

CLAYTON COUNTY WATER AUTHORITY
1600 Battle Creek Road
Morrow, Georgia 30260

Regular Board Meeting, June 3, 2004

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, J. Alan Horton, Allan R. Smith, and John Westervelt. General Manager, M. Wade Brannan, Deputy Manager, Terry R. Hicks, Department Managers, Guy Pihera, Herbert Etheridge, Mike Thomas, Teresa Adams, 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, Network Administrator, Chris Sims, Human Resources Director, Ed Durham, Administrative Secretary, Dianne Hammock, Executive Secretary, Janet Matthews. Also present were: Ron Baum, of Grant Thornton, George Harper, Southside Developers, Winston Denmark, of Fincher & Hecht, L.L.C., Geri Dickerson and Darrell Thomas of CH2M Hill, Farrar Wood, of Jim Wood & Associates Public Relations. CCWA employees: Mike Gaylor, Ron Haney, Mike Taylor, Mike Polite, Leroy Duffey, Gene Durham, Rocky Autry, Renee Dumas, Judy Love, Jim Quattlebaum, Stephen Tarpley, Bruce Taylor, Jim Haynie, and Jep Palmer.

Chairman McQueen, on behalf of the Board of Directors, welcomed everyone to the meeting, especially any visitors in the audience and also any employees.

Chairman McQueen called on Leroy Duffey, custodian from the J. W. Smith Plant, to give the invocation.

Chairman McQueen stated that today the Board has Geri Dickerson from CH2M Hill who is here in Rick Hirsekorn's place.

Chairman McQueen welcomed Winston Denmark who was here today representing the law firm of Fincher & Hecht.

Approval of Minutes: Chairman McQueen called for any omissions or additions to the Regular and Executive Session Board Meeting Minutes of May 6, 2004. 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. Mr. McHugh reported that the prior year figures received last week by the Board were incorrect, but the report before the Board today does contain the correct

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information. This report was received for information with some discussion from the Board.

Chairman McQueen called on Mr. Ron Baum of Grant Thornton, who addressed the Board regarding the FY 2003 audit report from his firm.

Grant Thornton finished the bulk of their fieldwork and their reports are dated December 12, 2003, which tells you a little about the audit process. Mr. Baum explained that because of the work involved in the software conversion that the Authority was involved in, the staff was unable to deliver to Grant Thornton the detail to complete the audit in a timely manner. The reports actually were issued at the end of February due to some of the details not being available to Grant Thornton. Mr. Baum stated that his firm was fairly comfortable that the Board members knew the difficulties that they were having.

Chairman McQueen assured Mr. Baum that the Board had been aware of the concerns.

Mr. Baum stated that he can report to the Board that on a daily basis the collection of monies and the payment of monies are in order and he is not concerned with the basic integrity of the financial side of the Authority. Mr. Baum added that there were a significant number of items involving the bond issue of April 2003 that had to get sorted out. Fixed asset records in the JD Edwards software were implemented last year, which created some delay. Mr. Baum stated that the normal everyday operations of the Water Authority are very comfortable. Mr. Baum asked if there were any questions from anyone on the Board.

Mr. Brannan stated that during the implementation of the software process over a two or three-year period, our staff had to work on trying to implement the financial software, plus keep up with the records and the old system at the same time. It did create some problems for the Authority as far as cleaning up and going through the audit, but Mr. Brannan thinks that Mr. Baum's staff and the Authority's staff did a commendable job. The Authority has looked at some issues, such as adjustments that we did at the end of the year, that Mr. Baum had mentioned to us. The Authority appreciates Mr. Baum coming to share this information with us, but for the most part that the software process is behind us now and we do not anticipate any such problems with the current audit.

Mr. Brannan added that Mr. Baum had a good recommendation to form an audit committee of the Board who would sit with the staff and go through our audit process before they get started each year. Then if there are issues that management needs to look at during the process, and also when it is completed, they could keep

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the Board informed through the individual that was appointed from the Board to that committee.

Chairman McQueen stated that he had seen a copy of this report from Grant Thornton and added that he had asked Mr. Baum to be here today. Chairman McQueen asked if Mr. Baum and his firm, Grant Thornton, are comfortable with the basic day-by-day operation of the Authority.

Mr. Baum added that during the implementation of the software a lot of Authority staff time was absorbed in the implementation process, but Grant Thornton is comfortable with the daily function of the Authority.

Board member, Wes Greene, wanted to understand better what Mr. Baum was saying. Mr. Greene stated that he understands that the software was not comparable software that the Authority went with, but is there anything major that the Authority lost in the transition.

Mr. Baum stated that it took a while to get it, but the Authority was able to finally complete the software conversion and provide the information that Grant Thornton required to complete the audit.

Mr. McHugh stated that now accounting is actually preparing financial statements and the Authority has had some accounting standard changes. Mr. McHugh added that an auditor, such as Grant Thornton, is actually hired to provide an official opinion of whether the financial statement clearly presents the financial condition of the Authority. It is real difficult when Grant Thornton is putting the financial statement together and then is asked to give their opinion that the statement is correct. The accounting staff will now prepare the financial statements and have control of the process and will have the audit approved by an outside auditing firm. This is the direction that the Authority is now taking in reporting for the annual audit. Mr. McHugh added that there were some software problems, staffing, and communication problems, just a lot of things that happened at that one time that impacted the entire process.

Mr. Brannan stated that the Authority's accounting section has received an award for their accounting records for the last fourteen years. When management asked the staff to implement the financial software, they implemented this new software while still working their regular forty-hour week. Mr. Brannan complimented our staff for all their hard work and thanked Mr. Baum for what his company did.

Mr. Greene thanked Mr. Baum for his integrity and honesty.

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Chairman McQueen asked if there were any more questions of Mr. Baum. There were none. Chairman McQueen thanked Mr. Baum for being here today.

Chairman McQueen stated that if the Board needs to appoint a committee to work with Mr. McHugh on the audits, in the future, management is to let the Board know and a committee will be formed.

Employee Recognition: Chairman McQueen called on Mike Thomas, Manager of Program Management and Engineering, who wanted to recognize Jim Quattlebaum, our lead GPS Surveyor. Mr. Quattlebaum has been in the surveying business for a number of years and has worked really hard to get his professional license. To receive this license takes a lot of years of experience and you have to pass a couple of very difficult tests. Jim has accomplished this in an environment where he has learned on his own. Mr. Brannan is a surveyor, but really did not have time to mentor Mr. Quattlebaum in this process. Mr. Thomas stated that he is really proud of Mr. Quattlebaum for receiving his registered surveyor's license. The Authority now has two registered professional engineers and a registered surveyor. Mr. Thomas wanted to congratulate Mr. Quattlebaum for all his hard work in attaining his license. Mr. Quattlebaum received a round of applause from those in attendance.

Chairman McQueen, on behalf of the Board, thanked Mr. Quattlebaum for all his hard work and stated that the Board appreciates employees going above and beyond their regular duties to do things like this, which makes for a better Authority.

Plant Award Recognition: Chairman McQueen called on Guy Pihera who stated that present today is staff from all three water production facilities. Mr. Pihera stated that the Smith Plant has won the Gold Award from GW&PCA for complete permit compliance for the year 2003. This is not the first year that the Smith Plant has done this, having done this many times in the past. There has been only one year since the Gold Award was created that the Smith Plant did not win and that was because the plant withdrew one tenth of a million more from the lake than they should have because of a metering error. This will be significant when we get on to another award.

Mr. Pihera introduced the staff from the Smith Plant represented here today, Jim Haynie, Class I operator, Mike Taylor, Class II operator, Rocky Autry, Class II operator, Mike Polite, who is an operator in training, and Leroy Duffey, who is our custodian. Mr. Pihera presented the gold award to these employees and asked them to gather together for a picture. The Board gave them a round of applause.

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Mr. Pihera next recognized the Hooper Plant and introduced Stephen Tarpley, who is the Plant Supervisor. Mr. Tarpley's plant has been awarded the Platinum Award by the GW&PCA, which is at least five years of total compliance with permit operations. Mr. Pihera added that this award has a six on it, so that means that the Hooper Plant has been in total compliance for the six years that the Gold Award Program has been in place. Mr. Pihera congratulated Mr. Tarpley and the Board gave him a round of applause. Mr. Farrar Wood with JWA, our Public Relations firm, took pictures of Mr. Tarpley and Mr. Pihera.

Mr. Pihera also mentioned that what is significant of this award is that for the last three years Mr. Tarpley's plant has been in some type of renovation process. To keep the plant running as well as we have for the past three years is a feat. Mr. Pihera thanked Mr. Tarpley.

Chairman McQueen spoke up before some employees were leaving to tell them how much the Board appreciates this award and appreciates all that they do everyday at these plants. It makes our job as a Board member a lot easier when you do an outstanding job like this and the Board appreciates it.

