

CLAYTON COUNTY WATER AUTHORITY

1600 Battle Creek Road
Morrow, Georgia 30260

Regular Board Meeting, June 2, 2005

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, Board Members, Wes Greene, John Westervelt, Allan R. Smith and John M. Chafin. General Manager, M. Wade Brannan, Deputy Manager, Terry Hicks, Department Managers, Guy Pihera, Mike Thomas, Teresa Adams, Herbert Etheridge, and Jim Poff, Finance Director, Emory McHugh, Customer Accounts Director, Morris Kelly, Project Manager, Mike Buffington, Human Resources Director, Ed Durham, IS Supervisor, Rodney Crowell, Contract & Procurement Administrator, Karen Riser, Administrative Secretary, Carla Clark, and Executive Secretary, Janet Matthews. Also present were: Steve Fincher of Fincher & Hecht, L.L.C., Rick Hirsekorn of CH2M Hill, Chris Wood & Nicole Mier of Jim Wood & Associates Public Relations. Also in attendance were CCWA employees Tony Ferrari, Eric Osborne, Renee' Dumas, Leanne Summer, Connie Bowen, Angie Bennett, Bill Hansell, Barbara Steeley, Mandy Lindow, Sarah Beth Shelton, Beth Thompson, Walt Bobo, and Nikki Rhew.

Chairman McQueen called on Eric Osborne, 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, May 5, 2005. Hearing none they were approved as received.

Financial and Statistical Report: Chairman McQueen called on Emory McHugh, Finance Director, who presented the monthly financial and statistical report.

Employee Service Recognition: Chairman McQueen called on Teresa Adams, Manager of General Services, who asked Tony Ferrari to come up. Ms. Adams stated that it is with regret that she informs the Board that Mr. Ferrari has decided to retire from the Water Authority after twenty-nine (29) years of service. Ms. Adams gave some background information on the years Tony has been at the Authority along with his involvement in the March of Dimes and the American Cancer Society. Ms. Adams added that Mr. Ferrari is a dedicated, hard working employee who is a great asset to the Authority and will be missed. Tony received a round of applause.

Tony stated that he has enjoyed every minute of service at the Water Authority and feels that he is one of the few that has no regrets. He added that he has worked hard, has attained all his goals that he wanted to attain, and the time has come to step back and do something a little different. Mr. Ferrari added that truly the heart of the Authority is

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the employees and staff and many of the Board members that are here today that have worked with him.

Chairman McQueen stated that it has been a pleasure to work with Mr. Ferrari and on behalf of the Board wished him the best in his future endeavors.

Board member, Wes Greene, thanked Tony for all the good steaks and chicken he has cooked over the years.

Mr. Ferrari added that he can be “for hire”.

Chairman McQueen called on Terry Hicks, Deputy Manager, who stated that he had three tenure pins to present today. Unfortunately, Mark Brown of Natural Treatment Systems, who works in Spray Irrigation Maintenance, could not be with us today. Mr. Brown has twenty (20) years of service and we will see that he receives his service pin.

Mr. Hicks next called Walt Bobo to come forward. Mr. Hicks stated that Mr. Bobo was raised in Lake City, graduated from Forest Park and came to the Water Authority in May of 1985 as a meter reader. Mr. Hicks added that when he was the Department Manager of Engineering, he found that if you wanted to get some pretty good employees for your department, you would dip into meter reading. In May of 1987, Walt came over to the engineering department and started as a draftsman and worked his way up to his current position of Senior Engineering Tech. Some of the changes that Walt has seen are moving from pen and ink drawing, where if you made a mistake you had to use an electric eraser to correct along with an hour or so of time, but now with the computers all one has to do to make a correction is to hit a button and it is corrected. Mr. Hicks thanked Mr. Bobo for his twenty (20) years of service. The Board gave Walt a round of applause.

Mr. Hicks stated that he may have a little difficult time getting through the next presentation. Mr. Hicks showed a slide of Renee’s Dumas, then and now, who was celebrating her thirty-fifth year with the Water Authority. Mr. Hicks stated that today is Renee’s actual full-time anniversary. Renee’ also has about nine months working part time for the Authority while she was a senior in high school. Ms. Dumas initially made metal plates on an addressograph machine anytime there was a new customer. These plates were used on the meter reading route books and the customer account cards. Then in 1972, Renee’ was promoted to Accounts Payable. The Authority’ financial records were kept manually until 1973 or 1974 when the process to computerize the general ledger, accounts payable, and job costs began. Renee’ was part of the original setup and design process.

