

CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road
Morrow, Georgia 30260

Regular Board Meeting, March 3, 2005

Chairman, Pete McQueen, called the meeting to order at 1:30 p.m.

Present at the meeting were: Chairman, Pete McQueen, Vice Chairman, Lloyd Joiner, Secretary/Treasurer, Marie Barber, Board Members, Wes Greene, Allan R. Smith, John Westervelt and John M. Chafin. General Manager, M. Wade Brannan, Deputy Manager, Terry Hicks, Department Managers, Guy Pihera, Mike Thomas, Teresa Adams, Herbert Etheridge, and Jim Poff, Finance Director, Emory McHugh, Customer Accounts Director, Morris Kelly, Project Manager, Mike Buffington, Contract & Procurement Administrator, Karen Riser, Human Resources Director, Ed Durham, Administrative Secretary, Carla Clark, and Executive Secretary, Janet Matthews. Also present were: Steve Fincher of Fincher & Hecht, L.L.C., Rick Hirsekorn of CH2M Hill, Chris Wood and Becky Massave of Jim Wood & Associates Public Relations. Also in attendance were Wanda Moore of DW Smith Design Group, Incorporated and Eric Hoover of Forevermore Video Productions. CCWA employees in attendance were Jeff Brandon, Billy Sumner, Rocky Autrey, Curtis Price, Rase Kelley, Connie Bowen, Renee' Dumas, Derek Doss, Adam Horton, Jim Quattlebaum, Bruce Taylor and Jep Palmer.

Chairman McQueen welcomed everyone to the meeting.

After giving some background information, Chairman McQueen called on Rase Kelley, to give the invocation.

Election of Board Officers: Chairman McQueen stated that the first order of business today is the election of officers for the coming year and opened the floor for nominations.

Board member, Allan Smith, wanted to commend Secretary/Treasurer, Marie Barber, Chairman, Pete McQueen, and Vice Chairman, Lloyd Joiner, for all their hard work and dedication that they have put into their positions as officers for the Water Authority Board of Directors.

Mr. Smith stated that at this time he would like to recommend and nominate Pete McQueen as Chairman, Lloyd Joiner as Vice Chairman, and Marie Barber as Secretary/Treasurer.

Upon Motion by Allan Smith and seconded by Wes Greene it was unanimously

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RESOLVED: to accept the recommendation/nomination of Pete McQueen as Chairman, Lloyd Joiner as Vice Chairman, and Marie Barber as Secretary/Treasurer for the upcoming year for the Clayton County Board of Directors.

Chairman McQueen stated that he would speak for Mr. Joiner and Ms. Barber and state that it is a pleasure and honor to serve as your officers on this Board.

Chairman McQueen added that his entire professional career has been working under or with Boards, and he can honestly say that he has not worked with a better or more talented Board than this Water Authority Board. It is a pleasure to serve as your Chairman and I am looking forward to the coming year and appreciate the work that this Board does.

Approval of Minutes: Chairman McQueen called for any omissions or additions to the Regular and Executive Session Board Meeting minutes of Thursday, February 3, 2005 and the Regular Session Called Board Meeting on Friday, February 11, 2005. Hearing none they were approved as received.

Financial and Statistical Report: Chairman McQueen called on Emory McHugh, Finance Director, who presented the monthly financial and statistical report. As a point of reference, Mr. McHugh stated that this report covers through January 31, 2005, the first nine months of the fiscal year. Mr. McHugh added that the level of operating income for the month represents a debt service coverage factor of about 1.78 at the end of this period and thus indicates that the Authority remains on target to meet the 1.5 coverage factor that has been established by the Board as a minimum.

Mr. McHugh stated that with Mr. Brannan's encouragement he added the next page that is a graph showing where the Authority is after the first nine months. Mr. McHugh explained that the blue line shows where the revenue goes up or down depending on what happens that month and the red line shows how stable things are over time, which is really the Authority's trend line and that is the reason that Mr. McHugh gives the Board an accumulative number to date.

Board member, Wes Greene, stated that this graph is perfect and he is happy to receive this information each month in this format.

Mr. Brannan stated that Herbert Etheridge, Manager of Maintenance & Construction, and his folks found a big leak that was four hundred twenty (420) gallons a minute. If you were to take that one leak off our reports, it would reduce our water loss report from fifteen (15%) percent down to about thirteen (13%) percent. Our leak

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detection crew and Mr. Etheridge are working hard to reduce the Authority's water losses.

Mr. Greene asked where the leak was.

Mr. Etheridge answered that the leak was on West Mill Street in Jonesboro. Mr. Etheridge added that his crew found another leak last week at Conley Road. The Authority had lost pressure up in that area, which means that it may have been leaking substantially before it was found. The leak on West Mill Street was found while televising our sewer system. This leak was an eighteen million one hundred thousand (18,100,000) gallon a month leak.

Chairman McQueen stated that the leak detection system has really paid for itself.

Mr. McHugh stated that one other item was the proposed budget, a copy of which the Board members will find at their place at the table. The Board will need to set a time and date to discuss the budget.

The Board decided on a called meeting for Thursday, March 24th, at the Smith Community Use Building at 9:00 a. m. to discuss the proposed budget.

Employee Recognition: Chairman McQueen called on Guy Pihera, Manager of Water Production, who introduced Rocky Autrey, who the Board may be familiar with as he has been here frequently, having passed his Class III, Class II, and Class I licenses. Rocky has recently passed his Class I Water Certification exam and is an operator at the Smith Plant. Rocky came from Customer Service about three years ago, so he has gone very quickly through his certifications. He is a valued staff member at the Smith Plant.

When Rocky was going through his Class II he was assisting several of the staff members that were also going for their Class II and Class III. They held what their supervisor, Barry Brand, called "Rocky's Water School". Rocky came in at odd hours to help the staff and was real successful in helping others get their certifications. Mr. Pihera congratulated Rocky and thanked him. Mr. Autrey received a round of applause.

Chairman McQueen called on Jim Poff, Manager of Water Reclamation, who introduced Billy Sumner, who came to the Water Authority in 2000. Billy worked for Herbert Etheridge in Maintenance & Construction for about two years and then in May of 2002 he started on the third shift at the Shoal Creek Plant. Mr. Poff wanted to recognize Mr. Sumner for passing his Class II Wastewater Operator exam.

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One of the duties of the third shift at Shoal Creek is the sampling duty which involves looking out for the discharge that goes into the Shoal Creek Reservoir from the Panhandle Pump Station. Unlike other operators, when Billy's two years came he was right there going for the test and passed it. Mr. Poff added that this test is very difficult and we wanted to recognize Mr. Sumner for all his hard work in passing this exam and all his hard work at the Shoal Creek Plant. The Board gave Mr. Sumner a round of applause.

Chairman McQueen called on Mike Thomas, Manager of Program Management and Engineering, who introduced Derek Doss and Adam Horton, two of our surveyors. They have been with the Authority for a couple of years and are some of the guys who helped build the GIS system. Derek and Adam recently passed their Level II Certified Survey Technician test. This is a program that is sponsored by the National Society of Professional Surveyors and since it takes a long time to become a registered professional surveyor, this gives them the opportunity to develop some technical standards and competencies and to demonstrate that through these tests that are very similar to the water and wastewater certifications that these other men have received. Mr. Thomas wanted to congratulate both of these men for taking the time and the effort to accomplish passing this test and the good work that they do. Similar to Rocky, Jim Quattlebaum, our lead surveyor, on a rainy morning will be instructing these men in the conference room. Mr. Thomas stated that he appreciated these men for making an effort to improve themselves. Derek and Adam received a round of applause from the Board.

Chairman McQueen on behalf of the Board congratulated each of these employees and thanked them for their efforts to excel in their positions.

Employee Service Recognition: Chairman McQueen called on Terry Hicks, Deputy Manager, who wanted to mention that on the 31st of January Mr. Autrey became a grandpa and is really a lot older than he looks. Mr. Hicks added that he found out about Rocky's daughter and son-in-law the hard way. After Mr. Hicks had all those trees down at his house after the tornado, Rocky's son-in-law, that is in the tree business, mentioned Rocky and Mr. Hicks made the connection. Mr. Hicks added that he appreciated Rocky's son-in-law as much as he does Rocky.

Mr. Hicks asked Curtis Price to come forward and told Chairman McQueen and the Board that this was a real pleasure to recognize Curtis. Mr. Price was born and raised in the McDonough area, as Mr. Brannan was. Curtis started with the Authority in 1975 as a Plant Operator III at the Northeast Plant and in May of '82 was promoted to shift foreman at the Shoal Creek Plant. In May of '87, Curtis was promoted to Plant Supervisor. The Shoal Creek Plant has only been there since '82 and Curtis has been there the entire time and has really been the supervisor most of the time there. This plant,

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over its period of time, has almost been in a state of constant upgrade. It started as a 1.1, and went to 2.2, then a 4.4, the Authority is building solids handling there now, and we built, what I call, the little baby water plant that treats the water to a higher degree that was transported over to the Rivers Edge Golf course. Curtis has run this plant while winning a long string of awards, not only accomplishing this through his expertise, but with people like Billy and the rest of his staff. With the plant almost being in a constant state of upgrade, very seldom do you go down there without seeing the plant running nice and smooth. Mr. Hicks congratulated Mr. Price for his thirty (30) years of dedication and thanked him for running an excellent plant. The Board gave Mr. Price a round of applause.

Mr. Price thanked everyone and added that it has been a pleasure to work for the Water Authority. Mr. Price stated that he has seen a lot of changes through the years and every time he gets the plant looking really, really good, another construction project comes along. Mr. Price stated that he is glad that the plant is getting the dewatering process because one of the biggest concerns is getting rid of solids.

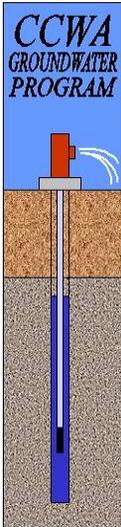
Groundwater Well Program Update: Chairman McQueen called on Guy Pihera, Manager of Water Production, who stated that he had some good news to report. Mr. Pihera stated that the Authority's first Water Production Well is in full service. It is not actually pumping right now, but Monday of this week we introduced our first groundwater into our system for a short period of time.

