

CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road
Morrow, Georgia 30260
Regular Board Meeting
April 3 and 4, 2014

The meeting was held at 2610 Shamrock Road, Jonesboro, Georgia 30236. Chairperson Barber called the meeting to order at 11:00 AM on April 3, 2014.

Present at the meeting were Chairperson, W. Marie Barber, Vice Chairman, Oscar Blalock, Secretary/Treasurer, John Westervelt, Board Members, John Chafin, Rodney Givens, Sophia Haynes and Elizabeth G. Armstrong. (Ms. Armstrong had a schedule conflict and arrived at 1:30 p.m.), Mike Thomas, General Manager, Kevin Osbey, Assistant General Manager, Jim Poff Assistant General Manager, Steve Fincher, Legal Counsel, Cary Santoyo, Executive Coordinator and other CCWA staff and visitors.

Chairperson, Barber called on Brent Taylor, Plant Services Supervisor of General Services, to give the invocation.

Approval of Agenda: Chairperson Barber asked for a motion to adopt the amended agenda with Session Two B. Election of Officers be moved to the last item of business on Friday April 4th, due to Ms. Armstrong's absence.

UPON MOTION by Sophia Haynes and seconded by Rodney Givens, it was unanimously

RESOLVED to accept and approve the April 3&4, 2014 agenda as presented.

Approval of Minutes: Chairperson Barber called for any omissions or additions to the minutes of the Regular Board Meeting minutes of March 6, 2014. Hearing none:

UPON MOTION by Oscar Blalock and seconded by John Westervelt, it was unanimously

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RESOLVED to approve and accept the March 6, 2014 meeting minutes as presented.

Financial and Statistical Report: Chairperson Barber called on Carl Stephens, Finance Director, to give the financial report. Mr. Stephens reviewed the financial information distributed to the Board for the period ending February 28, 2014.

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

RESOLVED to approve and accept the Financial Report as presented.

Recognition: Chairperson Barber called on James Poff, Assistant General Manager, to present the recognitions. Mr. Poff presented W.B. Casey and Northeast WRF-Plant of the Year Award, and recognized Chris Hamilton for his recent promotion to Water Reclamation Manager.

Stormwater Billing Updates: Assistant General Manager, Kevin Osbey, updated the board on changes to fees for Stormwater Billing of Non-Residential customers. Mr. Osbey explained to the board that in January 2013, the Board had approved a staff recommendation to enter into contract to update our Geographic Information System (GIS). The information provided with this work identified changes for commercial stormwater accounts.

Staff would like to use the updated data to revise customer accounts including in the following ways:

- Increase/decrease in impervious areas due to changes in site development
- Increase/decrease in impervious areas due to improved accuracy of aerial photography and property boundaries
- Other changes to account/information

After significant discussion on the impact of these changes, the Board directed CCWA staff to complete the review and reconciliation of stormwater account data and return to the Board for guidance on moving forward.

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College Park Sewer Feasibility Study: The City of College Park has expressed interest in CCWA providing sewer service for a portion of their City. CCWA and College Park already share a sewer connection near Hartsfield Jackson Int'l Atlanta Airport. General Manager, Mike Thomas reminded the Board of a previous College Park Sewer Feasibility Study, conducted by CH2M Hill. CCWA utilized the assistance of CH2M Hill to evaluate the feasibility of taking up to 1 million gallons a day of waste water into CCWA's conveyance system for treatment at the Casey WRF Plant.

The study concluded that it was possible for CCWA to accept up to one million gallons per day of sewer with improvements to the sewer lines in the vicinity of the connection with College Park at a cost of several million dollars.

CCWA staff have recommended to College Park staff that a more detailed study be conducted including additional flow monitoring before any formal agreement is made. The Board was in agreement that staff should move ahead with negotiations with College Park regarding the funding of a more detailed study of the feasibility of accepting sewer from the City.