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Mr. Hicks added that in the mid seventies the Authority started a budgeting process. Prior to that time, while the Authority had a little field type work order, basically they checked the checkbook fairly often to make sure that there was enough money to pay the next week's bills. Currently, our vendors are paid every week. When we were manually operating, the Authority paid vendors every two weeks because we used the same machine to write payroll checks. One week had to be payroll checks and one week had to be AP checks.

When the Authority started the budget process, Frank Conort could not have chosen a better person to implement that process. Renee' is really the one that held our feet to the fire. During those years, a lot of the success of the budgeting process is due to Renee'. After that, Renee' was promoted to Accounting Supervisor and then last year was promoted to Assistant Finance Director.

In 2001, when we decided to change our financials from the Legacy to the JD Edwards system, Karen Riser was the team leader for the entire project, but then we picked team leaders for the different areas. Renee' was chosen as the team leader for financials. Rodney and his staff in IS, Leeanne, Connie, Angie, Beth, and Scott Whitlock, who is not in here, along with a lot of other people worked on the financials and the payroll system. This has taken about two years to do and was in addition to their normal jobs. The process took many, many long hours.

Mr. Hicks added that not only has he known Renee' here at the Authority, but the two of them grew up on opposite sides of the Jonesboro city cemetery. Renee's husband David, Morris and Terry, all graduated from high school together. Renee' graduated a couple of years behind them. Mr. Hicks stated that it has been his privilege to call Renee' not only co-worker, but close friend. Mr. Hicks thanked Renee' for her thirty-five (35) years of service to the Authority and she received a round of applause from the Board members and others in attendance.

Mr. Hicks wanted Chris from JWA to take a picture of Renee', Morris and Mr. Hicks and stated that the three of them represent one hundred five (105) years and five (5) months of service. Mr. Hicks added what Mr. Brannan normally says, "If we aren't the number one group here, we can stand in for them till they get here".

Chairman Mc Queen asked Renee' if she would like to say anything.

Mrs. Dumas commented that she has enjoyed every minute of her time with the Authority. There have been some rough times, but her staff standing in the back of the room has been great and without the support of the staff she could not have stayed thirty-five (35) years. Our new leader, Emory McHugh, is making our jobs more challenging, which I love.

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Chairman McQueen thanked Walt and Renee' for being at the meeting and for their many years of service and added that the Authority is a better place because of the two of them.

Chairman McQueen called on Ed Durham, HR Director, who gave the Board an update on the health fair that was held last month. When the Authority did our health insurance renewal and had a zero increase on our premiums, the health fair is one of the things we talked about in trying to stay proactive and to make sure we are doing everything as an organization to keep people healthy and keep our medical costs at a minimum. Michelle Mirzaiee really gets credit for this, although she could not be here today. Ever since Michelle has been at the Authority, she has been the driving force behind our health fairs, not only getting quality organizations like hospitals, doctors, and clinics to come in and work with us, but she has always been able to get them to come in at no cost to the Water Authority. All in all, the Authority had one hundred forty (140) employees that attended the health fair. We had eighteen (18) of our women to receive mammograms, we identified five (5) employees with high blood pressure issues, one (1) employee had a dangerous cholesterol issue that we were able to catch, we had ten employees that were referred for complete eye exams, and we had fifty-five (55) that were screened for skin cancer.

Chairman McQueen thanked Ed and asked him if he would let Michelle know how much the Board appreciates all her hard work in making the health fair such a success.

Northeast WRF Expansion & Upgrade Bid Recommendation: Chairman McQueen called on Mike Buffington, Project Engineer, who stated that last month the Board had been given a summary of the Northeast WRF Expansion & Upgrade project and today we have our recommendation for this job. The Northeast plant is currently our only plant that discharges to a receiving stream and serves a rapidly growing area in the northeast part of the county near I-675.

NORTHEAST WRF EXPANSION AND UPGRADE PROJECT

The Northeast WRF will be upgraded and expanded from a current capacity of 6.0 MGD to a design capacity of 10.0 MGD. The plant is designed for a high degree of treatment for discharge to Panther Creek.