Mr. Pihera would like to recognize Jeff Brandon. Everything that Mr. Pihera shows the Board today has been spearheaded by Mr. Brandon, who is the Distribution Resource Coordinator for the Water Production Department. All of the Well Program is under Mr. Brandon's supervision. Mr. Pihera appreciates everything that Mr. Brandon has done, from working with our state regulators in obtaining the permitting that was needed, to the implementation of this program.

Mr. Pihera showed several slides and explained that the block building is very close to residents, so the Authority tried to make the building as aesthetically pleasing as possible. This block, chemical-feed facility is on land already owned by the Water Authority at the upper end of the Hooper Reservoir. The only chemical that we have to feed to this well water is chlorine. This structure has control electronics for the pump, a meter so that we know how much water the well is putting out, recording devices for the flow and chlorine levels, and some room if additional chemicals are needed in the future.

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GROUNDWATER PROGRAM UPDATE
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Hooper Well chemical feed facility (left) and well head structure (right).

Hooper Production Well No. 1

- Permitted and operational, yield – 316,000 gallons per day, 405' depth, located at upper end of Hooper Reservoir, enters distribution system in 20" line leaving Hooper Plant
- Total Cost \$253,688

\$17,490 drilling services, \$31,680 consultant fee, \$204,518 well head structures, chemical feed facility and distribution piping

Pates Creek Production Well No. 2

- Permitting in progress, under development – detail plan near completion, yield – 274,000 gallons per day, 600' depth, located at Blalock Reservoir dam, will enter distribution system in 24' line leaving Hooper Plant
- Cost to date \$46,130

\$17,870 drilling services, \$27,420 consultant fee, \$840 testing fees

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Additional Test Wells

- Six additional test wells were drilled. Four resulted in insufficient flow. Two resulted in sufficient flow but poor water quality
- Total Cost for additional test wells \$90,767

Program Funding Overview

- \$514,900 approved by CCWA Board of Directors
- \$390,585 expenses to date / \$124,315 of approved funding remains available
- \$250,000 estimated requirement to develop Pates Creek No.2 (above)

Future Program Activity

CCWA Board will be presented requests at upcoming meetings for funding to complete Pates Creek Well No. 2 and for possible continuation of exploration

Mr. Pihera stated that the completion of the Pates Creek Well is estimated to cost two hundred fifty thousand dollars (\$250,000). Staff will be coming back to the Board at a later date with a closer construction estimate for completing that well and hope to continue our exploration in the future for some additional sites. Staff believes that they have exhausted all of the Water Authority sites and the County facilities, such as schools and parks, as far as their potential. The next step would be to look at private property and possibly obtain some easements. Staff will be looking at that possibility and see if that is really feasible. Mr. Pihera added that staff will be coming back in the next few months with some additional funding requests to complete this program.

Board member, Wes Greene, asked how long it takes the Authority to recover our investment.

Mr. Pihera stated the he had a couple of ways to analyze recovering our costs. If you just look at recovering our costs at our retail rate and then subtract the operational costs of the well, it will take about two hundred sixteen days (216) of production on that well to equal the retail revenue for the three hundred sixteen thousand gallons of water produced. Mr. Pihera stated that the well will not be operated straight out, but we will

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balance usage as needed, based on demand and drought conditions, or the need to purchase water will be considered only after using the wells first.

2005 Recreation Area Guideline Recommendation: Mr. Pihera stated that at the last Board meeting he left the Board a “Public Access” report for the Board’s consideration. There was some discussion about lowering the fees of the deer hunt for Clayton County residents. On the current recommendation, staff has recommended twenty dollars (\$20) per weekend for Clayton County residents and raising the fee to thirty dollars (\$30) per weekend for those who live outside the County. The same changes have been reflected in the season fees for those that pay for the entire season at one time.

Staff also recommends that the hunt time period be shortened at the Huie site, where we have the managed hunt, from twelve (12) hunts, that we had this last year, to six (6) hunts this next year. We will be able to keep the deer population under control based on what we think the population numbers are now and the recommendation from the state biologist.

CCWA Deer Management

History

We implemented archery deer hunting on the E.L. Huie site in 1996. Hunting was implemented to reduce the overpopulated deer herd. Frequent deer-vehicle collisions and reduced vegetation on the property were the primary reasons we initiated the deer management program. In 9 seasons, 1996 through 2004, we have harvested 1,504 deer. Included are 38 deer harvested by the U.S.D.A. Harvest totals include 897 does of which 662 were sexually mature and 607 bucks.

Deer Population Indicators

Harvest data combined with employee and hunter deer sightings and increased browse vegetation indicate we have significantly reduced the deer herd on the Huie property. The yearly deer harvest has fallen from approximately 200 deer in 1998 through 2001 to a current low of 100 harvested deer. Hunter success has dropped from 10% in 1996 to 4% in 2004. Hunter days per deer has risen from a low in 1996 of 9.6 to high in 2004 of 27.6. The current percentage of 1 ½ old does harvested this year was 38%. Nick Nicholson, DNR Biologist, confirmed that the data indicated a reduced herd. He recommended implementing 4-6 maintenance hunts to remove some deer from the site to prevent a rapid increase in the herd.

Cost of Operations

In 2003 we implemented 14 hunts at a cost of \$60,206.47, income was \$22,670.00 with a net loss of \$37,536.47.

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In 2004 we implemented 12 hunts at a cost of \$34,716.31, income was \$22,065.00 with a net loss of \$12,651.31.

Recommendations for 2005 season

Hunt Dates on Huie Site

1. September 9th –11th (Pending DNR approval of opening day)
2. September 16th –18th
3. September 23rd –25th
4. November: 4th –6th
5. November: 11th -13th.
6. November: 18th –20th

Fees structure

Public Lottery (first priority to Clayton and Henry residents)

- \$20.00 per weekend – Clayton Residents
- \$30.00 per weekend – other than Clayton Residents

Full Season Guests

- \$120 - Clayton Residents
- \$180 – other than Clayton Residents

CCWA Employee Season Fee

- \$75.00 or 4 hours volunteer work at the check station

Clayton County Government Agency Employees Season Fee

- \$75.00

Shoal Creek and Woolsey Rd. Property

- CCWA employee access only: entire length of the state deer season. Both open 7 days a week.

Upon Motion by John Chafin and seconded by Wes Greene it was unanimously

RESOLVED: to approve staff's recommendation for deer hunting fees of twenty dollars (\$20) per weekend for Clayton County residents and raising the fee to thirty dollars (\$30) per weekend for those who live outside the County and the same changes would be reflected in the season fees for those that pay for the entire season at one time. Also, approval of the hunt time period being shortened at the Huie site, where we have the managed hunts, from twelve (12) hunts that we had this last year to six (6) hunts this next year.

Chairman McQueen recognized and commended Jep Palmer for the good job that he has done with the deer hunt each year and acknowledged that it is not easy dealing with hunters.

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Huie Wetlands Phase II Bid Recommendation: Chairman McQueen called on Mike Buffington, Project Engineer, who gave a project update on the second phase of the Huie Constructed Wetlands projects where the treated effluent is pumped from the Jackson transfer pump station to the holding ponds.

PROJECT UPDATE HUIE CONSTRUCTED WETLANDS PHASE 2

The Jackson Transfer Pump Station pumps treated effluent to the Huie holding ponds for further treatment on the land application system (LAS) with a capacity of 19.5 MGD. To expand and upgrade treatment at the Huie site, Master Plan 2000 recommended that a portion of the LAS be converted to constructed wetlands. This will be done in several phases.

Construction of Phase One, with an approximate capacity of 3.6 MGD, is near complete, and includes a splitter box, conveyance pipeline, and conversion of a portion of the LAS to constructed wetlands.

Phase Two will have an approximate treatment capacity of 2.7 MGD and includes construction of the wetland cells, outlet structures, piping and valves, controls, and wetland plantings.

Project Managers:

- CH2M Hill, Engineers – Jay Kirk
- Clayton County Water Authority – Mike Buffington

Bid Opening:

Bids for construction of the project were received and opened at 2:00 PM, Local Time, February 15, 2005. The following bids were received:

- | | |
|-----------------------------------|----------------|
| • Heavy Constructors, Inc. | \$5,782,000.00 |
| • Gary's Grading & Pipeline, Inc. | \$5,965,760.90 |

Estimate:

Engineers Estimate Amount	\$ 5,652,105
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Funding:

The project will be funded by the Series 2000 Bond Issue, and R&E Funds.

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Clayton County Water Authority
 Huie Phase 2 Constructed Wetlands
 Sites D, E. and F

Bid Opening: February 15, 2005, 2:00 PM
 Tabulation of Bids Received

Bidder	Base Bid	Allowances	Unit Price Work	Total Bid
Heavy Constructors, Inc.	\$5,442,000	\$80,000	\$260,000	\$5,782,000
Gary's Grading & Pipeline	\$5,403,560	\$80,000	\$482,200	\$5,965,760

Mr. Buffington stated that the Authority received two bids with the low bid being submitted by Heavy Constructors, Incorporated from Marietta, Georgia, at five million seven hundred eighty-two thousand dollars (\$5,782,000). The Authority had two additional contractors that had plans on the project and we did anticipate getting three bids. P. F. Moon and Company had said that they would not bid the project and the other potential bidder, who attended our pre-bid meeting, was Eagle Excavation. We understand that they bid as a sub-contractor to Heavy Constructors to do the earth work rather than bidding the project as a general contractor. That left us with the two general contractors.

Low bid is slightly higher than our estimated construction costs. The bids were close together and CH2M Hill has checked a number of Heavy Constructors' references and other information that they submitted. It is the recommendation of both CH2M Hill and Program Management that the Board award the contract for the construction of Huie Phase II to the low bidder, Heavy Constructors, Incorporated in the amount of five million seven hundred eighty-two thousand dollars (\$5,782,000). The project will be funded by a combination of our series 2000 Bond Issue and R&E Funds.

Upon Motion by Lloyd Joiner and seconded by Marie Barber it was unanimously

RESOLVED: to accept staff's recommendation to award the Huie Constructed Wetlands Phase II project to Heavy Constructors, Incorporated in the amount of five million seven hundred eighty-two thousand dollars (\$5,782,000) contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

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East Jesters Creek Stream Restoration Project Summary: Mr. Buffington continued with an informational update on Phase II of our Jesters Creek Stream Restoration Project. We started construction on this project September 27th of last year and work was completed January 10th of this year.

