

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

Regular Board Meeting, May 6, 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: Steve Fincher, of Fincher & Hecht, L.L.C., Rick Hirsekorn and Darrell Thomas of CH2M Hill, Bryan Harris, of Jim Wood & Associates Public Relations. CCWA employees: Johnny Meek, Jeff Jones, Jep Palmer, Bruce Taylor, Rocky Autry, Charles Martin, Gene Beaber, Larry Harmon, Dean Howell, Charles Ecton, and Carol Smith and Visitor: Sandy Kelly, Morris Kelly's wife.

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

Chairman McQueen called on Charles Martin from the General Services Department to give the invocation.

Approval of Minutes: Chairman McQueen called for any omissions or additions to the Regular and Executive Session Board Meeting Minutes of April 1, 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 for the period ending March 2004. Mr. McHugh stated that the debt service ratio was at 1.52%. This report was received for information with some discussion from the Board.

Board member, Wes Greene, asked Mr. McHugh to what does he attribute the water loss jumping from 8.5% to 14%.

Herbert Etheridge, Manager of Maintenance & Construction, explained that the jump in water loss during this period was due to a large leak discovered the third week in March. This leak skewed our numbers for last month and also this month by about 2.5%. Mr. Etheridge added that the Authority's real loss this month was about 11.5%.

Chairman McQueen asked where this leak was in our system.

Regular Board Meeting
May 6, 2004
Page Two

Mr. Etheridge stated that the leak was in the far northwest part of the county.

Mr. Greene asked if this was a commercial account or what was it.

Mr. Etheridge stated that it was an 8" line in a residential section going into a storm drain. Mr. Etheridge added that the leak was 325 gallons a minute.

Mr. Greene asked how long did this loss of water go on.

Mr. Etheridge stated that the staff saw the water loss number jump in January, and assumes that was when the leak started, but it was not discovered until March 20th. Mr. Etheridge added that one of the neighbors came out to talk to the Authority staff while they were working on repairing this leak and mentioned he had noticed the creek was higher than normal for a couple of months. Mr. Etheridge stated that the leak was not surfacing so no one reported anything unusual.

Chairman McQueen asked if this amount of water loss did not indicate any warning signal in our system that would have helped us identify this problem.

Mr. Etheridge stated that although this leak sounds like a large water loss, this is not a large water loss in our system. Mr. Etheridge added that the staff would have to see a loss in the 2 or 3 million gallon range before it shows up in our tank levels.

Mr. Pihera, Manager of Water Production, stated that the Authority is constantly pumping out at a rate of at least 20 million gallons a day and the water loss would only affect a specific area because of the small pipe size.

Mr. Etheridge added that Jeff Jones' leak detection crew was in the area running a routine leak scan, that the Authority does every day, and happened to find this leak.

Mr. Greene asked if there was anything that would alert us in our system when a half million gallons is flowing out somewhere.

Mr. Etheridge stated that there is some technology that is coming out but it will be a substantial investment. Mr. Etheridge added that this leak was 13.6 million gallons a month. Mr. Etheridge added that when this new technology becomes available, the Authority would take a look at it to see if it is worth the investment.

Chairman McQueen called on Rick Hirsekorn who thanked the Board for the opportunity to introduce Darrell Thomas, a new colleague at CH2M Hill. Mr. Hirsekorn stated that Mr. Thomas is a specialist and expert in CMMS (Computerized Maintenance Management Systems) and has actually even had a chance recently to contribute to some of the Authority's on-going efforts. Mr. Hirsekorn stated that CH2M Hill is pleased to have

Regular Board Meeting
May 6, 2004
Page Three

Mr. Thomas join their staff and is looking forward to what he can contribute to their clients, through his expertise and his skills.

Employee Recognition: Chairman McQueen called on Jim Poff, Manager of Water Reclamation, who introduced Larry Harmon, Solids Handling Operator at the Northeast Plant. Mr. Poff stated that Mr. Harmon started with the Authority in 1987, spending three months with Land Management and then transferring over to the Shoal Creek Plant where he was a second shift operator. Mr. Harmon worked at the Shoal Creek Plant until 1996, and then moved over to the Northeast Compost Facility. When the Compost Facility shut down in 1999, Mr. Harmon stayed to handle the Solids Handling Operation at Northeast.

Mr. Poff added that the reason for Mr. Harmon being here today is that he recently passed his Class II Wastewater Operator certification exam and Mr. Poff wanted to recognize him for all the hard work he has put into passing that exam and all the hard work he does every day at the Northeast Plant, processing the Solids. Mr. Poff stated that the pass rate for this Class II exam is down below forty percent (40%) so it is not an easy thing. Mr. Poff congratulated Mr. Harmon and the Board gave him a round of applause.

Mr. Pihera recognized Rocky Autry, who recently passed his Class II Water Operator certification exam. Mr. Pihera added that Mr. Autry came from Morris Kelly's section, like a lot of good people within the Authority, and is a long-term veteran, but has only been at the Smith Plant for about two years. Mr. Autry operates this plant in the evening, three days a week, by himself, and is solely responsible for keeping Smith water as good as it is.

Besides passing the Class II exam, Mr. Autry just recently was given a "Gung Ho" certificate for handling what plant supervisor Barry Brand considered "Rocky's Water School". Several of our staff also went for the Class II exam when Mr. Autry went and Mr. Autry would come in early and on Saturdays, on his own time, and conduct "Rocky's Water School". This had an impact on these other gentlemen and also spread the knowledge of Mr. Autry. Mr. Pihera wanted to thank Mr. Autry for his efforts and to congratulate him for passing his Class II exam. Mr. Autry received a round of applause from those in attendance.

Chairman McQueen stated how much the Board appreciates his and Mr. Harmon's hard work and congratulated them both on behalf of the Board.

Chairman McQueen asked Mr. Pihera to give the Board an update on the water report.

Mr. Pihera stated that the Authority's reservoirs are full and continue to be full since the last Board meeting. The additional rain in the area last week helped to raise the level

Regular Board Meeting
May 6, 2004
Page Four

from the week before. Mr. Pihera added that the production of water for the month of April is up about 4.5% over last April. Mr. Pihera stated that the dry weather is helping our demand a little bit. The Authority continues pumping from the river to keep our reservoirs full, where last year we were able to keep the reservoirs full just by natural inflow. As long as we have an occasional rain like we have been having, the Authority is fine raw-water wise.

Chairman McQueen asked Mr. Pihera about the Authority's wells.

Mr. Pihera stated that the one well, which is under development at Hooper Reservoir, is 65% complete. Mr. Pihera added that staff anticipates having this well online in July, supplying about a third of a million gallons a day of drinking water in our system. Mr. Pihera explained that the Authority has one raw water supply well that the Authority has had for several years at the Blalock Reservoir and is ready to be used, but right now the reservoirs are full.

Mr. Pihera added that the Authority is now working on the design for a second well near Blalock Reservoir, but had been holding off because Henry County was rerouting Pates Creek Road where our water line was to be laid. This well looks like it will take about a year and a half before being online.

Employee Service Recognition: Chairman McQueen called on Terry Hicks who stated that only five employees were listed in the Board book today, but in the Water Reclamation section, Mr. Poff had an employee, Michael Broughton, who had thirty years before he recently retired, so Mr. Poff will see that he receives his service pin.

Mr. Hicks explained that another employee Ron Haney, who has worked with the Authority for fifteen years, could not be with us today. Mr. Hicks stated that if he includes the thirty-year employee who has retired, he is recognizing 135 years today.

Mr. Hicks called on Jeff Jones, who graduated from Forest Park High School, to come forward. Mr. Hicks stated that the Board already had heard a little bit about Mr. Jones during the water leak detection discussion. Mr. Jones started with the Authority on May 1, 1989. Mr. Jones started as a water service mechanic, was promoted to a crew leader in July of 1995, and then promoted to Leak Detection Foreman in 2000. Mr. Hicks added that for those on the Board who look at the water loss numbers each month, you know how important this leak detection crew has been over the last two years. Mr. Hicks stated that you see dollars associated with this crew every month in that report. Mr. Hicks added that we would catch some of the leaks by customers calling in, but a majority of what this crew is catching out there, the Authority would not find without this leak detection crew.

