

CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road
Morrow, Georgia 30260

Regular Board Meeting, October 2, 2003

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, J. Alan Horton, Robbie Moore, and John L. Westervelt, General Manager, M. Wade Brannan, Deputy Manager, Terry R. Hicks, Department Managers, Frank Conort, Dennis Hammock, Herbert Etheridge, Guy Pihera, Mike Thomas, Jim Poff and Teresa Adams, Customer Accounts Director, Morris Kelly, Finance Director, Emory McHugh, Project Manager, Mike Buffington, Contract & Procurement Administrator, Karen Riser, Administrative Secretary, Dianne Hammock, Human Resource Director, Ed Durham, Information Services Supervisor, Rodney Crowell, Network Administrator, Chris Sims, Executive Secretary, Janet Matthews. Also present were: Steve Fincher, Fincher & Hecht, L.L.C., Rick Hirsekorn, of CH2M Hill, Chris Wood and Bryan Harris of Jim Wood & Associates Public Relations, and Darrell Thomas of Williams-Russell & Johnson, Incorporated. CCWA employees: Lenny Clupper, Jimmy Hines, Tommy Smith, Carolyn Smith, Deborah Bruce, Darlene Tuggle, Mike Long, James Hurtado, and Jacob Callahan. Board member, Wes Greene, was not in attendance.

Chairman McQueen called on Mike Long, Operator at the Hooper Plant, to give the invocation.

Chairman McQueen called for any omissions or additions to the Regular and Executive Session Board Minutes of September 4, 2003. Chairman McQueen stated that under SR 138 @ Little Learners Academy Update two changes were made to the copy of the minutes that were mailed to the Board.

Chairman McQueen explained that in the second paragraph on page twenty-one sixty-three, "Mr. Brannan stated that one of the **parcels** might cost the Authority as much as twelve thousand dollars (\$12,000)." Chairman McQueen stated that **parcels** was changed to **easements**.

Chairman McQueen stated that the second change is on page twenty-one sixty-four. "Mr. Brannan added that at maximum, the cost would be capped at thirteen thousand dollars (\$13,000) and the Authority would acquire all the easements and service **that building**." Chairman McQueen stated **that building** was changed to **the Little Learners Academy**.

Chairman McQueen stated that with these two changes the minutes stand approved.

Financial and Statistical Report: Chairman McQueen called on Emory McHugh, Finance Director, who presented the monthly financial and statistical report. This report was received for information with some discussion from the Board.

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Employee Recognition: Chairman McQueen called on Rodney Crowell, Information Services Supervisor, who asked Chris Sims, Network Administrator, to come forward. Mr. Crowell stated that he would like to recognize Mr. Sims for having completed his Bachelor Degree of Applied Science in Technology Management at Clayton College & State University.

Mr. Crowell explained that two weeks prior to Mr. Sims start date of May 15, 2000, the Authority implemented, with the help of CH2M Hill and an outside vendor, our local area network. Mr. Sims was so interested in how the Authority was going to do this that Mr. Sims came in and started assisting us before his first day on the job. Mr. Crowell added that Mr. Sims has continued with the expansion of that network in the same manner and his solution on implementation of that system has brought to the Authority a savings of a half million dollars on an annual basis in reoccurring costs.

Mr. Crowell stated that because the Water Authority has directly benefited from Mr. Sims' knowledge and his education, the Authority wanted to take this time to recognize him for the completion of his Bachelor Degree, which he has done while working full time here, which in his position is sometimes as much as fifty hours a week, and has continued teaching classes at the college as well. Mr. Crowell told Mr. Sims how much he is appreciated. Mr. Sims received a round of applause.

Mr. Sims thanked everyone at the Water Authority for allowing him to attend classes to complete his degree while working here full time. Mr. Sims stated that there are certain institutions that are not as accommodating as the Authority has been and Mr. Sims wanted to express his appreciation to the Board and management.

Chairman McQueen stated that on behalf of the Water Authority he wanted to thank Chris for investing his time in completing his degree and also for his dedication to the Authority.

Employee Service Recognition: Chairman McQueen called on Terry Hicks, Deputy Manager, who stated that he would like to recognize three employees that have reached fifteen (15), twenty-five (25), and thirty (30) years respectively.

Mr. Hicks called on Lenny Clupper to come forward. Mr. Hicks stated that Mr. Clupper works at our Shoal Creek Wastewater Plant as an operator and has seen some trying times keeping that plant running during construction. Mr. Hicks stated that Lenny is one of those unsung heroes that continuously keeps the core of our operation, water and wastewater, running smoothly. This core is what brings revenue into the Authority every month. Mr. Hicks told Mr. Clupper how much he appreciates his fifteen years of service. Mr. Clupper received a round of applause.

Mr. Hicks next introduced Jimmy Hines who has been with the Authority for twenty-five years. Mr. Hicks stated that the first part of Mr. Hines' twenty-five years was spent at Forest Park. Mr. Hines, as well as the other employees that came from Forest Park with the

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vast knowledge of that system, has made a real contribution to the Authority. Mr. Hicks thanked Mr. Hines and congratulated him for his twenty-five years of service. The Board gave Jimmy a round of applause.

Mr. Hicks called on Tommy Smith who is currently Maintenance Foreman of all sprinkler and irrigation systems at the land treatment site. Mr. Hicks stated that one use to hear that there were eighteen thousand sprinklers along with two hundred forty or fifty miles of pipeline, the majority of which Tommy knows. Mr. Hicks stated that Tommy's crews also mow the right of ways and because the crews are so versatile, the Authority has them fix things here and there throughout the Water Authority. Mr. Hicks added that Tommy is one of those Jonesboro High School guys. Mr. Hicks presented Tommy his thirty-year pin and told Tommy how much the Authority appreciates his hard work and dedication through the years. The Board gave Tommy a round of applause.

Chairman McQueen stated that on behalf of the Board that he would like to congratulate Lenny, Jimmy, and Tommy for their many years of service and thank them for their dedication and contribution to the Authority.

Chairman McQueen called on Guy Pihera, Manager of Water Production, who updated the Board on the status of the Authority's water production and raw water reserve. Mr. Pihera discussed the information shown on the Water Supply Weekly Update for September 29, 2003, that was distributed to the Board. Mr. Pihera stated that rainfall is up based on last year and that is probably why our production is down a little.

Leak Detection Program Update: Chairman McQueen called on Herbert Etheridge, Manager of Maintenance & Construction, who stated that, to date, the Authority has surveyed six hundred six miles of water main, which is almost half of our water system. Mr. Etheridge added that he believes that the Authority is the only water system east of the Mississippi that is surveying their entire system. Mr. Etheridge stated that the Authority's vendors use the Authority as an example for other water systems and that visitors from all over the state come to observe our program, to see how it is set up, and how the Authority manages it.

Mr. Etheridge discussed the information that was distributed to the Board including the costs for the leak detection program and the savings that has resulted from this program.

Chairman McQueen commented that the leak detection program has been a program that has yielded a great savings for the Authority.

