

Calendar Year 2017

Board Adopted Budgets

Effective: January 1, 2017

Excellence and Trusted Leadership in Public Water Supply and Resource Management



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Cobb County- Marietta Water Authority
Georgia

For the Fiscal Year Beginning

January 1, 2015

Executive Director

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Budget Message

The staff of Cobb County-Marietta Water Authority (CCMWA, the Authority) has developed what it believes are viable operational and capital improvement budgets as presented in this document. The budgets provide a financial plan to achieve CCMWA's strategic initiatives, which include development of a safety culture, water quality, financial strength, water resources, infrastructure sustainability, workforce development, communication enhancements, information management and preparedness / security. In the current time of ongoing economic and environmental challenges, CCMWA remains committed to the stakeholders it is responsible to serve. Below you will find the driving force behind CCMWA's strategic plan:

Core Purpose - "To provide sustainable and reliable drinking water that supports public health, public safety and the economic vitality of the region."

Core Values – Service, Stewardship and Professionalism
(Inherent behavioral traits at CCMWA)

Permission-to-Play Values – Integrity, Trust and Technical Excellence
(Minimum behavioral standards required at CCMWA)

Aspirational Values – Safety Culture, Transparency and Innovation
(Qualities that CCMWA is aspiring to adopt)

From the General Manager

The Cobb County-Marietta Water Authority has a proud history and a bright future. We are fortunate that our predecessors took the long view from the very creation of the Authority. They looked ahead into the future and planned for the region's long-term water needs, and we continue to strive to provide a sustainable system of water resources, treatment facilities and transmission lines for today and tomorrow.

The future is bright, but it will be full of change and challenges. Battles over water rights will continue for the foreseeable future. Threats to our water quality – both natural and manmade – are real and deserve our attention to mitigate and control. Variability in weather patterns, including drought, and uncertainty about future water demands from our customers add to the mix. One of our greatest challenges will be to ensure that the depth of knowledge and commitment within our workforce can be sustained as we face a wave of retirements in the near future.

Utilizing CCMWA's strategic plan, the budgets presented in this document are also about looking into the future. We are proud of our role in the community and clearly understand the importance of a reliable water supply for life, health, public safety and economic vitality. These budgets use CCMWA's strategic plan to guide our direction and provide the financial means necessary for required actions.

Respectfully,

Glenn M. Page

Glenn M. Page, P.E.
General Manager

Executive Summary

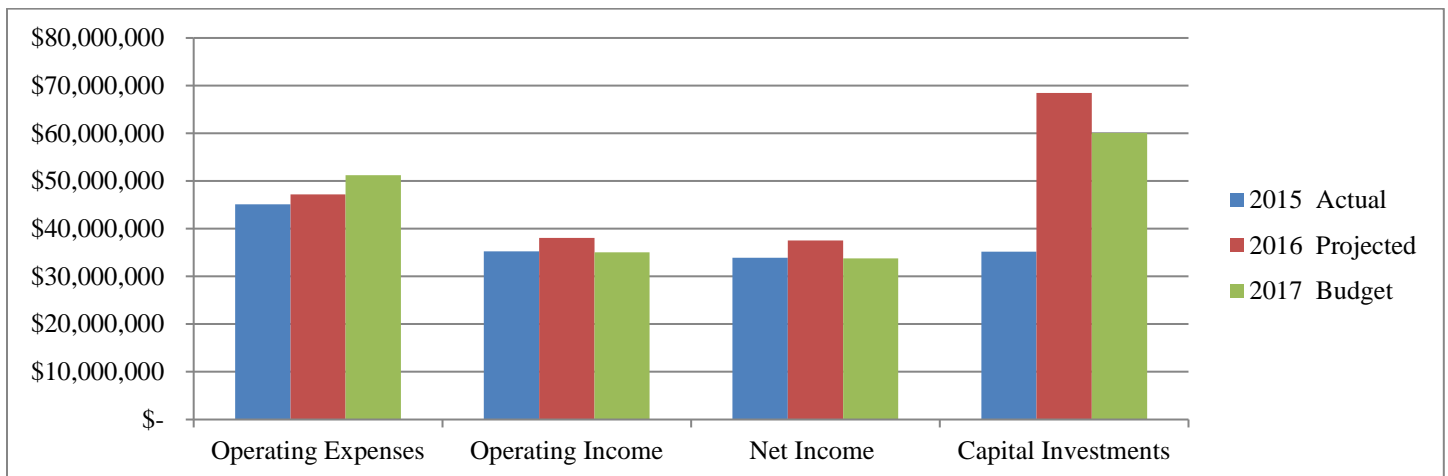
To create the calendar year 2017 operational budget, certain presumptions were made:

- Demand Forecast for calendar year 2017: **81.0 MGD**
- Revenues are calculated using the programmed 3% rate increase effective January 2017
 In-County Rate: \$2.87 per thousand gallons Out-of-County Rate: \$3.18 per thousand gallons
- Up to 4.0% merit-based salary increase
- Transition of part-time Human Resource Associate position to a full-time position
- Up to 5% increase in the cost of electricity versus projected actual costs in 2016
- Additional position – Maintenance Division Manager

The operations budget for calendar year 2017 anticipates water sales revenue of \$86,200,000, which is a \$3,000,000 increase over calendar year 2016 budgeted revenues. Calendar year 2017 operational expenses are budgeted at \$51,202,520, which is an \$880,530 increase over the calendar year 2016 budget. Depreciation for calendar year 2017 is budgeted at \$21,625,000, which is a \$982,600 increase over the calendar year 2016 budget. Amortized bond issuance costs, fiscal agent fees and interest expenses have decreased to \$2,614,030, resulting in a \$174,969 decrease from the 2016 budget. Budgeted other income for 2017 is \$1,489,560 resulting in an \$8,885 decrease versus the calendar year 2016 budget. Budgeted net income has increased to \$33,752,010, resulting in a \$2,290,524 increase as compared to budgeted net income for calendar year 2016.

The five year Capital Improvement Plan, (CIP) which includes routine and non-routine capital improvements and replacements has been updated and totals \$60,059,185 in planned capital investment for 2017. Budgeted five year capital investments total \$217,702,146, presumes 4% year-over-year inflation and is being funded by operational cash flows and designated reserves. No additional debt issuance is anticipated to fund CCMWA’s five year CIP.

CCMWA began a five year 4% year-over-year rate increase program in January 2014. After careful planning and modeling, CCMWA is proud to announce a reduction in the rate increase program to 3%. The new five year program will begin January 2017 and is to span through January 2021. Savings to CCMWA customers during the five year period is expected to total about \$13.6 million, while CCMWA will continue to fund capital projects without issuance of additional debt.



Cobb County - Marietta Water Authority
Statement of Operations - abbreviated
For The Year Ended December 31, 2017

	2016 Projected	2016 Budget	2017 Budget	Increase (Decrease) 2016 Budget	% Increase (Decrease) Over 2016 Budget
Revenue	\$85,296,688	\$83,224,000	\$ 86,229,000	\$ 3,005,000	3.61%
Division Expense	47,230,755	50,321,990	51,202,520	880,530	1.75%
Income from Operations	\$38,065,933	\$32,902,010	\$35,026,480	\$2,124,470	6.46%
Other Income	\$2,415,250	\$1,498,445	\$ 1,489,560	(8,885)	-0.59%
Other Expense	2,788,969	2,788,969	2,614,030	(174,939.00)	-6.27%
Loss on Disposal of Assets	150,000	150,000	150,000	-	0.00%
Net Income	\$37,542,214	\$31,461,486	\$33,752,010	\$2,290,524	7.28%

For The Year Ending December 31, 2017
Capital Improvement Plan

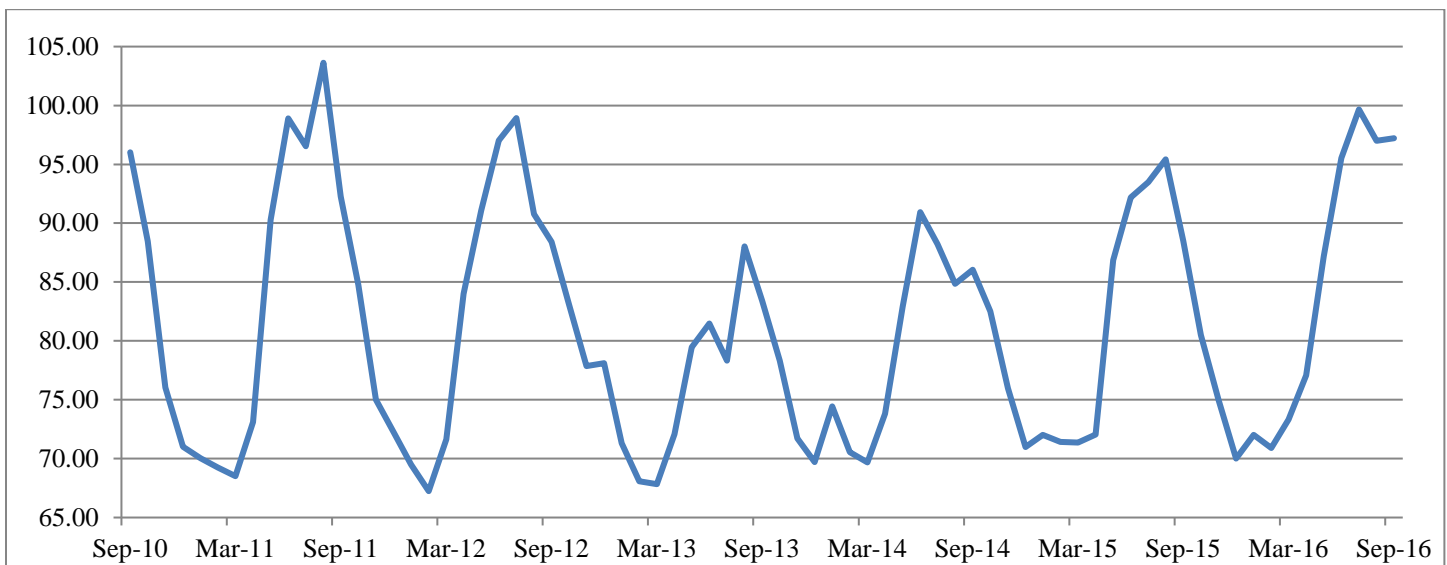
Non-Routine & Routine Capital Projects	2016 Projected	2016 Budget	2017 Budget	Increase (Decrease) Over 2016 Budget
Pipelines	\$ 48,950,000	\$ 74,901,120	\$ 28,670,629	\$ (46,230,491)
Water Treatment Plants	19,023,000	22,379,250	18,589,372	(3,789,878)
Water Storage Tanks	96,000	208,000	-	(208,000)
Water Resources	36,000	2,965,040	-	(2,965,040)
Asset Renewal & Replacement	3,000,000	6,919,350	8,980,827	2,061,477
Total Before Contingency	71,105,000	107,372,760	56,240,828	(51,131,932)
Current Contingency	-	5,616,000	3,818,357	(1,797,643)
Total	\$ 71,105,000	\$ 112,988,760	\$ 60,059,185	\$ (52,929,575)

Issues and Trends

Cobb County-Marietta Water Authority, like other governmental and nongovernmental entities, was significantly impacted by the recent recession, but is now experiencing economic growth. Per-capita demand for potable water from CCMWA has exhibited a general downward trend since 2006, but has increased late in 2016 due primarily to drought conditions. Non-routine capital improvements, however, have progressed in accordance with CCMWA's Capital Improvement Plan because the projects do not generally increase water production capacity. To facilitate those improvements, an 8% rate increase was required in 2012, a 6% rate increase was required for 2013, and a 4% annual rate increase was enacted for 2014 through 2016. After careful planning and review a five year 3% annual rate increase program will be enacted as of January 1, 2017. Budgeted yearly cost of operations exclusive of depreciation has increased by an average of 3.7% per year since 2010; even though, average daily production has been stagnant with 83.2 MGD produced in 2010 and a predicted 83.5 MG in 2016. Since 2010, water treatment chemical costs have increased by 52% and will account for roughly 4% of total expensed costs to CCMWA in 2016. Since 2010, electricity costs at CCMWA's water treatment plants have gone from an average of \$171.08 per million gallons produced to a projected \$178.82 in 2016, representing an average increase in electrical cost of .8% per year. Costs for employee salaries and wages including overtime have increased an average of 2.7% per year since 2010 and will total about \$8.2 million in 2016. Since 2010, healthcare insurance premium costs have risen by about 4.7% per year on average, but policy benefits have generally declined.

In October 2015, Paulding County received a Section 404 Permit from the United States Army Corps of Engineers and began construction of a drinking water supply reservoir, water treatment facility, associated pipelines, and pump stations. It is estimated that Paulding County will begin significant reductions in water purchases from CCMWA in the later months of 2020. Paulding County is currently CCMWA's second largest customer, constituting about 14% of CCMWA's water sales revenue. CCMWA staff have examined the financial and infrastructure impacts of Paulding County leaving CCMWA as a customer and found the overall impact to be neutral in terms of cash flow because of less need for capital investment over the next 30-year planning horizon.

Average Daily High Service (Potable Water) Production in Million Gallons 2010 through September 2016



Planning Processes and Effects

Cobb County-Marietta Water Authority conducts various planning processes each year. These planning processes include:

- 1) Review, update, and determine progress toward goals and objectives in CCMWA's Strategic Plan
- 2) Review, update, and officially adopt a rolling 5-year Capital Improvement Program
- 3) Review, update, and ensure CCMWA's Master Cash Flow Model is consistent with operational costs, capital improvement funding needs, asset renewal and replacement funding requirements, debt obligations, revenue requirements, water rates, bond rating matrixes, and reserve requirements
- 4) Review, analyze, develop, and adopt an annual operating budget

Through implementation of the aforementioned planning processes, CCMWA is ensuring a reliable and sustainable water treatment and transmission system to produce high quality drinking water at competitive rates. By planning for short term and long term financial and nonfinancial goals, in 2002 CCMWA achieved and has since retained AAA bond ratings from the three primary rating agencies, even during the recent recession, while many other utilities and governments have had their ratings downgraded. In addition, CCMWA refinanced outstanding Georgia Environmental Finance Authority loans with senior lien revenue bonds during the summer of 2015 and was once again reaffirmed AAA by the three primary rating agencies. When compared with other local water purveyors, CCMWA has competitive compensation and benefit plans for staff members.