Regular Board Meeting
May 6, 2004
Page Five

Mr. Hicks stated that one of Jeff's notes says "Most Memorable Moment", like several of us around here, was the flood of 1994, when we all thought we were going under for sure. Mr. Hicks congratulated Mr. Jones for his fifteen years of service. Mr. Jones received a round of applause.

Mr. Hicks next called on Dean Howell, who has been with the Authority for fifteen years, who graduated from Morrow High School since Morrow did not start until after Mr. Hicks graduated, this rivalry is not as bad. There were chuckles from the audience.

Mr. Hicks stated that Mr. Howell started in April of 1989 as a water service mechanic, was promoted to equipment operator and has been out there in the evenings lots of times when it is cold, or the weekends as we see with night-shift people who work for Guy and Jim. Mr. Hicks thanked "Dino", as we call him, for his fifteen years of service to the Authority.

Mr. Hicks next introduced Johnny Meek, a graduate from Douglas County High School, who started at the Authority as a Dispatcher in Maintenance & Construction in April of 1979, actually worked in the office for some time, then was promoted in 1987 to General Maintenance Foreman, which evolved over the years to what he is doing now, which is Repair, Landscaping, and Paving Foreman. Mr. Meek is responsible for yards being worked on, concrete work, paving work and a lot of other things. Mr. Hicks added that the customer sees the yard, sees the driveway, and sees the paving, but they do not know what was done under all of these. It is real critical that Mr. Meek and his crew and the contractors that he supervises stay on top of those things. Mr. Hicks complimented Mr. Meek on the fine job he does, and added that the Board has seen Mr. Meek before with his work during the holidays in helping with the sponsorship of toys and clothing for needy children. Mr. Hicks congratulated Mr. Meek for his twenty-five years of service to the Authority. The Board gave Mr. Meek a round of applause.

Chairman McQueen thanked Mr. Meek for his many years of service.

Mr. Hicks called on Morris Kelly to come up. Mr. Hicks stated that he and Morris go way back before the Water Authority and have 1968 by our graduation pictures and showed a slide of Morris, then and now.

Mr. Hicks stated that he would like to recognize a couple of people. Mr. Hicks introduced Morris' wife, Sandy and Carol Smith, Supervisor Customer Service, who has been with the Authority almost twenty-five years (25) and has worked with Mr. Kelly all that time. Mr. Kelly added that Ms. Smith keeps him straight.

Mr. Hicks stated that Mr. Kelly started at the Authority on April 29, 1969 and has been at the Authority for part of five decades, which is a milestone for an organization that

Regular Board Meeting
May 6, 2004
Page Six

next year, will only be fifty years old. Mr. Kelly started with the Authority as a meter reader, promoted to collector or what we call a field service rep now. "Collector" was a good term for it, because they actually collected at the door, which we no longer do. Our current system is cutoff, and then re-connect, once payment is made. Mr. Hicks quoted from one of Mr. Kelly's evaluations from 1973 that stated, "it appears that this employee has a great deal of potential", and then commented that Wade and I still feel that way, still looking for that potential. There were chuckles from those in attendance.

Mr. Hicks stated that Mr. Kelly actually topped out on his salary scale in 1975 and then was promoted to Supervisor in Customer Accounts in 1977. Mr. Kelly held that title until last year when the Authority had the separation of the Administration Department and Mr. Kelly became the Customer Accounts Director. From 1977 and through that time, Mr. Kelly started with four customer service representatives and two collectors. Now, including the meter reading shop, which is under Mr. Kelly, there are fifty-one employees under him. Basically, throughout Mr. Kelly's time at the Authority, he has been at the top of his scale. If it were not for the yearly cost of living increases that the Board has given and the pay studies that the Authority has done two or three times, this gentleman would be making what he had been making twenty-six years (26) ago. Mr. Hicks wanted to thank the Board and previous Boards for taking a look at the salary scale and starting the longevity program about fifteen years ago, which has really helped to retain employees, like Mr. Kelly, who have great potential to reach the top of their scale.

Mr. Hicks asked Mr. Kelly how many water and sewer customers do we have today. Mr. Kelly stated that the Authority has seventy-three thousand six hundred fifty-seven (73,657) water customers and fifty-seven thousand three hundred fifty-three (57,353) sewer customers. Mr. Hicks asked Mr. Kelly how many meters did he read in 1969 and he could not say.

Mr. Hicks added that the Authority has grown from fifteen thousand to seventy-three thousand customers. Mr. Hicks stated that Mr. Kelly, Ms. Smith, and their staff do a wonderful job in Customer Service. Mr. Brannan has become Customer Service agent #2 in the past year and both he and Mr. Hicks get enough, just with the calls they handle. Mr. Hicks added that you really get to appreciate what the Customer Service folks do, because usually the calls are not to thank you for their water bill this month. Mr. Hicks stated how much he appreciates Mr. Kelly and all the work that his area does to help our customers.

Mr. Hicks commented that Mr. Kelly is the first employee to reach thirty-five years of continuous employment with the Water Authority. Actually, William J. Hooper, who the Hooper Plant is named after, had thirty-four years and eight months of continuous service and was actually here prior to that length of time. Mr. Hooper has Mr. Kelly beat in total time by eight months, but Mr. Kelly will catch and pass Mr. Hooper by the end of this year. Mr. Hicks explained that the Authority never had a thirty-five year employee, so he and Mr. Durham had to get together and get a thirty-five year pin. Mr. Hicks thanked

Regular Board Meeting
May 6, 2004
Page Seven

Mr. Kelly for his thirty-five years of service and for his friendship, as they graduated from Jonesboro High School together. Mr. Kelly received a round of applause.

Mr. Kelly thanked the Board for the opportunity to be here at the Authority this long and added that the Board really looks after the employees. Mr. Kelly added that it is true that the employees here are the best assets that the Authority has. Mr. Kelly stated that he came here looking for a job, and found a career. Mr. Kelly stated that he appreciates the Board support through all these years and thanked them again for the opportunity to work here at the Authority.

Board member, Wes Greene, asked Mr. Kelly if he was responsible for the past due accounts and wanted to commend Mr. Kelly. Last month there were six pages and this month there is only one page that totals five thousand dollars (\$5,000).

Mr. Kelly stated that he gives all the credit to those six Field Service Representatives that work so hard to get that job done and added that he wants that page to come in one day with nothing on it.

Chairman McQueen thanked Mr. Kelly for his thirty-five years and added that maybe Mr. Kelly could get thirty-five more. There were chuckles from the Board. Chairman McQueen also thanked Morris' wife, Sandy, for being here and told Ms. Smith that it was good to see her again.

Fuel & Lubricants Price Increase & Contract Renewal: Chairman McQueen called on Teresa Adams, Manager of General Services, who stated that B&B Oil is currently the Authority's Fuel & Lubricant supplier and was the successful low bidder last year. B&B Oil and the Authority have had a long-term relationship, providing the Authority with Fuel & Lubricants since 1990. The current contract with B&B Oil will end May 31, 2004 and on June 1, 2004 B&B Oil's new prices will increase by five cents (\$.05) for all the lubricant products and will remain unchanged for the fuel products, which is the OPIS plus the transportation price of .025. The overall total increase will be eight hundred thirty-one dollars and seventy-five cents (\$831.75), which is equivalent to a 1.88% increase and will be guaranteed for six months only. Ms. Adams stated that the staff's recommendation is to approve the contract renewal for B&B Oil for year two with a no more than a two per cent increase in the lubricant products and no change in the unit price for the fuel products.