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**CLAYTON COUNTY WATER AUTHORITY
 LEAK DETECTION PROGRAM
 MARCH 2000 thru SEPTEMBER 2003**

2000 Total of 47 leaks repaired = 735, 445, 800 gallons a year = \$ 1, 331, 156. 89-production cost.

SIZE	FOOTAGE	LEAKS	GALLONS PER YEAR	PRODUCTION COST
¾"	48, 247. 1'	69	304, 748, 000	\$ 551, 593. 88
1"	21, 251. 4'	11	75, 686, 300	\$ 136, 992. 20
2"	158, 113. 2'	35	190, 493, 000	\$ 344, 792. 33
6"	1, 916, 208. 9'	14	719, 020, 800	\$ 1, 301, 427. 65
8"	449, 586. 9'	4	175, 024, 800	\$ 316, 794. 89
10"	20, 801. 5'	0	0	\$ 0. 00
12"	181, 731. 8'	1	1, 576, 800	\$ 2, 854. 01
16"	347, 167. 4'	1	10, 512, 000	\$ 19, 026. 72
20"	15, 647. 4'	0	0	\$ 0. 00
24"	45, 096. 1'	0	0	\$ 0. 00
30"	0	0	0	\$ 0. 00
36"	0	0	0	\$ 0. 00
TOTAL	3, 203, 851. 7'	135	1, 477, 061, 700	\$2, 673, 481. 68

2001 Total of 48 leaks repaired = 506, 941, 200 gallons a year = \$ 917, 563. 57-production cost.

2002 Total of 16 leaks repaired = 134, 810, 700 gallons a year = \$ 244, 007. 38-production cost.

2003 Total of 24 leaks repaired = 99, 864, 000 gallons a year = \$ 180, 753. 84-production cost.

To date we have surveyed 606.2 miles of 1,319 miles of CCWA Watermains (46%)

**CLAYTON COUNTY WATER AUTHORITY
 LEAK DETECTION PROGRAM
 MARCH 2000 thru SEPTEMBER 2003**

Expended to date (42 months):

Initial Capital Cost \$70,876.00
 Hardware Update – October 2003 \$12,000.00
 Approximate Salaries to date \$201,609.00
 Operating Expenses to date: \$95,466.00

Total: \$379,921.00 (For every dollar expended we have recovered \$7.04 worth of water)

Projected Approximate Annual Cost:

Salary \$61,568.00
 Operating Expenses \$33,276.00
Total: \$94,844.00

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Remote Sewer Outfall Cleaning Equipment Recommendation: Chairman McQueen asked Mr. Etheridge to continue with the next item on the agenda. Mr. Etheridge discussed the Current Method of Outfall Cleaning with a slide presentation to the Board and also showed the Sewer Line Outfall Cleaning Machine that the staff is recommending purchasing. There was discussion concerning this information.

**Clayton County Water Authority
 Sewer Line Outfall Cleaning Machine
 Tab Sheet
 September 2003**

Vendor	Bid	Make/Model
WMI, Inc Alberta, AL	\$23,700.00	WMI 4623ATR
Stith Equipment Forest Park, GA	No Bid	
P&H Supply Louisville, GA	No Bid	
Adams Equipment White Plains, GA	No Bid	
Sewer Equipment Co of America Glenview, IL	No Bid	
Enviroquip Forest Park, GA	No Bid	
Rodders & Jetts Supply Co Sumter, SC	\$20,995.00	SECJAJ-600

Recommendation: The CCWA staff recommends purchasing 1 new Sewer Line Outfall Cleaning Machine from WMI, Inc for \$23,700.00. The low bidder did not comply with the bid requirements or meet specifications (See attached documentation). Budgeted amount was \$25,000.00.

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Sewer Line Outfall Cleaning Machine September 2003

The low bidder for this equipment, Rodders & Jetts Supply Co, failed to comply with our bid requirements. Rather than use the bid specifications provided by the CCWA in the bid package, they chose to include their specs in the bid documents that were returned to us.

Additionally the machine that they bid does not meet specifications in key areas such as:

- 1) Most importantly, the machine was specified to be a crawler track driven unit with 6 heavy - duty track carriers. The low bid machine has 4 wheels and tires. The manufacturer will supply a set of tracks that will slip over the tires. This method of providing crawler tracks is not acceptable.
- 2) The hose reel capacity was specified to be 1,000'. The low bid machine has a 600' hose capacity.
- 3) The engine was specified to be at least 23 HP. The low bid machine has a 20 HP engine.
- 4) Occasionally this machine will have to be guided through a 4' fence gate as we traverse into an easement area. For the reason we specified that the maximum width should be 46". The low bid machine has a width of 49"
- 5) For safety we specified that the operator of the machine have a ride on platform. The low bid machine does not provide this platform.
- 6) We specified that the frame of the unit must be capable of supporting 3,500 pounds. The low bid machine has a frame capacity of 1,750 pounds.
- 7) Hydraulic Flow was specified at 15 GPM. The low bid machine has a flow of 10.5 GPM.
- 8) The unit was specified with the capability of 0 degree turn radius. The low bid machine does not specify that they can meet this requirement.

Mr. Etheridge stated that the CCWA staff recommends purchasing one (1) new Sewer Line Outfall Cleaning Machine from WMI, Incorporated in the amount of twenty-three thousand seven hundred dollars (\$23,700). Mr. Etheridge added that the low bidder, Rodders & Jetts Supply Company, did not comply with the bid requirements or meet specifications. Mr. Etheridge stated that the budgeted amount was twenty-five thousand dollars (\$25,000).

Upon Motion by Robbie Moore and seconded by John Westervelt it was unanimously

RESOLVED: to accept staff's recommendation to purchase one (1) new Sewer Outfall Cleaning Machine from WMI, Incorporated in the amount of twenty-three thousand seven hundred dollars (\$23,700).

Vacuum Excavator Recommendation: Chairman McQueen called on Mr. Etheridge to continue with the Vacuum Excavator Recommendation. Mr. Etheridge, through a slide presentation, discussed the Vacuum Excavator recommendation. The staff recommends the purchase of a VacTron Vacuum Excavator from American Manufacturing & Machine,

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Incorporated in the amount of twenty-nine thousand seven hundred twelve dollars (\$29,712) being the lowest bid meeting specifications.

Board Member, Robbie Moore, stated to Mr. Etheridge that three bidders are located in the county, but the staff's recommendation, American Manufacturing & Machine, Incorporated is located in Florida. Mr. Moore asked what the Authority would do if repairs or parts would be needed for this equipment. Mr. Etheridge stated that Georgia Underground, located in Forest Park, is a local warranty service provider for this equipment. Mr. Etheridge commented that the Authority purchases a lot of equipment from Georgia Underground and it would not be a problem using them for any necessary repairs on the Vacuum Excavator.

**Clayton County Water Authority
 Vacuum Excavator
 Tab Sheet
 September 2003**

Vendor	Bid
Ditch Witch of Georgia 4891 Clark Howell Hwy. College Park, GA 30349	Vacuum Source VT800D \$33,150.00
Ditch Witch of Georgia 4891 Clark Howell Hwy. College Park, GA 30349	Ditch Witch FX30 \$32,150.00
Georgia Underground 5158-G Kennedy Road Forest Park, GA 30297	VacTron PMD 800 DTE \$32,600.00
Vermeer Southeast Sales and Service 305 Racetrack Road McDonough, GA 30253	Vermeer E800 \$19,000.00
Tarheel Contractor Supply Denver, SC	No Bid
Ingram Equipment Co Pelham, AL	No Bid
American Manufacturing & Machine, Inc. (dba VacTron) Okahumpka, FL	VacTron PMD 800 DTE \$29,712.00

Recommendation: We recommend purchasing a VacTron Vacuum Excavator from American Manufacturing & Machine, Inc. for \$29,712.00, as it is the lowest bid meeting specifications (See attached documentation). Budgeted amount was \$36,000.00.

