

## CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road  
Morrow, Georgia 30260

Regular Board Meeting, December 4, 2008

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, and Board Members, Wes Greene, John Westervelt, John Chafin and Doug Bonner. General Manager, P. Michael Thomas, Deputy Manager, Mike Bennett, Department Managers, Guy Pihera, Herbert Etheridge, Teresa Adams, Terry Moy and Jim Poff, Program Management Engineer, Mike Buffington, Finance Director, Emory McHugh, MIS Director, Rodney Crowell, Stormwater Program Manager, Kevin Osbey, Customer Accounts Director, Morris Kelly, Human Resources Director, Ed Durham, Public Information Officer, Suzanne Brown, and Executive Secretary, Janet Matthews. Also present were: Legal Counsel, Steve Fincher of Fincher, Denmark & Williams, and Jay Kirk from CH2M Hill, and the following employees: Boyd Cummings and Shayla Nealy.

Chairman McQueen called on Boyd Cummings, 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 Thursday, November 6, 2008. 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 six-month period ending October 31, 2008.

Boy Scout Lake Dam Project Summary: Chairman McQueen called on Guy Pihera, Manager of Water Production, to present a summary of the Boy Scout Lake Dam project.

Boy Scout Dam is located on property included in the E.L. Huie Natural Treatment System. The lake was drained and converted to wetlands as a mitigation project associated with the construction of Shoal Creek Reservoir. Although drained, it was considered a Class I Dam by GA EPD. The purpose of this project was to breach the dam in order to have it de-listed as a Class I Dam to avoid expensive extended long term maintenance.

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Hall Construction, Inc. was awarded the contract with a bid price of \$102,731 and was given the notice to proceed September 30, 2008 with a 65 day construction period. The bid consisted of a lump sum with additional unit pricing for rip-rap, silt fence and geo-tech liner. The final contract price was \$90,421.82 due to reduction in unit priced items that were not required. The Project was funded through the R&E fund.

The project was completed ahead of schedule and under budget. This project was the combined effort of Water Production (responsible for dam compliance), Water Reclamation, along with Program Management and Engineering.

Atlanta Lift Station Construction Bid Recommendation: Chairman McQueen called on Terry Moy, Manager of Program Management & Engineering, to present this bid recommendation.

This Project is the final and central piece of three (3) phases of work that comprise the Atlanta Lift Station Project including:

Phase 1: Interstate/Railroad Crossings  
 Phase 2: Wastewater Forcemain Pipeline  
 Phase 3: Lift Station

This project generally includes the construction of the lift station wet well, connections to the existing gravity sewer and new forcemain, pump building and access road. Mechanical work includes building lighting, ventilation and heating with backup power generator.

Six (6) bids were opened by CCWA on November 13th as shown below.

Contractor	Bid Amount
Allsouth Constructors, Inc	\$1,590,353.00
Heavy Constructors, Inc.	\$1,737,150.00
Willow Construction	\$1,799,500.00
P.F. Moon and Company Inc.	\$1,846,850.00
LANIER Contracting Co.	\$1,899,925.00
W.F. Floyd Construction, Inc.	\$2,193,086.00

CCWA staff recommends award to Allsouth Constructors, Inc. in the amount of \$1,590,353,00. This work will be completed using R & E Funds.

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UPON Motion by John Westervelt and seconded by Wes Greene it was unanimously

RESOLVED: to award the Atlanta Lift Station Forcemain Construction project to Southeastern Contracting in the amount of one million five hundred ninety thousand three hundred fifty-three dollars (\$1,590, 353.00).

80-HP Compact Track Loader State Contract Bid Recommendation: Chairman McQueen called on Kevin Osbey, Stormwater Program Manager, to present the recommendation for the 80-HP Track Loader.

Vendor	State Contract	Make/Model
METRAC 4500 Wendell Dr. Atlanta, GA 30336	\$53,159.00 (21.5% off list)	John Deere CT332
Yancey Brothers Co., Inc. P.O. Box 43326 Atlanta, GA 30378	\$56,808.65 (23.84% off list)	Caterpillar 289C

The FY2008 budget included funding for the purchase of a new 80 HP Compact Track Loader. This excavator will be used (shared) by three Stormwater Pipe Crews. A Compact Track Loader will serve our crews in a multitude of ways. The attachments that are available will allow the following activities:

- Backfill and compaction of pipe repair jobs
- Clearing and grubbing of overgrown SW ponds and ditches
- Grading and tracking of side slopes
- Fine grading and surface prep for restoration and landscaping

Staff recommends purchasing one new 2008 Caterpillar 289C Compact Track Loader from Yancey Brothers in the amount of \$56,808.65 under State of Georgia Purchasing Contract. Although the product from Caterpillar exceeds the price provided from John Deere, staff has determined that visibility within the Caterpillar's operation station is superior. The Caterpillar has a window that is angled along the shape of the tracks. You will also notice a better contour of the arms of the bucket support as it goes past the window. This contour allows better vision for the operator. A majority of Stormwater activities occur between houses and near structures. This added visibility will assist the operator when working in very tight quarters.