Mr. Pihera added that the final plant that he wanted to recognize today was the Freeman Road Complex. Mr. Pihera asked that the employees representing the Freeman Road Plant to come up. Mr. Pihera introduced Gene Durham, Class I operator, and Mike Gaylor, the Plant Supervisor. Mr. Pihera stated the Freeman Road Plant has been awarded the Gold Award for the GW&PCA for 2003 for total compliance. Freeman Road has only been in existence for four years, so it could not have earned the Platinum Award yet, but they will have it before long.

Additionally, and we have saved the best for last, Freeman Road Production Plant has been awarded from GW&PCA, the best operated plant in their size category. So, they have been voted the best in the state by GW&PCA in the size of five to fifteen million gallons per day facility. Pictures were taken of Mr. Gaylor and Mr. Pihera. A round of applause was given Mr. Gaylor.

Chairman McQueen stated how much the Board appreciates all of these awards and all the hard work that has resulted in this recognition for our plants. Chairman McQueen commented that these awards should appear in the paper to make the public aware of our outstanding plants and our excellent employees that run these plants.

Chairman McQueen asked Mr. Pihera if he would give the water report while he was up. Mr. Pihera stated that there has not been much rain lately, as everyone knows, and this year the Authority is nine point three inches (9.3") below normal. Last year, at this time we were three and one half inches (3 ½") above normal. This

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tells you that last year was a lot wetter than this spring. Our production has increased because of that and we are twelve point six percent over production of May 2003. Customers are using more water. Our reserves are at ninety-seven percent (97%). We are pulling from the Flint River what we are allotted to and we are staying near the full mark. A couple of good thunderstorms, and we will fill those reserves right back up.

Board member, John Westervelt, asked Mr. Pihera to give the Board an update on our Groundwater wells. Mr. Pihera stated that the Authority has one well that is in development and we expect to have that well operating the first part of July. Mr. Westervelt asked if the Authority is getting any water from the wells at this point. Mr. Pihera answered that “no, we are not getting any water”, but the Authority does have one well that we can turn on and put raw water into Blalock Reservoir if that reservoir starts to drop, but it is not a finished water production well.

Employee Service Recognition: Chairman McQueen called on Terry Hicks who stated that he had two employees to recognize today. Mr. Hicks introduced Ron Haney, who works in our General Services Department as a Lead Maintenance Mechanic. Mr. Haney is one of the employees that came to the Authority in 1994 from the Forest Park system, having started in April of 1989 with Forest Park after some time in the army in the engineering area. Mr. Haney graduated from College Park High School and as Mr. Hicks was looking back in his folder, Mr. Haney was hired as a laborer at Forest Park, then went into maintenance mechanic, and has moved up to lead maintenance mechanic with us. Mr. Hicks stated that Mr. Haney’s daily duties, and the crew he works with, deal with all of the equipment that is located in our plants and keeps that equipment going. With the improvements and renovations of our plants, and the utilization of the SCADA system and other new electronic systems, Mr. Haney and his crews are having to learn new techniques and develop training skills to handle new applications that will be expected of them. Mr. Haney has taken the lead and has been attending classes for computer training for our maintenance management system that will be put in place soon and time entry training for payroll, which will be very helpful as the Authority moves into more computerized type plants. Mr. Hicks thanked Mr. Haney for his fifteen years of service. The Board gave Mr. Haney a round of applause.

Mr. Hicks next introduced Judy Love, who was raised in Maryville, Tennessee and moved to Clayton County in 1966, came to work for the Authority in May of 1989 in Customer Service and has been in that department for the fifteen years that she has been with us. Mr. Hicks stated that the Authority’s customer base has more than doubled since Ms. Love has been here and Ms. Love probably feels as if she has talked to any one of our customers several different times. The Board can see the Customer Service folks when they come in the door. Ms. Matthews

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worked down there for a year or so, and Mr. Hicks added that that area was an area that he wanted to shy away from and he has. Our customers usually do not come up to our Customer Service personnel to congratulate them on our rate structure or how they love their water bill, but it is usually the other way around. Mr. Hicks added that Ms. Love has moved into the computer end down there helping customers with purchasing water meters, paying invoices for waterline jobs, and also taking payments, which are all handled at the front counter. Ms. Love has also gotten involved with learning the new J. D. Edwards software. Mr. Hicks thanked Ms. Love for all her dedication and her ability to serve all our customers so well. The Board gave Ms. Love a round of applause.

Mr. Brannan commented that Ms. Love is an all-star customer service person. Mr. Brannan stated that Ms. Matthews knows that if she were to get hung up down there, she would grab Judy Love and Judy would get her out of the pit. Mr. Brannan added that Judy does not call very often, but when Judy calls, you know it is bad. Mr. Brannan added that he really appreciates Judy and all the Customer Service personnel.

Chairman McQueen thanked Ron and Judy for what they do for the Authority.

Board member, Wes Greene, commented that the “best operated plant” in the state was a major award and that maybe the Board should look at giving a “Gung-Ho” award.

Chairman McQueen suggested to Mr. Wood, with JWA, that an article on this award would probably make it to the front page of the paper. Mr. Wood stated that he would try.

Mr. Pihera stated that the operators at that plant do receive an award for this honor, a twenty-five dollar certificate, along with a “Gung-Ho” award to all the staff at that facility.

2004 Deer Management Recommendations: Chairman McQueen asked Mr. Pihera to continue with the Deer Management Recommendations. Mr. Pihera stated that the operation of the Deer Management Program is now his responsibility, after the retirement of Dennis Hammock. The brains and brawn behind the whole deer hunt is Jep Palmer, Recreation Area Coordinator. A while back, Mr. McQueen, Mr. Brannan, Jep and Guy met to discuss the changes that Mr. Pihera and Mr. Palmer wanted to make to the program, designed to harvest deer but also to reduce some of the costs.

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2004 RECOMMENDATIONS FOR CHANGES TO THE
OPERATION OF THE DEER MANAGEMENT PROGRAM
5/17/04

We have implemented the deer harvest program eight years from 1996 to 2003 and have harvested 1,366 deer of which 623 were sexually mature does. 142 deer were harvested during the 2003 season. The program has been a success in two categories public relations and the overall goal of deer herd reduction. Annual harvest totals are declining (due to the lower deer population) resulting in an increasing cost per harvested deer.

We recommend the following three changes to the 2004 operation that should increase income and reduce the overall cost of the hunts.

Proposed Change In 2004:

1) Employees of Clayton County Water Authority will be required to volunteer at the check station for four hours or pay \$50.00 to retain hunting privileges on Authority property.

Benefits of Requested Changes: Forty-five employees hunted Authority Property in 2003. Forty-five employees volunteering for four hours each in 2004 will result in 180 hours and savings of \$4,493.00.

2) We recommend adjusting the season hunt fee for approved guests from \$100.00 to \$150.00 (\$50.00 increase). Season guests that are employees of other Clayton County Government Agencies will pay \$50.00 to hunt the property.

Benefit of Proposed Change: 72 season guests paid in 2003. Similar numbers in 2004 will result in \$3,600.00 in additional income. In 2003 twenty Clayton County Government Agency employees hunted the site. The proposed \$50.00 fee for county employees will result in \$1,000.00 additional income. A total of \$4,600.00 additional revenue may be generated by these changes at 2003 participation levels.

3) We recommend reducing the number of hunts from fourteen to twelve, eliminating the last two hunt weekends in December.

Benefit of Proposed Change: Eliminating the last two hunts would reduce the overall cost by approximately \$5,362.00. Participation in the deer hunt is minimal during the last two weekends in December. Operational costs for the deer hunt during this time remain at normal levels with very few if any deer being harvested.

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By combining these three steps: volunteer, fee increase and reduced season, we should accomplish our overall goals of: deer herd control, providing a quality hunt experience for the public and reduction of the overall cost of the operation.

Summary of reduction in overall cost:

Operational cost reductions from employee volunteer work:	\$4,493.00
Elimination of two hunts:	\$4,600.00
<u>Increased income from season hunt fee increases:</u>	<u>\$5,362.00</u>
Combined projected reduction and increased income in 2004:	\$14,455.00

Jep Palmer
 Recreation Area Coordinator

Guy Pihera
 Water Production Manager

Mr. Pihera stated that he and Mr. Palmer recommend three changes to the program. The first recommendation is that employees of the Clayton County Water Authority will be required to volunteer at the check station for four (4) hours or pay fifty (\$50) dollars to retain hunting privileges on Authority property. The second recommendation is to adjust the season hunt fee for approved guests from one hundred dollars (\$100) to one hundred fifty dollars (\$150). Season guests that are employees of other Clayton County Government Agencies will pay fifty dollars (\$50) to hunt the property. The third recommendation is reducing the number of hunts from fourteen (14) to twelve (12), eliminating the last two hunt weekends in December. Mr. Pihera stated that if these three changes are implemented the combined projected reduction in cost and increase in income for 2004 will be approximately fourteen thousand four hundred fifty-five dollars (\$14,455) if the numbers stay like they were last year. Mr. Pihera asked the Board for approval of the three changes to the Deer Management Program as presented.

Board member, Alan Horton, asked how much was the cost to operate the deer hunt.