Vacuum Excavator September 2003

The low bidder for this equipment, Vermeer, failed to comply with our bid requirements. The bid package as returned did not include 2 of 3 sheets of machinery requirements that were to be completed by the bidder outlining adherence to specifications. We were able to use the sheet returned to us, and consult their brochure and website, to identify the following areas that they did not meet specifications;

- 9) The unit was specified to include 2 dual wheel/tire axles with a GVWR of 20,000 pounds. The Vermeer unit has 2 single wheel/tire axles with a GVWR of 15,000 pounds.
- 10) The unit was specified to include a shut off valve/switch to shut off the Vacuum Pump when the unit is full. The Vermeer unit does not provide this item.
- 11) The unit was specified to have a filtration system using a 0.5 Micron Filter. This filter is necessary to protect the Vacuum Pump. The Vermeer unit has a 10.0 Micron filter System.
- 12) The unit was specified to have a liner installed on the inside of the debris tank to provide rust protection and ease of dumping debris. The Vermeer unit did not provide this liner.
- 13) The engine was specified to be at least 36 HP. The Vermeer unit has a 29 HP engine.
- 14) The vacuum Pump was specified to provide at least 500 Cubic Feet per Minute. The Vermeer unit provides 450 CFM.
- 15) Under Trailer Storage of hoses. This was required due to the number of tubes, wires, controls, etc that are mounted above the frame that could be damaged while storing the suction hose. It also prevents the operator from having to lift these hoses into storage position. The Vermeer Unit does not provide this option.
- 16) A fully enclosed engine was specified to provide protection from the elements as well as for noise reduction. The Vermeer unit does not have this option.
- 17) Empty Weight of the machine was specified to be 3,475 pounds or less. The Vermeer unit has an empty weight of 6,300 lbs.

The Vermeer Specification Sheet on their website states that this model machine does not have "potholing capability". This is one of the most common uses that we have for this machine.

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

RESOLVED: to accept the staff recommendation to purchase one VacTron Vacuum Excavator from American Manufacturing & Machine, Incorporated in the amount of twenty-nine thousand seven hundred twelve dollars (\$29,712). This Motion passed with Robbie Moore opposing the motion.

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Chairman McQueen noted that the agenda items **I** through **M** are for the **low bidder** and asked the Board if they wanted to discuss each item or wanted to include items **I through M in one motion**. The Board agreed that items **I through M be included in one motion**.

Mr. Etheridge stated that the staff recommends the low bidder for **I** - Vibratory Trench Roller, **J** - Light Tower, **K** - Sewer Manhole Relining, **L** - CCTV & Sonar Inspection of 48" Sewer Main, and **M** - Annual Contract for Sewer Televising. Mr. Etheridge added that on **K, L, and M** that the Board authorizes the Authority to use the second or third bidder as needed, in the event that the low bidder does not meet Risk Management Requirements.

**Clayton County Water Authority
 Vibratory Trench Roller
 Tab Sheet
 September 2003**

Vendor	Bid	Make/Model
Rental Service Corporation Lake City, GA.	\$24,749.00	Wacker RT560
United Rentals Inc Forest Park, GA	\$23,810.40	Wacker RT560
Hertz Equipment College Park, GA	\$24,160.00	Wacker RT 560
United Rentals McDonough, GA	No Bid	
Yancey Brothers Co, Inc Austell, GA	\$25,905.00	Wacker RT560
Atlanta Equipment Atlanta, GA	\$24,300.00	Wacker RT560
Georgia Underground Forest Park, GA	\$24,276.00	Wacker RT560

Recommendation: The CCWA staff recommends purchasing 1 new Vibratory Trench Roller from the low bidder, United Rentals, for \$23,810.00. Budgeted amount was \$35,000.00.

**Clayton County Water Authority
 Light Tower
 Tab Sheet
 September 2003**

Vendor	Bid	Make/Model
Rental Service Corporation Lake City, GA.	\$6,839.00	Wacker LTC4L
United Rentals Inc Forest Park, GA	\$6,579.31	Wacker LTC4L
Hertz Equipment College Park, GA	\$6,615.00	Wacker LTC4L
United Rentals McDonough, GA	No Bid	Wacker LTC4L
Yancey Brothers Co, Inc Austell, GA	\$7,328.00	Wacker LTC4L
Atlanta Equipment Atlanta, GA	\$6,700.00	Wacker LTC4L
Georgia Underground Forest Park, GA	\$6,405.00	Wacker LTC4L

Recommendation: The CCWA staff recommends purchasing 1 New Light Tower from the low bidder, Georgia Underground, for \$6,405.00

**Clayton County Water Authority
 MH Leak Repair
 Tab Sheet
 September 2003**

Vendor	Bid
Barton Southern Company INC. Attention: Scott Kelly 2387 Kimmor Industrial Pkwy. Conyers, GA. 30012 Phone 770-483-5651	\$4,812.00
Infrastructure repair Systems, INC. Attention: Ron Dick 3113 Lown Street North St. Petersburg, FL. 33713 Phone 727-327-4216	No Bid
Poly-Triplex Technologies Attention: Jimmy Stewart Post Office Box 18167 Panama City Beach, FL 32417 Phone 850-249-0784	No Bid
Protective Liner Systems Attention: Tom Godbey 7625 Mall Parkway Lithonia, GA. 30058 Phone 770-861-9965	No Bid
Engineered Restorations INC. Attention: Jim Parnell 235 Buford Drive Lawrenceville, GA. 30045 Phone 770-682-0650	No Bid
Reynolds, INC. 121 Roberts Street Fairburn, GA. 30213 Phone 770-969-4040	No Bid
NeoPoxy Corporation Attention: Larry Sharp 6805 Sierra Court, Ste A Dublin CA. 94568-2654 Phone 865-947-1974	No Bid
Sauereisen Attention: Tony Oswald, Jr. 160 German Drive Pittsburgh, PA. 15238-2989 Phone 412-963-0303	No Bid
Southeast Pipe Survey Attention: Larry French 7940 Hurricane Falls Drive Douglasville, GA. 30135 Phone 770-949-9316	\$9,910.00
Georgia Construction Products INC. P.O. Box 1888 4640 Granite Drive Tucker, GA. 30085 Phone 770-491-9100	No Bid
Insituform Technologies INC. Attention: Pat Melton P.O. Box 1837 Lexington, SC. 29071-1837 Phone 803-356-6216	No Bid

We recommend that this annual contract be awarded to Barton Southern Company, Inc, as they are the low bidder. We also request authorization to contract with Southeast Pipe Survey in the event that the low bidder cannot meet our risk management requirements. This annual contract is renewable for a second and third year at no changes in terms or conditions.

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**Clayton County Water Authority
 CCTV/Sonar Inspection of 48" Sewer Main
 Tab Sheet
 September 2003**

Vendor	Bid
Amtec Surveying Inc. Atlanta, Georgia	No Bid
Southeast Pipe Survey Patterson, GA.	\$83,900.00
R&R Visual Rochester, IN	No Bid
Insituform Technologies Lexington, S.C.	No Bid
Video Industrial Services Birmingham, AL.	\$104,200.00

We recommend that this annual contract be awarded to Southeast Pipe Survey, as they are the low bidder. We also request authorization to contract with Video Industrial Services in the event that the low bidder cannot meet our risk management requirements. Funding for this contract, as well as any subsequent cleaning, was approved in the FY 2003 Operational Budget in the amount of \$177,800.00.

