



City Council Work Session
Meeting Minutes
June 22, 2026
6:00 PM

I. Meeting Called to Order by Mayor Hattie Portis-Jones.

II. Roll Call by City Clerk Deannia Ray found the following members present:

The Honorable Anatavia M. Benson
The Honorable Shanita Nichols
The Honorable Fannie Mae Houser

The Honorable Linds J. Davis
The Honorable Samuel Perry

Absent: The Honorable Ulysses J. Smallwood

Also Present were City Administrator Tony Phillips, Assistant City Administrator Jamila Criss, City Attorney Rory Starkey, and City Clerk Deannia Ray.

III. Agenda Items:

1. Middle Chattahoochee Regional Water & Sewer Authority Presentation

City Administrator Tony Phillips introduced consultants Andrea Gray and Laura Benz from the Middle Chattahoochee Regional Water and Sewer Authority (MCRWSA) to provide an overview of the authority's history, operations, assets, and future opportunities.

Ms. Gray said the 2003 Intergovernmental Agreement (IGA) serves as the foundation of the Authority and was instrumental in supporting the issuance of approximately \$41.63 million in revenue bonds and obtaining permits for the regional water supply project. The agreement requires Fairburn, Union City, and Palmetto to share project costs and repay bond obligations based on water usage. Ms. Gray said the current water usage allocations are 55% for Union City, 30% for Fairburn, and 15% for Palmetto, with each city's share of debt service calculated accordingly. Upon completion of an operational water supply project, the three cities are obligated to purchase wholesale water exclusively from the Authority. The IGA is a 50-year agreement, effective through 2053, and memorializes the partnership between the member cities regarding water supply, cost sharing, debt repayment, and long-term project funding. Ms. Gray discussed the Service Delivery Strategy (SDS) and explained Fulton County's most recent adopted SDS, approved in 1999, prior to the creation of the Authority in 2000. Because the Authority was not included in the 1999 agreement, it experienced challenges obtaining permits and establishing its role as a regional water provider. The City of Atlanta opposed relinquishing portions of its service area within Fairburn and

Union City, resulting in years of negotiations, legal opinions, and regulatory challenges. An agreement was reached in 2012 allowing Atlanta to retain its existing retail customers while recognizing the member cities' authority over water service within their municipal boundaries.

Ms. Gray reviewed the Authority's original Bear Creek Reservoir project, a proposed 440-acre reservoir in Chattahoochee Hills designed to provide approximately 16.44 million gallons of water per day to meet the projected long-term water needs of Fairburn, Union City, and Palmetto. The reservoir was designed as a pump-diversion system that would draw water from the Chattahoochee River to maintain reservoir levels and provide a reliable long-term water supply during drought conditions. Extensive planning, environmental studies, allowing efforts, land acquisition, and mitigation activities were completed in support of the project. The Georgia Environmental Protection Division (EPD) originally required the Authority to pursue a reservoir project because available water supplies in the Chattahoochee River were not considered sufficient to meet future demand. The EPD decides long-term water supply needs based on population projections, per-capita water usage, and future demand. After completing the required analysis, including evaluating customers served by the City of Atlanta within the member cities, EPD issued a water need certification in 2017 for approximately 13.25 million gallons per day (MGD), based on a projected combined population of approximately 131,700 residents by 2065. Ms. Gray said the Authority completed the studies necessary to support a Section 404 permit application through the U.S. Army Corps of Engineers and secured the stream and wetland mitigation needed for the reservoir project. A Section 404 permit is needed when streams and wetlands are affected by construction activities and require mitigation to offset those impacts. While the Authority was pursuing the Section 404 permit, federal water management regulations were revised in 2017, increasing projected water availability in the Chattahoochee River. Based on those changes, the Authority decided that a direct river withdrawal project represented the least environmentally damaging practical alternative under federal permitting requirements. The Authority conducted water quality, water quantity, and environmental studies and worked with EPD to set up an alternate stream flow to ensure sufficient water remained in the Chattahoochee River while meeting the future water needs of Fairburn, Union City, and Palmetto. As a result, the Section 404 permit application for the reservoir project was withdrawn, and the Authority pursued a direct withdrawal permit from the Chattahoochee River.

Ms. Gray said the Authority received its direct withdrawal permit from the Georgia Environmental Protection Division (EPD) in July 2020. The permit is valid for ten years and may be renewed. Ms. Gray said the permit authorizes a maximum daily withdrawal of 11.4 million gallons per day (MGD), while the Authority maintains a certified long-term water need of 13.25 MGD in reserve

capacity within the Chattahoochee River. The direct withdrawal project was designed as a phased approach, beginning with construction of a six-million-gallon-per-day water treatment plant with the ability to expand capacity in the future as demand increases. Ms. Gray said the project would include an intake structure on the Chattahoochee River, a raw water transmission pipeline to the treatment facility, and approximately 17.4 miles of transmission mains to distribute treated water to the member cities, noting that the transmission infrastructure represents one of the project's most significant cost components.