In order to facilitate the Capital Improvement Program, the CCMWA Board has implemented a planned series of rate increases in lieu of piece-meal rate increases. CCMWA has also implemented an Asset Management program to plan for and fund asset renewal and replacement projects (routine capital projects) each year through a "pay as you go" strategy. Current and planned Capital Projects (non-routine capital projects) are funded or are planned to be funded through the "pay as you go" strategy.

Concerns & Issues

A major concern in the 2017 budget has been forecasted water sales, which is CCMWA's primary revenue source. Yearly water sale forecasts over the next 30-years have been adjusted for the eventual loss of Paulding County as a significant customer in late 2020 and do not show a recovery to anticipated 2017 water sales of 81.0 MGD until 2028. Other issues addressed in the 2017 budget are: installation of back-up power at the Wyckoff treatment plant, planning for the decommissioning and reconstruction of Quarles Water Treatment Plant One, various large scale pipeline redundancy and reliability projects, increased funding of routine asset renewal and replacement capital improvement projects, and implementation of the 3% annual programmed rate increase. Furthermore, CCMWA will continue to pursue its lawsuit against the United States Army Corps of Engineers as related to water supply issues in the Alabama-Coosa-Tallapoosa River Basin, and await the results of the Florida-Georgia equitable apportionment case currently before the U.S. Supreme Court.

Budget Process

The Cobb County-Marietta Water Authority is focused on providing high quality, affordable potable water to its customers at the quantity required to sustain their respective communities and economies. Planning, budgeting, operational efficiency, reliability, and quality are critical to fulfillment of CCMWA's mission. CCMWA's fiscal year runs on the calendar year, January 1st through December 31st. The budgeting process is a continuous cycle for CCMWA and division managers are encouraged to build a case and accumulate documentation for the upcoming calendar year budget as soon as the current budget year begins. The budget status is reviewed on a monthly basis by staff, management, and Board members.

Typically, division managers are asked to submit operational budget requests to the Finance Division in mid-August. The Director of Engineering submits the updated rolling five-year capital improvement plan draft to the Finance Division in mid-August as well. Budget requests are then compiled, reviewed, discussed with management, and input into CCMWA's cash flow model. Once a tentative master budget (operational budget and capital improvement plan) is developed, it is submitted to the general manager and CCMWA directors for review around the first week of September. The general manager and directors then suggest amendments to the draft budget and resubmit the budget to the Finance Division for amendment and development of pro-forma financial statements. Once the second draft of the master budget is completed, the Finance Division presents the master budget and pro forma financial statements to the general manager. The general manager, then presents the proposed five year capital improvement plan to the Planning Committee. Following recommendation from the Planning Committee, the general manager then presents the master budget to CCMWA's Finance Committee for consideration. Recommendations of the Finance Committee are incorporated into the master budget and the draft budget is finalized. The finalized master budget is then presented to CCMWA's Board for consideration to adopt. First reading of the budget typically takes place at the November board meeting with second reading and adoption at the December board meeting. The calendar year 2017 budget reflects a culmination of the aforementioned processes and provides appropriations to meet the goals and objectives of CCMWA.

2017 Budget Calendar *(Dates are 2016)*

January 1st: Start compiling budget related data for 2017 budget.

June 27th – July 8th: The Finance Division conducts meetings with division managers on budget preparation and requests.

September 6th: Budget requests from division managers are due to the Finance Division.

September 16th: Draft master budget is submitted to the general manager and CCMWA directors for review and comment.

September 26th – October 7th: The Finance Division receives comments and requested amendments to the draft "master budget" and revisions are discussed with management.

October 8th – October 18th: The master budget is finalized into a final draft and pro forma financial statements are developed.

October 19th: The finalized draft CIP budget is presented to CCMWA's Planning Committee.

November 10th: The finalized draft master budget is presented to CCMWA's Finance Committee. Any revisions to the budget as recommended by the Finance Committee are incorporated into a finalized budget, which is communicated to Operating Divisions and prepared for presentation to the Board for consideration of adoption.

November 21st: The Board of the Cobb County-Marietta Water Authority convenes and a first reading of the calendar year 2017 budget is presented for consideration.

December 19th: The Board of the Cobb County-Marietta Water Authority convenes, a second reading of the calendar year 2017 budget is presented, and approval of the calendar year 2017 budget is requested.

Financial Policies and Standards – Entity Wide

Definition of “Balanced Budget”

“Financial planning that produces a projected and actual calendar year operating budget in which revenues are equal to or greater than total expenses”.

Adopted Financial Policies

The Board of the Cobb County-Marietta Water Authority has formally adopted various financial policies facilitating internal control and financial planning.

Investment Policy

As a centerpiece of long term financial planning, CCMWA has an *Investment Policy*. Remaining in conformance with state statute, the Investment Policy dictates how CCMWA’s investment advisor can invest CCMWA funds. The policy provides for liquidity to fund current operations and planned capital projects, while utilizing long term investment options to maximize return on investment and mitigate risk.

Capitalization Policy

CCMWA has adopted a *Capitalization Policy*. The policy sets dollar thresholds for capitalization of assets and delineates depreciation methodology based on asset categories.

Independent Audit

In accordance with CCMWA’s charter, an independent financial auditor is commissioned at the close of each calendar year to audit CCMWA’s financial statements and calendar business practices.

Personnel Policies

CCMWA has adopted a comprehensive set of Personnel policies to guide employment practices and compensation/benefits. These policies include topics on employee practices, employee relations, hours of work and compensation, employee benefits, and employee training and development.

Procurement Policy

CCMWA has adopted standard policies and procedures for procurement. These procedures set *thresholds for approval of purchases* based upon dollar amount and type. The policy also delineates *thresholds for advertising requirements* and corresponds to state statutes relating to such.

Financial Management Policy

CCMWA has adopted financial policies and procedures. The financial policies correspond to the aforementioned policies and also delineate debt issuance, accounting, internal controls and financial reporting policy.

Full copies of the aforementioned policies are available from CCMWA’s Finance Division.

Standard Financial Practices

CCMWA defines standard financial practices as financial-related procedures utilized by staff, but not formally adopted by the Board.

Financial Reports

It is standard practice for CCMWA's Finance Division to produce monthly financial reports for review by the Board and staff. Financial reports and budget documents utilize the accrual basis of accounting.

Capital Improvement Plan

It is standard procedure for CCMWA staff to review and recommend adjustments to the long-term Capital Improvement Plan each year. A five-year Capital Improvement Plan is reviewed, amended and adopted by CCMWA's Planning Committee and Board each year.

Master Budget

CCMWA's staff works throughout the year to review and develop the upcoming year's master budget. It is standard practice for Divisions to submit budget requests in September each year and the finalized budget to be recommended by CCMWA's Finance Committee and adopted by CCMWA's Board in November or December each year.

Budget Amendments

It is standard practice of CCMWA to amend funds appropriated to functions and objects on a quarterly basis with the exception of salaries and wages allocations. It is standard practice to not amend budgeted revenue figures. Contingency allocations may be utilized at the discretion of the general manager to cover allocation shortages within given functions. It is the desire of management to identify forecasting errors during the budget year to more easily assess why they occurred and prevent them from occurring in the future.

Quarterly Financial Analyses

The Finance Division utilizes an independent CPA to evaluate managerial financial statements quarterly.

Financial and Non-Financial Goals Entity-Wide

The overarching financial goal of the Cobb County-Marietta Water Authority is to fulfill its core mission while maintaining solvency to ensure long-term sustainability. To accomplish that goal, the Authority must designate long-term and short-term financial goals and objectives. Calendar year 2013 was the first year CCMWA designated financial and non-financial goals as an entity. Below is a review of financial and non-financial goals set in 2016 and a list of goals for 2017:

Review of Financial Short-Term Goals - 2016

- The Authority will plan for, develop, and adhere to a balanced budget for calendar year 2016.
Completed
- The Authority will evaluate options to amend the Capital Improvement Plan in 2016 to avoid issuance of debt to fund capital improvements in future years.
Completed

- The Authority will evaluate financial implications of losing its second largest customer (Paulding County) in 2021 and develop a financial impact analysis for such an occurrence.
Completed
- The Authority will maintain its planned rate increase of 4% while maintaining current levels of service and fiscal stability.
Completed
- The Authority will maintain unrestricted cash reserves equivalent to two months of budgeted operating expenses throughout 2016.
Scheduled for Completion

Review of Financial Long-Term Goals - 2016

- The Authority will strive to maintain its AAA bond rating from multiple bond rating agencies.
Maintained
- In so far as fiscally possible, the Authority will avoid issuance of “new debt” to fund renewal-type capital improvements.
Maintained – no plan for such a debt issuance
- The Authority will fully fund a managed asset renewal and replacement program each year with net income.
Maintained – funded in 2016 by net income
- The Authority will maintain a useful and effective cash flow model to predict cash flows for at least 20 years into the future in order to facilitate long-term financial planning and establish rate programs that avoid “rate shock” to Authority customers.
Maintained – cash flow model maintained through 2046
- The Authority will maintain a competitive rate structure to facilitate financial and overall economic sustainability of the Authority and its customers.
Maintained – a 4% planned rate increase was implemented January 2016 and a 3% planned rate increase is proposed for January 2017.

Review of Non-Financial Short-Term Goals - 2016

- The Authority will develop asset management plans for its primary equipment and infrastructure.
Completed
- The Authority will complete an update to its Business Continuity Plan.
Completed
- The Authority will continue to evaluate the structural integrity of aging large diameter pre-stressed concrete cylinder pipe.
Completed – an aged pipe replacement program and methodology was developed in 2016.
- The Authority will complete an update to its Drought Management Plan.
Completed
- The Authority will develop and adopt a new five-year Strategic Plan.
Completed

Review of Non-Financial Long-Term Goals - 2016

- CCMWA will secure sufficient water resources for current and future customers of the Authority.
Ongoing – this will be an ongoing process based upon demand projections
- CCMWA will gain United States Army Corps of Engineers (USACE) approval for the accounting methodology proposed for the use of releases from Hickory Log Creek Reservoir and place the project into useful service.
Ongoing – CCMWA has proposed accounting methodology to USACE
- The Authority will gain consent of the United States Army Corps of Engineers to credit wastewater inflows into Allatoona Lake as an offset to water withdrawals from the lake.
Ongoing – CCMWA continues to confer with USACE on this matter
- The Authority will gain additional allocation of water from Allatoona Lake sufficient to meet the needs of future Authority customers.
Ongoing - CCMWA received a revised water withdrawal permit from the Georgia Environmental Protection Department (GAEPD) in 2014 and has litigation pending against the USACE for lack of action to answer CCMWA's request for additional water storage allocation in Allatoona Lake.
- The Authority will work with the Atlanta Regional Commission, Metropolitan North Georgia Water Planning District and the State of Georgia to acquire additional allocation of water from the Chattahoochee River sufficient to meet the future demands of Authority customers.
Ongoing – CCMWA regularly meets with and coordinates with the aforementioned entities
- The Authority will maintain potable water quality and perform water quality monitoring in accordance with all regulatory rules.
Ongoing – CCMWA works toward this goal every day! CCMWA won the Georgia Association of Water Professionals Platinum Award for water quality at both of its drinking water production facilities in 2016.

Financial Short-Term Goals - 2017

- The Authority will plan for, develop, and adhere to a balanced budget for calendar year 2017.
- The Authority will evaluate options to amend the Capital Improvement Plan in 2017 to avoid issuance of debt to fund capital improvements in future years.
- The Authority will evaluate options to increase operational efficiency and reduce costs in support of its planned rate structure.
- The Authority will maintain its planned rate increase of 3% while maintaining current levels of service and fiscal stability.
- The Authority will maintain unrestricted cash reserves equivalent to two months of budgeted operating expenses throughout 2017.

Financial Long-Term Goals - 2017

- The Authority will strive to maintain its AAA bond rating from multiple bond rating agencies.
- In so far as fiscally possible, the Authority will avoid issuance of “new debt” to fund renewal-type capital improvements.
- The Authority will fully fund a managed asset renewal and replacement program each year with net income.

- The Authority will maintain a useful and effective cash flow model to predict cash flows for at least 20 years into the future in order to facilitate long-term financial planning and establish rate programs that avoid “rate shock” to Authority customers.
- The Authority will maintain a competitive rate structure to facilitate financial and overall economic sustainability of the Authority and its customers.

Non-Financial Short-Term Goals - 2017

- The Authority will develop asset management plans for its primary equipment and infrastructure.
- The Authority will complete an update to its Business Continuity Plan.
- The Authority will continue to evaluate the structural integrity of aging large diameter pre-stressed concrete cylinder pipe.
- The Authority will complete an update to its Drought Management Plan.
- The Authority will develop and adopt a new five-year Strategic Plan.

Non-Financial Long-Term Goals - 2017

- CCMWA will secure sufficient water resources for current and future customers of the Authority.
- CCMWA will gain United States Army Corps of Engineers (USACE) approval for the accounting methodology proposed for the use of releases from Hickory Log Creek Reservoir and place the project into useful service.
- The Authority will gain consent of the United States Army Corps of Engineers to credit wastewater inflows into Allatoona Lake as an offset to water withdrawals from the lake.
- The Authority will gain additional allocation of water from Allatoona Lake sufficient to meet the needs of future Authority customers.
- The Authority will work with the Atlanta Regional Commission, Metropolitan North Georgia Water Planning District and the State of Georgia to acquire additional allocation of water from the Chattahoochee River sufficient to meet the future demands of Authority customers.
- The Authority will maintain potable water quality and perform water quality monitoring in accordance with all regulatory rules.

Short-Term Initiatives Guiding Budget Development

To lessen financial uncertainty of the Authority’s customers, a new five-year programmed annual water rate increase of 3% has been budgeted. Authority staff desires to maintain the planned five-year rate plan without sacrificing reliability or impairing the asset renewal and replacement program. As a result, staff took a very close look at allocations in the overall Operational Budget of the Authority. Use of formal asset management methodology was employed to identify asset renewal and replacement projects, which are justified in the calendar year 2017 budget. Extensive evaluation of electricity and chemical budgets were undertaken during budget development, and chemical suppliers for 2017 were publicly bid in September 2016.

