Middle Chattahoochee Regional Water And Sewer Authority Meeting

November 13th, 2025 @ 7:00 PM
City of Fairburn- City Hall
56 Malone Street S.W. Fairburn, GA 30213

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 Vice Chair Mayor Mario Avery
The Honorable Mayor Teresa Thomas-Smith
The Honorable Councilman Nathan Slaton
The Honorable Councilman Brian Jones
The Honorable City Manager Tony Phillips

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

III. Approval of Water Authority Minutes:
The motion to approve the October 14th, 2025, MCRWSA was made by Mayor Williams and seconded by Councilman Jones. **Vote: 7-0; Motion Carried**

IV. Discussion & Approval:

- **RFP Referrals** **City Manager Tony Phillips**

Chairwoman Fillingame stated that City Manager Phillips asked for clarification regarding the RFP referrals, stating she believed this referred to Board Member Phillips providing three recommendations for accounting services.

City Manager Phillips confirmed this, stating that during a previous discussion, the Board sought additional options for accounting services. Each city was asked to work with its procurement team to identify viable firms. The three recommendations he forwarded were the result of that process. He noted that he was unsure whether any other cities had submitted additional recommendations. City Manager Phillips also clarified that, to his knowledge, no one had contacted the recommended firms on behalf of the Authority. He explained that he believed each city was to offer suggestions, and he simply provided three firms from the City of Fairburn. He added that if no other recommendations were being presented, the Authority could begin by having someone reach out to those three firms to determine their interest in providing financial services.

Mayor Vince Williams stated that the Board had already discussed difficulty in finding available firms, so he supported moving forward with the three recommendations. However, he asked what the process should be to ensure the Authority selects the best-qualified option.

Mayor Teresa Thomas Smith suggested that someone reach out to all three recommended firms to gather one-page proposals or background materials so they could be properly vetted before the Board made a decision. She also asked whether the recommended firms were forensic auditors.

City Manager Phillips clarified that the recommendations were meant to replace Dan Post/Accounting Services, not for forensic auditing. He explained that any potential vendor would first need a detailed scope of work. He suggested obtaining a list of the monthly accounting services previously provided by Dan Post so vendors could

understand what services would be required. Without a defined scope, firms would be unable to provide accurate proposals or pricing.

Attorney Dennis Davenport noted that the Authority has no employees and its operations are very simple, consisting mainly of paying vendors and meeting-related invoices. Because the workload is minimal, many firms are not interested in taking on the contract. He added that auditing would still be completed by a firm such as Mauldin & Jenkins, but the day-to-day accounting services required are limited.

Councilmember Brian Jones stated that he had one additional firm to add to the list of potential candidates.

Councilmember Nathan Slaton suggested drafting a scope of work on the Authority's letterhead that outlines the services needed. He volunteered to contact all four firms while he is recovering at home, once the scope is prepared. He stated that he could bring the gathered information back to the Board before the December meeting.

Councilmember Brian Jones agreed with this approach, as long as the scope of work is first confirmed with Attorney Davenport to ensure accuracy. He noted that delays occur when items are continuously pushed to the next meeting and recommended that a brief phone call between Councilmember Slaton and Attorney Davenport could quickly finalize the scope.

Councilmember Nathan Slaton asked Attorney Davenport if they could work together to create the scope of services that would then be sent to Secretary Davis to place on the Authority's letterhead. Attorney Davenport confirmed that he could assist with that.

Mayor Teresa Thomas Smith stated that she may have a fifth firm to add to the list of potential accounting service providers.

Chairwoman Fillingame summarized the direction provided by the Board, stating that all members should submit information regarding their recommended firms to Councilmember Slaton. Councilmember Slaton will then confer with Attorney Davenport to develop the scope of services needed to fulfill the Authority's requirements.

Councilmember Jones asked whether the Board was seeking low bids or qualifications.
The Board informed him that they are prioritizing qualifications.

Mayor Avery asked whether the scope of work would require firms to prepare for the annual audit. He noted that, from the vendor's perspective, they might inquire about the expectations related to audit preparation, such as hourly rates or standard procedures.

Chairwoman Fillingame stated that previous concerns had been raised about separating accounting services from auditing, ensuring that the two functions are not performed by the same firm.

City Manager Phillips stated that Mauldin & Jenkins, barring any other recommendation, would likely continue performing the annual audit. He explained that the work being audited is the transactional accounting completed month-to-month by whichever firm is selected. He also noted that as the Authority continues to

develop and evolve, the scope of work for the accounting firm will likely change. He recommended that the Board ensure prospective vendors understand that the scope may expand over time.