Regular Board Meeting
 May 6, 2004
 Page Eight

Clayton County Water Authority
Fuel & Lubricants
May 6, 2004

Product	Estimated Quantity	Unit	2003 Bid	2004 Price Increase + 5 cents change in Lubricants Only
			B & B Oil Co. Forest Park, GA Unit Cost (+ cents)	B & B Oil Co. Forest Park, GA Unit Cost (+ cents)
FUEL				
Gasoline – Unleaded 2000 to 5000	120,000	Gallons	OPIS + .025	unchanged
Gasoline - Diesel low sulfur 2000 to 5000	120,000	Gallons	OPIS + .025	unchanged
Gasoline - Diesel high sulfur 4000 to 8000	110,000	Gallons	OPIS + .06	unchanged

Product	Estimated Quantity	Unit	Unit Price	2003	2004
				Estimated Cost	Estimated Cost
LUBRICANTS					
Hydraulic Oil - 300 - 500 gals.	1,100	Gallons	2.47 gal	\$2,717.00	2.52 gal \$2,772.00
Hydraulic Oil - 55 gal. Drums	1,100	Gallons	2.82 gal	\$3,102.00	2.87 gal \$3,157.00
Automatic Transmission Fluid 1 qt. Case	85	Gallons	5 gal	\$425.00	5.05 gal \$429.25
Chassis Grease 120-pound Drum	2,000	Pounds	0.9775 lb	\$1,955.00	1.0275 lb \$2,055.00
Turbine oil XD15032 55 gal. Drum	110	Gallons	4.28 gal	\$470.80	4.33 gal \$476.30
Gasoline Engine 5W20 55 gal. Drum	1,000	Gallons	4.68 gal	\$4,680.00	4.73 gal \$4,730.00
Gasoline Engine 5W20 200 to 600	1,000	Gallons	3.5 gal	\$3,500.00	3.55 gal \$3,550.00
Gasoline Engine 5W20 1 qt. Case	1,000	Quarts	1.43 qt	\$1,430.00	1.48 qt \$1,480.00
Gasoline Engine 5W30 55 gal. Drum	1,000	Gallons	3.84 gal	\$3,840.00	3.89 gal \$3,890.00
Gasoline Engine 5W30 200 to 600	1,000	Gallons	3.33 gal	\$3,330.00	3.38 gal \$3,380.00
Gasoline Engine 5W30 1 qt. Case	1,000	Quarts	1.4 qt	\$1,400.00	1.45 qt \$1,450.00
Gasoline Engine 10W30 55 gal. Drum	1,000	Gallons	3.88 gal	\$3,880.00	3.93 gal \$3,930.00
Gasoline Engine 10W30 1 qt. Case	1,000	Gallons	3.33 gal	\$3,330.00	3.38 gal \$3,380.00
Gasoline Engine 10W30 200 to 600	1,000	Quarts	1.4 qt	\$1,400.00	1.45 qt \$1,450.00
New Diesel Kappa DHD 15W40 55 gal. Drum	1,000	Gallons	3.89 gal	\$3,890.00	3.94 gal \$3,940.00
New Diesel Kappa DHD 15W40 200 to 600	1,000	Gallons	3.29 gal	\$3,290.00	3.34 gal \$3,340.00
New Diesel Kappa DHD 15W40 1 qt. Case	1,000	Quarts	1.42 qt	\$1,420.00	1.47 qt \$1,470.00
				\$44,256.60	\$45,088.35

Fuel bids are based on OPIS (Oil Price Information Service) Pad 1 Atlanta Depot	2004
	Estimated Increase \$831.75 1.88%

Recommendation: CCWA's Staff recommends that this contract be extended to B&B Oil Company for six months. This contract will be for 6 months and may be extended for another 6 months to complete year two contract period by mutual consent from both parties with no more than a 2% increase on lubricants.

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

Regular Board Meeting
 May 6, 2004
 Page Nine

RESOLVED: to accept the contract with B&B Oil for Fuel & Lubricants for six months which may be extended for another six months to complete year two contract period by mutual consent from both parties with no more than a 2% increase in lubricants 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 Furniture Bid: Chairman McQueen called on Jim Poff, Manager of Water Reclamation, who presented the furniture bid recommendation for the administration building at the new Casey Plant. Mr. Poff added that this would furnish eleven rooms within the Administration building, which includes seven offices, an operator control room, conference/training room, file/supply room, and a lobby. Mr. Poff explained that the Authority had several furniture suppliers bid on this and staff recommends that the Authority accept the low bid from GSI Office Environments for thirty-one thousand seven hundred ninety-four dollars and six cents (\$31,794.06). This pricing includes all labor, materials, delivery and installation. This project will be funded from the 2001 Bond Issue.

**Clayton County Water Authority
 New Office Furniture/Furnishings
 W.B. Casey Water Reclamation Facility
 Bid Recommendation**

	Total Bid		Total Bid
GSI Office Environments 3145 Avalon Ridge, Suite 150 Norcross, GA 30071	\$31,794.06	Office Depot 1480 Mt. Zion Pkwy. Stockbridge, GA 30281	\$37,439.16
Office Furniture Expo 5385 Buford Hwy. Doraville, GA 30340	\$ 32,283.23	Brown Office Systems P.O. Box 91187 Atlanta, GA 30364-1187	\$39,990.00
NFL Office Works Atlanta, GA	\$32,388.78	Staples 1865 Mt. Zion Road Morrow, GA 30260	NO BID
Print Grafix Office Solutions 200 Carnes Drive Fayetteville, GA 30214	\$32,644.48	Castleberry Office Furnishings 3600 American Drive Atlanta, GA 30341	NO BID
Hensley's Office Design 15 West Solomon Street Griffin, GA 30223	\$32,847.65	Griffin Gallery 125 South Sixth Street Griffin, GA 30223	NO BID
Prime Office Systems 105 Southfield Parkway, Suite 300 Forest Park, GA 30297	\$34,359.63	Global Essence Interiors, Inc. 805 South Glynn Street, Suite 27 Fayetteville, GA 30214	NO BID
Fowlers Office Furnishings Athens, GA	\$34,772.32	Vision Installation Service P.O. Box 742871 Riverdale, GA 30274	NO BID
Minton-Jones 1859-I Beaver Ridge Circle Norcross, GA 30071	\$35,733.63	A & A Strategic Alliance 1790 Collines Avenue Atlanta, GA 30331	NO BID

Recommend accepting the low bid of GSI Office Environments for \$ 31,794.06. Pricing includes all labor, materials, delivery and installation. This project will be funded from the 2001 Bond Issue.

Board member, Wes Greene, asked what amount was budgeted for the furniture.

Regular Board Meeting
May 6, 2004
Page Ten

Mr. Poff stated that there was not a budgeted item in the revenue budget, because it was bond money, but we started with quite a bit higher pricing of about forty thousand dollars, when the Authority got price quotes in the beginning. The Authority was surprised that this bid came in so low.

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

RESOLVED: to accept the low bid from GSI Office Environments in the amount of thirty-one thousand seven hundred ninety-four dollars and six cents (\$31,794.06) which includes all labor, materials, delivery and installation contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Masonry Flatwork Bid Recommendation: Chairman McQueen called on Herbert Etheridge, Manager of Maintenance & Construction, who reminded the Board that when the budget was approved, staff had asked the Board to reject this bid for this one contract item because the one bidder did not understand the bid documents. Currently, the Authority has a contract that pays \$5.60 per square foot, with our crews digging out the driveways, which takes quite a bit of time. The contractor is responsible for digging out the old concrete, supplying the new concrete, finishing and landscaping around it. Mr. Etheridge stated that he was a little bit concerned with this low bid of three dollars and fifty-five cents (\$3.55) a square foot, which sounds awful cheap. The vendor assured Mr. Etheridge that they could do this job for that price.

Mr. Etheridge added that the second bidder is the contractor that the Authority currently uses for paving work, Eberhart-Grantham. Mr. Etheridge asked that the Board approve the Authority using either one of the low bidders, Curb Specialties, Incorporated or Eberhart-Grantham.

Board member, Alan Horton, asked Mr. Etheridge to explain what the bid process is based on.

Mr. Etheridge stated that the bid process is based on the quantity of about a thousand square foot of driveway, curbing re-finishing, six-inch slabs, pretty small quantities. Mr. Etheridge stated that a typical job is usually 10 x 10 or 10 x 12 driveway; take out one section to repair water line or sewer line, five hundred dollars in one place, six hundred dollars in another place. Mr. Etheridge stated that the Authority will use Curb Specialties, Incorporated first and if for some reason they decide that they cannot do the job for their bid price Mr. Etheridge will update the Board.

