

## CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road  
Morrow, Georgia 30260

Regular Board Meeting, February 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, Information Services Supervisor, Rodney Crowell, Human Resources Director, Ed Durham, and Executive Secretary, Janet Matthews. Also present were: Steve Fincher of Fincher & Hecht, L.L.C., Rick Hirsekorn of CH2M Hill, Chris Wood and Nicole Mier of Jim Wood & Associates Public Relations, and Ed Wall of Know Wall. Also in attendance were Carolyn Stephens, John McCulland, and Gail Huitt of Taylor Ridge Villas, Paul Purcell of Jordan, Jones & Goulding, Dave Hofstetter and John O'Keefe of Highwoods Properties. CCWA employees: Jimmy Moore, Joe Wise, Richard London, Kim Zimmerman, Renee' Dumas and Michelle Mirzaiee.

Chairman McQueen welcomed everyone to the meeting.

Chairman McQueen, on behalf of the Board, wanted Mr. Chafin to know how sorry they were on the loss of his Mother.

Mr. Chafin quietly thanked the Chairman for his concern.

After giving some background information, Chairman McQueen called on Richard London, to give the invocation.

Chairman McQueen stated that he had received a letter from Gerald Matthews, one of our past commissioners, and wanted to take a few minutes to read it to the Board. In the letter, Mr. Matthews thanked the Board for their kind words at the December meeting and also for the crystal bowl that was presented to him as he ended his sixteen years of service as a Clayton County Commissioner. Chairman McQueen added that Mr. Matthews had done a good job and would be missed.

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Approval of Minutes: Chairman McQueen called for any omissions or additions to the Regular and Executive Session Board Meeting Minutes of January 6, 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 December 31, 2004, the first eight months of the fiscal year.

Wade Brannan, General Manager, asked that Renee' Dumas, Assistant Finance Director, come forward at this time. Mr. Brannan presented to Ms. Dumas a Certificate of Achievement with Excellence in Financial Reporting award. This is the eighteenth year that the company has received this award, which recognizes and encourages excellence in financial reporting by state and local governments. Mr. Brannan wanted to take a few minutes to recognize Renee' who runs the day-to-day operations in accounting, under Emory's guidance. Ms. Dumas received a round of applause.

Employee Recognition: Chairman McQueen called on Terry Hicks, Deputy Manager, who stated that Renee' would be back here in another month or two, as she would be the second person in our organization that would be receiving a thirty-five year service pin. Renee' actually started as a student in high school on a work program.

Mr. Hicks called on Jimmy Moore to be recognized and gave some background information. Mr. Moore started with the Authority in 1990 and has worked in the meter reading area, in engineering, and is currently in Maintenance & Construction. Mr. Hicks added that Mr. Moore is very experienced in meters and with the meter-testing program and backflow program that we now have, our meters are in better shape in the County than they have ever been. Unfortunately, the Authority may be losing Mr. Moore as he has a tentative date to retire in the near future. Mr. Moore stated that the 18<sup>th</sup> would be his retirement date. Mr. Hicks thanked Mr. Moore for his fifteen (15) years of service. The Board gave Mr. Moore a round of applause.

Mr. Hicks next recognized Willie Frank Wise, who is better known as "Joe". Mr. Wise was born in Miami and moved to Henry County in 1963. He is one of the 25 that came to us from the Forest Park system, where he started in 1979. He has been officially with us since 1994, but this is really his twenty-fifth (25) year of service in our industry. Mr. Wise works in Maintenance & Construction and claims to be a pretty good fisherman. Mr. Wise noted that his most memorable moment at the Water Authority, and

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Mr. Hicks' also, was the flood of 1994. Mr. Hicks added that it is people like Joe that kept this system alive during that period of time when our plants were actually shut down for several days. Mr. Hicks thanked Mr. Wise for his twenty-five long, good years of service. The Board gave Joe a round of applause.

Ms. Barber commented that she met him after the ice storm and she had on her Water Authority jacket. Mr. Wise asked her if she worked for Clayton County Water Authority. Ms. Barber said, "Well, not exactly." Mr. Wise stated that he was up for his pin, and when he received it he would go up to Ms. Barber and shake her hand.

Mr. Brannan added that Mr. Wise is an excellent employee.

Chairman McQueen expressed appreciation to Jimmy and Joe for all their years of service.

Chairman McQueen called on Mike Thomas for the Authority's Wise Award recognition.

Mr. Thomas stated that a few years ago, the Authority developed a watershed management plan to protect our water resources. As part of that plan, we implemented a program to recognize developers and engineers in our community who go beyond the call of duty in developing their site in a way that protects water quality. The Authority calls this the "WISE" award, which is named after a program we use in checking on their development and its impact on water quality. It has been a couple of years since the Authority recognized anyone, but today Kim Zimmerman is going to introduce you to this years' recipient of this award.

Ms. Zimmerman shared some pictures of the site at Southpark Development, the National Archives Records Administration Building, and described the swales, which not only provide storm water storage but also help to treat water quality as it goes through the area. Although these are pretty simple, they are innovative in the way they are used in the development site. They also did an excellent job with erosion and sediment control. There are three ponds on the site just to make sure that water quality is well protected.

For these reasons, the Authority recommends that the award be presented to Paul Purcell, with Jordan, Jones, and Goulding, who were the engineers for the development site and Dave Hofstetter and John O'Keefe who are with Highwoods Properties, who was the developer for the project.

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Mr. Thomas added that the Authority had special signs made up so that these gentlemen could put these signs up by their development and let everyone see that they did an excellent job of developing the property. The Board gave them a round of applause.

Dave Hofstetter thanked the Board on behalf of Highwoods and stated that this was a wonderful project. Highwoods has a long relationship with Clayton County and we are looking for more business here in the County so that they can continue this relationship.

Chairman McQueen thanked Mr. Hofstetter for what they have done in Clayton County.

Chairman McQueen called on Mrs. Stevens who wanted to address the Board about a concern she had.

Mrs. Stevens introduced herself as Carolyn Stevens, one of the Board of Directors for Taylor Ridge Villas Condominiums on Taylor Road. Mrs. Stevens introduced Ms. Gail Huitt, President, and John McCulland, one of the owners. Mrs. Stevens stated that they have had some serious water problems and added that Mr. McCulland, who is their spokesperson, wanted to address the Board.

Mr. McCulland thanked the Board for the opportunity to come before them and plead their case. Mr. McCulland handed out a graph showing the extent of their water problem. There are thirty-six units at Highway 138 and Taylor Road in Riverdale. For at least the past five years, they have had significant issues with the water bill being very high. During the past three or four years they have had different plumbing companies come out to make repairs to the system. This helped in some cases, but still left a significant problem with losing a lot of water.

Mr. McCulland added that each building has a cutoff valve. They turned off the cutoff valve in each building and determined that they were losing approximately eleven gallons (11) a minute that was flowing into the ground. This comes to just over four hundred seventy-five thousand gallons (475,000) a month that they were losing. They determined that instead of making further repairs to the infrastructure, which was put in place in the early 1970's, they made the decision to replace that infrastructure. They are in the process now of replacing that infrastructure and are spending roughly fifteen thousand dollars (\$15,000). Meanwhile, the water bills are continuing to climb because of the amount of water they are losing.

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Mr. McCulland stated that they are requesting to have an arrangement for a couple of months to pay their bill once they have the infrastructure upgrade complete as they have already spent fifteen thousand dollars (\$15,000) on the infrastructure. This could not be arranged. Meanwhile, they were trying to determine what they would do next so that their water would not be shutoff. They thought about the water they were losing and realized that the water was not going through the sewer system. Mr. McCulland added that they would also like an adjustment on the bill for the sewer that they did not use.

Mr. McCulland stated that they are aware that they owe for the water going through the meter, but would like an adjustment based on the amount that did not flow through the sewer system, but they were charged for.

Basically, they have two requests. One, to have an arrangement where they do not have to pay a bill in February, but have that arranged over the next eleven to fifteen months. Second, to have an adjustment on their bill based on the sewer facilities that they were charged, but have not used.

Chairman McQueen stated that Mr. Brannan has told him that he has been working with them. The Board will discuss their situation and make a decision and Mr. Brannan will get back with Mrs. Stevens in regard to their requests.

Chairman McQueen called on Ed Durham, HR Director, who stated that each year, about this time, the Authority looks at our employee benefit insurance renewals and in the past, this has not been a pleasant conversation for staff to have with the Board. Mr. Durham added that the staff has been pushing hard to get our figures in so that we could present the figures to you this month. Mr. Durham added that staff reviewed this information with Reverend Greene and he agreed with presenting this information to you today.

Mr. Durham stated that all employee benefit insurance products that the Authority has had zero percent increase. The Authority will not have an increase in health, dental, group life, or any of our disability products, or accidental death or dismemberment. Mr. Durham added that staff was very excited with this news. This is something that does not happen often.

The credit for this, first, goes to our employees that have been very proactive in trying to take care of themselves with wellness programs and going to the doctor only when they needed to. Mr. Durham stated that the Authority is very fortunate to have Michelle Mirzaiee and the lion share of the credit for this zero increase goes to her.

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Every year, Michelle comes up with some new innovative ways to try to address wellness within our organization. Michelle has done a health fair every year since she has been here, had smoking cessation programs, and also wellness newsletters this year. She has worked with the Health Department and was able to obtain a grant that was used to build a walking track for the employees and has set up walking teams to have some incentives for them to help promote wellness, to exercise, and improve their hearts. Mr. Durham added that this “no rate increase” is definitely a testimony to all these things coming together. Staff is happy to present this to the Board and recommends that you accept this renewal of no rate increase.

Board member, Wes Greene, stated that he is overjoyed to hear this number and for those that have been around a while know that we have had thirty-nine percent (39%) and all kind of numbers thrown at us. This is commendable to the HR Department who has done a phenomenal job of making changes and adjustments. A few years back, we did make increases to our co pays, our emergency room co pays were raised, and primary care physicians (PCP's) co pays were also raised. These were designed to discourage one from going to the doctor unless one really needs to.

Mr. Greene added that Michelle has done such a great job of coming up with all these great ideas, she is hands-on, and is aware of what is going on, and works very closely with the employees. The health fairs and the walking track have made such a difference and the evidence and the proof of the job HR has done is evident in the zero increase to our employee benefit insurance. The adjustment of zero cannot be beat.

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

RESOLVED: to accept the recommendation from the Human Resources department to accept the renewal proposal of zero percent on all of our employee benefit insurances including our disability with an extension of two (2) years that was given to the Authority.

Vice Chairman, Lloyd Joiner, abstained.

Mr. Greene added that as he mentioned to Wade not only does it mean that our claims in the last twelve (12) months have been exceptional, but it also means that the forecasting that Blue Cross/Blue Shield does on our estimated claims for the next twelve (12) to eighteen (18) months are excellent. This means that the Authority does not have large potential claims coming in the next year or year and a half.

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Chairman McQueen thanked Michelle for all her efforts and also thanked Mr. Durham for the work he does in the HR department.

CCWA Property Recreation Guidelines: Chairman McQueen called on Guy Pihera, Manager of Water Production, who discussed the “Public Access to CCWA Property Report” that was distributed to the Board members. Mr. Pihera stated that staff is looking to set our policies, rates, and hours for our “Public Access Properties” for the coming year. After looking at the end of the fiscal year in April, the staff may come back with possibly some fee adjustment recommendations.

Mr. Pihera added that this report shows a synopsis of the access to our properties, the fees we charge, and the hours of our operations. The only change in this recommendation is the deer hunting for the upcoming year. Staff recommends shortening the deer season from twelve (12) open weekends to six (6) open weekends and increasing the fees for the hunting from twenty (\$20) a weekend to thirty (\$30) a weekend or one hundred fifty dollars (\$150) for a season pass.

Mr. Pihera stated that the request for the shortened season is a result of a biologist from DNR who has taken a look at our numbers and our harvest and believes that we have the population down to a reasonable level. Only a reasonable amount of harvesting would be needed to sustain a lower number of deer, which is what we are looking for on the site.

Board member, John Chafin, asked Mr. Pihera if a charge could be assessed per the game taken off the property.

Mr. Brannan explained that because the herd has been reduced so low, the hunters have lost interest in hunting on the property. Staff feels that we would have more demand to hunt by reducing the number of weekends. The fees have been so small that the fees have not been an issue.

Chairman McQueen stated that the Authority does not have nearly the deer that we use to have on the properties.

Mr. Chafin asked if most of the hunters are people that live in Clayton County.

Mr. Brannan stated that the hunters come from all over and what happens is that the hunters pay their fees just to hold a place to hunt because the fees are so reasonable and the property is so close.

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Mr. Chafin asked if the Authority could not cap the number of hunters that live outside Clayton County.

Chairman McQueen added that the Authority gives a cut to County employees and the employees of the Authority can either pay to hunt or volunteer their time working at the hunts. Chairman McQueen also stated that the Authority is trying to cut down on how much we spend a year on the deer hunts.

Mr. Brannan stated that if the Board wanted to increase the cost for non-county residents, we could do that. Mr. Brannan added that the reason we brought this to the Board today is so that you could look at it and discuss it at the next meeting.

Chairman McQueen stated that the Board would delay any action on the deer hunts and asked Mr. Chafin to get with Mr. Pihera and the people that handle the hunts and go over all the details of what we do, what we have done, and how much cost is involved and Mr. Brannan can put this item on the agenda for the next meeting.

There was more discussion and Mr. Pihera gave his work number so that any Board member could reach him to meet and discuss the deer hunt changes before the next Board meeting.

Mr. Greene asked Mr. Pihera if the Authority was making money, losing money, or breaking even on our Community Use Buildings.

Mr. Pihera and Mr. Brannan answered, "we are losing money".

