

CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road
Morrow, Georgia 30260

Regular Board Meeting, September 6, 2012

Chairman, Pete McQueen, called the meeting to order at 1:30 p.m.

Present at the meeting were: Chairman, Pete McQueen, Vice Chairman, John Chafin, Secretary/Treasurer, Marie Barber, Board Members, John Westervelt, Oscar Blalock, Rodney Givens and Sophia Haynes; General Manager, P. Michael Thomas, Deputy Manager, Mike Bennett, Legal Counsel, Steve Fincher of Fincher, Denmark & Williams, Carla Clark, Executive Coordinator and other CCWA staff and visitors.

Chairman McQueen called on Jim Quattlebaum, Land Surveyor, to give the invocation.

Approval of Minutes: Chairman McQueen called for any omissions or additions to the Regular Session Board Meeting minutes of August 2, 2012. Hearing none, the minutes were approved as presented.

Financial and Statistical Report: Chairman McQueen called on Carl Stephens, Finance Director, to give our financial report. Mr. Stephens reviewed the financial information that was given to the Board for the period ending July 31, 2012.

Recognitions: Chairman McQueen called on Mike Thomas, General Manager, to recognize Carl Stephens, Finance Director and his entire staff for their 7th straight year of being awarded with the Distinguished Budget Presentation Award by the Government Finance Officers Association. The award reflects the commitment of the staff to meet the highest principals of government budgeting while exceeding many nationally recognized standards. In addition, the budget is held to the rigors of being a policy document, a financial plan, an operation guide and a communication device.

Chairman McQueen called on Guy Pihera to present the annual Team Safety Awards. The teams are divided into seven-low hazard teams and thirty-four high hazard teams and every employee in the Water Authority belong to a safety team. Each team

submits a nomination and the safety committee reviews and judges each team's nomination. Each year the Water Authority recognizes one overall low hazard team and three high hazard teams. This year the winning low hazard team award goes to Management Information Services (MIS), lead by Rodney Crowell. Third place high hazard award goes to the W.B. Casey Plant Water Reclamation Central Laboratory, lead by Jim Poff. Second place high hazard award goes to the J.W. Smith Water Plant in Water Production, lead by John Patterson. First place high hazard award goes to the Stormwater Maintenance Section, lead by Josh Wood.

Chairman McQueen called on Bernard Franks, Distribution and Conveyance Manager to recognize Larry Eason, Senior Equipment Operator for his 25-years of service. He congratulated and thanked him for his continued hard work and dedication to the Water Authority and presented each of them with a 25-year service pin. Mr. Franks then called on Mr. William VonDenBosch, Conveyance Repair Foreman to recognize him for his 20 years of service. He congratulated and thanked him for his continued hard work and dedication to the Water Authority and presented each of them with a 20-year service pin.

Report by the Auditors: Carl Stephens introduced Mr. Trey Scott of Mauldin and Jenkins Accounting Firm to give the report on CCWA's annual audit. Mauldin and Jenkins have issued a clean unqualified opinion that the financial statements of the Authority are considered to present fairly the financial position and results of operations as of and for the year ended April 30, 2012. The financial statements present fairly in accordance with accepted account principals. For the fourth year in a row it has been the position of Mauldin and Jenkins that neither management points nor audit findings were to be issued.

An audit agenda was distributed to the Board and used as a guide to deliver reviews of Assets; Liabilities; Net Assets; Statement of Revenues, Expenses and Changes in Net Assets; Statement of Cash Flows and Fiduciary Assets. Mr. Scott went on to praise the Finance Department for their tremendous work in preparing and presenting the requested information needed for the audit in a professional and timely manner.

Fleet Washing Services Bid Recommendation: Annual Fleet Washing Service Contract includes exterior pressure washing and interior detailing servicing of our fleet. The exterior fleet washing service will be provided monthly for approximately 163 vehicles. The detail service will be provided only upon justification and approval by the department managers. On average, only 1 or 2 details are performed annually.

