

CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road
Morrow, Georgia 30260

Regular Board Meeting, March 6, 2003

Chairman 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, Wesley E. Greene, Sr., J. Alan Horton, Robbie Moore, Jr., and John L. Westervelt, General Manager, M. Wade Brannan, Deputy Manager, Terry R. Hicks, Department Managers, Frank Conort, Jim Poff, Dennis Hammock, Herbert Etheridge, Jr., Teresa Adams, Guy Pihera and Mike Thomas, Executive Secretary, Janet Matthews, Assistant Manager of Administration, Scott Bailey, Project Manager, Mike Buffington, Human Resource Director, Ed Durham, Administrative Secretary, Dianne Hammock, Network Administrator, Chris Sims and Recreation Area Coordinator, Jep Palmer. Also present were: Steve Fincher, Fincher & Hecht, L.L.C., Rick Hirsekorn, of CH2M Hill, Chris Wood, of Jim Wood & Associates Public Relations, Visitors: Tom Jobe, Jay Day, Kenny Harris, Bob Manning, and Fred Harris of Adams Robinson Enterprise and CCWA employees: David Blackstock, Billy Sumner, Ed Vaiskauskas, David Watts, Linnie Henderson and Derek Doss.

Chairman McQueen called on Jep Palmer, Recreation Area Coordinator, to give the invocation.

Chairman McQueen introduced the newly appointed member of the Clayton County Water Authority Board of Directors, Mr. John L. Westervelt. Chairman McQueen gave the Board some background information on Mr. Westervelt and welcomed him to the Authority's Board. Mr. Westervelt stated that he was glad to be on the Water Authority Board. Board member, Wes Greene, also stated that Mr. Westervelt and he had been on Leadership Clayton together and that Mr. Westervelt was very involved in the community. Mr. Greene was looking forward to working with Mr. Westervelt.

Election of Board Officers: Chairman McQueen opened the floor for nominations for Chairman of the Authority's Board of Directors.

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

RESOLVED: that Pete McQueen be nominated for Chairman, there being no other nominations, the vote was unanimous to elect Pete McQueen as Chairman of the Clayton County Water Authority Board of Directors.

Chairman McQueen opened the floor for nominations for Vice Chairman for the Authority's Board of Directors.

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Upon Motion by Alan Horton and seconded by Robbie Moore it was unanimously

RESOLVED: that Lloyd Joiner be nominated for Vice Chairman, there being no other nominations, the vote was unanimous to elect Lloyd Joiner as Vice Chairman of the Clayton County Water Authority Board of Directors.

Chairman McQueen opened the floor for nominations for Secretary/Treasurer for the Authority's Board of Directors.

Upon Motion by Robbie Moore and seconded by Wes Greene it was unanimously

RESOLVED: that Marie Barber be nominated for Secretary/Treasurer, there being no other nominations, the vote was unanimous to elect Marie Barber as Secretary/Treasurer of the Clayton County Water Authority Board of Directors.

Chairman McQueen called for any omissions or additions to the minutes of the regular and executive board meeting on February 6, 2003, hearing none these minutes stand approved as presented.

Financial and Statistical Report: Chairman McQueen called on Frank Conort, Manager of Administration, who presented the monthly financial and statistical report. This report was received for information. There was discussion concerning this information.

Chairman McQueen commented that in the past Board members have helped out in their area of expertise. Chairman McQueen asked that John Westervelt and Alan Horton work with Frank Conort and the finance department to help the Board better understand the information that is presented to the Board.

Board member, Wes Greene, recommended that the Authority should do an insert in the water bills sent to customers stating that the water restrictions have been lifted. Chairman McQueen asked Mr. Brannan to look into having an insert sent to customers.

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 March 3, 2003, that was distributed to the Board. Mr. Pihera stated that the Authority's raw water reserve is in excellent condition and at full capacity.

Board member, Marie Barber, asked Mr. Pihera the status of the Authority's wells. Mr. Pihera stated that the wells at the Hooper Reservoir and the Blalock Dam, currently under development, will produce a half million gallons a day of finished water. Mr. Pihera stated that it has been confirmed that it is good quality water and these wells are currently

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being permitted at the state. The Authority has two more wells that are being drilled this week on property at our Northeast Plant. Mr. Pihera stated that one of the wells is producing a quarter of a million gallons a day. Mr. Pihera commented that the Authority hopes to have at least two of these wells on-line by summer.

Employee Recognition-Employee Certification: Chairman McQueen called on Jim Poff, Manager of Water Reclamation, who introduced Billy Sumner who works third shift at the Shoal Creek Plant. Billy came to the Reclamation Department about a year ago from the Maintenance and Construction Department where he had been since starting with the Authority about two and a half years ago and has just passed his Class III certification. Mr. Poff congratulated Billy on his accomplishment.