Mr. Pihera stated that staff puts out a report at the end of each fiscal year and he would see that the Board had the last report next month.

Mr. Greene asked if we were losing money due to lack of utilization.

Mr. Brannan added that our fees are lower than anyone else and the weekends are covered up, but during the week there is little usage.

Chairman McQueen asked our JWA representatives to work up an article to advertise the Authority's facilities and the possible uses available.

Mr. Pihera added that the Authority gets a lot of internal use of these facilities for meetings.

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Northeast Plant Solids Hauling Bid Recommendation: Chairman McQueen called on Jim Poff, Manager of Water Reclamation, who presented the three bids received for the transport and disposal of the Solids from the Northeast Plant. Staff recommends that the Authority go with the second lowest bid from Erth Products. Mr. Poff quickly reviewed the reasons why staff recommends going with the second lowest bid.

Mr. Poff stated that currently the Authority is under contract with Republic Services and has had nonperformance problems with their sub-contracted hauler. In our specifications, the Authority requires in the springtime that the hauler haul out two loads a day and thus far only one time has the hauler made good on that requirement. Mr. Poff added that the other more important issue is that the hauler returns dirty trailers with anywhere from one to five tons of solids left in the trailer. The Authority is not getting the capacity of each trailer load going out the door that we need to get in order to dispose of the solids from this facility.

Mr. Poff stated that going with Erth Products would result in an increase of three thousand two hundred dollar (\$3,200) a year. Staff recommends accepting the second lowest bid from Erth Products for twenty-nine dollars (\$29) per wet ton, hauled and disposed.

Mr. Brannan stated that it is important for our company to have a relationship with the Environmental Protection Division so that they know that we are using this material for a beneficial reuse and also, if the sub-contracted hauler is bringing trailers back that do not have the capacity in them that they need to have, we are paying for the material that is left in the trailer, again.

Clayton County Water Authority  
Bid Tabulation  
RESIDUAL SOLIDS MANAGEMENT  
Northeast WRF - February 2005

Republic Services Alpharetta, GA	\$28.50 PWT
Erth Products Peachtree City, GA 30269	\$29.00 PWT
Advanced Disposal Services Jackson, GA 30233	\$56.00 PWT
Browning Ferris Industries Atlanta, GA 30318	No Bid
Waste Management Conley, GA 30288	No Bid

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Recommend accepting the second lowest bid from Erth Products for \$29.00 per wet ton hauled and disposed.

Reasons for second lowest bidder include:

- Erth Products will make a soil amendment (compost) from our solids meaning we are achieving a beneficial reuse of our solids. Georgia EPD recommends this favorable option.
- We are currently under contract with Republic Services and we have had nonperformance problems with their sub-contracted hauler. Hauler has been asked on more than six occasions to fulfill contract conditions of hauling two loads in a day. Hauler has only done two loads one time during this past year.
- The sub-contracted hauler is also returning dirty trailers to our site. We have requested clean trailers since the start of this contract and have not got them. Trailers are being returned with 1-5 tons of material in them effectively reducing our tonnage per load, which causes operational problems.
- We have worked with Erth Products and their subcontracted hauler in the past and have experienced good service and responsiveness with both of them.
- In our previous contract with Erth Products we paid them \$31 per wet ton hauled and disposed.

Selecting second lowest bidder will result in an estimated extra cost of \$3,200, which amounts to a 1.7% increase on an annual basis.

We currently pay \$24.75 per wet ton to Republic Services.

Annual contract will commence on March 1, 2005.

Solids handling is funded from operating budget.

Once again, staff recommends accepting the second lowest bid from Erth Products for \$29.00 per wet ton hauled and disposed.

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

**RESOLVED:** to accept staff's recommendation to award the Residual Solids Management annual contract to the second lowest bidder, Erth Products, for twenty-nine dollars (\$29) per wet ton, hauled and disposed, 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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Tara Boulevard at Tara Road Bore Recommendation: Chairman McQueen called on Herbert Etheridge, Manager of Maintenance & Construction, who stated that recently there has been some commercial/residential growth around the Lovejoy area, including the new Wal-Mart that opened about a week ago. Mr. Etheridge's staff worked with Rick Hirsekorn's staff, including Skip Martin to identify some improvements in our water system, such as more reliable fire service in the Lovejoy area.

One of the recommendations was to install water mains along Dixon Boulevard, down Freeman Road, by the Freeman Road Plant, and then bore across Tara Boulevard to Tara Road to tie into an existing line. Mr. Etheridge explained that he has a crew working on that project now doing the pipeline in house and as part of that work needs to bore across Tara Boulevard near the railroad at Tara Road. The lowest bid is Mid South Builders with a bid of fifty thousand eight hundred dollars (\$50,800).

Mr. Etheridge stated that his recommendation is to accept the bid from Mid South Builders. The cost may actually come in less than the fifty thousand eight hundred dollars (\$50,800) because the bid included hitting a small amount of rock although Mr. Etheridge did not anticipate this happening.

Clayton County Water Authority  
24" Water Bore – Tara Blvd @ Tara Rd  
January 2005

Vendor	Bid
Atlanta Boring & Tunneling 3395 Jonesboro Road Atlanta, GA 30354	No Bid
D&G Boring 149 Head Avenue Tallapoosa, GA 30176	Bid not opened – Did not include Contractors License Number on Package per Georgia Law.
Mid South Builders P.O. Box 878 Lithonia, GA 30058	\$50,800.00
Gary's Grading & Pipeline 3113 West Brook Place Lawrenceville, GA 30044	\$230,000.00
Turpin Horizontal Boring P.O. Box 1172 Forest Park, GA 30298	\$62,900.00
Sloan Contracting 5898 Sunset Drive Hokes Bluff, AL 35903	No Bid

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Tom Davidson & Sons P.O. Box 257 Sunnyside, GA. 30284	No Bid
Floyd S. Lee Grading 5755 Old Dixie Highway Forest Park, GA 30297	No Bid
Macba Sewer & Pipeline 117 Park West Drive McDonough, GA 30253	No Bid
Boring Technologies, Inc. 940 Woodland Brook McDonough, GA 30253	No Bid

Staff recommends that this contract be awarded to the low bidder, Mid South Builders, in the amount of \$50,800.00.

Upon Motion by John Chafin and seconded by Lloyd Joiner it was unanimously

RESOLVED: to accept the bid of Mid South Builders in the amount of fifty thousand eight hundred dollars (\$50,800) for the 24" Water Bore at Tara Boulevard at Tara Road contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Casey Plant Project Summary: Chairman McQueen called on Mike Buffington, Project Engineer, who gave an informational update on the completion of the W. B. Casey Water Reclamation Facility Expansion Project. Mr. Buffington stated that this is one of the more successful projects that the Authority has had. The plant was placed in operation in July of last year and all the work is now complete. This was the largest project within our program to date and includes a new 24 million gallon per day plant to treat the combined flows from Casey and Jackson basins.

This project also included a new Jackson Raw Waste Pump Station Force Main and a new Jackson Transfer Pump Station to pump the treated effluent to the Huie site. We are continuing to operate the existing Casey sludge pelletization facility. Construction was funded by our Series 2001 Bond Issue and was completed almost a year ahead of schedule.

Georgia EPD has completed an operability inspection and approved our operational maintenance manual. The EPD requires that the Authority have standby power for all our Water Reclamation Facilities, so under a separate contract with

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Southern Company, we installed emergency generators for the Jackson and the Casey sites. We were required to rent temporary generators from the time the plant was placed in operation until the permanent generators were installed.

Our original budget amount was sixty-three million dollars (\$63,000,000) for the facility. The low bid submitted by Brasfield & Gorrie, the general contractor, was fifty-five million one hundred ninety-one thousand (\$55,191,000). After three change orders, the final revised Project Cost was fifty-five million five hundred fifty-three thousand five hundred ninety-eight dollars and twenty-four cents (\$55,553,598.24).

Mr. Buffington also explained that the Authority will have to pay some interest on retainage to Brasfield & Gorrie, which is in accordance with Georgia law and we have applied for a sales tax refund for sales tax paid on major equipment within the project. This refund amounts to one million one hundred eighty thousand seven hundred fifty dollars (\$1,180,750) and our contract with Southern Company for the installation of the emergency generators at the Casey and Jackson sites is five million two hundred forty-four thousand seven hundred thirty-five dollars (\$5,244,735).

Mr. Buffington showed some slides to the Board of the Casey and Jackson sites.

Chairman McQueen stated that CH2M Hill does an outstanding job for the Authority and we have been very fortunate working with them. When Chairman McQueen and Mr. Greene came to the Authority, we did not have any in-house engineers to check these major projects. Our two Mikes do an outstanding job for us and we have also hired our own construction superintendents that work with them and are on the job site. Chairman McQueen added that one of the best things that the Board did was to hire these individuals for the job that they do and the savings that they give us on these projects. Chairman McQueen added that he had been involved in a lot of projects, but never has a project this big finished a year in advance and was as clean a construction site as this job has been. Chairman McQueen just wanted to say to CH2M Hill, our engineers, our staff and our project people that worked on this job how much he appreciates the job that they have done and the money they saved the Authority.

#### W. B. CASEY WATER RECLAMATION FACILITY EXPANSION AND UPGRADE

The project includes a new 24 MGD W. B. Casey WRF to replace the existing Casey and Jackson plants; a new Jackson raw waste pump station and force main; and a new

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Jackson transfer pump station. Effluent is pumped to the Huie site for further treatment on constructed wetlands and conventional land treatment. The existing Casey solids handling facility continues in operation. Construction of the new facility is complete, and in operation, and all demolition work at the existing plants is complete. Georgia EPD has conducted an operability inspection, and approved the Operation and Maintenance manual

*Project Managers:*

- CH2M Hill, Engineers – Jim Hawley, Design
- CH2M Hill, Engineers – Dave Goddeyne, Construction Manager
- CH2M Hill, Engineers – Kevin Osbey, Resident Engineer
- Clayton County Water Authority – Mike Buffington

*Final Cost Summary:*

• <b>Budget Amount</b>	<b>\$ 63,000,000.00</b>
• Low Bid Amount	\$ 55,191,000.00
• Change Order No. 1 DAF equipment added by CCWA	<u>\$ 224,836.00</u>
• <b>Revised Contract Amount</b>	<b>\$ 55,415,836.00</b>
• Change Order No. 2 (Deduct)	(\$ <u>106,420.76</u> )
• <b>Final Construction Cost</b>	<b>\$ 55,309,415.24</b>
• Change Order No. 3 Rental costs for emergency generators (Non-Construction Costs)	<u>\$ 244,183.00</u>
• <b>Final Project Cost</b>	<b>\$ 55,553,598.24</b>

*Funding:*

- Construction funding provided by the Series 2001 Bond Issue.

Mr. Greene stated that he has had a lot of people coming to him asking why the Authority tore the old plant down and built a new plant in its place at the Casey site. Mr. Greene asked that the original date of construction be visible to the public so there is no confusion about the upgrade to the plant.

Northeast Plant Project Update: Mr. Buffington continued with an informational update for the Northeast Plant Project. The Northeast Plant is currently our only plant that discharges to a receiving stream and does provide the highest degree of treatment of

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any of our facilities. This plant serves an area in the northeast part of the County around I-675 which will add capacity to this rapidly growing service area by expanding the plant from six (6) to ten (10) million gallons per day. This is based on the 2020 flow projection. The plant will continue to discharge, but we will add no additional pollution load to the stream. Construction documents are complete and our projected construction cost is fifty-six million dollars (\$56,000,000) and funded by our proposed 2005 Bond Issue.

**NORTHEAST WRF  
EXPANSION AND UPGRADE PROJECT**

The Northeast WRF will be upgraded and expanded from a current capacity of 6.0 MGD to a design capacity of 10.0 MGD. The plant is designed for a high degree of treatment for discharge to Panther Creek.

The major treatment processes include new raw waste pump station; preliminary treatment; primary sedimentation; modifications to the aeration basins; secondary clarifiers; flocculation and filtration; UV disinfection; sludge thickening and dewatering; emergency standby generators; and new control building and operator laboratory

***Project Managers:***

CH2M Hill, Engineers – Jim Hawley  
Clayton County Water Authority – Mike Buffington

***Estimated Construction Cost:***

\$ 56 Million

***Funding:***

The proposed Series 2005 Bond Issue.

***Schedule:***

Advertise For Bids	February 18, 2005
Open Bids	May 3, 2005
Present Bids to CCWA Board	June 2, 2005

Stormwater Program Update: Chairman McQueen called on Mike Thomas, Manager of Program Management & Engineering, who stated that this is such a large project that staff wants to give the Board some periodic updates on the implementation of

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The Stormwater Utility. As the Board is aware, the Authority signed an intergovernmental agreement with the County earlier this year and the County signed a joint task order with CH2M Hill to do the Stormwater Implementation work. The work began in earnest, having started in January, and the process is expected to last about eighteen months (18) hoping as it progresses, if it continues to be approved, billing would start in the spring of 2006.

Mr. Thomas reviewed seven (7) major tasks in the task order:

- 1) Program Administration, which includes putting together the intergovernmental agreements, any ordinance that needs to be passed by all the localities and all the coordination between the local governments.
- 2) Staff put together a public information program that Chairman McQueen mentioned last meeting that is going to be a very important aspect of this project. We have had Chris Wood and his firm, JWA, working together with us and CH2M Hill, to put together a comprehensive plan that will tell what we are going to do, when we are going to do it, and how we are going to do it, so that we will do a real good job of informing the public and bringing them up to date on the process.
- 3) A task that we have already begun is aerial photography, Planned Metric Data. CH2M Hill has contracted with a company to obtain updated aerial photography and from that aerial photography they will be identifying all the impervious surfaces in the County.
- 4) They will measure every household and use that information to develop the ERU (Equivalent Residential Unit), which would be the average amount of impervious surface for a residential house. The billing system for the Stormwater Utility will be based on the ERU.
- 5) They will be working with our staff to develop a new customer information system that includes a new billing system to make sure that we are able to bill for Stormwater appropriately and incorporate that into our system.
- 6) Capital improvement plan is an important aspect, which tells us where our future budgets need to be, and will help us to identify some projects that we want to do early on to show people what these fees are being used for.