During 2016, a review of goals and objectives set forth in the Authority’s five-year Strategic Plan was conducted. A new five-year Strategic Plan was adopted and implemented with core values of CCMWA defined and strategic initiatives developed. Development of the calendar year 2017 budget was in part guided by the values and strategic initiatives detailed in CCMWA’s 2016 Strategic Plan.

Goals and Objectives of Authority Divisions

Summary of 2013 Objectives Achieved by CCMWA: 80% (20 of 25 objectives)

Administration Division objectives achieved: 67% (2 of 3 objectives)
Engineering Division objectives achieved: 67% (2 of 3 objectives)
Finance Division objectives achieved: 100% (4 of 4 objectives)
Hickory Log Creek Department objectives achieved: 67% (2 of 3 objectives)
Laboratory Division objectives achieved: 100% (3 of 3 objectives)
Quarles Treatment Division objectives achieved: 100% (2 of 2 objectives)
Transmission Division objectives achieved: 75% (3 of 4 objectives)
Wyckoff Treatment Division objectives achieved: 100% (3 of 3 objectives)

Summary of 2014 Objectives Achieved by CCMWA: 67% (26 of 39 objectives)

Administration Division objectives achieved: 50% (2 of 4 objectives)
Engineering Division objectives achieved: 86% (6 of 7 objectives)
Finance Division objectives achieved: 67% (4 of 6 objectives)
Hickory Log Creek Department objectives achieved: 57% (4 of 7 objectives)
Laboratory Division objectives achieved: 67% (2 of 3 objectives)
Quarles Treatment Division objectives achieved: 67% (2 of 3 objectives)
Transmission Division objectives achieved: 60% (3 of 5 objectives)
Wyckoff Treatment Division objectives achieved: 75% (3 of 4 objectives)

Summary of 2015 Objectives Achieved by CCMWA: 84% (43 of 51 objectives)

Administration Division objectives achieved: 100% (6 of 6 objectives)
Engineering Division objectives achieved: 75% (9 of 12 objectives)
Finance Division objectives achieved: 86% (6 of 7 objectives)
Hickory Log Creek Department objectives achieved: 57% (4 of 7 objectives)
Laboratory Division objectives achieved: 75% (3 of 4 objectives)
Quarles Treatment Division objectives achieved: 100% (3 of 3 objectives)
Transmission Division objectives achieved: 100% (6 of 6 objectives)
Wyckoff Treatment Division objectives achieved: 83% (5 of 6 objectives)

Summary of 2016 Objectives Achieved by CCMWA: 78% (67 of 86 objectives)

Administration Division objectives achieved: 64% (7 of 11 objectives)
Engineering Division objectives achieved: 75% (9 of 12 objectives)
Finance Division objectives achieved: 90% (9 of 10 objectives)
Hickory Log Creek Department objectives achieved: 78% (7 of 9 objectives)
Information Technology Department objectives: 75% (3 of 4 objectives)
Laboratory Division objectives achieved: 89% (8 of 9 objectives)
Quarles Treatment Division objectives achieved: 75% (6 of 8 objectives)
Transmission Division objectives achieved: 79% (11 of 14 objectives)
Wyckoff Treatment Division objectives achieved: 78% (7 of 9 objectives)

Review of Goals and Objectives - 2016

Administration Division Goals and Objectives – 2016

- Receive Board endorsement, then roll out and involve staff in implementation of updated Strategic Plan for 2016-2020. *(Goal)*
 - Effectively communicate to all Authority employees goals of the new plan. *(Objective)*
Completed
 - Develop implementation teams for each of the nine Strategic Initiatives. *(Objective)*
Completed
- Develop an effective communication plan. *(Goal)*
 - Develop ability to assume responsibilities for all outreach by end of 2016. *(Objective)*
Not Completed - an outside consultant is still being used for some communications
 - Improve CCMWA web site, including expanding content, adding employee and customer portals, and making mobile-friendly. *(Objective)*
Not Completed – staff vacancy is requiring reconsideration of how to meet this objective
- Ensure stability of rate program.
 - Evaluate potential changes to rate structure to ensure fairness between customers and ensure long-term rate stability. *(Objective)*
Completed
 - Negotiate a new contract with Douglasville-Douglas County Water and Sewer Authority. *(Objective)*
Ongoing – could be completed by year-end
- Improve employee engagement through improved communication at all levels. *(Goal)*
 - Promote effective communication between senior management, middle management and all other staff levels by providing managerial training. *(Objective)*
Completed – will be an ongoing program
- Assist in leadership development. *(Goal)*
 - Conduct general manager’s Leadership Book Club. *(Goal)*
Not Completed – replaced with Strategic Plan implementation efforts and leadership development classes for supervisors and future leaders
- Optimize and clarify access to water resources in Allatoona Lake. *(Goal)*
 - Extend storage contract from 50-year period to permanent status. *(Objective)*
Completed
 - Work to convince Corps of Engineers that no reallocation of Allatoona Lake is required for CCMWA to have full access to releases from HLC. *(Objective)*
Not Completed - ongoing
 - Coordinate with other utilities holding storage contracts with the Corps of Engineers to push for responsible return flow policy. *(Objective)*
Completed – participating in Steering Committee for new National Water Supply Alliance; this will be an ongoing effort

Engineering Division Goals and Objectives – 2016

- Facilitate successful completion of current capital improvement projects. *(Goal)*
 - Complete construction of the Highway 41 Phase IV tunnel by December 2016. *(Objective)*
Completed
 - Complete construction of the Southwest Connector 54-inch Pipeline between Powers Ferry Road and Cobb Parkway by December 2016. *(Objective)*
Completed
 - Substantial completion of the West Side Loop Replacement 48-inch pipeline project by December 2016. [Pine Mountain to Dallas Highway phase] *(Objective)*
Not Completed – substantial completion is expected by February 2017.
 - Initiate construction of the Dallas Highway Parallel 36” by June 2016. *(Objective)*
Completed
 - Complete more than one-half construction value of the Wyckoff Filter Building Rehabilitation and Electrical Improvements project by December 2016. *(Objective)*
Completed – progression is such that this objective should be complete by December 2016
- Facilitate design of approved capital improvement projects in accordance with timelines set forth in the Board-approved Capital Improvement Plan. *(Goal)*
 - Complete the design of Quarles 1 by December 2016. *(Objective)*
Completed – progression is such that this objective should be complete by December 2016
 - Analyze facilities projects as to need, scope and priority *(Objective)*
Completed
- Realign Engineering into an asset management-centric, sustainable resilient group with greater opportunities for career development *(Goal)*
 - Create development ladders for advancement/specialization and revise job descriptions appropriately. *(Objective)*
Not Completed
 - Develop Redundancy in the GIS area. *(Objective)*
Ongoing – developing knowledge and skills with Transmission Division employee; this will be an ongoing objective
 - Develop Redundancy in modeling *(Objective)*
Not Completed
 - Develop Aged Pipe Replacement program *(Objective)*
Completed
 - Initiate CCMWA-wide information management system *(Objective)*
Completed – this objective has been initiated, but will be ongoing

Finance Division Goals and Objectives - 2016

- Ensure proper financial control of the Authority’s calendar assets *(Goal)*
 - Work with CCMWA’s independent auditor through the calendar year 2015 audit and maintain an unqualified opinion of the CCMWA’s finances. *(Objective)*
Completed
 - Review and recommend needed updates to all CCMWA Financial Policies. *(Objective)*

Completed

- Update CCMWA's insurance schedule of values and maintain timely communication of asset acquisitions and disposals with CCMWA's insurance broker. (Objective)

Completed

- Provide the Board and staff members with accurate and timely financial reports. (Goal)
 - Present quarterly in-depth reviews of CCMWA's finances at regularly scheduled board meetings, which include a PowerPoint presentation and use of managerial accounting analysis techniques. (Objective)

Completed

- Present monthly financial reports with dialog on important financial events and planning efforts (Objective)

Completed

- Work in cooperation with Authority staff members in the timely creation of capital and noncapital budgets while enhancing the budgeting process. (Goal)
 - Develop a process to track progression and planning of asset renewal and replacement projects to include appointment of project managers, milestone dates and monthly status reports. This will be implemented by April 1, 2016. (Objective)

Not Completed

- Review, update and disseminate asset management plans for pipelines, valves, raw and finished water pumps, medium voltage electric motors, backup power generators, potable water storage tanks, vehicles, heavy equipment, driveways & parking lots, roofs, and medium voltage electrical gear. (Objective)

Completed

- Apply for and receive the "Distinguished Budget Presentation" award from the Government Finance Officers Association (GFOA). (Objective)

Completed

- Enhance information and presentation of the CCMWA's annual financial report. (Goal)
 - Work with CCMWA's independent auditor to produce a CAFR. (Objective)

Completed

- Apply for and receive the "Excellence in Financial Reporting" award with the Government Finance Officers Association (GFOA). (Objective)

Completed

Hickory Log Creek Reservoir Goals and Objectives – 2016

- Continue to monitor infrastructure and equipment repair/refurbishment by focusing on specific projects listed in the proposed 2016 AR&R budget. (Goal)
 - Proactive repainting of the pedestrian bridge on top of the dam. (Objective)

Not Completed – *delayed until 2017 due to excessive quoted costs and project complications*

- Work to ensure that the bank stabilization work at the Intake Pump Station is finished and is within budget. (Objective)

Completed

- Replace and upgrade one water quality sonde and work with Instrumentation and Controls personnel to ensure correct connection to the Hickory Log Creek SCADA System. *(Objective)*
Completed
- Improve pumping practices to maintain vertical turbine pumps. *(Goal)*
 - Develop and implement a pumping schedule to maintain and exercise pumps. *(Objective)*
Completed
 - Work with maintenance staff to develop a vibration testing program to increase pump reliability. *(Objective)*
Completed – will be documented
- Maintain cooperation between the Cobb County-Marietta Water Authority (CCMWA) and the City of Canton. *(Goal)*
 - Work with the Reservoir Manager and key city personnel (Police Chief, Fire Chief, etc...) to update the Hickory Log Creek Reservoir Emergency Action Plan and conduct a table top exercise. *(Objective)*
Not Completed – the City of Canton has been nonresponsive in completion of this objective because of consolidation of City fire services with Cherokee County
- Enhance Education, Training and Development *(Goal)*
 - Improve implementation of CCMWA’s computerized maintenance management program by educating staff on the program. *(Objective)*
Completed – this will be an ongoing objective
- Provide a drought contingency water supply for the Wyckoff Water Treatment Division. *(Goal)*
 - Ensure maximization of the pool elevation (1059-1060 msl) in Hickory Log Creek Reservoir at onset of the typical drought season (July). *(Objective)*
Completed
 - Develop and implement a set of comprehensive written Standard Operating Procedures for the Hickory Log Creek Reservoir project by December 2016. *(Objective)*
Completed

Information Technology Department Goals and Objectives – 2016

- Proceed to Phase II of separating the SCADA and business networks to better secure the SCADA network from possible outside cyber-attacks. *(Goal)*
 - Create a second network exclusively for SCADA using dedicated routers and switches between each of the five (5) main sites that are connected using AT&T’s Automated Switched Ethernet (ASE). *(Objective)*
Completed – completion anticipated by December 31, 2016
- Replicate all Administration servers at Wyckoff to provide disaster recovery and redundancy on the network. *(Goal)*
 - Create a second server cluster at Wyckoff that will replicate all servers that are currently located at the Administration building to act as a redundant site in case of a disaster. *(Objective)*
Completed – this was done through a 3rd party off site replication service

- Continue to develop a CCMWA-wide intranet and system that allows for better information sharing between departments and outside entities. *(Goal)*
 - Leverage the use of Microsoft SharePoint to share current information between divisions and allow external users to access project information in a shared environment. *(Objective)*
Not Completed – *this objective has been delayed due to training and other complications*
- Develop an IS Master Plan to outline future initiatives and direction for CCMWA as it pertains to Information Technology. *(Goal)*
 - Create a Master Plan to provide a roadmap for CCMWA to better gauge use of technology moving forward and properly plan and maintain systems in the future. *(Objective)*
Completed – *this objective is expected to be substantially complete by December 31, 2016*

Laboratory Division Goals and Objectives – 2016

- Offer educational and training opportunities to staff members to facilitate professional growth. *(Goal)*
 - Train lab personnel to operate a newly acquired gas chromatography–mass spectrometry instrument (GC/MS) to produce valid, consistent, and reliable data. *(Objective)*
Completed
 - Utilize written correspondence, e-mail, and oral communications to make staff members aware of training/educational opportunities throughout the year. *(Objective)*
Completed
 - Share institutional knowledge at staff meetings and delegate managerial responsibilities where possible. *(Objective)*
Completed
 - Work with human resources to offer supervisory/managerial training opportunities. *(Objective)*
Completed
- Support drinking water plant operations and CCMWA’s water transmission system by conducting reliable water testing on a timely basis while monitoring CCMWA’s regulatory compliance. *(Goal)*
 - Provide water quality data of geosmin and methylisoborneol (MIB) to operations on a weekly basis. *(Objective)*
Completed
 - Purchase a purge and trap instrument and auto sampler for use with a new gas chromatography–mass spectrometry instrument (GC/MS). *(Objective)*
Not Completed – *Purchase intentionally delayed to ensure compatibility with gas chromatograph*
 - Provide total trihalomethane (TTHM) data to drinking water operations on a reliable basis, weekly during the operation of the GAC system to maintain compliance with drinking water regulations. *(Objective)*
Completed
 - Purchase an ion chromatography (IC) instrument to replace an old IC which is being retired by its manufacturer and is no longer supported. *(Objective)*
Completed

- Conduct drinking water analysis for chlorates to provide data on the efficiency and performance of chlorine dioxide generators as related to chlorates to facilitate operations being able to meet anticipated compliance regulations. *(Objective)*