Mr. Poff next introduced David Blackstock who has been with the Authority since 1987. David started in the pelletizing operation at the Casey Plant and in 1998 moved over to the wet side as an operator. Mr. Poff stated that David has recently passed his Class II exam, which has a passing rate of only 33%. Mr. Poff stated that David is one of only a few employees that can run the dry and wet side of the Casey Plant. Mr. Poff stated that David is a valuable asset to the Authority and congratulated David for attaining his Class II status. Chairman McQueen, on behalf of the Board, congratulated Billy and David, who were given a round of applause.

Chairman McQueen called on Herbert Etheridge, Manager of Maintenance and Construction, who introduced two employees that earned their state certification as a water distribution system operator. Mr. Etheridge mentioned that most of these exams have a less than 40% pass rate. Mr. Etheridge introduced David Watts who had worked for the Authority for nine and a half years, left the Authority, and has been back with the Authority for about three and a half years in the Wastewater Maintenance section. Mr. Etheridge stated that when the Water and Wastewater merged into Mr. Etheridge's department, David was running a paving crew. Mr. Etheridge stated that for several years he had been looking for a good person to run the Authority's valve program. Presently, David has worked through the entire water system, operating every valve to assure that the valves are accessible. Mr. Etheridge stated that he is proud to have David in his department and appreciates the good job he is doing on the valve system.

Mr. Etheridge next introduced Ed Vaiskauskas, Senior Equipment Operator, who has been with the Authority two and a half years. Mr. Etheridge stated that Mr. Vaiskauskas has earned his state certification as a water distribution operator. Mr. Etheridge stated that Mr. Vaiskauskas is also the CDL instructor for all our employees here at the Authority and teaches safety for driving large vehicles. Mr. Etheridge congratulated Mr. Vaiskauskas and thanked him for the good job that he does.

Chairman McQueen, on behalf of the Board, also congratulated David and Ed and thanked them for all their hard work. They were given a round of applause.

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Employee Recognition-30 Year Service Pin: Chairman McQueen called on Terry Hicks, Deputy Manager, who introduced Linnie Henderson and presented his thirty year pin. Mr. Hicks stated that Linnie actually had a little tenure with the Authority prior to the current service period. The thirty-year pin that Linnie is receiving today is for his continual service period. Mr. Hicks stated that prior to his thirty years, Linnie had three years with the Authority, so he has thirty-three years cumulatively. Mr. Hicks stated that if you look at total time, Linnie would be second in seniority with the Authority. Mr. Hicks stated that Linnie started as a meter installer and then was promoted to Water Service Mechanic in 1984, and then to his present position of Water Repair Foreman in 1986. Mr. Hicks stated that Linnie also catches stand-by which he has done for seventeen years. Mr. Hicks stated that Linnie is very knowledgeable and versatile. Mr. Hicks congratulated Linnie and told him how much the Authority appreciates what he does and thanked him for thirty plus years with the Authority. Linnie received a round of applause.

Chairman McQueen, on behalf of the Board, thanked Linnie for his thirty years of service and stated that the Board wishes him many more years with the Authority.

2003 Bond Presentation: Chairman McQueen called on Frank Conort, Manager of Administration, who stated that the Authority's entire Board was present at the Joint meeting with the Commissioners on March 4, 2003 and that the Supplemental Joint Resolution 2003-02 of the Board of Commissioners of Clayton County and the Clayton County Water Authority was passed. Mr. Conort stated that the next stage would be to plan for the meetings on March 24th and March 25th, 2003 when the Bond Rating Agencies will visit the Authority's facilities. Mr. Conort stated that after the Authority receives a bond rating from Standard & Poor's and Moody's, and then Knox Wall will price the bonds in the market, determine the interest rate, agree on the interest rate, sell the bonds, and close on April 29, 2003. Mr. Conort reminded the Board that the Bond Issue includes refinancing of the 1992, 1993, and a portion of the 2001 bonds for the purpose of saving on interest expense. Mr. Conort stated that the Authority must close the transaction prior to the first of May 2003 to take advantage of the savings in interest on the 1992 and 1993-bond issue. Mr. Conort stated that the money must be in hand and in the bank before you can actually call in those bonds. Mr. Conort stated that this action of the Board will provide twenty-six million one hundred thousand dollars (\$26,100,000) in new money for new construction. The restructuring will give the Authority a sixteen million, nine hundred thousand (\$16,900,000) dollar savings in interest expense over the length of the bonds.

Chairman McQueen reminded the Board of the upcoming meetings with the Bond Rating Agencies. There was discussion concerning the location of these meetings and it was agreed that the Board would like for the meetings to be at the Blalock/Shamrock

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Community Use Building instead of the Smith Community Use Building at 12 Noon on Monday, March 24, 2003 and Tuesday, March 25, 2003.