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- 7) Finally, operations and maintenance, where we will specify exactly what the Authority would do as part of this program and what the cities and county would still be responsible for.

Mr. Thomas added that we are off to an early start and we also have meetings this coming month with the County Chairman and the Board and also with the Mayors to bring them up to speed on where we are and will soon be taking that intergovernmental agreement to the cities for their consideration.

2005 Bond Resolution: Chairman McQueen called on Mr. Brannan who stated that the Authority had a resolution that was presented to the Board of Commissioners on Tuesday night, which they adopted, as part of our process to allow us to go into the bond market to acquire funds for this Northeast Plant at about fifty-six million dollars (\$56,000,000) and then six and one half million dollars (\$6,500,000) for improvements at the Huie site to construct more wetlands as well as two and one half million dollars (\$2,500,000) for construction management/engineering services.

A JOINT RESOLUTION OF THE BOARD OF COMMISSIONERS OF CLAYTON COUNTY AND THE CLAYTON COUNTY WATER AUTHORITY TO PROVIDE FOR THE ISSUANCE OF NOT TO EXCEED \$69,000,000 CLAYTON COUNTY AND CLAYTON COUNTY WATER AUTHORITY WATER AND SEWERAGE REVENUE BONDS, SERIES 2005, PURSUANT TO AND IN ACCORDANCE WITH A JOINT RESOLUTION ADOPTED JUNE 11, 1959, AS RATIFIED AND REAFFIRMED BY VARIOUS JOINT RESOLUTIONS, INCLUDING THE JOINT RESOLUTIONS ADOPTED MARCH 12, 1996, MARCH 27, 1996, MAY 5, 1998, APRIL 20, 2000, APRIL 17, 2001, MAY 3, 2001, MARCH 4, 2003, APRIL 17, 2003 AND OCTOBER 19, 2004 TO PROVIDE FUNDS TO FINANCE IN WHOLE OR IN PART THE COST OF (I) ADDING TO IMPROVING, EXTENDING, AND EQUIPPING THE WATER AND SEWERAGE SYSTEM OF SAID COUNTY AND (II) ISSUING SUCH REVENUE BONDS; TO REAFFIRM AND ADOPT ALL APPLICABLE TERMS, COVENANTS, PROVISIONS AND CONDITIONS OF SAID PRIOR JOINT RESOLUTIONS; TO ENLARGE THE SCOPE OF OTHER TERMS, COVENANTS, PROVISIONS AND CONDITIONS OF SAID BONDS; TO CREATE AND MAINTAIN CERTAIN FUNDS AND PROVIDE FOR THE DISPOSITION THEREOF; TO PROVIDE RATES

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FOR THE SERVICES AND FACILITIES TO BE FURNISHED BY THE SYSTEM AND THE REMEDIES OF THE HOLDERS OF SAID REVENUE BONDS; TO PROVIDE FOR THE ISSUANCE OF ADDITIONAL PARI PASSU WATER AND SEWERAGE REVENUE BONDS; AND FOR OTHER PURPOSES:

WHEREAS, under and by virtue of the Constitution and laws of the State of Georgia, including specifically, but without limitation, the Revenue Bond Law (O.C.G.A. Section 36-82-60 et seq., as amended), Clayton County, Georgia (the "County"), is authorized to own, operate and maintain a water and sewerage system for its own use and for the use of the public, and in anticipation of the collection of revenues from the operation of said system, to issue revenue bonds, payable from a pledge of all or any part of the revenues to be derived from said system, to finance, in whole or in part, the cost of refunding or refinancing outstanding revenue bonds payable from revenues of said system and the cost of the acquisition and construction of additions, extensions and improvements to said system; and

WHEREAS, under the provisions of an Act of the General Assembly of the State of Georgia (Georgia Laws 1955, p. 3344 et seq., as amended), Clayton County Water Authority (the "Authority") was created, and the Authority has entered upon its duties and is now functioning, and said Act, in pertinent part, provides:

"Said board shall have general supervision and control over the entire water system or systems that may be constructed and placed in operation for said county . . . . The board shall regulate and provide for the use of its water, fix the time, place and rates for such usage, and in default may cause such services to be discontinued until all arrears are fully paid . . . . The board shall have power to construct, alter, expand and maintain such water system with the funds made available to it by the county governing authority by the issuance and sale of bonds, or revenue anticipation certificates issued by said county, and by funds arising from the operation of said water system. The Authority shall have the right to join with the county in the issuance of revenue anticipation certificates and pledge the revenues of the Authority to the payment of any such certificates so issued.

"The board is hereby charged with the duty of collection for all services rendered by said water system of said county and is hereby

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required to keep money so collected in a bank or banks as may be required by the county governing authority.

“The said Clayton County Water Authority is hereby authorized to construct a county sewerage system in said county, and all rights conferred to said board to construct, operate and maintain a water system for said county and to join with the county in the issuance of revenue anticipation certificates for that purpose, shall likewise apply to the construction, operation and maintenance of a sewerage system for said county;” and

WHEREAS, the County owns, and the Authority operates, a water and sewerage system (the “System”); and

WHEREAS, the County and the Authority have heretofore issued and there are currently outstanding Clayton County and Clayton County Water Authority Water and Sewerage Revenue Bonds, Series 1996, Series 1998, Series 2000, Series 2001, Series 2003 and Series 2004 in original aggregate principal amounts of \$33,080,000, \$24,000,000, \$22,320,000, \$93,555,000, \$87,685,000, and \$59,085,000, respectively, (the “Prior Bonds”), pursuant to a joint resolution of the County and the Authority adopted on June 11, 1959 (the “1959 Resolution”), as ratified and reaffirmed by various joint resolutions of the County and the Authority, including those joint resolutions adopted March 12, 1996, March 27, 1996, May 5, 1998, April 20, 2000, April 17, 2001, May 3, 2001, March 4, 2003, April 17, 2003 and October 19, 2004 (collectively, the “Prior Parity Bond Resolutions”); and

WHEREAS, said Prior Bonds have as their security a first lien on the net revenues of the System; and

WHEREAS, the Prior Parity Bond Resolutions provide for the issuance of additional revenue obligations from time to time having as their security the same pledge of and lien on the net revenues of the System as the Prior Bonds upon certain terms and conditions being met; and

WHEREAS, the County and the Authority have determined that it is in the best interest of the citizens of the County to make certain additions, extensions and improvements to the System in accordance with the Engineering Report prepared by CH2MHILL, Atlanta, Georgia (the “2005 Project”); and

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WHEREAS, it appears that the most feasible method of financing the 2005 Project is by the issuance and sale of additional water and sewerage revenue bonds payable from the net revenues of the System (the "Series 2005 Bonds"); and

WHEREAS, the Prior Bonds are the only obligations now outstanding having present and future liens against the revenues of the System for the payment thereof and the interest thereon, and the County and the Authority have been and are now complying in all respects with the terms, covenants and provisions of the 1959 Resolution and the Prior Parity Bond Resolutions; and

WHEREAS, the Authority has previously covenanted and agreed that it will at all times, and from time to time prescribe, issue and revise rates and collect fees and charges for the services, facilities and commodities furnished by the System sufficient at all times to (i) maintain and operate the System on a sound businesslike basis, (ii) pay the required amounts into the Sinking Fund and (iii) maintain a reserve for extensions and improvements to the System; and

WHEREAS, the Authority proposes to furthermore covenant and agree that it will at all times and from time to time prescribe, issue and revise rates and collect fees and charges for the services, facilities and commodities furnished by the System to the extent necessary to produce revenues remaining after payment of operation and maintenance costs of the System equal to not less than 120 percent of the amounts then required to be paid into the Sinking Fund.

WHEREAS, it is further proposed that the County and the Authority should authorize the use of a Preliminary Official Statement relating to the Series 2005 Bonds (the "Preliminary Official Statement") and authorize the execution and use of an Official Statement relating to the Series 2005 Bonds (the "Official Statement"); and

WHEREAS, it is further proposed that the County and the Authority should appoint a paying agent and registrar for the Series 2005 Bonds; and

NOW, THEREFOR, IN JOINT MEETING ASSEMBLED, BE IT RESOLVED by the Board of Commissioners of Clayton County and the Clayton County Water Authority, and it is hereby resolved by authority of the same, as follows:

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Section 1. Findings. All the terms, provisions and conditions regarding the issuance of parity bonds contained in Section 9 of Article IV of the 1959 Resolution, as ratified, reaffirmed, broadened and extended by the subsequently adopted Prior Parity Bond Resolutions, have been met and complied with.

Without limiting the foregoing, the County and the Authority hereby find and declare as follows:

(a) The payments to be made into the “Water and Sewerage Sinking Fund” (the “Sinking Fund”) created pursuant to the 1959 Resolution, as enlarged and extended by the subsequently adopted Prior Parity Bond Resolutions (and any other proceedings authorizing the issuance of additional parity bonds with the Prior Bonds) are being made in the full amounts required, and the Sinking Fund is at its proper balance;

(b) The projected “net revenues” (hereinafter defined) of the System in any future sinking fund year, determined on the basis beginning 12 months after the estimated completion date of the 2005 Project, will equal not less than 1.50 times the highest combined principal and interest requirements for any such subsequent sinking fund year on the Prior Bonds (and any issue or issues of parity bonds with the Prior Bonds) and on the Series 2005 Bonds. The actual net revenues of the System for a period of 12 consecutive months out of 16 months immediately preceding the adoption of this joint resolution equal 1.0 times the combined monthly principal and interest sinking fund payment requirements on the Prior Bonds (and on any issue or issues of parity bonds with the Prior Bonds) for the sinking fund year ended May 1, 2004. Net revenues for the purpose of this Section 1 shall be the gross earnings of the System remaining after the payment of the sums required or permitted to be paid to maintain, repair and operate the System as provided under paragraph (1) of Section 5 of Article IV of the 1959 Resolution, but before depreciation.

(c) The Consulting Engineers for the Authority have certified in triplicate to the County and the Authority in reasonable detail the proposed improvements, additions and extensions comprising the 2005 Project, the estimated cost of constructing and placing the 2005 Project in operation and the cost of operating and maintaining the 2005 Project. The Consulting Engineers have also certified that the projected net revenues of the System as added to, extended and approved by the 2005 Project will meet the 1.50 times coverage requirements of paragraph (b) above.

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(d) An independent and recognized firm of certified public accountants has certified in triplicate to the County and the Authority that the requirements of paragraph (a) above are being complied with and that the actual net earnings of the System meet the 1.0 times coverage requirement of paragraph (b) above.

Section 2. Authorization of Series 2005 Bonds. The terms, provisions and conditions regarding the issuance of parity bonds having been met and complied with, there is hereby authorized to be issued, pursuant to and in conformity with the 1959 Resolution and Prior Parity Bond Resolutions, the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60 et seq.), as amended, and an Act of the General Assembly of the State of Georgia (Georgia Laws 1955, p. 3344, et seq.), as amended, water and sewerage revenue bonds in the aggregate principal amount not to exceed \$69,000,000 for the purpose of financing (a) the cost of the 2005 Project; and (b) the costs of issuing the Series 2005 Bonds, and the bonds shall be designated "CLAYTON COUNTY AND CLAYTON COUNTY WATER AUTHORITY WATER AND SEWERAGE REVENUE BONDS, SERIES 2005" (the "Series 2005 Bonds").

The final maturity of the Series 2005 Bonds shall be not later than May 1, 2025. The interest rate per annum on the Series 2005 Bonds shall not exceed 6.5% and the annual debt service on the Series 2005 Bonds in any sinking fund year shall not exceed \$23,000,000. The principal amount of the Series 2005 Bonds maturing in each year (through the operation of a sinking fund or otherwise) together with the interest rate on each such maturity shall be determined by the Authority in a supplemental resolution and in a bond purchase agreement between the Authority and the purchaser of the Series 2005 Bonds.

The Series 2005 Bonds may be subject to optional or mandatory sinking fund redemption in the manner provided in supplemental resolution of the Authority.

Official notice of any redemption shall be given by the Bond Registrar on behalf of the County and the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2005 Bond or Series 2005 Bonds to be redeemed at the address shown on the books maintained by the Bond Registrar. Failure to mail any such redemption notice or any defect therein will not affect the validity of the proceedings for the redemption of Series 2005 Bonds for which proper notice was given. Neither the Bond Registrar, the County nor the Authority will have any responsibility whatsoever if any such notice is mailed as described above but is not received by or receipt thereof is refused by the applicable registered owner. No defect in any such

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notice will in any manner defeat the effectiveness of a call for redemption for which proper notice was given. Upon the date set for redemption and the deposit by the County or the Authority of sufficient moneys to accomplish such redemption, the Series 2005 Bonds called for redemption shall cease to bear interest from and after the redemption date.

The Series 2005 Bonds as originally issued shall be dated as of February 1, 2005 (the "Dated Date"). Each Series 2005 Bond issued in exchange for a Series 2005 Bond as originally issued or upon registration of transfer thereof shall be dated the date of its exchange or registration of transfer.

The Series 2005 Bonds shall be lettered and numbered from R-1 upwards in order of issuance according to the records maintained by SunTrust Bank, located in Atlanta, Georgia, as paying agent (the "Paying Agent") and bond registrar (the "Bond Registrar").