Completed

Quarles Treatment Division Goals and Objectives - 2016

- Offer educational and training opportunities to staff members to facilitate professional growth. *(Goal)*
 - Send maintenance staff members to infrared analysis training classes and implement an in-house infrared analysis program. *(Objective)*
Completed
 - Acquire a professional grade vibration meter and utilize vibration monitoring training to implement an in-house vibration monitoring program. *(Objective)*
Completed
 - Utilize written correspondence, e-mail, and oral communications to make staff members aware of training/educational opportunities throughout the year. *(Objective)*
Completed
 - Share institutional knowledge at staff meetings and delegate managerial responsibilities where possible. *(Objective)*
Completed
 - Work with human resources to offer supervisory/managerial training opportunities. *(Objective)*
Completed
- Enhance reliability and efficiency through utilization of asset management. *(Goal)*
 - Complete within budget, at least 90 percent of planned asset renewal and replacement projects budgeted for completion in 2016. *(Objective)*
Not Completed – *Various complications have delayed completion of 5 projects*
 - Utilize asset management plans and work in cooperation with Engineering and Asset Management to develop an enhanced ten-year asset renewal and replacement schedule for the Quarles Division by September 2016. *(Objective)*
Completed
 - By February 2016, work with Engineering and Asset Management to designate a project manager for each asset renewal and replacement project funded for 2016. *(Objective)*
Not Completed
 - Keep CCMWA’s computerized maintenance management system up to date with timely entry of all relevant information for newly acquired equipment in order to facilitate preventive maintenance and overall asset management. *(Objective)*
Not Completed – *Various equipment (new and existing) still needs to be input*

Transmission Division Goals and Objectives – 2016

- Offer educational and training opportunities to staff members to facilitate professional growth. *(Goal)*
 - Send at least one staff member for advanced training in use and maintenance of CCMWA’s geographic information system (GIS). *(Objective)*
Completed – *several Transmission Division staff attended ESRI conference*
 - Offer training to staff members on topics related to water transmission system operation and maintenance, including attendance at water industry conferences. *(Objective)*
Completed

- Utilize written correspondence, e-mail, and oral communications to make staff members aware of training/educational opportunities throughout the year. *(Objective)*
Completed
- Share institutional knowledge at staff meetings and delegate managerial responsibilities where possible. *(Objective)*
- **Completed** Work with human resources to offer supervisory/managerial training opportunities. *(Objective)*
Completed
- Enhance system reliability and efficiency through utilization of asset management. *(Goal)*
 - Begin second round of valve maintenance through the entire transmission system in 2017. *(Objective)*
Completed
 - Continue easement clearing and develop scheduled maintenance to remove debris from easements with water mains. *(Objective)*
Completed – *scheduled maintenance was instituted for some, but not all easements with mains*
 - Clean/inspect four transmission system potable water storage tanks without disruption of operation by December 31, 2017. *(Objective)*
Completed
 - Install at least four remote pressure and flow monitoring stations in the transmission system at strategic meter locations chosen in cooperation with the Engineering, Instrumentation, and Operation Divisions. *(Objective)*
Completed
 - Replace at least four boundary meters in the transmission system by end of 2017. *(Objective)*
Completed
 - Preemptively replace at least four transmission pipeline blow-offs that may be likely to fail. *(Objective)*
Not Completed – *Due to other emergency pipeline ruptures and capital projects limiting staff*
 - Utilize CCMWA’s computerized maintenance management system to develop systematic work order schedules for preventive maintenance of transmission system assets. *(Objective)*
Completed – *this was instituted, and will expand use in 2017*
 - Keep CCMWA’s computerized maintenance management system up to date with timely entry of all relevant information for newly acquired equipment in order to facilitate preventive maintenance and overall asset management. *(Objective)*
Not Completed - *Various equipment (new and existing) still needs to be input*
 - By February 2016, work with Engineering and Asset Management to designate a project manager for each asset renewal and replacement project funded for 2016. *(Objective)*
Not Completed

Wyckoff Treatment Division Goals and Objectives – 2016

- Enhance reliability and efficiency through utilization of asset management. *(Goal)*
 - Complete within budget, at least ninety percent of planned asset renewal and replacement projects budgeted for completion in 2016. *(Objective)*
Not Completed - *Various complications have delayed anticipated completion of 4 projects*

- Utilize asset management plans and work in cooperation with Engineering and Asset Management to develop an enhanced ten-year asset renewal and replacement schedule for the Wyckoff Division by September 2016. *(Objective)*
Completed
- By February 2016, work with Engineering and Asset Management to designate a project manager for each asset renewal and replacement project funded for 2016. *(Objective)*
Not Completed
- Keep CCMWA's computerized maintenance management system up to date with timely entry of all relevant information for newly acquired equipment in order to facilitate preventive maintenance and overall asset management. *(Objective)*
Completed
- Offer educational and training opportunities to staff members to facilitate professional growth. *(Goal)*
 - Send maintenance staff members to infrared analysis training classes and implement an in-house infrared analysis program. *(Objective)*
Completed
 - Acquire a professional grade vibration meter and utilize vibration monitoring training to implement an in-house vibration monitoring program. *(Objective)*
Completed
 - Utilize written correspondence, e-mail, and oral communications to make staff members aware of training/educational opportunities throughout the year. *(Objective)*
Completed
 - Share institutional knowledge at staff meetings and delegate managerial responsibilities where possible. *(Objective)*
Completed
 - Work with human resources to offer supervisory/managerial training opportunities. *(Objective)*
Completed

Goals and Objectives – 2017

Administration Division Goals and Objectives – 2017

- Realign CCMWA's maintenance and instrumentation workforce to gain operational efficiency and increase effectiveness. *(Goal)*
 - Consolidate maintenance and instrumentation personnel into a separate operational division within CCMWA and hire a Maintenance Division Manger to lead the division. *(Objective)*
- Elevate CCMWA's safety program to create a safety culture to protect our employees and the public. *(Goal)*
 - Hold managers accountable for supporting and enforcing safety practices. *(Objective)*
- Attract, develop and retain top talent. *(Goal)*
 - Create and implement a change-oriented performance management system *(Objective)*
 - Create and align career pathways and training programs to organizational needs. *(Objective)*
 - Partner with professional societies, colleges, and trade schools to expand and diversify the talent pool. *(Objective)*

Engineering Division Goals and Objectives – 2017

- Facilitate successful completion of current capital improvement projects. *(Goal)*
 - Complete construction of the Southwest Connector 54-inch Pipeline by December 2017. *(Objective)*
 - Completion of the West Side Loop Replacement 48-inch pipeline project by June 2017. [Pine Mountain to Dallas Highway phase] *(Objective)*
 - Completion of the Dallas Highway Parallel 36” by June 2017. *(Objective)*
 - Completion of the Wyckoff Filter Building Rehabilitation and Electrical Improvements project by December 2017. *(Objective)*
 - Award construction of Quarles Water Treatment Plant #1 by June 2017. *(Objective)*

- Facilitate design of approved capital improvement projects in accordance with timelines set forth in the board approved Capital Improvement Plan. *(Goal)*
 - Initiate design of three Aged Pipe Replacement Projects by December 2017. *(Objective)*
 - Vette and document facilities projects as to need, scope and priority *(Objective)*

- Realign Engineering into an asset management centric, sustainable and resilient group with greater opportunities for career development *(Goal)*
 - Create development ladders for advancement/specialization and revise job descriptions appropriately. *(Objective)*
 - Develop redundancy in the GIS area. *(Objective)*
 - Develop redundancy in hydraulic modeling of CCMWA’s transmission system. *(Objective)*
 - Initiate reformation of CCMWA’s information management systems. *(Objective)*

Finance Division Goals and Objectives – 2017

- Preserve a strong financial profile for CCMWA. *(Goal)*
 - Work with CCMWA’s independent auditor through the calendar year 2016 audit and maintain an unqualified opinion of the CCMWA’s finances. *(Objective)*
 - Review and recommend needed updates to all CCMWA Financial Policies. *(Objective)*
 - Work with to staff to develop, track and report on key performance indicators (KPIs) applicable to CCMWA’s operations. *(Objective)*

- Support infrastructure sustainability through minimization of life cycle costs. *(Goal)*
 - Develop a process to track progression and planning of asset renewal and replacement projects to include appointment of project managers, milestone dates and monthly status reports. This will be implemented by April 1, 2017. *(Objective)*
 - Implement an asset management steering committee composed of one member from each operating division. This committee will help implement and engrain asset management principals across CCMWA. *(Objective)*
 - Implement an in-house training effort on CCMWA’s computerized maintenance management system to further implementation across CCMWA. *(Objective)*

- Develop a trained, educated and safety aware workforce and strive toward continuous improvement. *(Goal)*
 - Establish and enforce safety training and tracking for all Finance Division staff. *(Objective)*
 - Ensure all Finance Division staff have applicable safety equipment and apparel through creation of a checklist and periodic inspection. *(Objective)*

Hickory Log Creek Reservoir Goals and Objectives – 2017

- Demonstrate infrastructure sustainability through implementation of planned asset management strategies. *(Goal)*
 - Complete planned recoating of steel pedestrian bridge spanning the crest of Hickory Log Creek Dam. *(Objective)*
 - Utilizing CCMWA’s computerized maintenance management system database, develop and document a ten year capital asset renewal and replacement plan. *(Objective)*
- Demonstrate improvement of CCMWA’s safety program by making safety an integral part of work activities. *(Goal)*
 - Conduct a table top exercise of the Hickory Log Creek Dam Emergency Action Plan (EAP) in cooperation with the City of Canton, Cherokee County, the United States Army Corps of Engineers, Georgia Safe Dams, and other germane agencies. *(Objective)*
 - Conduct rope / tie-off safety training for scaling and inspection of Hickory Log Creek Dam in cooperation with the Cherokee County Fire Department. *(Objective)*

Information Technology Department Goals and Objectives – 2017

- Improve the security and reliability of CCMWA’s business network. *(Goal)*
 - Implement security measures recommended in the 2016 Network Security Assessment. *(Objective)*
 - Install a smoke alarm and fire suppression system in the administration and engineering building server room. *(Objective)*
 - Evaluate all CCMWA server rooms for security, safety, and reliability; then recommend actions in the 2018 budget to appropriately upgrade those server rooms. *(Objective)*
 - Complete CCMWA’s I.T. Master Plan to outline future technology-related projects that support the goals and actions of the CCMWA Strategic Plan. *(Objective)*
- Provide useful training for employees on Authority software products *(Goal)*
 - To better inform and empower our employees, I.T. plans to provide more training on software used by CCMWA. In addition, IT wants to provide regular training on the use of Office 365 products, including Outlook, Excel, Word, etc. *(Objective)*

Laboratory Division Goals and Objectives – 2017

- Evaluate technologies for providing additional data to operations for enhancement of treatment processes. *(Goal)*
 - Investigate / document available technology to determine if it would provide value to CCMWA's water quality monitoring efforts. *(Objective)*
- Evaluate efficiency of having separate chemical and biological laboratory locations. *(Goal)*
 - Utilize a third party assessment to determine if efficiencies could be gained by merging the chemical laboratory with the biological laboratory into a single location. *(Objective)*
- Train an additional scientist to operate an Ion Chromatography(IC) Instrument and relocate the instrument at the Quarles Analytical Lab. *(Goal)*
 - Provide data on the efficiency and performance of chlorine dioxide generators as related to chlorates to help meet future compliance regulations on chlorates. *(Objective)*

Quarles Treatment Division Goals and Objectives – 2017

- Bid the Quarles 1 replacement project and onboard a successful contractor for the replacement of Quarles #1 plant, including 33 MGD of capacity, 8 filters, and new high service pump station. *(Goal)*
 - Work in cooperation with Hazen & Sawyer project manager to bid the project and obtain a competent contractor to complete the construction. Have design ready to stay on schedule for construction to start in 2017. *(Objective)*
- Maintain functionality of the Quarles1 Filter Building during interim time before replacement construction is started on the facility in 2017. *(Goal)*
 - Operate the Quarles 1 Filter Building through 2016 in conformance with all applicable water quality standards. Work on plan to operate only 3 or 4 basins and filters during construction of the new WTP. Depending on schedule entire plant may be used for summer of 2017. *(Objective)*
- Continue integration of CCMWA's computerized maintenance management system into normal operations of the Quarles division. *(Goal)*
 - Build on additional functionality of CCMWA's computerized maintenance management system by using the program to develop facility assessments of all buildings at the Quarles Division and using the assessments to develop short term and long term asset renewal and replacement budget plans. *(Objective)*
- Establish and maintain a process whereby institutional knowledge is shared with junior staff members and managerial duties are delegated for personnel development. *(Goal)*
 - Share institutional knowledge at staff meetings and delegate managerial responsibilities where possible. *(Objective)*
 - Work with human resources to offer supervisory / managerial training opportunities. *(Objective)*

Transmission Division Goals and Objectives – 2017

- Offer educational / training opportunities for staff members to facilitate professional growth. *(Goal)*
 - Conduct advanced training of one staff member in the use and maintenance of GIS. *(Objective)*
 - Offer training to all staff members on topics related to water transmission system operations and maintenance, including attendance at water industry conferences. *(Objective)*
 - Share institutional knowledge at every opportunity and delegate managerial responsibilities when and where possible. *(Objective)*
 - Work with human resources to offer supervisory / managerial training opportunities. *(Objective)*

- Enhance system reliability and efficiency through utilization of CCMWA’s computerized maintenance management system. *(Goal)*
 - Implement a second round of valve maintenance through the entire transmission system in 2017 and train a new employee on managing this program. *(Objective)*
 - Continue pipeline easement clearing project and concentrate on spraying and cutting of previously cleared easements. Also, utilize GIS to incorporate all cleared easements in our GIS map so cleared easement data is not lost. *(Objective)*
 - Clean and inspecting five transmission systems potable water storage tanks in order to maintain implementation of a 3-year cleaning schedule for all CCMWA potable water storage tanks. *(Objective)*
 - Replace at least five aged boundary meters in CCMWA’s transmission system. *(Objective)*
 - Replace at least 4 transmission system blow-off saddles that may be likely to fail; drought and system demand pending *(Objective)*
 - Utilize CCMWA’s computerized maintenance management system to develop systematic work order schedules for preventive maintenance of transmission system assets. *(Objective)*
 - Install monitoring equipment at three different locations on the 54-inch Quarles pipeline for leak detection purposes. *(Objective)*

Wyckoff Treatment Division Goals and Objectives – 2017

- Infrastructure Sustainability – Equipment repair/refurbishment by focusing on specific projects listed in our proposed 2017 AR&R. *(Goal)*
 - Rewind raw water #3 motor and high service #4 motor to increase reliability at our intake facility as well as our high service pump station. *(Objective)*
 - Upgrading Residuals filter press and lime silo PLC’s that are being phased out and have reached their life expectancy. *(Objective)*
 - Replace the high service 42” isolation valve, manufactured in 1973. *(Objective)*
 - Replace the raw water pumps 1-4 valve actuators to eliminate the possibility of contaminating the source water at the intake structure. *(Objective)*
 - Replace raw water #5 pump and motor originally installed in 1986. *(Objective)*

- Increase SCADA security from cyberattacks *(Goal)*
 - Upgrade SCADA intrusion detection security software along with other upgrades in efforts to protect CCMWA and our customers. *(Objective)*

- Education – Training and Development for Staff.
 - Advance implementation / utilization of CCMWA’s computerized maintenance management system by keeping current with software upgrades continuing education, and training for staff. *(Objective)*
 - Offer training to all staff members on topics related to water treatment operations and maintenance, including attendance at water industry conferences. *(Objective)*
 - Work with human resources to offer supervisory / managerial training opportunities. *(Objective)*

The Budget as a Financial Plan

Fund Structure

Cobb County-Marietta Water Authority serves a single purpose: to provide wholesale potable water to its service area. As such, CCMWA is operated as a single enterprise fund. There are no subsidiary funds within CCMWA, only a “water fund”.

