

Peachtree City Water and Sewerage Authority

May 14, 2020

The Peachtree City Water and Sewerage Authority held its monthly meeting on Thursday, May 14, 2020, in the break room and 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 Kevin Madden, Board Member Phil Prebor, Ms. Melissa Griffis (attorney with Horne & Griffis), Mr. Dan Davis (ISE), Ms. Leslie Baer (ISE), Ms. Millie Shah (WASA), Mr. Larry McNeil (WASA), Mr. Clay McEntire (J. Smith Lanier), Mr. Kirk Arich (Mauldin & Jenkins), and Mr. John Dufresne. Due to the COVID-19 pandemic and Governor Brian Kemp's Executive Order the Board members were located in the break room and the public and presenters were in the Board room for proper social distancing with live video and audio being fed into each room.

Ms. Fleisch called the meeting to order at 8:00 am, and began with the Pledge of Allegiance.

Ms. Fleisch opened the meeting up for public comment. There were no public comments.

Ms. Fleisch asked for a motion to approve the March 2, 2020 regular meeting minutes. Mr. King made the motion, seconded by Mr. Ernst. Motion carried.

There were no reports from the Authority members. As a General Manager report, Mr. Dan Davis discussed the procedures implemented due to COVID-19. Mr. Dan Davis stated that on Monday normal operating conditions will resume and staff will follow the Governor's orders and CDC recommendations regarding social distancing and sanitization. Mr. Dan Davis stated since April 27, 2020 WASA has operated on a rotating shift for employees, including employees riding in separate trucks. Mr. Dan Davis stated Ms. Baer has been active with conference phone updates from GMA and GAWP regarding the COVID-19 response by other authorities, which has varied across the board. When personnel are at pump stations it requires staff to be closer than 6-feet, but in those instances staff personnel are wearing masks and minimizing contact to the extent possible.

Ms. Millie Shah introduced Mr. Kirk Arich with Mauldin & Jenkins, who presented the Audit Report for the year ending September 30, 2019. Mr. Arich stated he was at the Authority in January doing the Audit fieldwork and Ms. Shah did a great job getting everything prepared/ready, going above and beyond, providing a very detailed management discussion and analysis that has not been presented in the past. Mr. Arich stated there were no problems with the Audit. Mr. Arich stated they issued a clean opinion, with no deficiencies, adjustments, weaknesses, or non-compliance. Mr. Arich stated there was one management point, which Ms. Shah has already addressed. Mr. Arich stated the balance sheet looked good overall, with \$40 million in assets which includes \$31 million in capital assets, \$16 million total liabilities (most in bonds), a net position of \$25 million total equity with \$8 million being unrestricted cash, and an operating revenue of \$10 million with operating expenses at \$6.6 million and operating income of \$3.3 million. Mr. Arich stated there was an overall strong performance. Mr. Prebor asked what the management changes were. Mr. Arich stated Ms. Shah added a very detailed management discussion and analysis, which had not been done in the past, but was helpful and provides operational data. Mr. King asked what the bond debt is currently; are the bonds the largest part of the \$16 million liability. Mr. Arich stated the revenue bond as of September 30, 2019 was \$15,415,000; \$2.3 million paid during this fiscal period. Mr. Arich stated the Authority is not in a bad spot with regard to debt, especially considering the substantial assets on the books. Mr. Ernst commented that Ms. Shah, the staff and Auditor did a great job putting together the Audit and thanked Mr. Arich for his work. Ms. Fleisch asked if the closing of Hoshizaki for a month has had an affect on revenue. Ms. Shah stated April payments to the Authority were down

\$14,000 and billing for April was down \$17,000 (total for all customers). Billing runs two months behind so there has not been a huge impact on revenue so far; we will not see a large impact for a month or two. Mr. Dan Davis stated other utilities are seeing the same decrease in revenue. Mr. Arich left the meeting. Ms. Fleisch asked for a motion to approve the Audit Report. Mr. Ernst made the motion, seconded by Mr. King. Motion carried.