Chairwoman Fillingame stated that it appears the Board now has a roadmap for moving forward. She then introduced the next agenda item: the forensic audit.

- **Forensic Audit** **Mayor Teresa Thomas-Smith**

Mayor Teresa Thomas Smith stated that during the last meeting or possibly the one before she referenced information provided by the Authority's previous forensic auditor. She apologized for not having her tablet with her but asked whether she could forward the information to the Board.

Chairwoman Fillingame stated that Mayor Thomas Smith may forward the information to the Authority members. She added that her understanding was that each city was previously given the opportunity to develop and submit a proposed scope of work for the forensic audit, but that has not yet been completed. She suggested revisiting that directive to ensure all cities have the opportunity to contribute.

Mayor Teresa Thomas Smith stated that she believes conducting a retreat or work session may be beneficial. She explained that it is easier to engage in productive discussion when all members are together and able to exchange ideas, rather than attempting to develop proposals individually. She suggested scheduling a work session prior to a regular meeting so that members can collaborate on drafting the scope.

City Manager Tony Phillips asked for clarification, stating that his understanding was that each city would independently attempt to develop a scope and then bring it back to the Board for review.

City Manager Phillips further explained that forensic auditing requires a highly specific skill set, different from transactional accounting. He expressed concern that the Board needs more informed guidance before drafting a scope. He suggested inviting an expert to discuss what a forensic audit entails, what it includes, and how it applies to the Authority's needs.

Mayor Vince Williams noted that the Board previously invited a forensic auditor to speak and provide an overview of the forensic audit process. He questioned whether the Board was now seeking a repeat of that information and expressed concern about duplicating efforts.

City Manager Phillips responded that he would be happy to begin with whatever materials the previous vendor provided.

Mayor Teresa Thomas Smith clarified that a scope of work is different from the general explanation previously received. She explained that when a forensic auditor is hired, the Board must specify precisely what they want examined for example, reviewing financial records from 2017 through 2024 or examining specific bank accounts. Without a clearly defined scope, the audit could become overly broad, significantly increasing costs. She emphasized that the Board must determine its exact objectives and what outcome it expects the audit to produce. The scope must be strategic, focused, and reflective of what the Authority needs.

Councilmember Jones stated that a subject matter expert is needed. He noted that this has been the recurring challenge.

Attorney Dennis Davenport explained that Laurie Dyke is the individual who previously met with the Board at both the Palmetto meeting and the first Union City meeting. She had already provided the information the Board is

currently seeking. He stated that Ms. Dyke offered to meet with each member individually to help develop the scope. She explained that the only way to create a proper scope was to ask the detailed questions the Board is now discussing. After gathering that information, she would have prepared a scope, returned it to the Board for confirmation, and then begun the work plan. Attorney Davenport further explained that she divided her proposal into two phases, with each phase capped at a reasonable cost. He noted that the Board declined her proposal at that time, which is why the discussion has returned to this point.

Councilmember Nathan Slaton responded that the Board did not reject her proposal due to lack of interest, but rather because they preferred an impartial party who had no prior relationships with anyone in the room. He added that at the time Ms. Dyke presented, the Board did not yet have a clear direction regarding how they wanted to proceed. This led to discussions about first defining the scope of work and ensuring that all financial records were organized, especially given future partnerships involving water services. He asked whether it would be prudent to request forensic audit scope proposals from each of the prospective accounting firms the Board is considering.

Chairwoman Fillingame stated her understanding that standard practice is to keep accounting services and forensic audit services separate, though firms may still be able to offer guidance.

Councilmember Nathan Slaton clarified that he was referring only to guidance on the scope, not requesting the firms to perform the audit themselves.

City Manager Tony Phillips addressed Mayor Thomas Smith's earlier comments. He recalled previous discussions in which the Board attempted to identify all Authority records going back 25 years. His recollection was that while some records were located, others had been moved between cities over the years, creating uncertainty. He stated that a holistic forensic audit is needed because none of the current members have been involved with the Authority for that long, and there may be information unknown to the Board. He emphasized that the Authority must simultaneously work toward developing the scope while continuing stakeholder engagement and forward planning. He cautioned that the forensic audit may take considerable time, so the Board cannot halt other progress while waiting for its completion.

Chairwoman Fillingame summarized that two points have emerged:

1. Several members, including Councilmember Slaton and Councilmember Jones, support the idea of engaging someone with forensic auditing expertise to guide the Board in developing the scope of work.
2. There is recognition that documentation already exists. She noted that the project team previously sent extensive electronic files to the Authority, and that members had the opportunity to review them.

