forward in FY 2019. No action needed.

Mr. Prebor asked Ms. Keefer if there is anything she is apprehensive about with regard to the proposed budget. Ms. Keefer stated that there is not because the staff is doing a really good job operating the system; the Prioritization Plan did not identify any project that might lead to a consent order if not implemented; and ISE would like to make operation more efficient for the staff, but need to know where the Authority is financially before recommending any additional projects. Mr. Prebor asked what happens if the Debt Service Coverage goes below 1.5. Ms. Keefer stated that if the Debt Service Coverage goes below 1.5, the amount required in the Sinking Fund (reserves) increases. Ms. Keefer stated that the Debt Service Coverage shown for FY 2018 (1.43) is based on the approved budget; the Authority has not actually spent the amount budgeted, so the Debt Service Coverage is not below 1.5.

Chairman Fleisch asked about the mechanics of how the Debt Service Coverage gets reported. Ms. Kim Keefer stated that they look at the audited statements for a 3-year look back (average). The actual Debt Service Coverage for FY 2018 will be calculated during the next audit, next year. Mr. Dan Davis stated the Debt Service Coverage was 1.54 last year.

Ms. Fleisch asked what is the next project planned, since the headworks project is on hold for now. Ms. Keefer explained the headworks project is expensive and if included in this budget it would cause a deficit and Debt Service Coverage below 1.5. Ms. Keefer explained how the headworks operate; and that it is operating now but sewage is bypassing to the mechanical screen requiring cleaning out the system more than it should. Ms. Fleisch asked about the schedule for the I&I project for Willowbend. Ms. Keefer stated the I&I project for Willowbend is one of the higher ranked projects in the Prioritization Plan; it will fall within the annual services contract in the FY 2019 budget and realistically happen in December/January due to bidding requirements.

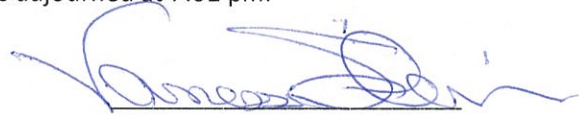
Mr. Prebor asked that the proposed Fiscal Year 2019 budget be sent to the Board members. Ms. Griffis stated that the proposed Fiscal Year 2019 budget will be on the Agenda for the Monday, October 1 meeting and copies of the proposed budget would be available at the WASA front desk as well.

Ms. Fleisch opened the meeting up for public comment.

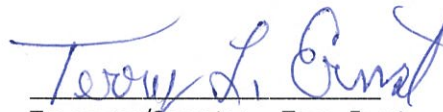
Ms. Linda Flowers asked why the Authority would create a budget that goes below a Debt Service Coverage of 1.5. Mr. Ernst stated that was done by the previous board. Mr. Prebor stated they would be speculating to answer.

Ms. Pam Kemp asked if the proposed budget includes a rate increase for customers. Ms. Keefer stated no, there are no user fee increases. Ms. Kemp asked if the City staff has built in cost-of-living and longevity increases. Ms. Griffis requested that question be asked at a City Council meeting as it was not appropriate for this meeting because the Board members do not have any documents to reference.

Chairman Fleisch asked for a motion to adjourn. The motion was made by Mr. King and seconded by Mr. Ernst. Motion carried. The meeting was adjourned at 7:01 pm.



Chairman - Vanessa Fleisch



Treasurer/Secretary - Terry Ernst