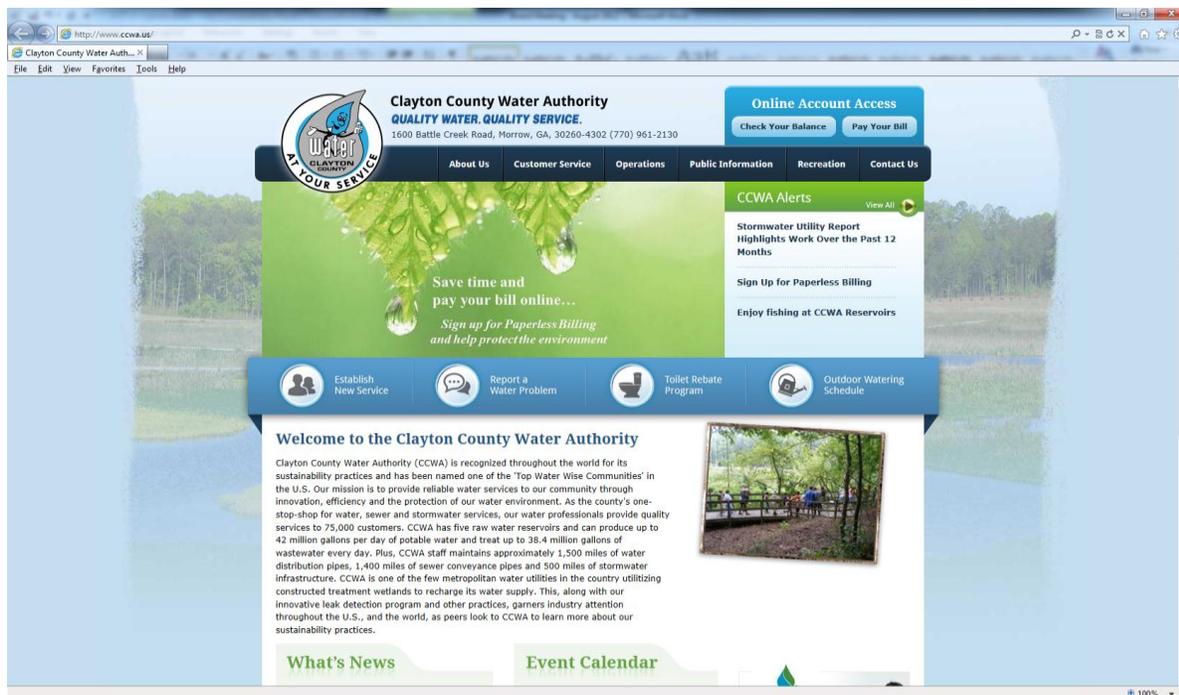
Company Name	Exterior Wash Only Total Annual Bid Amount	Interior Unit Price Per Detail Service
EXCEPTIONAL AUTOMOTIVE SPA, INC.	\$21,498.60	Sedans \$35.85 SUVs \$35.85 Small Trucks \$35.85 Medium Trucks \$35.85 Large Trucks \$35.85
EVERITTE'S MOBILE DETAILING	\$25,104.00	Sedans \$25.00 SUVs \$30.00 Small Trucks \$20.00 Medium Trucks \$35.00 Large Trucks \$40.00

Staff recommends awarding this bid to the lowest bidder Exceptional Automotive Spa, Inc. in the amount of \$21,498.60. This contract will be for one year, and may be extended for a second and third year by mutual consent by both parties. An annual adjustment at the time of each extension shall not exceed five percent (5%). Funding source will be the operating budget.

UPON Motion by Oscar Blalock and seconded by Sophia Haynes, it was unanimously

RESOLVED: to award the contract for Fleet Washing Services to Exceptions Automotive Spa, Inc. in the amount of \$21,498.60, contingent upon approval of bonds and insurance required and to authorize the General Manager to sign the contract documents.

Customer Service Update – Paperless Billing: CCWA has gone GREEN! Paperless Billing is now available. Customers can now choose to receive their monthly bills electronically and stop receiving a paper bill. Customers will receive a monthly email with a link to their new bill. Bills for the prior 12 months are available to view. Customers continue to have the options to receive a paper bill as well as an electronic bill or an electronic bill only.