The Series 2005 Bonds shall, except as provided in this Section, bear interest, payable on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing on May 1, 2005, from the Interest Payment Date next preceding the date of such Series 2005 Bond to which interest on the Series 2005 Bonds has been paid, unless the date of such Series 2005 Bond is an Interest Payment Date to which interest has been paid, in which case from the date of such Series 2005 Bond, or unless no interest has been paid on the Series 2005 Bonds, in which case from the Dated Date. Notwithstanding the foregoing, when there is no existing default in the payment of interest on the Series 2005 Bonds, all Series 2005 Bonds authenticated after the close of business on the Record Date (hereinafter defined) shall be dated the date of authentication but shall bear interest from the next succeeding Interest Payment Date; provided, however, that if there is a default in the payment of interest on the Series 2005 Bonds, any such Series 2005 Bond shall bear interest from the Interest Payment Date next preceding the date of such Series 2005 Bond to which interest has been paid, unless no interest has been paid, in which case from the Dated Date.

The person in whose name any Series 2005 Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date, and prior to such Interest Payment Date. The term "Record Date" as used in this Section with respect to any Interest Payment Date shall mean the fifteenth day of the calendar month next preceding such Interest Payment Date.

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The principal of and interest and redemption premium, if any, on the Series 2005 Bonds shall be payable in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. The principal of the Series 2005 Bonds shall be payable upon the presentation and surrender of the Series 2005 Bonds at the principal corporate trust office of the Paying Agent. The interest on the Series 2005 Bonds shall be paid by first class mail to the respective owners of the Series 2005 Bonds at their addresses as they appear on the bond register kept by the Bond Registrar; provided, however, with respect to any Series 2005 Bonds held in book-entry form, interest will be paid in accordance with the payment procedures of the Depository Trust Company or its nominee. Notwithstanding the foregoing, in the event an owner owns \$1,000,000 in aggregate principal amount of Series 2005 Bonds, interest may be payable by wire transfer in accordance with written instructions provided to the Paying Agent, until such instructions are revoked in writing.

The Series 2005 Bonds shall be issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof and substantially in the form set forth hereinafter with such variations, omissions, substitutions and insertions as are therein required or permitted.

Section 3. Execution of Series 2005 Bonds. The Series 2005 Bonds shall be executed with the manual or facsimile signature of the Chairman and attested by the manual or facsimile signature of the Clerk of the Board of Commissioners of the County and the official seal of the County shall be printed thereon, and shall be executed by the manual or facsimile signature of the Chairman and attested by the manual or facsimile signature of the Secretary of the Authority and the official seal of the Authority shall be printed or impressed thereon. In case any officer whose signature shall appear on the Series 2005 Bonds shall cease to be such officer before delivery of such Series 2005 Bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until delivery. If any Series 2005 Bond shall become mutilated, the County and Authority in their discretion and at the expense of the owner of such Series 2005 Bond shall execute by the officers then in office and deliver a new Series 2005 Bond of like tenor in exchange and substitution for such mutilated Series 2005 Bond and the owner shall give indemnity satisfactory to the County and Authority. If any Series 2005 Bond shall become lost, destroyed or wrongfully taken, evidence of such loss, destruction or wrongful taking within a reasonable time thereafter may be submitted to the County and Authority and if such evidence shall be satisfactory to them and indemnity of a

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Section 4. character and in an amount satisfactory to them shall be given, then the County and Authority shall at the expense of the owner execute by the officers then in office and deliver a new Series 2005 Bond of like tenor.

Section 5. Authentication of Series 2005 Bonds. Only such Series 2005 Bonds as shall have endorsed thereon a certificate of authentication substantially in the form hereinafter set forth executed by the Bond Registrar shall be entitled to any right or benefit hereunder. No Series 2005 Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been executed by the Bond Registrar, and such executed certificate of the Bond Registrar upon any such Series 2005 Bond shall be conclusive evidence that such Series 2005 Bond has been authenticated and delivered hereunder. Said certificate of authentication on any Series 2005 Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized signatory of the Bond Registrar, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2005 Bonds issued hereunder.

Section 6. Form of Series 2005 Bonds. The Series 2005 Bonds, the form of assignment, the form of authentication certificate and the certificate of validation to be endorsed upon the Series 2005 Bonds, shall be in substantially the following forms, with such variations, omissions and insertions as are required or permitted by this joint resolution, to-wit:

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## (FORM OF BOND)

UNITED STATES OF AMERICA  
STATE OF GEORGIA

CLAYTON COUNTY AND CLAYTON COUNTY WATER AUTHORITY  
WATER AND SEWERAGE REVENUE BOND  
SERIES 2005

No. R- \_\_\_\_\_

Date of Original Issue - \_\_\_\_\_

Maturity Date: \_\_\_\_\_ Interest Rate: \_\_\_\_\_ % Per Annum  
Principal Sum: \$ \_\_\_\_\_ CUSIP: \_\_\_\_\_

FOR VALUE RECEIVED, Clayton County (the "County"), a political subdivision of the State of Georgia, and the Clayton County Water Authority (the "Authority"), hereby promise to pay solely from the special fund provided therefor, as hereinafter set forth, to **CEDE & CO.**, or registered assigns, the principal sum specified above on the maturity date specified above, unless redeemed prior thereto as hereinafter provided, upon the presentation and surrender hereof at the designated corporate trust office of SunTrust Bank, located in Atlanta, Georgia, as paying agent (the "Paying Agent") for the Series 2005 Bonds (hereinafter defined), and to pay, solely from said special fund, to the registered owner hereof by check or draft mailed by first class mail to such owner at his address as it shall appear on the bond register kept by SunTrust Bank, located in Atlanta, Georgia, as bond registrar and authentication agent for the Series 2005 Bonds (the "Bond Registrar"), interest on such principal sum, at the interest rate per annum specified above, payable on May 1, 2005, and semiannually thereafter on the first days of May and November of each year (each such date an "Interest Payment Date"), from the Interest Payment Date next preceding the date hereof to which interest has been paid (unless the date hereof is prior to the first Interest Payment Date, in which event from February 1, 2005, unless the date hereof is an Interest Payment Date to which interest has been paid, in which event from the date hereof or unless the date hereof is after a Record Date (hereinafter defined), in which event from the next Interest Payment Date) until payment of such principal sum in full; provided that if this bond or a portion hereof shall be called for redemption, such interest shall be paid until the redemption date.

The interest so payable on any such Interest Payment Date will be paid to the person in whose name this bond is registered at the close of business on the fifteenth day of the calendar month preceding such Interest Payment Date (the "Record Date").

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The principal of, redemption premium (if any) and interest on this bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Notwithstanding the foregoing, so long as this bond is registered in the name of the Securities Depository or Securities Depository Nominee, payment of principal, redemption premium (if any) and interest on this bond shall be made by wire transfer to the Securities Depository or Securities Depository Nominee as described in the Resolutions (as hereinafter defined).

This bond is one of an issue of like date, tenor and effect, except as to numbers, interest rates, redemption provisions and dates of maturity, aggregating in principal amount the sum of Clayton County and Clayton County Water Authority Water and Sewerage Revenue Bonds, Series 2005 (the "Series 2005 Bonds") issued for the purpose of (i) financing in whole or part the cost of adding to, extending and improving the water and sewerage system (the "System") owned by the County and operated by the Authority and (ii) paying expenses incident thereto, and is issued under authority of the Constitution of the State of Georgia, the Revenue Bond Law (O.C.G.A. Section 36-82-60 et seq.), as amended, and an Act of the General Assembly of said State (Georgia Laws 1955 p. 3344 et seq.), as amended, and was duly authorized by a joint resolution of the Board of Commissioners of the County and the Authority adopted on June 11, 1959, as ratified, reaffirmed and broadened by various joint resolutions, including the joint resolutions adopted on March 12, 1996, March 27, 1996, May 5, 1998, April 20, 2000, April 17, 2001, May 3, 2001, March 4, 2003, April 17, 2003, October 19, 2004, February 1, 2005, February 3, 2005 and February 11, 2005 (collectively, the "Resolutions"). The Series 2005 Bonds shall stand on a parity with, and shall be secured by the same lien on the net revenues of the System as certain water and sewerage revenue bonds previously issued by the County and the Authority (the "Prior Bonds"). The County and the Authority may, under certain terms and conditions as provided in the Resolutions, issue additional water and sewerage revenue bonds or obligations (the "Additional Bonds"), and if issued, such Additional Bonds will rank on a parity as to the lien on the net revenues of the System with the Prior Bonds and the Series 2005 Bonds.

The County and the Authority have pledged the net revenues of the System as security for the payment of the Prior Bonds, the Series 2005 Bonds and any Additional Bonds.

Reference to the Resolutions is hereby made for a description of the funds charged with and pledged to the payment of the principal of and the interest on the Series

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2005 Bonds, the nature and extent of the security and a statement of the rights, duties and obligations of the County and the Authority, the rights of the holders of the Series 2005 Bonds and the terms and provisions under which Additional Bonds may be issued, to all the provisions of which the holder hereof, by the acceptance of this bond, assents.

The Resolutions provide, among other things, for prescribing and revising rates and collecting fees and charges for the services, facilities and commodities furnished by the System, as now existing and as hereafter added to, extended, improved and equipped sufficient to pay the reasonable and necessary costs of maintaining, repairing and operating the System, pay into a special fund designated "Water and Sewerage System Sinking Fund" the amounts required to pay the principal of and interest on the Prior Bonds, the Series 2005 Bonds and any Additional Bonds as the same become due and payable and to create and maintain a reserve for that purpose, as well as to create and maintain a reserve for extensions and improvements to the System.

In addition, the Resolutions provide, among other things, that the Authority will maintain rates, fees and charges sufficient to produce revenues remaining after payment of operating and maintenance costs of the System equal to not less 120 percent of the amounts then required to be paid into the Sinking Fund. In the event that at any time such net revenues are not equal to at least 120 percent of the amounts then required to be paid into the Sinking Fund, the Authority is required to instruct its Consulting Engineers to make an appropriate study and recommend a schedule of rates, fees and charges determined to be sufficient to meet these requirements.

This bond shall not be deemed to constitute a debt of the County or the Authority, nor a pledge of the faith and credit of said County or Authority, nor shall the County or the Authority be subject to any pecuniary liability thereon. This bond shall not be payable from nor a charge upon any funds other than the net revenues pledged to the payment hereof, and is payable solely from the special funds provided therefor. No holder of this bond shall ever have the right to compel the exercise of the taxing power of the County to pay the same, or the interest hereon, or to enforce payment hereof against any other property of the County or the Authority, nor shall this bond constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the County or the Authority.

Official notice of any redemption shall be given by the Bond Registrar on behalf of the County and the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Series 2005 Bond or Series 2005 Bonds to be

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redeemed at the address shown on the books maintained by the Bond Registrar. Failure to mail any such redemption notice or any defect therein will not affect the validity of the proceedings for the redemption of Series 2005 Bonds for which proper notice was given. Neither the Bond Registrar, the County nor the Authority will have any responsibility whatsoever if any such notice is mailed as described above but is not received by or receipt thereof is refused by the applicable registered owner. No defect in any such notice will in any manner defeat the effectiveness of a call for redemption for which proper notice was given. Upon the date set for redemption and the deposit by the County or the Authority of sufficient moneys to accomplish such redemption, the Series 2005 Bonds called for redemption shall cease to bear interest.

The person in whose name this bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered holder shall be valid and effectual to satisfy and discharge the liability upon this bond to the extent of the sum or sums so paid. This bond is registerable as transferred by the owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar, all subject to the terms and conditions of the Resolutions.

The Series 2005 Bonds are issuable as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations provided in the Resolutions, Series 2005 Bonds may be registered exchanged at the principal corporate trust office of the Bond Registrar for a like principal amount of Series 2005 Bonds of the same maturity and of other authorized denominations.

The Series 2005 Bonds are being issued by means of a Book-Entry System, with actual bonds immobilized at The Depository Trust Company, New York, New York, or its successor as Securities Depository, evidencing ownership of the Series 2005 Bonds in principal amounts of \$5,000 or integral multiples thereof, and with registration of transfers of Beneficial Ownership effected on the records of the Securities Depository and its participants pursuant to the rules and procedures established by the Securities Depository. Actual bonds are not available for distribution to the Beneficial Owners, except under the limited circumstances set forth in the Resolutions. The principal, redemption premium (if any) and interest on the Series 2005 Bonds are payable by the Paying Agent to Cede & Co., as nominee of the Securities Depository. Transfer of principal, redemption premium (if any) and interest payments to participants of the Securities Depository is the responsibility of the Securities Depository; transfers of principal, redemption premium (if any) and interest to Beneficial Owners by participants of the Securities Depository will be the responsibility of such participants and other

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nominees of Beneficial Owners. The County, the Authority and the Paying Agent are not responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants. If the Series 2005 Bonds are no longer registered to a Securities Depository or its nominee, this bond may be registered as transferred only upon the registration books kept for that purpose at the principal corporate trust office of the Bond Registrar by the registered owner hereof in person, or by his or her attorney duly authorized in writing, upon presentation and surrender to the Bond Registrar of this bond duly endorsed for registration of transfer or accompanied by an assignment duly executed by the registered owner or his or her attorney duly authorized in writing, and thereupon a new registered bond, in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor. In addition, if the Series 2005 Bonds are no longer registered to a Securities Depository, this bond may be exchanged by the registered owner hereof or his or her duly authorized attorney upon presentation at the principal corporate trust office of the Bond Registrar for an equal aggregate principal amount of bonds of the same maturity and in any authorized denominations in the manner, subject to the conditions and upon payment of charges, if any, provided in the Resolutions.

This bond is issued with the intent that the laws of the State of Georgia shall govern its construction. In case of default, the holder of this bond shall be entitled to the remedies provided by the Resolutions and the Revenue Bond Law and any amendments thereto.