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**Clayton County Water Authority
 Annual Contract – Sewer Line Televising
 Tab Sheet
 September 2003**

Vendor	Bid
T.V. Testing & Rerounding Lamar Beasley Macon, GA.	\$39,250.00
Cross and Sons Bud Cross Douglasville, GA	No Bid
American Pipeline Cleaning & Inspection Lake City, GA	No Bid
All Pipeline TV Clint Hall Hampton, GA.	\$18,000.00
Roland Pugh Construction Michelina Rollocks Alpharetta, GA	No Bid

We recommend that this annual contract be awarded to All Pipeline TV, as they are the low bidder. We also request authorization to contract with TV Testing & Rerounding in the event that the low bidder cannot meet our risk management or scheduling requirements. This annual contract is renewable for a second and third year at no changes in terms or conditions. Funding for this service is available in our FY 2003 Operational Budget on an as-needed/when-needed basis.

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

RESOLVED: to accept the recommendation of the staff for the low bidder for the Vibratory Trench Roller in the amount of twenty three thousand eight hundred ten dollars (\$23,810), the Light Tower in the amount of six thousand four hundred five dollars (\$6,405), the Sewer Manhole Relining in the amount of four thousand eight hundred twelve dollars (\$4,812), the CCTV & Sonar Inspection of 48" Sewer Main in the amount of eighty three thousand nine hundred dollars (\$83,900), and the Annual Contract for Sewer Televising in the amount of eighteen thousand dollars (\$18,000).

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The Board also authorizes that on the Sewer Manhole Relining, CCTV & Sonar Inspection of 48" Sewer Main, and the Annual Contract for Sewer Televising that if the low bidder cannot meet the Risk Management Requirements that the Authority can proceed with using the next lowest bidder. These Contracts are contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Casey Generator Contract Recommendation: Chairman McQueen called on Mike Buffington, Project Engineer, who discussed the Casey/Jackson Emergency Generators. Mr. Buffington stated that the Authority is required by the Georgia EPD to furnish emergency power generation for all wastewater treatment facilities to ensure continuous plant operation during power outages. Mr. Buffington explained that the Authority originally estimated five million dollars (\$5,000,000) for the generators for the Casey/Jackson combined facility. Mr. Buffington stated that this work was not included in the original design contract or in the construction contract for expansion and upgrade to the facilities. The Authority proposes working with the Southern Company for these generators similar to what the Authority has done on several of our projects, most recently on our Shoal Creek Water Reclamation facility. We also propose that we use these generators not only for emergency standby power, but also for power management.

Mr. Buffington presented a slide presentation showing the recently completed Shoal Creek standby emergency generators. Mr. Buffington explained that the equipment shown on top of the emergency generators is the air emission equipment that is required when the Authority uses these generators for anything other than emergency, as for shaving our energy peaks and managing our power. Mr. Buffington stated that the Authority has received proposals and also a preliminary contract from Southern Company for a total turn-key construction project with a breakdown of Casey generators as two million six hundred twelve thousand twenty dollars (\$2,612,020) and the Jackson generators are two million three hundred fourteen thousand two hundred twenty-five dollars (\$2,314,225) for a sub-total of four million nine hundred twenty-six thousand two hundred forty-five dollars (\$4,926,245). Mr. Buffington stated that this amount compares to the five million dollars that had originally been budgeted.

Mr. Buffington stated that the Authority also proposes to now add emissions control for the one existing Jackson generator at a cost of three hundred eighteen thousand four hundred ninety dollars (\$318,490). Southern Company did an analysis of the costs and the Authority can get payback on these costs in a fairly short time by doing power management at the plant. Mr. Buffington added that total turnkey costs would be five million two hundred forty-four thousand seven hundred and thirty-five dollars (\$5,244,735).

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Mr. Buffington added that this is a Design/Build Contract, which includes all materials, equipment, labor, all the engineering that is required, EPD permitting for air emission, and startup operator training. Mr. Buffington stated that the contract completion date for this Casey project originally was October 2005, but the project has gone extremely well, so the new startup date for the new Casey Plant is mid 2004 with all work, including the demolition at both plants, being completed by the end of 2004. Mr. Buffington added that this timetable puts the Authority a year ahead of schedule. Mr. Buffington stated that the generators must be online before EPD will make the final inspection and issue their final operation permit so this meant that the Authority needed the funds for the generators earlier than the Authority had originally anticipated.

Mr. Buffington explained that the Authority reprioritized some projects including some of the sludge handling facilities, with proposed funding coming from the R&E fund. Mr. Buffington added that the total funds are available now. Legal counsel has reviewed and approved the proposed contract with Southern Company and the Authority asks that the Board authorize the staff to proceed with the final contract preparation with Southern Company for this turnkey project in the amount of five million two hundred forty-four thousand seven hundred thirty-five dollars (\$5,244,735). There was discussion concerning this information.

W. B. CASEY WATER RECLAMATION FACILITY EMERGENCY GENERATORS

Georgia EPD requires emergency power generation for all wastewater treatment facilities to ensure continuous plant operation during power outages. This project includes the installation of two (2) 20000 kw generators for the Casey plant, and two (2) 2000 kw generators at the Jackson plant for the new transfer pump station. The generators will be used for emergency stand-by power, and power management (peak shaving). In addition, air emission equipment will be added to the existing Jackson generator to allow it to be used for peak shaving as well as emergency generation. This generator will be used for the new raw waste pump station at Jackson.

Generators, including fuel storage, air emission control systems, electrical and all related systems are proposed to be designed, furnished, installed and placed in service by Georgia Power and Southern Energy Solutions as a complete turn-key project. This will be similar to previous projects including Shoal Creek WRF, Northeast WRF, and the existing R. L. Jackson WRF.

Project Manager:

- Clayton County Water Authority – Mike Buffington

Contract Summary:

- Design/Build Contractor – Georgia Power and Southern Energy Solutions, Atlanta, Georgia
- Contract Amount – \$5,244,735

Funding:

R&E Funds

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

RESOLVED: to authorize the Authority to proceed with the final contract preparation with Southern Company for this complete turnkey project in the amount of five million two hundred forty-four thousand seven hundred thirty-five dollars (\$5,244,735) which includes generators, fuel storage, air emission control systems, electrical and all related systems proposed to be designed, furnished, installed and placed in service by Georgia Power and Southern Energy Solutions contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents. This motion passed with Robbie Moore opposing the motion.

Northeast WRF Design Update & Amendment: Chairman McQueen called on Mike Buffington to continue with the Northeast WRF Design Update & Amendment. Mr. Buffington stated that the Northeast plant is currently the Authority's only water reclamation plant that discharges to a receiving stream, has the highest degree of treatment of any of the Authority's facilities, and is located in one of the Authority's highest growth areas. Mr. Buffington explained that the current design and plan includes expanding the plant from the current 6.0 MGD (million gallons a day) to a design capacity of 10.0 MGD with no additional pollutant loading to the stream. Mr. Buffington explained that future series 2005-bond issue would fund this construction. Mr. Buffington stated that the original design costs of two million six hundred sixty-eight thousand dollars (\$2,668,000) included the preliminary, schematic and detail design for the expansion of the upgraded project.