The budget document is consistent with CCMWA’s calendar year 2015 audited financial statements in that the audited financial statement proclaims that the CCMWA uses one fund to report on its financial position and the results of its operations.

Summary of Major Revenues, Expenditures and Other Financing Sources and Uses

Major Revenues

	<u>2013 Audited</u>	<u>2014 Audited</u>	<u>2015 Audited</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
Water Sales:	\$ 69,284,267	\$ 75,631,619	\$ 80,332,317	\$ 85,266,688	\$ 86,200,000
Water Testing:	<u>30,399</u>	<u>30,200</u>	<u>24,050</u>	<u>30,000</u>	<u>29,000</u>
	<u>69,314,666</u>	<u>75,661,819</u>	<u>80,356,367</u>	<u>85,296,688</u>	<u>86,229,000</u>
Percentage of Total Revenue:	100.00%	100.00%	100.00%	100.00%	100.00%

Other Financing Sources

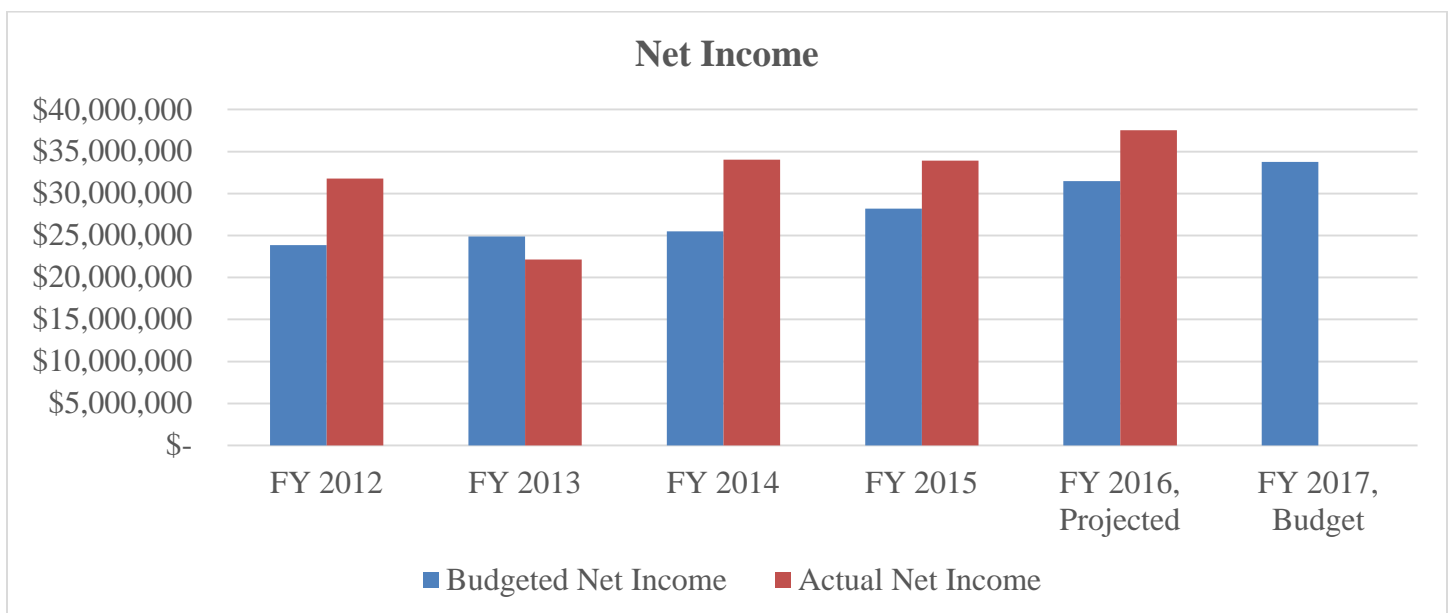
Other Income:	<u>2013 Audited</u>	<u>2014 Audited</u>	<u>2015 Audited</u>	<u>2016 Projected</u>	<u>2017 Budget</u>
Rental Income	\$ 116,764	\$ 119,904	\$ 142,511	\$ 129,450	\$ 106,560
Grants & Reimbursements	-	1,924,803	-	1,540	-
Gain on Market Value of Investments	(4,716,259)	3,316,553	648,014	600,000	-
Interest & Miscellaneous Income	<u>1,464,502</u>	<u>1,566,250</u>	<u>1,565,379</u>	<u>1,684,260</u>	<u>1,383,000</u>
Total Other Income:	<u>\$ (3,134,993)</u>	<u>\$ 6,927,510</u>	<u>\$ 2,355,904</u>	<u>\$ 2,415,250</u>	<u>\$ 1,489,560</u>

Expenses

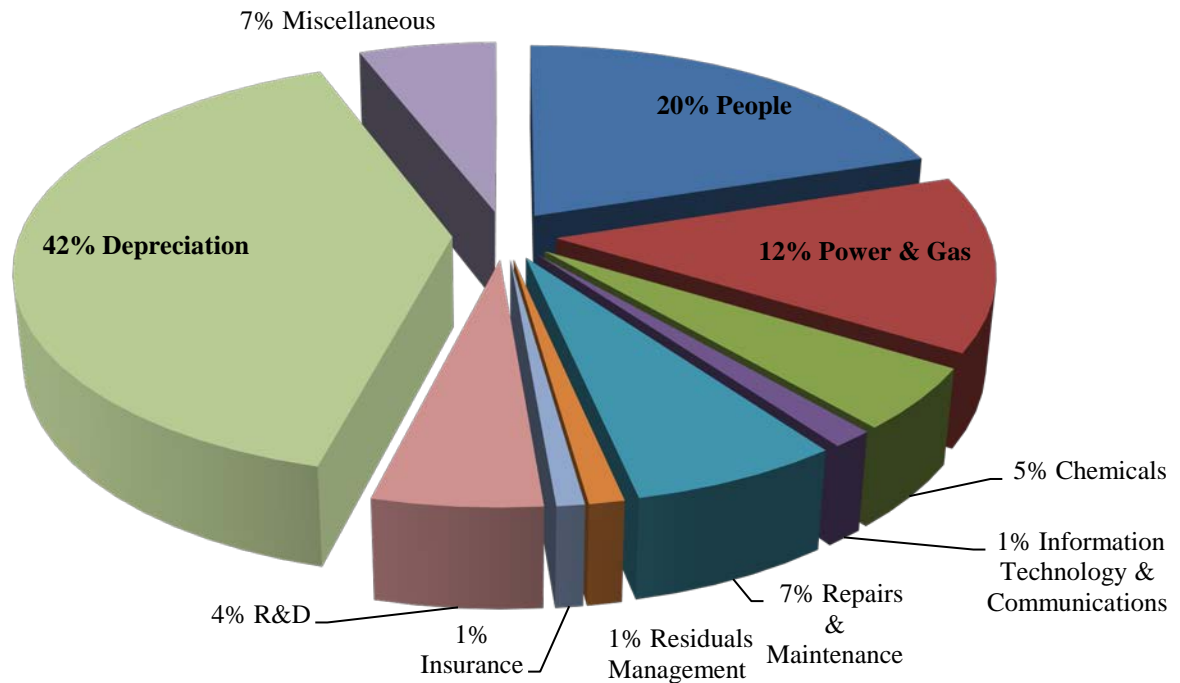
Division Expense:	2013 Audited	2014 Audited	2015 Audited	2016 Projected	2017 Budget
Quarles Plant	\$ 8,103,217	\$ 7,965,241	\$ 7,897,152	\$ 8,448,229	\$ 9,090,470
Wyckoff Plant	7,036,782	8,372,891	8,396,900	8,805,845	9,386,000
Transmission Division	1,606,697	1,847,542	1,913,257	1,817,390	2,225,165
Laboratory Division	974,934	1,010,305	1,038,148	1,103,910	1,114,120
Engineering Division	1,082,671	1,047,869	1,095,825	1,089,230	1,178,660
Hickory Log Creek	314,081	344,821	407,793	423,925	482,985
General	1,661,445	1,635,542	1,961,690	1,885,051	1,962,800
Finance	329,877	356,382	399,153	413,500	432,395
Safety and Security	184,063	196,239	177,715	203,070	228,435
Information Technology	191,309	243,220	216,313	508,155	599,920
Administration	629,429	621,067	707,569	751,600	865,970
Administration & Rental Buildings	117,191	136,170	111,203	104,200	121,600
Research & Development	1,265,607	1,167,698	1,306,390	1,676,650	1,889,000
Depreciation Expense	16,655,105	19,529,618	19,470,039	20,000,000	21,625,000
Total Division Expense:	\$ 40,152,408	\$ 44,474,605	\$ 45,099,147	\$ 47,230,755	\$ 51,202,520

Other Financing Uses / Expenses

Other Expenses	2013 Audited	2014 Audited	2015 Audited	2016 Projected	2017 Budget
Interest Expense & Fiscal Charges	\$ 3,873,321	\$ 3,593,125	\$ 3,689,056	\$ 2,788,969	\$ 2,614,030
Loss on Market Value of Investments	4,716,259	-	-	-	-
Loss on Disposal of Assets	-	-	74,684	150,000	150,000
Total Other Expense	\$ 8,589,580	\$ 3,593,125	\$ 3,763,740	\$ 2,938,969	\$ 2,764,030



2017 Budgeted Expenses By Type



Major Revenue Sources and Underlying Assumptions

	2013 Audited	2014 Audited	2015 Audited	2016 Projected	2017 Budgeted
Water Sales:	\$ 69,284,267	\$ 75,315,749	\$ 79,971,182	\$ 85,005,355	\$ 86,200,000
Surcharges	-	315,870	361,135	261,333	-
Water Testing:	30,399	30,200	24,050	30,000	29,000
	<u>\$ 69,314,666</u>	<u>\$ 75,661,819</u>	<u>\$ 80,356,367</u>	<u>\$ 85,296,688</u>	<u>\$ 86,229,000</u>
Percentage of Total Revenue:	100.00%	100.00%	100.00%	100.00%	100.00%

Cobb County-Marietta Water Authority has three major revenue sources; however, the Authority budgets for only two of the three sources.

The Authority does not budget for surcharge water use revenue, as surcharges are realized only when temperature and precipitation drive demands from higher outdoor water use. Surcharges are also influenced by any water restrictions that are implemented either locally or statewide. Surcharge revenue is not realized unless summer water use by Authority customers exceeds 130% of base winter demands.

Water sales will constitute more than 99% of all revenues for the Authority in 2016. Current year (2016) water rates are as follows:

- In-County customers: \$2.79 per thousand gallons
- Out-of-County customers: \$3.09 per thousand gallons

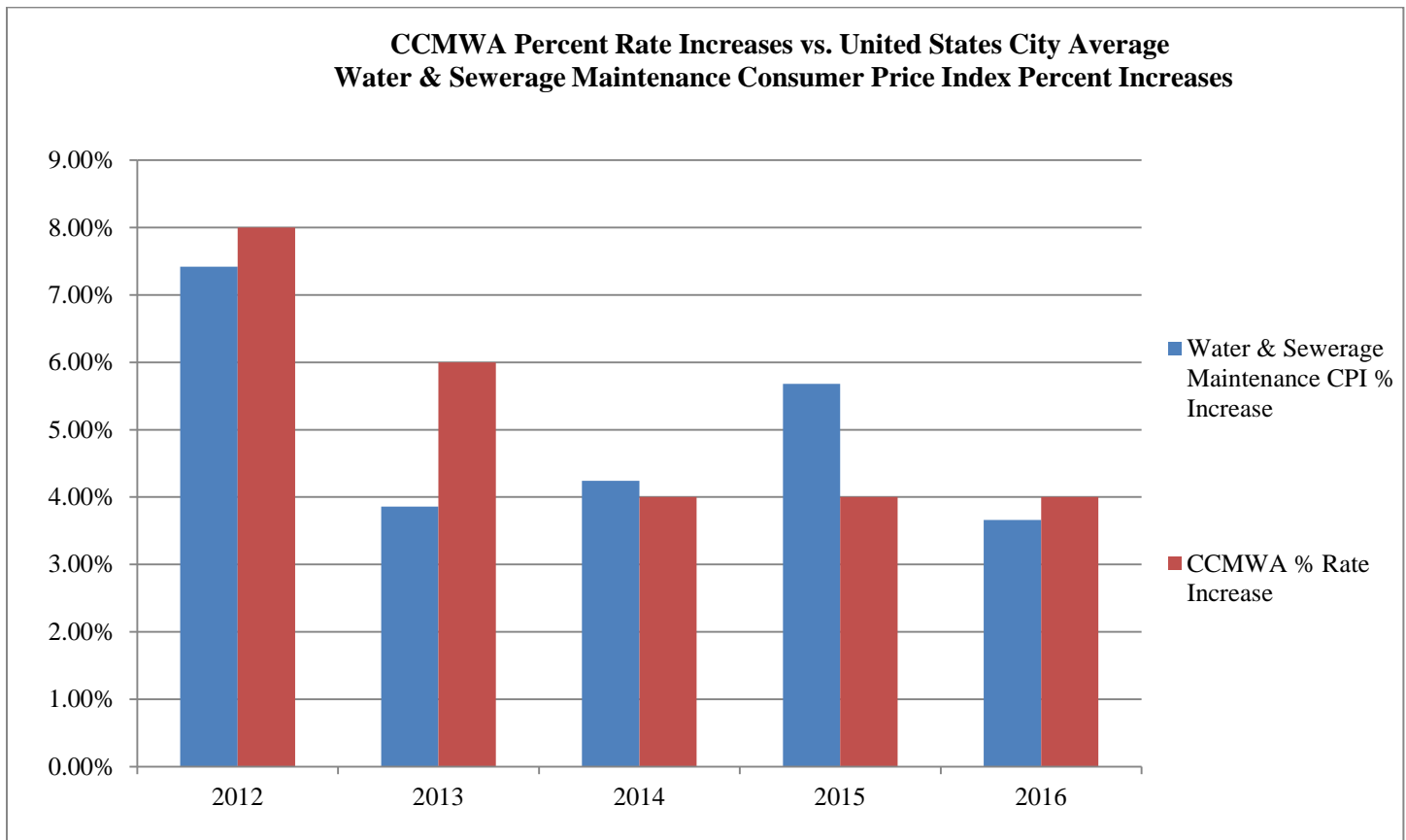
Proposed 2017 water rates represent a 3.0% increase over 2016 rates and are as follows:

