

**Cobb County-Marietta Water Authority  
Minutes of Regular Meeting**

**September 20, 2010**

The regular meeting of the Cobb County-Marietta Water Authority was held on September 20, 2010 at 3:30 p.m., in the Cobb County-Marietta Water Authority's Board Room. Water Authority Board members initially present were: David Austin, Max Bacon, Charlie Crowder, Don Mabry, and Earl Smith.

The meeting was called to order at 3:30 p.m. by Chair Don Mabry.

**1. Approval of Minutes of Regular Meeting 08/16/10**

Mr. Mabry asked for approval of the minutes of the Regular Meeting of August 16, 2010. Mr. Bacon made a motion to approve the minutes. Mr. Crowder seconded the motion; motion passed 5/0.

**2. Financial report**

Ms. Joanne Dwyer, Legacy Financial Services, presented the August financial report. Page 9 of the Accountant's Compilation Report for the one month ending August 31, 2010 reflects a favorable variance in net income of \$819,739. Page 10 of the Accountant's Compilation Report for the eight months ending August 31, 2010 reflects a favorable variance in net income of \$3,816,328.

Mr. Pearlberg and Mr. Lee arrived at this time.

Ms. Dwyer also presented the proposed Capital Asset Policy that had been reviewed by Mr. Smith as well as staff from Mauldin & Jenkins (copy in file). The proposed policy reflects practices that the Authority uses, fulfills the recommendations made by the auditors and will work with the development of the asset management program. Mr. Smith noted that the policy will provide additional guidance for the financial advisors as well as staff. It was noted that as a result of the policy, some assets that fall below specific thresholds will now be expensed instead of capitalized. Mr. Smith made a motion to approve the proposed Capital Asset Policy. Mr. Bacon seconded the motion; motion passed 7/0.

**3. Presentation of Proposed Capital Improvement Program 2011 - 2015**

Mr. Page presented the proposed CIP for the years 2011 through 2015 discussed at the August 30 Planning Committee meeting (copy in file). A correction to the memorandum in the Board Package is that the inflation factor used in the cash flow model was 7% through 2013 and 5% thereafter. In the model used for the proposed CIP the inflation factor used was 0% for 2011, 3% for years 2012 through 2015, and 4% thereafter. Mr. Bacon made a motion to approve the proposed CIP for the years 2011 through 2015. Mr. Smith seconded the motion; motion passed 7/0.

**4. Proposed Rate Program Review and Recommendation**

Mr. Page referred to the memo in the Board package for background of the rate review and recommendation (copy in file). Mr. Smith made a motion to approve the

proposed change in rate program, to include an annual rate increase in both in-county and out-of-county rates of 8% until further notice. Mr. Bacon seconded the motion; motion passed 6/1 with Mr. Austin opposed. Staff will notify wholesale customers of the rate adjustment effective January 1, 2011.

**5. Bid Results – Smithwick Creek Compensatory Mitigation Project**

Mr. Page referenced the memorandum in the Board package (copy in file). Mr. Smith made a motion to approve the award to W.E. Contracting Company, Inc. of Acworth for \$1,376,033.80 with the following three conditions: 1) contingent on W. E. Contracting furnishing a signed sub-contractor agreement with Aquascape Environmental, Inc. in a form satisfactory to the Chair, General Manager and attorney; 2) contingent upon the Water Authority and the City of Canton acquiring the necessary land for the project; 3) contingent upon the General Manager and Chair renegotiating the final contract price to an amount satisfactory to the Water Authority and City of Canton. Mr. Lee seconded the motion; motion passed 5/2 with Mr. Bacon and Mr. Pearlberg opposed.

**6. Change Order Request – Hickory Log Creek Pump Station**

Mr. Page referred to the memorandum in the Board package. Staff from Canton and CCMWA met with management from Crowder Construction Company on site, and determined that the dredging work proposed in 2009 should still be completed, along with some of the channel modifications. River levels are now favorable to complete the dredging work and to make improvements intended to channel the flow effectively toward the intake screens and minimize future sedimentation. Under the proposed change order, payment will be made to Crowder based on time and expense, so the final amount proposed is an estimate.

Mr. Page noted that Dr. Odgaard from the University of Iowa continues to consult with staff on changes in the river, and may recommend additional work to be performed to minimize sedimentation around the intake screens in the future.

Mr. Austin made a motion to approve the Change Order for \$112,107, based on unit prices. Mr. Lee seconded the motion; motion passed 5/2 with Mr. Bacon and Mr. Pearlberg opposed.

**7. Old Business**

Mr. Mabry inquired about the status of the Hickory Log Creek Reservoir Manager's office. Mr. Page reported that the reservoir manager is taking proposal for utilities to be put on site and that the project is expected to be a design/build project.

**8. General Manager's report**

Mr. Page reported the following:

- Staff will be working on the 2011 budget for the next several weeks and will request a Finance Committee meeting when a draft budget is ready for review.
- Staff will request a meeting of the Personnel Committee to discuss the budget items related to Personnel when the health insurance renewal information is available from The Bottoms Group.

- Staff continues to work on the Strategic Plan approved last year. A workshop was held to finalize the various performance measures that will be focused on to meet CCMWA's long-term goals and objectives.
- Update on Admin/Engineering Building: The Mechanical Engineering consultant has determined that the most cost-effective and efficient system for the building will be a Constant Volume System, which is estimated to cost approximately \$50,000 more than the system quoted in the preliminary estimate by the architect. A design development review meeting will be held on September 29.

**9. New business**

There was no new business presented.

**10. Nominating Committee report and election of officers**

Mr. Pearlberg, Nominating Committee Chair, made a motion from the committee to elect the slate of officers: Chair – Max Bacon, Vice Chair – David Austin, Secretary – Van Pearlberg and Assistant Secretary – Becky Mixon. Mr. Lee seconded the motion; motion passed 7/0.

**11. Executive Session**

Mr. Austin made a motion to go into Executive Session to discuss a potential legal settlement. Mr. Lee seconded the motion; motion passed 7/0.

Mr. Pearlberg made a motion to return to Regular Session. Mr. Austin seconded the motion; motion passed 7/0.

**12. Legal**

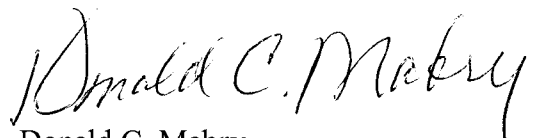
Mr. Smith made a motion to approve the Settlement Agreement and Mutual Release between the Cobb County-Marietta Water Authority and Thalle Construction, whereby Thalle pays to the Water Authority and Canton \$75,000.00 in full settlement of an electrical claim (copy in file). Mr. Lee seconded the motion; motion passed 7/0.

Mr. Pearlberg made a motion to approve the partial settlement in the case of Cobb County-Marietta Water Authority and the City of Canton v. William S. Turner, Susan Turner Black, The Turner Family Trust, Joyce Turner, Joyce Turner As Trustee Of The Laneal Turner Residuary Trust, Joyce D. Turner Family, L.P (copy in file). Mr. Austin seconded the motion; motion passed 7/0.

There being no further business to come before the Board, the Regular Meeting was adjourned.



Becky Mixon  
Assistant Secretary



Donald C. Mabry  
Chair