EAST JESTERS CREEK AT REYNOLDS ROAD
 STREAM RESTORATION PROJECT

The project includes construction of stream improvements of a section of East Jesters Creek at Reynolds Road. This is the second phase of restoration of degraded portions of the stream. The project included stream bank stabilization and channel relocation, and will result in water quality improvements, erosion control, and habitat improvements.

Project Managers:

- CH2M Hill, Engineers – Phil Sacco, Design
- CH2M Hill, Engineers – Dave Goddeyne, Construction Manager
- CH2M Hill, Engineers – Steve Kistler, Resident Engineer
- Clayton County Water Authority – Mike Buffington

General Contractor:

- J. W. Wilkerson Construction Co., Inc.

Final Cost Summary:

- | | |
|-------------------------------|-----------------------|
| • Low Bid Amount | \$ 609,282.00 |
| • Change Order No. 1 (Deduct) | <u>(\$ 29,748.94)</u> |
| Final Adjustments | |
| • Final Construction Cost | \$ 579,533.06 |

Funding:

- The project was funded by a Federal Grant, City of Morrow, and CCWA.

Mr. Buffington added that this project was completed a month ahead of schedule and was funded by a combination of grant money, the City of Morrow, and the Water Authority. Mr. Buffington showed some slides of the project.

Mr. Brannan stated that the City of Morrow's payment would be due July 1st.

Rick Hirsekorn stated that two weeks ago at the annual banquet of the Georgia Engineering Companies, the East Jesters Creek Stream Restoration project was judged

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one of the top five projects in the state from last year and CH2M Hill received the award and gave it to Mr. Brannan. Also, the Panhandle Road Constructed Wetlands was also chosen the top project of the year and we were also just notified that that project went on to nationals and was picked as one of the top twenty-four projects in the whole country for last year. CH2M Hill will be receiving that recognition also and providing the Authority with the plaque. Mr. Hirsekorn added that CH2M Hill appreciates the opportunity to do that work and also be recognized in the industry as these being some of the top projects. Last year the Authority won the Grand Award with your UV project and this year you were the only Authority with two projects.

Mr. Buffington commented that in addition the Casey construction project won the top award for the contractors in the state of Alabama. Mr. Buffington stated that as Mr. Hirsekorn has said the Authority is not only receiving awards for operations, but are getting some design and construction awards as well.

Master Plan Update Task Order Recommendation: Chairman McQueen called on Mike Thomas, Manager of Program Management & Engineering, who wanted to give the Board information on the 2005 Master Plan Update. Mr. Thomas commented that during the period of 2005 through 2020, that the demographics, or the demands, or regulatory climate might change significantly that would require us to make a few modifications to our 2000 Master Plan. This is what we have today for the Board's consideration.

2005 MASTER PLAN UPDATE

In the five years since its development, much of the work programmed in CCWA's 2000 Master Plan has been completed or is underway. An important part of a dynamic and focused planning effort is to revisit your plan at certain intervals to insure that the conditions, assumptions, and projections that directed the planning effort are still valid. Some of these issues include current regulatory, demographic, and industry trends. CCWA staff recommends that major Master Plan updates be conducted on ten year intervals and mid-term evaluations be conducted every five years. Therefore, we have worked with CH2M Hill to develop a scope of services to conduct a 2005 Master Plan update.

The proposed task order includes the following activities:

- Review of progress and status of 2000 Master Plan CIP;
- Updated population, water demand and sewer flow projections;
- Review of current water system regulations and trends;
- Review of current water reclamation regulations and trends;

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Review of current stormwater related regulations and trends;
Development of recommendations and financial plan to address needs identified

Task Order Budget: \$197,400

CCWA Project Manager: Mike Thomas

CH2M Hill Project Manager: Rick Hirsekorn

TASK ORDER RE-04-04

This is an attachment to the AGREEMENT between CH2M HILL (“ENGINEER”) and CLAYTON COUNTY WATER AUTHORITY (“OWNER”), for a project generally described as The 2005 Master Plan Update.

PROJECT DESCRIPTION

The 2005 Master Plan Update for Clayton County Water Authority (CCWA) will serve as an update to the 2000 Master Plan for Clayton County Water Authority and will become the comprehensive guide in continuing to achieve CCWA’s goal of high quality and sustainability. The 2005 Master Plan will accomplish the following objectives:

- **Provide updated population and flow projections to assess future water and wastewater service demands.**
- **Provide an updated assessment of the existing water and wastewater systems.**
- **Provide an implementation program and strategy for the stormwater utility (SWU).**
- **Review system-wide energy usage and recommend an improvement plan for energy conservation.**
- **Provide a project implementation program for meeting current needs and future service demands in an orderly manner through the year 2025, including a financial plan to implement the recommended system improvements.**

The 2005 Master Plan Update will be prepared to address near-term (2005-2015) and long-term (2016-2025) water and wastewater infrastructure investments. Growth and development projections, including water and wastewater forecasts, will be developed to the year 2025.

Water and wastewater facilities planning-level cost estimates will be developed for the 10-year planning period extending from 2005 to 2015. For the planning period extending from 2016 to 2025, conceptual-level cost estimates will be developed.

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PROJECT APPROACH

Water, Wastewater, and Stormwater Planning Considerations

The 2005 Master Plan Update will focus on infrastructure improvements required to support service area demands at defined levels of high quality service and system reliability for water, wastewater, and stormwater during the planning period. Findings, conclusions, and recommendations will address the following:

- Description of existing facilities, including general status, historical development, present condition, known deficiencies, and previously completed reviews, evaluations, studies, and assessments
- Improvements required to meet water and wastewater demands and regulations
- Recommendations for improving system operations and performance
- Implementation plan and schedule, including the identification of key milestones for decision-making

STAKEHOLDER PARTICIPATION

The CCWA 2005 Master Plan Update project will incorporate stakeholder involvement to solicit comments from the following key stakeholder groups:

- CCWA Board of Directors
- CCWA Management
- CCWA Operations Supervisors

These groups will be provided information and consulted on a timely basis, during all phases the preparation of the 2005 Master Plan.

ARTICLE 1 — SCOPE OF SERVICES

Task 1.1: Master Plan 2000 Review

Task Leader: Heather Heindel Senior Advisor/Reviewer: Rick Hirsekorn

Purpose

The purpose of this task is to:

- Summarize the recommendations from the 2000 Master Plan
- Report on the status of capital improvement projects recommended in the 2000 Master Plan.
- Follow up on outstanding items and recent developments relative to the project objectives (including but not limited to the SWU)

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Work Plan

CH2M HILL will review the 2000 Master Plan recommendations. Both completed projects and projects in progress will be reviewed with CH2M HILL construction management staff and CCWA project management staff.

Deliverable *TM 1 Master Plan 2000 Status of Projects* will list the recommendations from the 2000 Master Plan, the status of each recommendation, and the total cost of the work to date resulting from the recommendations. The recently prepared Engineer's Report for the 2005 Series Bond will be used as a basis for this TM. Projects which have been postponed will also be discussed with appropriate rationale provided.

Task 1.2: Flow Projections

Task Leader: Cody Stanger Senior Advisor/Reviewer: Eric Rothstein

Purpose

The purpose of this task is to update water and wastewater flow projections utilizing customer account and consumption data compared to recent population growth projections prepared for the Clayton County Comprehensive Plan.

Work Plan

To project the water and wastewater demands trends, CH2M HILL will analyze current customer account data and consumption data by class of consumer and will determine a logical breakdown of demand by class. An elasticity of demand factor will be incorporated into the model to account for rate increases, conservation measures, and other factors as appropriate. Historical and projected growth rates per class will be examined.

Based upon this information, CH2M HILL will develop the following:

- **Water Demands - total existing and projected water demands, including residential, commercial, industrial, and wholesale customers, will be estimated based upon forecast scenarios, including:**
 - a) Low-growth rate (using Clayton County Comprehensive Plan population growth projections)
 - b) High-growth rate (using Metropolitan North Georgia Water Planning District or Atlanta Regional Commission population growth projections)
- **Wastewater Flows - the existing and projected average annual daily flows (AADF) and maximum month average daily flows (MMADF) for each water reclamation facility (WRF), including residential, commercial, and industrial flows and estimated infiltration and inflow.**
- **A model for which the inputs can be varied (inputs to be identified during initial discussion with CCWA staff) to determine the effects of different growth patterns on demands.**

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Deliverable

TM 2 Flow Projections will present the results of the demand projections and incorporate the demand projections with the ongoing water system model update project. It will also include a discussion of the data sources and methods used to develop the future growth and flow projections.

Task 1.3: Water System Regulatory Review

Task Leader: Stuart Jeffcoat Senior Advisor/Reviewer: Appiah Amirtharajah

Purpose

The purpose of this task is to review recent developments in regulatory requirements with which CCWA must comply in providing water services to its customers.

Work Plan

CH2M HILL will review current regulatory compliance for the water system while developing a list of potential variances relative to the timeline for promulgation of new regulatory requirements. Emerging regulatory issues will be outlined, focusing upon those that may have the most significant impact upon operations and future modifications and expansions.

The list of regulatory requirements to be considered will include, but not be limited to, the following:

- **Federal**
 - Safe Drinking Water Act (SDWA), including Stage 2 Disinfectant/Disinfection By-Products Rule, Long Term 2 Enhanced Surface Water Treatment Rule, recent watershed management and source water protection considerations, consumer confidence reporting, etc.
- **State**
- **Local**
- **Other regulatory and resource management issues identified by project team, CCWA staff, and other stakeholders**

Deliverable

TM3 Water System Regulatory Compliance will summarize current regulatory requirements and future anticipated trends that will influence strategic decisions CCWA will be making during the planning period. Actions that may be required by those trends will be discussed.

Task 1.4: Water Reclamation System Regulatory Review

Task Leader: Heather Heindel Senior Advisor/Reviewer: Paul Jarrett and Glen Daigger

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Purpose

The purpose of this task is to review the regulatory requirements with which CCWA must comply in providing water reclamation services to its customers.

Work Plan

CH2M HILL will review current permit compliance for the system and will develop a checklist of potential variances as a part of the timeline for renewals/reissuance. The major emerging environmental regulatory issues will be outlined, focusing on those that may have the most significant impact upon operations and future modifications and expansions.