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

RESOLVED: to approve the purchase of one (1) new 2008 Caterpillar 289C Compact Track Loader from Yancey Brothers in the amount of fifty-six thousand eight hundred eight dollars and sixty-five cents (\$56,808.65) under State of Georgia Purchasing Contract.

Sewer Televising Annual Services Bid Recommendation: Chairman McQueen called on Herbert Etheridge, Manager of Distribution & Conveyance, who presented the recommendation for the Televising of Sanitary Sewer Mains.

Vendor	Bid
Cross & Sons Villa Rica, GA	\$16,000.00
Paul Jones & Co Hampton, GA	\$30,500.00
Southeast Pipe Survey, Inc Patterson, GA	\$34,500.00
Chief Solutions, Inc Houston, TX	\$66,000.00
Compliance EnviroSystems, LLC Baton Rouge, LA	\$153,500.00
Pipeline Innovations Groveoak, AL	No Bid
CES Hapeville, GA	No Bid
Rogers & Sons Plumbing Lithonia, GA	No Bid

Staff recommends the approval of Cross and Sons for this annual contract based on the unit prices with the option to renew for a second and third year at no changes in terms or conditions. We would also ask approval to use Paul Jones & Co based on the unit prices in the event that the low bidder cannot respond to our needs on a timely basis or meet our Risk Management requirements. Bid Totals above are based on an estimated quantity of work to be offered and were used for Bid Evaluation only. Actual assignment of work will be based on the unit prices listed on the attached sheets on an

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as needed basis. These services will be funded by the Operations Budget or by a specific Capital Project.

#### Televising of Sanitary Sewer Mains

		Cross & Sons			Paul Jones & Co.	
Item #	Product	Estimated Quantity	Price per Unit	Total Price	Price per Unit	Total Price
Item #1	Existing Mains - 6"-12" traditional	10,000 feet	\$0.50	\$5,000.00	\$0.95	\$9,500.00
Item #2	Existing Mains - 6"-12" pan and tilt	10,000 feet	\$0.55	\$5,500.00	\$0.95	\$9,500.00
Item #3	Existing Mains - 15"-24" traditional	5,000 feet	\$0.55	\$2,750.00	\$1.15	\$5,750.00
Item #4	Existing Mains - 15"-24" pan and tilt	5,000 feet	\$0.55	\$2,750.00	\$1.15	\$5,750.00
<b>Total Bid</b>				<b>\$16,000.00</b>		<b>\$30,500.00</b>

		Southeast Pipe Survey			Chief Solutions, Inc	
Item #	Product	Estimated Quantity	Price per Unit	Total Price	Price per Unit	Total Unit
Item #1	Existing Mains - 6"-12" traditional	10,000 feet	\$1.05	\$10,500.00	\$2.20	\$22,000.00
Item #2	Existing Mains - 6"-12" pan and tilt	10,000 feet	\$1.05	\$10,500.00	\$2.20	\$22,000.00
Item #3	Existing Mains - 15"-24" traditional	5,000 feet	\$1.35	\$6,750.00	\$2.20	\$11,000.00
Item #4	Existing Mains - 15"-24" pan and tilt	5,000 feet	\$1.35	\$6,750.00	\$2.20	\$11,000.00
<b>Total Bid</b>				<b>\$34,500.00</b>		<b>\$66,000.00</b>

		Compliance EnviroSystems		
Item #	Product	Estimated Quantity	Price per Unit	Total Price
Item #1	Existing Mains - 6"-12" traditional	10,000 feet	\$3.85	\$38,500.00
Item #2	Existing Mains - 6"-12" pan and tilt	10,000 feet	\$5.00	\$50,000.00
Item #3	Existing Mains - 15"-24" traditional	5,000 feet	\$5.00	\$25,000.00
Item #4	Existing Mains - 15"-24" pan and tilt	5,000 feet	\$8.00	\$40,000.00
<b>Total Bid</b>				<b>\$153,500.00</b>

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

RESOLVED: to approve staff's recommendation to award the annual contract for Televising of Sanitary Sewer Mains to Cross & Sons, based on the unit prices as presented, on an as needed basis, with the option to renew for a second and third year at no changes in terms or conditions and also to use Paul Jones & Co, based on the unit prices, in the event that the low bidder cannot respond to our needs on a timely basis or meet our Risk Management requirements.

22,000 lb. Wheel Loader State Contract Bid Recommendation: Mr. Etheridge continued with the 22,000 lb. Wheel Loader recommendation.