The major treatment processes include new raw waste pump station; preliminary treatment; primary sedimentation; modifications to the aeration basins; secondary clarifiers; flocculation and filtration; UV disinfection; sludge thickening and dewatering; emergency standby generators; and new control building and operator laboratory

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Project Managers:

- CH2M Hill, Engineers – Jim Hawley
- Clayton County Water Authority – Mike Buffington

Bid Opening:

Bids for construction of the project were received and opened at 2:00 PM, Local Time, May 3, 2005. The following bids were received:

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| • Crowder Construction Company
Charlotte, North Carolina | \$ 55,633,000 |
| • Atlantic Skanska, Inc.
Atlanta, Georgia | \$ 59,992,721 |
| • Archer Western Contractors, Ltd.
Atlanta, Georgia | \$ 61,057,849 |
| • Pizzagalli Construction Company
South Burlington, Vermont | \$ 65,516,000 |

Estimate and Budget:

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| • CH2M Hill Construction Cost Estimate | \$ 57,400,000 |
| • Bond Issue Budget Amount | \$ 56,000,000 |

Funding:

The Series 2005 Bond Issue will fund construction of the project.

Recommendation:

CH2M Hill and CCWA staff recommend award of a construction contract to the low bidder, Crowder Construction Company, for \$55,633,000.

Mr. Buffington stated that as reported last month, we received four (4) bids on May 3rd. The low bid was submitted by Crowder Construction Company of Charlotte, North Carolina for fifty-five million six hundred thirty-three thousand dollars (\$55,633,000). CH2M Hill's estimate was fifty-seven million four hundred thousand dollars (\$57,400,000) and the amount included in our 2005 bond issue was fifty-six million dollars (\$56,000,000). We have completed an evaluation of the bids and a thorough review of the references of the low bidder, Crowder Construction. They recently completed the Walnut Creek Plant and Land Treatment System, a twenty-five million dollar (\$25,000,000) wastewater project for Henry County. Their largest project to date is a forty-eight million dollar (\$48,000,000) project. The Authority staff did talk to a number of engineers and owners and received very favorable and positive remarks on all those projects. One thing that was worthy of note, but was not required, was that Crowder advertised in the local paper, during the bidding process seeking MBE, WBE, DBE suppliers and subcontractors.

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Mr. Buffington stated that it is the recommendation of CH2M Hill and Program Management that the Board award a contract for the Expansion and Upgrade of the Northeast Water Reclamation Facility to the low bidder, Crowder Construction Company, for fifty-five million six hundred thirty-three thousand dollars (\$55,633,000).

Board member, John Westervelt, asked Mr. Buffington to explain how companies bid certain items on a unit basis.

Mr. Buffington stated that the Authority lists certain items that may or may not be needed during construction such as additional concrete, additional pipe and we come up with a standard list depending on that particular product. We ask them to give us a unit price, and then if that work is required that would be the price that is charged. If additional work is necessary, it would be done, but we have already established a price for it.

Upon Motion by Lloyd Joiner and seconded by John Westervelt it was unanimously

RESOLVED: to accept the recommendation of staff to award the Northeast Water Reclamation Facility Expansion & Upgrade Project to the low bidder, Crowder Construction Company in the amount of fifty-five million six hundred thirty-three thousand dollars (\$55,633,000) contingent upon approval of bonds and insurance as required by the specifications and to authorize the General Manager to sign the contract documents.

Fortson Road Water & Sewer Request: Chairman McQueen called on Mr. Brannan who stated that the Authority had a request for a development on Fortson Road just east of Wildwood Road, which is in the extreme southern end of Clayton County. The Authority is not in a good position to serve that part of the county. These customers can be serviced by Henry County, who is the provider in a subdivision adjacent to them. The Authority has been asked to let this development be served by Henry County Water and Sewer Authority. Staff's recommendation is that we allow Henry County Water to serve them subject to our future ability to pick those customers up when we get service in that area. There are eleven lots on twelve (12) acres.

Board member, John Westervelt, asked how this would be accomplished.

Mr. Brannan stated that when the Authority could serve that area we would send Henry County Water notification. The Authority has been serving customers in Stockbridge for years and as Henry County Water was able to serve these customers, they were released to them.

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

RESOLVED: to accept staff's recommendation to allow Henry County Water & Sewer Authority to service the development on Fortson Road just east of Wildwood Road in the extreme southern end of Clayton County with the stipulation that when the Authority has the ability to service this area, the lots will be released to be serviced by Clayton County Water Authority.

McDonough Road Right of Way Request: Mr. Brannan, through a slide presentation, showed the Board the area at Hastings Bridge Road where McDonough Road splits off and goes toward McDonough. Mr. Brannan stated that Clayton County is going to realign Hastings Bridge Road and McDonough Road making McDonough Road the main thoroughfare. Near the Authority's Lovejoy water tank there is some property that the County needs for right-of-way purposes. We have had our engineering staff look at this to make sure that there is not a conflict with our use of the property around the water tank. There is no conflict with our use of the property and staff recommends that the Board authorize the General Manager to sign the necessary papers to deed to Clayton County the property needed for right-of-way.