Mr. Brannan, General Manager, also mentioned that the ACCG (Association of County Commissioners of Georgia) was using the Authority's Blalock/Shamrock facility on the evening of Tuesday, March 25th, at 6:30 P.M. for a reception for the Urban Water Tour. Mr. Brannan extended an invitation to the Authority's Board to attend this dinner on the 25th along with the Commissioners and our Authority staff.

Property & Casualty Insurance Update: Chairman McQueen called on Terry Hicks, Deputy Manger, who updated the Board on the Property & Casualty Insurance. Mr. Hicks stated that the preliminary figures indicate that the numbers are up some but the Authority is getting some quotes this year where last year it was difficult to even obtain some quotes after 9/11. Mr. Hicks stated that probably in the April board meeting the Authority will ask for the Board's approval for the renewal starting May 1, 2003. Mr. Hicks mentioned that if the Authority receives any additional information that the Authority will keep the Board informed, especially Mr. Moore and Mr. Greene, who have helped the Authority in the past on Property & Casualty insurance. Chairman McQueen asked Board members Mr. Moore and Mr. Greene to help Mr. Hicks on this insurance issue.

Health Insurance Update: Chairman McQueen called on Ed Durham, Human Resources Director, to update the Board on Health Insurance. Mr. Durham stated that last month the Authority was anticipating a 33% renewal rate with Blue Cross/Blue Shield, but has received an initial renewal rate better than expected at 24%. Mr. Durham stated that he felt that the Authority could possibly receive a better rate through negotiations, somewhere around 20%, but before the Authority starts the negotiation process, he would like the Board's approval. Chairman McQueen asked Mr. Durham if at some point in the negotiations Blue Cross/Blue Shield would want the Authority to sign a contract and Mr. Durham stated that they would once the negotiations get underway.

Chairman McQueen asked Board members, Wes Greene and Robbie Moore to work with Mr. Durham in the negotiations with Blue Cross/Blue Shield. Chairman McQueen asked that the Board give the Authority the approval to be able to negotiate with Blue Cross/Blue Shield. There was discussion concerning this matter. Mr. Greene asked what the in-hospital deductible was and suggested that Mr. Durham discuss with Blue Cross/Blue Shield what the savings would be if the in-hospital deductible were raised to two hundred fifty dollars versus the one hundred dollar deductible. Board member Alan Horton asked Mr. Durham what the 24% renewal rate would equate to in dollars. Mr. Durham told the Board that he did not have that information with him, but would get it for the Board. Mr. Durham stated that the actual renewal would be May 1, 2003.

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Mr. Durham stated that the Authority did contact Blue Cross/Blue Shield with the request from the Board on the capability to get information on-line and although told that the system was available, it was not, but Blue Cross/Blue Shield is anticipating using the Authority in a pilot group effective May 1, 2003.

Mr. Durham stated that the Authority's Life & Disability Insurance, which is through Highmark, would have a zero percent rate increase.

Hooper Phase II Bid Recommendation: Chairman McQueen called on Mike Buffington, Project Manager, who gave an informational slide presentation and discussed the following W. J. Hooper Phase II Improvements Project Update.

W. J. HOOPER IMPROVEMENTS – PHASE II PROJECT UPDATE

Project includes complete rehab and upgrade of existing WPP to replace existing worn and obsolete equipment, and to comply with current and future drinking water standards. Provisions are included for expansion from 20 MGD to 25 MGD capacity in the future. In general the project includes new raw water intake and pump station, new high rate flocculation/sedimentation basins, new chemical feed and storage facility, new high service pump station and modifications to electrical, instrumentation and control systems.

Project Managers:

- CH2M Hill, Engineers – George Ajy
- Clayton County Water Authority – Mike Buffington

Bid Opening:

Bids for construction of the project were received and opened at 2:00 PM, Local Time, February 27, 2003. The following bids were received:

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| • Adams Robinson Enterprises | \$20,452,000 |
| • Pizzagalli | \$22,267,000 |
| • Winter Construction | \$22,311,260 |
| • B. L. Harbert International | \$23,230,025 |
| • Brasfield & Gorrie | \$23,380,000 |
| • Crowder Construction | \$23,950,000 |
| • Ruby-Collins, Inc. | \$25,008,000 |
| • Alberrici CM, LLC | \$27,187,640 |

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Mr. Brannan commented that normally the Authority would give the Board thirty days to consider a project, but the Authority brought this project before the Board at this meeting so that upon the Board's approval this project could proceed by early June, which would help the Authority minimize water purchases from the city of Atlanta to continue operation of the Hooper Plant during this rehab project.

Mr. Joiner commented on the Authority's engineers, CH2M Hill, and the excellent personnel and stated that he has faith in the recommendations made to the Board.