<b>BIDDER</b>	<b>STATE CONTRACT</b>
Tractor & Equipment Co. Forest Park, GA	Komatsu WA-200-6L \$100,500.00 (41% off list)
Yancey Brothers Atlanta, GA	Cat 924H \$111,121.20 (28% off list)

Staff recommends purchasing one Komatsu WA-200-6L from Tractor and Equipment Company in the amount of \$100,500.00, under the State of Georgia Purchasing Contract. Our research indicates that purchasing under this contract results in a savings of \$6,000.00 - \$8,000.00 due to the vendor anticipating sales of numerous units under this contract, as opposed to separate bids for one unit to separate municipal/county entities.

This loader will replace a 1995 Komatsu loader that has reached the end of its useful life and currently is experiencing drive train issues that would require an estimated \$25,000.00 to repair, as well as, a needed replacement of tires at a cost of approximately \$7,000.00.

This purchase was budgeted at \$115,000.00 in the FY 2008 Approved Budget.

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

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RESOLVED: to approve the purchase of one (1) 22,000 lb. Komatsu WA-200-6L tractor from Tractor and Equipment Company in the amount of one hundred thousand five hundred dollars (\$100,500.00), under the State of Georgia Purchasing Contract.

Red Flag Policy Recommendation and Resolution: Chairman McQueen called on General Manager, Mike Thomas, to present the Recommendation and Resolution for the Red Flag Policy.

On November 9, 2007, the Federal Trade Commission (FTC), the federal reserve regulatory agencies, and the National Credit Union Administration, published a joint notice of final rulemaking in the Federal Register (72 FR 63718) finalizing the Identity Theft Red Flags regulations and guidelines. This rule, promulgated pursuant to the Fair and Accurate Credit Transactions Act of 2003 (FACTA), requires financial institutions and creditors to develop and implement a written “identity theft prevention program”. The program must provide for the identification, detection and response to patterns, practices or specific activities – known as “red flags” that could indicate identity theft. Although the final rule became effective on January 1, 2008, full compliance with the rule is not required until May 1, 2009.

Under FACTA, a creditor is defined as any entity that regularly extends, renews or continues credit and credit is defined as a granted right to defer payments for any purchase. Thus, any entity that provides a product or service for which the consumer pays after delivery is a creditor. The credit is granted for “covered accounts” which is defined as an account used mostly for personal, family or household purposes and that involves multiple payments or transactions. A covered account under this ruling includes “utility accounts”.

The guidelines issued by the FTC identify twenty six possible red flags and they fall into the following categories:

Alerts, notifications, or other warnings received from consumer reporting agencies or service providers;

The presentation of suspicious documents;

Suspicious personal identifying information;

Unusual use of, or suspicious activity related to, the covered account; and

Notice from customers, victims of identity theft, law enforcement authorities or other person regarding possible identity theft in connection with covered accounts held by the creditor.

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The CCWA formed a committee which completed a risk assessment, gap analysis, a review of the twenty six red flags along with detection and possible responses followed by administration of the program as shown in the attached document.

Additionally the committee reviewed options for obtaining identity verification as required by the FTC guidelines and selected a vendor-Online Utility Exchange (OUE). OUE is an existing business partner of our CIS software firm Harris and in the near future will provide complete integration with our current CIS software, NorthStar. The cost of the OUE is a monthly web access fee of \$150 plus \$2.70 per social security number ran with their service.

The CCWA staff recommends board approval of the CCWA FACTA Section 114 Red Flag Plan and contracting with Online Utility Exchange for identity verification services. These services will be paid from the Revenue Fund Budget.

## **Clayton County Water Authority Law and Policy Manual**

### **Chapter 8 Customer Service**

#### **Section 37 Red Flag Policy**

FACTA Section 114

Red Flag Policy

Detection, Prevention and Mitigation of Identity Theft for Covered Accounts

### **Introduction**

#### **A. Mission Statement**

The mission of this program is to implement and maintain a high-integrity Identity Theft Prevention Program to provide a defense and response against fraud and identity theft, as it may occur within the domain of our organization. More specifically we will endeavor to:

- Know with a reasonable certainty the identity of any person or business who establishes a new relationship with our organization.



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- Maintain vigilance in identifying key transaction and behavioral red flags that could indicate that identity theft is about to occur, is occurring or has occurred.
- If a Red Flag is found, to provide reasonable steps necessary to address the problem on behalf of the customer to resolve the identity theft.

## **B. Designation of Committee(s)**

### **1. RED FLAG IMPLEMENTATION COMMITTEE**

This group has been charged with the responsibility of performing the initial gap analysis, prioritizing deficiencies, performing market studies on solutions available, selecting and contracting for specific solution components, developing specific solution requirements, delivering training appropriate to deploy and maintain solutions, and documenting all of the above in the written Red Flag Prevention Program document.