The Resolutions and terms of the Series 2005 Bonds may be amended with or without the consent of the owners of the Series 2005 Bonds, all as provided in the Resolutions.

It is hereby recited and certified that all acts, conditions and things required to be done precedent to and in the issuance of this bond have been done, have happened and have been performed in due and legal form as required by law, and that provision has been made for the allocation from the anticipated revenues of the System of amounts sufficient to pay the principal of and the interest on the Series 2005 Bonds as the same mature, and to create and maintain reserves for that purpose, and that said funds are irrevocably allocated and pledged to the payment thereof and the interest thereon.

This bond shall not be entitled to any benefit under the Resolutions and shall not become valid or obligatory for any purpose until it shall have been authenticated by execution by the Bond Registrar as Authentication Agent, by manual or facsimile signature of the certificate hereon endorsed.

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IN WITNESS WHEREOF, the County has caused this bond to be executed by the manual or facsimile signature of the Chairman of its Board of Commissioners and its official seal to be printed hereon, and attested by the manual or facsimile signature of the Clerk of said Board, and the Authority has caused this bond to be executed by the manual or facsimile signature of the Chairman and its official seal to be printed hereon, and attested by the manual or facsimile signature of its Secretary, all as of the \_\_\_\_ day of February, 2005.

CLAYTON COUNTY, GEORGIA

By: \_\_\_\_\_  
Chairman, Board of Commissioners of  
Clayton County, Georgia

(SEAL)

Attest:

\_\_\_\_\_  
Clerk

CLAYTON COUNTY WATER AUTHORITY

By: \_\_\_\_\_  
Chairman

(SEAL)

Attest:

\_\_\_\_\_  
Title:

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AUTHENTICATION CERTIFICATE

The above bond is one of the bonds described in the within-mentioned joint resolutions of February 1, 2005 and February 3, 2005, as supplemented on February 11, 2005, and is hereby authenticated as of the date of its execution as stated in the bond.

SUNTRUST BANK  
as Authentication Agent

By: \_\_\_\_\_  
Authorized Signature

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VALIDATION CERTIFICATE

STATE OF GEORGIA

COUNTY OF CLAYTON

The undersigned Clerk of the Superior Court of Clayton County, Georgia, keeper of the records and seal thereof, does hereby certify that this bond was validated and confirmed by judgment of the Superior Court of Clayton County, Georgia, on the \_\_\_\_ day of February, 2005.

WITNESS my manual or facsimile signature and the official seal of the Superior Court of Clayton County, Georgia.

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Clerk, Superior Court,  
Clayton County, Georgia

(SEAL)

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ASSIGNMENT OF FULLY REGISTERED BONDS

For value received, \_\_\_\_\_ hereby sells, transfers and assigns unto \_\_\_\_\_ the foregoing bond and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney-in-fact to transfer the same on the registration books with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed by:

\_\_\_\_\_  
NOTICE: Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Bond Registrar.

\_\_\_\_\_  
NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

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Section 6. Registration, Transfer and Exchange of Bonds. SunTrust Bank, located in Atlanta, Georgia, as Bond Registrar and Paying Agent for the Series 2005 Bonds, shall keep registers for registration of transfer of the Series 2005 Bonds. SunTrust Bank is hereby also designated as Authentication Agent for purposes of authenticating any Series 2005 Bonds issued hereunder or issued in exchange or in replacement for Series 2005 Bonds previously issued. Unless the Series 2005 Bonds are held in Book-Entry Form, such registration of transfer shall be accomplished by the procedure and with the effect provided in this Section 6.

Unless the Series 2005 Bonds are held in Book-Entry Form, the County and the Authority, its agents and the Bond Registrar may deem and treat the registered owner of any Series 2005 Bond as the absolute owner of such Series 2005 Bond for the purpose of receiving payment of the principal thereof and the interest thereon.

Unless the Series 2005 Bonds are held in Book-Entry Form, upon surrender for registration of transfer of any Series 2005 Bond at the designated corporate trust office of the Bond Registrar, the County and the Authority shall deliver to the transferee or transferees a new Series 2005 Bond or Series 2005 Bonds for a like aggregate principal amount and maturity. Series 2005 Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Series 2005 Bonds of authorized denominations and of like interest rate and maturity. Every Series 2005 Bond presented or surrendered for registration of transfer or exchange shall (if so required by the County and the Authority or the Bond Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the County and the Authority and the Bond Registrar duly executed by the owner thereof or his attorney duly authorized in writing. The execution by the County and the Authority of any Series 2005 Bond in the denomination of \$5,000 or any integral multiple thereof shall constitute full and due authorization of such denomination and the Bond Registrar shall thereby be authorized to authenticate and deliver such Series 2005 Bond. No charge shall be made to an owner of a Series 2005 Bond for the privilege of registration of transfer or exchange, but any owner requesting any such registration of transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto. The Bond Registrar shall not be required (i) to issue, transfer or exchange any bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Series 2005 Bonds selected for redemption and ending at the close of business on the day of such mailing, or (ii) to register the transfer or exchange of any Series 2005 Bond so selected for redemption in whole or in part.

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While the Series 2005 Bonds are held in Book-Entry Form, registrations of transfers and exchanges shall be made in accordance with Section 28 hereof.

Section 8. Parity Lien. The Series 2005 Bonds shall, after their issuance, stand on a parity and shall be of equal dignity with the Prior Bonds issued pursuant to the applicable Prior Parity Bond Resolutions and shall be secured by the lien created pursuant to the provisions of paragraph (3) of Section 5 of Article IV of the 1959 Resolution, as the same was enlarged and extended by the subsequently adopted Prior Parity Bond Resolutions and as the same is enlarged and extended by this joint resolution, just as if all outstanding Prior Bonds and the Series 2005 Bonds had been issued simultaneously under the same joint resolution.

Section 8. Partial Redemption and Order of Redemption. The Bond Registrar may provide for the selection for redemption of portions of the principal of Series 2005 Bonds of denominations larger than \$5,000. The portions of the principal of bonds so selected for partial redemption shall be equal to \$5,000 or an integral multiple thereof. In case any Series 2005 Bond shall be redeemed in part only, upon the surrender of such Series 2005 Bond for such partial redemption, the County and the Authority shall execute and the Bond Registrar shall authenticate and deliver or cause to be authenticated and delivered to or upon the written order of the owner thereof, at the expense of the County and the Authority, a Series 2005 Bond or Series 2005 Bonds of the same series, interest rate and maturity (but only in authorized denominations), for the unredeemed portion of such partially redeemed Series 2005 Bond. Any Series 2005 Bond, a portion of which has been redeemed as contemplated by this Section, shall be considered to be outstanding only in an amount reduced by the portion thereof so redeemed whether or not it has been surrendered as aforesaid.

Redemption need not be pro rata among series of bonds. The County and the Authority may redeem any or all of the bonds of any series before it redeems any of the bonds of any other series, or it may redeem a portion of the bonds of one series before, or at the same time that it redeems all or a portion of any other series.

Section 9. Purchase of Bonds. Nothing herein contained shall be construed to limit the right of the County and the Authority to purchase with any moneys in the Sinking Fund in excess of the amount required to be maintained in the Sinking Fund, Series 2005 Bonds in the open market at a price not exceeding the redemption price hereinabove set forth. Any such bonds so purchased cannot be reissued and shall be cancelled.

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At the option of the County and the Authority, to be exercised on or before the 45th day next preceding any date set for scheduled mandatory redemption as stated in the supplemental resolution of the County and the Authority, the County and the Authority may (a) deliver to the Paying Agent for cancellation Series 2005 Bonds in any aggregate maturity amount desired purchased in accordance with this section, or (b) receive a credit in respect of its scheduled mandatory redemption obligation as stated in the supplemental resolution of the Authority for such date set for scheduled mandatory redemption for any Series 2005 Bonds which prior to said date set for scheduled mandatory redemption have been redeemed (otherwise than through payment on a date set for scheduled mandatory redemption) and cancelled by the Paying Agent and not theretofore applied as a credit against any scheduled mandatory redemption obligation of the County and the Authority as stated in the supplemental resolution of the Authority. Each Series 2005 Bond so delivered or previously redeemed must correspond as to maturity with the obligations with respect to which such credit is claimed and shall be credited by the Paying Agent at 100% of the principal amount thereof on the obligation of the County and the Authority to make payment of principal on such date set for scheduled mandatory redemption.

The County and the Authority shall on or before the 45th day next preceding each date set for scheduled mandatory redemption furnish the Paying Agent with a certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding paragraph are to be availed of with respect to such principal next coming due.

Section 10. Disposition of Construction Fund Moneys; Creation of Series 2005 Account. There has heretofore been established a special trust fund designated as the "Water and Sewerage System Construction Fund" (the "Construction Fund"). Simultaneously with the issuance and delivery of the Series 2005 Bonds, the County and the Authority shall deposit, or shall cause to be deposited, into a special account which is hereby created and designated "Series 2005 Account," the amount from the proceeds of the sale of the Series 2005 Bonds as described in the supplemental resolution of the Authority, amounts deposited in accordance with Section 11, and any other funds acquired for such purpose by gift, donation, grant or otherwise. The moneys in the Series 2005 Account shall be held in trust and applied toward the payment of the cost of the 2005 Project, and the costs of issuing the Series 2005 Bonds. The County and the Authority covenant that they will not cause or permit to be paid from the Series 2005 Account any sums, unless such expenditures are in accordance with the applicable provisions and restrictions set forth in the 1959 Resolution and Prior Parity Bond Resolutions relating to the Construction Fund.

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The Construction Fund shall be used for the purposes herein provided and for the applicable purposes provided in Section 3 of Article III of the 1959 Resolution, and moneys therein shall be expended in the manner and by the procedure established under the provisions of Article III of the 1959 Resolution, except that the provision set forth in Section 6 thereof relative to the first withdrawal to be made shall not be applicable for the purposes of this joint resolution. Article III of the 1959 Resolution and each appropriate provision thereof are hereby declared applicable to the Series 2005 Bonds and they are specifically reaffirmed and adopted as a part of this joint resolution as if set forth verbatim herein, except that the provision for the investment of moneys not needed for the payment of current obligations as provided in Section 2 of the 1959 Resolution is hereby changed so that such provision shall hereafter be mandatory rather than discretionary.

Section 11. Use of Series 2005 Bond Proceeds. Proceeds derived from the sale of the Series 2005 Bonds will be applied to pay cost of the 2005 Project and costs of issuance of the Series 2005 Bonds as set forth in the supplemental resolution.

Section 12. Flow of Funds. The County and the Authority covenant that they will continue to operate the System on the fiscal year basis established in the 1959 Resolution, to-wit: beginning May 1 in each year and ending April 30 of the following year, but they reserve the right by the adoption of proper proceedings to change the fiscal year. The County and the Authority further covenant that they will continue to maintain the fund designated "Water and Sewerage System Revenue Fund" (the "Revenue Fund") pursuant to the 1959 Resolution. The Authority shall continue to collect all revenues derived from the System arising from the operation or ownership thereof or from properties in connection therewith and shall deposit same daily, as far as practical, into said Revenue Fund to be used and disposed of only as provided in the 1959 Resolution, as ratified and reaffirmed by said subsequently adopted Prior Parity Bond Resolutions, this joint resolution and any joint resolutions hereafter adopted to authorize the issuance of additional parity bonds.

There shall first be paid from the Revenue Fund, as provided in paragraph (1) of Section 5 of Article IV of the 1959 Resolution, the reasonable and necessary costs of operating, maintaining and repairing the water and sewerage system and there shall continue to be reserved in said Revenue Fund, as working capital, the sum of \$500,000 and such moneys shall be set aside or reserved for that purpose.

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The County and the Authority have heretofore created, pursuant to the provisions of paragraph (3) of Section 5 of Article IV of the 1959 Resolution, a special fund designated "Water and Sewerage System Sinking Fund" (the "Sinking Fund"). The County and the Authority have also heretofore created six accounts currently maintained within the Sinking Fund. The six accounts in the Sinking Fund, known as the Series 1996 Account, the Series 1998 Account, the Series 2000 Account, the Series 2001 Account, the Series 2003 Account and the Series 2004 Account, were created for the purpose of paying the principal and interest on the Series 1996 Bonds, the Series 1998 Bonds, the Series 2000 Bonds, the Series 2001 Bonds, the Series 2003 Bonds and the Series 2004 Bonds, respectively. There is hereby created a seventh account in the Sinking Fund to be known as the Series 2005 Account for the purpose of paying the principal of and interest on the Series 2005 Bonds.

Pursuant to the Prior Parity Bond Resolutions, the County and the Authority have heretofore covenanted to pay into the Sinking Fund, for the purpose of paying the principal of and interest on said Prior Bonds coming due in each current sinking fund year and to create and maintain a reserve therein for the Prior Bonds as set forth below, various specified monthly sums during all such months as there are outstanding any Prior Bonds until sufficient funds are on hand in said Sinking Fund to pay all of the then outstanding Prior Bonds at their respective maturities and the interest which will become due and payable thereon. The specified monthly payments heretofore covenanted to be made must be increased to provide sufficient moneys with which to pay the principal of and the interest on the outstanding Prior Bonds and the Series 2005 Bonds as the same become due and payable and to create by the date that is ten years from the date of issuance of the Series 2005 Bonds (the "Funded Reserve Date"), and maintain a reasonably required debt service reserve (the "Reserve Requirement") therein equal to (a) the highest combined principal and interest requirements in any succeeding sinking fund year on the Outstanding Prior Bonds (excluding the Series 2004 Bonds) and (b) the least of (1) 10% of the principal amount, (2) the maximum annual principal and interest requirements or (3) 125% of the average annual debt service requirements on the Series 2004 Bonds and the Series 2005 Bonds.