Ms. Worley went on to update the Board on the many Customer Service Initiatives that are currently going on in accordance with CCWA's mission statement, Quality Water Quality Service. To ensure that service is provided on the basis of our mission statement, the department identified opportunities around the following areas: Enhanced Customer Service Skills; Clear Policies and Procedures; Performances Metrics, Quality Assurance; and Providing the Staff with Tools for Success.

Training modules were developed to address immediate training gaps in the identified problem areas of high bill field visits, collection procedures; after hour procedures, and new CSR orientation training procedures. And to maintain quality, a refresher training course is being developed for tenured CSR's. As the department identifies corrective measures, they institute and distribute them through Training Transformations. These are

standardized Stop, Look, Learn and Place documents. When received, the CSR's knows to stop what they are currently doing, look over and learn the new procedure and place it into action the new procedure

Phone Monitoring Policy: In order to monitor calls for customer service quality assurance purposes, CCWA management staff proposes the following addition to our Personnel Policy Manual.

As part of Clayton County Water Authority's customer service quality assurance initiatives, telephone conversations over business phones may be monitored or recorded as a part of normal business operations.

It is intended that monitored or recorded calls will be used for training purposes. The monitoring or recording of calls will assist in determining whether employees are adhering to facility policies and procedures and how employees conduct themselves when using business telephones. However, and as a consequence, business phones within the Customer Accounts Department should not be used for personal calls. All personal calls placed or received from a business phone are subject to being monitored and/or recorded. Any information gleaned from such calls can and will be used by the Authority, if applicable, as evidence for any disciplinary action that may be made necessary as a result of information learned in the recording.

UPON Motion by John Westervelt and seconded by John Chafin, it was unanimously

RESOLVED: to approve the Phone Monitoring Policy as presented and make it part of CCWA's personnel policy.

Annual Computer Technology Refresh Bid: CCWA Staff advertised a "Request for Bid" for the annual technology refresh to cover desktops, laptops, ruggedized laptops and monitors. Lenovo desktops were specified to be an M91p small form factor containing a minimum of Core i7 processor with 4GB memory & DVDRW; Lenovo laptops were specified to be a T520 containing a minimum of Core i7 processor with 4GB memory & DVDRW; Panasonic Toughbooks (ruggedized laptops) were specified to be a CF-53 containing a minimum of Core i3 processor with 4GB memory & DVDRW;

Monitors were specified to be 22-inch with DVI & VGA connections and vertically adjustable base. Bids were opened on August 21, 2012 and received from those vendors listed in the table below. Funding for these items is included in the FY2012 Operating

Budget as adopted and the bids are below budget. Bids highlighted in yellow are the low bid meeting all specifications for its category of equipment.

	Desktops	Laptops	Ruggedized Laptops	Monitors
Number of Units Budgeted	28	12	10	25
Arlington PC	\$699.00	\$1,119.00	\$1,009.00	\$209.00
CDW-G	\$723.22	\$1,083.62	Specification not met	Specification not met
Core Education	\$751.91	\$1,133.17	\$1,508.81	Specification not met
Paradigm Systems	NO BID	NO BID	\$1,531.00	NO BID
Softchoice	\$821.26	\$1,329.54	\$1,592.04	\$228.37

Staff recommends award for this year's Desktops, Ruggedized Laptops and Monitors to Arlington PC and for Laptops to CDW-G.

UPON Motion by Marie Barber and seconded by Rodney Givens, it was unanimously

RESOLVED: to award the request for bid for the purchase of Desktops, Ruggedized Laptops and Monitors to Arlington PC and for Laptops purchased to CDW-G as outlined in the bid documents.

SAN (Storage Area Network) Upgrade Proposal: Water Authority staff budgeted for a capacity upgrade to its SAN (Storage Area Network) due to experienced data storage growth rates and current used capacity on its existing SAN. The MIS team identified a solution on State Contract that meets the requirements of our data storage

operations and worked with IBM to design a configuration to cover the Water Authority's operational and capacity requirements. Provided here is a history on our data storage activity and the process for this request.