Executive Management: General Manager

Compliance/Legal: Risk Manager

Information Technology: MIS Director

Operations: Customer Accounts Director and Customer Service Supervisor

### **2. RED FLAG OVERSIGHT COMMITTEE**

The members of this committee are charged with the daily responsibility of keeping the Program up to date and in compliance with FACTA Section 114 requirements. This committee will report to the Board on at least an annual basis to prove the effectiveness of the Program on the Covered Accounts and to make recommendations for any material changes to the Plan.

Executive Management: General Manager

Compliance/Legal: Risk Manager

Information Technology: MIS Director

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Operations: Customer Accounts Director and Customer Service Supervisor

### **Part 1: Risk Assessment**

The committee has conducted a Risk Assessment, based on the requirements of FACTA, Section 114, and has determined that there is a need to implement a Red Flag Program for our organization. As such we assessed which accounts must be included, based on the definitions for “covered accounts” as shown below. During our risk assessment we considered the following:

- The methods we provide to open our customer accounts;
- The methods we provide to transfer customers from one account to another
- Our previous experiences with identity theft.

In addition we considered the potential for both new and existing account fraud based on the following threats that may result in the unauthorized access of personal information that can lead to identity theft: Due to the security concerns the documented risk assessment on the items listed below are not included in this policy.

- Technology intrusion (hacking, spyware, bots, etc.)
- Employee theft of consumer information
- Physical intrusion (break-in)
- Compromise of postal mail – both internal and at mailbox
- Loss/theft of laptop computers –unencrypted
- Other accidental loss – improper disposal of information, loss in transport, etc.

Based on the Risk Assessment we have determined that we will include, within the scope of our Red Flag Program, the following accounts or account categories:

From FACTA, Section 114, Definition of “Covered Accounts”

1. A personal account that involves or is designed to permit multiple payments or transactions such as a credit card account, mortgage loan, automobile loan, margin account, cell phone account, utility account, checking account, or savings account
2. Any other account for which there is a reasonably foreseeable risk to customers or to the safety and soundness of the financial institution or creditor from identity theft, including financial, operational, compliance, reputation, or litigation risks.

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*Accounts that meet the definition of “Covered Accounts”*

1. Residential and commercial utility (water, sewer and/or stormwater) service accounts
2. Fire hydrant service accounts

## **Part 2: Gap Analysis**

### **A. Solutions Already in Place**

A comparison of requirements of FACTA Section 114 and existing systems, policies, procedures and technologies indicates that some of the requirements have already been met, as indicated below.

<b>Category</b>	<b>Description of Solution Already in Place</b>
New Service Verification and Authentication	Requiring documentation to verify the identity of the person establishing or transferring service. Requiring documentation to verify the service at the address for establishing or transferring service.
Identity Theft Detection	Requiring photo identification at the time of applying for new service or transferring of service from one location to another. Requiring documentation such as lease agreement or settlement statement for proof of service address.
Identity Theft Prevention	Denying service based on photo identification or documentation that does not match or if documents look forged.
Identity Theft Risk Mitigation	None.

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### B. New Solutions to Complete Plan

The requirements still outstanding, or preferred to create a comprehensive Red Flag Program to protect both our customers/members and our institution are indicated below.

Category	Solution	Description
New Account Authentication	Verifying social security number.	Utilizing the services of Online Utility Exchange.
Identity Theft Detection - Accounts	Verifying social security number and/or identity of customer.	Utilizing the services of Online Utility Exchange.
Identity Theft Prevention	Requiring further identification.	Denying service.
Identity Theft Risk Mitigation	Adopting Red Flag Policy and updating as necessary.	Identifying Red Flags and training of the Customer Service Staff as the Red Flags and other signs of detection of such.

### Part 3: List of Red Flags

#### A. Red Flags Listed in Subpart J, Appendix A

Following is a list of the Red Flags listed in FACTA Section 114, Subpart J, Appendix A, and an indication of "Not Applicable" if the Red Flag listed will NOT be included as part of this Red Flag Plan. Additional Red Flags are included as Part 2, Section B.

**Category: Alerts, Notifications, or other warnings received from consumer reporting agencies or service providers, such as fraud detection services;**

1. A fraud alert or active duty alert is encountered on a credit file

Adopted                       Excluded

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2. A consumer reporting agency provides a notice of a credit freeze in relation to a request for new credit, validation of existing credit or a new account

Adopted  Excluded (explain reason)

We do not provide a line of credit.

3. A consumer reporting agency provides a notice of address discrepancy if such discrepancy that informs you that a substantial difference exists between the address for the consumer that you provided to request a consumer report and the address in the agency's file for the consumer.

Adopted  Excluded (explain reason)

We do not cross check addresses.

