

Peachtree City Water and Sewerage Authority

March 15, 2022

The Peachtree City Water and Sewerage Authority held its monthly meeting on Tuesday, March 15, 2022, in the break room and conference room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Kim Learnard, Vice-Chairman Mike King, Treasurer/Secretary Gretchen Caola, Board Member Phil Prebor, Board Member Frank Destadio, Ms. Melissa Griffis (attorney with Horne & Griffis), Mr. Dan Davis (ISE), Ms. Leslie Baer (ISE), Ms. Millie Shah (WASA), Mr. Larry McNeil (WASA), Mr. Chris Miller (Cpak Technology Solutions), Ms. Hope Larisey (ISE), Mr. David Irwin (Mauldin & Jenkins; via video conference), 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 was in the Board room for proper social distancing with live video and audio being fed into each room.

Ms. Learnard called the meeting to order at 8:39 am. The meeting began with the Pledge of Allegiance.

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

Ms. Learnard asked for a motion to approve the January 18, 2022 regular meeting minutes. Mr. King made a motion to approve the January 18, 2022 regular meeting minutes, seconded by Mr. Destadio. Motion carried.

There were no reports from the Authority members. Mr. Dan Davis provided a General Manager report. Mr. Dan Davis discussed the on-going list of projects/activities by Authority staff, highlighting some of the projects. Mr. Dan Davis provided an update on the pump station 13 rebuilding efforts, and provided photos of the work at the pump station. Mr. Dan Davis stated the Authority received four customer calls; three of the calls were customer issues and one was an Authority issue. Mr. Dan Davis reported that Authority staff continue to clear sewer easements; the Bridlepath easement clearing is being discussed with the City regarding buffers. Mr. Dan Davis stated there was a <10,000 gallon spill last week which was reported to the EPD and proper response procedures were followed. Mr. Destadio asked how the Authority cleans up spills. Mr. McNeil responded that the soil area is dug out, backfilled, dusted with lime, and seeded/strawed; the pipe was replaced immediately. Ms. Learnard asked how the spill was reported. Ms. Shah stated that a resident called in the spill. Mr. Dan Davis stated the staff continue to use the SL-RAT to inspect the sewer lines; about 50 miles are complete and 60-70 miles remain. Mr. Dan Davis stated two new pump station generators are on order. Mr. Dan Davis stated the new SCADA system (GRM) is saving approximately 10% per month in power costs. The Authority is averaging eight loads of septage per day; meeting the intent of the Fayette County agreement. Mr. Dan Davis stated the power will be discontinued at the Miller Farm property and staff are investigating a leak in the pond on the property.

Ms. Shah presented the December 31, 2021 Quarterly Financial Report, stating the Authority is at the 25% mark in the year at the first quarter. Ms. Shah stated the revenue is above budget because of plan review fees (at 37%); and expenses are at 24%. Ms. Shah stated the Authority has \$11 million in cash, and a \$2.4 million bond payment was made on March 1, 2022. Ms. Shah stated the Authority is at budget for both expenses and revenue. Ms. Learnard asked regarding the sinking fund. Ms. Shah stated the sinking fund is money for bond payments. Mr. Destadio asked about the Georgia Fund 1 line item. Ms. Shah stated Georgia Fund 1 is the investment account for the Authority. Ms. Griffis stated the new Board moved to this account because it is a more secure fund; the previous fund was with Morgan Stanley.