Streambank Stabilization Project Proposal: Assistant General Manager, Kevin Osbey, updated the Board on a proposed Streambank Stabilization Project Proposal. Our staff investigated a customer complaint regarding streambank erosion on private property due to drainage that is not connected to our stormwater infrastructure. Being that this is a private property issue, this type of work falls outside our Stormwater Utility Levels of Service. The Board agreed that this was a private property issue that would need to be addressed by the property owner.

Mr. Blalock left the meeting at this time for a previous engagement.

GM/Team One's Vision for next 5 years: General Manager, Mike Thomas, updated the Board on CCWA's Management Team's vision for the next 5 years and beyond. Mr. Thomas stressed how the Management Team is constantly working together to plan and prioritize future CCWA activities and resources. Mr. Thomas stressed the importance of

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achieving our Levels of Service, and presented the board with the following vision to insure CCWA continues to excel in our service to our customers and community.

- Quality Water/Product quality is always high
- Quality Service/ Exceed customer expectations
- Levels of Service/ Consistently monitoring, achieving, and striving for high levels of service
- Financially sound
- Community Pride
- Continued Process Improvement

Mr. Thomas advised the Board of the Management Team's Succession Planning efforts, and its work in identifying critical objectives that should be completed or in progress during the next 5 years to insure CCWA continues to be a leading utility and positive influence in the community.

Work Priorities: General Manager, Mike Thomas updated the Board on the staff's work priorities for the FY2014 budget year. Mr. Thomas indicated that as part of the annual planning and budgeting exercises, the CCWA Management Team develops a list of work priorities based the Authority's Strategic Master Plan and Levels of Service performance. (Ms. Armstrong arrived during this presentation). This prioritization insures that staff budgets for the priority projects and prevents over-committing our staff and financial resources.

Master Plan Status and Mid-Term Updates: Program Management Engineering Manager, Terry Moy, presented an update to CCWA's current 10 year Strategic Master Plan. CCWA is in the 5th year of a 10 year plan, which consists of 69 Water/Sewer projects, 8 Stormwater projects. These projects consist of capital projects (fixing pipes); some are studies; and others include internal engineering studies by CCWA staff and Engineering consultants. Of the 69 Water/Sewer projects, 29 are in process, 14 completed, 16 deferred, 4 starting up, and 3 are not started. Some of the detailed projects include upgrades to chemical feed pump systems, Casey WRF's piping system, and other projects for the Northeast WRF, and Stormwater Stream Restoration Projects.

Director of IT, Dan Holverson, presented to the Board the Information Technology (IT) Master Plan, which was envisioned as a 3-5 year program of activities. Mr. Holverson

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went over how IT plans to change the IT Mater Plan moving forward to integrate better into CCWA's Strategic Master Plan. Mr. Holverson advised the Board that in 2012 CCWA completed an Information Technology (IT) Master Plan. Mr. Holverson stressed that the more automated the Authority becomes, the more reliable CCWA's system must be. He updated the board with the number of projects in process a total of 21, of which 12 are completed and 9 are on their way to completion. The IT projects are scored similar to the Strategic Master Plan using the same criteria, identifying dependencies amongst departments, defined impacts of business, timing, cost and staffing.

Rate Study and Financial Modeling Task Order: Jacobs Engineering has been working on a long term financial model that can be used to determine appropriate rate adjustments. As part of this study, Jacob's staff performed the following work:

- Survey of other utility rates in the Metro Atlanta area;
- Quantification of the true cost to treat sewer and to produce water as compared to CCWA rates for water and sewer;
- Quantification of CCWA expenses that are primarily fixed costs (base) versus those that are variable based on consumption;
- Development of a long term financial model that incorporates operating expenses, debt service and capital project needs. The model can be used to determine appropriate rate adjustments as well as identify the appropriate mix of water/sewer charges and base/consumption charges.
- Revenue sufficiency 5 year scenario analysis;
- CCWA's financial health comparison graph with other utilities

Jacob's staff also demonstrated a detailed financial model they have prepared for CCWA that will assist in determining the need for and amount of future rate adjustments. The Board will be provided a future update when all work is completed.

UPON MOTION by John Westervelt and seconded by Sophia Haynes, it was unanimously

RESOLVED to go into Executive Session for land and legal issues.

