

# Middle Chattahoochee Regional Water And Sewer Authority Meeting Minutes

Tuesday, February 13<sup>th</sup>, 2024  
Palmetto Community Center  
595 Main Street, Palmetto, GA 30268

- I. Chairwoman Sonja Fillingame called the meeting to order at 7:00 pm.
- 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 Board Member J. Clark Boddie  
The Honorable City Manager Tony Phillips

The following board members were absent:  
The Honorable Councilman Brian Jones

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

III. **Approval of Water Authority Minutes:**

The motion to approve the January 9<sup>th</sup> 2024 MCRW&SA Meeting Minutes was made by Mayor Williams and seconded by Vice-Chair Avery. **Vote: 6-0; Motion Carried**

IV. **New Business:**

V. **Discussion and Approval:**

VI. **Reports:**

A. **Water Authority Attorney-**

- **Memorandum of Understanding (MOU):** Attorney Davenport provided the board with an update on the MOU for the agreement with Coweta Water & Sewer Authority and the Middle Chattahoochee Regional Water & Sewer Authority. He thanked the project managers and the general manager for their help with the MOU. The authority is awaiting comments from Coweta's attorney. Once received, attorney Davenport will provide them to the board.
- **92 South Sportsman Club:** The 92 South Sportsman Club lease agreement goes through December 2025. Every February 1<sup>st</sup>, the company pays their annual lease payment of \$8,926.00.
- **General Management Agreement:** When the authority entered into an agreement with Mr. Lindy Farmer in August 2023, a time frame was set to revisit the agreement. It's scheduled to end April 1<sup>st</sup>. Each party expressed that they wanted a 30-day notice if the agreement was to be renewed. The authority decided to take action at the March meeting.

B. **Financial Report-**

Attorney Davenport presented requisition #258 in the amount of \$52,486.13.

Motion to approve Req #258 in the amount of \$52,486.13 was made by Board Member Boddie and seconded by Mayor Williams. **Vote: 6-0; Motion Carried**

Mayor Teresa asked if the \$14,500 to Mauldin & Jenkins is a monthly payment?

Chairwoman Fillingame informed Mayor Smith that the payment is for the authority's audit.

Mayor Smith inquired about the payment for LDF Consulting Services.

Mayor Williams stated that the LDF Consulting Services is for the services provided by the General Manager, Lindy Farmer.

Attorney Davenport stated that the general manager's invoice is what's invoiced for the prior month.

### C. Project Managers-

- **Krebs Engineering:** Regarding the contract with Krebs, the authority asked for two updates to be included as well as the hourly rates for the on-call services and the percentages added for sub-consultants. The board requested a change from 15 to 10 percent. The agreement was sent a couple of weeks ago.

City Manager Phillips requested clarity on what Krebs will provide for the authority.

Project Manager Gray stated that the team is working with Coweta on the MOU. The scope of work will be evaluated.

City Manager Phillips asked if Krebs is currently a consultant for Coweta County as well.

Mr. Jared Jackson (Krebs Engineering), responded yes to City Manager Phillips' question.

City Manager Phillips asked how long Krebs have been providing services to Coweta County.

Mr. Jackson replied, "about 6 years or more."

City Manager Phillips asked GM Farmer to speak on what he expects the authority to benefit from Krebs.

GM Farmer stated that a few months back, the city of Atlanta submitted a proposal for the board's consideration. At that time, a lot of their information was based on Krebs PER. Due to the extensive work they provided, the authority needed an engineer on board to evaluate what the city of Atlanta had submitted. The team opened dialogue with Coweta, and they were very receptive and delighted with that. The board had a relationship with Krebs in the past. GM Farmer doesn't see a conflict of interest. He can only see that there is an engineering firm that can work with both entities to meet the needs. As the authority moves forward, they need a strong engineering firm on board. Project Manager Benz and GM Farmer met with Mr. Jackson, and they were impressed with the knowledge Krebs provided.