4. A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or customer, such as:

- a) a recent and significant increase in volume of credit inquiries indicating requests for credit under the consumer's name
- b) an unusual number of recently established credit relationships
- c) a material change in the use of credit, especially with respect to recently established credit relationships.
- d) credit accounts that were closed for cause or identified for abuse of account privileges by a financial institution or creditor

Adopted  Excluded (explain reason)

We do not provide a line of credit.

**Category: The Presentation of Suspicious Documents**

5. Identifying documents presented by a consumer appear to have been altered or forged.

Adopted  Excluded (explain reason)

6. A photograph or description of physical appearance on an identifying document does not match the applicant or customer presenting the identification.

Adopted  Excluded (explain reason)

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7. Other information on the identification is not consistent with information provided by the person opening the new covered account or customer presenting the identification.

Adopted  Excluded (explain reason)

We accept info via 2<sup>nd</sup> party to establish new service.

8. Other information on the identification is not consistent with readily accessible information that is on file with the financial institution, including signature cards, or recent checks.

Adopted  Excluded (explain reason)

We do not cross check info with financial institutions.

9. An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Adopted  Excluded (explain reason)

**Category: Suspicious Personal Identifying Information**

10. Personal identifying information is inconsistent when compared against external data sources, such as a credit bureau or an identity validation service.

a) The address provided by the customer does not match any address in the consumer report, and/or

b) The SSN has not been issued or is listed in on the Social Security Administration's Death Master List

Adopted 10 A  Excluded 10 B (explain reason)

10a: We do cross check address for new accounts.

11. The date of birth and SSN do not correlate (i.e. based on the number it is possible to know approximately when the number was issued. If this does not correlate with the date of birth then additional validation may be required)

Adopted  Excluded (explain reason)

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We do not verify a customer's date of birth.

12. The address, SSN, telephone number or other piece of identifying information is consistent with information used in a fraudulent account, application or transaction, as reported to you by a third party service.

Adopted                       Excluded (explain reason)

13. The address on an application is fictitious, a mail drop, or prison; or the phone number is invalid or associated with a pager or answering service as reported to you by a third party service.

Adopted                       Excluded (explain reason)

14. The SSN provided is the same as that submitted by other persons that you have on file for a different customer or the same as other persons as reported to you by a third party service.

Adopted                       Excluded (explain reason)

15. The telephone number or address has been used by a large number of customers or other persons opening accounts as reported to you by a third party service.

Adopted                       Excluded (explain reason)

We do not verify a customer's telephone number.

16. The person opening the covered account or an existing customer fails to provide all required identifying information on an application or in response to a request for information to complete an application.

Adopted                       Excluded (explain reason)

17. Personal identifying information provided is not consistent with personal identifying information that is on file with the financial institution.

Adopted                       Excluded (explain reason)

We do not cross check info with financial institutions.

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18. For financial institutions and creditors that use challenge questions, the person opening the covered account or the customer can not provide authenticating information beyond that information that is typically found in a wallet or from public data.

Adopted  Excluded (explain reason)

We do not use challenge questions.

**Category: Unusual Use of, or Suspicious Activity Related to, the Covered Account**

19. Shortly following the notice of a change of address for a covered account, the institution or creditor receives a request for new, additional or replacement cards or cell phone, or for the addition of authorized users on the account.

Adopted  Excluded (explain reason)

We are not a Financial Institution/Creditor and do not provide a line of credit.

20. A new revolving credit account is used in a manner commonly associated with known patterns of fraud.
- a. The majority of available credit is used for cash advances or merchandise that can be easily convertible to cash (ie. electronics equipment or jewelry)
- b. The customer fails to make the first payment or makes an initial payment but no subsequent payments

Adopted  Excluded (explain reason)

We do not provide a line of credit.

21. A covered account is used in a manner that is not consistent with established patterns of activity on the account.
- a) Non-payment when there is no history of late or missed payment
- b) A material increase in the use of available credit



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- c) A material change in purchasing or spending patterns
- d) A material change in electronic fund transfer patterns in connection with a deposit account
- e) A material change in telephone call patterns in connection with a cellular phone account

Adopted                       Excluded (explain reason)

We do not provide a line of credit.

22. A covered account is used after being inactive for a significant period of time (example provided: 2 years), taking into consideration the type of account and expected usage patterns and other factors

Adopted                       Excluded (explain reason)

We do not provide a line of credit.

23. Mail sent to the customer is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the customer's covered account.

Adopted                       Excluded (explain reason)

24. The financial institution or creditor is notified that the customer is not receiving paper account statements. Documented procedures for responding to a customer's report that they are not receiving their paper statements in the mail.

Adopted                       Excluded (explain reason)

The risk for identity theft is not present for this Red Flag for a utility.

25. The financial institution or creditor is notified of unauthorized charges or transactions in connection with a customer's covered account.

