

**HEARD COUNTY BOARD OF COMMISSIONERS CALLED MEETING
JULY 9, 2019 – 1:00 P.M.**

The Heard County Board of Commissioners held a Called Commissioners Meeting on July 9, 2019 at 1:00 p.m. in the Commission Chamber of the Heard County Administration Building. In attendance at the meeting were Chairman Lee Boone, District 1 Commissioner Larry Hooks, District 2 Commissioner Keri Denney, District 3 Commissioner Gwen Caldwell, District 4 Commissioner Larry Hammond, District 5 Commissioner David Walls and County Attorney Jerry Ann Conner.

Agenda Item # 2 - Welcome, Invocation, and Pledge to the American Flag - Chairman Boone called the meeting to order, welcomed everyone present and gave the invocation.

Agenda Item # 3 – Old Business – a. Discuss GEFA Loan Environmental Facilities

Agreement – Chairman Boone stated when he received the final GEFA documents after the last Board meeting, he was reading over the contract, and was uncomfortable with some of the language contained within the contract. He also stated he had not been provided all the documents regarding the loan. He stated he then reached out to CPA Mr. Kim Kimmel to see if he would review the contract. Chairman Boone then stated what Mr. Kimmel told him about the contract and Chairman Boone read an email into the minutes that was between him and Mr. Kimmel as Mr. Kimmel's response to his questions about the GEFA application. (Please see attached). Chairman Boone invited Mr. Kimmel to the podium to speak. Mr. Kimmel spoke about the County being in compliance with laws and regulations. Mr. Kimmel stated if the County uses two million dollars (\$2,000,000) of their borrowing capacity, it has to be stated in the foot notes, and the County must budget money to cover this loan in their general fund budget. Mr. Kimmel stated that the Water Authority's cash flow appears to be optimistic, but from the records he reviewed, it appears that the Water Authority is running low on operating cost.

Mr. Kimmel told the Board there appears to be no debit side to this credit. Chairman Boone spoke on how the County is not applying for the loan, but will be “carrying” the debt. He stated that this debt would have to be stated on the County’s financial records and those records have to be certified; and that the application does not state the Water Authority’s financial records have to be certified by a CPA. Chairman Boone also advised the Board if there was a downturn in the economy that cosigning this loan could impact the County getting approval for a tax anticipation note, (TANS), if they needed one. Mr. Kimmel stated this GEFA loan affects everything the County will do financially, and it appears to put the County in the water business. Mr. Kimmel stated that he has never seen GEFA make a county or city have a “cosigner”. Chairman Boone asked Mr. Kimmel if this was standard language in a GEFA loan agreement, and did he feel that the County should have a memorandum of understanding (MOU) between the County and the Water Authority. County Attorney Jerry Ann Connor stated she has seen this type of agreement before and that counties have backed these types of loans before. She also stated that she believes this agreement is completely legal.

Mr. Loy Howard, Board Member with the Heard County Water Authority stated he had a major problem with Mr. Kimmel’s comments. He stated he was astonished that Mr. Kimmel would even give advice, because it was beyond his capacity as a County auditor. Mr. Howard stated that the Water Authority Board works hard to keep water rates low and the Water Authority Board was only trying to do what was best for the County, the Water Authority, and the residents of the County. Chairman Boone stated that Mr. Kimmel was invited and included in this discussion, because Ms. Conner was on vacation when he received the GEFA agreement.

Mr. Howard came back to the podium and stated he wanted to go on record saying that the Water Authority is in good financial shape and the water customers were being taken care of.