Ms. Benz provided an update on activities following issuance of the direct withdrawal permit. The Authority retained Krebs Engineering to prepare a Preliminary Engineering Report (PER), coordinated with the Georgia Environmental Protection Division (EPD) and approved in October 2021. Pursuant to permit requirements, the Authority installed and continues to maintain a United States Geological Survey (USGS) gauge station on the Chattahoochee River, which has been operational since 2021, to monitor river flow conditions and ensure compliance with withdrawal restrictions established under the permit. Following approval of the PER, the Authority transitioned from utilizing contract engineers to an owner's engineer model and retained Goodwyn Mills Cawood (GMC) to update project cost estimates and oversee future engineering activities. Updated cost projections determined the project had become financially prohibitive, prompting the Authority to pause advancement of the project and evaluate alternative approaches. Discussions were held with the City of Atlanta, Coweta County, Carroll County, Douglas County, Data Center developers, and representatives of the Fulton County Development Authority regarding potential partnerships, additional water demand, and cost-sharing opportunities. While several entities expressed interest, no formal partnerships were established.

Ms. Benz discussed the Authority's funding efforts and said, following issuance of the original \$41.63 million revenue bond, the Authority pursued multiple grant and financing opportunities, including Governor's Water Supply Program funding and Georgia Environmental Finance Authority (GEFA) assistance. She said the Authority received a GEFA award in 2013 and later applied for a \$25 million GEFA award in 2021. However, the application was withdrawn after one of the member cities failed to provide the financial audit documentation necessary to satisfy underwriting requirements. Ms. Benz clarified that Fairburn had submitted the required information and was not responsible for the delay. The Office of U.S. Senator Jon Ossoff had assisted the Authority in exploring funding opportunities and remained willing to facilitate future discussions regarding grant and funding assistance once all required financial documentation becomes available.

Ms. Benz discussed potential funding opportunities through the U.S. Department of Agriculture (USDA), explaining that Palmetto's population size

may qualify its portion of the project for certain USDA funding and loan-forgiveness programs. Because Palmetto's allocation represents 15% of the Authority's project participation, USDA assistance could potentially be applied to that portion of the project costs. The Authority has evaluated a variety of financing options, including bond capacity, potential revenue sources, and regional partnerships, to help offset future project costs and advance the project. She reviewed the Authority's assets, including the direct withdrawal permit, the Bear Creek Reservoir pool and surrounding buffer property, mitigation sites, the one-acre river intake site, water treatment plant property, engineering and environmental studies, water supply and population studies, and land designated for future water infrastructure. The Authority also owns the Palmetto Water Treatment Plant, acquired as part of the Authority's financial structure and bond obligations, is leased back to the City of Palmetto, and required to be decommissioned upon completion of the Authority's future water treatment facility.

Ms. Benz discussed the Authority's permittee-responsible stream and wetland mitigation assets, explaining the Authority acquired mitigation properties and credits to satisfy Section 404 permitting requirements for the reservoir project. Changes in federal mitigation requirements allowed the Authority to sell certain mitigation properties to mitigation banking entities while retaining royalty interests in future credit sales. Mitigation credits originally acquired for \$18.50 per credit are valued at \$300.00 per credit and continue to generate royalty revenue for the Authority. Ms. Benz concluded by noting the original project cost estimate of \$65 million in 2017 had increased to \$118 million and, when adjusted for inflation, was estimated at \$160 million. She said despite rising costs, the Authority possesses the permits, infrastructure sites, studies, and other resources necessary to advance a regional water supply project in the future.

Mayor Portis-Jones asked for clarification about the Authority's governance structure, legal authority, and the City's role in decision-making. Ms. Gray explained the Authority is an independent body created by the Georgia General Assembly and governed by a seven-member board consisting of two representatives from each member city and a rotating seventh member. She said Fairburn's appointed representatives currently include Mayor Portis-Jones, who serves on the board by right, Mr. Tony Phillips, Chairman of the Authority, and Ms. Jamila Criss, a board member serving as Fairburn's rotating seventh representative. Ms. Gray explained that each member city has two appointed representatives, while the rotating seventh member serves a two-year term. She added that Fairburn's influence on Authority decisions is exercised through its appointed board representatives.