Mr. Pihera stated that the cost last year was thirty-seven thousand five hundred thirty-six dollars (\$37,536).

Mr. Brannan stated that that cost was less than the Authority would have to pay to hire someone to come in and harvest the deer. The Authority has been pretty successful the last couple of years with a goal of taking two hundred deer off site, but it is getting harder for people that are hunting the site to get two hundred deer. Mr. Brannan added that these changes do not affect the people's ability to participate in the hunt, if they want to participate, and we still accomplish the reduction in the deer herd on site, and we do not have to hire someone to come in and harvest the deer. Mr. Brannan stated that with the Board's approval, the

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Authority would try this and see what kind of yield we get out of all the property this year and then we will bring it back to the Board next year.

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

RESOLVED: to accept the recommendation of the staff to implement the three changes to the Deer Management Program as outlined.

Chairman McQueen thanked Mr. Palmer for what he does for the Authority and the good job that he did on reporting the statistics from the deer hunt this season.

Grant Road Trenchless Pipe Bid Recommendation: Chairman McQueen called on Herbert Etheridge, Manager of Maintenance and Construction, to report on the Grant Road Trenchless Pipe Bid Recommendation. Before Mr. Etheridge discussed Grant Road he wanted the Board to know some information in regard to our leak detection equipment. Mr. Etheridge stated that the Board should have received last week in their Board meeting packet information on our leak detection equipment, which Mr. Greene had asked about last month. At the upcoming AWWA conference in Orlando, Mr. Bud Reed of Flow Metrix, CCWA's Leak Detection Vendor, will be officially introducing a system called M Log and explaining how this system could be beneficial to our leak detection program.

Mr. Etheridge stated that about three years ago the Authority started lining sanitary sewer lines with an epoxy liner, but in some instances, that was not possible, and the Authority has such a situation at Grant Road and I-675. Mr. Thomas, who bid this project six or seven months ago, tried to re-bore this line that had partially collapsed. Through slides, Mr. Etheridge explained the technology for this type of repair. Mr. Etheridge stated that staff recommends that this annual contract be awarded to Southern Products, Incorporated the low bidder, in the amount of one hundred fifteen thousand nine hundred eighty-five dollars (\$115,985) contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents. Staff also recommends assigning a project under this contract for the replacement of 444' of Sewer main near Grant Road to Southern Products in an approximate amount of ninety-five thousand dollars (\$95,000). The 2000 bond issue would fund this project. Mr. Etheridge also asked that with very little difference in the bids, if any problem arises that the Authority could go with the next lowest bidder, Roland Pugh Construction, Incorporated in the amount of one hundred twenty thousand one hundred thirty-five dollars (\$120,135).

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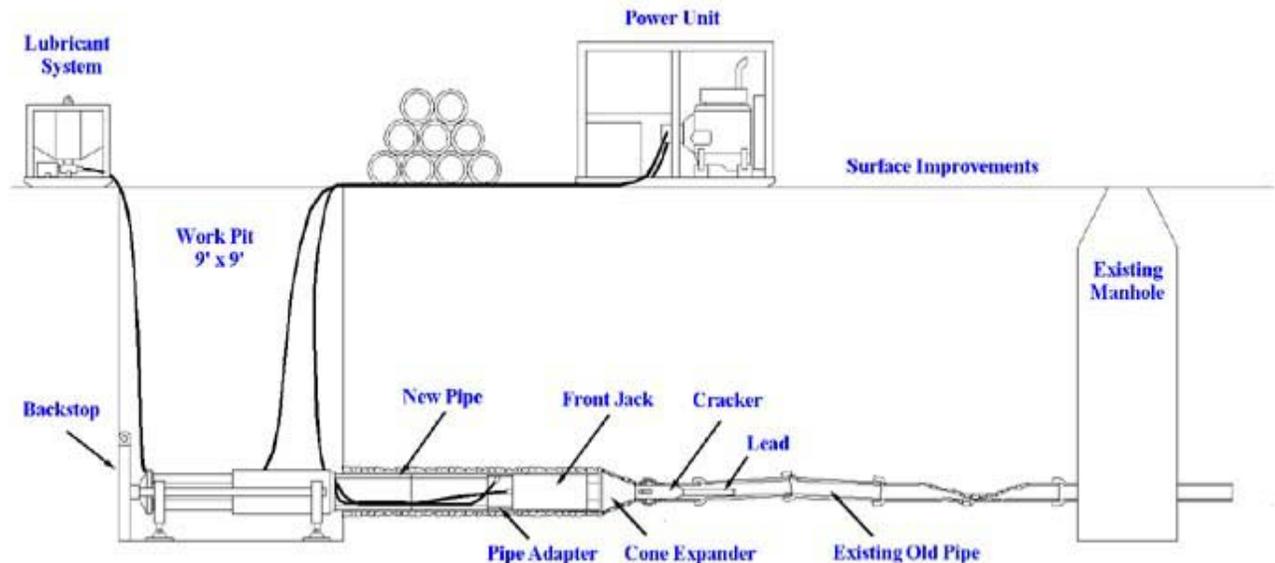
Trenchless Pipe Replacement
 Tab Sheet
 May 2004

VENDOR	BID
Roland Pugh Construction Inc. Attn: Ed Yessick 1280 Powder Plant Rd. SW Bessemer, AL 35022	\$ 120,135.00
Rockdale Pipeline P. O. Box 1157 Conyers, GA 30012	No Bid
W.L. Haley & Co. 2436 Cheshire Bridge Road. NE Atlanta, GA	No Bid
Southeast Pipe Survey Attn: Randy Worden 3523 Williams St. Patterson, GA 31557	No Bid
Reynolds Inc. 121 Roberts St. Fairburn, GA 30213	No Bid
Insituform Technologies P. O. box 1837 Lexington, SC 29071-1837	No Bid
Portland Utilities Construction Company LLC 1849 Candy Lane Southwest # D Marietta, GA 30008	No Bid
John Plott Company Inc. 2804 Rice Mine Rd. NE Tuscaloosa, AL 35406	No Bid
Southern Products, Inc. Attn: Hugh Ivey 2524 Lithonia Industrial Blvd. Lithonia, GA 30058	\$ 115,985.00

Recommendation: The CCWA Staff recommends that this Annual Contract be awarded to Southern Products, Inc. We also recommend assigning a project under this contract for the replacement of 444' of Sewer main near Grant Rd to Southern Products in an approximate amount of \$95,000.00.

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Trenchless Pipe Replacement



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

RESOLVED: to accept the recommendation of staff to award the annual contract for Trenchless Pipe Replacement to the low bidder, Southern Products, Incorporated, in the amount of one hundred fifteen thousand nine hundred eighty-five dollars (\$115,985), contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents. The Board further resolved that in the event that Southern Products, Incorporated, could not meet the Authority's requirements, the next lowest bidder Roland Pugh Construction, Incorporated would be used as long as they met all the Authority's requirements.

Mr. Greene asked how old this pipeline was. Mr. Hicks stated that installation had been in the early 1980's.

Mr. Etheridge explained to Mr. Greene and the others that the sewer line was there, and then the exit ramp on I-675 was built on top of it. The additional weight all these years has caused the sewer line to collapse.

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Ductile Iron Pipe Bid Recommendation: Chairman McQueen asked Mr. Etheridge to continue with the Ductile Iron Pipe Bid Recommendation. Mr. Etheridge stated that the Authority was not able to renew our Ductile Iron Pipe bid this year because of very serious changes in steel/scrap prices. Mr. Etheridge added that the Authority had to rebid this contract and the low bidder once again this year is U. S. Pipe & Foundry. Staff recommends that this contract be awarded to U. S. Pipe & Foundry with a bid of nine hundred fifty-nine thousand seven hundred thirty-eight dollars and fifty cents (\$959,738.50) for July 1, 2004 through June 30, 2005. Mr. Etheridge stated that this contract would be for three years, adjusted each year based on a quoted index price for scrap, which could increase or decrease depending on the quoted index price. An independent magazine, "Iron Age Magazine", publishes this index price.

Mr. Etheridge added that staff looked at jobs coming up in the next few months and there is about a million dollars' worth of pipe that needs to be purchased. Mr. Etheridge stated that U. S. Pipe actually came to him and reminded him that the Authority needed to order before the price increase. Mr. Etheridge stated that it was good of U. S. Pipe to remind our staff of the need to purchase nine hundred fifty-one thousand four hundred forty-three (\$951,443) dollars' worth of pipe that would be used in the next six months, with some savings, if ordered before prices increase. This would save the Authority somewhere around two hundred forty thousand dollars (\$240,000).

Mr. Westervelt asked if U. S. Pipe would store this pipe for the Authority. Mr. Etheridge stated that they would store the pipe for one hundred twenty days (120). Mr. Etheridge stated that two of the three projects would probably be completed before 120 days and the last job probably would not start for five or six months, but the Northeast Plant is close by, so staff would be able to find a place to store the pipe.