Ms. Barber stated that she would feel more comfortable if the Board had a longer time frame in making this type of decision, but she understood Mr. Brannan's comments in regard to purchasing water.

Mr. Hirsekorn of CH2M Hill stated that Adams Robinson Company comes highly recommended for this type of rehab work.

Representatives from Adams Robinson Company were recognized and comments were made to the Board.

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

RESOLVED: that the Authority accepts the low bid of Adams Robinson Company in the amount of twenty million four hundred thousand fifty two dollars (\$20,452,000) for the Hooper Phase II Improvements subject to availability of funds from the Authority's 2003 Bond Issue and 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.

Garner Pump Station Property Recommendation: Chairman McQueen called on Wade Brannan, General Manager, who stated that the Authority owns .75 acres off Crumbley Road in Henry County. Mr. Brannan stated that the Authority had already agreed to sell this land to Henry County Water and Sewer Authority for installation of a wastewater lift station, but an appraisal was needed to complete this transaction. The appraised value is \$10,000 for the .75 acres. Mr. Brannan recommends that the Authority go ahead with the sale of this land for the appraised value.

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

RESOLVED: that the Authority agrees to sell the .75 acres of land off Crumbley Road in Henry County to Henry County Water and Sewer Authority for the appraised value of ten thousand dollars (\$10,000).

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Chairman McQueen stated that he would entertain a motion for the Board to go into executive session to consult with legal counsel.

Upon Motion by Lloyd Joiner and seconded by Alan Horton 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 called on Wade Brannan, General Manager, who discussed the Budget book that was distributed to the Board. Mr. Brannan asked the Board for their suggestions on how they would like to review this material before approving it. Chairman McQueen stated that the Board will have the Budget book to review for a month, but reminded the Board that last year they spent a half day retreat at one of the Authority's Community Use Buildings and had lunch served. The Board members agreed to schedule a called meeting on March 17, 2003 at 9:00 A.M. at the J. W. Smith Community Use Building at which time they could discuss and act upon the FY 2003 budget.

Mr. Brannan stated that last year the Authority participated through Holland & Knight, a law firm lobbying on behalf of the North Georgia Planning District, for grant funds. CCWA participated at a cost of fifteen thousand dollars (\$15,000). The North Georgia Planning District did receive a grant of two million, six hundred thousand dollars (\$2,600,000) of which the City of Atlanta received one million, seven hundred thousand dollars (\$1,700,000). The remainder of the funds equaled nine hundred thousand dollars (\$900,000). Mr. Brannan stated that for the Authority's fifteen thousand dollars (\$15,000) we received a one hundred fifty thousand dollar (\$150,000) grant from the federal government. Mr. Brannan stated that with the Board's okay CCWA would once again participate at the same level of fifteen thousand dollars (\$15,000). The Board agreed.

Mr. Brannan informed the Board that the Authority has been recognized as one of EPA's clean water partners. This program is sponsored by the U.S. EPA and the Association of Metropolitan Sewerage Agencies and recognizes the Water Authority's extraordinary efforts to protect and improve our watersheds in support of the national clean water goals.

Mr. Brannan informed the Board that Clayton County has been designated by the Georgia Department of Community Affairs as a WaterFirst Community.

Mr. Brannan asked the Board for authorization to proceed with the preparation of an employee handbook by MGM & Associates, Ms. Mae M. Gilley. The cost of this

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handbook is not to exceed three thousand five hundred dollars (\$3,500) with an initial payment of one thousand dollars (\$1,000) to be paid upfront. The Board agreed.

Mr. Brannan informed the Board of an approximately 350 acre mixed use development being planned along the north side of Anvil Block Road from I-675 to Bouldercrest Road which would require additional capacity in the Dekalb County system. Mr. Brannan stated that he is trying to schedule a meeting with Dekalb County to discuss the Authority's need for additional sanitary sewer capacity in their plant. Steve Fincher, Authority Counsel, informed the Board that he did represent the developer of this proposed development.

Mr. Moore, Board member, asked that any change orders on projects be brought back to the Board. Mr. Brannan stated that the only one that he was aware of was on a water line job that is not completed yet.

Mr. Hicks stated that the Shoal Creek project had a couple of change orders, but that they netted to a savings.

Mr. Brannan informed the Board at the Noah's Ark pump station the firm of Gordy Construction is completing this project. Mr. Brannan stated that due to more quantities of grassing and paving that those items may exceed the projected cost, but the total cost of the project should not exceed the total budgeted amount of the project.

Mr. Joiner, Vice Chairman of the Board, asked Mr. Brannan about the tie-in at Clark Howell Highway and Loop Road. Mr. Brannan stated that the Authority had already made the tie-in that was required by the construction of the fifth runway. Mr. Brannan stated that this tie-in cost was paid by the city of Atlanta.

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