Mr. Clay McEntire with J. Smith Lanier discussed the property and casualty insurance renewal with an effective date of May 1, 2020. Mr. McEntire stated last year the Authority changed the carrier to Travelers, and this year's renewal proposed remains with Travelers at a 4% increase. Mr. McEntire stated for the renewal the property limit increased by \$500,000 and payroll increased by \$170,000, which are the two driving factors on the increase. Mr. Dan Davis stated Ms. Shah and Mr. McNeil identified a deficiency in coverage on the pump stations. Mr. McEntire stated historically the Authority decided not to cover the pump stations (33) which added about \$500,000. Mr. McEntire stated the auto portion is down slightly, inland marine (equipment schedule) is slightly increased, and the executive lines are all flat. Mr. McEntire stated overall these changes equate to a \$3,400 increase, with all coverages remaining the same except a property increase. Mr. Dan Davis stated the payroll increase was due to raises implemented and vacation payouts. Mr. McEntire stated the carrier looks at labor payroll, but not administrative payroll. Mr. Dan Davis stated the bobcats were not on the list last year. Mr. McNeil's staff performed a detailed inventory of equipment and vehicles, and three vehicles were sold. Ms. Fleisch asked for a review of the pump station addition. Mr. McEntire stated 33 pump stations were added -- the list of pump stations was run through the Travelers internal system to get a value per pump, with a blanket value of up to \$500,000. Ms. Shah stated she and Mr. McNeil evaluated all equipment above-ground then estimated the average amount. Ms. Fleisch asked how much it would cost to rebuild a pump station. Mr. Dan Davis responded \$500,000 for a new typical pump station. Mr. Prebor questioned if the Authority has never covered pumps. Mr. McEntire stated since 2011 the pumps have not been covered -- they were self-insured. Mr. King asked if lightning takes out a pump station, are we responsible for collateral damage (backups, etc.). Mr. McEntire stated the claimant would have to pursue a lawsuit, but that the Authority is covered. Mr. McEntire left the meeting. Ms. Fleisch asked for a motion to approve the Property and Casualty insurance policy effective May 1, 2020. Mr. King made the motion, seconded by Mr. Prebor. Motion carried.

Ms. Griffis discussed the Urban Reuse Water Agreement with Planterra executed last year for one year, stating they are trying to find alternate means but haven't secured that this year and asked to extend the Agreement. Ms. Griffis stated Mr. McNeil did a calculation and determined the rate needed to increase to \$0.57 per 1,000 gallons based on actual charges. The Urban Reuse Water Agreement with Planterra will be effective April 20, 2020 through October 31, 2020, with a rate of \$0.57 per 1,000 gallons (the previous contract was \$0.54/1,000 gallons). Ms. Fleisch asked how much revenue this produces. Ms. Shah stated \$2,500 per month off season and \$5,000 per month peak season (April to September). Ms. Fleisch asked for a motion to approve the second agreement to extend the term of urban reuse water Agreement with Planterra effective April 20, 2020. Mr. Ernst made the motion, seconded by Mr. King. Motion carried.

Mr. Dan Davis discussed the Amended Job Description, stating the GIS position was vacated in the past two months. Mr. Dan Davis stated we'd like to take the opportunity to change the position to include a planned prioritization of the SCADA system, which will require a person with a high-level of expertise with SCADA. Mr. Dan Davis stated SCADA is a priority for the next fiscal year providing monitoring, control and security over all the pump stations and possibly the plants, and this position will be in charge of implementing that plan. Mr. Dan Davis stated with the Board's approval of the Job Description, we will advertise for the opening. Mr. King made a motion to approve the Amended Job Description (SCADA-GIS System Administrator), seconded by Mr. Madden. Motion carried.

Mr. Dan Davis discussed the Amended Organizational Chart; the current and proposed Organizational Charts are included in the Agenda packet. The changes to the Organization Chart include the Amended Job Description discussed (SCADA-GIS System Administrator); and the Maintenance Supervisor position was vacated (through retirement) and filled with a Maintenance Technician (non-supervisory position). Mr. Loren Yarbrough will directly oversee both Maintenance Technicians. Mr. Dan Davis stated with these organizational changes the number of positions remains level, expertise increases (through the SCADA position), and payroll remains level. Mr. Madden made a motion to approve the Amended Organizational Chart, seconded by Mr. Prebor. Motion carried.