Project Manager Benz confirmed that two sets of documents had been provided. One was a shared file containing all materials discussed at the retreat, and a second shared file and flash drive were provided to Secretary Davis when she became Clerk. He noted that while financial documents were not included because the project team did not have access to them, all permit records, correspondence, and other documentation were provided.

Councilmember Jones asked for clarity. He observed that some members were suggesting going back to the inception of the Authority for the forensic audit, but he questioned whether that was necessary. He stated that Dan Post has handled the books for at least 18 years and suggested narrowing the time period to when documentation is available.

Mayor Teresa Thomas Smith added that the Board must determine not only the timeframe but also exactly what they are seeking to uncover.

Councilmember Brian Jones stated that the Board must first establish the timeframe before identifying the specific documents needed. He suggested that determining the years to be reviewed will help guide the search for records. For example, if the Board decides to review records beginning in 2010, then staff will know which documents to locate for that period.

Councilmember Nathan Slaton stated that while he understands the cost considerations, he believes that if the Authority intends to enter a water partnership involving approximately $25 million, he would want to know every detail from the beginning. He explained that he would not invest in such a project without a full understanding of all 25 years of the Authority's history, emphasizing that "you don't know what you don't know."

Chairwoman Fillingame stated that the logical starting point would be to work with the selected accountant, as they will need to craft the scope regardless. She asked whether the Board was amenable to beginning there. She further stated that once an accountant is selected, the Authority could receive guidance based on the accountant's specialized knowledge regarding forensic audit requirements.

Mayor Teresa Thomas Smith asked whether the accountant being sought would effectively serve as a financial advisor, noting that Dan Post was previously listed as a financial advisor on the agenda. She also asked whether the selected individual would function as the project manager.

The Board replied yes.

Councilmember Nathan Slaton summarized the next steps: the three firms recommended by City Manager Phillips, one firm that Councilmember Jones will submit, and a possible fifth firm from Mayor Teresa Smith will be contacted. Once he and Attorney Davenport finalize the scope of work, he will contact all firms, obtain one-page summaries, receive quotes, and determine whether each firm can also advise on a forensic audit scope.

City Manager Tony Phillips added that the previously presenting firm offered two quotes: a set fee to help develop the scope and a separate fee for conducting the forensic audit. He asked Attorney Davenport to confirm this understanding. He also noted that he had disclosed that the firm had worked for Fairburn but stated he had no concerns with their work.

Attorney Dennis Davenport confirmed that he described this process at the Palmetto meeting prior to Ms. Dyke's presentation in Union City. He explained that when the Board previously requested that she prepare the scope so another firm could perform the audit, he advised against splitting the process. Her pricing was discounted because it covered both phases: preparing the scope and performing the audit. He noted that if she were asked to prepare only the scope, without the second phase, her pricing would likely be higher.

City Manager Phillips stated that it may still be worthwhile to ask whether she would prepare just the scope, especially since the only previous objection came from Mayor Teresa Smith regarding the firm's past work for Fairburn. He recommended at least requesting a quote for the scope alone so the Board could consider it.

Attorney Davenport reminded the Board that the issue of neutrality applied not only to the audit but also to the preparation of the scope. He explained that the Board had expressed a desire for someone with no connection to any member city, which was why Ms. Dyke did not return.

Mayor Teresa Thomas Smith clarified that her concern was with the audit, not the scope. She stated that the scope is a general document that the Board must all agree on, and she would support Ms. Dyke preparing the scope if the Board chose that option.

Chairwoman Fillingame asked whether the Board wanted to request only the scope, or both the scope and the execution of the forensic audit. She stated that she personally had no issue with a firm performing both, but she would yield to the Board's preference. She said the Board must decide.

Mayor Avery stated he had no issue with the firm's prior work for Fairburn.

Councilmember Nathan Slaton stated that the Authority already has a forensic audit underway and that previous firms had been engaged for this purpose. He noted that the Board already possesses a scope from Rosales at no cost and questioned why the Board would pay another vendor to prepare one. He clarified that the Board does not intend to use firms connected to member cities to perform the forensic audit itself, but if they only need a scope, they already have one that could be used.

Mayor Vince Williams responded that the Board previously discussed this, noting that Mayor Teresa had concerns about relationships linked to a specific vendor. Out of fairness, Rosales was not used for that reason.

Mayor Teresa Thomas Smith clarified that Rosales must also maintain independence due to its involvement in the current forensic review.

Councilmember Nathan Slaton reiterated that the Board already has a scope document and that no firm would be performing any work beyond that. He stated that the scope could be provided for the Board's use to help guide future decisions.