Mayor Williams stated that it appears that GM Farmer is directing everything to Mayor Williams. Mayor Williams wanted to make sure that everything was clean. He has no issue with Krebs. The authority has worked with Krebs, and they have done splendid work, and he certainly sees a path of opportunity working with Coweta County. Mayor Williams stressed that he wanted to make sure that the authorities were doing what they needed to do to make sure that the proposals, contracts, and everything else were in line with what the authority was expecting. There is no contention between Krebs and Vince Williams or Krebs and Mayor Williams. Mayor Williams made it clear that Krebs and the authority had a great working relationship, and he expects nothing other than that.

Mayor Smith stated that she can see how the appearance of a conflict of interest is present if Krebs is representing both entities in one agreement. She does not know of any professional environment that that has happened. It raises a red flag for her, but she expressed that she has not been on the board long enough to make a real determination.

Mayor Williams stated that the authority's attorney should be able to address the concerns. They are the individuals who keep the authority safe from being in court. The legal team should guide the board to make sure there is no open door to conflict of interest.

City Manager Phillips stated that Krebs for sure is qualified and he has no concerns in that regard. City Manager Phillips raised the same question as Mayor Smith. City Manager Phillips said that he doesn't believe it would be in the best interest to have one firm representing both parties to an agreement. He further stated that he tries to avoid even the appearance of anything that looks questionable.

Attorney Davenport stated that when you look at the issue of potential conflict of interest, one must ask, is there a coloniality of interest between the parties themselves? If the goals are the same, and the same vendor is being utilized, the conflict is less substantial. It's only when those goals diverge, and one party is doing something inconsistent with the expectation of the other party that the conflict arises. Attorney Davenport provided an example of how he represents Palmetto, Union City, and the authority. He asked the board if what he does appears to be a conflict of interest. He replied, probably so, but he hopes that what he has demonstrated over the years, is that the three entities have a coloniality of interests and when one is working together for the same goal and the same reason, the conflict issue is reduced.

City Manager Phillips stated that the reason he does not see those issues the same is because attorney Davenport is representing cities that are comprised of this authority. He wholeheartedly agrees that the cities have a common interest as it relates to the water authority, so that was not a concern. He expressed that he respects Attorney Davenport's view, but he does not see him as the same as Krebs being an independent engineering consultant firm working on behalf of Coweta and the Middle Chattahoochee Regional Water & Sewer Authority in an agreement where both parties have an interest. He further asked, how much is it going to charge, and how does the authority evaluate that? City Manager Phillips expressed that his thoughts are not to despair Krebs. He believes that Krebs is highly qualified.

Vice-Chair Avery expressed his concern regarding Krebs representing the two entities. He further stated that there are different concerns despite all three cities being composed of an authority, there are diverse needs per city.

Chairwoman Fillingame asked if the board wanted to take action on the proposal or make it a discussion.

City Manager Phillips recommended that the board discuss the proposal and bring it back at the next meeting.

The board members agreed to bring the agenda item to the next meeting.

- **Litigation:** The credits report remains the same. There is still funding available once the authority has their audits in order and once they have their plan of what infrastructure the board wants to fund. Recently, there was \$7.5 billion of funds through the EPA. Once the authority gets their plans together, then they will be good to go.
- **EPA National Water Sector Cyber Security:** There is an opportunity for water operators to understand what would happen if there was a cyber-attack and systems went down.
- **Krebs Contract:** The negotiations between this authority and Coweta County would be worked on through the general manager, Attorney Davenport, and the project managers. Krebs would not be negotiating terms.

#### **D. General Manager-**

Within the past 10 days or so, the team has been working on the MOU. The intergovernmental agreement will be the next process if the authority gets to that point.

Attorney Davenport states as soon as the Coweta Water Authority is comfortable with the language of the MOU, they will have to approve it, and it will come back to the authority for approval. Once the MOU is in place, that's the template for both entities to evaluate the relationship and what it would take to get the water from Coweta to the authority. Upon getting the evaluation to the point where the authority likes what they see, they can agree, and that would be the next step for the IGA between the two entities for a long-term service of water from Coweta to the authority.