What is a SAN?

On your home and/or office computer you have a hard drive where your files and information are stored. The environment of your home and/or office computer is known as a physical environment. The Water Authority utilizes nearly 300 desktop/laptop computers during daily operations. Because the majority of the information the employees use needs to be shared it cannot be kept on any single computer. Like most companies the Water Authority utilizes file and application servers for this purpose.

Today the Water Authority manages 130 servers, 34 physical servers and 96 virtual servers. The 34 physical servers have hard drives similar to a desktop computer. The 96 virtual servers do not have internal hard drives so they require a central repository for their data storage. This central repository is known as a Storage Area Network or SAN.

Why do we need one?

Because of a growing need to share business data between employees, the Water Authority went live with its companywide computer network in May 2000 comprised of 6 servers and approximately 35 desktop computers. The support team (MIS – Management Information Services) began to experience an accelerated storage growth rate beginning in early 2001 due to a combination of additional desktop computers being deployed in the Water Authority and the employees learning to use the new tools that had been placed at their fingertips. Literally, about as fast as we could identify storage needs, order/upgrade/install hard drives in the physical servers more were required along with having to install additional servers. As technology advanced and pricing got better the Water Authority installed its first SAN member in June 2006 as an answer to the exponential growth rate. The initial SAN was a 6 TB (4.6 TB usable) Equallogic solution. In July 2007 the SAN capacity was expanded by 9TB (6.5 TB usable), then in April 2009 an additional 8.4TB (5TB usable).

Why do we need to upgrade and replace the existing SAN?

This past November, while reviewing projects and preparing the FY2012 budget submittal, the MIS team was alerted that the SAN members purchased in 2006 and 2007 would be at end of service on 4/18/2013. Meaning that in the event of a hardware failure in one of these SAN members there would be no vendor support for a replacement part.

Why so much space?

One of the action items from our recently completed Technology Master Plan facilitated by our engineering firm Brown & Caldwell was “Assess Storage Space Requirements”. Some guidelines coming out of this task were when purchasing computer storage equipment; plan the purchase so that not more than fifty percent of the space is initially utilized to allow for a minimum of three years projected growth. Also, when the storage area reaches seventy-five percent utilization, plan for space additions at the next budget window to get back to the fifty percent level. The current SAN is at over ninety percent utilized. Based on applying the guideline mathematically we should purchase a minimum of 29TB of useable storage space with this system. The proposed solution will yield 32TB of useable space.

How did we miss your budget target?

Once we became aware of the service support issue we looked at what the newest available models were for the existing SAN platform. We received a budgetary quote from our service provider based on replacing those members that were scheduled to go “Out of Service” plus add fifty percent more storage capacity which yielded a quote for a system at 18TB of useable space. Because we are looking to replace the entire solution for the Water Authority’s mission critical systems and applying the guidelines from the Technology Master Plan, additional space is required. We do intend to use the existing SAN members that are still serviceable for non-mission critical storage activities such as video storage from security cameras negating a planned purchase in this area.

Why IBM?

After the budget proposal had been submitted we reasoned that if we were replacing almost the entire SAN and given how much technology had progressed since 2006 we should examine more than just the Equallogic SAN platform. An initial comparison of

equipment included Dell (formerly Equallogic), HP, NetApp, EMC, Hitachi and IBM. This comparison left EMC and IBM as the front runners when reviewing ease of administration, ease of operation, staff's existing skill set and availability on State Contract. When comparing EMC head to head with IBM, it was determined that EMC cannot natively handle the protocols of Fiber Channel and iSCSI at the same time which is required for our disaster recovery services, EMC's licensing model was very confusing and opens the door for unforeseen costs, most of our equipment is already IBM so the IBM solution communicates easier and better with our existing equipment and the IBM solution is on State Contract provides us pricing at a discount that is 58.5% off list price.

How long will this solution last?