- In-County customers: \$2.87 per thousand gallons
- Out-of-County customers: \$3.18 per thousand gallons
- From 2012 through 2016, the United States city average consumer price index for water and sewerage maintenance has been **5.0%** year-over-year, while CCMWA’s average rate increase has been **5.2%** year-over-year. (*measured August to August each year*)

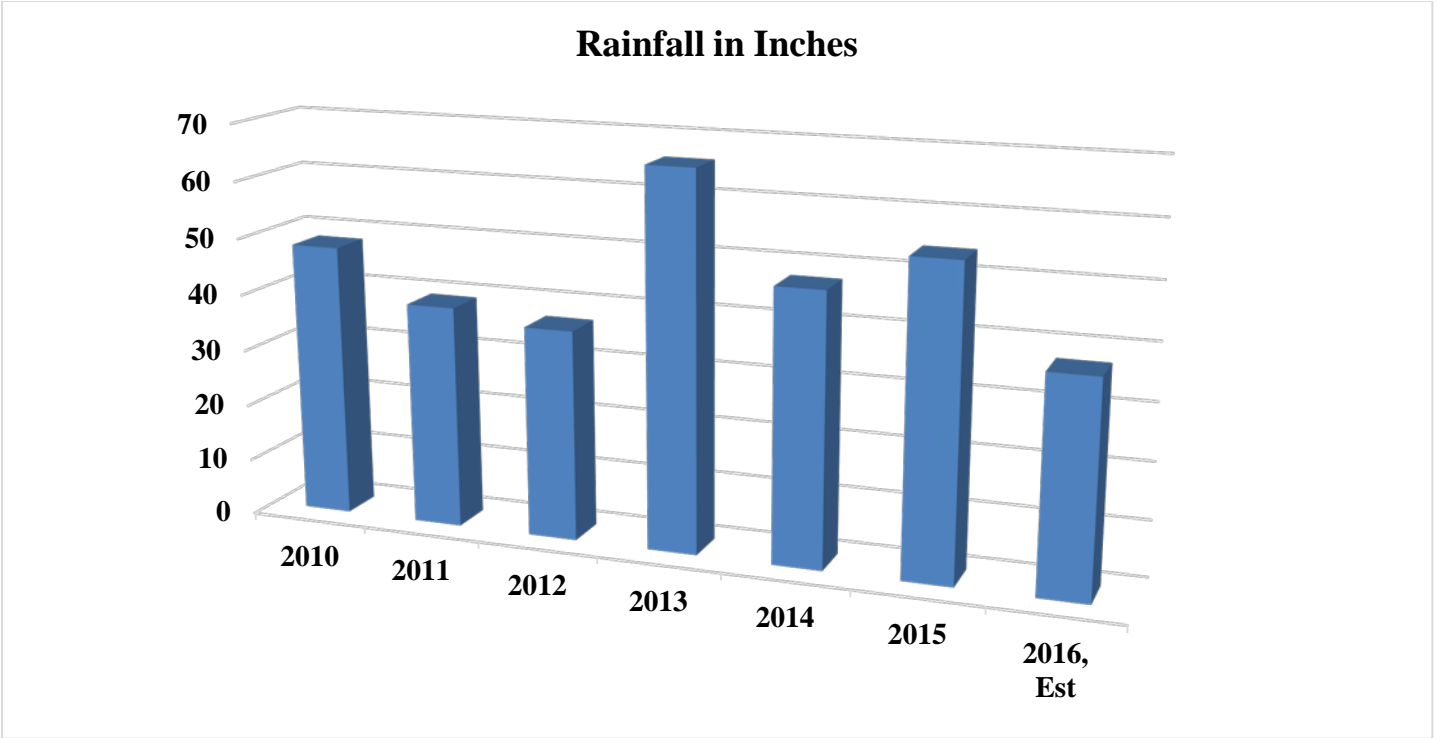
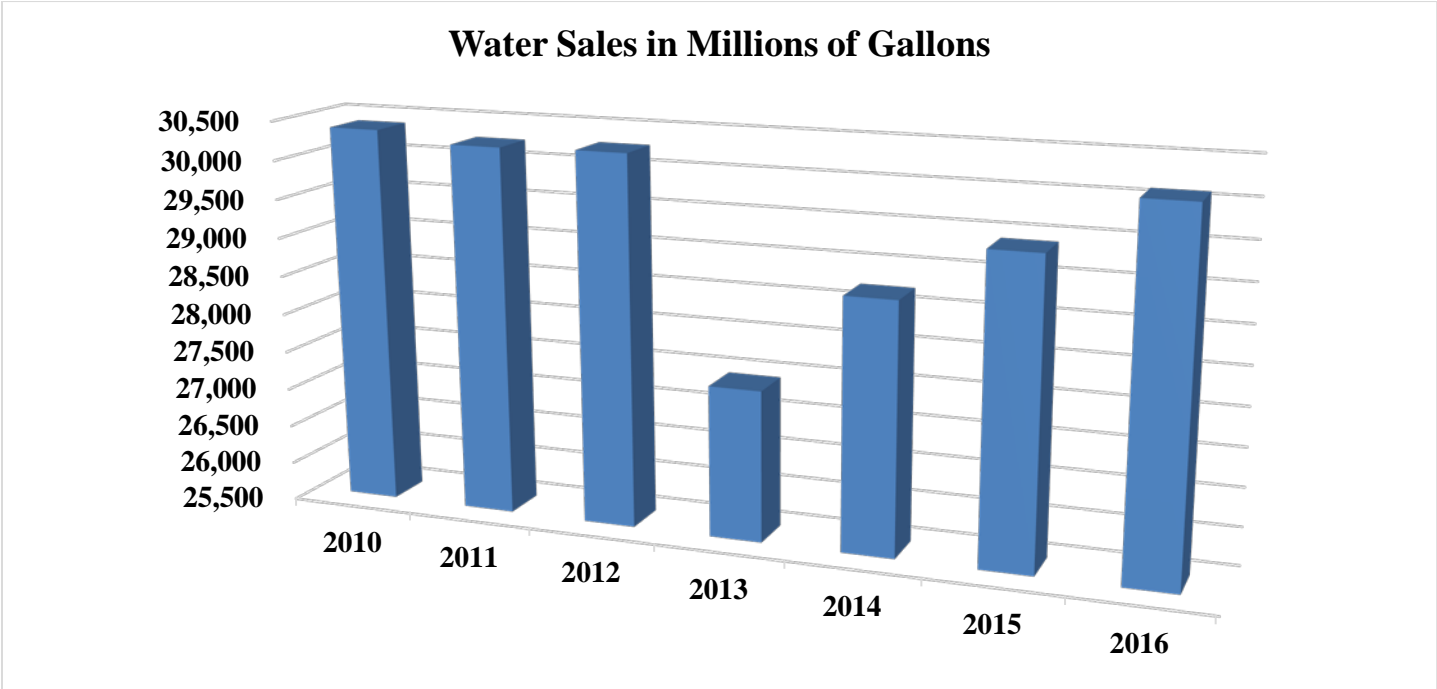
To compute estimated revenues from water sales in the 2017 budget, the following assumptions were made:

- 1.) Average daily water sales in 2017 will be 81.0 million gallons per day (MGD). The estimate of daily water demand is based upon forecasts of climatological patterns and economic activity.
- 2.) In-county water sales will represent 86% of all water sales. This assumption is based upon historical billing/usage patterns of Authority customers.
- 3.) Out-of-county water sales will represent 14% of all water sales. This assumption is based upon historical billing/usage patterns of Authority customers.
- 4.) Revenue collection rate of 100% based off prior year collection rates. All of the Authority’s customers are counties, municipalities or large, fiscally stable corporations.
- 5.) Proposed 2017 in-county and out-of-county water rates were utilized in the computation.

The Authority’s only other budgeted revenue source comes from water testing. Water testing revenues are immaterial and usually come from testing of water in newly installed pipelines by developers.



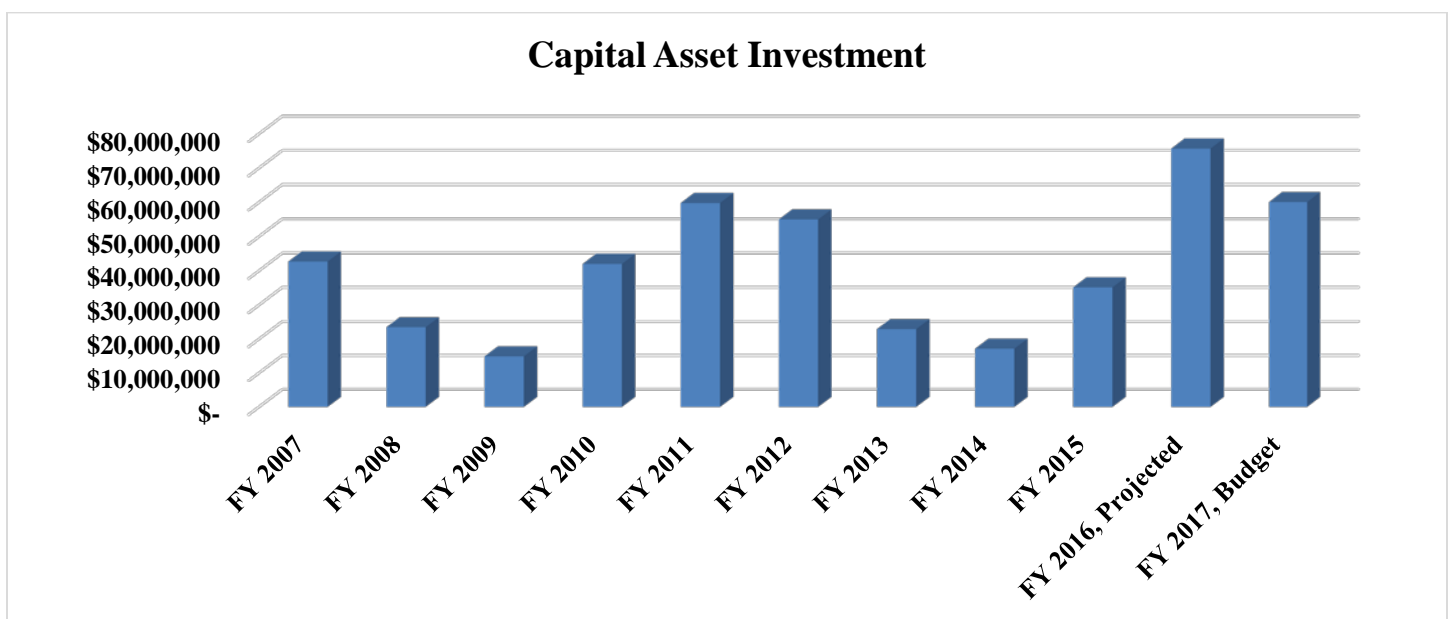
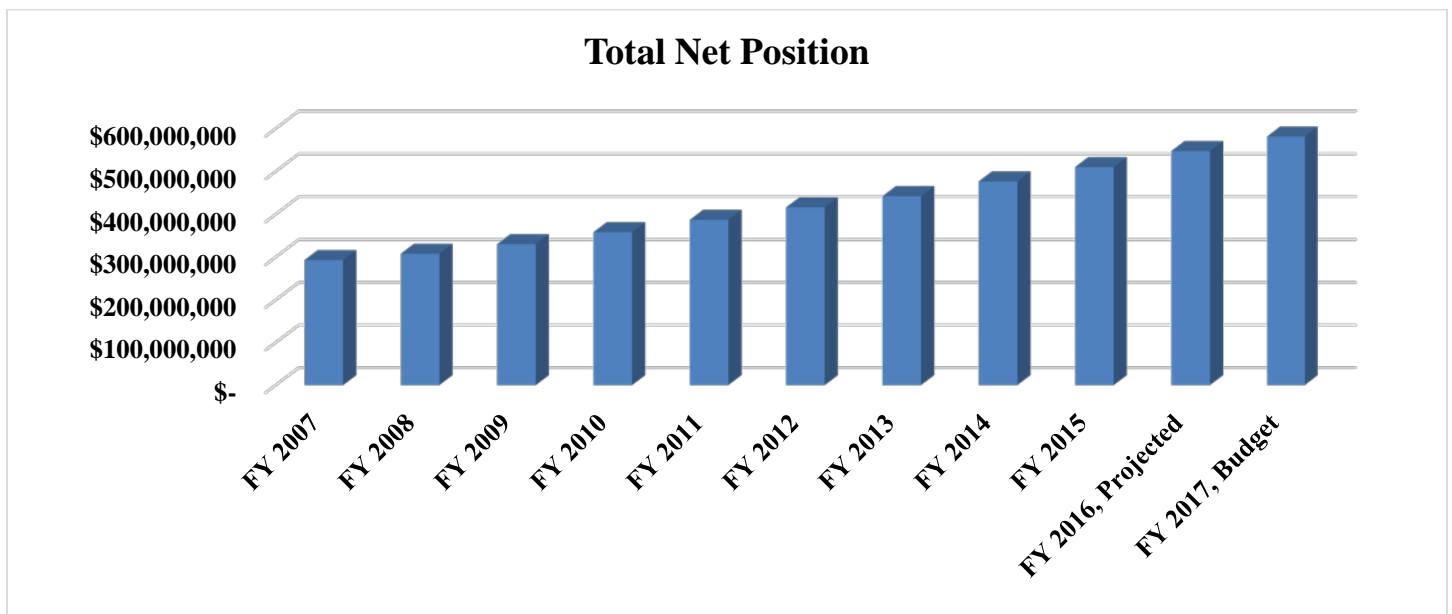
The Inverse Relationship Water Sales versus Rainfall



Fund Equity

The Cobb County-Marietta Water Authority defines “fund equity” as “total net assets.” CCMWA is a political subdivision of the state of Georgia and operates as a “proprietary fund.” As a result, CCMWA utilizes the full accrual basis of accounting and operates as a single fund. In accounting for proprietary operations, CCMWA applies all Governmental Accounting Board (GASB) pronouncements and all Financial Accounting Standards Board (FASB) pronouncements and interpretations issued on or before November 30, 1989. Such FASB pronouncements are applied unless they conflict with or contradict GASB pronouncements.

