

Consultant's power raises questions - Tommy Craig –AJC-6.4.11

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By Chris Joyner The Atlanta Journal-Constitution

The state of Georgia is preparing to invest \$300 million during the next four years to jump-start new reservoir development, a complicated, expensive and debatable method to address the metro area's long-term water needs.

At the center of most of these projects is one man — a lawyer in Covington who commands top dollar from local governments as their reservoir consultant.

William Thomas “Tommy” Craig has assembled a cadre of experts-for-hire to lock up most of the consulting business and collects millions of dollars from county commissions and city councils by hacking through the thicket of federal and state regulations that stand between them and the prize — a reservoir that may be the most expensive investment these governments have ever made.

“I've got different people for different endangered species,” Craig said of his team. “I've got people who do cultural resources. I've got people that do wetlands and streams. I've got people that do the engineering. This is a highly specific kind of thing. It's a small universe of people who can do this work well.”

Some believe that consultants wield too much influence over the management of Georgia's water resources, pushing local officials toward more expensive and environmentally damaging reservoirs rather than making full use of existing water sources.

“There are consultants who, in essence, say to their clients, ‘Look, I don't think we have to follow these rules. I will lobby, cajole, arm-twist, whatever,’” said Sandy Tucker, state field supervisor for the U.S. Fish and Wildlife Service, one of several government regulators who has a hand in deciding whether to permit reservoir projects in the state.

That approach ends up costing more time and money for local governments, she said.

Three small cities in south Fulton County have paid Craig \$1.5 million since 2005 to help them create the Bear Creek Reservoir, and they continue to pay him an average of more than \$25,000 per month, records show. He also is on retainer of \$22,500 a month with Hall County to help bring about the massive Glades reservoir project there.

Cities and counties turn to him, Craig said, because he gets results.

“I have, in my career, taken over 10 water supply projects at the request of local governments who had other consultants and had spent millions of dollars and achieved no results,” he said.

One of those is Bear Creek in south Fulton.

Fairburn, Palmetto and Union City combined have about 34,000 people to share the estimated \$100 million cost of the reservoir. To finance Bear Creek, the South Fulton Water and Sewer Authority issued \$42 million in bonds in 2003, and local taxpayers will pay \$2.2 million on the debt this year.

Typical of such projects, the Bear Creek Reservoir is still years away from producing its first drop of water and more debt will be incurred before it is done.

John Miller, mayor of Palmetto and chairman of the South Fulton Water and Sewer Authority, said Craig and his team have been worth the expense.

“Tommy Craig’s group, if you are building this type of reservoir, is critical,” he said. “This project spun its wheels for a couple of years because [the authority] didn’t have the unique expertise to make to happen.”

Building a team

Craig’s services often come as part of a package with those of Joe Tanner & Associates, a firm that brings political heft and an insider’s knowledge of the regulatory system to projects. Tanner is a former commissioner of the state Department of Natural Resources whose team includes Harold Reheis, former head of the state Environmental Protection Division.

The firm contributed \$350,000 to dozens of political campaigns since 2003, most of them for state and legislative races, according to records reviewed by The Atlanta Journal-Constitution. For example, Tanner’s firm contributed \$12,825 to the campaign of Gov. Nathan Deal last year; the governor-elect named Tanner to his transition team.

Tanner said he and his associates mostly contribute their knowledge and expertise from decades of government service, an approach that has made them very much in demand.

“There is nothing wrong with carving out a niche for ourselves in business,” Reheis said in a phone interview with the AJC last week. “That’s part of the American system. It doesn’t mean there is anything wrong with the system.”

Environmentalists often oppose reservoir construction, saying there are cheaper, less intrusive ways to provide water. Many are critical of Craig, Tanner and their work precisely because they hold the reins of so many projects in development.

“This team not only has a near monopoly on the business, they seem to have a lock on the facts and information on Georgia’s water crisis,” said Sally Bethea, executive director of the Upper Chattahoochee Riverkeeper. “They put this information forward as the gospel, and they are believed by elected officials and everybody else.”