The list of regulatory requirements to be considered will include, but not be limited to, the following:

- Federal and State regulations
 - Total Maximum Daily Loads (TMDLs)
 - National Pollutant Discharge Elimination System (NPDES) permits
- Local regulations
- Other regulatory and resource management issues identified by the project team, CCWA staff, and other stakeholders

Deliverable

TM 4 Water Reclamation System Regulatory Review will summarize current regulatory requirements and future anticipated trends that will influence strategic decisions CCWA will be making during the planning period. Actions that may be required by those trends will be discussed.

Task 1.5: Stormwater Management Regulatory Review

Task Leader: Heather Dyke Senior Advisor/Reviewer: Doug Baughman

Purpose

The purpose of this task is to review the regulatory requirements with which CCWA must comply in providing stormwater management services to its customers.

Work Plan

CH2M HILL will review current regulatory compliance for the SWU and will develop a checklist of regulatory issues.

The list of regulatory requirements to be considered will include, but not be limited to the following:

Federal Regulations

State Regulations

Local Regulations

- Other regulatory and resource management issues identified by the project team, CCWA staff, and other stakeholders

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Deliverable

TM 5 Stormwater System Regulatory Review will summarize current regulatory requirements and future anticipated trends that will influence strategic decisions CCWA will be making during the planning period. Actions that may be required by those trends will be discussed.

Task 1.6: Indirect Reuse Regulatory Review

Task Leader: Heather Heindel Senior Advisor/Reviewer: Jim Bays

Purpose

The purpose of this task is to review the regulatory requirements with which CCWA must comply in operating an indirect reuse system.

Work Plan

CH2M HILL will review current regulatory compliance for the indirect reuse system and will develop a checklist of regulatory issues.

The list of regulatory requirements to be considered will include, but not be limited to the following:

- Federal Regulations
- State Regulations
- Local Regulations
- Other regulatory and resource management issues identified by the project team, CCWA staff, and other stakeholders

Deliverable

TM 6 Indirect Reuse Regulatory Review will summarize current regulatory requirements and future anticipated trends that will influence strategic decisions CCWA will be making during the planning period. Actions that may be required by those trends will be discussed.

Task 1.7: Water System Evaluation and Recommendation of Capital and Operational Improvements

Task Leader: Stuart Jeffcoat Senior Advisor/Reviewer: Ed Minchew

Purpose

The purpose of this task is to evaluate the existing CCWA water system infrastructure and recommend water treatment and distribution improvements, upgrades and expansion options that can be implemented to meet CCWA treated water demands and regulations through the planning period.

Work Plan

Conduct Workshop with Water Treatment Operational Staff. CH2M HILL and CCWA staff will participate in a 1-day workshop to discuss potential improvements and treatment technologies at each of the three water treatment plants (WTPs) in the CCWA system.

Perform Condition Assessment. Conduct an assessment of critical equipment and facilities at the Freeman Road and J.W. Smith WTPs, as well as the CCWA distribution system and elevated

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storage tanks. The assessment will include a review and evaluation of the physical condition, performance, energy consumption, operating characteristics, maintenance history, and estimated remaining service life of individual equipment units. As part of the condition assessment of the distribution system, CH2M HILL will review the recommendations from the water model update and incorporate those recommendations into those recommendations into the deliverable associated with Task 1.7.

Review Raw Water Sources. CH2M HILL will review the watershed characteristics to determine the potential for expanding to other raw water sources. A safe yield analysis for the current raw water reservoirs will be performed. CH2M HILL will also investigate the use of effluent from the wetlands as an increased raw water source and review the status of current CCWA efforts to use groundwater wells as an additional source of supply.

Evaluate System Interconnections and Purchase Agreements. CH2M HILL will review current contracts for the purchase of water from adjacent system to determine if any short-term or long-term modifications to the purchase contracts are needed to ensure CCWA is able to meet future water demands.

Deliverable

TM 7 Water System Evaluation will include a summary of the raw water source assessment, water treatment technology options that could be implemented to meet current and anticipated requirements of the SDWA, and a recommended Water System Improvement and Development Program.

Task 1.8: Water Reclamation System Evaluation and Recommendations of Capital and Operational Improvements

Task Leader: Heather Heindel Senior Advisor/Reviewer: Paul Jarrett

Purpose

The purpose of this task is to review the major facilities and associated operating data to evaluate and recommend potential operational cost optimization within the system's facilities. Factors to be addressed will include energy recovery, preventive maintenance, etc., for the purpose of maintaining CCWA's position as a high-quality, low-cost service provider.

Work Plan

Conduct Workshop with Water Reclamation Facility Operational Staff.

CH2M HILL and CCWA staff will participate in a 1-day workshop to discuss potential improvements and treatment technologies at each of the three WRFs in the CCWA system. Specific improvements to be discussed are:

- Solids processing at W.B. Casey WRF
- Ultraviolet disinfection at W.B. Casey WRF
- Collection system improvements based on SEACAP analysis

Perform Condition Assessment. An assessment of crucial equipment and facilities at the W.B. Casey WRF palletizing facility and the Shoal Creek WRF will be conducted. The assessment will include a review and evaluation of the

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physical condition, performance, energy consumption, operating characteristics, maintenance history, and estimated remaining service life of equipment units.

Incorporate SEACAP and Huie Master Plan Recommendations. CH2M HILL will review the recommendations from the SEACAP and Huie Master Plan and incorporate those recommendations into the deliverable associated with Task 1.8.

Assessment of Existing Contracts with Other Systems. CH2M HILL will propose alternatives for pumping wastewater flows to the CCWA WRFs rather than sending the wastewater flows to the City of Atlanta and DeKalb County for treatment. As part of the proposed alternatives, CH2M HILL will estimate the cost associated with pumping the wastewater to the CCWA WRFs and compare that cost to the anticipated costs associated with continuing to contract with the City of Atlanta and DeKalb County. In addition, CH2M HILL will also evaluate agreements with other systems, such as Fulton County and Henry County.

Assessment of Regional Considerations and Issues. CH2M HILL will consider and assess regional considerations and issues related to water reclamation as they pertain to CCWA.

Evaluation of Reuse Alternatives. CH2M HILL will evaluate the benefits of reuse alternatives rather than landfilling for the disposal of solids from WRFs and WPPs in the CCWA system.

Deliverable

TM 8 Water Reclamation System Evaluation and Recommendation of Capital and Operational Improvements will include a summary of the workshop, condition assessments, and implementation strategy.

Task 1.9: Stormwater Recommendations

Task Leader: Heather Dyke Senior Advisor/Reviewer: Doug Baughman

Purpose

The purpose of this task is to incorporate the recommendations from the SWU capital improvements plan (CIP) into the overall CCWA CIP.

Work Plan

CH2M HILL will develop an SWU CIP under the SWU Implementation Planning Task 6 by meeting with the SWU implementation team to address the following items:

- Identify necessary watershed improvement projects
- Develop CIP project prioritization criteria and complete initial screening of projects
- Develop subbasin priorities for additional inventory data collection

CH2M HILL will then describe the process for incorporating the SWU into CCWA operations.

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Deliverable

TM 9 Stormwater Recommendations will summarize the CIP developed from the SWU. Discussion will focus on incorporating the specific SWU CIP elements into the overall CCWA CIP.

Task 1.10: System Energy Usage

Task Leaders: Stuart Jeffcoat and Heather Heindel Senior Advisor/Reviewer: Chuck Crandall

Purpose

The purpose of this task is to review the energy usage at each water and wastewater treatment facility and recommend modifications and improvements to current energy practices.

Work Plan

CH2M HILL will review CCWA monthly utility bills to identify a prioritized list of the facilities that consume the most energy in the CCWA system. CH2M HILL will inspect the identified facilities and recommend energy conservation opportunities, from both a process and an operational perspective. CH2M HILL will prepare an overall energy management strategy for the CCWA system that will recommend energy efficient improvements for the mechanical equipment at each major facility and pump station.

Deliverable

TM10 System Energy Usage will summarize the findings of the energy usage review. The TM will recommend energy-saving modifications and upgrades, operational improvements to more efficiently consume energy, and major equipment improvements.

Task 1.11: Strategic Business Planning

Task Leader: Don DeWolfe Senior Advisor/Reviewer: Rick Hirsekorn

Purpose

The purpose of this task is to facilitate a 1-day workshop that will assist CCWA in developing a strategic business plan for the operation and growth of its enterprise.

Work Plan

CH2M HILL will perform the following:

- Plan and facilitate a 1-day workshop for key CCWA personnel focusing on strategic planning.
- Interview key participants via telephone prior to workshop.
- Prepare and distribute workshop minutes.

Deliverable

TM 11 Strategic Business Planning will focus on the results of the Strategic Business Planning workshop, including suggested methods for implementation of the plan.

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Reports and Recommendations

Recommendations for System Expansions and Improvements

As a result of the system evaluation, recommendations will be developed to meet the identified needs and deficiencies. This may include providing additional water capacity, improving the existing water treatment facilities, improving the distribution and storage system, and possibly expanding the wastewater system to areas outside the current service area boundaries to serve projected development.

Implementation Plan for Recommended Improvements

The project team will develop an implementation plan that takes into consideration the overall needs of the system as it may be impacted by the ongoing improvements. Appropriate consideration will be given to each project and initiative regarding how they will relate to current operations and/or improvements.

Capital Improvements Plan

A new CIP will be developed on the basis of the recommended system improvements and expansions. The plan will reflect the priorities developed in all other segments of the Master Plan.

Financial Plan

An updated financial plan will be developed to assess the financial impact of the CIP and other operational issues described in the Comprehensive Plan. Given that a significant portion of the Master Plan impacts operational costs, careful consideration will be given to cost-benefit relationships in order to optimize operational expenditures. Further financial evaluations, such as a comprehensive review of rates, will also be recommended if needed.

Develop Presentations and Deliverables

Prepare Draft 2005 Master Plan Update. The findings and recommendations from the TMs and other pertinent information will be consolidated into a single document titled, *Clayton County Water Authority 2005 Master Plan Update*. Twenty copies of the documents will be prepared for review and comment.

Review Draft 2005 Plan with CCWA Board of Directors. Project team members will meet with the CCWA Board of Directors to review and consider the *2005 Master Plan Update*. Following the meeting a summary memorandum will be prepared outlining key elements of discussions and the mutually agreed-upon changes to the plan.