Total net position as of December 31, 2015 was \$509,954,650. CCMWA estimates total net position will be approximately \$547,497,000 as of December 31, 2016 and \$581,249,000 as of December 31, 2017. The increase in total net position is attributable to CCMWA’s planned net income, which is used to fund the Capital Improvement Program. Since CCMWA uses the accrual basis of accounting, funds expended on capital projects are capitalized and depreciated/expensed over the useful life of the given asset.



Pro-Forma Statement of Operations

Cobb County - Marietta Water Authority							
Pro-Forma Statement of Operations							
For the Year Ended December 31, 2017							
							%
						Increase (Decrease)	Increase (Decrease)
	2016 Budget	2016 Projected Actual	Variance Favorable (Unfavorable)	2017 Budget	Over 2016 Budget	Over 2016 Budget	Over 2016 Budget
Revenue:							
Water Sales	\$ 83,200,000	\$ 85,266,688	\$ 2,066,688	\$ 86,200,000	\$ 3,000,000		3.61%
Water Testing	24,000	30,000	6,000	29,000	5,000		20.83%
Total Revenue	\$ 83,224,000	\$ 85,296,688	\$ 2,072,688	\$ 86,229,000	\$ 3,005,000		3.61%
Division Expense:							
Quarles Plant	\$ 9,118,355	\$ 8,448,229	\$ 670,126	\$ 9,090,470	\$ (27,885)		-0.31%
Wyckoff Plant	9,099,445	8,805,845	293,600	9,386,000	286,555		3.15%
Transmission Division	2,201,100	1,817,390	383,710	2,225,165	24,065		1.09%
Laboratory Division	1,120,775	1,103,910	16,865	1,114,120	(6,655)		-0.59%
Engineering Division	1,125,625	1,089,230	36,395	1,178,660	53,035		4.71%
Hickory Log Creek	519,060	423,925	95,135	482,985	(36,075)		-6.95%
General	1,907,750	1,885,051	22,700	1,962,800	55,050		2.89%
Finance	413,745	413,500	245	432,395	18,650		4.51%
Safety and Security	225,675	203,070	22,605	228,435	2,760		1.22%
Information Technology	517,805	508,155	9,650	599,920	82,115		15.86%
Administration	800,455	751,600	48,855	865,970	65,515		8.18%
Administration & Rental Buildings	120,300	104,200	16,100	121,600	1,300		1.08%
Research & Development	2,509,500	1,676,650	832,850	1,889,000	(620,500)		-24.73%
Depreciation Expense	20,642,400	20,000,000	642,400	21,625,000	982,600		4.76%
Total Division Expense	\$ 50,321,990	\$ 47,230,755	\$ 3,091,235	\$ 51,202,520	\$ 880,530		1.75%
Total Income from Operations	\$ 32,902,010	\$ 38,065,933	\$ 5,163,923	\$ 35,026,480	\$ 2,124,470		6.46%
Other Income:							
Rental Income	\$ 109,450	\$ 129,450	\$ 20,000	\$ 106,560	(2,890)		-2.64%
Reimbursements	-	1,540	1,540	-	-		0.00%
Gain (Loss) on Market Value of Invest.	-	600,000	600,000	-	-		0.00%
Miscellaneous Income	25,000	84,260	59,260	36,000	11,000		0.00%
Interest Income	1,363,995	1,600,000	236,005	1,347,000	(16,995)		-1.25%
Total Other Income	\$ 1,498,445	\$ 2,415,250	\$ 916,805	\$ 1,489,560	\$ (8,885)		-0.59%
Other Expense:							
Bond Interest - 2009 Revenue Bonds	1,267,060	1,267,060	-	1,050,440	(216,620)		-17.10%
Bond Interest - 2015 Revenue Bonds	1,982,450	1,982,450	-	1,947,925	(34,525)		-1.74%
Amortized Bond Premium	(858,276)	(858,276)	-	(715,740)	142,536		-16.61%
Amortized Def. Amount on Refunding	388,285	388,285	-	321,905	(66,380)		-17.10%
Fiscal Agent Fees	9,450	9,450	-	9,500	50		0.53%
Total Other Expense	\$ 2,788,969	\$ 2,788,969	\$ -	\$ 2,614,030	\$ (174,939)		-6.27%
Net Income Before Extraordinary Items	\$ 31,611,486	\$ 37,692,214	\$ 6,080,728	\$ 33,902,010	\$ 2,290,524		7.25%
Loss on Disposal of Assets	150,000	150,000	-	150,000	-		0.00%
Net Income after Extraordinary Items	\$ 31,461,486	\$ 37,542,214	\$ 6,080,728	\$ 33,752,010	\$ 2,290,524		7.28%
Water Production							
Million Gallons Per Day Average	80.5	82.5	2.0	81.0	0.5		0.62%

Quarles Treatment Division Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							%
						Increase (Decrease)	Increase (Decrease)
	2016 Budget	2016 Projected Actual	Variance Favorable (Unfavorable)	2017 Budget	Over 2016 Budget	Over 2016 Budget	Over 2016 Budget
Quarles Division Operating Expense:							
Personnel Costs:							
Salaries & Wages	\$ 2,130,100	\$ 2,130,100	\$ -	\$ 2,321,620	\$ 191,520		8.99%
Overtime Wages	265,000	216,809	48,191	283,230	18,230		6.88%
FICA - Employer Share	147,695	147,695	-	161,490	13,795		9.34%
Medicare - Employer Share	35,155	35,155	-	37,760	2,605		7.41%
Travel Expense	6,000	5,000	1,000	12,550	6,550		109.17%
Dues and Fees	9,000	6,500	2,500	9,000	-		0.00%
Education and Training	40,000	30,000	10,000	33,450	(6,550)		-16.38%
Employee Benefits	578,870	578,870	-	589,370	10,500		1.81%
Uniforms	16,000	16,000	-	16,000	-		0.00%
Total Personnel Costs:	\$ 3,227,820	\$ 3,166,129	\$ 61,691	\$ 3,464,470	\$ 236,650		7.33%
Non-Personnel Costs:							
Motor / Gear Inspection	\$ 75,000	\$ 60,400	\$ 14,600	\$ 75,000	\$ -		0.00%
Land Application Soil Scientist	55,000	43,100	11,900	55,000	-		0.00%
General Maintenance & Repairs	375,000	357,000	18,000	375,000	-		0.00%
Electrical Maintenance & Repairs	50,000	50,000	-	50,000	-		0.00%
Coatings Maintenance & Repairs	200,000	200,000	-	200,000	-		0.00%
Instrumentation / SCADA	95,000	125,500	(30,500)	105,000	10,000		10.53%
Security Maintenance & Repairs	16,000	16,000	-	16,000	-		0.00%
Residuals Management	287,000	271,000	16,000	295,000	8,000		2.79%
Automotive Maint. & Repairs	15,000	10,000	5,000	15,000	-		0.00%
Grounds Maintenance	50,000	44,000	6,000	50,000	-		0.00%
Rental of Equipment & Vehicles	15,000	5,000	10,000	15,000	-		0.00%
Communications	70,100	66,000	4,100	75,000	4,900		6.99%
Office Supplies	10,000	6,000	4,000	10,000	-		0.00%
Water Treatment Chemicals	872,000	749,500	122,500	787,000	(85,000)		-9.75%
Natural Gas	50,000	38,500	11,500	50,000	-		0.00%
Electricity	3,390,435	3,000,000	390,435	3,175,000	(215,435)		-6.35%
Gasoline, Oil & Diesel Fuel	40,000	20,500	19,500	25,000	(15,000)		-37.50%
Laboratory Supplies & Chemicals	36,000	33,000	3,000	36,000	-		0.00%
Backup/Emergency Electric Power	-	-	-	25,000	25,000		n/a
Food	5,000	6,800	(1,800)	5,000	-		0.00%
Water Purchases	11,000	11,000	-	11,000	-		0.00%
Sewerage / Wastewater Handling	80,000	91,000	(11,000)	80,000	-		0.00%
Janitorial Supplies	6,000	5,000	1,000	6,000	-		0.00%
Small Equipment	75,000	55,000	20,000	75,000	-		0.00%
Safety Supplies & Safety Equip.	12,000	17,800	(5,800)	15,000	3,000		25.00%
Total Non-Personnel Costs	\$ 5,890,535	\$ 5,282,100	\$ 608,435	\$ 5,626,000	\$ (264,535)		-4.49%
Total Quarles Division Expense	\$ 9,118,355	\$ 8,448,229	\$ 670,126	\$ 9,090,470	\$ (27,885)		-0.31%

Wyckoff Treatment Division Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
						Increase (Decrease)	Increase (Decrease)
	2016 Budget	2016 Projected Actual	Variance Favorable (Unfavorable)	2017 Budget	Over 2016 Budget	Over 2016 Budget	Over 2016 Budget
Wyckoff Division Operating Expense:							
Personnel Costs:							
Salaries & Wages	\$ 2,162,800	\$ 2,162,800	\$ -	\$ 2,286,140	\$ 123,340		5.70%
Overtime Wages	227,700	210,000	17,700	232,550	4,850		2.13%
FICA - Employer Share	147,325	147,325	-	154,150	6,825		4.63%
Medicare - Employer Share	35,020	35,020	-	36,060	1,040		2.97%
Travel Expense	6,450	12,000	(5,550)	13,000	6,550		101.55%
Dues & Fees	3,000	2,500	500	3,000	-		0.00%
Education & Training	40,000	33,000	7,000	33,450	(6,550)		-16.38%
Employee Benefits	556,400	556,400	-	566,900	10,500		1.89%
Uniforms	20,000	17,500	2,500	20,000	-		0.00%
Total Personnel Costs:	\$ 3,198,695	\$ 3,176,545	\$ 22,150	\$ 3,345,250	\$ 146,555		4.58%
Non-Personnel Costs:							
Motor / Gear Inspection	\$ 80,000	\$ 80,000	\$ -	\$ 80,000	\$ -		0.00%
Land Application Soil Scientist	50,000	43,100	6,900	50,000	-		0.00%
General Maintenance & Repairs	385,000	357,000	28,000	385,000	-		0.00%
Electrical Maintenance & Repairs	60,000	57,000	3,000	60,000	-		0.00%
Coatings Maintenance & Repairs	300,000	200,000	100,000	300,000	-		0.00%
Instrumentation / SCADA	92,000	92,000	-	92,000	-		0.00%
Security Repairs and Maintenance	16,000	15,000	1,000	16,000	-		0.00%
Residuals Management	279,000	271,000	8,000	279,000	-		0.00%
Automotive Maint. & Repairs	11,000	11,000	-	11,000	-		0.00%
Grounds Maintenance	45,000	45,000	-	47,500	2,500		5.56%
Rental of Equipment & Vehicles	8,600	4,000	4,600	8,600	-		0.00%
Communications	89,500	70,000	19,500	89,500	-		0.00%
Office Supplies	11,000	11,000	-	11,000	-		0.00%
Water Treatment Chemicals	1,324,650	1,300,000	24,650	1,324,650	-		0.00%
Natural Gas	15,000	12,400	2,600	15,000	-		0.00%
Electricity	2,700,000	2,450,000	250,000	2,600,000	(100,000)		-3.70%
Gasoline, Oil & Diesel Fuel	28,000	16,400	11,600	28,000	-		0.00%
Laboratory Supplies & Chemicals	32,000	24,000	8,000	32,000	-		0.00%
Backup/Emergency Electric Power	24,000	9,400	14,600	30,000	6,000		25.00%
Food	3,500	3,500	-	5,000	1,500		42.86%
Water Purchases	200,000	426,500	(226,500)	430,000	230,000		115.00%
Sewerage / Wastewater Handling	39,000	27,000	12,000	39,000	-		0.00%
Janitorial Supplies	12,500	11,500	1,000	12,500	-		0.00%
Small Equipment	75,000	72,500	2,500	75,000	-		0.00%
Safety Supplies & Safety Equip.	20,000	20,000	-	20,000	-		0.00%
Total Non-Personnel Costs	\$ 5,900,750	\$ 5,629,300	\$ 271,450	\$ 6,040,750	\$ 140,000		2.37%
Total Wyckoff Division Expense	\$ 9,099,445	\$ 8,805,845	\$ 293,600	\$ 9,386,000	\$ 286,555		3.15%

