Middle Chattahoochee Regional Water And Sewer Authority Meeting

March 25th, 2025 @ 7:00 PM
City of Palmetto- Palmetto Community Center
595 Main Street, Palmetto, GA 30268

I. Chairwoman Sonja Fillingame called the meeting to order at 7:00 P.M.

II. Roll Call was taken by Secretary Jessica Davis with the following board members present:

The Honorable Chairwoman Sonja Fillingame
The Honorable Mayor Vince Williams
The Honorable Mayor Teresa Thomas-Smith
The Honorable Vice-Chair Mario Avery
The Honorable Councilman Nathan Slaton
The Honorable Councilman Brian Jones

The following members were absent during the roll call:
The Honorable City Manager Tony Phillips (Arrived at 7:04 p.m.)

The attendance of the board constituted a quorum, and the meeting proceeded.

III. Approval of Water Authority Minutes:
The motion to approve the amended February 11th Water Authority Minutes was made by Mayor Williams and seconded by Councilmember Jones. **Vote: 7-0; Motion Carried**

IV. Discussion & Approval

V. Reports:

1. **Authority Attorney**
   The project managers presented on behalf of Attorney Davenport.
   A. Land Acquisition: The board was requested to hold an executive session after the reports to address land acquisition matters.

2. **Financial Manager**
   - The Project Managers presented the following requisition:

     The Motion to approve Req #274 in the amount of $40,053.16 was made by Mayor Williams and seconded by Councilmember Jones. **Vote: 7-0; Motion Carried**

Councilman Slaton raised concerns about whether the financial documents presented were for February or March, noting that some entries appeared outdated. He emphasized the need to ensure there were no repeated charges for work already completed.

The project managers clarified that they were expected to assess the assets and report back to the board regarding these assets and liabilities.

Mayor Smith asked whether the invoices would still reflect the same level of work despite scaling back the project.

The project managers confirmed that the amount of work would depend on the guidance provided by the board.

City Manager Phillips agreed that the future direction of the project will depend on the board's decisions and emphasized that the future should differ from the past, based on the direction decided at the last meeting.

3. Project Managers:

As directed at the last meeting, the board's decision not to modify the GEFA loan has been communicated. The project managers are waiting for final accounting and additional documentation for the board's review at the April meeting.

Land acquisition matters were also reported and are set to be discussed during the executive session.

Councilman Jones asked if GEFA has scheduled a meeting for further discussion.

The project managers confirmed that the board had directed them to inform GEFA that the loan modification would not proceed. They are now awaiting final documentation to close out the loan.

Mayor Smith asked about the original loan amount. The project managers confirmed that the original loan was $10.5 million, of which approximately $7,000 has been used.

4. General Manager:

GM Lindy Farmer updated the board on the start of the annual audit for 2024, noting that Mauldin & Jenkins has been engaged to conduct the audit.

Mayor Smith raised a concern that the audit from December had not been discussed further and that they never voted to accept the audit. She requested that the board revisit the audit from December for further discussion and clarity.

Mayor Williams suggested having Jessica review the minutes to clarify the situation.

City Manager Phillips proposed tabling the audit discussion until the meeting minutes are reviewed for clarity.

Chairwoman Fillingame confirmed that the board was in agreement to table the discussion of the FY2023 audit while proceeding with the audit for FY2024.

Councilmember Jones inquired about the next steps for the authority.

Mayor Avery made a motion to conduct a forensic audit. He believed it was important to do this before considering the complete dissolution of the authority. This was not something he had anticipated, but after reflecting on the next steps, he felt a forensic audit was necessary before moving forward with any decisions regarding the dissolution of the authority.

Chairwoman Fillingame clarified that at the previous meeting, the board had voted to stop the project rather than dissolve the authority. She emphasized the importance of understanding the full scope of what needs to be done.