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Ductile Iron Pipe
 Tab Sheet
 May 2004

Vendor	Bid
U.S. Pipe & Foundry Birmingham, Alabama	\$959,738.50
American Cast Iron Pipe Company Birmingham, Alabama	\$1,087,990.25
McWayne Pipe Company Birmingham, Alabama	No Bid
Griffin Pipe Company Lynchburg, Virginia	No Bid

Staff recommends that this contract be awarded to U.S. Pipe & Foundry for July 1, 2004 – June 30, 2005. This contract may be renewed for a second and third year and will be adjusted annually for increase/decrease in the “Iron Age Magazine” published price for Scrap Steel at the time of renewal as compared to an index price for Scrap Steel at the time of this bid of \$235.00 per net ton. No additional increases for labor, transportation, overhead, utilities, etc will be allowed.

Ductile Iron Pipe – FY 2004

U.S. Pipe

Item	FY2003	FY2004	Increase
6" DIP - S CLASS 51	\$5.79	\$7.21	24.50%
8" DIP - S CLASS 50	\$7.24	\$9.05	25.00%
10" DIP -S CLASS 50	\$9.56	\$12.02	26.00%
12" DIP -S CLASS 50	\$12.23	\$15.29	25.00%
16" DIP -S CLASS 50	\$18.65	\$23.20	24.50%
18" DIP -S CLASS 50	\$21.54	\$26.87	24.50%
20" DIP -S CLASS 50	\$24.58	\$30.57	24.50%
24" DIP -S CLASS 50	\$31.44	\$39.85	26.75%
30" DIP -S CLASS 50	\$42.81	\$54.76	25.50%
36" DIP -S CLASS 50	\$57.00	\$73.96	29.50%
42" DIP -S CLASS 50	\$71.41	\$86.25	21.00%
48" DIP -S CLASS 50	\$98.61	\$118.29	20.00%
60" DIP -P CLASS 150	\$133.58	\$159.56	19.50%
Total	\$534.44	\$656.88	22.92%

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STAINLESS STEEL SEGMENT GASKETS

ITEM

6"	\$34.55	\$34.55	0.00%
8"	\$46.10	\$46.10	0.00%
10"	\$66.80	\$66.80	0.00%
12"	\$76.35	\$76.35	0.00%
16"	\$180.70	\$180.70	0.00%
18"	\$218.25	\$218.25	0.00%
20"	\$253.05	\$253.05	0.00%
24"	\$392.90	\$392.90	0.00%

Proposed Pipe purchase before price increase

The following Bond Funded jobs will be initiated in the next 6 months. We propose to proceed with the purchase of the Ductile Iron Pipe for these projects prior to the price increase effective August 1, 2004.

Dixon Blvd – 5,100’ of 16’ pipe	\$ 95,115.00
Reeves Creek Force Main – 24,078’ of 16” pipe	\$ 449,054.70
Hooper 16” Replacement – 12,954’ of 24” pipe	\$ 449,054.70
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Total Purchase at Current Pricing	\$ 951,443.46
Total Purchase at New Pricing	\$ 1,193,146.50
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Savings	\$ 241,703.04

Upon Motion by John Westervelt and seconded by Alan Horton it was unanimously

RESOLVED: to approve awarding the Ductile Iron Pipe contract to the low bidder, U. S. Pipe & Foundry for July 1, 2004 through June 30, 2005, in the amount of nine hundred fifty-nine thousand seven hundred thirty-eight dollars and fifty cents (\$959,738.50) and to purchase the needed pipe for the three scheduled jobs before the price increase in the amount of nine hundred fifty one thousand four hundred forty three dollars and forty six cents (\$951,443.46) contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents. This contract will be able to be renewed for the second and third year, adjusted annually for increase/decrease in the “Iron Age Magazine” published price for Scrap Steel at the time of renewal as compared to an index price for Scrap Steel at the time of this bid of \$235.00 per net ton. No additional increases for labor, transportation, overhead, utilities, etc. will be allowed.

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Casey Press Rebuild Recommendation: Chairman McQueen called on Jim Poff, Manager of Water Reclamation, who stated that in March 2004 the Authority had bid the complete press rebuild of one of the presses in the pelletizing building at the Casey Plant to the low bidder, Ashbrook Corporation. The Ashbrook Corporation supplied the Authority with a letter stating that they would rebuild the second press at the same price of one hundred nineteen thousand dollars (\$119,000). Mr. Poff stated that what the Authority would like to do is rebuild the second press after the first press is completed and returned and repair the second press as an addendum to the existing contract. Staff's recommendation is to accept the low bid from the Ashbrook Corporation for one hundred nineteen thousand dollars (\$119,000). This item is budgeted in the first quarter FY 2004 operating budget.

Clayton County Water Authority
 Modification and Repairs Andritz Belt Press
 June 2004

VENDOR	BID
Andritz Ruthner 1010 Commercial Blvd. S. Arlington, Texas 76017	\$ 134,500.00
Ashbrook Corporation 11600 East Hardy Houston, Texas 77093-1098	\$ 119,000.00
Columbia Machine Works, Inc. P.O. Box 1018 Columbia, Tennessee 38402-1018	No Bid
Johnson Environmental Services P.O. Box 3572 Humble, TX 77347	No Bid

We awarded this bid to Ashbrook at the March 2004 for a modification and repair of one of our Andritz belt filter presses. Ashbrook has agreed to perform the same services on the second belt press for the same price (see attached letter). Repair and modification services on this second press will be added to the existing contract as an addendum. Recommend accepting low bid from Ashbrook Corporation for \$119,000. This item is budgeted and will be paid for out of first quarter FY 2004 operating budget.

Upon Motion by Lloyd Joiner and seconded by Alan Horton it was unanimously

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RESOLVED: to accept the recommendation of staff to accept the bid from the Ashbrook Corporation in the amount of one hundred nineteen thousand dollars (\$119,000), to modify and repair the second Andritz Belt Press, which would be added to the existing contract as an addendum.

Maintenance Management System Software Recommendation: Chairman McQueen called on Bruce Taylor, Engineering Services Supervisor, who explained that Computerized Maintenance Management Software (CMMS) would be mainly used for the Maintenance & Construction Department and Customer Service, and it is linked to the GIS system. CMMS is used for scheduling construction and maintenance activities where there are multiple crews and multiple locations throughout the Water Authority. Most of the Authority's assets are buried out in the field somewhere and the CMMS system is used for those assets and those crews. CH2M Hill recommended the CMMS system in the 2000 Master Plan and then recommended it again as part of the GIS Needs Analysis.

Mr. Taylor stated that the CMMS system replaces our paperwork order system and our "home grown" Access database. Mr. Taylor showed the work flow of the CMMS system through slides and discussed the main business drivers of the system, such as Work Management, Accountability, Reporting, Customer Service, and State & Federal Regulations. Mr. Taylor added that the Authority went through an extensive selection process to choose the particular CMMS package. Our selection team involved members from Program Management, Maintenance & Construction, Engineering, Customer Service, Information Technologies, as well as representatives from CH2M Hill. The selection process itself involved a market study, demos, questionnaires, and the Request for Proposal (RFP) had 100+ detailed questions, phone interviews, and live demonstrations for finalists here at the Water Authority.

Mr. Taylor stated that of the proposals received, the bid prices ranged considerably and of the seven, two firms did not submit a bid. Staff recommends awarding the CMMS project to Motorola/Azteca Systems:Cityworks, the lowest bidder, who scored near the top on all criteria. This selection process was based on viability, functionality, support, costs, technology, and demonstrations.



Vendor Cost Proposals

	Software License Fees	Consulting Services	GIS Intergration	Database Development	Data Conversion	Training	Annual Support and Maintenance	Total
Azteca Systems/Motorola** 11075 State Street, #24 Sandy, UT 84070	\$ 109,925.00	\$ 77,071.00	Included	Included	\$ 34,461.00	\$ 11,633.00	\$ 18,138.00	\$ 251,228.00
GIBA Master Series, Inc. 10561 Barkley Place, Suite 500 Overland Park, KS 66212	\$ 192,660.00	\$ 6,380.00	\$ 5,750.00	Included	\$ 11,500.00	\$ 22,860.00	\$ 32,110.00	\$ 271,260.00
Datastream Global PM** 50 Datastream Plaza Greenville, SC 29605	\$ 147,200.00	\$ 130,468.75	Included	Included	Included	Included	\$ 29,440.00	\$ 307,108.75
Hansen Information Technologies 1701 Asheville Highway Hendersonville, NC 28791	\$ 149,250.00	\$ 138,000.00	\$ 20,000.00	Included	\$ 6,000.00	\$ 90,000.00	\$ 32,500.00	\$ 435,750.00
MRO Software 100 Crosby Drive Bedford, MA 01730	\$ 152,100.00	\$ 86,470.00	\$ 55,200.00	\$ 146,119.00	\$ 27,280.00	\$ 20,653.00	\$ 30,420.00	\$ 518,242.00
RJN Group, Inc. 200 West Front Street Wheaton, IL 60187			NO BID SUBMITTED					\$ -
Snyergen 2539 Brighton Farms Blvd. Knoxville, TN 37932			NO BID SUBMITTED					\$ -
** Partnered Vendors								

Mr. Taylor outlined the funding for the CMMS Project.