As stated by Brown & Caldwell in our Technology Master Plan the standard life expectancy for technology is five years. The core of this solution will last at least five years and be serviceable by IBM for at least the next ten years. There is the strong possibility that space upgrades for this proposed solution could be necessary in two to three years. Based on how this solution is licensed a capacity upgrade for the HQ data center storage can be projected at \$26,612 and for our secondary disaster recovery data center at \$20,790.

Where is the funding?

The FY2012 budget as approved had \$175,000 for this activity. The FY2012 budget also contained \$8,000 for a needed video storage device which would not be needed if this solution is implemented as serviceable members from the existing SAN can be provisioned for this purpose. The remaining \$7,757.66 can be moved from the FY2012 approved budgeted item of \$80,000 targeted for upgrading our tape backup solutions. The IBM solution presented here will address some of our recovery backup issues therefore not requiring all of the \$80,000 forecasted for our backup needs.

Staff recommends purchasing from IBM on state contract the presented SAN-V7000 configuration at the quoted cost of \$190,757.66.

UPON Motion by Marie Barber and seconded by John Westervelt, it was unanimously

RESOLVED: to purchase the SAN-V7000 configuration from IBM utilizing the State Contract in the amount of \$190,757.66 as quoted.

HQ Modifications Bid Recommendations: Advertising to award a construction contract based on the final design completed by Richard Wittschiebe Hand, our architect, was initiated on June 1, 2012. A mandatory pre-proposal meeting and site visit was conducted on June 26th. A proposal opening was held on July 10th. Four proposals were received as shown in the table below.

Contractor	Location	Base Costs
Nix-Fowler Constructors, Inc.	Mableton, GA	\$3,211,152
Ricks Contractors, Inc.	Buford, GA	\$3,289,000
Bryson Constructors, Inc.	East Point, GA	\$2,509,000
Multiplex LLC	Duluth, GA	\$2,985,000

CCWA staff and architect team have completed reviews of the proposals and final scoring of the proposals including costs and a financial status report. It was determined that all four contractors were responsive with their respective proposal were invited to participate in presentations on August 16th.

	Bryson	Nix Fowler	Ricks	Multiplex
Proposal / References	31.64	41.35	42.83	37.78
Costs	40.00	31.25	30.51	33.62
Proposal Score	71.64	72.60	73.34	71.40
Score Ranking	3	2	1	4
Presentation	44.17	32.67	28.83	14.83
Total Score	115.81	105.27	102.18	86.24
Final Ranking	1	2	3	4

UPON Motion by John Chafin and seconded by Oscar Blalock, it was unanimously

RESOLVED: to award the contract for the Headquarters Building Modifications to Bryson Constructors, Inc., in the amount of \$2,509,000 as outlined in the request for proposal documents, contingent upon approval of bonds and insurance as required and to authorize the General Manager to sign the contract.

UPON Motion by Oscar Blalock and seconded by John Chafin, it was unanimously

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

The Board returned to open session.

Upon Motion by Marie Barber and seconded Oscar Blalock, it was unanimously

RESOLVED: to approve the Executive Sessions Minutes of September 6, 2012.

IPAD Implementation by the Board of Directors: Mr. Thomas updated the board on the iPad Implementation and addressed management of the iPads. It was decided that MIS would go forward with the purchase of the 3G capable devices and they will be kept at the Water Authority.

Timber Management: Mr. Thomas outlined to the Board the Reforestation Plan for the Shoal Creek Tract of forested property. Herbicide spraying at \$88 per acre would cost \$12,584. Machine tree planting at \$90 per acre would cost \$12,870. Trees for planting would cost \$5,720. The total project cost is \$31,174. After a brief discussion, the Board agreed that the prices were good and to move forward with the project.

Theft of Water Services: Mr. Thomas updated the board on a problem that is continuing to worsen; theft of water services and damage to Water Authority property. Currently CCWA locks the curb stop with a brass lock. If tampered with, the curb stop is then locked with a box lock. If further tampering is found, the meter is removed and a tampering fee is accessed to the account; however, the service can be reconnected with a payment plan.