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

RESOLVED: to authorize the General Manager to sign the necessary papers to deed to Clayton County the property needed for right-of-way.

Chairman McQueen stated that Tony would be missed and invited him to come back when he could.

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

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

Chairman McQueen called the Regular Board meeting back into open session.

Mr. Brannan stated that he wanted the Board to be aware of some items in regard to revenue. The available balance in the revenue account at the end of the year could be around \$2.3 million dollars. Mr. Brannan wanted to recap some upcoming items that the Authority will be addressing.

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The Authority has a force main that runs from the Jackson Transfer pump station to the Natural Treatment Systems. The section of line from the pump station along S.R. 54 to Mundy's Mill Road is going to have to be replaced, which will be around one million five hundred thousand dollars (\$1,500,000). This item is in the budget, and has not been bid out yet, but this is moving ahead.

In the budget, we had allocated five hundred seventy-five thousand dollars (\$575,000) for an extension along Don Hastings Drive near the hospital to go around to Gardenwalk Boulevard at 85 Highway. The County has built only a portion of that road and decided that they would defer the rest of the construction for some period of time. The 4th Phase of the Hooper line replacement does not have funding set up in the budget. Mr. Brannan stated that he is recommending that the five hundred seventy-five thousand dollars (\$575,000) for the Don Hastings Drive project be used for the Hooper Phase 4 project, which would complete that line replacement up to I-675. We had estimated five hundred thousand dollars (\$500,000) for the Hooper Phase 4 line replacement, but we will have to buy easements, which will increase the cost of the line. With the Board's okay, we will reauthorize those funds. The Board agreed to this reauthorization of funds.

Mr. Brannan added that CH2M Hill's services during construction, estimated at two million dollars (\$2,000,000), for FYB 2006 are not currently funded. The interest from the bond money that the Authority had borrowed for the Northeast Plant could be designated to pay for this service. Mr. Brannan stated that he would like to designate those interest funds for CH2M Hill construction services for 2006. The Board agreed.

Mr. Westervelt asked exactly what construction services are. Mr. Brannan answered engineering inspections, plan reviews, material shop drawings and other services as needed.

Mr. Brannan stated that we had one million dollars (\$1,000,000) set up in the budget to pay for the Customer Information System (CIS) software and implementation. We are still in the process of analyzing the proposals in order to bring a recommendation to the Board. Mr. Brannan added that the Authority has received proposals anywhere from four to six hundred thousand up to two million.

Mr. Brannan would like to designate an additional one million dollars (\$1,000,000) to go towards the Customer Information System. He added that he may not use that much or we may have to put more into it, but at least we have some money there and if we do not use all of it we can redesignate it at that time.

Mr. Brannan added that another project is the Panhandle Road water line extension, which will cost three or four hundred thousand dollars (\$300,000 or

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\$400,000). There are some funds left in the 2001 bond issue, approximately four hundred thousand dollars (\$400,000). Mr. Brannan explained that the Authority can use bond issue funds for extensions to water lines, but cannot use the funds for maintenance of those lines. With the Board's blessing, Mr. Brannan will assign those funds to the Panhandle Road project.

Mr. Brannan wants to make sure that these funds are designated to proposed projects which will help the Finance Section for planning funding for projects. Mr. Brannan added that when the Authority gets the 2005 Master Plan Update in October or November, then staff will sit down and come up with a four or five year funding plan for projects shown in the plan since the Authority will probably not be borrowing any monies in the near future. There will be other large projects, like galvanized water line replacements and solids handling issues down at the Casey Plant over the next five (5) years that will require a significant amount of money. Mr. Brannan stated to the Board that if they are comfortable with what he has outlined, then he will proceed.

Mr. Brannan stated that the wastewater overflow at the Jackson Pump Station that the Authority billed to Cummings South and the Southern Company has not been paid, but the Authority has talked to the Southern Company and the Authority is going to deduct out of their last bill what is owed to the Authority. From a liability standpoint, the Southern Company felt like they were buying into a fine. Their attorneys had a problem with that.

The Authority will draft another letter to Cummings South to give them another chance to pay roughly thirteen thousand dollars (\$13,000). If they do not pay, then our attorneys will get involved.