Project Cost: \$350,005

Cityworks Package \$251,228

Hardware, Database, Operating System \$ 79,902

QUES Sewer Line Televising \$ 18,875

-Sole Source Procurement from Universal
Data Consultants

Funding Sources: \$350,005

M&C 2004 Budget (601) \$203,507

Information Services 2004 Budget (106) \$ 3,500

Transfer from M&C Budget (621) \$142,998

-Savings from 48" effluent line inspection

Upon Motion by Alan Horton and seconded by Marie Barber it was unanimously

RESOLVED: to accept staff's recommendation of the low bid from Azteca Systems/Motorola for the Cityworks package for the CMMS project in the amount of two hundred fifty-one thousand two hundred twenty-eight dollars (\$251,228) for

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hardware, database, and operating system in the amount of seventy-nine thousand nine hundred two dollars (\$79,902), and for QUES Sewer Line Televising in the amount of eighteen thousand eight hundred seventy-five dollars (\$18,875) for a total cost of three hundred fifty thousand five dollars (\$350,005) contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Chairman McQueen and the Board complimented Mr. Taylor and Mr. Etheridge for the good job they did in presenting this recommendation.

Jesters Creek Phase II Bid Recommendation: Chairman McQueen called on Mike Thomas, Manager of Program Management & Engineering, who stated that before he introduces the second phase of the stream restoration on Jesters Creek he would like to update the Board on the first stream restoration project that the Authority did at Gateway and show some photos of what it looks like presently and hopefully what it will look like in the future.

Mr. Thomas reminded the Board why the Authority is in the stream restoration business in the first place, and that is to improve the poor quality streams in the County, by constructing a new stable stream channel based on natural geometry and stream conditions, to reduce stream bank erosion which is one of the big causes of sediment in our streams, improve water quality, protect our sewer lines, and improve the habitat and aesthetics of the stream. Mr. Thomas stated that even though there were some scary times at the beginning of this project, having started in December or January, when it was wet, it was hard to work in that creek, but it turned out to be completed ahead of schedule and resulted in being a good project.

Jesters Creek at Reynolds Road Stream Restoration Project

This is the second phase of stream restoration on Jesters Creek in Morrow. The first phase of 2,100 feet of restoration was just completed from Huie Road to near Reynolds Road. This second phase would include a total of 2,060 feet of restoration beginning just upstream of Reynolds Road. Stream restoration stabilizes the stream bank and returns the stream to a more natural geometry so that it will remain stable even during high flows. This will prevent bank erosion and sedimentation in the stream, which eventually must be removed from the water during the water treatment process. Stream restoration also restores stream habitat and improves the biological community of the stream, which will aid in meeting State stream standards.

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CCWA has received approval for a grant from the Environmental Protection Division for this project that would provide over \$475,000 in funding for the project. Our construction estimate was \$533,000. We received four bids for this project and they significantly exceeded our budget. Therefore, we are recommending that we reject these bids, modify the existing design and rebid the project to bring it in closer to our budget and estimate. The bid tabulation sheet is attached.

East Jesters Creek at Reynolds
Tab Sheet
May 2004

Item	Quantity	SEI Environmental		JW Wilkerson Const.		Willow Const.		MassAna Const.	
<u>Lump Sum Work</u>		<u>\$664,535.00</u>		<u>\$697,379.00</u>		<u>\$747,000.00</u>		<u>\$905,459.00</u>	
Unit price items:									
Stock Piling & Material handling	300 cy	\$6.00	\$1,800.00	\$5.50	\$1,650.00	\$10.00	\$3,000.00	\$10.00	\$3,000.00
Cross Vanes	1 ea	\$3,800.00	\$3,800.00	\$3,011.00	\$3,011.00	\$4,000.00	\$4,000.00	\$3,000.00	\$3,000.00
Type 3 rip-rap	30 ton	\$15.50	\$465.00	\$38.00	\$1,140.00	\$40.00	\$1,200.00	\$30.00	\$900.00
Type 1 rip-rap	20 ton	\$18.00	\$360.00	\$49.25	\$985.00	\$50.00	\$1,000.00	\$30.00	\$600.00
Filter fabric	100 sy	\$1.50	\$150.00	\$2.33	\$233.00	\$1.50	\$150.00	\$2.00	\$200.00
Soil encapsulated lift	80 lf	\$250.00	\$20,000.00	\$132.00	\$10,560.00	\$20.00	\$1,600.00	\$10.00	\$800.00
BioD- mat 70 coir fabric	100 sy	\$5.00	\$500.00	\$2.65	\$265.00	\$3.00	\$300.00	\$5.00	\$500.00
Dead stout stakes	1000 ea	\$0.85	\$850.00	\$1.65	\$1,650.00	\$1.00	\$1,000.00	\$0.80	\$800.00
Herbaceous vegetation – Zone1	10 lb	\$15.00	\$150.00	\$500.00	\$5,000.00	\$30.00	\$300.00	\$60.00	\$600.00
Herbaceous vegetation – Zone 2 & 3	10 lb	\$130.00	\$1,300.00	\$500.00	\$5,000.00	\$50.00	\$500.00	\$60.00	\$600.00
Brush layer bundles – Trees, 2 species mix	80 lf	\$25.00	\$2,000.00	\$14.00	\$1,120.00	\$5.00	\$400.00	\$10.00	\$800.00
Brush layer bundles – Shrubs, 3 species mix	80 lf	\$25.00	\$2,000.00	\$11.00	\$880.00	\$5.00	\$400.00	\$10.00	\$800.00
Live stakes – Trees - 2 species	100 ea	\$3.00	\$300.00	\$6.64	\$664.00	\$3.00	\$300.00	\$7.00	\$700.00
Live stakes – Shrubs - 3 species	100 ea	\$3.00	\$300.00	\$6.64	\$664.00	\$2.50	\$250.00	\$7.00	\$700.00
Trees, 6 species mix	100 ea	\$11.00	\$1,100.00	\$50.00	\$5,000.00	\$30.00	\$3,000.00	\$20.00	\$2,000.00
Shrubs, 6 species mix	100 ea	\$6.00	\$600.00	\$20.00	\$2,000.00	\$20.00	\$2,000.00	\$20.00	\$2,000.00
Chain link fence	50 lf	\$15.00	\$750.00	\$12.00	\$600.00	\$20.00	\$1,000.00	\$20.00	\$1,000.00
Total Unit Price Items			\$36,425.00		\$40,422.00		\$20,400.00		\$19,000.00
Services - materials testing & unforeseen site conditions			\$30,000.00		\$30,000.00		\$30,000.00		\$30,000.00
Total Base Bid			\$730,960.00		\$767,801.00		\$797,400.00		\$954,459.00
Add Alternate #1: Rock excavation	5000 cy	\$100.00	\$500,000.00	\$125.00	\$625,000.00	\$50.00	\$250,000.00	\$12.00	\$60,000.00

Add Alternate #2:									
Toe of bank stabilization	600 lf	\$300.00	\$180,000.00	\$100.00	\$60,000.00	\$50.00	\$30,000.00	\$30.00	\$18,000.00
Deduct Alternate #3:									
3 soil encapsulated lifts & TRM	230 lf	\$50.00	\$11,500.00	\$47.00	\$10,810.00	\$65.00	\$14,950.00	\$60.00	\$13,800.00
Deduct Alternate #4:									
Bankfull bench construction	230 lf	\$50.00	\$11,500.00	\$19.00	\$4,370.00	\$90.00	\$20,700.00	\$80.00	\$18,400.00

CCWA Staff recommends that these bids be rejected because they significantly exceed our estimate and budget, the design be modified and the project rebid to get within budgeted dollars.

Mr. Thomas added that staff was surprised when bids were opened on this project. The high bidder was the contractor on the first job. Mr. Thomas stated that the Authority went out and got some contractors that had more experience and SEI Environmental was one of those contractors primarily in North Carolina, but they do have an office in Georgia. After the Authority evaluated the bids, the low bidder is two hundred thousand dollars (\$200,000) over our estimate. This cannot be blamed on steel prices. Mr. Thomas added that we are still dealing with construction methodology that is still relatively new and not only hard to estimate, but hard for a contractor to get their hands around. Mr. Thomas stated that we have some ideas on ways that we can lower these costs, so staff recommends that the Authority reject these bids, modify the existing design and rebid the project to bring it in closer to our budget and estimate. Mr. Thomas added that the good news is that if the staff can get the costs down a little bit then it will be close to being funded 100% by grants.

Upon Motion by Wes Greene and seconded by Alan Horton it was unanimously

RESOLVED: to accept the staff's recommendation that these bids be rejected because they significantly exceed our estimate, that the design is modified, and the project rebid to get within budget.

Board member, John Westervelt, asked Mr. Thomas how much would be paid from the grant money.