Mr. Buffington added that the Authority also had a separate design contract for solids handling at the Northeast and the Shoal Creek water reclamation facilities and the Freeman Road and the Smith water production plants. Mr. Buffington stated that the Authority completed documents for the two solids handling facilities, as these projects had two separate contracts. Mr. Buffington stated that one contract was the Northeast plant and the other being the Shoal Creek, Freeman Road, and Smith facilities.

Mr. Buffington stated that our staff originally projected that the Authority would start construction on the Northeast solids handling facility in early 2004, but due to some funding concerns, needing the funds for the generators at the Casey plant earlier than had been anticipated, the staff now proposes that the Northeast solids handling be included in the expansion and upgrade project. Mr. Buffington added that this would mean delaying the start up of the Northeast solids handling facilities for approximately one (1) year, and then construct the solids handling facilities for the Shoal Creek, Freeman Road, and Smith plants as funds are made available. In order to do this, Mr. Buffington explained that the Authority would need to consolidate the

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Northeast solids handling design with the design of the expansion and upgrade project. Mr. Buffington stated that the Authority proposes to do that as an amendment to the detailed design contract.

Mr. Hirsekorn, of CH2M Hill, continued to explain the amendment to consolidate the solids handling design of the facility, which was going to be at the Northeast plant anyway, with the design for the expansion and upgrade project that is nearing completion right now. Mr. Hirsekorn stated that this would delay the start of construction of the Northeast plant solids handling building by one (1) year and added that this delay would result in additional operational costs for the Authority. The Authority would continue to incur the cost of additional sludge hauling, plus the engineering costs to combine these two design documents into one package.

Mr. Hirsekorn stated that on the savings side there are several components that will provide savings to the Authority. The cost for the bidding process and administration of the contract, the mobilization of the contractor and other savings associated with the management of that contract are, of course, less with one contract than with two. To summarize the design cost to date, the design development report (DDR) and the preliminary design, which has already been completed, was two hundred eight thousand dollars (\$208,000) and the schematic design which was completed was five hundred sixty thousand dollars (\$560,000) and the detail design, which is nearing completion, as Mr. Buffington said, is one million nine hundred thousand dollars (\$1,900,000). The original design costs of all phases was two million six hundred sixty-eight thousand dollars (\$2,668,000). This proposed amendment to combine the two contracts is for fifty thousand dollars (\$50,000), which with the Board's approval, would result in a revised total cost of two million seven hundred eighteen thousand dollars (\$2,718,000).

The estimated construction costs of the combined project, the plant and the solids handling, is thirty-six million two hundred thousand dollars (\$36,200,000). Mr. Hirsekorn stated that this is a large project and again the total design cost is two million seven hundred and eighteen thousand dollars (\$2,718,000). This detail design, including the amendment, is to be covered by the 2003 Bond Issue. Mr. Hirsekorn and Mr. Buffington, in summation, are asking for the Board's approval of the design amendment for fifty thousand dollars (\$50,000) to allow the Authority to proceed and incorporate this amendment, as the Authority completes the final design of the plant upgrade. There was discussion concerning this information.

**NORTHEAST WRF
EXPANSION AND UPGRADE PROJECT
DESIGN UPDATE AND PROPOSED AMENDMENT NO. 1**

The Northeast WRF will be upgraded and expanded from a current capacity of 6.0 MGD to a design capacity of 10.0 MGD. The plant will be designed for a high degree of treatment for discharge to Panther Creek. The design process for this facility includes preliminary design and permitting, schematic design, and detailed design.

Preliminary design and schematic design are complete, and the permitting process should be complete early 2004. Detailed design and preparation of construction documents is under way and the project will be bid late 2004. Construction will start mid 2005 with funding provided by a future bond issue.

This proposed amendment to the design contract will include incorporation of the previously completed solids handling design into the expansion and upgrade project. This is due to funding considerations and will provide certain construction cost savings.

Project Managers:

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

Detailed Design Task Order Amount:

\$ 1,900,000

Proposed Amendment Amount:

\$ 50,000

Revised Task Order Amount:

\$ 1,950,000

Funding:

Series 2003 Bond Issue.

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AMENDMENT NO. 1 TASK ORDER BO-03-01

This is an amendment to TASK ORDER BO-03-01 between CH2M HILL, INC., (“ENGINEER”) and CLAYTON COUNTY WATER AUTHORITY (“OWNER”) for the PROJECT generally described as *Final Design of the Northeast Water Reclamation Facility Expansion and Upgrade*. The purpose of this Task Order Amendment No. 1 is for the incorporation of the Design of the Northeast WRF Solids Dewatering Facilities into the Northeast WRF Final Design.

ARTICLE 1 — SCOPE OF SERVICES

The ENGINEER agrees to furnish the OWNER the following services:

- Revise site and demolition drawings to incorporate Solids Dewatering Facilities contract scope into the Northeast WRF Expansion and Upgrade.
- Revise site clearing, silt fencing and odor control.
- Revise yard piping design sheets.
- Revise SCADA block diagram.
- Revise and incorporate P&IDs into one contract.
- Revise panel and wiring diagram.
- Revise PICS specifications, loop specification and PLC specification.
- Revise instrument lists.
- Revise mechanical specification and Divisions 11 and 15 specifications.
- Review structural drawings.
- Revise electrical drawings in compost building.
- Combine CADD files from both projects.
- Project management extension for one month.
- Q/C review of revisions.

ARTICLE 2 — COMPENSATION

Compensation by the OWNER to the ENGINEER shall be as follows:

Compensation for the Scope of Services outlined in Article 1 shall be in accordance with the terms specified in Task Order No. BO-03-01. Compensation shall be a lump sum of \$50,000. This Task Order Amendment No. 1 adjusts the original budget from \$1,900,000 to \$1,950,000.

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ARTICLE 3 — INSURANCE

The insurance coverage requirements listed in the original task order are in affect for this Task Order Amendment No. 1.

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

IN WITNESS WHEREOF, the parties execute below:

For the OWNER, CLAYTON COUNTY WATER AUTHORITY

Dated this _____ day of _____, 2003

By _____
Name Title

For the ENGINEER, CH2M HILL

Dated this _____ day of _____, 2003

By _____
Name Title

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

RESOLVED: to approve the Design Update and Proposed Amendment #1 to the design contract for the Northeast WRF Expansion and Upgrade Project in the amount of fifty thousand dollars (\$50,000) to be funded by the Series 2003 Bond Issue.

Lyle Drive Sewer Improvements: Chairman McQueen called on Mr. Brannan, General Manager, who explained with a slide presentation, that developer, Herman Talmadge, wanted to put in a lift station to service an area just south of Lyle Drive at Old Townhouse Development. Mr. Brannan stated that the Authority asked the developer to consider running a gravity line to serve that area, which would be more beneficial to the Authority in the long term, which would result in not having a maintenance issue with a lift station. The developer agreed to pursue a gravity line, which would not be as costly as a lift station. In order to install the gravity line, the Authority would have to obtain easements from the surrounding property owners. Mr. Brannan stated that the Authority has talked to four of the five owners and received good response for the gravity line. Mr. Talmadge would pay the cost of the easements.