Mr. Howard said this was the best time to get this loan, because it was cheap money with a 1.33% interest rate. Commissioner Hammond stated he appreciated Mr. Kimmel coming to the meeting and reviewing the financial documents from GEFA. Mr. Howard stated the Water Authority Board would not ask for this loan if they felt they could not make the loan payments. Mr. Kimmel stated that governing standards require him to form his opinion on all county components such as the Water Authority. He restated that the final decision lies with the Board of Commissioners and that he was giving his concerns about the loan impact to the County. Mr. Alvin Ginn Board Member with the Heard County Water Authority stated the Water Authority was not trying to make a profit. Chairman Boone stated he wanted all the commissioners to understand what is being contracted and that the County is indirectly applying for this loan. Ms. Martha Douglas and Ms. Ansley Jones were present at this meeting, on behalf of GEFA. Ms. Douglas stated the Water Authority financials that Chairman Boone had, were from 2018 and did not include the rate increases or SPLOST monies. Chairman Boone spoke to Ms. Douglas and stated that the GEFA application states that they could not calculate in the April 1st rate increase by the Water Authority, because the increase had not been in effect for more than a year. Ms. Douglas also stated that this type of contract is done all over the state by cities and counties. Mr. James Ray Gosdin Board Chairman of the Heard County Water Authority spoke in favor of the County backing the loan, because it would benefit the entire County not just the Water Authority. Commissioner Caldwell asked Ms. Cook how much more money is the Water Authority taking in after the rate increase. Ms. Cook stated that the Water Authority's projection in water alone was \$228,000.00 to the positive and \$43,000.00 per year for sewer, but in the last couple of months the Water Authority has been seeing projections higher than that. Ms. Cook also stated that the Water Authority was awarded the GEFA loan before the rate increase took

place. Commissioner Hammond asked Ms. Cook if the Water Authority originally applied for a \$3 million loan and why did they only receive \$2.5 million. Ms. Cook responded to Commissioner Hammond on how the Board had gone through several processes and decided on a mid-range priced project not the lowest priced project and not the highest priced project. When this was submitted to GEFA , the final loan amount awarded was \$2.5 million. Commissioner Denney asked Ms. Cook what projects the money would cover. Ms. Cook stated all the GEFA money and the SPLOST 4 money would be used to cover the water treatment plant upgrades. She stated the Water Authority was unsure how much the construction cost would be until it is bid out, but they knew the project would cost approximately \$4.2 million to \$5 million dollars to complete. Ms. Cook also stated the Water Authority was close to putting the project out to bid. Commissioner Denney asked Ms. Cook if she felt the Water Authority would have any future rate increases, and Ms. Cook stated yes, the Water Authority had not had a rate increase in seven years before this last increase and their intention was to not let that happen again. Chairman Boone stated anytime there is an agreement between the County and another governing body there is an MOU in place. Mr. Alvin Ginn invited the Board of Commissioners to come take a tour of the Water Authority. After much discussion about the water authority being able to repay the loan, County Attorney Connor stated this loan is setup like other GEFA loans and if the payments do not get made, the County would have to raise taxes to make the payment. Commissioner Denney stated she would like an MOU to be in place to make the Water Authority responsible for the payments. Patty Jiles Heard County Water Authority Board Member asked Chairman Boone what part of the contract was he concerned about? Chairman Boone stated he was concerned about section 5 where it gives the Water Authority the right to examine the Board of Commissioners financials. Chairman Boone also wanted to make sure all questions the Board

of Commissioners had were answered and that nothing went unanswered. Mr. Howard stated he would like for the wording of the MOU to be in place immediately and have the loan completed at this meeting. Commissioner Caldwell asked where the money would come from if the Water Authority defaulted on the loan. Jerry Ann Connor responded that the County would have to pay the money back by possibly raising taxes, if necessary, to obtain the funds. After further discussion, Commissioner Denney made a motion to confirm the resolution and authorize the Chairman to execute any and all documents necessary for the GEFA loan; to enter into an MOU to obligate the Water Authority to provide any reserve funds and to be obligated for all financial obligations which would include the requirement to increase rates if necessary to make the payments on the loan, and to give Chairman Boone authorization to sign these documents on behalf of Heard County. The motion was seconded by Commissioner Hooks and the Board voted unanimously to approve the motion.