Regular Board Meeting
 May 6, 2004
 Page Eleven

**Clayton County Water Authority
 Masonry Flatwork
 April 26, 2004
 Bid Opening**

CONTRACTOR	BID AMOUNT
Southern Builders 209 Wallis Street Jonesboro, GA 30236	\$120,960.00
C & M Masonry Contractors Group, Inc. 174 Bellamy Place Stockbridge, GA 30281	NO BID
Martin's Masonry, Inc. 5156 E. Fairview Road, S.W. Stockbridge, GA 30281	NO BID
S & W Masonry Construction, Inc. P.O. Box 1345 Forest Park, GA 30298	NO BID
Commercial Masonry Specialist 100 Felton Drive Fayetteville, GA 30214	NO BID
Eberhart – Grantham P.O. Box 18147 Atlanta, GA. 30316	\$68,318.00
Golden Concrete Co. P.O. Box 2339 Stockbridge, GA. 30281	NO BID
Curb Specialties, Inc. P.O. Box 80668 Conyers, GA. 30013	\$43,350.00

Staff recommends authorization to use the two low vendors that submitted bids (Curb Specialists, Inc and Eberhart-Grantham). We will always attempt to use the lowest bidder and will use other vendor only in the event that the low bidder cannot meet our schedule/needs.

Upon Motion by John Westervelt and seconded by Marie Barber it was unanimously

RESOLVED: to accept the recommendation of staff to use the two low vendors that submitted bids, Curb Specialists, Incorporated and Eberhart-Grantham. Staff will always attempt to use the lowest bidder and will use the other vendor only in the event that the low bidder cannot meet the Authority's schedule/needs. This contract is contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Meter Stub Out Policy: Chairman McQueen asked Mr. Etheridge to continue with the Meter Stub Out Policy. Mr. Etheridge stated that in the Authority's beginning in 1955 up to 1998 the Water Authority installed all water mains and water meter services for new

Regular Board Meeting
May 6, 2004
Page Twelve

subdivision developments. In 1998, the Board started requiring the developer to do the water system much like they had been doing the sewer system under the Authority's inspection. About two years ago, the Board authorized the developers to have an option of installing meter service lines during the initial water main installation or have the Authority install the service line as the lot was built on. Due to confusion on whether the lots are pre-stubbed or not pre-stubbed, when developers purchase meters, staff recommends that the current policy be amended effective June 1, 2004 requiring developers to install all meter service lines themselves with CCWA doing an inspection of this installation.

Mr. Thomas added that a letter would be sent to a list of contacts, developers, engineers, and contractors this week explaining this amendment of our policy. Contractors have already been made aware of this new requirement.

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

RESOLVED: to approve the amendment of the Authority's policy effective June 1, 2004 that developers will be required to install all water service lines and that the Authority will still be responsible for inspection of the installation.

Stream Crossing Inspection Program: Mr. Etheridge introduced Charles Ecton, Wastewater Maintenance Coordinator. Mr. Etheridge stated that in October or November, he reported to the Board that the Water Authority won the Water Distribution System of the Year Award, which was the Authority's second attempt. The Authority took a year off between attempts because the staff knew they were not ready. Mr. Ecton applied last year for the first time with the Wastewater Collection System of the Year Award. Mr. Etheridge added that Neal Wellons always said, "that you never win the first time you apply". It is a learning process. Mr. Etheridge stated that he was almost as proud of what Mr. Ecton did on the Wastewater side as Mr. Etheridge was of the people that worked to get the Distribution Award, because it took two days to finally determine a winner and the Authority lost by one one-thousandth of a point to Cobb County. Mr. Etheridge added that one thing that Mr. Ecton learned out of the process was that Cobb County might have beaten the Authority because they already had in place a stream inspection program. Mr. Ecton had worked with Bruce Taylor and some of CH2M Hill's folks about a year ago with a consent order project where the Authority used palm pilots to do manhole inspections on all of our public sewer lines. The Authority came back with the idea that we could develop the same type of program to inspect sewer lines that cross streams.

Mr. Ecton explained that EPIP is really the idea that the Authority came up with, the Enclosed Pipe Inspection Program. Mr. Ecton stated that the Authority has about 904 miles of sewer lines within our system and we have visually inspected pipes across the streams pretty regularly since the early 90's to see if they are washed out and may possibly cause problems. Mr. Ecton stated that the Authority decided to make this process totally electronic, linking the field data directly to the GIS system, working with Bruce Taylor on

Regular Board Meeting
May 6, 2004
Page Thirteen

this. The staff wanted to inventory all the stream crossings, whether they were dry streambeds or over water, and develop a scheduled inspection program once all were inventoried so that the Authority could have a yearly assigned task to inspect them. Mr. Ecton added that if staff found debris, repairs that needed to be done, or replacements, the Authority would do them with the initial inspection and also address existing and future requirements with the EPD programs, including CMOM. All of this is done to prevent possible major sanitary sewer overflows and to protect the streams and lakes of Clayton County.

Mr. Ecton added that a metro area county had one of these washouts and lost five million gallons and the fine alone from EPD was one million dollars, plus a consent order. This county had to pay the one million dollars up front and then was told what to do in their system for about four years because of this major sanitary sewer overflow. It is very important to have a robust GIS system and a good way to get data is to do inspections, but in the old days people would write it down on paper and bring it in and someone would type it in the GIS system. Mr. Ecton stated that the staff wanted this to be a seamless electronic process. Mr. Ecton's section, Wastewater Maintenance, came up with ideas that they wanted to see, and Kim Zimmerman, Watershed Management, had a lot of good ideas about erosion control on the sides of the streams, such as correct measurements to help her see if the streams have gotten wider, shorter, or silting in. This information could be gathered while the inspection was being done. Mr. Ecton added that the IT department was a big help in the manhole project that the Authority had done earlier. Specialists from CH2M Hill helped put this all together in one neat little package to use.

Mr. Ecton added that the field crews use the palm pilots. The field crews have available the data and just choose the item from the screen and do not have to input information, just make a choice from the options available. The field crews can write comments when they come in. Mr. Ecton showed slides that illustrated the procedures used in the field and with a printer located in the vehicle, the field crew can pull up and print the information, go out in the woods, and not have to come back to the computer all day. Mr. Ecton showed the type of training that our personnel go through, and the findings on the first round. Mr. Ecton stated that the staff has only done about seventy-five (75) inspections of stream crossings, but what we are also using is the power of our GIS system. Mr. Ecton gave the Board a slide presentation showing the process out in the field.

Board member, John Westervelt, asked how far the Authority is in charting manholes.

Mr. Ecton replied that the staff has done 13% of the 22,000 known manholes, but the staff does not know how many stream crossings there are. The staff has done about 75 actual crossings.

Regular Board Meeting
May 6, 2004
Page Fourteen

Mr. Brannan added that having an inventory of what you have and having a regular maintenance schedule, and documenting this data will be an invaluable tool for the Authority.

Chairman McQueen thanked Mr. Ecton for this information.

Mr. Ecton added that the staff wanted to thank the Board and Mr. Brannan for all the equipment that the staff has to do their work.

Chairman McQueen stated that the reason the Board approved the equipment purchases was because they were afraid that Mr. Ecton would take them on one of those swamp tours. There were chuckles from the Board.

48" Casey Effluent Main Televising & Repair: Chairman McQueen called on Mr. Etheridge who stated that treated wastewater from the Casey Plant flows through a 48" pipe to the pump station at Jackson, then it is pumped over to the Huie site. Mr. Etheridge explained that the Authority needed to make sure that hydraulically this 48" line could handle the additional flow through this line. Mr. Etheridge explained that the Authority did the inspection of this 48" pipe and bid a contract for only the cleaning last October to Southeastern Pipe Survey in the amount of eighty-three thousand nine hundred dollars (\$83,900), using a combination of Televising and Sonar Inspection. Southeastern Pipe Survey has completed the inspection at a cost of sixty-one thousand seven hundred eighty dollars and forty cents (\$61,780.40), twenty-two thousand one hundred nineteen dollars and sixty cents (\$22,119.60) under budget. Mr. Etheridge added that he wished Danny Haynes were here to thank, as he was responsible for this project and found a way to do some of this work using sonar inspection, saving the Authority a significant amount of money. The line did not have any debris buildup and this saved the Authority approximately ninety-five thousand dollars (\$95,000) as we did not need to clean the line.