Chairwoman Fillingame concluded that the issue returns to neutrality. She noted that based on the discussion, it appears the Board may be more comfortable waiting until an accountant or financial manager is selected and then working with that individual to develop a scope. She stated that this approach avoids conflicts related to firms with prior relationships to member cities and ensures the scope is developed with the help of someone who has the proper expertise. She asked whether the Board was amenable to that approach and whether a motion should be made to formalize the decision.

A motion to secure the financial manager and then have that individual develop the forensic audit scope was made by Mayor Vince Williams and seconded by Mayor Avery. **Vote: 7-0; Motion Carried**

City Manager Phillips stated that the Board should establish a timeline for when it intends to hire the financial manager so progress can continue without delay.

Councilmember Nathan Slaton asked whether anyone on the Board had neutrality concerns if the scope from the Rosales group were submitted for consideration.
The Board responded that a motion had just been made to hire a financial manager, and that individual would handle the development of the scope.

City Manager Phillips reiterated that there are five firms under consideration for the financial manager position. He stated that the Board will move forward with contacting the firms, and that Councilmember Slaton has volunteered to work with Attorney Davenport during the process. He again requested that a timeline be established. He clarified that he did not wish to amend the motion and that he supports it as presented.

Attorney Davenport explained that the motion addressed a separate matter—specifically, that the selected financial manager would develop the scope for the forensic audit. He recommended allowing Councilmember Slaton to return with the work product in December. At that time, the Board could set a deadline for hiring the financial manager. He further clarified that placing a deadline within the current motion would not be effective, because the

underlying motion pertains to the financial manager's role in developing the forensic audit scope. He suggested that the Board wait until December to vote on a deadline regarding the hiring of the financial manager.

- **Revenue** **Councilmember Brian Jones**

The Board revisited the previous conversation regarding Tom Owen's proposal involving the City of Atlanta and exploring whether an agreement could be established as a starting point for revenue opportunities. The Board agreed to entertain the discussion again. It was noted that Councilmember Jones will follow up with Tom Owens to prepare information for the December meeting.

V. Reports:

1. Financial Manager

Attorney Davenport presented Requisition #283 in the amount of $9,708.58 for approval.

The motion to approve requisition #283 was made by Mayor Williams and seconded by Councilmember Slaton.

Vote: 7-0; Motion Carried

2. Project Managers:

Project Manager Laura Benz provided an update following the Board's direction at the last meeting to meet with Hamilton Homes and Sustainability Partners. She reported that a conference call was scheduled, with a follow-up call planned for the following day. The project managers met with Hamilton Homes and two representatives from Sustainability Partners, Eric and Jason.

The representatives requested background information, so the project managers provided the standard presentation previously given to each member city council. The presentation outlined the history of the project, the Authority's assets, and the current status of permits and approvals issued by the Georgia Environmental Protection Division (EPD).

Sustainability Partners explained that they typically begin their work with water meters. Because each member city has its own water system, they would contract directly with each city to install and maintain water meters. They would provide all necessary infrastructure up front, with each city paying a set amount over time. Based on their previous experience, they stated that this approach increases revenue by improving meter accuracy.

They also indicated that they were not discouraged by the approximately $160 million total project cost. However, they emphasized the need for further discussions with each city to determine financial feasibility. They expressed some concern about missing audits but noted that potential workarounds may be available. They also stated that if they were to install substantial infrastructure, there would need to be some form of payment assurance. Sustainability Partners shared that the current cost of capital would be similar to the bond market, with additional basis points added due to the shift in risk to them. Specific financial details were not discussed at this stage. Tom Owens is joining the next call to assist in evaluating financial considerations further. If discussions progress, Sustainability Partners may present to the Board at the December meeting.

Project Manager Benz noted that Sustainability Partners has had successful projects in cities such as Shreveport, Louisiana, and Jackson, Mississippi, and that they often utilize third-party contractors who contract through either Sustainability Partners or the Authority. They also clarified that they do not add margins for goods, services, design, or maintenance.

Mayor Avery asked for clarification about the margins.

Project Manager Benz explained that unlike many contractors who add costs to infrastructure projects, Sustainability Partners does not add additional charges to the cost of infrastructure. She further noted that the Authority has explored Public-Private Partnerships (P3) in the past, including for the reservoir and direct withdrawal options, but those proposals were cost-prohibitive. Full financial discussions have not yet occurred with Sustainability Partners, though the company has been transparent and enthusiastic. Whether the project is viable will depend on the financial structure and whether the numbers make sense for the Board. Each city would begin with its own contract for water meter services, while larger components of the project would fall under the Authority.

