

## CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road  
Morrow, Georgia 30260

The regularly scheduled April 2011 Board Meeting was held at The Brasstown Valley Resort, located at 6321 U. S. Highway 76, Young Harris, GA 30582, beginning at 1:00 p.m., on Thursday, April 7, 2011. This meeting was held in two sessions, with the second session starting on Friday, April 8, 2011 at 9:00 a.m. at the same location.

Chairman, Pete McQueen, called the meeting to order at 1:13 p.m.

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

Chairman McQueen called on Ed Durham, Human Resources Director, to give the invocation.

Approval of Minutes: Chairman McQueen called for any omissions or additions to the Regular and Executive Session Board Meeting minutes of March 3, 2011. Hearing none, the minutes were approved as presented.

Financial and Statistical Report: Chairman McQueen called on Emory McHugh, Finance Director, to give our financial report. Mr. McHugh reviewed the financial information that was given to the Board for the period ending February 28, 2011.

Hooper WPP Solids Handling Improvements Bid Recommendation: Chairman McQueen called on Mike Buffington, Program Management Engineer, to present the Hooper WPP Solids Handling Improvements Bid Recommendation.

The W. J. Hooper Water Production Plant (WPP) was upgraded and expanded to a design capacity of 20.0 MGD in 1979; a solids dewatering facility was added in 2002 to dewater alum residuals from the plant; and other treatment units were upgraded in 2006. At that time no work was done on the backwash water recovery basin constructed in 1979.

The 2010 Strategic Master Plan recommended certain improvements to the solids handling facilities. This project includes construction of those improvements including modifications to the sedimentation basin sludge collection system; and modifications to the backwash water recovery basin sludge collection and pumping facility.

***Project Managers:***

- CH2M Hill, Engineers – Stuart Jeffcoat
- Clayton County Water Authority – Mike Buffington

***Budgeted Construction Cost and Funding:***

- Construction Budget - \$1,354,000
- Funding by R&E Funds

***Bid Opening 2:00 PM Local Time March 10, 2011:***

• Lakeshore Engineering	\$1,664,072
• Reynolds, Inc.	\$1,672,788
• P. F. Moon and Company, Inc.	\$1,872,700
• Heavy Constructors, Inc.	\$1,928,166
• Southern Champion Construction, Inc.	\$1,932,355
• Haren Construction	\$2,077,000

***Negotiated Costs Savings with Low Bidder:***

- Low Bid exceeded construction budget by \$310,072
- Worked with contractor to negotiate cost savings in solids hauling; equipment costs; deletion of settling basin corner plates; reduction in allowances; use of sales tax exemption; and reduction in Pollution Insurance amount.
- Total negotiated savings - \$266,834 (issue credit change order)

***CH2M Hill and CCWA Staff Recommendation:***

• Award to Lakeshore Engineering for low bid amount	\$1,664,072
• Execute Change Order No. 1 (Deduct) at same time	<u>(\$ 266,834)</u>
• Revised Contract Amount	\$1,397,238
• Amount over budget funded by R&E reserve funds	

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

RESOLVED: to award the contract for the Hooper WPP Solids Handling Improvements to the lowest bidder, Lakeshore Engineering as outlined above contingent upon execution of Change Order No. 1 which will result in a revised contract amount of \$1,397,238.00; approval of bonds and insurance as required by the specifications; and to authorize the General Manager to sign the contract documents.

Sewer Vacuum Truck Bid Recommendation: Chairman McQueen called on Herbert Etheridge, Distribution & Conveyance Manager, to present the Sewer Vacuum Truck Bid Recommendation.

<b>Vendor</b>	<b>Bid</b>	<b>Make/Model</b>
<b>Tractor &amp; Equipment Inc.</b> Forest Park, GA	\$285,648.00	VacAll AJV 1215 Sterling LT9511 In stock
<b>Environmental Products of Georgia</b> Atlanta, GA	\$295,095.00	Vactor 2112 P – 16 Freightliner 7500 120 - 150 day delivery
<b>Tractor &amp; Equipment Inc.</b> Forest Park, GA	\$307,362.00	VacAll AJV 1215 Freightliner M2 120 day delivery
<b>Municipal Equipment Sales, Inc.</b> Woodstock, GA	\$307,488.00	Camel 200 International 7500 90 – 120 day delivery
<b>Adams Equipment Co.</b> White Plains, GA	\$310,000.00	Vac-Con 3612 HEN Freightliner M2 150 - 180 day delivery

Staff recommends purchasing a VacAll AJV 1215 Combination Vac/Cleaning Unit mounted on a Sterling Chassis from Tractor & Equipment Inc. in the amount of \$285,648.00 as the low bidder meeting all specifications. The Sterling Chassis, while being a year old, is new, and the latest model available from Sterling (which has ceased operations), and carries a full manufacturer’s warranty. Sterling was a member of the Freightliner family of trucks and all Chassis warranty work will be performed by the Freightliner Dealership in Forest Park, GA. This equipment acquisition was budgeted at \$311,000.00 in the FY 2010 Budget.