Mr. Brannan stated that in 2004, roughly twenty (20%) per cent of the flow per month that goes into our wastewater plants is unbilled. That means that this unbilled sewer is inflow into the system during heavy rains, leaks in the system and washed out sewer lines. This is why we are doing all this TV work, re-lining the lines and repairing leaks in manholes. This is probably not as high as most agencies, but it is too high for us.

Mr. Greene asked if the Authority tracked this information.

Mr. Brannan answered that the plants track what we are billing and what we are treating at the plants so that we can tell the difference in the two.

Mr. Westervelt asked about the Northeast Plant operating at one hundred two point six (102.6%) percent capacity.

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Mr. Brannan explained that the plant has had some high flow periods during rainy weather, such as occurred on March 27th & 28th causing the average to be high. During the high flows in March the plant was in violation of its permit and we will be fined by Georgia EPD.

Mr. Brannan next mentioned the Customer Service recommendation. With the Board's approval, the Authority will put this in place.

Recommended changes for disconnection of service

Current procedure

A bill is mailed out to the customer with the due date and disconnect date listed.

Twenty days after the bill date a reminder notice is mailed out if bill is not paid. The reminder notice has the disconnect date listed.

The next current bill mailed out has the disconnect date for the previous month cut off date on it. If the account hasn't been disconnected, this would be the third mailing sent out.

Account is listed on the disconnect list. The field service representative cuts the service off and knocks on the door to contact the customer. If someone comes to the door, we let them know the service is cut off and the amount needed for reconnection. They are handed the door hanger with the amount for reconnection. If no one comes to the door the door hanger is put on the door knob.

When a meter is removed because a lock is broken and cut back on, a \$20.00 charge is added to the account. Charges for broken locks and locking devices are also added.

Recommended change

When a service is cut off, the field service representative would put the door hanger on the door without knocking on the customer's door. If the customer comes to the door we would contact them. The hanger left on the door would have the all the information needed for the customer. The information on the hanger has on it the amount needed for reconnection. Our office phone number is also on it if needed. The purpose for this change would be to ensure the safety of our field service representatives.

Charge a \$50.00 fee instead of \$20.00. It takes twice as much time and labor to remove a meter compared to just cutting it off. Sometimes you have to dig the dirt out around the meter to remove it. Other times the meter box has to be dug up to get to the meter to remove it. The extra \$30.00 would cover the cost of the extra labor and time.

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Mr. Greene asked if payments are accepted at the door for water that is turned off. Mr. Brannan stated that no payments are taken in the field. At one time we did accept payments in the field, but that had the potential to cause unwanted situations.

Chairman McQueen asked if the customer has had plenty of notice in regard to their bill. Mr. Brannan responded that the customer has had plenty of opportunity to pay their bill.

Mr. Hicks reminded the Board that we currently do not cut service off for less than eighty dollars (\$80). This could cover two or three months if the bill is a small amount.

Mr. Brannan added that this will now be implemented and he will let our Customer Service reps know of the Board's decision.

Mr. Brannan stated that the Authority has some old "radio read" meters that we no longer use. We have gone to a different type of meter, with a different relay, for our radio read. The old meters were too expensive, so when we changed over to the newer version, we had about two hundred ten (210) of these old meters in stock as a reserve supply. We have not been able to use these two hundred ten (210) meters and we have a vendor that wants to buy them back at five (\$5) dollars a piece. With the Board's permission, Mr. Brannan will dispose of these old meters by selling them to this vendor and getting them out of the warehouse.

Mr. Brannan stated that this month the Board's checks have gone back to the three hundred dollar (\$300) amount. We knew when the Governor signed the bill into law that it would not go into effect until the first day of the month after he signed the bill into law. The Authority paid the Board members last month at the higher rate, so therefore, we dropped this check back and next month your checks will go back up.

Mr. Brannan stated that the last item he has to bring before the Board is the trip on Saturday, June 11th to the AWWA conference in San Francisco. The Authority is providing transportation to the airport and we need to know who will be leaving from the Authority at 9:30 a. m.

Chairman McQueen stated that Mr. Brannan and Mr. Fincher had talked to us last month about charges on our trips. Chairman McQueen had talked to Rick Hirsekorn of CH2M Hill and it was determined that Mr. Brannan would pay for all Board members and all employees of the Water Authority. If Mr. Hirsekorn wants to pick up anyone else, he can do so. If he does not, then each individual will be responsible for their charges. The Board agreed.

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

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RESOLVED: that the regular session board meeting be adjourned.

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

Pete McQueen, Chairman

Walter Marie Barber, Secretary/Treasurer