Board member Boddie stated that he doesn't know the situation that Coweta is going through, but currently Palmetto is purchasing water from Coweta. If water is bought from Coweta that is not sold to an individual city but goes into the authority, will it be a problem with Palmetto buying water directly from Coweta?

Attorney Davenport stated that the fact that Palmetto already has an agreement with Coweta, what the authority does with Coweta will not impact that agreement. If the authority enters into a long-term agreement, Palmetto can choose not to renew its contract. There will be no impact.

Board member Boddie stated that the terms between Coweta and Palmetto haven't always been well.

Attorney Davenport stated that some issues came up in the negotiation. He agreed with board member Boddie and further stated that Palmetto is more than likely able to remove itself from the agreement and go in with the authority side of the equation.

Mayor Smith asked, if Palmetto were to do that, would they have to re-negotiate the contract? Will they have the capacity to service Palmetto under this agreement?

Attorney Davenport stated that Palmetto will not be giving up any contracts. Nobody can tell Palmetto to stop that contract. It's not going to interfere with an already established contract. Attorney Davenport envisioned those terms and conditions to be much more favorable to Palmetto, even though they're buying water for the authority from Coweta. Coweta has presented to the board that they will have sufficient water to supply to all cities. There will be no difficult choice to make.

City Manager Phillips stated that he has more of a high-level strategic question. If everything works perfectly, what would be the benefit to this water authority through the IGA?

GM Farmer stated that moving forward, this body as an authority, will eventually have debt services and several things to be addressed. So, if the structure is put in place and the agreement, what will happen is the authority can start generating revenue that will be worked out between the three cities. When GM Farmer came on board, the city of Atlanta submitted its proposal to the board for consideration. GM Farmer revisited Krebs because the authority had a previous relationship with the firm and didn't see any issues and the past. The next step is to negotiate a process. The last contract with Atlanta was back in 1995. The authority must move forward. The authority should get to a place where they are independent.

City Manager Phillips stated that he agreed with GM Farmer and asked if one of the primary benefits was an opportunity to generate revenue.

GM Farmer replied, yes.

Mayor Williams stated that the revenue portion is a desert factor. He asked GM Farmer if this was indeed moving the authority towards water independence for the three cities.

GM Farmer replied, yes!

City Manager Phillips asked how does it move the authority closer to water independence?

GM Farmer stated that with the water, the authority will get to a point where they will negotiate a fee. There's a lot of infrastructure that needs to be put in place. The authority must have water tanks, storage, and fire protection, and he doesn't believe that the city of Atlanta can provide or doesn't provide. If the authority goes through an RFP, in terms of cost saving and time moving forward, the authority must get some interaction and move forward.

Mayor Smith asked, If the authorities have been at this for a while and still talking about water independence, are there any short-term fixes? Palmetto needs something soon.

City Manager Phillips stated that the water solution in Fairburn is urgent. The city of Atlanta is struggling to get Fairburn the volume of water needed at an adequate pressure and it's adding critical impacts. City Manager Phillips called Chairwoman Fillingame because water was disappearing in Fairburn. A contractor hit a water line, and he wanted to know if the city of Union City was impacted. Union City had a low impact. Schools, colleges, and businesses had to shut down due to low or no water pressure. That's not sustainable and Fairburn doesn't have 3 years to fix the issue. This is urgent and time sensitive. Fairburn has consistent issues getting reasonable water pressures today. There are about 6 developments that the