Mr. Thomas stated that this project is based on a 60/40 split, with 60% being paid for from the grant money that is available. Our 40% share is coming hopefully from the City of Morrow, from what the Authority paid CH2M Hill to design the project, and the Authority's staff time. Kim Zimmerman, project manager for this project, and Cliff Berozet will do some inspections, so the Authority is keeping up with our staff time, since they allow in-kind contributions to match this.

Reeves Creek Force Main Bid Recommendation: Chairman McQueen asked Mr. Thomas to continue with the Reeves Creek Force Main bid recommendation. Mr. Thomas stated that last month, staff brought before the Board the construction of the lift station and this month is the force main portion. As explained then, currently the Reeves Creek station pumps to the Northeast Plant, which is near capacity and needs to be expanded. Mr. Thomas stated that this new lift station force main will allow us to increase the station's capacity and pump those flows over to the Casey Plant, which will help to relieve capacity at the Northeast Plant.

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Mr. Thomas gave a slide presentation showing the Board the location of this force main, which includes 24,078 linear feet of 16-inch ductile iron force main that will run along Speer Road in Henry County to Walt Stephens Road and then to the Rum Creek Lift Station. Mr. Thomas added that staff had put this in the Master Plan and the Bond issue with a preliminary budget of one million five hundred thousand dollars (\$1,500,000) for the force main, for the materials we estimated five hundred ninety thousand dollars (\$590,000), and our staff estimated installation costs at nine hundred sixteen thousand dollars (\$916,000). Mr. Thomas stated that once staff had the preliminary design done, our cost estimate was a little bit higher.

Mr. Thomas stated that the Authority received only two bids on this job, but are comfortable with them because they compare well with the Authority's engineering staff's estimate for installation. Both contractors have done a lot of work for the Authority and are well known, and staff is comfortable to go with the low bidder, Gordy Construction Company. Mr. Thomas stated that staff recommends that the Reeves Creek Force Main be awarded to Gordy Construction Company in the amount of nine hundred fourteen thousand six hundred eighty-six dollars and seventy cents (\$914,686.70) which is consistent with our estimate of nine hundred sixteen thousand dollars (\$916,000) for just the installation costs. The Authority would purchase the materials for this project.

Reeves Creek Lift Station Force Main

The Reeves Creek Lift Station is at capacity and in need of expansion. The Reeves Creek Lift Station currently pumps to the Northeast WRF, which is also near permitted capacity. As part of the lift station expansion, the Water Authority is building a new force main to pump raw sewage from this lift station to the Rum Creek Lift Station and then to the Casey WRF. This will give us the flexibility to pump to either WRF and to reduce the flows to the Northeast WRF to minimize the potential for permit violations. The Casey WRF will have adequate capacity for this additional flow.

The force main includes 24,078 linear feet of 16-inch ductile iron force main that will run along Speer Road in Henry County to Walt Stevens Road and then to the Rum Creek Lift Station. The preliminary project budget and project estimate are listed below.

Preliminary Budget:	\$ 1,500,000.00
<u>Project Estimate</u>	
Materials Cost Estimate:	\$ 590,000.00
Installation Labor Estimate:	<u>\$ 916,000.00</u>
Total Project Estimate:	\$ 1,506,000.00

The CCWA staff recommendation for the installation labor contractor is attached.

Reeves Creek Force Main
 Tab Sheet
 May 2004

VENDOR	BID
Gary's Grading & Pipeline Co., Inc. 7434 Hwy 81 Monroe, GA 30656	\$978,345.20
Gordy Construction Co. P.O. Box 4 Columbus, GA 31902	\$914,686.70
Mid-South Builders, Inc. P.O. Box 878 7057 Maddox Road Lithonia, GA 30058	No Bid
Pipe Construction, Inc. 5732 Highway 212 Covington, GA 30016	No Bid
Project Earth Land Services, Inc. 1619 James Burgess Road Suwanee, GA 30024	No Bid
Reynolds, Inc. 121 Roberts St. Fairburn, GA 30213	No Bid
Ronny D. Jones Enterprises, Inc. 315 Millard Farmer Industrial Blvd. Newnan, GA 30263	No Bid
Strack, Inc. 125 Laser Industrial Blvd. Fairburn, GA 30213	No Bid

CCWA staff recommends that this project be awarded to the low bidder, Gordy Construction Company, in the amount of \$914,686.70, which is consistent with our estimate of \$916,000.

Mr. Brannan stated that this is going to require the Authority to work out some things inside Henry County's right-of-way with the force main. Mr. Thomas will follow back up with Henry County with some of the recommendations that they had and the Authority will try to resolve those issues as quick as we can. There was some discussion concerning the force main.

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

RESOLVED: to accept the staff's recommendation that the Reeves Creek Force Main project be awarded to Gordy Construction Company in the amount of nine hundred fourteen thousand six hundred eighty-six dollars and seventy cents (\$914,686.70) for installation costs contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Hooper Line II Final Report: Mr. Thomas stated that he wanted to bring the Board up to date on the Hooper Water Line Replacement Project. This is a multi-phase project where the Authority is replacing over thirty thousand feet (30,000) of an old 16-inch steel waterline that runs from the Hooper Plant to the north part of Clayton County. This old line has corroded over time and has developed a lot of leaks. Mr. Thomas added that in order to cover costs, staff has divided this project into four phases. Phase I was completed in 2002. Phase II, which was just completed in April, was eleven thousand five hundred twenty-five feet (11,525) of 24-inch ductile iron pipe between the Highway 138 and 42 split to East Atlanta Road in Stockbridge.

Mr. Greene asked Mr. Thomas how old was this "aged" pipe. Mr. Thomas stated that some of it was about forty years (40) old. Mr. Buffington stated that steel pipe was put in at that time because steel was considerably less expensive than ductile iron pipe, but we are now seeing what happens when you put in steel pipe and we now have to replace it. Mr. Thomas gave a slide presentation that showed the four phases of this project and explained that Phase II, that was just completed, ran from the Highway 138 and Highway 42 intersection, along Highway 138, and turned down Hill Avenue and some smaller city streets through Stockbridge. This was very tight working conditions. Any time that the Authority does a pipe job like this in today's world, we are going to face a lot of challenges like what the Authority is facing with Henry County. Mr. Thomas added that right-of-way control is getting much tougher, and there is so much stuff in the right-of-way that it presents problems like we had on this job.

The 2001 Bond Issue funded this project. The total project estimate was eight hundred sixty-three thousand nine hundred twenty-nine dollars and ten cents (\$863,929.10). The actual project total was eight hundred fifty thousand five hundred one dollars and sixty cents (\$850,501.60). The Authority was under on materials, but our labor contract did go over a little bit primarily due to field changes due to conditions in the right-of-way that required the pipe to be laid under pavement and the cost of the resultant re-paving.

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Hooper Water Line Replacement, Phase 2 Project Summary

The 2000 Master Plan identified the need to replace an aging steel water line that carries water from the Hooper WPP into the north part of Clayton County. This 16-inch water line was becoming a maintenance issue because of corrosion and frequent breaks. We are also providing for future capacity increases by upsizing this line to 24-inches while replacing it. Over 30,000 feet of line will be replaced in up to four phases. Phase One was completed in 2002. Phase Two consisted of the installation of 11,525 feet of 24-inch ductile iron pipe between the Highway 138 and 42 split to East Atlanta Road in Stockbridge. This project was funded by the 2001 Bond Series.

Preliminary Budget:	\$ 1,000,000.00
Materials Cost Estimate:	\$ 475,000.00
Low Bid for Labor:	<u>\$ 388,929.10</u>
Total Project Estimate:	\$ 863,929.10

Final Project Costs

Materials	\$ 439,739.78
Labor for Installation	\$ 408,946.82
Miscellaneous	<u>\$ 1,815.00</u>
PROJECT TOTAL	\$ 850,501.60

The labor contract exceeded the original contract cost largely due to field changes due to conditions in the right-of-way that required the pipe be laid under pavement and the cost of the resultant repaving.

Lovejoy Sewer Request: Chairman McQueen called on Mr. Brannan, General Manager, to discuss the Lovejoy Sewer Request. Mr. Brannan stated that the City of Lovejoy has some improvements going on in the area of the lift station that the Authority installed on Tara Boulevard. The Authority has been approached by a developer to be able to tie into the lift station and have these parcels of property served by that sewer line. The preliminary site plan shows three developments that would be accessed by that sewer line. Two parcels of land are in Clayton County and in the City of Lovejoy and the third parcel is in Henry County. In order to serve this area, since this is on the edge of our distribution system, the Authority would need to tie into Henry County's water system to be sure that we have adequate pressure flows in that area. Henry County has agreed to make that tie in, if the Authority so desires. This would be an adequate water supply for fire protection.

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Mr. Brannan stated that the developer asked if the Authority would participate in the extension of that sewer from the lift station, which would be a little over four thousand (4,000) feet of line, to the three different parcels. Historically, the Authority has assisted at a maximum of 25%. Mr. Brannan added that these would be our water and sewer customers and that we would charge them our rates and impact fees. Mr. Brannan stated that the construction costs is about one hundred seventy-five thousand dollars (\$175,000) to extend those sewer lines based on the information in the preliminary survey. The developer does all the engineering, the Authority does not participate in rock excavation cost, and if the Authority participates in the project, we will administer the contract so that the contractor will have to meet all our bonding and insurance requirements. Mr. Brannan stated that this is the proposal that has been brought for your consideration.