FINAL DELIVERABLES

The 2005 Master Plan Update will be developed through the creation of a series of Technical Memoranda (TM). The TMs will summarize major findings, conclusions, and recommendations of each of the technical tasks identified in the scope of services. These documents will be reviewed by both senior CCWA management and the Board of Directors and required revisions incorporated. After all tasks have been completed, the TMs will be assembled into a single volume (along with other pertinent information) as the 2005 Master Plan. CH2M HILL will

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also prepare a condensed version of the 2005 Master Plan Update to serve as an executive summary that will summarize the major findings and recommendations from each of the TMs associated with the overall 2005 Master Plan Update.

All digital documents, reports, data, and other information and deliverables will be submitted using software consistent with CCWA information management standards, including but not limited to, the following:

- Microsoft Office
- Arc/Info
- AutoCAD

ARTICLE 2 — COMPENSATION

Compensation by OWNER to ENGINEER will be as follows:

Compensation for the Scope of Services described herein shall be in accordance with the terms specified in Attachment B. Compensation shall be cost-reimbursable per diem (time and expense), with a maximum, not to exceed amount of \$197,400 without written approval from the CCWA.

Payment will be due to the ENGINEER based on an assessment of current project status based by the CCWA program manager that work is progressing as planned. This determination will be made at monthly meetings and additionally as requested by the OWNER.

ARTICLE 3 — INSURANCE

The insurance coverage required for this “Task Order” is shown on the attached insurance exhibit B.

SCHEDULE

The ENGINEER will begin work under this task order when authorized by the OWNER. Work under this task order will be completed in final draft form by October 15, 2005, and will be finalized prior to the end of November, 2005.

This Task Order will become part of the referenced AGREEMENT when executed by both parties.

IN WITNESS WHEREOF, the parties execute below:

For O WNER, CLAYTON COUNTY WATER AUTHORITY

Dated this _____ day of _____, 2005

By: _____
Name Title

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For ENGINEER, CH2M HILL

Dated this _____ day of _____, 2005

By: _____
Name Title

EXHIBIT A
INSURANCE REQUIREMENTS
TASK ORDER RE-04-04
2005 Master Plan Update

Engineer’s Insurance

The Engineer will maintain throughout the completion of the above and any subsequent task orders in connection with this project and after completion as required in this Exhibit A.

(a) Workers’ compensation as required by the State (Statutory) where the work is performed and Employers Liability in the amount of one million (\$1,000,000) Each Per Accident, Per Disease Each Employee and Per Disease Policy Limit. ENGINEER shall also indemnify and hold OWNER harmless for any such liability that may attach to OWNER as a “statutory employer” of any of ENGINEER’S employees, agents or subcontractors. “An Alternate Employer Endorsement” naming the Owner as a protected Alternate Employer will be added to the Workers’ Compensation policy.

(b) Automobile Liability insurance covering claims for injuries to persons and/or property arising from the use of motor vehicles, including onsite and offsite operations, owned, non-owned or hired vehicles, with \$1,000,000 Combined Single Limit.

(c) Commercial General Liability, Occurrence Form, including Contractual Liability, per Project General Aggregate Limit of Liability, losses caused by explosion, collapse and underground (X,C,U perils). The Owner is added as an Additional Insured using ISO Form CG 20-10 extended to include Products/Completed Operations, or an equivalent Additional Insured endorsement, either form must be acceptable to the Owner. The coverage is primary as to the work of the ENGINEER for the Owner and includes separation of insureds (cross liability). Additional Insured status will be certified to the Owner for a period of five (5) years following completion of the project. The General Liability shall cover claims for injuries to persons or damage to property arising out of any covered negligent act or omission of ENGINEER or of any of its employees, agents, or subcontractors.

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The limits of coverage shall be:

\$ 1,000,000	Per Occurrence
\$ 1,000,000	Personal or Advertising Injury
\$ 1,000,000	Fire Damage
\$ 5,000	Medical Payments
\$ 1,000,000	General Aggregate
\$ 1,000,000	Products/Completed Operations Occurrence and Aggregate

In the alternative, the ENGINEER may substitute a claims made policy in the same amounts and for the same coverages, provided that it has full prior acts coverage and a five (5) year Extended Reporting Period included in the current policy.

(d) Professional liability insurance to include coverage for the Owner and all Subs, Engineers and Design Consultants, with a minimum limit of \$10,000,000 per claim and in the aggregate. The OWNER may increase the limit requirements where in the opinion of the OWNER such increase is desired. The policy shall contain an eight (8) year Extended Reporting Period or the Engineer will furnish the Owner evidence of continuing coverage for that same period of time after completion. The Retro-active date under the policy will predate any work for the Owner. Sixty (60) days prior written notice of cancellation or non-renewal shall be given to the OWNER in the event of termination or non-renewal.

The Owner may elect to obtain a PROJECT policy on a primary or excess basis. The Engineer will amend their PRACTICE policy to provide primary or excess coverage to increase the combined limits of coverage. Deductibles included in the policies will be the responsibility of the Engineer.

(e) An Umbrella policy, including Excess following form, will be provided with a minimum limit of \$25,000,000 Per Occurrence and Aggregate (Per Project) and will apply over underlying policies for Automobile Liability, Commercial General Liability and Employers Liability. The Umbrella policy limits may be combined with the underlying limits to obtain the total limits required.

(f) The ENGINEER will furnish a Certificate of Insurance to the Owner for coverages (a) Workers' Compensation/Employers Liability; (b) Automobile Liability; (c) Commercial General liability; (d) Professional Liability; and (e) Umbrella Liability. The certificates will include a copy of the endorsement on each policy, which requires written notice to the Owner in the event, or termination or non-renewal of at least sixty (60) days.

The certificates for the Commercial General Liability will also include a copy of the endorsement naming the Owner as an Additional Insured, providing primary coverage for Operations and Products/Completed Operations.

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Waiver of Subrogation – ENGINEER waives subrogation against Owner as to Workers' Compensation including Employment Practices Liability, Automobile and Commercial General Liability Policies.

(g) Each and every policy required by this contract shall be with a company that is rated by Best as A- or better. Further, the OWNER shall not be responsible for any deductibles established by such policies.

Mr. Thomas stated that staff recommends the approval of this task order in the amount of one hundred ninety-seven thousand four hundred dollars (\$197,400) for the update of the 2005 Master Plan which has a six month schedule, on a time and material basis.

Mr. Hicks added that proper planning has been the roadmap and bible to follow for the Authority for the fifty years that the Authority has been in existence. The Master Plan is used constantly and Mr. Hicks believes that it is the true success of the Authority, along with the employees.

Mr. Joiner added that he feels that this is encouraging that this update was being brought before the Board.

Upon Motion by Marie Barber and seconded by Allan Smith it was unanimously

RESOLVED: to approve the 2005 Master Plan Update Task Order in the amount of one hundred ninety-seven thousand four hundred dollars (\$197,400) on a time and material basis and to authorize the General Manager to sign the task order documents.

Lovejoy Road Lift Station Request: Mr. Thomas stated that the Authority was approached by developers to serve a piece of property just outside the city limits of Lovejoy. This land is a fifty acre parcel off of Lovejoy Road. The developers are proposing a 160 lot subdivision just below the site where we constructed a lift station approximately two years ago. Mr. Thomas showed some slides of the proposed site and added that the sewer for the proposed development would not flow by gravity to the lift station.

If the Board approves service for this area, staff would recommend the developer determine if the existing lift station could be moved to his property and have the sewer flow by gravity to this one lift station rather than constructing a second lift station. If

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this is possible, the developer/owner would be responsible for all relocation costs and then be responsible for a per acre fee that was charged to the other people that developed property in that basin. If the lift station cannot be relocated because of the depth of cut, then we would recommend a new station with all costs paid by the developer and the developer would be responsible for the \$50,000 maintenance fee. All of the property is in Clayton County, but not all of the land is in the city of Lovejoy. The developer will be asking the city of Lovejoy to annex all the property into the city of Lovejoy.

Proposed Lift Station – Lovejoy Road

Owners of a property parcel of approximately 49 acres on Lovejoy Road are requesting permission to add a sewer lift station to the CCWA system to serve this property. This property is close to an existing lift station installed approximately two years ago. The property owners are currently proposing a residential subdivision with approximately 160 lots which would produce approximately 40,000 gpd of sewer. CCWA staff would recommend the developer/owner be required to conduct a detailed survey to determine if it is possible to relocate the existing lift station to this site and eliminate the need for a new lift station. If so, the developer/owner would be responsible for all relocation costs and the \$50,000 maintenance fee. If topography prevented this, then a new lift station would be the only practical way to sewer this proposed development. A proposed development plan is attached.

Property Owners:	Troy Smith and James Baune, Smith & Baune LLC
Development acreage:	49 acres
Type of Development:	160 lot residential subdivision
Approximate water & sewer use:	40,000 gpd

Chairman McQueen explained for Mr. Chafin, the newest Board member, that in the past if a lift station is put in service, the contractor pays all expenses and when the lift station is installed the contractor pays us fifty thousand dollars (\$50,000) to maintain the lift station.

Upon Motion by Lloyd Joiner and seconded by Allan Smith it was unanimously

RESOLVED: to approve the request for the proposed lift station at Lovejoy with the developer responsible for all relocation costs if the existing lift station can be moved along with a per acre fee that was charged to the other people that developed property in the basin and if the lift station cannot be relocated, the developer would pay all costs

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associated with a new lift station plus the fifty thousand dollar (\$50,000) maintenance fee.

Fiscal Policy Guidelines Recommendation: Chairman McQueen called on Mr. Brannan, General Manager, who stated that the Fiscal Policy Guidelines in today's Board book which was prepared by Emory McHugh, Finance Director, and his financial staff, is basically the outline of how we do our financial business here at the Water Authority. This written guideline serves as a blue print for our financial operations and gives a way to read and understand what our fiscal policies are and gives credibility and continuity in the way that we do business.

PURPOSE

The Board of Directors and management of the Clayton County Water Authority are fully cognizant of the fact that they have the important responsibility of insuring that the Authority will be able to provide water and wastewater services to its customers now and in the future. This assurance to our customers is achieved by carefully accounting for the revenues that are generated from the provision of these services, managing our finances wisely, and planning for the provision of services to meet the needs of future generations. The adherence to sound fiscal policies is critical to the Authority's ability to carry out these responsibilities.