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Mr. Brannan stated that what the Authority brings to the Board today is a recommendation to work with these property owners to obtain the easements. After obtaining these easements, and installation of the gravity line, Mr. Talmadge has asked the Authority to assist in the sewer extension at 25% of the costs. Mr. Brannan stated that the total construction costs of that gravity line would be around eighty-seven thousand dollars (\$87,000). Mr. Brannan stated that with the proposed development of the seventy (70) sites in the area, the Authority should have a return on our investment within three years from the water and sewer service provided to these customers. Mr. Brannan added that the developers have also been talking to the property owners in the area about buying their parcels and developing subdivision type lots, which would tie in at a later date.

Mr. Brannan stated that the Authority is first proposing to the Board today to work with the developer to obtain the easements for the gravity line. If the easements for the gravity line cannot be obtained, Mr. Brannan stated that the second request would be for the Board to authorize the Authority to start on installation of the lift station, with the developer paying all the costs. Mr. Brannan added that the Authority wanted the Board to be aware anytime a lift station is being considered, even if everything is being paid for by outside parties. There was discussion concerning this information.

Upon Motion by Robbie Moore and seconded by Marie Barber it was unanimously

RESOLVED: to authorize the Authority to proceed with obtaining the necessary easements for the gravity line to run along Lyle Drive and in the event that these easements cannot be obtained, that management come back to the Board with the proposal for a lift station.

Stormwater Utility Update: Chairman McQueen asked Mr. Brannan to continue with the Stormwater Utility Update. Mr. Brannan explained that stormwater is rainfall and that an estimated 70% of the pollution in our waterways in the County is a result of stormwater runoff. Two examples of stormwater runoff are water running off asphalt and fertilizer runoff from your yard.

Mr. Brannan stated that the Metropolitan North Georgia Planning District's recommendation is to develop a stormwater management plan to deal with pollution issues and that all members should contribute to that plan by the most equitable means possible. After discussion with Chairman Bray, Clayton County Commission Chairman, the County realizes that a stormwater management plan needs to be

addressed. Since water is our forte, Chairman Bray asked that the Authority review options for a stormwater management plan on the county's behalf.

Mr. Brannan explained that the Authority met with Rick Hirsekorn, of CH2M Hill, along with our staff, to come up with a feasibility study to actually look at Clayton County in general, not just the Water Authority. Mr. Brannan added that this is in a formulation stage to determine what would be needed to deal with the stormwater issue. Mr. Brannan stated that all jurisdictions in metropolitan Atlanta are going to have to deal with this issue.

Mr. Brannan asked Mike Thomas to continue with some explanation and background on the stormwater issue and how the Authority can proceed from this point. Mr. Thomas stated that he wanted to give the Board some background on why we are considering different ways to fund stormwater and watershed management issues. Mr. Thomas, through a slide presentation, outlined the need for an increased level of funding for programs, items required as part of these programs, how the Stormwater Utility works, and where other Stormwater Utilities have been implemented.

STORM WATER UTILITY FEASIBILITY STUDY CLAYTON COUNTY

Need for increased level of funding for stormwater and watershed management

- New requirements in NPDES wastewater discharge permits and stormwater permits require more intense level of stormwater and watershed management
- MNGWPD plans and model ordinances require development of new programs and more intensive management
- State Water Quality Standards and TMDL (Total Maximum Daily Loads) compliance requires improving polluted streams
- Aging stormwater drainage infrastructure needing repairs
- Protecting drinking water sources in an increasingly urban environment

Some items required as part of these programs

- Comprehensive inventory of the municipal stormwater drainage infrastructure
- Identification and mapping of floodplains based on future buildout
- Improving polluted streams through stream restoration, installation of structural controls, etc.
- Water quality monitoring and public education efforts
- Repairing failing stormwater drainage infrastructure

How does a Stormwater Utility work?

- Fee for service – any property owner producing stormwater runoff or utilizing the drainage system would be charged a fee based on potential production of stormwater runoff based on the amount of impervious surface
- Average impervious surface per residential unit is calculated and then specific amount of impervious surface for commercial properties calculated
- System for credits is developed based on on-site stormwater controls
- Enterprise fund set up and dedicated to stormwater and watershed management use only

Where have other Stormwater Utilities been implemented?

- Significant numbers in Florida, Washington State, Washington, DC area
- Georgia utilities
 - Griffin, Decatur, Conyers and Columbia County in existence
 - Dekalb, Gwinnett, Fulton, Rockdale, Cobb and Atlanta all actively pursuing development of utility

Stormwater Utility Feasibility Study for Clayton County

- Evaluate existing programs by County and Water Authority
- Complete a thorough Needs Assessment – what needs to be included in the utility and rough cost estimates for implementation and annual operating and capital needs
- Evaluate existing information and data and what would be needed to develop a utility funding mechanism and how much revenue could be generated by the utility fee
- Conduct a public information and feedback campaign
- Evaluate Legal issues and concerns
- Develop an implementation plan

Mr. Thomas stated that Rick Hirsekorn, of CH2M Hill, would describe one method for funding. Mr. Hirsekorn stated that the national trend has only been in recent years for responsible entities to look at how the funds can be generated to take care of these problems and issues. Mr. Hirsekorn stated that more and more entities now are looking to form a Stormwater Utility. The basic premise here is that any developed property generates runoff when it rains, which causes incredible effects in hydraulics, pollution, washing out of streams and somehow all this has to be managed. A Stormwater Utility can allow an entity to provide a measurable service to manage the stormwater, to provide flood protection and drainage improvements and to protect habitat and living resources in the streams.

Mr. Hirsekorn stated that the streams are what helped to define our quality of life and why people always like to be near streams, or to use streams for the resources that they provide. Mr. Hirsekorn added an effective program results in the reduction of

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polluted runoff from water and all maintenance activities that are required in the waterways, including dredging. A Stormwater Utility, or SWU, is a method of providing dedicated funding sources. Mr. Hirsekorn added that Mr. Thomas had mentioned that the Authority had a certain amount of the Authority's general fund dedicated to these activities, that as good as they are, are minimal right now, compared to what the Authority will need to face in the future as far as taking care of our total water protection program. Mr. Hirsekorn explained that a Stormwater Utility allows you to collect funds and then dedicate those funds for stormwater and watershed management in the same way that the Authority does for water and wastewater.

Mr. Hirsekorn continued with an explanation of how a Stormwater Utility works. Mr. Hirsekorn explained that the fees are based on the services provided. It reduces any reliance on general funds and co-mingling of funds. When you collect funds for stormwater, that is what those funds are dedicated to, and that is what those funds must be spent on. Mr. Hirsekorn added that a Stormwater Utility increases the ability to provide service over what the existing program provides right now, which again is good and in many cases is adequate, but there is so much more now that needs to be done than when this was originally set up.

Mr. Hirsekorn stated that with a Stormwater Utility, when you are generating stormwater off your property, then you are going to pay for your share of the cost, much the same as entities do now with their wastewater. All properties pay for what they generate, and again, the collected funds are limited to the use of this program and not for other purposes. Mr. Hirsekorn explained that the basic idea of this is that the fees should be fair and simple. Common methods right now are that for residential properties there is a flat fee, because even though you might have a larger lot than someone else, the principle behind this is that the amount of the impervious area, the amount of your roof, the amount of your driveway and sidewalk, the part of your property where the rainwater hits carries pollutants and runs off is, in general, similar. The non-residential, or commercial, is based on the actual impervious area because once you get outside of residential properties, the commercial or industrial, can vary widely. It stands to reason that a property with a huge paved parking lot should be more accountable than a property that does not have the paved area.