M E M O R A N D U M

To: Wade Brannan
cc: Mike Thomas
From: Keith Watkins
Date: June 3, 2004
Re: Lovejoy Road Developments

Wade,

Below are the estimates for the Lovejoy Road Developments:

Approximately 4461 linear feet of 8" sanitary sewer- **\$ 174,900.00**

- 521 L.F. serves Henry County property (\$ 12,395.00)
- Remaining portion estimated @ **\$ 162,505.00**

The two developments in Clayton County will consist of approximately 426 residential lots and will generate \$287,550 in water impact fees and \$361,674 in sewer impact fees.

The development in Henry County would be served water by Henry County Water Authority but would be served sewer by CCWA. This development will consist of 83 residential lots and generate \$70,647 in sewer impact fees.

Based on the estimated construction cost, if the Authority participated with the entire line extension for 25% its share would be **\$ 43,725.00**
 If the Authority excluded the portion running to the Henry County property and still participated for 25% its share would be **\$ 40,626.00**.

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

RESOLVED: to accept the recommendation of staff to participate in the extension of the proposed sanitary sewer extension in Lovejoy at twenty-five percent (25%) not to exceed forty-four thousand dollars (\$44,000). This agreement would not include rock or any engineering costs to be paid by the Authority.

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

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

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

Chairman McQueen called on Mr. Brannan who explained that the Authority receives calls from our customers concerning issues with their service, or their meter, and the customer will request that their meter be checked. Mr. Brannan stated that meters just do not go bad, but if they did it would be in the customer's favor in that the meter would slow down over a period of time. For the Authority to go out and check those meters, the Authority must do a high flow test, medium flow test, and a low flow test. This test takes over an hour, with two or three employees, because someone with experience with meters must go out to do this test. Mr. Brannan stated that on an average it cost the Authority one hundred fifteen dollars (\$115.00) each time we check a meter. The Authority is having more and more of these requests to check the meter, only to find that there is nothing wrong with the meter and the Authority has spent the \$115.00 and the crews time doing the meter checking. Mr. Brannan added that the next meeting will be July 8th, which will be about five weeks, staff will be checking to see how many of these requests for meter checks there are in this five week period and report back to the Board at the next meeting and bring back a recommendation on how to deal with this issue. Mr. Brannan stated that maybe the recommendation would be that if a customer wants a meter test performed we will do the test, but if there is nothing wrong with the meter, we might want to charge the test costs to the customer's account. This issue is causing an efficiency problem, basically shutting down a three-man crew to do these types of tests, which is cutting into their ability to do the large meter tests where the Authority could experience a substantial loss of water if these large meters are not maintained.

Mr. Brannan stated that along the same line, Customer Service tries to work out a payment plan with the customer that has a high bill and is not able to pay the

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entire balance. In doing that process, the staff in Customer Service needs some parameters to work out a payment plan. Mr. Brannan added that if the balance is up to a thousand dollars (\$1,000), the customer could pay that amount out over a six-month period of time. If the balance is over a thousand dollars (\$1,000), the customer could have up to a twelve-month period of time. It is very hard, administratively for our people to keep up with whether the customer has paid their bill, has kept the payment arrangements that they have made, or are they entitled to another adjustment in the proper time frame.

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

RESOLVED: to adopt the recommendation of a six-month payment plan for customers with a balance up to one thousand dollars (\$1,000) and a twelve-month payment plan for a balance over one thousand dollars (\$1,000) for both residential or commercial accounts.

Board member, Wes Greene, wanted to commend Mr. Kelly in the fact that the cutoff list is down to one half of a page, since other months have seen six or eight pages of cutoffs.

Mr. Brannan stated that on Smith Street, right in front of the Commissioners office, a contractor was working to repair a sewer line that had collapsed. The contractor hit a telephone conduit, which he was responsible for the cost of repairs. There was also water line damage. The Authority's personnel went out and the water line was about two (2) feet deep and could not be fixed. They were boring at the same elevation as the line they hit and ended up hitting the conduit. This happened in November 2003. In March 2004, the Authority received a bill from Bell South for some one hundred sixty thousand dollars (\$160,000). At that point, Mr. Brannan contacted Bell South and stated to them that a portion of the bill was the contractor's and he would have to handle paying that portion. That dropped the total down to eighty some thousand dollars (\$80,000). Mr. Brannan added that the reason that these costs are so high is because Bell South does not just fix that piece of conduit, but they now build a vault around the conduit so that they have total access to the conduit and can pull wire through. Mr. Brannan stated that the Authority could not just write this off and wanted to speak to someone else. Mr. Brannan called one of Bell South's Vice Presidents and explained the situation and he is to get back with Mr. Brannan next week. Depending on what this representative comes back with will determine the Authority's next step. The Authority is insured, but Mr. Brannan wanted the Board to be aware of this situation. Mr. Brannan added that no matter what utility, if it is marked, you better locate the utility if you are going to do some underground work next to it.

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Mr. Brannan stated that this Friday the Authority would be getting our proposals back from our financial institutions to handle the banking services for the Authority. Management will be reviewing those bids and Mr. Brannan recommended to the Board that someone be appointed to work with Terry, Emory, and himself as they go through those bids.

Chairman McQueen asked Mr. Westervelt if his company was bidding on the banking services for the Authority. Mr. Westervelt stated that his firm was not bidding on those services. Chairman McQueen asked Mr. Westervelt if he would serve on this committee to review the proposals for banking services for the Authority. Mr. Westervelt agreed to serve on this committee.

Mr. Brannan stated that staff would sum up all the proposals and make a presentation so that Mr. Westervelt would not spend a lot of time during this process. Mr. Brannan added that in order to alleviate some of the customer backup in the drive up window and in the lobby, some of the services that the Authority can offer like credit card payments and web payment ability have gotten to be mandatory in order for us to keep doing business for the number of customers that we have. Mr. Brannan added that some days, like Mondays after a holiday, the drive thru is so backed up that the customers will block the entrance off Battle Creek Road and even have the traffic backed up as they are trying to turn left into the driveway. Mr. Brannan stated that it is so bad sometimes that he is concerned that some one will be hit trying to pay their water bill. Mr. Brannan added that hopefully with some additional banking services, we could offer additional ways to interface with the company to keep some of these customers from coming into the office to make these payments.

Mr. Greene offered to serve on this committee also and asked if currently the Authority did not offer some of these banking services that Mr. Brannan mentioned. Mr. Brannan answered that what the Authority is trying to do is to have all these options available to our customers from one banking institution with the best price the Authority can get for the banking services that we need.

Mr. Greene asked who currently had the banking services. Mr. Hicks stated that the main operating fund is at RBC right now, but he added that it takes a lot of work on our end when you are talking about a web page. A bank does not do a web page for you and the Authority is not set up to handle that just yet. It is not just the bank's ability to send information to you, but it is your ability to be able to handle that end.

Mr. Westervelt stated that with the new bill pay systems that are out there now the customer would be getting what they want.

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Mr. Hicks stated that the Authority has had direct drafts for several years with 74,000 customers and we only have about 1,800 that take advantage of this service.

Mr. Brannan added that volume gets into the cost that the Authority is going to pay. The Authority will have a three percent (3%) loss of income to offer the credit card payment service. There are lots of issues to address on these services.

Mr. Brannan stated that the statewide conservation odd/even guidelines are going mandatory effective August 1, 2004. With these guidelines, no one waters on Fridays. Tuesdays, Thursdays, and Sundays are watering days for odd-numbered addresses and Mondays, Wednesdays, and Saturdays are watering days for even-numbered addresses and unnumbered addresses. Right now this is only voluntary.

Mr. Brannan reminded the Board that the City of Atlanta water prices are increasing. The Authority is not purchasing as much water, but we have to pay their rates. The less we purchase, the less impact on our bottom line costs to operate. It is cheaper for the Authority to produce water and sell it, than it is for us to purchase water. The Authority only purchases water when we have a drought or when we have an operational issue. This is another operational cost that is going up that we have to accommodate in our bottom line.

Mr. Greene asked how much has the cost to purchase water from Atlanta gone up. Mr. Brannan replied that the cost has gone up about twenty five percent (25%). It was one dollar and thirty-four cents (\$1.34) per hundred cubic feet. Now it is about one dollar and fifty-two cents (\$1.52) plus a fifteen-cent (\$0.15) surcharge per hundred cubic feet for vulnerability assessment or security related issues. Now the cost is one dollar and sixty-seven cents (\$1.67) per hundred cubic feet.

Mr. Greene asked where the Authority is when we sell water to adjacent folks. Mr. Brannan stated that the Authority charges full retail price when the Authority sells water to adjacent systems.