Adopted                       Excluded (explain reason)

**Category: Notice from Customers, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection with Covered Accounts Held by the Financial Institution or Creditor**

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26. The financial institution or creditor is notified by a customer, a victim of identity theft that may not be your customer, a law enforcement authority or any other person that you have opened or are maintaining a fraudulent account for a person engaged in identity theft.

Adopted                       Excluded (explain reason)

#### **B. Other Red Flags**

The list below represents Red Flags incorporated into this Plan based on the experience of our organization and the relevant methods of identity theft at large.

#### **Category: Unusual Use of, or Suspicious Activity Related to, the Covered Account**

27. A request for credit yields a result of “no credit”, taking into consideration the age of the individual and other factors. (This could indicate an attempt to establish a synthetic credit identity or could indicate the takeover of a child’s identity).

Adopted

#### **Category: Notice from Customers, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection with Covered Accounts Held by the Financial Institution or Creditor**

28. A customer or non-customer reports receiving a billing for a new credit relationship, utility account, cell phone account or other debt or transaction account that they did not request.

Adopted

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## Clayton County Water Authority Law and Policy Manual

### CHAPTER 8 CUSTOMER SERVICE

#### Part 4: Detection and Response to Red Flags

##### Red Flag Response Protocol

Listed below is the Red Flag Response Protocol, including a list of Red Flags adopted.

<b>RED FLAGS</b>	<b>Where Red Flag Might Occur</b>	<b>How it Will Be Detected</b>	<b>Possible Responses</b>	<b>Notifications</b>
<b>Alerts, Notifications, or Warnings</b>				
1- Fraud Alert on Credit File	New Service on existing account or transferring from one account to another account	Obtain Credit Report via Online Utility Exchange  Note: A Fraud Alert is a written notation included in the credit file.	Validate that phone number belongs to the applicant by connecting directly to the applicant, obtain additional verifying information or deny account until validation can be obtained	Attempt to contact customer by phone number or by address on file in the organization.  If fraud is determined, the filing of a police report may be appropriate by customer.

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<b>The Presentation of Suspicious Documents</b>				
5 -Documents appear forged or altered	New Service on existing account or transferring from one account to another account  (We require lease agreement, settlement statement or warranty deed).	Manual inspection of documents presented	Deny opening of new account, pending validation of identity. Use Online Utility Exchange service to determine if identity has been compromised in an attempt to determine if the person requesting the account belongs to the identity.	If identity validation fails, and you suspect that abuse of a valid identity, contact customer by a phone number or address previously on file with the company to notify of the attempt to open a new account.  If fraud is determined, the filing of a police report may be appropriate by customer.

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<p>6- Photo or physical description does not match person presenting identification</p>	<p>New Service on existing account or transferring from one account to another account; taking credit card payments at the front counter  (we require photo ID – driver’s license, military ID)</p>	<p>Manual inspection of documents presented as compared to visual observation</p>	<p>Deny opening of new account, pending validation of identity. Use Online Utility Exchange service to determine if identity has been compromised and in an attempt to determine if the person requesting the account belongs to the identity.</p>	<p>If identity validation fails, and you suspect that abuse of a valid identity, contact customer by a phone number or address previously on file with the company to notify of the attempt to open a new account.  If fraud is determined, the filing of a police report may be appropriate by customer</p>
<p>9 -Application appears altered, forged, or appears destroyed and reassembled</p>	<p>New Service on existing account or transferring from one account to another account</p>	<p>Manual inspection of documents presented as compared to visual observation</p>	<p>Deny opening of new account, pending validation of identity. Use Online Utility Exchange service to determine if identity has been compromised and in an attempt to determine if the person requesting the account belongs to the identity.</p>	<p>If identity validation fails, and you suspect that abuse of a valid identity, contact customer by a phone number or address previously on file with the company to notify of the attempt to open a new account.  If fraud is determined, the filing of a police report may be appropriate by customer.</p>

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<b>Suspicious Personal Identifying Information</b>				
10 b –The SSN has not been issued, or is listed on the SSA’s Death Master List	New Service on existing account or transferring from one account to another account	Online Utility Exchange services that provide notification that a subject SSN has not been issued or is on the SSA’s Death Master List.	Review information provided by the Online Utility Exchange. Verify that the customer has provided the correct SSN. If the discrepancy can not be resolved, then deny the new account.	If the identity belongs to an existing customer, notify the customer using a telephone number previously on file with the company.  If fraud is determined, the filing of a police report may be appropriate.
12- The address is on file with the your company or outside resources is one that is known to be used in fraudulent activity	New Service on existing account or transferring from one account to another account	Online Utility Exchange Service that looks for a match of address with an address used for fraudulent purposes by scanning public and non-public national data sources.	Review information provided by the Online Utility Exchange. Perform ID Authentication to see if you are dealing with the person who belongs to the identity being presented. Unless there is a discrepancy that can be resolved, deny the opening of the account.	If the identity belongs to an existing customer, notify the customer using a telephone number previously on file with the company.  If fraud is determined, the filing of a police report may be appropriate by customer.