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The Board returned from Executive Session to Open Session:

Mr. Thomas notified the Board that staff would like to proceed with the donation of property on Charles Grant Parkway to Clayton County for the construction of a fire station. This property includes the Mountain View water tank; this tank is no longer needed due to improvements in the distribution system. One condition of the donation would be for the County to take down the tank. The Board concurred and attorney Steve Fincher was directed to assist in this matter.

General Manager, Mike Thomas, further discussed an upcoming bid for biosolids removal from our Water Reclamation Plants and our Level of Service target to dispose of these through an environmentally beneficial manner. Mr. Thomas recommended that the bid provide a 5% bid credit for beneficial reuse versus something like simply disposing of the solids in a landfill. The Board did not object to this request.

There being no further business for the day, the Board recessed until 9:00AM Friday, April 4, 2014.

Chairperson Barber reconvened the Board meeting at 9:00AM on April 4, 2014

Present at the meeting were: Chairperson, W. Marie Barber, Vice Chairman, Oscar Blalock, Secretary/Treasurer, John Westervelt, Board Members, John Chafin, Rodney Givens, Sophia Haynes and Elizabeth G. Armstrong; General Manager, Mike Thomas, Assistant General, Manager Kevin Osbey, Assistant General Manager, Jim Poff, Legal Counsel, Steve Fincher of Fincher, Denmark & Williams, Cary Santoyo, Executive Coordinator and other CCWA staff and visitors.

Chairperson, Barber called on Ed Durham, HR Director, to give the invocation.

Ms. Armstrong had a schedule conflict and arrived at 10:40AM.

2014-2015 Budget Proposal: Chairperson Barber called on Carl Stephens, Finance Director to present the budget proposal.

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The budget was previously distributed by e-mail to board members for their review. Mr. Thomas, Mr. Osbey and Mr. Poff presented more detailed budget details by operational unit along with proposed staff additions and capital purchases.

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

RESOLVED to approve the FY 2014-2015 Budget for water, sewer and stormwater service for \$97,489,756 as presented, including the purchase of vehicles and computer equipment from the State Contract bid list at a price equal to or less than that listed below.

Proposed Vehicle Purchases From State Contract

Budget Unit	Vehicle Type	Cost
101	SUV (N)	\$24,632
131	Pick-up Truck (R)	\$22,371
131	Pick-up Truck (R)	\$22,371
320	Pick-up Truck (R)	\$22,371
507	4x4 Pick-up Truck (R)	\$26,740
612	Heavy Duty Pick-up Truck (R)	\$38,506
618	Heavy Duty Pick-up Truck (R)	\$38,506
618	Pick-up Truck (R)	\$22,371
621	4x4 Pick-up Truck (R)	\$26,740
630	Pick-up Truck (R)	\$22,371
720	4x4 Pick-up Truck (R)	\$26,740
740	4x4 Pick-up Truck (R)	\$26,740
901	SUV (N)	\$24,632
950	Heavy Duty Pick-up (R)	\$41,037
970	SUV (R)	\$24,632
210	Pick-up Truck (N)	\$21,871
	TOTAL	\$432,631

Proposed Computer Equipment Purchases from State Contract List

Item	Qty	Unit Price	Total Cost
Laptops	20	\$2,010.50	\$40,210.00
Desktops	36	\$1,125.00	\$40,500.00
Toughbook's	14	\$2,450.00	\$34,300.00
Enhanced Laptops	4	\$2,590.00	\$10,360.00
All-In-One Desktops	6	\$1,825.00	\$10,950.00
Monitors	44	\$330.00	\$14,520.00
Ipads	3	\$1,050.00	\$3,150.00
Total Budgeted Amount			\$153,990.00

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Transfer of Revenue Fund surplus to Renewal & Extention Fund: General Manager, Mike Thomas, presented to the board the Proposed Transfer to Renewal & Extention Fund. CCWA staff recommended a transfer of surplus operating revenues to our Renewal & Extention Fund for our “pay-as-you-go” capital projects. Mr. Thomas recommended that \$1 million be transferred to the the oher Post Employment Benefits (OPEB) Trust for future retiree benefit payments and, \$9 million to Renewal & Extention (R&E) Fund for Master Plan projects. The \$9 million R&E Fund Transfer will be designated as follows: \$300,000 for a water production treatability study and \$8.7 million for Casey WRF improvements.