City Manager Phillips stated that his recollection aligned with the previous discussion regarding the possible sunsetting of the authority. He explained that Attorney Davenport had advised against making a vote that evening, suggesting that moving forward with a vote at that moment wasn't the right course of action. This led to the vote that took place. He further elaborated that the discussion leading up to the vote had been about essentially dissolving the authority, and some consensus had formed around that idea.

City Manager Phillips expressed his support for the motion, noting the authority's 25 years of organizational history. He mentioned the $41.6 million bond debt that was still an obligation to all three cities and the ongoing resolution

of the GEFA loan. He argued that it was in everyone's best interest to begin the process with a full operational and financial assessment of the past 25 years.

City Manager Phillips recalled that during the last meeting, there had been a discussion about inconsistent record keeping, which Attorney Davenport had acknowledged. Attorney Davenport had shared that, given his long tenure, the records had been maintained inconsistently over the years, with various individuals contributing in different ways. City Manager Phillips stressed that this inconsistency indicated that there was no complete, accurate accounting of the authority's history. He emphasized that a thorough, independent assessment of both the operational and financial records was needed to move forward and make informed decisions.

City Manager Phillips also highlighted that the original purpose for which the authority was created – to address water-related issues – remained relevant, as water continued to be an essential resource. He mentioned that the city had recently met with the Atlanta Watershed & Management, which had presented a $2 billion, ten-year plan to update their water system. This situation raised concerns about what would happen to the authority's assets, as these changes would affect not only the local area but also the broader region. He expressed his belief that the motion to begin with a full accounting was a necessary first step.

Mayor Williams stated that conducting a forensic audit was the proper course of action to ensure a full accounting of the authority's business over the years. He pointed out that none of the current members were present during the early years of the authority, which made it essential to have a thorough review. Mayor Williams emphasized that this process was not about dissolving the authority, but rather ensuring fiduciary responsibility. He acknowledged the importance of being careful with language, particularly following guidance from the attorneys to ensure clarity and precision in the board's actions.

Mayor Williams noted that as the board moves into the executive session, more details regarding assets and next steps may be discussed. He reminded everyone that the board should rely on the professional guidance given by the attorneys. He also highlighted the importance of continued collaboration between the three cities, stressing that the focus should be on the best interests of each city and, most importantly, the authority as a whole. Mayor Williams reiterated that he had no objection to moving forward with a forensic audit or any other audit necessary to ensure that everyone is assured of where the funds have been spent or allocated.

Mayor Avery clarified that he would prefer an independent third-party company to conduct the forensic audit.

Mayor Smith expressed that for the past 12 months, she had been leaning toward this direction. She explained that a significant amount of time had passed with little tangible progress, and she remained extremely concerned about the financial aspects. She acknowledged that the financial concerns might be addressed later in the conversation but emphasized that she still needed clarity on a few matters to better understand the situation.

Councilmember Jones stated that he believed the move to initiate an audit might be premature, as the group had yet to discuss a comprehensive plan. He emphasized that any vote should include a plan that incorporates the audit as part of the overall strategy. It was important not to start with the audit alone but to first consider the broader scope of the process. He felt the group was prematurely jumping to conclusions about actions without having a clear, organized plan in place.

Mayor Smith responded, agreeing that a plan was necessary but also sympathizing with Mayor Avery's position. She shared her personal experience of inheriting a city where the previous administration had been in place for nearly 38 years, leaving her without basic answers to questions that should have been easily accessible. Mayor Smith supported a deep dive into the authority's financial records, especially when information seemed difficult to obtain. She acknowledged the importance of having a plan but also highlighted that, like herself, many had come into their roles without any clear transition and had to make critical decisions with the limited information at hand. As

Palmetto had invested in the authority, Mayor Smith argued that it was crucial to fully understand the financial situation, stating that many people, except for a select few, might not have a complete grasp of the authority's financials. She concluded that if those in charge were not forthcoming with the information, they would have to pursue it through other means.

