

UPPER OCONEE BASIN WATER AUTHORITY
AND
RESOURCE MANAGEMENT COMMISSION
NEGRC HEADQUARTERS
E.H. CULPEPPER CONFERENCE ROOM
JULY 25, 2012
9:30 A.M.

MINUTES

UOBWA Members Present:

Melvin Davis, Chairman
Elton Collins
Erick Klerk
Hunter Bicknell
Bob Snipes
Chris Thomas
Myron Garrett
Amrey Harden

Alternates Present:

Gary Duck

RMC Members Present:

Elton Collins, Chairman
Melvin Davis
Erick Klerk
Hunter Bicknell
Bob Snipes
Cecil Hammonds

Others Present:

Jim Dove, NEGRC Executive Director
Mott Beck, NEGRC Executive Assistant
Evans Brinson, NEGRC Comptroller
Kirby Atkinson, Atkinson & Cullen
Chris Edwards, Clifton, Lipford, Hardison & Parker
Bobby Sills, Nelsnick Enterprise
Hill Baughman, Jacobs
Jimmy Cofer, Jacobs
Ken Moore, Jacobs
Pat Graham, Barrow County Chairman Elect
Jennifer Dees, Town of Braselton Manager
Corinne Valentine, EMI
Steve Payne, Town of Braselton Engineer
Alan Pagent, Citizen
Chris Butts, Georgia Green Industry
Claude Burnette
Leanne Akin, The Paper
Blake Aued, The Flagpole
Lee Shearer, Athens Banner Herald

**CALL TO ORDER OF RESOURCE MANAGEMENT COMMISSION (RMC) AND
READING AND APPROVAL OF JULY 2011 MINUTES**

RMC Chairman Elton Collins called the meeting of the Resource Management Commission (RMC) to order at 9:30 a.m. RMC Secretary Mott Beck read the minutes from the July 2011 meeting. A motion to approve the minutes was made by UOBWA Chairman Melvin Davis and seconded by Commissioner Hunter Bicknell. The motion passed unanimously.

INTRODUCTION OF RMC MEMBERS

At this time, Chairman Collins introduced members of the RMC and gave a brief overview of the responsibilities of the RMC.

**APPOINTMENT OF RMC REPRESENTATIVE TO UPPER OCONEE BASIN WATER
AUTHORITY**

The RMC has one representative to the UOBWA that serves a two-year term, and Mr. Collins now serves in this position. NEGRC Executive Director Jim Dove opened the floor for nominations, and a motion to reappoint Mr. Collins was made by Mr. Bob Snipes and seconded by Chairman Davis. The motion passed unanimously.

ELECTION OF RMC OFFICERS

Mr. Dove presided during the election of officers. He opened the floor for nominations, and the following persons were nominated:

Chairman	-	Elton Collins
Vice Chairman	-	Hunter Bicknell
Secretary	-	Mott Beck

A motion to elect these nominees was made by Dr. Cecil Hammonds and seconded by Mr. Chris Thomas. The motion passed unanimously.

ADJOURNMENT OF RMC MEETING

There being no further business, the RMC meeting was adjourned at 9:45 a.m.

**CALL TO ORDER OF UPPER OCONEE BASIN WATER AUTHORITY (UOBWA) AND
ACTION ON PREVIOUS MEETING MINUTES**

Chairman Davis called the meeting of the UOBWA to order at 9:45 a.m. He asked for a motion to approve the May 23rd meeting minutes. Such a motion was made by Mr. Collins and seconded by Commissioner Bicknell. The motion passed unanimously.

FINANCIAL REPORT

At this time, NEGRC Comptroller Evans Brinson gave the financial report. The total liabilities and fund balance for the month ending June 30, 2012 were \$60,137,612. A motion to approve the financial report as presented was made by Mr. Collins and seconded by Commissioner Bicknell. The motion passed unanimously.

COMMITTEE REPORTS

Operations: There have been no new permit application requests during the past several months. There have been no significant changes in drought indicators over the past month, and the drought status remains at a Level 2. Committee members and Jacob's staff have had considerable discussion regarding capital improvement items, and these will be included in the FY13 Budget. The Operating Permit renewal has been approved by EPD and will be forwarded shortly.

Finance: The Finance Committee met jointly with the Operations Committee on July 18th to review a draft of the update to the Cost Allocation Methodology. Mr. Bobby Sills developed the original Methodology in 2001 based on projected costs, and in 2007 a full update was conducted based on historic costs. New items were added and new allocation methods were discussed at that time. The UOBWA contracted with Mr. Sills to conduct another review, as five years have passed. After a thorough review by Mr. Sills, only a few minor changes were noted. He indicated that recreation was added since it was not in operation when the last update was done. He also advised that an adjustment was made in an attempt to minimize the size of the reconciliation produced credits and deficits. After discussion, a motion to adopt the updated Cost Allocation Methodology, with one revision on Page 15(e) as noted, was made by Mr. Collins and seconded by Mr. Thomas. The motion passed unanimously.