Mr. Etheridge stated that a few problems were found and have been corrected. An epoxy liner was installed in two manholes that were deteriorated at a cost of seven thousand one hundred fifty dollars (\$7,150) and staff repaired four minor leaks in the pipeline at a cost of two thousand four hundred seven dollars and twenty-five cents (\$2,407.25). The budgeted amount for Inspection, Rehab, and Cleaning was for one hundred seventy thousand dollars (\$170,000), with the total expended of seventy-one thousand three hundred thirty-seven dollars and sixty-five cents (\$71,337.65).

48" EFFLUENT SEWER MAIN

- With the combining of the W.B. Casey and the Jackson Water Reclamation Facilities we were required to inspect the effluent sewer main between the Casey Plant and the Jackson Transfer Pump Station to determine the condition of the pipeline. This

Regular Board Meeting
May 6, 2004
Page Fifteen

inspection was necessary to determine if the line was hydraulically able to handle the additional flow due to the combining of the plants.

- We were looking for leaks, structural deficiencies, and buildup of debris in the line.
- Rather than bid a contract for cleaning and inspection of the line, we decided to first perform the inspection and to bid a contract for cleaning only if needed.
- Southeastern Pipe Survey was awarded a contract in the amount of \$83,900.00 to perform this service using a combination of Televising and Sonar Inspection.
- Southeast Pipe Survey has completed the inspection at a cost of \$61,780.40 (\$22,119.60 under budget).
- It was determined that the line did not have any debris build up. This saved the CCWA approximately \$95,000.00 as we do not need to clean the line.
- We found the following problems, which have been corrected:
 - We had an epoxy liner installed in 2 manholes that were deteriorated at a cost of \$7,150.00.
 - We repaired 4 minor leaks in the pipeline at a cost of \$2,407.25.
- Budget for Inspection/Rehab/Cleaning was \$170,000.00
- Total expended was \$71,337.65

Chairman McQueen asked that Mr. Etheridge thank Mr. Haynes for all his hard work on this project.

Solids Dewatering Bid Recommendation: Chairman McQueen called on Mike Buffington, Project Manager, who stated that this project includes Solids Dewatering facilities for two of our Water Production plants and one of our Water Reclamation facilities. Mr. Buffington added that it includes a dewatering facility at the Shoal Creek Water Reclamation Plant to handle the biosolids produced by that plant, also the alum residuals that are produced at the J. W. Smith and Freeman Road Water Production Plants. The Authority will dewater the solids with centrifuges and haul that to the landfill. Mr. Buffington added that the Authority will have one other solids dewatering facility that will go in at the Northeast Plant and that will be included as part of the expansion and upgrade project for that plant.

Mr. Buffington explained that the Authority opened bids on April the 8th for the dewatering facility and received two bids. The low bid was submitted by P. F. Moon and

Regular Board Meeting
 May 6, 2004
 Page Sixteen

Company, Incorporated at seven million two hundred twenty-seven thousand two hundred fifty dollars (\$7,227,250). The Authority also received a bid from Winter Construction for seven million three hundred forty-seven thousand dollars (\$7,347,000). The bids are very close together, but are considerably more than our estimated cost, which is six million dollars (\$6,000,000), for several reasons, one being that for the past several years the Authority has seen a favorable bidding market, but that is beginning to change now due to increased cost of materials and equipment relating to steel cost and also petrol chemical costs. Mr. Buffington added that Rick Hirsekorn is going to give the Board more detailed information about these factors.

**CONSTRUCTION OF
 SOLIDS DEWATERING FACILITIES FOR
 FREEMAN ROAD WPP, J. W. SMITH WPP
 AND SHOAL CREEK WRF**

Project includes solids dewatering facilities for the biosolids generated by the Shoal Creek WRF, and alum residuals generated by the J. W. Smith WPP and the Freeman Road WPP. In general the project includes one dewatering facility at Shoal Creek WRF to handle Shoal Creek and J. W. Smith solids, and one facility at Freeman Road. Residuals will be dewatered using centrifuges.

Project Managers:

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

Bid Opening: Bids for construction of the project were received and opened at 2:00 PM, Local Time, April 8, 2004. The following bids were received:

- | | |
|--------------------------------|-------------|
| • P. F. Moon and Company, Inc. | \$7,227,250 |
| • Winter Construction Company | \$7,347,000 |

Estimate: Engineers Estimate Amount \$6,000,000

Funding: The Series 2001 Bond Issue will fund construction of the project.

Recommendation: Bids received were higher than the estimated construction cost for several reasons including current bidding market, and increased cost of materials and equipment due to increased steel cost and other factors. Funding is available for the project, and CH2M Hill and CCWA staff recommend award of a construction contract to the low bidder, P. F. Moon and Co., Inc., for **\$7,227,250**.

Mr. Hirsekorn commented that Mr. Buffington covered part of the reasons for the higher costs and compared the current costs to the period around the Olympics when there

Regular Board Meeting
May 6, 2004
Page Seventeen

was so much work going on and cost conditions were such that you could put work out for bid, but you did not get a lot of bidders because there was so much work. Back then, there were costs that came in as high as thirty, forty percent or more above estimates, which was not a comfortable time period for anybody. Mr. Hirsekorn stated that right now we are back into one of those periods. As you can see, the two bids are very close together and that tells us that it was an appropriately specified and designed piece of work. If the bids were wide apart, you would say that the contractors were not clear on what we wanted them to do and we had not done our job in design. Mr. Hirsekorn explained that the estimate was from a while back when CH2M Hill first did the design, but like Mr. Buffington said, in recent times, steel prices have gone up two hundred fifty percent (250%). Mr. Hirsekorn stated that steel is at five hundred dollars (\$500) a ton right now and that affects not only the construction of your project, but has a ripple effect throughout the whole industry. Mr. Hirsekorn added that this is not a temporary blip.

Mr. Hirsekorn stated that with the demand right now for steel and construction related materials in China, which I have seen first hand, they do not expect the prices to go higher now, but they do not expect them to taper back off and give us the pricing conditions that we have seen over the last several years, coupling this with the fact that as recently as a year ago, we might have had five or six bidders, we have two because of the amount of work. Mr. Hirsekorn added that this is not to make excuses, because we are accountable for what we do, but it is to explain the market conditions to you right now. Mr. Hirsekorn stated that he has also checked with other engineers with whom they compete and with whom they team on other projects, and their bids are all coming in fifteen to twenty percent higher on projects that range from ten million or less on up to forty million. Mr. Hirsekorn stated that he guessed that we should be grateful that we are in an area with a lot of economical vitality, but right now it is not good and CH2M Hill is sorry to report that the best bid is twenty percent (20%) over our original estimate.

Board member, Alan Horton, asked Mr. Hirsekorn if he thinks this is not temporary, but it will continue for some time, would this affect other future projects.

Mr. Hirsekorn stated that yes this would have an effect. This estimate was done back at the time when the Authority did the bond issue. CH2M Hill could have updated this estimate right before these bids, but it would not have changed the amount of money that CH had estimated would be required from the bond issue. Looking forward, especially on larger projects coming up, CH would have to take into consideration the changed market conditions.

Mr. Horton stated that he wondered if the Authority would have to re-visit that plan and update some of the dollar figures.

Mr. Hirsekorn agreed and added that as we look at the expansion of the Huie system, as we look at the Northeast Plant which is on the horizon, we definitely have to re-

Regular Board Meeting
May 6, 2004
Page Eighteen

visit the estimates to be sure that we have factored in the most recent market conditions, because it looks like they will be with us a while.

Mr. Buffington added that as it relates generally to the market, the Authority did postpone this bid once, and tried to get more bids, but we are finding that the contractors are being more selective, especially in the ten million dollar and under size projects. Mr. Buffington stated that the Authority does believe, that for the current market conditions, we have a good group of bids and that we do have a good low bidder. The Authority has worked with P. F. Moon on a number of occasions in the past, most recently the Hooper Water Production Plant Improvements Phase I. The Authority does have a letter of recommendation from CH2M Hill along with a D&B report on P. F. Moon and money is available from our Series 2001 Bond Issue and it is CH2M Hill's and the Authority's recommendation that the Board award the contract for construction of dewatering facilities to P. F. Moon and Company with the low bid price of seven million two hundred twenty-seven thousand two hundred fifty dollars (\$7,227,250).