The County and the Authority therefor covenant to pay into said Sinking Fund, in lieu of the monthly payments heretofore covenanted to be made, pursuant to the Prior Bond Resolutions, the following sums for the purpose of paying the principal of and the interest on the outstanding Prior Bonds and the Series 2005 Bonds as the same become due and payable (whether by maturity, scheduled mandatory redemption or otherwise):

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(a) There shall be paid into the Series 2005 Account in the Sinking Fund (i) on April 1, 2005, an amount equal to the interest payable on the Series 2005 Bonds on May 1, 2005; (ii) commencing May 1, 2005, and continuing on the first day of each month thereafter, an amount equal to one-sixth (1/6) of the interest payable on the Series 2005 Bonds on the succeeding May 1 or November 1, as the case may be; and (iii) commencing May 1, 2005, and continuing on the first day of each month thereafter, an amount equal to one-twelfth (1/12) of the principal payable on the Series 2005 Bonds on the succeeding May 1, in each case, such monthly payments to continue from month to month thereafter until sufficient funds are on hand in said Sinking Fund to pay all of the Series 2005 Bonds at their respective maturities and the interest which will become due and payable thereon.

(b) There shall continue to be paid into the Series 1996 Account, the Series 1998 Account, the Series 2000 Account, the Series 2001 Account, the Series 2003 Account and the Series 2004 Account in the Sinking Fund on the first day of each month (i) an amount equal to one-sixth (1/6) of the interest payable on the outstanding Prior Bonds on the next succeeding May 1 or November 1, as the case may be; and (ii) an amount equal to one-twelfth (1/12) of the principal payable on the outstanding Prior Bonds on the next succeeding May 1, such monthly payments to continue from month to month until sufficient funds are on hand in said Sinking Fund to pay all of the outstanding Prior Bonds at their respective maturities and the interest which will become due and payable thereon;

provided, however, (i) amounts on deposit in the Series 1996 Account, the Series 1998 Account, the Series 2000 Account, the Series 2001 Account, the Series 2003 Account, the Series 2004 Account or the Series 2005 Account on the date of issuance and delivery of the Series 2005 Bonds shall be applied to the payments set forth above and, to the extent so applied, shall offset the obligation of the County and the Authority to make such payments, and (ii) in any event the payments into the Sinking Fund shall be at all times sufficient and timely to pay principal of and interest on the outstanding Prior Bonds and on the Series 2005 Bonds when due and payable (whether by maturity, scheduled mandatory redemption or otherwise). If, in any month, for any reason, the full amount herein required shall not be paid into the Sinking Fund, the amount of any such deficiency shall be added to the amount required to be paid into the Sinking Fund in the next succeeding month. Notwithstanding anything to the contrary stated herein, all amounts held in the Sinking Fund (regardless of in which account said amounts are held)

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shall be for the equal and ratable benefit of all holders of the outstanding Prior Bonds, the Series 2005 Bonds and any additional parity bonds.

Section 9 of Article IV of the 1959 Resolution, as ratified, reaffirmed, broadened and extended by each of the subsequently adopted Prior Parity Bond Resolutions, requires that any proceedings for the issuance of parity bonds provide for the creation within not more than ten (10) years from the date of the parity bonds to be issued of a reserve in the Sinking Fund equal to the Reserve Requirement. The amount currently on deposit in the reserve portion of the Sinking Fund is not less than the amount required to be on deposit therein on the date hereof by the Prior Parity Bond Resolutions. In order to comply with the aforesaid provision, it is necessary to provide for payments to said Sinking Fund sufficient to establish within said reserve an amount equal to the Reserve Requirement by the Funded Reserve Date. The County and the Authority therefor hereby further covenant to increase the payments heretofore covenanted to be made into the reserve portion of the Sinking Fund by paying into the Sinking Fund, for the purpose of establishing a reserve within said Sinking Fund equal to the Reserve Requirement, beginning in the month of March 1, 2005, and continuing from month to month thereafter, substantially equal monthly sums which, in the aggregate and taking into account the interest reasonably expected to be earned thereon and the balance in the reserve portion of the Sinking Fund at any given time will create an amount within the reserve portion of the Sinking Fund equal to the Reserve Requirement by the Funded Reserve Date; provided, further, all amounts deposited into the Sinking Fund for the purpose of establishing a reserve with respect to the Series 1996 Bonds, the Series 1998 Bonds, the Series 2000 Bonds, the Series 2001 Bonds, the Series 2003 Bonds, the Series 2004 Bonds and the Series 2005 Bonds shall be held in the Series 1996 Account, the Series 1998 Account, the Series 2000 Account, the Series 2001 Account, the Series 2003 Account, the Series 2004 Account and the Series 2005 Account, respectively.

Section 7 of Article IV of the 1959 Resolution, has been amended to provide that none of the moneys from time-to-time on deposit in said Sinking Fund will be used or invested in any manner that would result in the Prior Bonds or the Series 2005 Bonds being classified as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder.

As provided in paragraph (3) of Section 5 of Article IV of the 1959 Resolution, as ratified and reaffirmed by said subsequently adopted Prior Parity Bond Resolutions, all net revenues received from the System are immediately subject to a lien to secure the payment of the amounts therein agreed to be paid, and the County and the

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Authority hereby ratify and reaffirm the pledge of such revenues and hereby covenant that the net revenues so received from the System are in like manner pledged to secure the payment of the amounts herein agreed to be paid and that the lien of this pledge shall be valid and binding against the County and the Authority and against all other parties having claims of any kind against them, or either of them, whether such claims shall have arisen from a tort, contract or otherwise and irrespective of whether or not such parties have notice thereof.

There shall next be paid from the Revenue Fund, after the payment of the sums hereinabove and in said Prior Parity Bond Resolutions required or permitted to be paid, into the special fund maintained pursuant to the terms of the 1959 Resolution, and designated as the "Renewal and Extension Fund" (the "Renewal and Extension Fund"), so much of the remaining moneys available in said Revenue Fund as is required to comply with the provisions of paragraph (4) of Section 5 of Article IV of the 1959 Resolution, as amended by the subsequently adopted Prior Parity Bond Resolutions. The required balance in said fund is \$1,500,000. Expenditures may be made from said Renewal and Extension Fund for the purposes provided in paragraph (4) of Section 5 of Article IV of the 1959 Resolution, as ratified and reaffirmed by said subsequently adopted Prior Parity Bond Resolutions and said paragraph, except as to the required balance in said Fund, is hereby specifically ratified and reaffirmed. Section 8 of Article IV of the 1959 Resolution was amended to provide that the investment of moneys in the Renewal and Extension Fund not needed for immediate use for any of the authorized purposes shall hereafter be mandatory rather than discretionary.

There shall next be paid from the Revenue Fund, after the payment of the sums hereinabove and in said Prior Parity Bond Resolutions required or permitted to be paid, into the Renewal and Extension Fund, seventy-five percent (75%) of the remaining revenues in the Revenue Fund, all as is provided in paragraph (5) of Section 5 of Article IV of the 1959 Resolution. The balance of said revenues (i.e., twenty-five percent (25%)) may be used by the County for any lawful municipal purpose.

Nothing contained herein shall be construed to prohibit the County or the Authority, at its option, from making additional payments into the Sinking Fund from any moneys which may be made available for such purpose.

Section 13. Custodians and Depositories. All of the Custodians and Depositories designated in Section 14 of the joint resolution of the County and the Authority adopted on March 4, 2003 (the "2003 Resolution") shall continue to serve in such functions.

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Section 14. Rebate Fund. There was heretofore established a fund designated as the "Water and Sewerage System Rebate Fund" (the "Rebate Fund"). Within the Rebate Fund, the County and the Authority have agreed to maintain an Excess Account and an Earnings Account. Moneys held in each account of the Rebate Fund have been pledged to secure payments to the United States Government. The County, the Authority and the owners of the Series 2005 Bonds shall have no rights in or claim to such moneys.

Section 15. Parity Bonds. The County and the Authority further covenant and agree that they will not exercise the privilege set forth in Section 9 of Article IV of the 1959 Resolution, as ratified, reaffirmed, broadened and extended by said subsequently adopted the Prior Parity Bond Resolutions, of issuing additional obligations ranking as to lien on the revenues of the system pari passu with said Prior Bonds and the Series 2005 Bonds, unless or until all of the following conditions are met:

(a) The payments covenanted to be made into the Water and Sewerage System Sinking Fund created pursuant to Section 5, paragraph (3) of Article IV of the 1959 Resolution, as enlarged and extended by the subsequently adopted Prior Parity Bond Resolutions and by this joint resolution and as the same may have been enlarged and extended in any proceedings authorizing the issuance of additional parity bonds with said Prior Parity Bonds and the Series 2005 Bonds are being made in the full amounts required, and said Sinking Fund is at its proper balance.

(b) The projected net revenues of the water and sewerage system in any future sinking fund year, determined on the basis beginning 12 months after the estimated completion date of the project to be financed by such parity bonds, must equal not less than one and fifty one hundredths (1.50) times the highest combined principal and interest requirements for any such subsequent sinking fund year on the Prior Parity Bonds, the Series 2005 Bonds and any issue or issues of parity bonds with the Prior Parity Bonds and the Series 2005 Bonds then outstanding and on the bonds proposed to be issued; provided, however, that the actual net revenues of said system for a period of 12 consecutive months out of 16 months immediately preceding the adoption of proceedings authorizing the issuance of such additional bonds must equal not less than one (1.0) times the combined monthly principal and interest sinking fund payment requirements on the Prior Parity Bonds, the Series 2005 Bonds and on any issue or issues of parity bonds with the Prior Parity Bonds and the Series 2005 Bonds then outstanding for the

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particular sinking fund year immediately preceding the date of the institution of proceedings for the issuance of such additional bonds.

Net revenues for the purpose of this provision shall be the gross earnings of the water and sewerage system remaining after the payment of the sums required or permitted to be paid to maintain, repair and operate said system as provided under paragraph (1) of Section 5 of Article IV of the 1959 Resolution, but before depreciation.

(c) The Consulting Engineers for the Authority, or such other experienced engineer, engineers or engineering firm of recognized standing in the field of water and sewerage construction and operation as may hereafter be employed by the Authority, as approved by the County, shall certify in triplicate to the County and the Authority in reasonable detail the proposed improvements, additions, or extensions or a combination thereof to be made, estimated cost of construction and placing same in operation, cost of operation and maintenance and that the projected net revenues of the system as added to, extended and improved will meet the one and fifty one-hundredths (1.50) times coverage requirements of paragraph (b) above. One duplicate original of such certificate shall be furnished to the designated representative of the original purchasers of the respective issues of Prior Parity Bonds and the Series 2005 Bonds and to the designated representative of the original purchasers of any parity bond issue then outstanding by United States Registered Mail, return receipt requested, prior to the delivery of such parity bonds.

(d) An independent and recognized certified public accountant or firm of certified public accountants shall certify in triplicate to the County and Authority that the requirements of paragraph (a) above are being complied with and the actual net earnings of said system meet with the one (1) times coverage requirement of paragraph (b) above. One duplicate original of such certificate shall be furnished to the designated representative of the original purchasers of the respective issues of Prior Parity Bonds and the Series 2005 Bonds and to the designated representative of the original purchasers of any parity bond issue then outstanding by United States Registered Mail, return receipt requested, prior to the delivery of such parity bonds.

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(e) The County and Authority shall pass proper proceedings reciting that all of the above requirements have been met and authorize the issuance of such bonds, which proceedings shall, among others, provide for the date, the rate or rates of interest, maturity dates, and redemption provisions, and the interest shall fall due on May 1 and November 1 of each year and the principal shall mature in installments on May 1 or November 1 (but not necessarily in each year, or in equal installments), and provided further that any such proceeding or proceedings shall restate and reaffirm by reference all the applicable terms, conditions and provisions of said Prior Parity Bond Resolutions and of this joint resolution and any supplemental resolution thereto and any resolution ratifying said joint resolutions or supplemental resolution thereto. Any such proceeding or proceedings shall require an increase in the monthly payments to that then being made into the Water and Sewerage System Sinking Fund to the extent necessary to pay the principal of and the interest on such parity bonds then outstanding and on the bonds proposed to be issued, and to create within not more than ten (10) years from the date of the bonds to be issued, a reserve in said Sinking Fund equal to the highest combined principal and interest requirements in any succeeding sinking fund year on the then outstanding parity bonds and the bonds proposed to be issued, and to maintain said reserve in an amount sufficient for that purpose.

(f) The proceeds of any additional bonds or obligations authorized to be issued under this Section must be used only for the purposes of adding to, extending, modernizing and improving the water and sewerage system and its related properties, including, but not limited to, the acquisition, construction and equipping of such building or buildings and structures and appurtenances pertaining thereto as may be deemed necessary to afford more adequate, useful and convenient facilities for the proper control and administration of the functions of said system, and paying the usual and necessary expenses incurred and to be incurred incident to accomplishing any of the foregoing, including cost of lands, rights of way and easements.

(g) Such additional bonds or obligations and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

Section 16. Rate Covenant. The Authority hereby covenants and agrees that it has heretofore established and that it will at all times, and from time to time, prescribe, issue and revise rates and collect fees and charges for the services, facilities, and commodities furnished by the System, as now existing and as hereafter added to, extended and improved, to the extent necessary to generate funds sufficient at all times (i)

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to maintain and operate the System on a sound businesslike basis, (ii) to pay the required amounts into the Sinking Fund, and (iii) to create and maintain a reserve for extensions and improvements to the System, all in accordance with and in compliance with the terms of the 1959 Resolution and Prior Parity Bond Resolutions and this joint resolution.