Mr. Brannan wanted to remind everybody that the budget here at the Authority has reached about seventy-eight million dollars (\$78,000,000), which is a pretty big operating budget. Mr. Brannan added that the company should have a checks and balance person on both our processes and financial reporting. Mr. Brannan added that this person would be responsible for quality control behind every facet in the company. For lack of a better word, we do not want to call this person an auditor, because they do not do just finances, but they review processes

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and everything else that the company has in place for us to keep good records in all aspects of what the company is doing.

Mr. Brannan stated that Mr. Hicks has grown with the company and how the Authority does our record keeping and has a good feel for that. Mr. Brannan stated that he believes that the Authority needs to have an internal control mechanism set up to make spot checks in all these different areas. Mr. Brannan stated that if the Board is in agreement with that, and because the Authority already this year has been able to reduce our personnel costs to a point by people that have left, and by moving the payment structure around, the Authority probably has the money to bring someone on at some point in the year.

Mr. Brannan added that another thing to bring into this process is looking out to the time that Mr. Hicks and Mr. Brannan will no longer be here, about thirty months (30) away. Mr. Brannan commented that if you bring someone like this on, it would probably take Mr. Hicks and Mr. Brannan now to the end of the year to go find somebody that they would be comfortable in bringing to the Board to be able to do a process control like that. When management finds someone, it would give that person two (2) years or roughly twenty-four months (24), to work with Mr. Brannan and Mr. Hicks. Mr. Brannan stated that this position would answer to the General Manager's office and the Deputy Manager's office. The staff and employees would need to realize that this quality control would be the best ally they could have as this person spot-checks them and could bring to their attention internally any issues about operations that they feel should be handled. Mr. Brannan stated that he mentioned this for the Board's consideration and guidance.

Chairman McQueen stated that this person would work under Mr. Hicks doing these quality controls that Mr. Brannan has mentioned. Mr. Brannan feels that this is worthwhile and that Mr. Hicks and him draw up a job description of what they would like to have and bring it back to the Board. Chairman McQueen agreed that this would be good for the Authority and there is a need for this type of checks and balances. Chairman McQueen stated that positions have been cut from the budget for the past two years, so there are funds available.

Ms. Barber asked if this would be a part-time or full-time position. Chairman McQueen replied that this would be a full-time position and needs to be a good person, very smart with a broad range of skills.

Mr. Westervelt stated that in most all community banks, they might not be able to afford to hire an internal auditor, so they contract that work. Three weeks ago, Mr. Westervelt's bank just hired their own internal auditor.

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Board member, Alan Horton, stated that the way this position has been described he certainly supports this position and thinks that it is a good idea to develop a job description and to bring it back before the Board for their review. Mr. Horton added that he recommends that while organization of this position may report through Mr. Hicks and Mr. Hicks may direct their activities that they should also probably have some reporting responsibility to the Board.

Chairman McQueen stated that this was a good idea. Mr. Greene stated that as a Board, we make policy and the only employee that we have is Mr. Brannan, but the quality control person should have access to talk to the Board.

Mr. Brannan added that basically the General Manager's office would request that this quality control person look at an area, that person would investigate, report their findings, and if anything is found, if trivial, management would handle, and if anything of substance was found, that would be brought back to the Board. Mr. Brannan stated that he works straight for the Board and he always remembers that every decision that he makes, he makes for the Board.

Mr. Westervelt stated that the bank has what they call a "Compliance Officer". Several of the Board agreed that would be a good title for our quality control person.

Mr. Joiner stated that he heard that there should be two distinct functions. One, every accounting function within the Water Authority would be done by the accounting department. The auditor would be the overseer of what has been done. The other point that Mr. Horton said was that maybe the quality control person should have the authority to come to the Board. Mr. Joiner added that this should be structured. Mr. Joiner stated that the Board does not have any problem with Mr. Brannan or Mr. Hicks, but what if five years down the road, a new regime comes in and top management totally ignores the quality control person and the Board had no way of knowing. Mr. Joiner added that maybe in writing up the job description that the quality control person has the right to meet with the Chairman of the Board and the General Manager to give the quality control person an avenue to discuss whatever might develop.

Mr. Greene asked who does this for the County. Mr. Hicks stated that the County has an internal auditor. Mr. Brannan stated that he believes that this internal auditor reports directly to Chairman Bray at the County.

Winston Denmark, of Fincher & Hecht, commented that the individual in the role of quality control should have the autonomy to go directly to the Board if there were anything afloat in the organization. It is almost indispensable that this

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individual operate freely or otherwise going through the chain of command could undermine the very thing that you are trying to uncover. Mr. Denmark stated that he has seen where this person had reported directly to the Board and it creates some problems, but it has certain advantages as well.

Mr. Joiner stated that what the Authority is looking for is a function to work within the Authority that will assist management in the Authority of doing things the way that things ought to be done.

Chairman McQueen added that Mr. Hicks wears a lot of hats and he needs some help. Chairman McQueen stated that this position should go under Mr. Hicks and the Board can talk about it and work through this.

Mr. Joiner added that there is no one in the company below Mr. Brannan and Mr. Hicks that has a general knowledge of the overall management of the Authority. Everything else is department-wise. So this person will be a transition person between two individuals who say they are going to retire.

Mr. Greene stated that he does like the "Compliance Officer" concept. His company has a compliance officer and they do audits, they do checks, they inspect, and make sure that everybody is adhering to company policy all across the board and they also have the authority to write you up and recommend your termination if you are out of compliance or if you are really messing up.

Chairman McQueen stated that he feels that Emory McHugh does a tremendous job and that the Authority is very fortunate to have gotten him. Mr. McHugh is doing a lot of things in finance that needs to be done and doing it in a newer way. Chairman McQueen added that he is impressed with Mr. McHugh and he believes that the Authority has found a good person.

Chairman McQueen stated that is one reason that he wanted Mr. Baum to come before the Board today. Mr. Baum wanted to review the finances with Chairman McQueen and Chairman McQueen told Mr. Baum that he would not meet with him and that Mr. Baum should come before the Board. Chairman McQueen added that he did not like some of the things that are in the report, but he thinks that Mr. Baum did a good job explaining why it was there. Chairman McQueen told Mr. Brannan that if Mr. Baum wanted to give this report to the Authority, then Mr. Baum needed to come down in person and explain to the entire Board.

Mr. Horton stated that in Mr. Baum's report there were some negative things and he was wondering if when the Authority goes back into the bond market would they read this document and it have a negative impact.

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Mr. Greene stated that the report from Mr. Baum is a memorandum and the bond agents will not see this. Mr. Greene told the Board that this document is titled "Memorandum of Reportable Conditions and Other Advisory Comments". This is not a part of our audit.

Mr. Brannan stated that the document came in on the heel of the Authority denying Grant Thornton a payment. They sent a bill for services to the Authority during that audit and Mr. Brannan was not willing to pay it because it was not justified. Mr. Brannan talked to Mr. Conort and Mr. Brannan does not feel that Mr. Baum wrote the document.

Mr. Westervelt stated that with his company anytime there is a letter from the FDIC or the state, they would respond. Mr. Westervelt wanted to know if the Authority was working on a response of what the Authority has done to solve these issues. Mr. Brannan answered that some of the things listed like "hire additional staff" the Authority has already done. There was some question of adjustments and they were part of the process of closing out. When the audit was started, it was not at the end of our year. Some adjustments were accumulative and we had to get to the end of the year to make the adjustment to finally close out.

Mr. Westervelt added that the Authority needs something in writing that semi addresses this for our files and our Board minutes in response to Grant Thornton's memorandum that would show as a Board that the Board has reviewed this document.

Mr. Brannan stated that Mr. McHugh has written documentation back on what he has done and Mr. Brannan can add to it.

Mr. Brannan reminded the Board that the July meeting will be on the 8th and not on the 1st due to the July 4th holiday.

On Sunday, the 13th of June, is when the Board will be leaving for Orlando and the AWWA conference. Those that need transportation to the airport will meet at the Authority no later than 1:30 p.m., so that we can be at the airport a couple of hours before the 4:00 p.m. flight.

Mr. Brannan stated that the Casey Plant would start up on June 14th, running water through the plant on that day.

Mr. Greene asked if the Authority was having some kind of kickoff for the opening of the plant. Mr. Brannan stated that at this point the staff will be debugging the plant, so it will be a while until the odds and ends are cleaned up on

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site, but mechanically they will be running flow into the plant. If there are any problems, then staff can close it off and go back to the old plant.

Chairman McQueen added that the Authority would have a grand opening of some sort and serve refreshments.

Mr. Greene asked when the Casey Plant was supposed to be completed. Mr. Hicks answered September 2005, which is Brasfield & Gorrie's complete contract date that included demolition. Brasfield & Gorrie feels that at this point it will be the end of the year or the first of January 2005 when they finish, so they are seven months ahead of schedule.

Upon Motion by Alan Horton and seconded by Wes Greene it was unanimously

RESOLVED: that the regular session board meeting be adjourned.

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

Pete McQueen, Chairman

Walter Marie Barber, Secretary/Treasurer