Chairman McQueen stated that he was concerned with only two bids, but if you look at those bids, the difference is only one hundred thousand dollars (\$100,000) on a bid over seven million dollars. Another thing, Chairman McQueen added, is like Alan mentioned that a lot of people are not going to bid if they do not have to with the costs like they are now.

Board member, John Westervelt, asked what the Authority does now for dewatering.

Mr. Buffington stated that at the Shoal Creek Water Reclamation facility the Authority is contracting dewatering. This is more than if we do it ourselves. Mr. Buffington added that at the Smith Water Production Plant, we currently pump it over to the Shoal Creek Land Application facility and either land apply it or lagoon it. Now that we are not operating that land application facility now, we will have to find a different way to dispose of it.

Mr. Brannan stated that one thing about these contractors is that those bids are pretty tight and if the low bidder is not serious about bonding and insurance requirements, then Mr. Brannan will bring this back to the Board for their consideration using the other bidder.

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

RESOLVED: to approve the recommendation to accept the low bid from P. F. Moon and Company for the Construction of Solids Dewatering Facilities for Freeman Road Water Production Plant, J. W. Smith Water Production Plant, and the Shoal Creek Wastewater Reclamation Facility in the amount of seven million two hundred twenty-seven thousand two hundred fifty dollars (\$7,227,250). This contract is contingent upon approval

Regular Board Meeting
May 6, 2004
Page Nineteen

of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Mr. Buffington stated that contractors are telling the Authority that they can only get steel quotes that are good for seven days.

Mr. Westervelt commented that a lot of contractors are stockpiling steel and he anticipates that this will continue for at least the next three months.

Reeves Creek Lift Station Upgrade Bid Recommendation: Chairman McQueen called on Mike Thomas, Manager Program Management & Engineering, who stated that before Mr. Buffington presents the bids on this next project, he wanted to give the Board some background for the new Board members. Reeves Creek currently pumps to our Northeast Water Reclamation facility. This lift station is near capacity and needs to be expanded and the Northeast Plant flows are also near capacity. Mr. Thomas presented some slides for the Board showing the Reeves Creek drainage area, which includes the 675/138 intersection, the Mt. Zion/75 intersection, a very rapidly growing area. The Authority likes to see “run” times in the ten to fifteen hour range for a lift station, which is when it runs the most efficiently, and the pumps do not wear out prematurely. Mr. Thomas added that the Board could see from the slides that the “run” times for these pumps are running much more. Mr. Thomas stated that the Authority had one period of wet weather where the pumps ran around the clock and that is not good for a pump station, which makes one wonder if it really is capturing all the wastewater that is coming to it. This just expressed the need to expand that lift station.

Mr. Thomas showed the flows at the Northeast Plant, which is under design for expansion, and is permitted for 6 MGD and the flows are gradually trending up. Mr. Thomas explained that it will be probably any where between four or five years before the Authority could get that plant expanded so the Authority wanted to look at a way to reduce capacity at that plant. One way to reduce capacity is to take flows from the Reeves Creek basin and put them in the Casey basin. The Authority’s plan is to take the flows from Reeves Creek and pump them over to the Rum Creek pump station and then pump them over to the Casey Plant. The Authority does have capacity at the Casey Plant.

Mr. Thomas stated that as soon as the Casey Plant expansion is complete this summer, our new limit would be 24MGD, so the Authority has good capacity at that facility. Mr. Thomas stated that the pump station is designed so that we could go either way, to the Northeast or Casey plant, which will give the Authority some flexibility on how we handle our flows and it also relieves our capacity concerns at our Northeast Plant. The pump station will be designed for about a million gallons a day, but under normal operating conditions will probably be pumping about a half a million gallons a day. Mr. Thomas stated that we are bringing the bids on the pump station today and next month will bring our bids for the force main, which is estimated at about a million and a half dollars. The

Regular Board Meeting
May 6, 2004
Page Twenty

advantage in doing this project is that it extends the capacity at the Northeast Plant until the Authority can complete the expansion, which we are projecting will be in 2008 or 2009. By providing additional capacity at Northeast we would be able to handle flows from the area of Clayton County that flows into DeKalb if we decide in the future to pump that to Northeast. Mr. Thomas added that this will give the Authority flexibility in the wastewater collection system and by sending this wastewater to the Casey Plant and then to Huie we are putting more of our water back into an area where we can recapture our drinking water. There are a lot of benefits to that plan and we just wanted the Board to understand the reason for this project. This turned out to be an expensive project, but still cost effective.

Mr. Buffington stated that the Authority opened bids on April 7th for construction of the new Reeves Creek Wastewater Lift Station. This project is a smaller job and the Authority sees more contractors bidding on jobs in the two million dollar range. There were five bids with P. F. Moon being the low bidder with a bid of one million seven hundred sixty-seven thousand dollars (\$1,767,000). The Authority's estimated cost was less than the low bidder, but not as much as the other project. The 2003 Bond Issue will fund this project and the money is available. Again, the Board has a letter of recommendation from CH2M Hill and it is the recommendation of the staff that the Board award the contract for the Construction of the Reeves Creek Lift Station to the low bidder, P. F. Moon and Company at one million seven hundred sixty-seven thousand dollars (\$1,767,000).

Mr. Westervelt asked how long would this buy us.

Mr. Thomas stated that if you project the flow line on out this would give the Authority two or three years.

Mr. Westervelt asked when Northeast was supposed to be redone.

Mr. Thomas stated that the staff had hoped to bid the project this year, but we would have to do another bond issue to finance it, so we are thinking that the Authority is at least a year or two years away from bidding the project.

Mr. Westervelt added that this is only like a two-year fix.

Mr. Brannan explained that this plan gives the Authority long-term flexibility to move the flow around in the county which would take some flow off that plant and later on would give that flexibility within the system to move that wastewater around, which is a tremendous asset to try to manage depending on what is happening at that Northeast Plant

Mr. Greene asked Mr. Hirsekorn if the ten percent is also because of the steel prices.

Regular Board Meeting
 May 6, 2004
 Page Twenty-One

Mr. Hirsekorn stated that it is the same story as he provided regarding the other project. Mr. Hirsekorn stated that CH2M Hill would be updating all their cost estimates for future projects.

Vice Chairman, Lloyd Joiner, shared a personal experience on a smaller scale compared to what we are talking about here. Mr. Joiner signed a contract on a steel building in January and on March 15th the company went to Mr. Joiner and stated that his building was going up eleven percent. Mr. Joiner asked them what his choices were and they told him he could take it or leave it and in addition to that, they told him if he did not take delivery on the building by March 16th it would be going up another sixteen percent. Mr. Joiner along with a bunch of other people agreed to jump in and buy the building according to what the contract called for and it put them so far behind that Mr. Joiner just got the building yesterday, May 5th. Everyone jumped in to beat the price and now everybody is behind on delivery.

CONSTRUCTION OF
 REEVES CREEK LIFT STATION
 UPGRADES

Includes construction of new Reeves Creek Wastewater Lift Station. New upgraded and expanded station will replace existing lift station and will pump to Northeast WRF or W. B. Casey WRF (through Rum Creek Lift Station). The ability to pump to W. B. Casey will provide relief for Northeast WRF until that plant can be expanded. Construction of force main from Reeves Creek station to Rum Creek station will be bid under a separate contract.

Project Managers:

- CH2M Hill, Engineers – Terry Moy
- Clayton County Water Authority – Cliff Beraset

Bid Opening: Bids for construction of the project were received and opened at 2:00 PM, Local Time, April 7, 2004. The following bids were received:

• P. F. Moon and Company, Inc.	\$1,767,000
• Alcon and Associates, Inc.	\$1,797,000
• Haren Construction Company, Inc.	\$1,932,000
• Reynolds, Inc.	\$1,932,450
• Holt and Mahone Constructors, Inc.	\$2,089,175
<i>Estimate:</i> Engineers Estimate Amount	\$1,600,000

Funding: The Series 2003 Bond Issue will fund construction of the project.

Recommendation: Funding is available, and CH2M Hill and CCWA staff recommend award of a construction contract to the low bidder, P. F. Moon and Co., Inc., for \$1,767,000.