The Meter Services section offers the following suggestions; institute the use of a less expensive tamper proof seal initially. When an account is disconnected and shows usage a tamper proof seal is placed on the meter. If this seal is broken, a \$150 tamper fee, all past due amounts and accessed fees are due to reestablish service and a lock box is placed over the meter. The account is checked again in a week or so. If the lock box has been removed or damaged the meter is then removed and a \$250 tamper fee is accessed and must be paid along with any past due amounts to reestablish service.

This new structure is designed to decrease CCWA's use of expensive deterring methods and increase our sincerity for concern of damage to our property and the customers commitment to pay past due accounts. Instituting this plan has the potential to generate an estimated \$100,000 in revenue; and saving an estimated \$150,000 annually in decreased expensive lock usage.

Fort Gillem Contract: The Fort Gillem Enclave, the military portion left that will continue to be run by the Federal Government, has requested that CCWA sign a contract to provide water service. After much discussion regarding the negotiations and

UPON Motion by Oscar Blalock and seconded by Marie Barber, it was unanimously

RESOLVED: to authorize the General Manager to sign the contract to provide services to Fort Gillem Enclave pending review and approval by legal counsel.

Stormwater Billing Error: Mr. Thomas informed the board of an error discovered in original data set used in the Stormwater billing. Apparently Atlanta Freightliner on

Frontage Road in Forest Park was credited as being the owner of a meter that actually belonged to the J C Penny Outlet & Distribution Center also on Frontage Road. Current calculations show that Atlanta Freightliner has been over billed by \$ 69,000. Because of the significant amount, Atlanta Freightliner will be offered half of the overage as a refund and half as a bill credit. After some discussion, and assurance that the error had been corrected, the board agreed that this was the best plan of action. In addition, the GIS Department will review every commercial account for correctness.

Internal Audits: Mr. Thomas updated the board on previously discussed internal audits with information recommended by Karen Riser, Risk Manager. Mr. Thomas was interested to know if the information presented was sufficient in addressing the board's concerns or if additional measures were preferred. It was determined that after all internal processes and policies had been reviewed the board would be updated and make a decision at that time whether progressing to an external auditor would be the best option.

Customer Service Call Center Staffing Modifications: Mr. Thomas updated the board on the turn over issues previously discussed that were impacting performance. The national turnover rate for call centers is about 27%, in the past few years CCWA's turnover rate has been about 33%. However, turnover appears to stem from our structure of 9 full time and 3 part-time positions. If you calculate our turnover rate without the part-timers the rate drops from 33% to 8%. To reduce the turnover rate, Mr. Thomas recommended that we turn the part-time positions into fulltime positions. The move will give eleven persons manning the phones all day long and will go a long way in meeting their set metric. Additionally, salaries were looked and found that they were in line with comparable utilities. Therefore to give an opportunity for advancement, Mr. Thomas informed that the board that criteria creating a Senior Call Center Agent had been developed. When the criterion has been met, the agent could receive the title of Sr. Call Center Agent and get a 5% pay increase. It is believed that instituting these measures will decrease CCWA's call center turnover rate.

Upon motion by Sophia Haynes and seconded by Marie Barber it was unanimously

RESOLVED: to make the call center part-time positions, full time positions and accept the criteria presented to establish a Sr. Call Center Representative.

Rates/Fee adjustments: Mr. Thomas informed the Board that CCWA will need to look at a rate adjustment, sooner rather than later and possible review and make adjustments to the fee structure across the board. Mr. Thomas pointed out that water production (demand) continues to decline and our water and sewer revenues are virtually flat lining. It is to be also noted that it is the rate adjustments that have kept the water and sewer revenues flat. Giving consideration to the current economic standing, it is not anticipated the current numbers will improve without a rate increase.

UPON Motion by Rodney Givens and seconded by Oscar Blalock it was unanimously

RESOLVED: to adjourn the regular session board meeting.

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

Pete McQueen, Chairman

Walter Marie Barber, Secretary/Treasurer