Craig portrays the criticism of his environmental foes as a “casual and irresponsible” approach to the complicated problem of watering a growing region.

“The environmental community thinks that conservation is the total answer to the water supply answer,” he said. “It is not the ultimate answer. I’d be glad to debate that publicly.”

On regional water board

Lt. Gov. Casey Cagle named Craig to the board of the Metropolitan North Georgia Water Planning District in 2007, and Craig served on Cagle’s re-election steering committee for

the 2010 campaign. Ben Fry, Cagle's spokesman, called Craig an obvious choice for the board.

"Tommy Craig is one of the leading experts in the state when it comes to water policy," Fry said.

He said Craig has shown "impeccable integrity" in abstaining from votes directly affecting his own projects.

In its water supply management plan, the Metropolitan North Georgia water district voiced support for six reservoir projects, which it says are "of critical importance" to the region. Craig is a consultant on three of them, but he said he has never used his position on the board to influence policy.

Craig said he is on the board to "help them avoid mistakes and pitfalls," but some worry that Craig's involvement with so many water projects make him a poor fit on the board.

"That's troublesome to me," said Rep. Debbie Buckner, a Democrat from the Columbus area. "He could influence policy to meet the needs of his customers."

Jenny Hoffner, director of water supply for the conservation group American Rivers, said Craig's role with the water policy board is a byproduct of a system that favors expensive and time-consuming reservoirs over other efforts.

"There is a very strong voice for reservoirs in our state," Hoffner said. "There clearly is a constituency in this state that stands to benefit from the building — or just the planning of — these reservoirs. The planning can take, in the best case scenarios, eight years."

\$300 million investment

Earlier this year, Deal pledged \$300 million in state money during the next four years to promote work on new reservoirs to give the state enough water to meet projected growth for decades to come.

With the governor signaling his desire to get new reservoir projects moving, environmentalists fear the influence of these top consultants will continue to grow.

"I don't think it's illegal," said Bethea of the Upper Chattahoochee Riverkeeper. "It's just the state or somebody who is the parent here should not be allowing these things."

Craig counters that the process is governed by population growth. Local governments need to be able to provide water for current and future residents and businesses, while areas that do not grow will not need them.

"That's the safeguard you have got from the environmental standpoint," he said. "If you don't have ratepayers, present and future, lined up, then these projects are unaffordable no matter how much state assistance you get."

'It decreased our leverage'

In 2009, officials in Hall County decided to greatly expand the planned Glades reservoir and sell the excess water to neighboring counties.

"In hindsight, I can't say that it was the best idea, especially if we don't have the funding to get it done," said Commissioner Ashley Bell, who was not on the commission at the time the decision was made.

Bell, a critic of the cost of the \$350 million reservoir project, believes Glades is needed to ensure Hall County's future. But he is worried both about the scope of the project and about the millions in fees the county has paid to consultants who never competed to get their contracts.

The contractors include Craig, Tanner and national engineering firm AECOM.

To expand the project, Hall County paid \$4 million to buy out the family that owned the reservoir land, much of which reimbursed the family for what it already had paid Craig and his team. Since then, another \$1.8 million has gone to the consultants, and the project is years away from a drinkable drop of water.

In January, Bell invited representatives from a law firm that competes with Craig for reservoir business to speak to the commission.

"I understand that Tommy Craig has had a lock on reservoirs in this state," Bell said. "I wasn't comfortable with the fact of dealing with someone who considered himself the only option. It decreased our leverage with him."

After the presentation by the competing firm, Craig warned the commission that firing him would be a "terrible mistake." It would not only cost the county his services but those of Tanner, Reheis and the other firms as well. He did agree to a 10 percent cut to his \$25,000-per-month fee.

But Bell said the episode underscores a problem facing local governments going forward.

"When you have a small group of people who are the only ones to go to in this area, it puts small governments at a disadvantage," he said. "He says, 'If I go, they go. If you fire me, nobody is staying.' It puts us at a disadvantage."