UPON MOTION by John Chafin and seconded by Oscar Blalock it was unanimously

RESOLVED to approve the staff recommendation of the Proposed Transfer of Revenue Fund surplus of \$1 million to the OPEB Trust and \$9 million to Renewal & Extension Fund.

Election of Officers:

UPON MOTION by Sophia Haynes and seconded by Oscar Blalock it was unanimously

RESOLVED to approve the same slate of Officers- Marie Barber, Chair Person, Oscar Blalock, Vice Chair, and John Westervelt, Secretary /Treasurer.

Approval of Executive Session Minutes:

UPON MOTION by Sophia Haynes and seconded by John Chafin it was unanimously

RESOLVED to approve Executive Session Minutes for April 3, 2014.

Additional Updates from the Board Members and the General Manager: Board Member Sophia Haynes suggested CCWA update the Law and Policy Manual with a category for Conflict of Interest, specifically for purchases of land and building. Ms.

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Haynes indicated that if at any point of a purchase and or sales there was anything that could be foreseen or perceived as a conflict of interest it needs to be presented to the board. Ms. Haynes went to further suggest that if CCWA is purchasing from the private party, the private party should sign an affidavit any relationship with any CCWA employee or Board Member. The board should review and adopt this policy before proceeding with the transaction. Risk Manager, Karen Riser addressed Ms. Haynes concerns and advised that

CCWA does have Conflict of Interest guidelines in place for Bids and Procurements', and vendor relationships with CCWA employees and affiliates. Ms. Haynes also suggested that CCWA staff review and evaluate owners, whether being private owners and or corporations to make sure that there are no affiliations to CCWA employees or vendors we do business with. Legal Counsel, Steve Fincher, stated he would have Risk Manager, Karen Riser, draw up a policy to that effect.

General Manager, Mike Thomas, addressed the board on their request that we develop a policy on expenditures between our current purchasing limit of \$20,000 and the new purchasing limit of \$50,000 or \$100,000 depending on the activity. Mr. Thomas presented the following policy for adoption:

**STATE OF GEORGIA
COUNTY OF CLAYTON**

RESOLUTION NO. 2014-03

WHEREAS, Georgia Laws 1955, page 3334, created the Board of the Clayton County Water Authority;

WHEREAS, the Clayton County Water Authority Board of Directors ("Board") has adopted a Clayton County Water Authority Law and Policy Manual; and

WHEREAS, the Board wishes to update the Clayton County Water Authority Law and Policy Manual.

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NOW THEREFORE, BE IT AND IT IS HEREBY RESOLVED THAT:

Chapter 12 Financial

PURCHASING POLICIES

PURPOSE

The primary purpose of these policies is to provide an equitable and fair methodology for acquiring the goods and services needed for the Authority's operations at the lowest total cost.

POLICY

S) The Authority staff shall provide to the Board each month a report detailing the corresponding calendar month's non-recurring expenditures that are in excess of \$20,000 and that did not require Board award under approved purchasing policies.

SO RESOLVED this 4th day of April 2014.

ATTEST:

CLAYTON COUNTY WATER
 AUTHORITY:

 Walter Marie Barber, Chairperson

 Oscar Blalock, Vice Chairman

 John Westervelt, Secretary/Treasurer

 John Chafin, Board Member

 Rodney Givens, Board Member

 Sophia Haynes, Board Member

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Elizabeth G. Armstrong, Board Member

APPROVED AS TO FORM:

Steven M. Fincher, Attorney for
Clayton County Water Authority

UPON MOTION by Sophia Haynes and seconded by John Westervelt it was unanimously

RESOLVED to approve the revision to the purchasing policy as outlined on the document presented.

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.

Walter Marie Barber, Chairperson

John Westervelt, Secretary/Treasurer