Board member, Robbie Moore, asked Mr. Hirsekorn if the County would be able to charge the City of Atlanta, for the airport, which is located in Clayton County.

Mr. Hirsekorn stated that the airport would be part of this Stormwater Utility and depending on how the utility is set up, the intent would be to collect for property in the County.

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Chairman McQueen stated that he did not know the law, but would the Board of Commissioners have a legal right to collect for the airport.

Steve Fincher, legal counsel for the Authority, stated that the County could not do a tax, but could possibly do a utility fee. Mr. Fincher added that he would have to look into this issue.

Mr. Hirsekorn added that in the past this has gotten to be mislabeled as some kind of tax related to rain and stormwater. Mr. Hirsekorn added that the management fee for the Stormwater Utility is based upon, again, the extent to which each property contributes runoff, based on impervious area, and the amount of impervious area on each property. There have been a lot of studies done that look at using aerial photographs, using the GIS systems, which the Authority has developed, to look at precise amounts of impervious area per residential unit. Mr. Hirsekorn added that most entities now look at averaging impervious area per residential unit. Commercial property is a different manner though, and the science is such today, that you can calculate that very precisely. Mr. Hirsekorn explained that some sites give credit for on-site stormwater controls. In other words, Mr. Hirsekorn stated that you may generate the stormwater, but if you have some type of best management practice that reduces the quality or quantity impact on the stream, you would actually receive a credit back. The purpose of this study is to determine where the responsibility would best rest here in the County, either with the County or with the Authority to optimize and minimize the amount of cost to implement and run this program.

Mr. Hirsekorn showed a slide giving locations where CH2M Hill currently has similar programs for stormwater and discussed what would be involved in the feasibility study for Clayton County for a Stormwater Utility. Mr. Hirsekorn stated that the Water Authority's likely role would be to leverage the Authority's existing strengths that are already in place, in how the Authority does business, in water monitoring, engineering, and GIS, to assist in the management of the program.

Mr. Hirsekorn added that the County's likely role would be to continue their role of conducting maintenance and enforcement activities on what is actually put in place. This study would accomplish a needs assessment, which would define what needs to be included in that Stormwater Utility for Clayton County and would also provide rough cost estimates for implementation, including capital, and operation & maintenance.

Mr. Hirsekorn added that the assessment would also evaluate the existing information and data, including the development of a utility funding mechanism, the best way to fund the utility, and also provide estimates on how much annual revenue could be generated by the Stormwater Utility fee. Mr. Hirsekorn stated it would also

include looking at the legal issues and concerns, as Mr. Fincher has said. A review needs to be done, even though there have been recent legal cases of all the issues, that would allow you to move ahead without challenges. There would be a need for a strong public information and feedback campaign, which is a major part of any stormwater utility, so that the public understands what you are doing and what the money is for and that they truly understand the difference between a fee and a tax. Then using all this information collected to develop an implementation plan that allows you to make the decisions to move forward in a way that the Authority so chooses.

Mr. Hirsekorn stated that CH2M Hill, at the request of the Authority's staff, has provided a task order to provide the services for this feasibility study. Mr. Hirsekorn stated that the budget, as shown to the Board, is one hundred forty-eight thousand two hundred ninety-nine dollars (\$148,299). The proposed funding would be half from the County and half from the Water Authority. Mr. Hirsekorn stated that it would be difficult to accurately predict cost beyond this, because this is the study, like a pre-master plan, to tell you what to expect later on. The implementation phase could cost one to two million dollars to put everything in place and start generating the funds to implement the program. There was discussion concerning this information.

Mr. Brannan stated that the Authority could not look after the stormwater needs of the County with what we have set aside for this issue. Mr. Brannan added that as the Stormwater Utility gets created, that the Water Authority, with our expertise in the water related field, would be a lead agent in driving the items that need to be addressed and when it got to an enforcement issue, it would go back to the County since the Authority has no enforcement powers. Mr. Brannan added that there is a relationship that needs to exist with the Authority on the engineering and working with the County on a priority list, and the County actually doing some of the implementation, the Authority handling the GIS end of that program because that is where the Authority's expertise lies, also with the monitoring. Mr. Brannan stated that it is a coordinated effort to make this be successful and Mr. Brannan feels that the Authority and the County have an environment where this can happen. Mr. Brannan added that it would be in the best interest of the Authority to participate at a level of 50/50. Mr. Brannan stated that the funds are already set-aside in the watershed program.

Mr. Brannan stated that the Authority would be making a recommendation for the Authority to participate in this Stormwater Utility and also the Authority would be making a presentation to the Commissioners for their participation at 50%.

Chairman McQueen stated that the Authority and all the Commissioners would work together on this Stormwater Utility.

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Board member, John Westervelt, asked if this program could be postponed.

Mr. Hirsekorn stated that right now there is no law mandating that the Authority develop a stormwater utility. However, recently the Metropolitan North Georgia Planning District, which the Authority is part of, did approve a plan for stormwater protection and watershed management. The EPD has stated that whether the District continues to function or not, for the first time they have comprehensive plans prepared with the support from all sixteen counties of the metro area, for water, wastewater, and stormwater. New permits and permit renewals would be governed by those plans.

Mr. Hirsekorn stated that even though it has taken time, the Water Authority over the last three or four years has been the singular most successful authority in obtaining permits. One of the reasons that the Authority is out in front of everybody is that the Authority has already done watershed assessments and has the reputation and has shown in our actions that we try to do the right thing, which has a positive impact with the EPD.

Mr. Thomas stated that basically it comes down to how the Authority wants to fund stormwater and watershed management activities.

Chairman McQueen stated that what the Authority is recommending today is that the Authority will fund one half of this study to get this started and the Commissioners will fund the other half. Mr. Brannan added that since the Authority has dealt with stormwater and watershed assessments, Chairman Bray asked the Authority for guidance in stormwater management for the County. Mr. Brannan added that some of the SPLOST money would come into play on some of this stormwater utility in that some pipe system replacement will be funded by those funds, which would reduce this cost in the short term. Mr. Brannan stated that the Authority is offering in good faith and if the County wants to proceed with the Stormwater Utility, the Authority will pay 50% of the cost of the feasibility study. Mr. Brannan will present to the Commissioners the proposal from the Authority's Board.

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

RESOLVED: to authorize the Authority to share the cost at 50% of one hundred forty-eight thousand two hundred ninety-nine (\$148,299) for a feasibility study with the County Commissioners to develop a Stormwater Utility to deal with stormwater and watershed management issues.

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

RESOLVED: that the Board adjourns into executive session. The Board reserved the right to return to the open session.

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

Chairman McQueen asked that the Clayton Beautification award be held till the November Board meeting.

Mr. Brannan stated that he had several items to bring before the Board.

Natural Gas Supplier Update (SCANA) State Bid: Mr. Brannan stated that the Authority purchases a large quantity of Natural Gas and Teresa Adams, Manager of General Services, has been working to obtain the best possible price for the Authority. The State had already bid out gas suppliers on state contract with SCANA having that state contract. By going on the SCANA bid with the State, the Authority could see a savings of approximately one thousand dollars a month. Mr. Brannan stated that, with the approval of the Board, management would proceed with using SCANA to provide Natural Gas service to the Authority. The Board agreed for management to proceed with using SCANA as the natural gas provider for the Authority.