OPERATIONS AND MANAGEMENT

Staff advised that operations of the facility are normal and in compliance with EPD rules and regulations. The reservoir level is at 693.3 ft., and the average treated water flow is 9.2 MGD. There was a minor issue at the river pump station; however, Jackson EMC was prompt in handling the problem. The Operating Permit was received from EPD on June 14th. Ken Moore made a presentation highlighting the Bear Creek Reservoir and Treatment Plant facility at a recent Water Association meeting.

PUBLIC COMMENT

There was no public comment.

OTHER BUSINESS

Legal Counsel advised that he had received a letter from JP Morgan Chase and Company notifying the Authority of its eligibility to share in a \$65.5 million settlement fund established pursuant to an out-of-court settlement between JP Morgan Chase & Company and 25 States Attorneys General. The Authority has been identified as an Eligible Counter Party. If the Authority elects to participate in the Settlement, it will receive a payment of \$71,680.72. After discussion, a motion to participate in the

settlement, an to authorize Legal Counsel to complete and submit to the Claims Administrator the appropriate forms, and to authorize the Chairman to sign appropriate documents was made by Mr. Snipes and seconded by Mr. Collins. The motion passed unanimously. By participating in the settlement, the Authority will relinquish its right to sue JP Morgan Chase in future claims. The Finance Committee will determine how this settlement will apply to the budget.

At this time, Chairman Davis appointed the following members to the Nominating Committee:

Bob Snipes, Committee Chairman
Elton Collins
Amrey Harden

The Committee will select a slate of officers for consideration at the September 26th Authority meeting.

The Committee charged with negotiations of the Utility Service Contract between the Authority and Jacobs Field Services North America, Inc. has completed it task, and Jacobs's staff and Legal Counsel are addressing a few minor revisions. A Called Meeting of the Authority will be held on August 15th at 9:30 a.m. at the Regional Commission to take action on this matter. Also, Ricky Sanders will be on the agenda to provide information on recreation at Bear Creek.

A motion to enter into Executive Session for the purpose of discussing litigation was made by Mr. Harden and seconded by Mr. Collins. The motion passed unanimously.

No action was taken in Executive Session.

ADJOURNMENT

There was no further business when Open Session resumed, and the meeting was adjourned at 11:00 a.m.

Respectfully Submitted,

Martha "Mott" Beck
UOBWA Secretary

UOBWA 2012 Operating Budget
Accrual Basis

UOBWA 2012 Operating Budget

Reconciliation of GAAP Expenses to Cash Requirements

Operating Revenue	FY2012 Budget	FY2012 Budget			
	\$6,928,314	\$7,070,052			\$6,641,144
Operating Expenses:					
Plant Operating Expense:					
Jacobs Engineering - Management Costs	\$920,764	\$983,352			
Chemicals	\$418,175	\$402,175			
Lab Expense	\$35,700	\$61,450		\$37,830	
Landscape Expense	\$46,000	\$36,000		\$1,500,000	
Office Expense	\$17,500	\$17,750		\$1,537,830	(\$1,537,830)
Outsourced Professional Services	\$10,000	\$30,000			
Plant Maintenance	\$350,000	\$350,000			
Safety Equipment	\$12,450	\$23,000			
Training	\$5,400	\$6,000			
Uniforms	\$5,800	\$5,800			
Utilities	\$708,500	\$753,500			
Vehicle Expense	\$19,500	\$19,500			
Miscellaneous Expense - (USGS Monitoring)	\$29,000	\$29,000			
Total Plant Operating Expense	\$2,578,789	\$2,717,527			
Amortization	\$37,830	\$37,830			
Bank charges	\$1,000	\$1,000			
Depreciation	\$1,500,000	\$1,500,000			
Insurance	\$77,000	\$80,000			
Professional services	\$446,850	\$446,850			
Public Access maintenance	\$5,000	\$5,000			
Site county payment	\$30,000	\$30,000			
Total Operating Expenses	\$4,676,469	\$4,818,207			
Non-Operating (Expenses)					
Bond interest expense	(\$1,964,675)	(\$1,964,675)			
Total Budgeted Expenditures	(\$1,964,675)	(\$1,964,675)			
Excess of Revenues over Expenses	\$6,641,144	\$6,782,882			
	\$287,170	\$287,170			

UOBWA 2012 Capital Expenditure Budget

Replace All Turbidity Meters	\$25,000
Installation of Dechlorination System	\$50,000
	\$75,000

