

ATHENS MUNICIPAL WATER AUTHORITY
May 8, 2019, Water Development & Budget Planning Workshop

The Board of Directors of the Athens Municipal Water Authority ("AMWA" or "Authority") met for a workshop on Wednesday, May 8, 2019, following the regular session Board meeting, at the Athens Municipal Water Authority Headquarters, with the following members present, to-wit:

Mike Peek, President
Ed Gatlin, Vice-President
Don Foster, Secretary
Milburn Chaney, Board Member
Frank Lunceford, Board Member

others present: Bill Casey, AMWA Executive Director; Beth McConnell, Office Manager

guests of note: Randy Williams, City of Athens Utility Director; Corey Frentress, Frentress Engineering

constituting a quorum at which time the following proceedings were enacted to wit:

CALL TO ORDER

The meeting was called to order at 8:43 a.m. by President Peek

DECLARATION OF CONFLICT OF INTEREST

No conflicts of interest were declared.

Mr. Eric Keahey, owner of Powder River adjacent to the Powder River Ranch well farm, expanding on his proposal to the Board of Directors during the earlier regular session, offered a land swap so that drilling will not occur on Powder River Ranch.

Mr. Keahey described a nine acre tract of land, off of Loop 7, that he would purchase on the Authority's behalf. Mr. Keahey also explained that he would compensate the Authority for the road and power supply already installed at Powder River Ranch.

After Mr. Keahey exited, the Board discussed the proposal, including the capital investment that has already gone into Powder River Ranch.

WATER DEVELOPMENT PROJECT PRIORITIZATION

Executive Director Casey explained that the purpose of the workshop was to develop the five and ten year water development plan, to provide direction for the Authority.

Part of the discussion was what Mr. Randy Williams, City of Athens Utility Director, has coined "deferred maintenance." The Board of Directors and Authority staff had expressed frustration that the City of Athens was not doing the necessary maintenance of the plant and intake, as set out in the contract between the two entities. Due to the lack of maintenance, items are then deemed "end of life," and the burden is then on the Authority to replace. Executive Director Casey gave the example of the decking on the raw water intake pier. If regular maintenance had been conducted, and boards replaced as necessary, the Authority would not need to be undertaking a total deck replacement this summer.

After much discussion, the Board laid out the following priorities:

1. Development of the first Powder River Ranch well, pump house, and storage tank. This will not only serve as additional water production, but also provide an independent water source for the City of Athens, acting as redundancy if there is an emergency and the water treatment plant cannot operate.
2. During the development of the well, the Executive Director will work with the engineering team to have both the existing raw water intake system and the abandoned in place submersible intake system inspected.
3. Following the completion of the first Powder River Ranch well, the Authority will no longer budget funds for either maintenance or capital improvements to the old side of the water treatment plant.
4. Following the inspection findings the Board will make the decision to either rehab the existing raw water intake, rehab the abandoned in place submersible system, or construct a new raw water intake system.

LONG TERM BUDGET PLANNING AS IT RELATED TO WATER DEVELOPMENT PROJECTS

Executive Director Casey and Office Manager McConnell explained that roughly 35% of the annual tax revenues of the Authority go toward administrative expenses. Most of the remaining 65% (currently approximately \$600,000 annually) can be saved toward water development expenses. Executive Director Casey and Office Manager McConnell shared what such a water development account might accumulate every five years, projecting out to the year 2040.

Discussion was conducted of whether it was best to sell the following properties to assist in financing water development projects:

1. Sunset Peninsula (the Board has already declared this property excess, in advance of a potential sale)
2. Franks Tract
3. The 6.9 acres adjacent to the west side of the dam entrance

Executive Director Casey closed the meeting by going through a blank budget worksheet with the Board, so that they can share ideas before the first budget draft is presented this summer.

ADJOURN

A motion was made by Director Gatlin, seconded by Director Lunceford, to adjourn the meeting at 12:45 P.M.

PASSED AND APPROVED on this 12th day of June, 2019.

Mike Peek, President

ATTEST:

Donald A. Foster, Secretary