In addition, the Authority hereby furthermore covenants and agrees to maintain rates, fees and charges sufficient to produce revenues remaining after payment of operating and maintenance costs of the System equal to not less than 120 percent of the amounts then required to be paid into the Sinking Fund. In the event that at any time such net revenues are not equal to at least 120 percent of the amounts then required to be paid into the Sinking Fund, the Authority is required to instruct its Consulting Engineers to make an appropriate study and recommend a schedule of rates, fees and charges deemed to be sufficient to meet these requirements.

In the event the Authority shall fail to adopt a schedule or schedules of rates, fees and charges, or to revise such schedule or schedules in accordance with the provisions of this Section, any bondholder, without regard to whether a default, as defined in Article VII of the 1959 Resolution, shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the Authority to adopt a schedule or schedules of rates, fees and charges, or to revise such schedule or schedules, in accordance with the requirements of the Prior Parity Bond Resolutions.

Section 17. Investment of Sinking Fund Moneys. It is further provided, however, that any money in the Sinking Fund not immediately required to pay the principal and interest maturing in any sinking fund year on all the obligations payable from said fund shall from time to time be invested and reinvested in securities that are direct and general obligations of the United States of America or are guaranteed by the United States of America as to both principal and interest and that mature within twelve (12) months after the date of purchase or that are redeemable at stated prices at the option of the holder. Any such securities so purchased shall be deposited with the Sinking Fund Custodian and held by it in trust until paid at maturity, redeemed or sold by the said Custodian at the direction of the Authority, and all increments thereof shall be immediately deposited in said Sinking Fund. The moneys in the Sinking Fund and all securities held in and for said Fund and the income therefrom were pledged and hereby are pledged to and charged with: (a) the payment of interest upon said outstanding Prior Bonds and the Series 2005 Bonds as such interest falls due; (b) the payment of the principal of such bonds at their respective maturities; (c) the redemption of all such bonds of each respective issue before maturity at the prices and under the conditions provided

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therefor in the pertinent joint resolution governing the redemption of the bonds to be so redeemed; (d) the purchase of any of such bonds in the open market; provided, however, such purchases may be made only from monies in excess of the required reserve therein as set forth in Section 12 hereof and not required to pay principal, interest or scheduled mandatory redemption payments and provided, further, the price paid for the Series 2005 Bonds shall not exceed the authorized call price for said bonds and the price paid for any of the outstanding Prior Bonds shall not exceed the authorized call price specified in the joint resolutions authorizing the respective issues; and (e) the payment of the necessary charges of the Paying Agent for paying such bonds and interest.

Section 18. Ratification and Reaffirmation of Provisions of Article IV of the June 11, 1959 Joint Resolution. All of the terms, covenants, conditions and provisions of Article IV of the 1959 Resolution, not herein specifically referred to are hereby declared applicable to and are broadened and extended so as to cover the Series 2005 Bonds and any future issue or issues of bonds ranking pari passu therewith and are hereby ratified and reaffirmed and are hereby adopted and shall for all purposes apply to the Series 2005 Bonds as if said bonds had been originally issued under authority of the 1959 Resolution, simultaneously with said Series 1959 Bonds.

Section 19. Ratification and Reaffirmation of Certain Other Provisions of the June 11, 1959 Joint Resolution. All of the applicable terms, covenants, conditions and provisions of Article V (except as hereinafter provided in Section 22), Article VI, Article VII, Article VIII and Article IX and each Section and covenant thereof of the 1959 Resolution, are hereby declared applicable to and are broadened and extended so as to cover the Series 2005 Bonds and are hereby ratified and reaffirmed as so broadened and extended and said terms, covenants, conditions and provisions shall apply, for all purposes, to the Series 2005 Bonds as if said Series 2005 Bonds had been originally issued under authority of the 1959 Resolution, simultaneously with said Series 1959 Bonds.

Section 20. Contract with Bondholders; Subsequent Proceedings. The provisions, terms and conditions of this joint resolution shall constitute a contract by, between and among the County, the Authority and the holders of said Outstanding Prior Bonds and the holders of the Series 2005 Bonds, and after the issuance of the Series 2005 Bonds this joint resolution shall not be repealed or amended in any respect which will adversely affect the rights and interests of the holders of said Prior Bonds and the Series 2005 Bonds, nor shall the governing body of the County or the Authority pass any proceedings in any way adversely affecting the rights of the holders so long as any of said

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Series 2005 Bonds, or the interest thereon, remain unpaid, unless provision for payment shall have been duly made.

No subsequent proceeding or proceedings authorizing the issuance of additional parity bonds with said outstanding Prior Bonds and the Series 2005 Bonds shall conflict with the terms, covenants and conditions of said Prior Parity Bond Resolutions or of this joint resolution, but shall for all legal purposes contain all the applicable covenants, agreements and provisions of said joint resolutions for the equal protection and benefit of all holders of parity bonds.

Section 21. Satisfaction of Liens. It is expressly covenanted and agreed that in addition to the covenants and provisions heretofore made in the 1959 Resolution and the Prior Parity Bond Resolutions, no security interest shall be created in or on the revenues of the System ranking prior to or equally with the lien created on said revenues to secure the payment of the principal of and interest on the outstanding Prior Bonds, the Series 2005 Bonds and any additional Parity Bonds issued pursuant to the terms of Section 15 hereof.

Section 22. Appointment of Paying Agent and Bond Registrar. SunTrust Bank, located in Atlanta, Georgia, is hereby designated as Paying Agent and Bond Registrar for the Series 2005 Bonds and said bank shall comply with all of the applicable terms, covenants, conditions and provisions of the Prior Parity Bond Resolutions and this joint resolution so long as any of the Series 2005 Bonds authorized herein, or the interest thereon, shall remain unpaid.

Section 23. Defeasance. The placement of sufficient moneys (such moneys to consist solely of cash or securities which are direct and general obligations of the United States of America) in the hands of the Sinking Fund Custodian or the Paying Agent, as the case may be, to pay all outstanding Series 2005 Bonds, or of any issue or issues of additional parity bonds then outstanding, and the interest due or to become due thereon, and also including any premium required to be paid should said issue or issues be called for redemption, or provision having been duly made therefor, shall constitute payment in full of said bonds of such issue or issues.

Section 24. Validation. The Series 2005 Bonds shall be validated in the manner provided by law, and to that end notice of the adoption of this joint resolution and a copy thereof shall be served on the District Attorney of the Clayton Judicial Circuit, in order that a validation proceeding may be instituted in the Superior Court of Clayton County and said notice shall be executed by the Chairman and attested by the Clerk of the

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Board of Commissioners of the County and executed by the Chairman and attested by the Secretary of the Authority.

The inclusion of the foregoing provisions shall constitute a continuing request from the County and the Authority to the Clerk of the Superior Court of the County to execute the certificate of validation on any replacement Series 2005 Bonds issued under the terms of this joint resolution.

Section 25. Ownership and Operation of System. So long as any of the Prior Bonds, Series 2005 Bonds or additional parity bonds are outstanding, the County will own and the Authority will operate the System.

Section 26. Authorization of Preliminary Official Statement and Official Statement. The use and distribution of the Preliminary Official Statement, a copy of which has been presented at this meeting and is on file with the Clerk of the County and the Secretary of the Authority, are hereby ratified. The use and distribution of the Official Statement, and the execution of the Official Statement by the Chairman of the Board of Commissioners and the Chairman of the Authority are hereby authorized, provided that the Official Statement is in substantially the same form as the Preliminary Official Statement. The execution and delivery by the Chairman of the Board of Commissioners and the Chairman of the Authority of a “deemed final certificate” required by Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, are hereby ratified and approved.

Section 27. Covenants of the County and the Authority with respect to the Tax-Exempt Status of the Interest on the Series 2005 Bonds.

(a) The County and the Authority each covenant that it will not take any action, or fail to take any action, if any action or failure to take action would adversely affect the tax-exempt status of the interest on the Series 2005 Bonds under Section 103 of the Code.

(b) The County or the Authority will not directly or indirectly use or permit the use of any proceeds of the Series 2005 Bonds or any other funds of the County or the Authority or take or omit to take any action that would cause the Series 2005 Bonds to be “private activity bonds” within the meaning of Section 141 of the Code or obligations which are “federally guaranteed” within the meaning of Section 149(b) of the Code.

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(c) The County or the Authority will not directly or indirectly use or permit the use of any proceeds of the Series 2005 Bonds or any other funds of the County or the Authority or take or omit to take any action that would cause the Series 2005 Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. To that end, the County and the Authority will comply with all requirements of Section 148 of the Code to the extent applicable to the Series 2005 Bonds. In the event that at any time the County or the Authority is of the opinion that for purposes of this Section it is necessary to restrict or to limit the yield on the investment of any moneys held under this joint resolution, the County and the Authority shall take such action as may be necessary in accordance with such instructions. Without limiting the generality of the foregoing, the County and the Authority agree that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code in accordance with Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series 2005 Bonds from time to time. This covenant shall survive payment in full of the Series 2005 Bonds and repeal of this joint resolution.

Section 28. Global Forms; Securities Depository; Ownership of Bonds.

(a) Upon the initial issuance, the ownership of each Series 2005 Bond shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, each maturity of the Series 2005 Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Beneficial Owners will not receive a bond from the paying agent evidencing their ownership interests. Except as provided in subsection (c) of this Section 28 hereof, the Series 2005 Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Authority and the County or to a nominee of such successor Securities Depository.

(b) With respect to the bond registered in the name of the Securities Depository or the Securities Depository Nominee, the Authority, the County, the paying

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agent and the Bond Registrar shall have no responsibility or obligation to any Agent Member or Beneficial Owner. Without limiting the foregoing, neither the Authority, the County, the paying agent, the Bond Registrar nor their respective affiliates shall have any responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository, the Securities Depository Nominee or any Agent Member with respect to any beneficial ownership interest in the Series 2005 Bonds;

(ii) the delivery to any Agent Member, any Beneficial Owner or any other person, other than the Securities Depository or the Securities Depository Nominee, of any notice with respect to the Series 2005 Bonds; or

(iii) the payment to any Agent Member, any Beneficial Owner or any other person, other than the Securities Depository or the Securities Depository Nominee, of any amount with respect to the principal, premium, if any, or interest on the Series 2005 Bonds.

So long as any bonds are registered in Book-Entry Form, the Authority, the County and the Paying Agent may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such bonds for all purposes whatsoever, including without limitation:

(i) the payment of principal of, premium, if any, and interest on such Series 2005 Bonds;

(ii) giving notices of redemption and other matters with respect to such Series 2005 Bonds;

(iii) registering transfers with respect to such Series 2005 Bonds;

(iv) the selection of bonds for redemption; and

(v) voting and obtaining consents under this Resolution.

So long as any bonds are registered in Book-Entry Form, the paying agent shall pay all principal of, premium, if any, and interest on the bonds only to the Securities Depository or the Securities Depository Nominee as shown in the bond

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register, and all such payments shall be valid and effective to fully discharge the Authority's and the County's obligations with respect to payment of principal of, premium, if any, and interest on the Series 2005 Bonds to the extent so paid.

(c) If at any time (i) the Authority and the County determine that the Securities Depository is incapable of discharging its responsibilities described herein, (ii) the Securities Depository notifies the Authority and the County that it is unwilling or unable to continue as Securities Depository with respect to the Series 2005 Bonds, or (iii) the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934 or other applicable statute or regulation and a successor Securities Depository is not appointed by the Authority and the County within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 28 shall no longer be applicable and the Authority and the County shall execute and the Bond Registrar shall authenticate and deliver bonds representing the Series 2005 Bonds to the owners of the Series 2005 Bonds. Series 2005 Bonds issued pursuant to this subsection (c) shall be registered in such names and authorized denominations as the Securities Depository, pursuant to instructions from the Agent Member or otherwise, shall instruct the Bond Registrar. Upon exchange, the Bond Registrar shall deliver such certificates representing the Series 2005 Bonds to the persons in whose names such bonds are so registered on the business day immediately preceding the date of such exchange.

Section 29. General Authority; Ratification of Prior Acts. Any officer of the County or the Authority is hereby authorized to execute and deliver any and all other documents and certificates as shall be necessary in order to carry out the transactions contemplated by this joint resolution, including, but not limited to a bond purchase agreement and a non-arbitrage certificate. All other acts heretofore taken by the County or the Authority in connection with the issuance of the Series 2005 Bonds, including but not limited to the execution and delivery of a 15c2-12 certificate, are hereby authorized and approved.

Section 30. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in any agreement authorized by this resolution shall be deemed to be a stipulation, obligation or agreement of any officer, director, member, agent or employee of the County or the Authority in his or her individual capacity.

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Section 31. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions and shall in no way affect the validity of any of the other covenants, agreements and provisions hereof or the Series 2005 Bonds.

Section 32. Repealing Clause. All resolutions or parts thereof of the Authority in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 33. Effective Date. This resolution shall be effective immediately upon its adoption.

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CERTIFICATE

I, Walter Marie Barber, Secretary/Treasurer, of the Clayton County Water Authority, DO HEREBY CERTIFY that the foregoing pages of typewritten matter constitute a true and correct copy of a joint resolution duly adopted by the Board of Commissioners of Clayton County and the Clayton County Water Authority, in a meeting of the Clayton County Water Authority duly assembled and at which a quorum was present and acting throughout, on the 3<sup>rd</sup> day of February, 2005, in connection with the issuance not to exceed \$69,000,000 in principal amount of Clayton County and Clayton County Water Authority Water and Sewerage Revenue Bonds, Series 2005, the original of which resolution is duly recorded in the Minute Book of said Authority.

WITNESS my hand and official seal of said Authority this the 3<sup>rd</sup> day of February, 2005.

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Title:

(SEAL)

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Staff recommends that the Board approve a motion not to exceed sixty-nine million dollars (\$69,000,000) for the bond program.