Agenda Item # 4 – New Business – a. Discuss Solid Waste Disposal for Heard County – Chairman Boone stated he would like to discuss with the Board, the issue with solid waste disposal that started the week of Memorial Day. Chairman Boone stated Monday, May 27, 2019 was a holiday and trash pickup delays were expected, but trash pickup since then had become much more of an issue. He stated Mr. Darold Wiggins Public Works Director has made daily attempts to contact the company about these pickup issues but was being told the company had a truck down and four drivers had walked out. Issues continued for approximately three more weeks with trash pickup. Chairman Boone stated that Mr. Wiggins went by the Old Field Road convenience center and discovered it was full, and found that citizens were being turned away from dumping their trash. Chairman Boone then called Mr. Wiggins to the podium to speak. Mr. Wiggins stated there was a problem finding a new company, because only two companies provided bids on solid waste disposal. Mr. Wiggins stated he reached out

to Waste Industries and they never called him back. Mr. Wiggins provided the Board with a cost comparison of other waste industries. (see attached). He stated this entire time he has been working with C & C to have the pickup problem taken care of. Mr. Wiggins stated last week he was at Centralhatchee when he talked to Ms. McAdams of C & C Sanitation and that Ms. McAdams stated she did not know there was a problem with pickup until she spoke to him. After discussion with Ms. McAdams, Mr. Wiggins was assured that she would solve the problem. County Attorney Conner stated that Mr. Wiggins would need to put this conversation and any others in writing to make sure there is a confirmation of his conversations with C & C and Ms. McAdams. County Attorney Connor stated she would help draft a letter to put C & C Sanitation on notice. Commissioner Denney made a motion to send a letter to C & C stating that if they do not keep up their expected standard of service that is in their contract with Heard County, they will be terminated immediately due to the sanitary issues involved, and to give Chairman Boone the authority to enter into another contract with another company if necessary, and/or to negotiate on behalf of the County. On second (Caldwell), the Board unanimously approved this motion.

Chairman Boone made a motion to amend the agenda adding item "b" under New Business - Discuss SPLOST Proceeds Distributed to the Water Authority. On motion (Hammond), second (Walls), the Board unanimously approved this motion.

b. Discuss SPLOST Proceeds Distributed to the Heard County Water Authority- Chairman

Boone asked for clarity from the Board on a motion made in a previous meeting in 2017. He stated in the 2017 SPLOST spending plan there was \$500,000.00 to be paid to the Water Authority; in the 2018 SPLOST spending plan there was \$2.5 million to be paid to the Water Authority. This is a total of \$3 million to be paid to the Water Authority from Splost 4. These spending plans were adopted and approved by the Board. In previous minutes from January 24, 2017, there was discussion regarding a

request from the Heard County Water Authority. The Water Authority sent Chairman Boone a letter requesting money be paid to them from SPLOST. Chairman Boone read from the minutes that \$500,000.00 was allocated to the Water Authority for recent improvements that were being made to the water tanks. On April 26, 2017, Chairman Boone stated he directed Finance Director Felicia Adams to pay \$500,000.00 to the Water Authority. On December 19, 2017, the Water Authority came back and discussed their plan and ask the Board for \$3 million dollars. However, right before this meeting the Board had a budget workshop where the Board budgeted and approved \$2.5 million dollars to the Water Authority. On December 19, 2018, Chairman Boone directed the Finance Director to pay the \$2.5 million dollars. From 2017 and 2018 SPLOST this was a total of \$3 million dollars allocated to the Water Authority. The commissioners stated they understood how the past motion could have been misinterpreted, and after further discussion, Commissioner Denney made the motion to clarify her motion she made on December 19, 2017 meeting regarding item “b” under New Business - Request from the Heard County Water Authority. She stated she would like to clarify the motion to read to distribute a total of \$3 million dollars to the Water Authority; and that \$500,000.00 had already been paid when the \$2.5 million was outstanding. Commissioner Hooks seconded the motion and the Board unanimously approved the motion.

Agenda Item # 5 – Public Comments –

Chairman Boone stated he would like to make the Water Authority financial statement public record, and there is additional information available if the Board would like to review that information.

Stacie Morris Zoning Administrator advised the Board of upcoming projects that are being discussed with the Planning Commission and informed the Board of three public hearings coming up at the next commissioners meeting in July and three at the commissioners meeting in August.

Agenda Item # 6 – Executive Session – None.

There being no further business, on motion (Caldwell) and second (Hooks), the Board voted unanimously to adjourn.

Adjourned at 3:54 p.m.

Patty A. Giles

County Clerk

Lee Boone

Chairman

Date

7/23/19