Mr. Brannan stated that in the Authority's Accounts Receivable area a DP500 machine is used daily to post payments that comes into the Authority. Mr. Brannan stated that this machine has broken down and our IT personnel have made a temporary fix for it to function. Our staff takes a 5 and ¼ inch floppy disk, gets information from the DP500 machine and then downloads that information into another computer to get the information into the AS 400 computer to post to the customers accounts. Mr. Brannan added that the Authority is working on getting the DP500 machine repaired, but if that cannot be accomplished, Mr. Brannan stated that the Authority has money budgeted in the fourth quarter, but management may have to accelerate those funds to replace this piece of equipment. The cost is estimated at one hundred seventy-five thousand dollars, and the Authority is getting estimates to replace this machine.

Chairman McQueen stated that the Board would go ahead and give Mr. Brannan the authority that in the event that the current DP500 machine cannot be repaired, that the Board authorizes management to proceed with the purchase of a new machine.

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Mr. Hicks stated that not only is the current DP500 machine processing, but it also puts the code on the bottom of the checks so that the Authority receives a better rate at the bank in processing the Authority's transactions.

Mr. Westervelt asked if the Authority had considered using a lock-box service where the work would be run for you.

Mr. Hicks stated that the DP500 machine is cheaper than the lock-box service. Mr. Hicks stated that the DP500 machine not only does the banking part, but also immediately sends the information on to the customer's account file, which immediately updates the customer's account file.

Chairman McQueen asked if the Board would give approval to Mr. Brannan and his staff to handle the repair or replacement of the DP500 machine as needed.

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

RESOLVED: that the Board authorizes Management to move forward as needed with the purchase of a new payment-processing machine.

Mr. Brannan stated that he wanted to make the Board aware of a policy that the Authority has established in regard to manufacturers and industries that purchase water that is serviced by a large meter. Mr. Brannan used the Clorox Company as an example. Mr. Brannan explained that the water goes through the large meter, then it goes into their operation, the customer takes that water and mixes it with whatever process that they do, but the water does not go back into the sewer, it goes out the door in products that they sell. Mr. Brannan added that Clorox does not need to be paying sewer fees on water that they have taken in, processed, and released as their product. If the customer installs a meter on their process water line then the Authority will read these meters once a quarter and give the customer credit for that amount of sewer charges. The Authority will also require that these customers have the meters calibrated and certified to us annually that the meters have been calibrated and are not faulty.

Mr. Brannan stated that the Authority did get the easement issue on the property located on the south side of SR 138 just east of Walt Stephens Road worked out with the state. The Authority tried to acquire it for fifteen thousand (\$15,000), but did get it for twenty thousand dollars (\$20,000). That easement is taken care of.

Mr. Brannan stated that the last item that he wanted to discuss with the Board was rate adjustments. The last couple of times that the Authority has been to the Bond

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market, the rating agencies have told the Authority that if any adjustment to our rates is being considered, that rate adjustments should be in small increments and ahead of the bond money request. Mr. Brannan stated that the Authority would need to go back into the Bond market to do the Northeast project in 2005 and insure that our revenue stream is strong enough to take on that additional debt. In talking with Frank Conort, Administration Manager, Emory McHugh, Finance Director, Mike Thomas, Manager of Program Management & Engineering, and Mike Buffington, Project Engineer, about the program that the Authority has, there was much discussion on how much the Authority can defer, how much money the Authority is going to require, and how is the Authority going to pay for this project. Mr. Brannan stated that the Authority would need to continually adjust our rates annually so that we do not get behind like the City of Atlanta has.

Mr. Brannan called on Mr. McHugh who commented that this was a great exercise to learn more about the company. Mr. McHugh presented a slide presentation showing data based on information projected by ARC through the year 2000 census and showed that the increased population would put more demand on our system. Mr. McHugh also pointed out that the average number of persons per household is going down. Mr. McHugh stated that with the twenty per cent (20%) rate adjustment that the Authority had in 2003, the revenue stream did not increase proportionally (15.7%). Mr. McHugh stated after comparing some months with very similar weather (consumption for April) and even though the population was increasing, that the consumption for each class was staying static or actually going down. Mr. Brannan stated that if the Authority had not been adjusting rates, our operating expenses would have been climbing, but our revenue would have stalled.

Mr. McHugh stated that the Authority has a lot of assets in our underground infrastructure, in water and wastewater treatment plants and other facilities. As the rates have been adjusted, the total revenue has been increasing. The operating expenses have been climbing as well as you might expect each year. The difference between the two is your net income after operating expenses. Debt service is at nineteen million dollars. Mr. Brannan stated that the Authority has got to do something so that we can be sure that we have some flexibility, as far as capital requirements.

Mr. Brannan stated that the Authority is looking for guidance from the Board. Mr. Brannan stated that adjusting the rates, keeping them as low as we can, keeping enough money on hand to do some of the capital projects that we need to do, and if we generate a little bit more money, buy the bond issues down.

There was discussion concerning this information. There needs to be a Joint Meeting with the Commissioners to discuss the rate adjustment and the Stormwater

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Utility Feasibility Study. Mr. Brannan asked that he talk to the Commissioners and if a meeting is needed Mr. Brannan will let the Board know at the November meeting.

Mr. Hicks stated that the Authority is in pretty good shape on the water side, but the master plan on the wastewater side, the Authority needs to meet the permit requirements, plan improvements, and that the next bond issue is going to the Northeast plant for thirty-six million dollars (\$36,000,000). Mr. Hicks added that there is a lot more demand on the sewer system and the stricter requirements at the Casey plant, which had to be upgraded and improved also.

Mr. Thomas stated that on the water side the master plan did not include any expansion to our facilities. It included improvements and rehab. On the wastewater side the Authority did expand all four plants, but they were all operating at 80 to 90% capacity. At wastewater plants, it not only has sewer growth, but also has rainfall infiltration. So the Authority had about four years where it stayed pretty flat, because it was dry and now it has started raining and it is going back up. The Northeast plant will be over our permit limit probably by next year. Like Mr. McHugh said, you have all these assets that have to be improved or replaced. That is a cost that the Authority cannot get away from.

Chairman McQueen recapped for the Board that Mr. Brannan will approach the County in regard to the Authority contemplating a five per cent (5%) rate adjustment for next year and if Chairman Bray feels that the Commissioners would like to meet with the Authority's Board of Directors, a time will be set up for that meeting at the Authority. The Board agreed.

Ms. Barber, Secretary/Treasurer of the Board, recognized Mr. McHugh, for his informative presentation.

Chairman McQueen also wanted to commend Mr. Thomas and Mr. Buffington for their efforts in trying to make things visual for the Board.

Mr. Brannan commented that Mr. Conort and Mr. Brannan have put Mr. McHugh into the fire. Mr. Conort is going into the background and he is there for a resource if Mr. McHugh needs him, but the ball is getting in Mr. McHugh's court. Mr. Brannan stated that Mr. McHugh is doing an excellent job.

Mr. Brannan stated that flu shots would be available at no charge on November 12th in the training room from 10:00 a.m. to 12:00 noon at the Battle Creek location for anyone on the Board and/or spouse.

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Mr. Hirsekorn briefly talked to the Board in regard to the WEFTEC Conference in Los Angeles.

Upon Motion by Lloyd Joiner and seconded by Robbie Moore 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