Fairburn council has already approved that have not come out of the ground yet. If those all got developed within the next two years, Fairburn doesn't know what would happen because Atlanta can't provide consistent water today. City Manager Phillips spoke with the city of Atlanta watershed management. One of the responses he received was "All I have to give you is 20 psi". Usually, the standard psi should be at 60 to 80. Most days in Fairburn, if they get a consistent 30 psi, that's a good day. Fairburn has warehouses such as Google and Duracell, which utilize porta potties because they can't consistently flush their toilets. Fairburn has immediate short-term needs and like all three of the cities, significant long-term needs. While all this is going on, the city of Fairburn has more development interest. Everybody wants to come south. Fairburn now has developers on approved projects that need a letter from the city validating that they have the adequate infrastructure needed. The Fairburn council is asking "How is the water authority benefiting the city? It's been 22 years and some tangible results have happened such as the water withdrawal permit and the land that the authority purchased. Mr. Tom Owens informed the board a year ago that the authority didn't have the money to build the water plant. City Manager Phillips doesn't have confidence in Atlanta. Even if the authority is not independent, it's not even sufficient for Fairburn right now. City Manager Phillips recommends that the board have a strategic work plan session to assess where the authority stands today. Is the authority building a water plant? Is that a long-term goal? Citizens are inquiring about the million dollars that are being spent a year.

Mayor Avery stated that the council members have asked questions regarding the status of the water authority. It's problematic when huge companies leave the city. The authority must do something differently.

Mayor Smith stated that as a trainer and facilitator, she recognizes the value of having retreats and offering the opportunity to bring in diverse thoughts, ideas, and solutions. What it may look like is bringing in people who are not already directly engaged and allowing others to bring in ideas. There may be an opportunity outside of what has been happening the last 22 years to make this get legs and grow into something that works. Palmetto has a huge warehouse that has porta potties outside, and it's been normalized. It's no longer a strange thing for their employees to go to a porta potty at their place of work. That should not be the norm. This affects the industrial customers not the residents, but if someone starts losing money someone will leave.

Board member Boddie stated that 22 years looks like a long time, but it wasn't a long time. The whole thing started by building a new reservoir and treating the water. Palmetto is the only one who had its water plant. It's old but still being utilized. There was a situation when the authority couldn't get a contract to discuss services or anything. The city of Atlanta fought the authority on everything as far as producing its water. Over the years, the authority has faced obstacles that they couldn't climb over or get around it. This was under the governor that was the "reservoir governor". They transferred to another commissioner from audit, but he was an engineer. Eventually, the authority came up with a permit. The only thing that changed was the commissioner. Unfortunately, as those years passed, COVID-19 had a negative impact. The people who had the bonds at the time, made the authority do another study and had to pay for it showing that the cities can join together to have the authority, produce the water, afford to buy it from the authority, and afford to resell it to the citizens. It could be done. They thought it would be a negative, but unfortunately, it turned out to be a positive. When Mr. Owens reported that the authority couldn't afford a treatment plan, they turned to the city of Atlanta as a partner. The city of Atlanta hasn't maintained their system nor did they do their improvements properly. The authority was fighting against some tough people in the city of Atlanta, to move this project forward. Board member Boddie clearly stated that he didn't want the board to get the wrong impression that the authority hadn't been doing anything. They've had stumbling blocks preventing them from moving forward.

Mayor Williams appreciated the commentary from his colleagues and stated that it's a wise idea to entertain the opportunity to sit down and have some real conversation as to where the authority is headed, and how it gets there. It's taking a long time. When he first got on the authority, he had to look at the big picture which was "How do we serve all of our communities". Mayor Williams proceeded to say that after conducting research, this length of time is about what it takes to move a water authority forward. When looking at the average water authority, it takes anywhere from 12-20 plus years before it gets off the ground. Getting the permit was a huge win for the authority. This is indeed something that the authority has gone through with the city of Atlanta since the previous mayors of Atlanta. Outside of Mayor Dickens, there was no real conversation to be had regarding the authority of those mayors. It has been great and refreshing that Atlanta has entertained a conversation with the authorities. However, Atlanta is not going to be the partner the authorities think they would be. Looking at what's going on in Atlanta, they have not done a good job in maintaining infrastructure. A lot of cities haven't but why would the authority entertain going into that relationship when we will be the ones paying for what they have to do? There have been efforts to make sure they didn't support this authority. It's about equity, it's about fairness, and it's about making sure the residents and businesses are well taken care of.