STATEMENT OF INTENT

The following policy statements, as adopted by the Board of Directors, are intended to provide a broad conceptual framework as to how the various fiscal responsibilities associated with the operation of the Clayton County Water Authority are to be carried out on a day-to-day basis. These policies are crafted as overarching principles as to how the Authority should conduct its core business activities. They provide general guidance to staff members, serve as a blueprint for financial operations, establish operational objectives and promote continuity in fiscal decision making. In 2001, the adoption of financial policies by governmental entities became one of the recommended practices of the Government Finance Officers Association (GFOA).

There are several distinct advantages to having fiscal policies to guide the operations of the Clayton County Water Authority. One major benefit is that they promote long-term financial stability for the Authority. For example, the budget and reserve policies encourage the level of fiscal responsibility needed to prepare the Authority for financial emergencies and abrupt adverse economic conditions. And the capital budgeting policies

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ensure that the long-term plant and infrastructure needs of the Authority are addressed by management.

In addition, these policies elevate the credibility of the governing body and promote public confidence in the financial decisions that it makes. The policies call for complete disclosure of financial matters and provide a forum, the Comprehensive Annual Financial Report, to accurately inform the citizens about the financial condition of the Authority. These same standards require an annual budget document that provides detailed information about the financial plans for operating the Authority and what factors entered into those plans.

SECTION I - OPERATING BUDGET POLICIES

Purpose

Operating budget policies are adopted to ensure that a sound business approach is taken in the course of preparing the annual expenditure plan. To remain a viable, ongoing enterprise, the Authority's annual operating expenditures must be based on a stable stream of revenues. These principles are designed to encourage consideration of long-term objectives rather than short-term benefits. Adherence to these policies will enable the Authority to maintain a stable level of services, expenditures and user rates in future periods.

Policy

To provide a mechanism for exercising managerial control over cash flows, the Authority shall annually adopt a balanced budget where operating revenues are equal to, or exceed, operating expenditures.

The operating budget will be prepared utilizing the modified accrual basis of accounting as a means of estimating the flow of financial resources on an annual basis.

The Authority will annually submit its budget document to the Government Finance Officers Association (GFOA) for consideration of its adherence to the criteria established for receiving the "Distinguished Budget Presentation Award".

The Authority will finance all current expenditures with current revenues. The Authority will avoid budgetary procedures that balance current expenditures through the obligation of future resources. The Authority will not use short-term borrowing to meet operating budget requirements.

The Authority will utilize performance measures and work load indicators to provide qualitative and quantitative information about operations.

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Departments are expected to fully justify each of their budgetary requests for funding. The budget process is intended to weigh all competing requests for resources, within expected fiscal constraints.

All unencumbered operating budget appropriations will lapse at the year-end. Encumbered balances will be re-appropriated in the following fiscal period.

The Authority will maintain a budgetary control system to ensure adherence to the budget and will prepare timely financial reports comparing actual revenues, and expenditures and encumbrances with budgeted amounts.

The operating budget shall be developed to control both direct and indirect costs of programs and services wherever practical.

The Authority will estimate its annual revenues by an objective analytical process in a prudent manner.

All departments will share in the responsibility of meeting policy goals and ensuring long term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements.

The operating budget will provide for adequate maintenance of capital equipment and facilities, as well as for their orderly replacement.

The appropriations portion of the operating budget will contain a sufficient level of contingency funds that are unprogrammed and available to meet unanticipated expenditures that might arise.

SECTION II – CAPITAL BUDGET POLICIES

Purpose

Capital budget policies are needed to ensure that capital expenditures are well planned and enable the Authority to replace its plant, piping, equipment and other capital assets when needed, without requiring significant fluctuations in the user service charges.

Policy

Based on a review of existing capital assets and a comprehensive assessment of future needs, the Authority shall prepare a ten-year capital plan to define the major projects that will need to be addressed during that decade. The plan shall be reviewed periodically and updated as needed.

Using the ten-year plan as a guiding document, the Authority will develop a five-year plan for capital improvements and update it annually.

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The Authority will coordinate development of the capital improvement budget with development of the operating budget. Future operational costs associated with new capital improvements will be projected and included in operating budget forecasts.

The Authority will provide ongoing preventative maintenance and upkeep on all its assets at a level adequate to protect the Authority's investment and to minimize future maintenance and replacement costs.

The Authority will determine the least costly financing method for all new projects.

SECTION III – ACCOUNTING, AUDITING AND FINANCIAL REPORTING POLICIES

Purpose

The purpose of accounting, auditing and financial reporting policies are to ensure accurate and consistent accounting practices that conform to generally accepted accounting principles. These policies engender public confidence in and ensure the integrity of the Authority's financial system and processes

Policy

The Authority will develop an ongoing system of financial reporting to meet the needs of the Board of Directors, the General Manager, department heads and the general public. Reporting systems will monitor the costs of providing services wherever possible. The reporting systems will also promote budgetary control and comparative analysis.

An independent audit in compliance with Generally Accepted Audit Standards (GAAS) will be performed annually by a qualified external auditor in accordance with HB 535.

The Authority will establish and maintain a high standard of accounting practices. Accounting records and systems will conform to Generally Accepted Accounting Principles.

The Authority will prepare a Comprehensive Annual Financial Report (CAFR) in accordance with Generally Accepted Accounting Principles (GAAP) for governmental entities. The Authority will strive to prepare the Comprehensive Annual Financial Report to meet the standards of the GFOA Certificate of Achievement for Excellence in Financial Reporting Program.

The Authority will follow a policy of full disclosure on every financial report.

The Authority will maintain accurate records of all assets to ensure a high degree of stewardship for property under its control.

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Regular monthly and annual financial reports will present a summary of financial activity for the various individual accounts of the Authority.

SECTION IV – DEBT POLICIES

Purpose

Debt policies are adopted to define the role of debt in the Authority's total financial strategy. The goal of these principles is to avoid using debt in a way that weakens other segments of the financial structure of the Authority.

Policy

The Authority will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. The Authority will not use debt for the purchase of vehicles and other rolling stock.

When the Authority finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.

The Authority will not use long-term debt for current operations.

The Authority will maintain good communications about its financial condition with credit rating agencies.

The Authority will follow a policy of full disclosure on every bond prospectus.

Refinancing or bond refunding will only be undertaken when there is significant economic advantage to the Authority, and when it does not conflict with other fiscal or credit policies.

The maintenance of the best possible credit rating shall be a major factor in all financial decisions.

SECTION V – REVENUE ADMINISTRATION POLICIES

Purpose

Revenue administration policies are needed to ensure that the Authority has a stable revenue base upon which to fund its operations over the long-term.

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Policy

The user charges being assessed customers should represent the full cost of providing the service.

Annually, a five-year forward operating forecast will be prepared. Based on those estimates, planned rate adjustments on a consistent basis will be programmed as part of the financial plan.

User fees will be adjusted periodically to ensure that estimated net revenues (i.e., revenues after paying operating expenses) will remain at a minimum of 1.5 times the annual debt service amount.

Revenues generated from impact fees will be designated for capital expenditures.

Revenues of a limited or indefinite term should be used for capital projects or one-time operating expenditures to ensure that no ongoing service program is lost when such revenues are reduced or discontinued.

Grant applications to fund new service programs with State or Federal funds will be reviewed by the Authority, as they become available, with due consideration being given to whether user fee revenues will be required to support these programs when external funding is no longer available.

The Authority will follow a vigorous policy of collecting all revenues that are due to the Authority.

SECTION VI – EXPENDITURE ADMINISTRATION POLICIES

Purpose

Expenditure administration policies are needed to ensure that the Authority exercises adequate control over its expenditures and analyzes them in terms of their long-term financial impact.

Policy

Expenditures should be controlled by management and should stay within the amount of appropriated funds.

High priority will be given to expenditures that will reduce future operating costs, such as increased utilization of technology and equipment, and prudent business methods.

Should the revenue projections fall short of projected expenditures, the Finance Director shall convey service alternatives to the General Manager to match the projected revenues.

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SECTION VII – INVESTMENT POLICIES

Purpose

Investment policies are needed to ensure the most efficient use of the Authority's idle funds and to identify the preferred investment strategy.

Policy

The Authority will make arrangements for banking services on a contractual basis for a period not to exceed four one-year terms. The contract will contain a fee schedule for each service rendered.

The investment program shall comply with all Authority related legislation and Federal/State regulations for investing public funds and safekeeping/security requirements.

The investment program shall be operated based on the following principles, with priorities placed on the order as listed below:

1. Legality – All investments will comply with State Laws and local ordinances. Specific requirements, such as those set forth in bond ordinances, will take precedence and could further restrict investment options.
2. Safety of Principal – Principal is protected from loss with secure investment practices and collateralization.
3. Maintenance of Adequate Liquidity – A sufficient quantity of investments is readily convertible to cash when needed to meet current obligations without incurring losses.
4. Yield or Return on Investment – The earnings rate on investments is maximized without diminishing the other principles.

The investment program should use a competitive selection process for investments with maturity dates greater than 90 days. Investments should be placed with only qualified financial institutions.

The investment program should provide for a system of internal control over investments and timely financial reporting of investing activities.

The accounting system will provide regular information concerning cash position and investment performance.

Where permitted, the Authority will pool its cash resources from various accounts for investment purposes.

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SECTION VIII – PURCHASING POLICIES

Purpose

Purchasing policies are needed to ensure that the Authority obtains the best product for the amount of money that is expended.

Policy

The Authority will strive to obtain the highest quality of goods and services for the most economical costs. Bulk purchases, quantity discounts, standardization of common items, and other approaches will be used to economically acquired goods and services.

It is the intent of the Authority to establish uniform regulations and procedures to provide for an efficient and fiscally responsible system for the purchase of materials and services necessary for the effective operations of the Company.

All departments of the Authority must utilize competitive bidding procedures as outlined in the purchasing policies. Bids will be awarded on a nondiscriminatory basis with appropriate efforts to include local and disadvantaged businesses.

SECTION IX – RESERVE POLICIES

Purpose

Reserve policies are needed to provide the working capital that is needed to address significant fluctuations in cash flows that may occur during the fiscal year. These principles also provide a cushion against unexpected revenue and income interruptions.

Policy

The Authority shall maintain a minimum of \$1,000,000 in the Renewal and Extension Fund. Monies held in this reserve fund may only be expended upon authorization of the Board of Directors for unanticipated operating and maintenance activities.