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<p>13- The address is fictitious, a mail drop, or prison</p>	<p>New service account opening or request for change of a billing address for a current customer.</p>	<p>Online Utility Exchange will provide a response or a risk score associated with an address change.</p>	<p>Review information provided by the Online Utility Exchange to verify the information. Unless there is a discrepancy that can be resolved, deny the opening of the account.</p>	<p>If the identity belongs to an existing customer, notify the customer using a telephone number previously on file with the company.  If fraud is determined, the filing of a police report may be appropriate by customer.</p>
<p>14 – The SSN is the same as that submitted by other persons opening an account or other customers</p>	<p>New Service on existing account or transferring from one account to another account</p>	<p>Manual inspection or company records or internal database query to determine if SSN is duplicated. Also you can use Online Utility Exchange to determine if the SSN is associated with multiple names, indicating possible identity theft.</p>	<p>Review information provided by the service or as indicated by the company to verify the information. Unless there is a discrepancy that can be resolved, deny the opening of the account.</p>	<p>If the identity belongs to an existing customer, notify the customer using a telephone number previously on file with the company.  If fraud is determined, the filing of a police report may be appropriate by customer</p>

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<p>16 – The person attempting to open the account can not or will not provide all required information</p>	<p>New Service on existing account or transferring from one account to another account</p>	<p>Personal observation at the point of sale</p>	<p>Deny opening the account or make a business decision to approve or deny the account based on the circumstances.</p>	<p>If the person does not pass Authentication and the identity belongs to an existing customer, notify the customer using a telephone number previously on file with the company.</p> <p>If fraud is determined, the filing of a police report may be appropriate by customer.</p>
<p><b>Unusual Use of, or Suspicious Activity Related to the Covered Account</b></p>				



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<p>23 – Mail sent to the customer is returned undeliverable, although transactions on the account continue</p>	<p>Third party service provide verifying change of address with postal system</p>	<p>Manual review and research of returned mail as compared to activity on the subject account. Using NCOA with third party service provider for forwarding addresses</p>	<p>Look for evidence of address discrepancy. Contact the customer at previously supplied phone number or phone number provided by directory assistance. Monitor the account for evidence of fraud. If you suspect fraud you can also perform Online Utility Exchange to see if any evidence of fraud surfaces.</p>	<p>Contact the customer by phone to determine the reason for the address discrepancy.           If fraud is determined, the filing of a police report may be appropriate by customer.</p>
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<p>25 - The financial institution or creditor is notified of unauthorized charges or transactions in connection with a customer's covered account</p>	<p>Customer Service</p>	<p>A law enforcement agency, identity recovery service or the customer reports fraud on a covered account.</p>	<p>Contact the accountholder and take immediate steps to stop unauthorized access to the services which are the subject of the covered account. This may include shutting off services and closing the covered account. Follow internal procedures for processing disputed transactions, in order to make the consumer whole, pending an investigation.</p>	<p>Contact the accountholder, and let them know of steps taken to limit or deny access to the services and resolve the discrepancy on the covered account.</p> <p>If fraud is determined, the filing of a police report may be appropriate by customer.</p>
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<p>26 –The financial institution or creditor is notified by a customer, a victim of identity theft that may not be your customer, a law enforcement authority or any other person that you have opened for are maintaining a fraudulent account for a person engaged in identity theft.</p>	<p>Customer Service</p>	<p>Notification by a financial institution, a law enforcement agency, a consumer who is a victim of identity theft, an identity Recovery Advocate working under a legal power of attorney for a victim or your customer.</p>	<p>Pending an investigation, limit access to the services if possible. Depending on the evidence already collected and presented to you in the case, you may need to shut off services immediately. Copy any data that is in records which is likely to be changed, updated, or altered in any way in order to preserve evidence.</p>	<p>If you are not already in contact with law enforcement, it may be advisable to do so. If you have not already done so, notify the customer based on the information that you have on file.</p>
<p>27 - A request for credit yields a result of “no credit file”, taking into consideration the age of the individual and other factors.</p>	<p>New Service on existing account or transferring from one account to another account</p>	<p>Online Utility Exchange services used. This result could signal an attempt to create a synthetic identity. Look for the use of multiple names under the same social security number</p>	<p>While the initial response is not to grant access to products or services, also perform an Identity Authentication and if the authentication process fails, then it may be appropriate to file a notify law enforcement</p>	<p>If the identity that is being compromised belongs to an existing customer, contact the customer, If fraud is determined, the filing of a police report may be appropriate by customer.</p>

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<b>Reported Identity Theft or Identity Compromise</b>				
28 - A customer reports receiving a billing for a new credit relationship, utility account, cell phone account or other debt or transaction account that they did not request.	Customer Service	Notification from the customer or by an Identity Recovery Advocate working under a LPOA for an identity theft victim.	If the billing notice is from an internal source, you may consider suspending billing activity, and definitely do not pursue collections activity pending investigation of the situation.	Begin internal fraud investigation.  If fraud is determined, the filing of a police report may be appropriate.