UPON Motion by John Chafin and seconded by Rodney Givens it was unanimously

**RESOLVED:** to approve the purchase of one VacAll AJV 1215 Combination Vac/Cleaning Unit from the lowest bidder Tractor & Equipment, Inc. in the not to exceed amount of \$285,648.00 based on the guidelines as requested and outlined above.

Fiscal Year 2011 Budget Proposal: Chairman McQueen called on Mike Thomas, General Manager and Emory McHugh, Finance Director to present the Fiscal Year 2011 Budget Proposal.

Enclosed you will find the FY11 Proposed Budget Document prepared by our Finance Department staff. Each year, we build the budget by constructing a conservative estimate of revenues and a conservative estimate of operational, capital and debt repayment needs. As shown in the table below, the proposed consolidated operating budget for the Water and Sewer, and Stormwater Utility Funds is \$1,037,150 or 1.1% more than the FY 2010 budget. This minimal increase reflects the impact of the current economic recession and the Authority's disciplined operation of both utilities in order to avoid or minimize rate increases to our customers. The Authority's estimate of revenues does not include any rate adjustments for FY 2011; however, management believes an increase in the water and sewer rates will be necessary in late 2011 to maintain the Board's policy of maintaining a ratio of net revenues to debt service of 1.5 times and continuing our "pay-as-you-go" capital plan.

For the Fiscal Year Beginning	Consolidated Operating Budget	Water and Sewer Utility Operating Budget	Stormwater Utility Operating Budget
May 1, 2011	\$91,300,450	\$82,164,550	\$9,135,900
May 1, 2010	\$90,263,300	\$81,201,000	\$9,062,300

To focus your review of the document you may wish to review the Transmittal Letter in the Budget Forward Section for a general overview; the Capital Plan and Human Resources Section will give you a quick look at those sections of the budget and then each budget unit is specified in the Operating Expenditures Section.

UPON Motion by Don McMillian and seconded by Marie Barber it was unanimously

RESOLVED: to adopt the proposed Fiscal Year 2011 Budget as requested and to consider an amount for rate adjustment to be implemented later in 2011 in order to maintain the revenues to debt service ratio of 1.5 times and continue our pay-as-you-go capital plan.

Other Post Employment Benefits Discussion: Chairman McQueen called on Mike Thomas, General Manager, to present the Other Post Employment Benefits Discussion.

Mr. Thomas provided a detailed discussion about the post employment benefits funds and how they are being utilized. He stated that decisions need to be made on whether we want to add the surplus of Revenue Funds to the Trust and if so, need to decide how the funds should be invested. After an in-depth discussion several options were presented and a recommendation was made.

UPON Motion by John Westervelt and seconded by Don McMillian it was unanimously

RESOLVED: to transfer \$3 million to the Renewal and Extension Fund for Casey WRF Improvements and transfer \$300,000.00 to the OPEB Trust including a proportionate donation from the Stormwater Utility.

Upon Motion by Marie Barber and seconded by Oscar Blalock 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 John Westervelt and seconded by Don McMillian it was unanimously

RESOLVED: to accept and approve the forty-thousand dollar settlement to Charter Contractors for the Claricone Painting bid.

Chairman McQueen called a recess to the meeting at 5:19 p.m.

Chairman McQueen called the second session of the Regular Board Meeting to order at 9:00 a.m. on Friday, April 8, 2011.

Chairman McQueen called on Mike Thomas, General Manager, to give the invocation.

Clayton County Economic Development Discussion: Chairman McQueen called on Mike Thomas, General Manager, to introduce Grant Wainscott, the Clayton County Economic Development Director. Mr. Wainscott provided an update on current economic development initiatives, successess and future plans involving Clayton County. He discussed in detail a proposed economic development incentive package that the County is developing and how the Water Authority can support these efforts.

Huie Site Long-Term Management Plan Discussion: Chairman McQueen called on Mike Thomas, General Manager, to discuss the Huie Site Long-term Management Plan.

As we transition away from spray irrigation, we will have more than 2,000 acres of the site no longer being used for water reclamation. However, this property was purchased with assistance from the Federal Government as part of the Clean Water Act Construction Grants Program and has deed restrictions placed on the property. These restrictions require us to reimburse the Federal Government for 75% of the fair market value of the property if the property is sold or the use of the property is changed.

CCWA staff recommends that we begin considering alternative long term uses of this site. The land includes the watershed for the Shamrock and Blalock water supply reservoirs and we would prefer to see the majority of the land protected as green space.

The Board directed Mr. Thomas to contact the U.S. EPA regarding the deed restrictions on the property so we can better understand our future options for the site.

Sanitary Sewer Evaluation Study Status Report: This agenda item was postponed for a later date due to time constraints.

Stormwater Utility Update: Chairman McQueen called on Kevin Osbey, Stormwater Program Manager, to present the Stormwater Utility Update. Mr. Osbey provided an overview of stormwater capital projects and budget status.

UPON Motion by Marie Barber 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.

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Pete McQueen, Chairman

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Walter Marie Barber, Secretary/Treasurer