Mayor Teresa Thomas Smith asked whether timelines had been discussed regarding when Sustainability Partners could begin work.

Project Manager Benz responded that they discussed the possibility of the company attending the December meeting to present to the Board, answer questions, and review project timelines for both the Authority and the individual member cities. She reiterated that previous P3 proposals failed primarily due to cost. Therefore, the project team is still working to clarify financial details before any presentation occurs.

City Manager Tony Phillips stated that he would very much like Sustainability Partners to present to the Board at the December meeting. He noted that they are available and willing to do so based on the positive tone of previous discussions. He requested that a basic presentation be prepared and included in the agenda packet so Board members can review it in advance and arrive prepared to ask informed questions about the company's services and proposals.

Chairwoman Fillingame asked whether the Board was amenable to having Sustainability Partners attend the December meeting.

The Board agreed.

Project Manager Benz added that the project team also met with the City of Atlanta several months ago but had not pursued additional communication while Atlanta transitioned through its recent elections. With Mayor Dickens now re-elected and a new City Council seated, she asked whether the Board wished to resume communication with Atlanta to conduct a status check, or whether they preferred to continue focusing first on Sustainability Partners and the other ongoing options.

Councilmember Nathan Slaton stated that he preferred to evaluate the other options first.

Mayor Teresa Thomas Smith noted that there should be consideration for the upcoming transition in Board leadership. She pointed out that the Mayor-elect was present in the audience and emphasized the importance of ensuring she is able to participate fully in discussions and decisions once she takes her seat in January.

Project Manager Benz responded that she would refrain from additional outreach to Atlanta at this time and would wait for Atlanta to contact the Authority.

VI. Other Business

- Chairwoman Fillingame announced that Board members should have received an email containing the draft audit from Mauldin & Jenkins for the period ending December 2024. The draft audit is also included in their meeting packets. She noted that she had not been informed of any findings but had forwarded the document to the Secretary for distribution. She asked that all members review the audit so the Board can be prepared to discuss and respond collectively at the December meeting.

Mayor Avery asked whether the third voting seat scheduled for January 2026 belongs to the City of Fairburn.

Attorney Davenport confirmed that the Board addressed this matter in June of the current year. The Board voted to rotate the third seat, with the next term assigned to Fairburn, followed by Palmetto, and then back to Union City. He reminded the Board that the third seat is a two-year term.

- Mayor Vince Williams recalled the discussion held on September 9th regarding the frequency of Authority meetings. He noted that earlier in the year, during the meeting in Palmetto, the Authority voted to halt or pause the water project, and at that time there also appeared to be interest among some members in dissolving the Authority altogether.

  Despite those sentiments, the Authority continued to conduct business and meet its legal and financial obligations. Mayor Williams emphasized that during the Palmetto meeting, he mentioned the possibility of dissolution only because there appeared to be a belief that the Authority had no further work to do. However, the Board was reminded then and remains aware that the Authority has ongoing obligations to both its vendors and bondholders, which require continued action.

  Returning to the September 9th discussion, Mayor Williams noted that it seemed clear to him and the majority of members present that quarterly meetings would be sufficient, with the ability to call special meetings as needed. He acknowledged that the vote to hold quarterly meetings was later revisited and reversed at the October meeting, and he stated that he understands the motivation for returning to monthly meetings namely, a perceived increase in workload. However, he expressed that he does not see evidence of such workload.

  Mayor Williams stated that the Board often expresses the need for cooperation among the cities to advance the project, yet the Authority has been unable even to secure a basic resolution reaffirming that all cities remain committed to moving forward. He emphasized that cooperation and collaboration must be demonstrated through action, not merely acknowledged in discussion.

  He then addressed fiscal challenges, noting that these issues will hinder the Authority's ability to secure additional funding. He stated that there is no clear timeline for when these fiscal challenges will be resolved, and without financial capacity, there can be no progress on the project.

  Mayor Williams discussed the financial contributions the cities agreed to make, based on proportional water usage. Union City understood that it would pay the lion's share, and has done so. He provided the following figures for the 12-month period from November 1, 2023, to October 31, 2024:

- **Union City:** $2,129,455 (63.4%)
- **Fairburn:** $1,026,457 (30.6%)
- **Palmetto:** $203,220.95 (6%)

For the most recent 12-month period (November 1, 2024, to October 31, 2025), he reported:

- **Union City:** $2,203,907 (66.0%)
- **Fairburn:** $1,050,707 (31.5%)
- **Palmetto:** $84,280 (2.5%)

He stated that Union City accepted at the outset that it would contribute the majority of the funding because of its water usage. However, based on the records he received, Palmetto has not made any payments toward the Authority since January 2025. He emphasized that if the Board is going to speak about cooperation, all cities must demonstrate cooperation.