Regular Board Meeting
May 6, 2004
Page Twenty-two

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

RESOLVED: to accept the recommendation of management of the low bid from P. F. Moon and Company in the amount of one million seven hundred sixty-seven thousand dollars (\$1,767,000) for the Construction of the Reeves Creek Lift Station Upgrades. This contract is contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Upon Motion by Lloyd Joiner and seconded by John Westervelt 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.

Mr. Brannan stated that the Authority had a customer that had a line break behind their house. The customer did not see the leak from their house and their bill went up to about four thousand dollars worth (\$4,000). The Authority reviewed our policy with the customer and made an adjustment to their account in an amount over twenty-one hundred dollars (\$2,100). The customer is asking for an additional adjustment and Mr. Brannan told her that she could come before the Board, but Mr. Brannan did not think that the Board would change the policy as the policy is administered to seventy some thousand customers. Mr. Brannan asked the Board for their guidance.

There was some discussion but the Board of Directors did not recommend any change to the existing policy and did not award any additional adjustment to this customer.

Mr. Brannan stated that he would contact this customer with the Board's decision.

Mr. Brannan mentioned that the Board did receive the information on the costs of the Recreation facilities, which were sent to the Board in their packets. The Board did acknowledge that they had received this information but there was no discussion at this time. Mr. Brannan stated that Mr. Pihera was available if the Board had any questions. There were no questions.

Mr. Brannan stated that the Authority received fifty-six thousand five hundred dollars for those five pieces of equipment that were sold at auction. The Authority had to pay a ten percent (10%) fee and a little bit of prep work and wound up with fifty thousand six hundred forty six dollars and fifty cents (\$50,646.50).

Mr. Brannan stated that he had talked to the Board at the last meeting about the cellular tower at the R. L. Jackson Plant and in pursuit of that contract; Mr. Fincher has

Regular Board Meeting
May 6, 2004
Page Twenty-Three

reviewed that contract. In preparation of that contract, the Authority and T-Mobile had been going back and forth. After that, the T-Mobile folks came back and stated that they were looking at another site at the Casey Plant for another tower. Mr. Brannan, Mr. Poff and the T-Mobile folks met at the Casey Plant and looked at that site and the T-Mobile folks stated that they might offer the Authority a contract on this site. Mr. Brannan advised them that the same agreement of twenty thousand dollars a year at the Casey site would apply as long as they did not run into any zoning or commission issues with it and it would be functionally all right with the Authority. Mr. Brannan stated that he would pursue both sites if T-Mobile wants to proceed with both locations.

Mr. Brannan stated that towards the end of this past month, in the IT shop, the Authority had maintenance costs with IBM and some costs with PeopleSoft, which were due before May 1, that caused that account to be short some fifty thousand dollars. Mr. Brannan stated that he moved some funds because this needed to be done by the end of the month or we would have jeopardized the contract that we had on some maintenance issues. Mr. Brannan added that this is more than he would have normally done, but it was just one of those things that had to be done and Mr. Brannan knew that the Board would have wanted him to take care of this. Mr. Brannan wanted to make the Board aware of this transfer to pay for these expenses.

Mr. Brannan stated that last month the Authority received about one hundred seventy-eight thousand dollars (\$178,000) in Grant Money and we are going to bundle that money with another one hundred fifty thousand dollars (\$150,000) sometime this fall and try and use all that money on one job down at the Huie site because we had to go with special requirements with that GEFA money. Also, Mr. Brannan added that we would be lobbying for additional funds and Mr. Brannan felt that the Board would want the Authority to participate in that as well.

Mr. Brannan stated that Chris Wood, with JWA, has looked at their billing rates and brought this up to the Authority that their rates were established in 1997 and have not been adjusted since then. Their billing rate to the Authority is seventy-five dollars an hour, straight across the board. JWA does the Henry County Water's public relations, and also does Athens/Clarke County and they are billing them at ninety dollars an hour for administrative and one hundred dollars an hour on professional services. Mr. Brannan added that JWA has not adjusted their fees since 1997 and Mr. Brannan did not think that this was unreasonable. So with the Board's approval Mr. Brannan will authorize them to bill us at that same billing rate.

Chairman McQueen stated that Mr. Brannan is asking for a rate increase for JWA, the Public Relations firm for the Authority.

Mr. Horton asked what this increase would cost the Authority on an annual basis.

Regular Board Meeting
May 6, 2004
Page Twenty-Four

Mr. Brannan stated that currently JWA is billing the Authority approximately thirty thousand dollars (\$30,000) annually, but added that some of what JWA is billing the Authority depends on special projects the Authority is doing. Mr. Brannan said that maybe the increase would be fifteen (15%) percent.

Mr. Brannan added that in the coming year the Authority will have a grand opening at the Casey Plant like the Authority had at the Freeman Plant, plus next year we also have a fifty year anniversary of the Water Authority coming up, so we will be using their services a lot more in this coming year than we have in these past years.

Mr. Greene asked what if the Authority goes to ninety dollars an hour on both administrative and professional services.

Upon Motion by Marie Barber and seconded by John Westervelt it was unanimously

RESOLVED: to increase the hourly billing rate to JWA Public Relations to ninety dollars (\$90.00) an hour for both administrative and professional services.

Mr. Westervelt asked if our Public Relations firm is ever bid on.

Chairman McQueen and Mr. Brannan answered that this is a professional service and this firm was selected. Chairman McQueen explained that he and Mr. Greene were both on the Board at the time and there were a lot of problems.

Mr. Hicks stated that Chris Wood was on board for about thirty or forty-five days on September 27, 1997, when we had the only time in history that the Water Authority had to issue a "boil water" notice, and he turned as positive a spin on that situation as possible. The reputation here at the Authority before that helped also.

Mr. Greene stated that JWA has done a good job and it is to our advantage to retain their firm.

Mr. Brannan and Mr. Hicks stated that in 1997 the Authority added our two police officers to provide security and they are basically on call 24/7. If we have a problem with a customer downstairs, or have a problem with an employee, or any need of law enforcement, we call our officers and they respond immediately. Mr. Brannan stated that one of our most recent situations was the guy who had been straight-piping his meter service. We called our officers to go out in the middle of the night with our employee to enforce our policy, the Authority took that customer to court, and our officers went to court on our behalf, plus they provide security, they come in every Thursday and go over our sites, if they see anything around our sites, they share that information with us so that we can share it with staff to have it corrected. Mr. Brannan added that these two officers are

Regular Board Meeting
May 6, 2004
Page Twenty-Five

paid a thousand dollars a month (\$1,000) and their salaries have not been adjusted in five or six years. Prior to these officers, the Authority had a full-time security officer with a salary of some thirty thousand dollars (\$30,000) a year. Mr. Brannan recommends that their salaries be adjusted to eleven hundred dollars per month for each officer.

Mr. Horton asked if the Authority paid these officers individually or is the police department paid.

Mr. Brannan stated that the officers are paid individually.

Ms. Barber asked if the officers are working for the police department when they are called here.

Chairman McQueen stated that these officers are paid for after work security, during the night, for the Authority, on a part time basis. Mr. Brannan had mentioned to Chairman McQueen that the Authority has a big customer who has been harassing the Customer Service reps and Chairman McQueen advised that our officers be called to handle this situation.

Mr. Hicks stated that if any need arises that would require police protection, the management can contact our security officers directly and they in turn have immediate protection sent on the Authority's behalf without going through normal channels, which may take a longer response time.

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

RESOLVED: to increase the monthly salary for the Authority's two security officers from one thousand dollars (\$1,000) per month, per officer, to eleven hundred dollars (\$1,100) per month, per officer.

Mr. Brannan stated that Mr. Greene had mentioned previously about the landscaping at the Freeman Road Plant. Mr. Brannan will meet with Mr. Pihera and have him develop a landscaping plan that would improve the fall and winter landscape. The landscaping for the spring and summer times seems to be good, but some improvement needs to be addressed for the fall and winter.

Mr. Brannan next mentioned that the Employee Benevolence Fund had been set up some years ago, prior to when the Authority made a change to the employees annual leave policy. The policy used to be that the time would build up to a certain maximum and then the employee just lost the time. Then it was decided that the dollar value of that time would be put into an Employee Benevolence Fund and then was allocated out by the request of the General Manager.