Chairwoman Fillingame will work with GM Farmer to do an initial review and will distribute it to the board members.

Mayor Smith asked if the board would be able to make recommendations to invite individuals who are not already working with the authority, to the retreat for recommendations.

Mayor Williams stated that he doesn't have any problems with individuals who haven't been a part of this. The authority just doesn't need people coming in trying to cut a deal. The authority needs people who are coming with meaningful conversations and direction. The authorities must be careful who they allow to enter the room.

Mayor Avery asked how far in advance it takes the board to pull the retreat together.

City Manager Phillips stated that Chairwoman Fillingame and GM Farmer will meet to discuss the dates. Because of the issues in Fairburn, at this core, this is a multijurisdictional issue. It affects all the cities. City Manager Phillips stated that he doesn't want anyone to think he's trying to despair the authority. The authority needs a clear path with deliverables, measurables, and outcomes to deliver to their constituents.

Mr. Owens presented the board with major ways to get water.

1. Keep doing what the board is doing now:
  - a. Choose to partner with the city of Atlanta or Coweta Water Authority
  - b. The board talked about building their reservoir and plant which has been proven too expensive to do, given the current level of water.
  - c. The group is pushing towards a MOU with Coweta. The next step is figuring out the price of the water.
2. The authority must know what it will cost to move the water plant to each of the three cities. Only an engineer will be able to determine this information. If the authority doesn't have the tools to figure out the cost to move the water from here to there, the authority is going to end up with a MOU with no idea of the next steps.

Mr. Owens stated that the authority doesn't want to have a work session that's not productive.

Chairwoman Fillingame stated that it's about having that information to be able to make a solid decision.

City Manager Phillips stated that the goal of the work session is to develop those answers. He agrees and doesn't think anyone in here is thinking that the authority doesn't need engineering services. He doesn't believe that the options Mr. Owens presented are the only options in the universe. So that's the purpose of having the session. He expressed that he doesn't like making decisions without having adequate information. Those elements must be involved. The authority must certainly have engineers' expertise on it.

Mr. Owens stated that the way to get to an independent state is to have a secure source of water even after having a contract. The line has a fixed cost. The authority has a variable cost in how much water is purchased. The authority must have something to go from point A to point b.

Chairwoman Fillingame stated that it's great to have additional insight and expertise come in, but the challenge is all the data, all the information, all the assessments and feasibility that the authority has thus far. It's an interesting quandary and chairwoman Fillingame knows that the authority is at a turning point because now there are additional options to consider but at the same time, there are cities that are experiencing great difficulties. As members, the boards must be mindful of it and that they're not losing ground either as they continue to push forward.

Mr. Jared Jackson thanked the board for considering Krebs. He has been employed with the firm for 12 years. They looked at some conceptual alternatives to Coweta's piece. With the conversation with GM Farmer and Project Managers Gray and Benz, it is Krebs understanding that the authority's scope is going to be to evaluate some of the information that the city of Atlanta gave the authority and to put the treatment plant alongside as well. Krebs can get the road map or something similar to the work session for the board to move forward with. Part of what drove the conversation was the resilience that the team spoke of and the issues that some of the cities are experiencing and the lack of support they're getting from Atlanta. It is Krebs understating that Coweta was more of an interim solution and the goal of the authority is to be self-sufficient. It's not the infrastructure that you put in the ground and then you turn away from when you have the demand and the revenue stream to generate funding to build a treatment facility, instead, it's the infrastructure that you will be able to reutilize.

**VII. Other Business:**

**VIII.** The motion to adjourn the meeting at 8:15 pm was made by Mayor Williams and seconded by Mayor Smith.

**Vote: 6-0; Motion Carried**



Sonja Fillingame, Chair



J. Davis  
Jessica Davis, Secretary