Mayor Williams further noted that the Authority currently has $19.7 million in outstanding bond debt**.** Given the financial disparities and the lack of full engagement by all member cities, he proposed that the Authority:

1. Value its assets**,**
2. Pay down or pay off its bond obligations, and
3. Wind down the business of the Authority**.**

He expressed concern that one of the cities has not been a consistent partner and argued that the assets already held by the Authority could address the bond debt and relieve each city from further payments into an entity that may no longer be needed.

Mayor Williams reiterated that Union City and Fairburn have, at times, overpaid, and both cities have consistently supported the Authority. However, ongoing challenges such as the inability of all cities to produce timely audits have already hindered the Authority's ability to secure federal support in the past. He concluded by stating that numbers speak for themselves. Union City has overpaid a couple of times, and so has Fairburn. We have kept this Authority sovereign, and it is time for us to do what we need to do individually for our own cities. This is not working, folks. That is my proposal, and that's what I have.

Mayor Teresa Thomas Smith responded to Mayor Williams's remarks, stating that she believed it was a little bit disingenuous to suggest that the City of Palmetto was not being a good partner. She explained that if Palmetto had not submitted payments since January, it was not intentional; rather, she was unaware that payments were outstanding because she did not know the process for submitting payment to the Authority. She added that the payment system was likely established by a former employee who is no longer with the city.

Mayor Thomas Smith stated that if payments had indeed fallen through the cracks, she would have expected the Authority to notify Palmetto that payments had not been received. She described such communication as a professional courtesy.

Mayor Vince Williams responded that notices had been sent out.

Mayor Teresa Thomas Smith continued by emphasizing that Palmetto has not intentionally withheld payment. She acknowledged that Palmetto's audits were not current, noting that the city had not completed an audit since 2021. She became mayor in 2024 and stated that her administration is still working to complete the 2022 audit. She explained that she inherited these issues from the previous administration, which failed to ensure that the Authority received necessary documents and payments. She stated that it is now the responsibility of her administration to correct those deficiencies.

Mayor Vince Williams responded by stating that his comments were not directed at the current administration. He noted that the issue of Palmetto's incomplete audits was raised with the previous administration, and reminded the Board that he personally addressed the matter with the former mayor. He reiterated his proposal that the Authority should value its assets and pay down or pay off its bond debt, citing uncertainty about the next year and the need to reduce financial liability.

A motion to value the Authority's assets and pay down or pay off the outstanding bond debt was made by Mayor Vince Williams and seconded by Councilmember Brian Jones. (*SEE VOTE AFTER DISCUSSION)*

City Manager Tony Phillips stated that the Authority was created more than two decades ago because it was evident at that time that the southern crescent cities of Fulton County required an independent 50-year water source. He noted that the need for such a resource is even more pressing today than it was 25 years ago. Although he acknowledged that the Authority's history has included challenges, he emphasized that water is a vital resource for every resident in all three cities. For that reason, he urged the Board to step back, assess why the project has not progressed, and determine what the future should look like.

City Manager Phillips emphasized that he has never suggested continuing with the same model or practices of the past 25 years. In fact, at the previous meeting during the discussion on meeting frequency, he stressed that the Authority must take a significantly different approach. He stated that the Authority may need to "reconstitute as something different." He noted that the Authority has valuable assets including the Chattahoochee River withdrawal permit and that regional stakeholders have expressed an interest in participating in discussions about the future of the project.

He stated that the Authority must engage resources beyond the Board and that key regional stakeholders are ready and willing to have those conversations. He suggested that a new iteration of the Authority could involve additional cities or partners. He also noted that Atlanta continues to face water challenges, and a regionalized solution could benefit all parties involved. While the Authority's past challenges should not be ignored, he urged members not to allow them to obscure future possibilities. He concluded that dissolving the Authority does nothing to resolve the original issue, which is the need for a long-term water source, and that such issues are better addressed regionally.

Councilmember Nathan Slaton stated that he fully supported City Manager Phillips's comments. He said he has no desire to disband or wind down the Authority because doing so would not benefit any of the cities. He explained that although some cities may have backup water sources, those backups are becoming strained. For example, Palmetto's backup source through Coweta County is expected to diminish as Coweta and Newnan continue to grow.