City Manager Phillips addressed Councilmember Jones' concerns, explaining that without knowing what they were working with, it was difficult to plan the next steps. He agreed with the notion that the full picture was still unclear, as they did not have complete records of past activities. City Manager Phillips suggested that the best place to start was with a thorough analysis of what existed, which would then provide the necessary information to create an informed plan moving forward. He noted that without knowing what they had, making decisions about the future would be challenging.

Mayor Williams acknowledged the points raised by everyone. He suggested that the best course of action would be to first hear the information during the executive session. Once that information was gathered, they could reconvene the meeting and make a decision based on the new insights. He emphasized that while everyone agreed on the need for a full accounting of the funds spent, it would be prudent to hear from the two project managers/ two attorneys before making any further decisions.

Councilmember Jones expressed his position that while the need for an accounting and a plan was clear, there needed to be clarity and agreement on the direction they were taking. He pointed out that the group had heard discussions about either sunsetting the authority or stopping the project, but they needed to agree on which course of action they would follow. He highlighted the confusion around the language of dissolving the authority, suggesting that they were not actually dissolving it tonight because there was still too much work to be done. It was important, he said, that everyone be on the same page and use consistent language when discussing whether the authority was being dissolved or not.

City Manager Phillips agreed with Councilmember Jones, adding that there wasn't enough information to make any decisions at this time. He clarified that he was not advocating for the dissolution of the authority but rather needed to understand the full scope of the situation before making any conclusions. City Manager Phillips pointed out that there were other potential options beyond dissolving or sunsetting the authority. He emphasized that many other regional issues and conversations were still on the table that needed to be addressed before any major decisions could be made. He echoed Jones' point about the importance of having a plan but suggested that they needed to first understand the current state of affairs in order to craft a plan that everyone could support.

Chairwoman Fillingame summarized the discussion, acknowledging that it appeared everyone was in agreement on the need for an audit, as that seemed to be the central point of consensus among the group.

A motion was made by Mayor Avery and seconded by City Manager Phillips to conduct a forensic audit, then amended by Mayor Williams. Councilmember Jones seconded the amended motion to table the decision until after hearing the information in the executive session, at which point the council would decide whether to proceed with the original motion. **Vote: 7-0; Motion Carried**

VI. Other Business:

1. A motion to enter executive session was made by Mayor Williams and seconded by Councilmember Slaton. **Vote: 7-0; Motion Carried**

2. A motion to end the executive session was made by Mayor Williams and seconded by Mayor Avery. **Vote: 7-0; Motion Carried**

Councilmember Slaton asked who would be tasked with certain responsibilities.

Chairwoman Fillingame responded that the project team would develop a scope of work and anticipates having it ready for the May meeting.

3. A motion to proceed with the Forensic Audit was made by Mayor Avery and seconded by Mayor Williams. **Vote: 7-0; Motion Carried**

4. A motion to allow the project managers to explore opportunities on behalf of the authority was made by Mayor Williams and seconded by Councilmember Jones. **Vote: 7-0; Motion Carried**

5. A motion for the project managers to pursue those values and stakeholder conversations and report back to the board was made by City Manager Phillips and seconded by Mayor Avery. **Vote: 7-0; Motion Carried**

Mayor Smith inquired about the roles and duties of the secretary and treasurer, as outlined in the bylaws.

Chairwoman Fillingame indicated that the issue would be addressed when the Water Authority attorney returns.

Mayor Smith noted that there was an amendment to the bylaws in 2021. She asked if there have been any updates since then, and it was confirmed there have been no changes.

VII. The motion to adjourn the Middle Chattahoochee Regional Water & Sewer Authority Meeting at 8:41 p.m. was made by Mayor Williams and seconded by Councilmember Jones.

Vote: 6-0; Motion Carried
(Mayor Avery left the meeting early)

Sonja Fillingame, Chair

Jessica Davis, Secretary