Regular Board Meeting
May 6, 2004
Page Twenty-Six

Currently, once the employee builds over the maximum time limit, the excess goes into a leave bank, which is the same policy as the county, to be used in case of a catastrophic illness or towards retirement. There is no dollar value going into that Employee Benevolence Fund because of this change in annual leave policy. Mr. Brannan stated that if an employee were to make a request, which does not happen very often, then management had to evaluate that. Basically, this Benevolence Fund was created by the Board and really needs to be done away with. Mr. Brannan asked that as a house cleaning measure, that the Board do away with the Benevolence Fund.

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

RESOLVED: to abolish the Employee Benevolence Fund, which is no longer being used.

Mr. Brannan stated that the pre-bid meeting for the Banking Services is scheduled on May 24, 2004, with the actual bids being accepted on June 4th, with implementation of the new banking services in October. Every bank that the Authority can think of in Clayton County has been sent a bid package.

Mr. Greene asked which bank is currently handling our banking services.

Mr. Brannan stated that RBC is the Authority's current banking facility.

Mr. Hicks stated that RBC has the main operating fund, Suntrust has the payroll, and the Authority has two trust funds, one is at Southtrust and is not sure where the other one is currently, but what the Authority is proposing is that all of these banking services be brought under one umbrella.

Mr. Brannan stated that along with the banking services, the Authority is also inquiring about the possibility of online banking services, paying online, use of credit cards and electronic bill payment, which may help with our delinquent accounts. There have been a good number of inquiries about the availability of this service, so this also will be a consideration with the selection of a bank to handle all our needs.

Mr. Brannan wanted to let the Board know that the helicopter would be available for an aerial view of the Authority's facilities and wetlands on May 17th and 18th for any Board member that would like to participate in this.

Mr. Brannan mentioned that the July Board meeting would be on July 1st and asked if the Board would like to change this date, as Friday, July 2nd will be observed as a holiday for the Independence Day holiday.

Regular Board Meeting
May 6, 2004
Page Twenty-Seven

The Board stated that the Regular Board meeting for the month of July would be changed from Thursday, July 1st to Thursday, July 8th, at 1:30 p.m.

Mr. Hicks stated that the Board has been given the paperwork for direct deposit of their Board checks and added that this is optional to anyone that might be interested in having their checks automatically deposited into their bank account.

Mr. Brannan stated that what Mr. Etheridge was about to explain is an extra out of the ordinary situation that occurred. Mr. Etheridge gave a slide presentation showing the area in discussion at 139 Highway/East Fayetteville. On April 14th, the Authority received a call at 4:30 a.m. from the gas company saying that they had water in two gas lines between two houses in the area of Walker Road and East Fayetteville. The Authority responded and shutoff one service line water leak found on Walker Road. No one lived in the house and the leak was on the customer's side. Mr. Etheridge added that the gas company said that they would call the Authority back if they needed to.

At this point, it was not known where the water was coming in, which could have been as far away as the airport. Someone could have accidentally tapped a water line or gas line. During the night at approximately 5:30 a.m., as the gas company was digging to isolate parts of their gas main, trying to narrow down where the water was getting in, they broke a water main. In order to repair this water main, the Authority has to turn off the water. Normally, when we do that, we do not shut the water main off completely, but leave some water running through while we are working. This prevents any possible contamination getting into the water main and prevents a lot of notification of "boil water" alerts.

In this instance, the gas company requested that the Authority completely shut off the water to this water main so that they could see if that indeed stopped the water from getting into their gas main. The gas company was not able to tell that, because the Authority had the water off for about fifteen minutes and did our repair. There was a hydrant nearby and Mr. Etheridge smelled the hydrant to see if he could smell natural gas in the water system. Mr. Etheridge could not smell any gas. The gas company brought up their instrument and tested and there was indeed natural gas in the water system. Their concern and Mr. Etheridge's was that there was natural gas in the water system getting into someone's house through a faucet, which would have been a real problem.

Mr. Etheridge stated that there were about eighty customers (80) that needed to be notified to open the front spigot so that we could flush any gas that may have been in the system out before it had an opportunity to get into the houses to avoid the possibility of an explosion. The crews were also instructed to go to the meter and listen to see if you could hear a water leak. There was not enough time to setup our equipment, so the old method was used which was a shovel handle on the water meter to hear water running. Luckily,

Regular Board Meeting
May 6, 2004
Page Twenty-Eight

the fifth house that they went to, they heard water leaking and went across the street where our crews excavated.

The lined was tested, but there was not any water coming out. When one of the guys hit the line with a shovel, water spewed out. What had happened was that the two lines had bonded together. In the gas company's employee's thirty-year career he had only heard of two instances where lightning had hit and actually welded two pipes together and burnt a hole in the lines. Mr. Etheridge stated that this was on a Thursday morning and we had had a bad lightning storm on Tuesday night before that in that area. This had sealed the two pipes together and there was a hole about an 1/8 of an inch where water was going directly into the gas line. Our pressure was about five pounds per square inch more than the gas company's was. The gas company repaired their gas main and the Authority replaced our water service line. At that point, Mr. Etheridge was in contact with Mr. Brannan, Mr. Pihera and Fire Chief Cohilas. Chief Cohilas put everyone on alert in case we started to receive sick calls at the hospital or at the health department, which did not happen. Through Mr. Pihera's people, the Authority talked to the state EPD.

Mr. Etheridge stated that immediately our staff went door to door telling people not to drink or use any water for cooking until we got back with them. About an hour and a half later, we went back and gave these customers a written notice and sampled eight sites and sent them to our lab and the state lab, where they have sophisticated equipment and then went back 24 hours and performed that same test again, and received an "all clear" to put them back in service. Our crews went back to all eighty customers (80) and notified them that it was okay to use water as normal. This could have been a bad situation.

Mr. Brannan stated that Herbert and his people, Guy and his people working with the state, doing sampling and advising the state what was going on, was a coordinated work effort. Mr. Brannan added that you cannot talk enough about the people that work for this company who are as good as it gets. The Board gave a round of applause in agreement with Mr. Brannan's comment.

Mr. Etheridge stated that the gas meter is designed that once water gets into the line the gas flow to the house is shut off. After he thought about it, the backflow devices would have kept the customer's water service lines full of water from the meter to the house. There is really no danger of getting an air pocket. The crews worked that night until 1:00 a. m. with the gas company, going door to door and as people got home, the staff was there to meet them with the gas company, checked the water system inside the house, and the gas company re-lit the pilot lights. This involved about eighty customers (80) on April 14th and 15th.

Chairman McQueen thanked Mr. Etheridge and added that Mr. Brannan wanted the Board to be aware of the conscientious efforts of our employees.

Regular Board Meeting
May 6, 2004
Page Twenty-Nine

Mr. Etheridge added that when you go to eighty peoples' houses and tell them not to drink the water or not to cook with it until it is safe, you would think that there would be complaints, but there was not one customer that complained.

Mr. Brannan reminded the Board of the trip to Orlando in June and in October the trip to New Orleans.

Mr. Horton asked Mr. Brannan for a two minute or less update on the stormwater utility.

Mr. Brannan stated that we have met with the cities and are explaining to them what is going on, CH2M Hill is actually in the process of evaluating what part each city will play. Mr. Brannan added that one day this week he and Mike Thomas went to Douglasville/Douglas County Water Authority and they have actually implemented a stormwater utility in the City of Douglasville and are going to take over the county next year. They charge a four-dollar fee (\$4.00) on the water bill. They have had a lot of public relations up front so that their fee per residence and other properties would be based on impervious area so that everybody's fee would be equitable.

Henry County has the stormwater utility under the commissioners and they have hired one person to run this for them. The Water Authority down there really should handle the stormwater utility as they pretty much have all the information for it just as we do up here. Mr. Brannan added that we are moving along with this program and hopefully within the next 30 to 60 days we can come back and have a proposal for the Board and the Commissioners to look at and see how you want to proceed on this. Originally, Mr. Brannan was hesitant about putting this fee on the water bill, but realistically this may be the best way for the public to buy into it. This is not a big charge per month, and the Authority is still in the process of evaluating that.

Ms. Barber mentioned that she had gone by to see Jesters Creek and recommended that each Board member see how nice this facility is.

Upon Motion by Marie Barber and seconded by John Westervelt 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