He stated that Palmetto does not intentionally avoid payment obligations and emphasized that neither he nor the mayor writes checks; they did not know payments were outstanding. He shared that several notifications had recently been discovered in an old email account. He requested that the Authority provide copies of any missed notifications by email or text so that Pendleton could resolve the matter within the week. He noted that the matter could have been handled with a simple phone call and stated that the three cities have historically supported one another. He urged the Authority to continue operating in that spirit.

Councilmember Slaton reiterated that he does not support dissolving the Authority. He said the cities are "between a rock and a hard place," but he believes they can move forward by partnering with the right experts and making sound decisions. He also agreed that radical change is necessary. He noted that he has no problem with quarterly meetings. He concluded by saying that whether he is on the Board in 2026 or not, the region will always need water, and nothing currently in place will secure that water without the Authority's success.

Councilmember Brian Jones stated that when the proposal to pause the project was first raised at the August or September meeting, he was strongly opposed to it. He explained that after working on the project for many years, it is difficult not to be biased toward seeing it through. However, after stepping back and reevaluating the situation, he now believes that without the $160 million needed to build the system, the Authority has no path forward. He stated that although potential partners seem interested, none has come forward with a check. He emphasized that after 25 years of progress, a plan without funding cannot move forward. Whether the Authority meets quarterly or monthly, the central issue remains, there is no money.

Mayor Avery asked how many years remain in the current year agreement.

Attorney Davenport responded that the agreement was entered into in 2003, leaving 28 years remaining.

Mayor Avery then addressed Mayor Williams directly. He expressed that he was surprised that Mayor Williams had not spoken with Mayor Thomas Smith offline before raising such concerns. He stated that he would need to speak with his own City Council before taking a position on the proposal, explaining that he believes strongly in having a unified position when representing his city.

Mayor Vince Williams responded, stating that it is not his responsibility to notify any city regarding their payments. He noted that Fairburn has consistently paid and at times overpaid and Union City has done the same. He emphasized that if another city experienced a notification issue, that responsibility does not fall on him. He clarified that his earlier remarks were not made out of disrespect, but out of honesty. He reiterated that both Union City and Fairburn have worked to keep the Authority sovereign.

Mayor Williams stated that he is not proposing to dissolve the Authority. Rather, he is proposing that the Board organize its assets and pay down or pay off the Authority's outstanding bond debt. Doing so, he said, would relieve all three cities from the burden of carrying the debt, which has been a struggle for each municipality. He further explained that paying off the debt would allow the Authority to remain intact while giving the cities flexibility to work with partners who genuinely wish to engage.

He stated that he continues to hear that "many others want to come to the table," yet no such partners have appeared. He shared that he has already met with Atlanta, but they are still awaiting direction though he acknowledged that many parties paused until after the election cycle. Now that elections have concluded, he expressed hope that Atlanta and other potential partners may step forward. He concluded by stressing that regardless of future partnerships, the debt must be addressed.

City Manager Tony Phillips stated that the $160 million project cost has been the "elephant in the room" since the number was introduced. However, he said that in his discussions with stakeholders, the figure is not viewed as insurmountable. He recalled a previous conversation referenced during the meeting in which Sustainability Partners and other potential partners did not view the number as a barrier.

Project Manager Benz confirmed this. She stated that none of the prospective partners expressed concern over the project cost. She explained that many of the entities they spoke with are managing their own reservoir expansions or intake projects with budgets in the $200–300 million range, and therefore viewed the Authority's projected cost as reasonable. While these entities were not yet ready to move forward due to their own ongoing projects, they expressed openness to continuing discussions.

City Manager Phillips added that in a recent conversation with a project leader in Birmingham, the response to the $160 million price tag was, "Is that all?" He stated that the Board must be willing to think differently and open its minds to broader regional conversations. He emphasized that while he respects concerns about debt, he believes the Authority should continue discussing the most effective way to approach the issue over the next few meetings rather than making an immediate decision.

He reiterated his belief that the Authority should remain in existence and may even need to expand or reconstitute to include additional stakeholders or partner cities. He stressed that the Authority's EPD withdrawal permit has significant value, and that potential partners may see opportunity in working with the Authority if the Board is willing to reimagine its structure.

City Manager Phillips emphasized that the future should not look like the past. He argued that the Board must lean into a new model of leadership. Unlike in city government where elected officials assign research and due diligence to staff—this Authority does not have a built-in administrative team. For that reason, he said that the Board

members themselves must become more directly engaged in relationship-building, stakeholder outreach, and solution development.