Chairman McQueen stated that Mr. Ed Wall, of Knox Wall, was present and asked if anyone had any questions.

Mr. Brannan added that there is one other issue that we need to discuss. Mr. Brannan stated that the Board has historically maintained a rate structure in order to keep a debt service coverage ratio of one and a half (1.5) to one (1). Our bond documents call for bond coverage of one (1) to one (1), which has hurt us as far as our rating with the rating agencies. Mr. Brannan is recommending to the Board, after discussion with Mr. Wall and his staff, to establish a debt coverage of one point two (1.2) instead of one (1) to one (1), which should help to improve our bond rating, which should lower the interest rate on the bonds.

Mr. Greene asked that Mr. McHugh show the debt ratio on his statistical report each month.

Mr. Wall stated that the coverage was a lot higher and when you issue bonds, the coverage will drop. The engineers report projects that it will be a 1.57 or 1.58 to 1. Since we are real conservative, we hope that it is going to be better than that.

Vice Chairman, Lloyd Joiner, asked if the Authority was trending well above 1.5 all the time. Is it a steady line?

Mr. Wall answered that the Authority has been steady since 1955. Mr. Wall stated that the Authority has an internal policy never to drop below 1.5 and Mr. McHugh will tell the Board every month where the Authority is to meet this coverage.

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

RESOLVED: to adopt Resolution 2005-2 which is a parameter resolution authorizing the issuance of bonds not more than sixty-nine million dollars (\$69,000,000), at a rate not more than six and one half percent (6 1/2%) and changing a debt coverage ratio from one point zero (1.0) to one point two (1.2).

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Mr. Wall stated that this allows us to get in the validation process in Superior court. We will come back to you next week or the week after and set the actual interest rate. We expect the actual bond issue size to be about sixty-five million dollars (\$65,000,000).

Mr. Brannan added that we would have to call a called meeting at that time.

Divine Faith Ministries Sewer Request: Chairman McQueen called on Mr. Brannan who stated that the Authority has been working with the Divine Faith Ministries, located on Tara Boulevard just north of Mundy's Mill Road, and showed the Board slides explaining their request for assistance in obtaining easements and construction costs of connecting to our sewerage system.

#### M E M O R A N D U M

To: Wade Brannan  
From: Keith Watkins  
Date: January 13, 2005  
Re: Divine Faith Ministries Sewer Line

#### Divine Faith Ministries

1664' 8" Gravity sewer line @ \$ 35.00 per foot	\$ 58,240
162' Road Bore @ \$ 150.00 per foot	\$ 25,200
Total Estimated Construction Cost	<b>\$ 83,440</b>

It is estimated to require 3 or 4 sanitary sewer easements for sewer construction.

The Authority had worked with the church earlier to get this sewer line extension in, but because of an opening deadline they elected to go ahead and build a temporary septic system to serve the church. The church now has plans to expand and cannot continue to be on that septic system.

The church had completed the engineering work at that time. The church is now ready to start construction on this sewer line, which will require some easements. The Authority has estimated that the cost of this line is roughly eighty-three thousand four hundred forty dollars (\$83,440). The church has asked the Authority for assistance and our policy has been twenty-five percent of the construction cost to extend a line like this.

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This will allow the Authority to pick up some additional customers along this line. Mr. Brannan stated that any cost for rock or cost associated with easement acquisitions would be paid by Divine Faith Ministries.

Mr. Brannan stated that he brings this before the Board for their consideration to allow us to participate at twenty-five percent (25%) of the construction costs, no rock, no easement acquisitions, no condemnation costs, not to exceed twenty-two thousand dollars (\$22,000). If the Authority agrees to participate, the Authority would bid the project so the contractor would have to meet our insurance and bonding requirements.

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

RESOLVED: to accept management's recommendation to participate in the sewer line extension for Divine Faith Ministries at twenty-five percent (25%) of the construction costs, no rock, no easement acquisitions, no condemnation costs, not to exceed twenty-two thousand dollars (\$22,000).

Upon Motion by Lloyd Joiner and seconded by John Westervelt it was unanimously

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

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

Mr. Brannan showed the Board a slide of the 0.02 acres (asphalt driveway) on Battle Creek Road adjacent to the Headquarters Office that David J. Pearson and Timothy P. Jones wished to donate to the Authority. Mr. Brannan recommended that the Board approve this transaction.

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

RESOLVED: to accept the 0.02 acres (asphalt driveway) on Battle Creek Road adjacent to the Headquarters Office that David J. Pearson and Timothy P. Jones donated to the Authority.



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Mr. Brannan and Morris Kelly, Director of Customer Accounts, explained to the Board the details of the break in at the Forest Park office and informed them of the improvements that have been made since that time. EE Armored Protection is the security company for the Forest Park facility and has repaired the current security system at that facility along with adding some motion detectors and relocating the control panel for the system. RTA, who is a sub-contractor with the company that supplies the Authority with fobs, is the new vendor that the Authority is using to install security measures here at the Main Office facility and will also be taking care of the Forest Park facility in the future.

Mr. Hicks stated that our crime insurance deductible is ten thousand dollars (\$10,000) and the property coverage deductible is twenty-five thousand dollars (\$25,000) and we will be filing a claim for this loss.

Board member, Wes Greene, asked Mr. Kelly if the Authority is online for payment of our water bills.

Mr. Kelly answered that currently the Authority has merchant agreements with CheckFree and Metavante, who are vendors that our customers can go on their web site and make payments, and then the payments are sent to the Authority electronically. With Suntrust Bank, which we are currently in the process of changing to, the Authority will be able to receive a lot more payments that way without those necessary merchant agreements. Also, with the implementation of the new CIS system we have coming, that will be a specification that our web site will enable the customer not only to send us a payment, but to be able to view their account, and do additional self-service online. We currently have automatic bank draft in place that the customer can sign up for.

Mr. Brannan stated that he would like to give some background information on the customers on Taylor Road. Back in December of 2003 their bill was current. There are thirty-six (36) units in this condominium development off Taylor Road and the plumbing has deteriorated. The Authority has one meter serving the entire development. They have had different plumbers coming to do spot repairs, but because of the deteriorated plumbing system they never did completely get it fixed and their bill continued to escalate. The Authority made two adjustments for them back in February 2004 in the amounts of \$1,937 and \$488. Since that time, their bills have continued to be higher than normal.

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This month they came in to talk to Mr. Brannan about their delinquent water bill which had gotten up to \$28,000. They had missed two months, October and November, having not made a payment and we were about to cut them off.

They talked to our customer service staff and ended up talking to Mr. Brannan. They are good folks and are sincere about paying their water bill, but have had a difficult time paying it. After talking to them, Mr. Brannan explained that the Authority would make another adjustment on the two highest bills. This adjustment reduced their January bill to twenty-six hundred dollars (\$2,600).

Chairman McQueen asked how much the adjustment was.

Mr. Brannan stated that the adjustment was about twenty-two hundred dollars (\$2,200). Mr. Brannan explained to the customer that they would have to pay this twenty-six hundred dollars payment, plus a thousand dollars on the delinquent amount that they owed. Mr. Brannan added that the next month they would have to pay their current bill and another thousand dollars on the delinquent amount and then the remainder of the balance over the next ten months. Mr. Brannan thought that this would give the Taylor Ridge customer time to have the plumbing repairs made to the system.

Mr. Brannan explained that the customer would still have a high bill for February. The Taylor Ridge customers did not want to pay their water bill in February while they repair their system. Mr. Brannan told them that they could not just ignore the February bill. Because of the financial situation that the customer was in, they wanted to go beyond the twelve (12) month time frame. Mr. Brannan explained that the Board had set policy, but if they wanted to go beyond the twelve (12) months, it would have to be settled by the Board.

Mr. Greene stated that this customer called him this morning and wanted the Authority to look at not charging him for the sewer charges during this time.

Mr. Brannan stated that the customer wants the Authority to adjust all the sewer charges because he feels that the sewerage did not get into the sewer system. Mr. Brannan added that the Authority has a policy established to make adjustments to water and sewer charges.

Mr. Greene stated that the problem is that the system has been leaking for a number of years and instead of going ahead and repairing the whole system, they have been patching it. They have been attempting to try and fix the problem and

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have had different plumbers come out and different plumbers would identify certain areas where the problem was, but did not realize that the whole system was in such dire condition. Now, they have agreed to redo the whole system which will cost them fifteen thousand dollars (\$15,000) and our staff is doing the repairs.

Mr. Brannan stated that it is his understanding that Taylor Ridge is employing some of our staff on weekends to do the repairs for them.

Mr. Hicks added that the Authority personnel could only work on the weekends and this was slowing the customer in getting the repairs done as quickly as possible, while the leak was going on all the time.

Mr. Joiner asked if the customer had a time frame for getting the system repaired and do they know for sure that the repairs will cost fifteen thousand dollars (\$15,000).

Mr. Greene stated that the customer told him that the repairs would be complete by the end of February and that the cost would be fifteen thousand dollars (\$15,000), but the fifteen thousand depleted every penny that they had.

Mr. Brannan stated that the Authority would make an adjustment to this customer's February bill and the next highest bill and apply all of that to February and give them eighteen (18) months to pay out the remaining balance, which is the same policy that we have now.

The Board agreed to this plan for Taylor Ridge.

Mr. Fincher asked why this account did not appear on the past due account report.

Mr. Kelly stated that this customer had made a payment.

Mr. Brannan stated that Mr. Kelly and his customer service staff were doing their best to keep up with all these company accounts to be sure that we cut them off correctly, but this is one thing that will need to be addressed in the budget. There are more accounts like this than we can get to because Mr. Kelly is working on accounts that are bigger than this one. Mr. Kelly is going to need some additional help to be able to accommodate the load.

Mr. Brannan added that because of the economy the Authority is seeing more and more of these delinquent accounts.

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Chairman McQueen commented that Board member, John Westervelt, was going to have to leave and asked if there was anything else that was pressing that needed to be brought up before he had to go.

Mr. Brannan stated that the Authority received a letter from EPD regarding our sewer spills during the last six months of last year. They have a “no tolerance” policy and the Authority is fined for each overflow. The Authority had seventeen (17) spills that amounted to an eleven thousand dollar (\$11,000) fine.

Mr. Chafin asked how the EPD knows that we have a spill.

Mr. Brannan replied that the Authority tells the EPD about the spills. A lot of systems do not report their spills. During the ice storm, the Authority lost power at the Jackson transfer pump station. The rented backup generators were supposed to kick on when the power goes out, but because of a mechanical problem they started then shut down causing the spill of eight and one half million gallons (8.5M) at Jackson. Mr. Brannan stated that the generator people should pay the fine from the EPD. Since the spill, one of the two generators from the Southern Company, which are the permanent generators, has been installed and the other one should be here next week. The rented generators will be gone. Mr. Brannan added that our staff had called the company about checking the cooling system on one of those generators within the last week because we noticed that the fluid was low in it. The company had been out to the site and their own technician wrote in the report that the coolant system messed up.

Chairman McQueen added that the Authority had paid two hundred fifty thousand dollars (\$250,000) for these rented generators.

Mr. Brannan stated that work to correct the sewer line problem that the Authority had on Frontage Road has been completed except for some patching and relining of some of the lines. The Authority will try to finish everything up on this job in the next couple of weeks and Mr. Brannan will get a total cost analysis of what it cost to make that repair.

Staff will have the budget document to the Board sometime around the 24<sup>th</sup> of this month and then sometime in March we will need to have a called meeting to review the budget.

Chairman McQueen asked the Board to look at their calendars and at the next Board meeting they will set up a time for the budget hearing which usually takes a morning to review. This meeting is usually at the Smith CUB with lunch served.

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Mr. Brannan reminded the Board of the Chamber of Commerce Banquet this Saturday night.

Mr. Brannan stated that on the 22<sup>nd</sup> of this month, the Authority will be hosting a minority contract forum to inform contractors, that are not familiar with how to do business with the Authority, how to. The School Board, County and all cities have been invited to participate in this forum. This forum will be held in the Commissioners Board Room at 6:00 P.M.

Mr. Brannan wanted to remind the Board that the Authority had about sixty (60) customers in Henry County that were taken off our system and put on the Henry County system now that their lines are in that area. This is good for the Authority in that we do not have to maintain the services or read the meters. As Henry County develops their system, we will try to relinquish more of these customers to the Henry County system.

Chairman McQueen stated that he did not realize that the DA usually signs off on our bonds, so Mr. Brannan went down to meet with Jewel Scott, the District Attorney.

Mr. Brannan stated that he, Mr. Hicks, Richard Woodward from King & Spalding, and Steve Fincher and Mike Williams from Fincher & Hecht, had gone down to see the DA because she had not been involved much at this point in bond validation. They went over what the bond program was about, the projects that are in the program, why we were borrowing the money, how much money we were borrowing, what we were going to do and explained that this was part of the 2000 Master Plan and brought her up to speed on where we were. Ms. Scott was very appreciative of us coming down and doing that.

Mr. Brannan also had some questions asked about the projects, as far as minority contractors were concerned, and how those contractors would be incorporated into that bidding process. He explained to Ms. Scott that in our bid documents we will have a section with a statement regarding minority contracting letting bidders know that the Authority expects them to incorporate local and minority contractors into the projects as much as possible. This will be in writing and then we will reemphasize this at the pre-bid meetings and verbally stress that information to the bidder. After the job is awarded, we will monitor that information monthly so that we know who they are and who is working on the project.

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Ms. Barber asked about the man that appeared before the Board last month.

Mr. Brannan stated that he needed to call him back, but did respond to his request and did do what the Board had authorized.

Upon Motion by John Chafin 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.

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Pete McQueen, Chairman

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Walter Marie Barber, Secretary/Treasurer