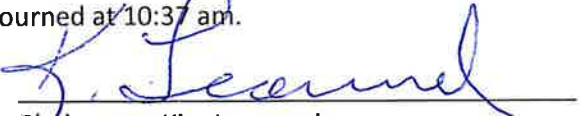
Ms. Shah introduced Mr. Irwin with Mauldin & Jenkins to present the Audit Report for the fiscal year ended September 30, 2021. Mr. Irwin discussed the annual audit, stating they issued a clean/unmodified opinion of the report with no audit findings and no material weaknesses or significant deficiencies in the Authority's internal controls. Mr. Irwin stated the financial statements as prepared by management are fairly stated in all material respects in accordance with generally accepted accounting principles. Mr. Irwin stated Ms. Shah does a great job compiling the audit information in a timely manner. Mr. Irwin encouraged the Board to read the Management's Discussion and Analysis (MD&A) within the report which provides a narrative discussion of the financial statements. Mr. Irwin discussed the financial statements, stating the Authority is in a very good liquid financial position. Mr. Irwin stated net position increased by \$2.3 million from prior year. Mr. Destadio asked how much cash is available for capital improvement projects. Mr. Irwin stated there are \$17 million in net investment in capital assets, \$1.5 million restricted for debt service, and \$11 million unrestricted; stating the amount for capital improvements is a management decision. Ms. Shah stated the Authority must maintain a debt ratio of 1.2 due to the bond coverage requirement; the bond coverage ratio is currently 1.72 and above 1.5 is considered healthy. Mr. Prebor made a motion to approve the audit report as presented, seconded by Mr. King. Motion carried. Mr. Destadio asked if the Authority can use the funds after approval. Ms. Griffis clarified that this was an audit report of last year, not the actual budget itself.

Mr. Dan Davis discussed the Industrial Pre-Treatment program, stating local industries must meet EPD's tightening requirements for discharge into the sewer system, and the Authority permits those industries. Ms. Larisey discussed the Industrial Pre-Treatment Renewal Permit appeal received from Hoshizaki dated January 29, 2022 for metal limits. Ms. Larisey stated sometimes the limits are very low and the lab cannot sample low enough to meet the EPD requirement/limit. Mr. Destadio asked if Hoshizaki does their own testing. Ms. Larisey stated they perform monthly self-monitoring sent to a third-party independent lab for testing, and the Authority conducts annual reconnaissance sampling. Ms. Larisey stated the staff would like to evaluate the total loading for all five industries, and compare it to the headworks loading to determine if more is available to offer Hoshizaki. If more is not available, the Authority will provide Hoshizaki with a compliance schedule to update their treatment works to get down to the lower levels. Ms. Larisey stated there are five industries under permit, and two potential new industries will be sampled this year. Ms. Learnard asked for the names of the permitted industries. Ms. Larisey stated they are Avery Dennison, Calpis America, CertainTeed, Sigvaris, and Hoshizaki; the potential industries are Amcor and Silon (formerly Viega facility). Mr. Destadio asked what the Authority does if the industry cannot meet the limit. Ms. Larisey stated the Authority would take enforcement action and assess fines. Mr. Dan Davis stated Hoshizaki is a significant employer and recommended the Authority work with them to resolve the issue. Mr. Dan Davis stated a consultant, Mr. Pedro Rossello, P.E., has been engaged (at an hourly rate up to \$8,855) to evaluate the headworks loading for the total available to all five industries to determine if a higher level can be offered to Hoshizaki. Ms. Griffis stated the ISE Work Authorization for the Industrial Pre-Treatment Program provided for additional services as approved by the Board. Mr. King made a motion to approve not-to-exceed \$8,855 for Mr. Pedro Rossello, P.E. to analyze the Industrial Pre-Treatment permit appeal, seconded by Mr. Destadio. Motion carried.

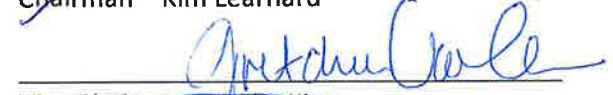
Ms. Learnard asked for a motion to adjourn into Executive Session for the purpose of Real Estate, Personnel, and Potential Litigation. The motion was made by Mr. King and seconded by Mr. Prebor. Motion carried. The meeting was adjourned into Executive Session at 9:29 am.

The meeting was reconvened at 10:37 am.

Ms. Learnard asked for a motion to adjourn. The motion was made by Mr. King and seconded by Mr. Destadio. Motion carried. The meeting was adjourned at 10:37 am.



Chairman – Kim Learnard



Vice Chairman – Mike King

Treasurer/Secretary - Gretchen Caola