He stated that he believes Board members should be present in discussions with Atlanta and should take initiative to bring potential partners into future meetings. He noted that, for the most part, the same individuals attend every meeting and the Authority does not regularly engage with parties outside the room. He said that this must change if the Board is to resolve the debt and secure long-term water solutions.

City Manager Phillips concluded by stating that water is needed now more than ever, and that responsible leadership means working through the challenges including debt to provide citizens with a viable, sustainable water resource.

Chairwoman Fillingame clarified that the $160 million estimate referenced in earlier discussions represents only the construction cost of the project. It does not include the substantial additional costs each city would incur to tap into the system, build necessary connections, or expand infrastructure. She emphasized that the total financial commitment extends well beyond $160 million and may require millions more from each city individually. She stated that this distinction was important so that all Board members have an accurate understanding of the scope and financial implications of the project.

She further addressed references to Union City's discussions with Atlanta. She explained that the project managers' outreach to Atlanta was conducted on behalf of the Authority, not independently by Union City, and the purpose was to update Atlanta on the project's status and explore partnership opportunities collaboratively. She noted that Fairburn had been exploring options with Fayette County, and Palmetto had been working with Coweta County. The outreach to Atlanta was therefore consistent with the Authority's broader regional engagement efforts. Chairwoman Fillingame reiterated that collaboration and partnership are essential, and that accurate context is important for understanding how various discussions were initiated.

Councilmember Jones added that when the Board first received the $160 million cost estimate, they discussed what that would mean for water rates per thousand gallons. He recalled calculations suggesting rates could reach 10–12 per thousand gallons, compared to current rates of approximately 5–6, making such an increase infeasible for residents without significant outside investment. He reiterated that unless partners with financial capacity come to the table, the project cannot move forward.

City Manager Tony Phillips agreed that the numbers appear large but emphasized that projects of this scale occur across the country regularly. He stated that the project is doable, but not under the Authority's current model or approach. He noted that nationwide discussions emphasize aging infrastructure, water scarcity, and regional solutions, and he believes that the Authority must consider new models, new partners, and possibly new governance structures. He argued that the responsibility to find a viable solution has not yet been met and that the Board should "redouble its efforts" in new and different ways.

Mayor Vince Williams responded that he did not disagree with the need to plan for long-term water solutions. He said, however, that the immediate priority must be to eliminate the Authority's debt, which currently exceeds $20 million. He stated that the Authority cannot be a competitive or attractive partner while carrying such significant debt. He reiterated that the Authority still exists, still holds the permit, and still has value, but must address its financial obligations to be viable. He reaffirmed that his proposal stands.

Councilmember Jones asked how the Authority could use its assets to reduce or eliminate the debt.
Mayor Vince Williams replied that the Authority's assets are likely worth more than the outstanding debt and could be sold to eliminate the financial burden for all member cities.

Councilmember Jones then asked whether this meant selling the Authority's assets. Mayor Williams responded, "Yes."

Councilmember Nathan Slaton stated that Palmetto would not be able to participate in such a sale.

Mayor Williams replied that the water treatment plant, for example, is associated with a Palmetto obligation of approximately $2 million, but Union City collects enough money to cover that amount. He added that he would have no issue with "gifting it to Palmetto."
City Manager Phillips cautioned that a qualified financial assessment is required before taking any action of that magnitude.

Mayor Williams noted that he had just requested such an assessment.

City Manager Phillips agreed and expanded on the point, stating that while the discussion is worthwhile, it is premature to make a decision without:

- A full valuation of the Authority's assets,
- A complete accounting of all debts,
- A clear understanding of which assets hold strategic value, and
- Updated, accurate financial documentation.

He stated that this is why the Authority began discussing a forensic audit and formal accounting—to "get our house in order." Once those steps are completed, the Board will have the necessary information to make an informed decision about whether to pay off debt, restructure, expand, or pursue a different course. He said he would feel more comfortable making such decisions only after receiving current, fully vetted financial reports.

A motion to value the Authority's assets and pay down or pay off the outstanding bond debt was made by Mayor Vince Williams and seconded by Councilmember Brian Jones. **Vote: 3-4; Motion Failed**

(Mayor Williams, Chairwoman Fillingame, and Councilmember Jones were in favor. Mayor Avery, Mayor Smith, City Manager Phillips, and Councilmember Slaton were opposed)

VII. Adjournment

The motion to adjourn the Middle Chattahoochee Regional Water & Sewer Authority Meeting at 8:20 p.m. was made by Mayor Williams and seconded by Councilmember Jones. **Vote: 7-0; Motion Carried**

Sonja Fillingame, Chair

Jessica Davis, Secretary