Ms. Shah discussed the Quarterly Financial Update, at the six-month mark. Ms. Shah stated the Authority has a strong cash position, with a majority in the Georgia Fund 1 account until the next bond payment. Ms. Shah stated the bond payment was submitted in March, with an interest payment in September. The Authority is at 53% for revenue, which is a little higher than budgeted – hope to breakeven by the end of the year. Ms. Shah stated salary and expenses are below budget at 47%. Ms. Shah stated the financial update shows a deficit because of the debt payment, by next quarter we'll see a surplus on the bottom line. Mr. Dan Davis stated we are where we were last year at this time with regard to deficit, and we should see an increase in revenue from sprinkling.

Ms. Griffis discussed the Intergovernmental Agreement (IGA) with the City of Peachtree City regarding technology hosting. Ms. Griffis stated last year the Authority purchased BS&A software, which is hosted by the City. Ms. Griffis stated there may be some opportunities for backup services in the future in emergency situations. The IGA will provide for the Authority to negotiate with City staff regarding opportunities to work together including licensing, support, maintenance, backup storage, emergency assistance if needed, and any other IT support if needed – this IGA is asking to work with the City. Ms. Fleisch asked where backups are stored currently. Ms. Baer responded that backups are housed at the City currently. Ms. Fleisch stated this would formalize this process. Mr. Ernst made a motion to approve the IGA, seconded by Mr. Madden. Motion carried.

Ms. Baer discussed the On-Call Vehicle Procedures for Authority staff. Ms. Baer stated currently on-call staff do not take an Authority vehicle home; this policy would allow the on-call staff person to take an Authority vehicle home, it would remain parked at their house and if called in for work or emergency duties the Authority vehicle would be used to drive back in to the office or site. Ms. Baer stated research was conducted of other utilities and this is typical for other utilities – they have similar policies. Ms. Baer also verified there is no problem with insurance coverages, the staff person would be covered while on-call. It allows our staff the ability to have a seamless process of getting back and forth to work while on-call, they can go directly to the site (it's more efficient). Ms. Baer stated the staff also see this as a benefit – it's good for them as well. Mr. Madden asked if these vehicles have emergency lighting. Ms. Baer stated the vehicles being used for on-call would be the standard Authority vehicles with the logo and lighting, so if they go directly to the site, they will have all the necessary equipment. Mr. Dan Davis said there is a strict prohibition against non-Authority people in Authority vehicles. Ms. Baer stated there is a tracking system installed on all Authority vehicles where she and some of the managers can login and see the location of vehicles, monitor speed, etc., so the Authority is protected in that sense. Ms. Griffis stated this Board added that tracking system back to the vehicles. Mr. Prebor made a motion to approve the On-Call Vehicle Procedures, seconded by Mr. Madden. Motion carried.

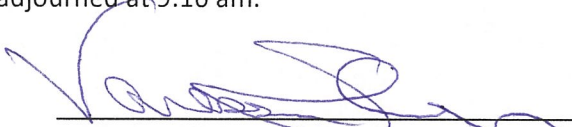
Mr. King asked about the hook-up request for the new Booth school, have they formally requested that we get involved in hooking up into the sewer. Mr. King stated the sewer would have to go under Robinson Road and private property owners would be affected. Mr. King would like this Board to see the request, the agreement with property owners to agree to have sewer on their property, and EPA regulations

concerning the water line. Mr. McNeil stated he would have to check on the matter. Ms. Griffis stated we have not heard anything since the beginning of COVID-19 and the team would have to check on the matter and get back with the Board.

Ms. Fleisch asked for a motion to adjourn into Executive Session for the purpose of Potential Litigation. The motion was made by Mr. Madden and seconded by Mr. Ernst. Motion carried. The meeting was adjourned into Executive Session at 8:40 am.

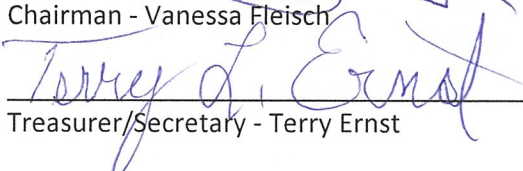
The meeting was reconvened at 9:16 am.

Ms. Fleisch asked for a motion to adjourn. The motion was made by Mr. King and seconded by Mr. Madden. Motion carried. The meeting was adjourned at 9:16 am.



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Chairman - Vanessa Fleisch



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Treasurer/Secretary - Terry Ernst