Mr. Phillips, Chairman of the Authority, discussed the importance of regional collaboration in addressing long-term water supply challenges. The Authority has evolved from a three-city initiative into a broader regional issue involving multiple jurisdictions. Mr. Phillips explained water supply planning is

conducted using a 50-year planning horizon and emphasized the need to consider future generations and long-term regional water demands rather than short-term needs. The estimated \$160 million project cost is not financially feasible for Fairburn, Union City, and Palmetto alone and emphasized the need for regional partnerships to share costs and resources. Water is an essential resource and aging infrastructure, increasing demand, and limited water sources require proactive planning to ensure a reliable water supply for the region. The Authority engaged the Atlanta Regional Commission (ARC) and the North Georgia Regional Water Planning District to discuss regional water challenges. He said a presentation was provided at the South Fulton Municipal Association dinner (SFMA), where elected officials expressed interest in continuing regional discussions about water supply and infrastructure needs. He explained feedback from those discussions led to the development of a regional water policy roundtable at 4:30 p.m. during the Georgia Municipal Association (GMA) Annual Convention in Savannah. The purpose of the roundtable is to begin a broader regional dialogue about water supply, infrastructure, and long-term planning, to determine if there is support for a future regional water policy summit and encourage participation from regional stakeholders. Mr. Phillips emphasized that the Authority's direct withdrawal permit represents a valuable regional asset that could serve as the foundation for future collaborative water supply initiatives. The goal is to ensure the region has access to reliable drinking water for the next 50 years and beyond.

Mayor Portis-Jones said discussions about service delivery strategies remain ongoing throughout Fulton County and said negotiations with the City of Atlanta continues. She emphasized the importance of identifying long-term alternatives to reliance on Atlanta's water system and expressed concern about increasing project costs and future water demands. Mr. Phillips said aging water infrastructure throughout the region and increasing demands from residential, commercial, and industrial users make water supply planning a time-sensitive issue. He said the nearest water treatment facility serving Fairburn is thirty-three miles away and emphasized the need for proactive regional planning to avoid future water supply constraints.

Councilwoman Benson thanked the presenters for the presentation and asked if the Authority's water demand projections had been updated to account for data centers and other recent development activity. Ms. Benz said the Authority has not updated its water need study since 2017 and confirmed data centers were not included in the original projections. She said an updated study could affect future water withdrawal needs and permit requirements. Ms. Benz said ownership of the reservoir property remains a significant asset and could provide additional options if future water demands exceed available river capacity.

Councilwoman Nichols asked how much of the original \$41.63 million bond issuance remains available. Ms. Benz explained only a small portion of the

bond proceeds remain and that most of the funds were used for land acquisition and capitalized interest. She explained debt service is allocated among the member cities based on water usage and recalculated every six months. Mr. Phillips said the original bond issuance that occurred during the early years of the Authority and that the three member cities entered into an agreement to share their respective portions of the debt obligation. He explained those commitments were established many years ago by prior officials and before the involvement of current board and council members. Each city's share of the debt is apportioned based on water usage. Mayor Portis-Jones said the Water Authority meets on the second Tuesday of each month, meetings are open to the public and streamed online, and the meeting location rotates among the three member cities. Staff would provide council members with additional financial information regarding the Authority's debt obligations and historical expenditures.

Councilwoman Houser requested clarification regarding each member city's current water usage allocation. Ms. Gray explained the current allocations are 55% for Union City, 30% for Fairburn, and 15% for Palmetto and noted the percentages are recalculated periodically based on actual water usage.

Council Member Perry discussed regional water management and referenced the long-standing water allocation disputes among Georgia, Alabama, and Florida. He asked about the anticipated construction timeline for the proposed water treatment facility, transmission infrastructure, and related improvements. Council Member Perry expressed concern regarding rising water costs, aging infrastructure, boil water advisories, and the long-term impact on residents and businesses. Ms. Benz explained a project schedule was previously developed as part of the Preliminary Engineering Report (PER) and approved by the Georgia Environmental Protection Division (EPD). She said implementation remains dependent upon securing funding and regional partnerships. Increasing regulatory requirements, including treatment standards for emerging contaminants commonly referred to as "forever chemicals," have contributed to rising project costs and will affect water providers throughout the region. Mr. Phillips said the Authority possesses many of the permits, studies, and infrastructure assets necessary to move the project forward and emphasized the primary challenge remains securing the partnerships and financial resources needed to bring the project to fruition. Mayor Portis-Jones said the current project structure is not financially feasible and reiterated the importance of regional collaboration to address long-term water supply needs.

Councilwoman Davis thanked Mayor Portis-Jones and the presenters for providing a comprehensive overview of the Authority's history, operations, and challenges. She said it was the first time she had received a complete understanding of the project's progression from inception to its current status. Ms. Benz offered to provide council members with a detailed historical timeline documenting significant milestones and developments related to

the Authority.

Mayor Portis-Jones thanked the presenters for the information provided and noted that changes in federal policy, environmental regulations, and water quality requirements continue to affect long-term planning efforts. She discussed her involvement with the National League of Cities' Energy, Environment and Natural Resources Committee and said many communities throughout the country are facing similar water supply challenges. Mayor Portis-Jones encouraged participation in the upcoming regional water policy roundtable and asked council members to share information about the event with colleagues in neighboring jurisdictions to encourage broader regional engagement.

IV. Adjournment:

Mayor Portis-Jones adjourned the meeting at 7:07 p.m.


Deannia Ray, City Clerk


Hattie-Portis-Jones, Mayor