### **Part 5: Administration of the Program**

#### **Periodic Risk Assessment**

In accordance with the Administrative requirements of §\_.90(c) we will perform a risk assessment on at least an annual basis to determine if we are correctly including the necessary accounts under our definition of Covered Accounts indicated in Part 1 of this Red Flag Plan Document. If we have excluded any accounts we will explain why we determined that there is no reasonable foreseeable risk to the consumer and to our organization from identity theft.

In addition, if we experience any or the following events within our organization we will conduct a new risk assessment as soon as practical in order to include any additional covered accounts.

Service Providers

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### **Updating with New Red Flags**

In accordance with FACTA, Section 114 we will update our Red Flag Program at least annually, if new Red Flags are identified based on the following considerations:

- Our Experiences with ID Theft
- Changes in the methods of ID Theft at large
- Changes in methods to detect prevent and mitigate ID Theft.
- Changes in business arrangements, i.e. mergers, acquisitions, alliances, joint ventures, service providers, etc.

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Upon Motion by John Westervelt and seconded by Wes Greene it was unanimously

**RESOLVED:** to approve the CCWA FACTA Section 114 Red Flag Plan as presented and to also approve the contract with Online Utility Exchange (OUE) for identity verification services. The cost of the OUE is a monthly web access fee of one hundred fifty dollars (\$150) plus two dollars and seventy cents (\$2.70) per social security number ran with this service.

Lake City Project: Mr. Thomas continued with an update of the Lake City Project.

CCWA Staff has been working with Lake City Staff on a joint project that would provide stream restoration, wetlands enhancement, stormwater management and recreational improvements. Lake City desires to preserve greenspace just south of City Hall and also provide passive recreation on the site through the use of nature trails and environmental features. CCWA had planned to conduct additional stream restoration on the portion of East Jesters Creek that flows directly behind the City Hall and through the greenspace the City owns. The two organizations have determined that by partnering we can improve the value of each project.

The proposed project would involve restoring 1,600 feet of East Jesters Creek, 1,100 feet of a small unnamed tributary and approximately 2 acres of wetlands on

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the site. A pond would be constructed that would capture stormwater runoff from development along Highway 54 and provide flood control and water quality improvement. The City would construct trails and bridges and other architectural features to provide a location for their citizens to enjoy the environmental features of the site. The stream and wetlands restoration could provide significant mitigation credits that could be sold to pay for the cost of the project. The attached figures show the property to be set aside for the park and a conceptual plan of the park and water features.

By partnering together on this project, the CCWA and the City hope to reduce costs and improve the overall value of the project. We seek Board approval to move forward with the project and to develop an agreement between the City and CCWA to provide for joint funding and management of the project. We will return to the Board in the future for approval of legal services for developing the agreement and a task order for design of the project.

No concerns were expressed by the Board.

Upon Motion by John Chafin and seconded by Wes Greene 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.

Mr. Thomas wanted the Board to be aware that the Authority has some “water only” customers in College Park and Henry County that we are transferring to their water systems.

The Board agreed to change the date of the January, 2009 Board meeting to Thursday, January 8, 2009 at 1:30 p.m. due to January 1 being a holiday.

Deputy Manager, Mike Bennett, stated that the unaccounted for water for the past twelve (12) months has leveled out. This can be attributed to our leak detection program and the replacing of over six thousand (6,000) meters, testing large meters, our backflow program and the placement of the right size meter for commercial accounts.

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There was discussion in regard to the past due, over 90 days, but not turned off report. Morris Kelly is working on getting this report up and running again with accurate information.

Mr. Thomas provided some slides to show the Board a project on Garden Walk Boulevard that had been budgeted in 2007 in the amount of five hundred thousand dollars (\$500,000) from our R&E fund. This project is 6100' of 16" Ductile Iron pipe. With the increase in cost of this pipe, we are asking for approval to add an additional thirty thousand dollars (\$30,000) to this project budget for a total budget of five hundred thirty thousand dollars (\$530,000).

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

RESOLVED: to approve the additional funds of thirty thousand dollars (\$30,000) for the Garden Walk Boulevard, Line 4 water line project, for a total budget of five hundred thirty thousand dollars (\$530,000).

There was a brief discussion in regard to water and sewer rates with the Board directing Mr. Thomas to do a detailed rate study and to report back to the Board.

Upon Motion by Lloyd Joiner and seconded by Wes Greene 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