The Authority will maintain reserves in compliance with all debt service requirements to maintain bond ratings and the marketability of bonds.

The Authority shall set aside sufficient funds to cover future post employment benefits as they are earned by employees.

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SECTION X – RISK MANAGEMENT POLICIES

Purpose

Risk management policies are needed to ensure that the Authority undertakes a diligent effort to prevent loss or degradation of its assets and to reduce its exposure to liability.

Policy

The Authority shall transfer risk to other parties, where cost effective, by purchasing insurance.

Insurance policies will be analyzed regularly to assure proper coverages and deductibles. The Authority shall shift the legal and financial responsibility to third parties who perform work or provide services to the Authority for losses or potential losses caused by the actions of those third parties. This transfer of risk may occur through a variety of means in leases, purchase and service agreements, and other contracts. The transfer of risk shall be made formally and in writing and may include indemnification agreements, insurance requirements and the required provision of certificates of insurance.

Mr. Brannan recommended that this Fiscal Policy be used as part of the Authority's adopted guideline to run the Water Authority.

Upon Motion by John Westervelt and seconded by John Chafin it was unanimously

RESOLVED: to accept the Fiscal Policy as presented to the Board.

Mr. Brannan stated that he could not tell the Board how much he appreciated Emory, Renee' and Connie for all their efforts in developing the budget and this fiscal policies guideline.

Marshall Mitchell Contract Status: Mr. Brannan stated that last month he had talked to the Board about Marshall Mitchell who could provide his professional services to work with the Authority in regard to our relationship with the city of Atlanta. Mr. Mitchell has some good inside historical knowledge of the relationship that the Authority has with the city and could go back and review some of the historical data and guide us in any future relationship we have with the city. Mr. Mitchell prepared a contract, which

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Mr. Fincher and Mr. Brannan have reviewed. The Authority agrees to pay MMA ten percent (10%) fee, up to a maximum of fifty thousand dollars (\$50,000), of any refunds or actual savings received by Authority as a result of MMA's services. If the review does not result in any refunds or savings to Authority, Consultant receives no fee. MMA's fee is not due until the Authority realizes actual savings or refunds from the City of Atlanta. In return for the performance of the Services described, the Authority shall pay MMA at the rate of \$150/per hour, plus out-of-pocket expenses reimbursable under the Authority's employee expense reimbursement policy, up to a maximum amount of ten thousand dollars (\$10,000).

Mr. Brannan stated that this would be money well spent for Mr. Mitchell to review that information for us and see if there is any thing that we may be reimbursed for. With the Board's authorization Mr. Brannan will put Mr. Mitchell under contract with Mr. Fincher's overview.

AGREEMENT

THIS AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____, 2005, by and between Marshall Mitchell D/b/a "Marshall Mitchell & Associates" ("MMA" also referred to as "Contractor") and the Clayton County Water Authority, Morrow, Georgia, a municipal corporation ("Authority"). Both entities are on occasion referred to as "Parties."

BACKGROUND:

WHEREAS, the Authority has an agreement with the City of Atlanta to participate in the planning design, construction, operation, supervision, maintenance and repair of a system of sewer lines, wastewater pumping stations and water pollution control plants which is designated as the "Metropolitan Sewer System" more fully described in a 1979 Agreement between the Authority and the City of Atlanta ("Authority/City of Atlanta Agreement");

WHEREAS, the Authority desires to engage the services of MMA to provide certain services to the Authority as follows: (1) Review of prior and current charges by the City of Atlanta for Metropolitan Sewer System facilities operation and maintenance expenses, (2) Review of capital improvement charges allocated to the Authority pursuant to the Authority/City of Atlanta Agreement, (3) Provide assistance with updating/amending the Authority/City of Atlanta Agreement, as requested, and (4) Provide assistance with reviewing strategic operation and maintenance and capital requirements pursuant to the Authority/City of Atlanta Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual promises, covenants and agreements contained herein, and other good and valuable consideration, the

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receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Services.** Subject to the terms and conditions set forth in this Agreement, the Authority hereby retains MMA to provide the services set forth on Exhibit A attached hereto and incorporated herein by reference (the "Services"), and MMA agrees to render such Services to the Authority. It is understood and agreed by and between the parties hereto that the status of the MMA and any of its employees, officers and agents shall be that of independent contractors. It shall not be construed that MMA or any of its employees, officers and agents is an employee or officer of the Authority for any purpose
- 2. Term and Termination.** Unless sooner terminated pursuant to the terms of this Section 2, the term of this Agreement shall commence as of the date hereof and continue until December 31, 2005 (the "Term"). Notwithstanding anything herein to the contrary, either party hereto may terminate this Agreement at any time during the Term upon thirty (30) days prior written notice to the other party. The Authority reserves the right to renew this Agreement for two (2) additional one (1) year periods based upon the original terms and conditions, as may be amended, upon providing MMA ninety (90) days written notice prior to the expiration of the original term or any additional term.
- 3. Compensation.** Authority agrees to pay MMA the compensation set forth on Exhibit B upon services rendered attached hereto and incorporated herein by reference. The maximum amount payable under this Agreement shall not exceed sixty thousand dollars (\$60,000).
- 4. Dispute Resolution.** Any claim, controversy or dispute between the parties to this Agreement arising out of or in connection with this Agreement, shall, upon the request of either party, be submitted to a panel consisting of one (1) designated representative of each party to this Agreement, who shall have the authority to enter into an agreement to resolve the dispute. In the event the representatives cannot mutually agree upon a resolution within a reasonable amount of time, either party may request that the matter be submitted for mediation. The parties shall mutually agree upon a mediator. The mediation shall be non-binding on the parties. Each party will select and pay for a mediator and both mediators shall select a third mediator the cost of which shall be shared equally by the parties.
- 5. Other Engagements.**

 - (a) The Authority acknowledges and agrees that MMA has the unconditional right to provide services to other governmental entities, companies, agencies, or individuals and such other engagements are not limited in any way by this Agreement; provided that such engagements are not in direct conflict with the consulting, analysis and other Services provided by MMA for the Authority under this Agreement.

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(b) The Authority also acknowledges that MMA has performed services similar to those to be provided hereunder for the City of Atlanta and other jurisdictions, and that MMA will not utilize any confidential information acquired from or as a result of working with the City of Atlanta or such other jurisdictions in connection with providing the services hereunder.

(c) MMA warrants that it has not signed any confidentiality nor non-compete agreements that would prevent or impair performance of the terms of this Agreement.

6. **Confidentiality.** The Authority and MMA each acknowledge that it may be given access to the other's confidential and proprietary information and trade secrets. MMA agrees that it will not disclose any of the Authority's confidential or proprietary information or trade secrets to any third party unless such disclosure is made in connection with the performance of the Services or as required by applicable law. The Authority agrees that it will not disclose any of MMA's confidential and proprietary information or trade secrets to any third party without MMA's prior written consent or unless such disclosure is required by applicable law.

7. **Notices.**

(a) All notices provided for or required by this Agreement shall be in writing and shall be delivered personally to the other designated party, or mailed by certified or registered mail, return receipt requested, or delivered by a recognized national courier service, as follows:

If to MMA:	Marshall Mitchell & Associates 2258 Spencers Way Stone Mountain, Georgia 30087 Attention: Marshall Mitchell Phone: (770) 403-6056 Fax: (770) 908-8694
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If to the Authority:	General Manager Clayton County Water Authority 1600 Battle Creek Road Morrow, Georgia 30260 Phone: (770) 960-5217 Fax: (770) 960-5216
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(b) Notices delivered pursuant to Section 7(a) hereof shall be deemed given; at the time delivered, if personally delivered; three (3) business days after being deposited in the mail,

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if mailed; and one (1) business day after timely delivery to the courier, if by overnight courier service.

(c) Either party hereto may change the address to which notice is to be sent by written notice to the other party in accordance with the provisions of this Section 7.

8. Indemnification

(a) Notwithstanding anything in this Agreement to the contrary, MMA, on behalf of itself, its agents, officers, directors, members, affiliates, successors, and assigns, shall indemnify, defend (at the Authority's election), and hold harmless the Authority, its agents, officers, directors, members, affiliates, successors, and assigns, against any and all expenses, losses, costs, claims, damages and liabilities, including reasonable attorney's fees incurred by or imposed upon the Authority as a result of any action, suit, or other proceeding arising out of actions of MMA which are outside of the scope of MMA's authority under this Agreement or the willful or negligent acts or omissions of MMA.

(b) Any right to indemnification provided for herein shall not be exclusive of any other rights to which a party may be entitled. The indemnities provided herein shall survive the termination of this Agreement.

9. Miscellaneous.

(a) This Agreement, including all exhibits hereto (which are incorporated herein by this reference), contains the entire agreement and understanding concerning the subject matter hereof between the parties hereto. No waiver, termination or discharge of this Agreement, or any of the terms or provisions hereof, shall be binding upon either party hereto unless confirmed in writing. This Agreement may not be modified or amended, except by a writing executed by both parties hereto. No waiver by either party hereto of any term or provision of this Agreement or of any default hereunder shall affect such party's rights thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia. If any of the provisions of this Agreement shall be declared invalid or unenforceable by laws applicable thereto, or unenforceable as to certain parties, then the performance of said provision shall be excused by the parties hereto and the remaining provisions of this Agreement shall remain in full force and effect.

(c) MMA may not assign this Agreement, in whole or in part, without the prior written consent of the Authority. The Authority may assign this Agreement, in whole or in part, without the prior consent of MMA; however, the Authority shall provide MMA with prior written notice of any such assignment.

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(d) This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) The headings contained herein are for the convenience of the parties only and shall not be interpreted to limit or affect in any way the meaning of the language contained in this Agreement.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same Agreement. Any signature page of any such counterpart, or any electronic facsimile thereof, may be attached or appended to any other counterpart to complete a fully executed counterpart of this Agreement, and any telecopy or other facsimile transmission of any signature shall be deemed an original and shall bind such party.

(g) If any provision of this Agreement shall be held void, voidable, invalid or inoperative, no other provision of this Agreement shall be affected as a result thereof, and accordingly, the remaining provisions of this Agreement shall remain in full force and effect as though such void, voidable, invalid or inoperative provision had not been contained herein

IN WITNESS WHEREOF, the parties hereto have executed, or caused their duly authorized representatives to execute, this Agreement as of the day and year first above written.

“MMA”

By: _____
Marshall Mitchell
D/b/a Marshall Mitchell & Associates

“AUTHORITY”

By: _____
General Manager
ATTEST

By: _____

APPROVED

By: _____
Attorney

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EXHIBIT A

[Services to be provided]

MMA will provide the following services pursuant to task assignments issued by the Authority:

1. Review of pro rata cost allocations of prior year and current capital improvement and net operating costs made by the City of Atlanta pursuant to the Authority/City of Atlanta Agreement;
2. Review of Authority strategic capital improvement program costs and operation and maintenance costs related to the Metropolitan Sewer System; and
3. Assistance with updating/amending the Authority/City of Atlanta Agreement as requested.

MMA shall be prepared, if required by Authority, to make whatever presentations regarding the reviews described above as are necessary to the Authority Board or to any agency of the Authority which desires an accounting. MMA agrees to brief the General Manager's office in writing concerning MMA actions and reviews in order to provide background data and information leading to the conclusion that the Authority is owed any funds or savings by the City of Atlanta. The review objectives will include, but not be limited to, verifying that cost allocations have been made in accordance with Authority/City of Atlanta Agreement terms and conditions.

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EXHIBIT B

[Compensation]

The Authority agrees to pay MMA ten percent (10%) fee, up to a maximum of fifty thousand dollars (\$50,000), of any refunds or actual savings received by Authority as a result of MMA's services. If the review does not result in any refunds or savings to Authority, Consultant receives no fee. MMA's fee is not due until the Authority realizes actual savings or refunds from the City of Atlanta.

In return for the performance of the Services described in Exhibit A, the Authority shall pay MMA at the rate of \$150/per hour, plus out-of-pocket expenses reimbursable under the Authority's employee expense reimbursement policy, up to a maximum amount of ten thousand dollars (\$10,000)

MMA will maintain detailed records of time and charges, and submit such support with monthly invoices requesting payment. The Authority shall make payment to MMA within thirty (30) days of receipt of monthly invoices.

Upon Motion by Lloyd Joiner and seconded by Allan Smith it was unanimously

RESOLVED: to authorize the General Manager to execute a contract to hire Marshall Mitchell and Associates per the above agreement.

Upon Motion by Marie Barber and seconded by Wes Greene it was unanimously

RESOLVED: that the Board adjourn into executive session for land, legal, and personnel issues. The Board reserved the right to return to the open session.

Chairman McQueen called the Regular Board meeting back into open session.

The Board was informed of new benefits of vision insurance and additional life insurance that are being offered to the Authority's employees.

Mr. Brannan wanted to update the Board on the Bond program and let them know that all the funds from the recent bond issue had been received as of last Thursday. Board member, Wes Greene, had asked that Mr. Brannan ask Mr. Wall of Knox Wall to share information on how a local agency, in the same time frame in the bond market as the Authority, had done. Mr. Wall stated that Gwinnett County, who is rated AAA by both bond agencies, borrowed two hundred million dollars (\$200,000,000) and the Authority borrowed sixty million dollars (\$60,000,000). Gwinnett's interest rate on each

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maturity was more than the Authority's. The Authority may not have hit the market at the lowest point, but the timing was good.

Mr. Brannan mentioned that the Chamber of Commerce had contacted Mr. Brannan inquiring if the Water Authority would be interested in hosting a Chamber breakfast. Mr. Brannan stated that he thought this would be an excellent opportunity to inform the community about some of the things that we are doing. The cost is seven hundred fifty dollars (\$750) to host this event, but Mr. Brannan stated that we could inform them about our Bond Program, our Master Plan, Stormwater, and several items that we need to promote in the community. The Chamber is a good place to promote these items. The Board agreed.

Mr. Brannan stated that the Authority's headquarters Avaya phone system's software is at version six (6) and they are currently at version thirteen (13). Avaya is about to stop support on our phone system so the Authority will need to upgrade. This needs to be done as a part of the Customer Information System (CIS) implementation that we are currently in the process of taking RFPs. All of this needs to be done in conjunction with one another so that we have the proper internal phone system to match up with the Customer Information System that we will be purchasing. This will probably run between eighty to one hundred thousand dollars (\$80,000-\$100,000) to complete this changeover. We will bring back to the Board a quote when Avaya provides us with specifications and the Authority gets some numbers on the cost.

Board member, John Chafin, asked that Mr. Brannan provide to the Board the features that we have, verses what we will be getting.

Mr. Brannan stated that Mr. Etheridge did not mention this, but the Authority will be getting another award from the Georgia Water Wise Council. This is the first ever award for water conservation that the Council has given. The Authority won this award for our Leak Detection Program. The Authority has aggressively tried to find leaks and to improve conservation. This is the Fox McCarthy Water Wise award that will be presented to the Authority sometime in the future.

Board member, John Chafin, asked if the newspaper people could be here at our meetings to report any awards that the Authority might be given.

Board member, Wes Greene, stated that the Authority use to have the news media present at our meetings, but they reported such negative items. When JWA was hired to take over reporting to the press, Chris Wood writes the article and then submits it to the newspaper and the Authority has had better success with Mr. Wood here than with the media being at the meetings.

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Chairman McQueen stated that he had talked to Mr. Wood about the news coverage and Mr. Wood commented that he is having a hard time getting articles in the paper. The paper has so much going on with the County and the sheriff situation that it is difficult to have any other item printed.

Chairman McQueen asked that the Board take a close look at the proposed budget and some of the personnel items that are listed. Chairman McQueen mentioned that one position that we are looking at is someone to do Public Relations including working with the departments and Wade to provide a more in-depth approach to cover news items and to have more exposure with the community on what the Authority is about and the issues we address, such as Stormwater. The Authority would also continue the services of JWA in addition to having our own PR person.

Mr. Chafin asked if Mr. Brannan had a marketing budget in the budget book.

Mr. Brannan stated that the Authority had historically put a figure in the budget for JWA, Chris Wood, in the amount of around seventy thousand dollars (\$70,000). Mr. Wood over the last few years has used thirty-five to forty thousand dollars (\$35,000-\$40,000). Mr. Brannan reminded the Board that the Stormwater would make that figure even higher. Mr. Brannan added that the Authority would try to reimburse that money into the company out of that utility. There are communication issues internally and externally that need to be dealt with.

Mr. Chafin added that a good communication tool would be cable TV that would be relatively inexpensive and you could develop your own advertising.

Mr. Brannan added that if the Board would read the transmittal letter in the front of the Budget it will give you a quick overview of the entire document.

Board member, Wes Greene, asked what percent increase is in the budget.

Mr. Brannan answered that the increase is about nine percent, but over half of that is debt on bonds. This is a good solid budget.

Mr. Brannan explained that the Authority asked JWA to estimate what they will need to do, working along with CH2M Hill, as far as the media relations in regard to Stormwater. This estimate is roughly in the one hundred thousand dollar (\$100,000) range. Whatever we pay them to do, as we move forward over the next eighteen months, will be a reimbursable expense. CH has certain technical aspects that they need to do regarding some of the public relations items and some of the other items will be handled by Chris Wood and his people.

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Mr. Brannan discussed the upcoming fiftieth (50th) anniversary celebration and the ideas that JWA is already working on. They are developing a history of the Water Authority and the funds budgeted are around thirty-five to forty thousand dollars (\$35,000-\$40,000). They have also talked about having a ceremony here at the Authority and giving an item to each of the three hundred fifty (350) employees to commemorate the event and also another celebration of dignitaries and the Board. Mr. Brannan stated that the cost of having some giveaways for this occasion would be approximately twenty thousand dollars (\$20,000).

The Board agreed that a celebration is warranted and that Mr. Brannan can proceed with the planning of this event.

Mr. Brannan stated that the Authority is going to develop an outreach policy for the Water Authority to reach out into the community to be sure that we are getting all the minority based enterprises and disabled based enterprises to be in the forefront in the Clayton County community. Mr. Fincher has already done this in College Park.

Mr. Brannan stated that Teresa Adams, Manager of General Services, had a meeting on the 22nd of this month that was very well received in the community. This meeting was coordinated with the School system and the County and had about one hundred people attend. The Water Authority tried to let the people know who we were and how we did business and who they needed to contact to do business with Clayton County Water Authority. The Authority is going to develop a policy to adopt by the Board and Mr. Fincher has a good bit of background having done this already in College Park. Mr. Brannan will bring this back to the Board at the next Board meeting so that we will have something that is proactive for us to do in the community.

Mr. Fincher stated that he thinks it is important in today's environment that the Authority has a policy where we, as an organization, are reaching out to the community and also important as a second component that we keep track of the results so that we can gauge whether it is successful and drop back if it is not. Mr. Fincher has a lot of preliminary work already done because of College Park and would be able to have something for the Board to review at the next meeting.

Mr. Greene commented that the meeting with the Authority, the County, and the School system was well presented, well received, and well attended.

Mr. Brannan reminded the Board members about the AWWA conference in San Francisco June 12th through the 16th. Mr. Brannan asked the Board to let him know who is going and what day they will want to leave. After some discussion, the Board agreed to leave on Saturday, June 11th and return on Wednesday, June 15th, leaving and returning in the middle of the day. The Board would let Mrs. Matthews know who would be going.

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Chairman McQueen and Mr. Brannan had been working with Ron Dodson on an adjustment in pay for the Board but Ron, who had a heart attack, has not been able to return to work at the state capital. Mr. Brannan stated that he had talked to Representative Mike Barnes and Mr. Barnes will have the legislation drawn up this week and have the rest of the delegation to sign it. Mr. Barnes did not anticipate having any issues with that and then it will be two to three weeks, and then the governor will have to sign it so realistically it will not take affect until around July or so.

Mr. Greene asked what happened to the pictures of the Board that use to be in the lobby.

Mr. Brannan explained that new photos need to be taken of the new Board members, Allan Smith and John Chafin.

Board member, John Chafin, suggested that Joe Sebo could take the photos and have the collage of the Board updated as soon as possible.

Chairman McQueen asked that Mrs. Matthews handle having the collage of the Board updated.

Upon Motion by Wes Greene and seconded by Lloyd Joiner it was unanimously

RESOLVED: that the regular session board meeting be adjourned.

There being no further business to come before the open meeting, the meeting was adjourned.

Pete McQueen, Chairman

Walter Marie Barber, Secretary/Treasurer