Transmission Division Expense Budget

Cobb County - Marietta Water Authority						
Supporting Sched to Statement of Operations						
For The Year Ended December 31, 2017						
						%
		2016	Variance		Increase	Increase
	2016	Projected	Favorable	2017	(Decrease)	(Decrease)
	Budget	Actual	(Unfavorable)	Budget	Over 2016	Over 2016
					Budget	Budget
Transmission Division Operating Expense:						
Personnel Costs:						
Salaries & Wages	\$ 630,450	\$ 630,450	\$ -	\$ 652,775	\$ 22,325	3.54%
Overtime Wages	25,000	17,100	7,900	25,000	-	0.00%
FICA - Employer Share	40,480	40,480	-	41,900	1,420	3.51%
Medicare - Employer Share	9,510	9,510	-	9,830	320	3.36%
Travel Expense	5,500	5,900	(400)	5,500	-	0.00%
Dues & Fees	2,000	1,000	1,000	2,000	-	0.00%
Education & Training	8,000	7,400	600	8,000	-	0.00%
Employee Benefits	155,150	155,150	-	155,150	-	0.00%
Uniforms	6,360	4,500	1,860	6,360	-	0.00%
Total Personnel Costs:	\$ 882,450	\$ 871,490	\$ 10,960	\$ 906,515	\$ 24,065	2.73%
Non-Personnel Costs:						
Automotive Maintenance & Repairs	\$ 20,000	\$ 15,000	\$ 5,000	\$ 20,000	\$ -	0.00%
Gas, Oil & Diesel	30,000	17,500	12,500	30,000	-	0.00%
Maintenance & Repair - Pipeline	412,000	343,000	69,000	412,000	-	0.00%
Maintenance & Repair - Tanks	64,000	64,000	-	64,000	-	0.00%
Meter Test/Repair	47,450	29,150	18,300	47,450	-	0.00%
Small Equipment	25,000	10,000	15,000	25,000	-	0.00%
Office Supplies	3,000	1,000	2,000	3,000	-	0.00%
Food	1,550	1,800	(250)	1,550	-	0.00%
Pipeline - DOT Modifications	150,000	100,000	50,000	150,000	-	0.00%
Pipeline - Emergency Repairs	210,000	50,000	160,000	210,000	-	0.00%
Right of Way & Tank Grounds Maint.	312,350	275,000	37,350	312,350	-	0.00%
Rental Equipment and Vehicles	3,500	1,750	1,750	3,500	-	0.00%
Safety Supplies & Equipment	7,000	6,500	500	7,000	-	0.00%
Security Repairs and Maintenance	4,000	5,200	(1,200)	4,000	-	0.00%
Telephone & Communication	28,800	26,000	2,800	28,800	-	0.00%
Total Non-Personnel Costs	\$ 1,318,650	\$ 945,900	\$ 372,750	\$ 1,318,650	\$ -	0.00%
Total Transmission Division Expense	\$ 2,201,100	\$ 1,817,390	\$ 383,710	\$ 2,225,165	\$ 24,065	1.09%

Laboratory Division Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
		2016	Variance		Increase	Increase	
		2016	Favorable	2017	(Decrease)	(Decrease)	
		Budget	(Unfavorable)	Budget	(Decrease)	(Decrease)	
					Budget	Budget	
Laboratory Division Operating Expense:							
Personnel Costs:							
Salaries & Wages	\$	586,200	\$ 586,200	\$ -	\$ 583,540	\$ (2,660)	-0.45%
Overtime Wages		11,075	6,500	4,575	10,000	(1,075)	-9.71%
FICA - Employer Share		36,955	36,955	-	36,800	(155)	-0.42%
Medicare - Employer Share		8,785	8,785	-	8,610	(175)	-1.99%
Travel Expense		3,800	3,000	800	5,700	1,900	50.00%
Dues & Fees		1,500	1,000	500	1,000	(500)	-33.33%
Education & Training		15,000	7,500	7,500	6,500	(8,500)	-56.67%
Employee Benefits		129,470	129,470	-	129,470	-	0.00%
Uniforms		3,000	3,000	-	3,000	-	0.00%
Total Personnel Costs:	\$	795,785	\$ 782,410	\$ 13,375	\$ 784,620	\$ (11,165)	-1.40%
Non-Personnel Costs:							
Automotive Maint. & Repairs	\$	3,500	\$ 3,300	\$ 200	\$ 4,200	\$ 700	20.00%
Gas, Oil & Diesel		8,500	5,500	3,000	8,500	-	0.00%
Electric Power		30,000	30,000	-	32,000	2,000	6.67%
EPD Compliance Sampling		33,900	33,900	-	33,900	-	0.00%
Natural Gas		1,000	700	300	900	(100)	-10.00%
Grounds Maintenance		9,500	6,800	2,700	8,000	(1,500)	-15.79%
Rental Equipment and Vehicles		2,800	1,700	1,100	2,200	(600)	-21.43%
Instrumentation		4,500	4,500	-	2,500	(2,000)	-44.44%
Janitorial Supplies		1,400	1,400	-	1,400	-	0.00%
Cleaning Services		9,000	9,000	-	9,000	-	0.00%
Laboratory Supplies		137,000	137,000	-	137,000	-	0.00%
Food		1,700	2,100	(400)	1,900	200	11.76%
Maintenance & Repair		47,000	46,100	900	46,500	(500)	-1.06%
Small Equipment		4,490	8,100	(3,610)	7,000	2,510	55.90%
Office Supplies		6,200	4,000	2,200	5,500	(700)	-11.29%
Safety Supplies & Equipment		3,000	2,500	500	3,000	-	0.00%
Security Repairs and Maintenance		3,000	6,300	(3,300)	5,000	2,000	66.67%
Telephone & Communication		18,500	18,600	(100)	21,000	2,500	13.51%
Total Non-Personnel Costs	\$	324,990	\$ 321,500	\$ 3,490	\$ 329,500	\$ 4,510	1.39%
Total Laboratory Division Expense	\$	1,120,775	\$ 1,103,910	\$ 16,865	\$ 1,114,120	\$ (6,655)	-0.59%

Engineering Division Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
		2016	Variance		Increase	Increase	
		2016	Favorable	2017	(Decrease)	(Decrease)	
		Budget	(Unfavorable)	Budget	Over 2016	Over 2016	
					Budget	Budget	
Engineering Division Operating Expense:							
Personnel Costs:							
Salaries & Wages	\$	825,200	\$ 825,200	\$ -	\$ 859,960	\$ 34,760	4.21%
FICA - Employer Share		49,830	49,830	-	53,320	3,490	7.00%
Medicare - Employer Share		11,970	11,970	-	12,470	500	4.18%
Travel Expense		24,300	14,100	10,200	27,000	2,700	11.11%
Dues & Fees		2,000	1,650	350	2,000	-	0.00%
Education & Training		17,000	12,400	4,600	18,000	1,000	5.88%
Employee Benefits		121,980	121,980	-	121,980	-	0.00%
Uniforms		-	-	-	3,360	3,360	n/a
Total Personnel Costs:		\$ 1,052,280	\$ 1,037,130	\$ 15,150	\$ 1,098,090	\$ 45,810	4.35%
Non-Personnel Costs:							
Automotive Maint. & Repairs	\$	7,500	\$ 4,500	\$ 3,000	\$ 11,500	\$ 4,000	53.33%
Gas, Oil & Diesel		8,500	4,800	3,700	8,500	-	0.00%
Technical Services		10,400	5,000	5,400	10,000	(400)	-3.85%
Small Equipment		6,100	5,000	1,100	1,000	(5,100)	-83.61%
Office Supplies		12,000	8,100	3,900	12,000	-	0.00%
Food		3,120	3,100	20	3,120	-	0.00%
Safety Supplies		2,100	1,500	600	5,650	3,550	169.05%
Telephone & Communication		23,625	20,100	3,525	28,800	5,175	21.90%
Total Non-Personnel Costs		\$ 73,345	\$ 52,100	\$ 21,245	\$ 80,570	\$ 7,225	9.85%
Total Engineering Division Expense		\$ 1,125,625	\$ 1,089,230	\$ 36,395	\$ 1,178,660	\$ 53,035	4.71%

Hickory Log Creek Reservoir Department Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
						Increase (Decrease)	Increase (Decrease)
	2016 Budget	2016 Projected Actual	Variance Favorable (Unfavorable)	2017 Budget	2017 Budget	Over 2016 Budget	Over 2016 Budget
Hickory Log Creek Reservoir Operational Costs:							
Personnel Costs:							
Salaries & Wages	\$ 93,325	\$ 93,325	\$ -	\$ 97,055	\$ 97,055	\$ 3,730	4.0%
Overtime Wages	6,425	4,008	2,417	6,750	6,750	325	5.1%
FICA - Employer Share	5,475	5,475	-	6,475	6,475	1,000	18.3%
Medicare - Employer Share	1,285	1,285	-	1,515	1,515	230	17.9%
Travel Expense	1,500	122	1,378	1,500	1,500	-	0.0%
Dues & Fees	1,465	32	1,433	1,655	1,655	190	13.0%
Education & Training	3,000	1,078	1,922	3,000	3,000	-	0.0%
Employee Benefits	18,750	18,750	-	18,750	18,750	-	0.0%
Uniforms	900	836	64	900	900	-	0.0%
Total Personnel Costs:	\$ 132,125	\$ 124,911	\$ 7,150	\$ 137,600	\$ 137,600	\$ 5,475	4.1%
Non-Personnel Costs:							
Automotive Maint. & Repairs	\$ 1,125	\$ 220	\$ 905	\$ 1,725	\$ 1,725	\$ 600	53.3%
Gas, Oil & Diesel	2,365	1,054	1,311	2,365	2,365	-	0.0%
Electric Power	75,000	94,000	(19,000)	75,000	75,000	-	0.0%
Natural Gas	2,700	671	2,029	2,700	2,700	-	0.0%
Safety Supplies & Equipment	7,500	7,500	-	7,500	7,500	-	0.0%
Grounds Maintenance	13,200	10,298	2,902	15,825	15,825	2,625	19.9%
Rental of Equipment & Vehicles	375	750	(375)	375	375	-	0.0%
Instrumentation	3,750	7,239	(3,489)	9,025	9,025	5,275	140.7%
Liability Insurance	33,750	33,750	-	33,225	33,225	(525)	-1.6%
Maintenance - Industrial Coatings	67,125	3,174	63,951	67,500	67,500	375	0.6%
Maintenance & Repairs	39,615	30,000	9,615	30,370	30,370	(9,245)	-23.3%
Maintenance & Repair - Electrical	3,750	6,700	(2,950)	2,250	2,250	(1,500)	-40.0%
Monitoring - Biological	21,750	21,750	-	-	-	(21,750)	-100.0%
Monitoring - Dam	28,875	22,709	6,166	29,025	29,025	150	0.5%
Monitoring - Mitigation	15,630	15,936	(306)	-	-	(15,630)	-100.0%
Monitoring - USGS	24,225	24,225	-	24,225	24,225	-	0.0%
Motor/Gear Inspections	2,250	2,250	-	1,125	1,125	(1,125)	-50.0%
Janitorial Supplies	375	559	(184)	450	450	75	20.0%
Office Supplies	1,575	440	1,135	1,375	1,375	(200)	-12.7%
Food	300	300	-	300	300	-	0.0%
Laboratory Supplies and Chemicals	450	450	-	450	450	-	0.0%
Security Repairs and Maintenance	5,625	1,485	4,140	8,250	8,250	2,625	46.7%
Technical Services	17,025	2,295	14,730	12,375	12,375	(4,650)	-27.3%
Telephone & Communication	4,125	7,735	(3,610)	5,025	5,025	900	21.8%
Small Equipment	1,500	1,200	300	1,950	1,950	450	30.0%
Water Purchases	3,600	2,325	1,275	3,600	3,600	-	0.0%
Contingency	9,375	-	9,375	9,375	9,375	-	0.0%
Total Non-Personnel Costs	\$ 386,935	\$ 299,015	\$ 87,920	\$ 345,385	\$ 345,385	\$ (41,550)	-10.7%
Total Hickory Log Creek Expense	\$ 519,060	\$ 423,925	\$ 95,071	\$ 482,985	\$ 482,985	\$ (36,075)	-7.0%

Finance Division Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
						Increase (Decrease)	Increase (Decrease)
	2016 Budget	2016 Projected Actual	Variance Favorable (Unfavorable)	2017 Budget	2017 Budget	Over 2016 Budget	Over 2016 Budget
Finance Division Operating Expense:							
Personnel Costs:							
Salaries & Wages	\$ 319,600	\$ 319,350	\$ 250	\$ 335,065	\$ 15,465		4.8%
FICA - Employer Share	18,985	18,900	85	19,500	515		2.7%
Medicare - Employer Share	4,665	4,450	215	4,670	5		0.1%
Travel Expense	4,500	3,500	1,000	3,500	(1,000)		-22.2%
Dues & Fees	400	200	200	400	-		0.0%
Education & Training	6,000	8,800	(2,800)	8,800	2,800		46.7%
Employee Benefits	45,950	45,950	-	45,950	-		0.0%
Uniforms	-	-	-	1,260	1,260		n/a
Total Personnel Costs:	\$ 400,100	\$ 401,150	\$ (1,050)	\$ 419,145	\$ 19,045		4.8%
Non-Personnel Costs:							
Office Supplies	\$ 6,250	\$ 5,500	\$ 750	\$ 6,000	\$ (250)		-4.0%
Food	600	600	-	600	-		0.0%
Safety Supplies & Equipment	150	150	-	150	-		0.0%
Telephone & Communication	6,645	6,100	545	6,500	(145)		-2.2%
Total Non-Personnel Costs	\$ 13,645	\$ 12,350	\$ 1,295	\$ 13,250	\$ (395)		-2.9%
Total Finance Division Expense	\$ 413,745	\$ 413,500	\$ 245	\$ 432,395	\$ 18,650		4.5%

Safety & Security Department Expense Budget

Safety & Security Expense:							
Personnel Costs:							
Salaries & Wages	\$ 153,150	\$ 130,000	\$ 23,150	\$ 147,125	\$ (6,025)		-3.9%
Overtime	2,100	2,100	-	2,100	-		0.0%
FICA - Employer Share	9,320	8,620	700	9,255	(65)		-0.7%
Medicare - Employer Share	2,255	2,100	155	2,165	(90)		-4.0%
Travel Expense	1,500	1,250	250	1,500	-		0.0%
Dues & Fees	200	2,000	(1,800)	2,500	2,300		1150.0%
Education & Training	2,000	2,000	-	5,000	3,000		150.0%
Employee Benefits	45,300	45,300	-	45,300	-		0.0%
Uniforms	-	-	-	840	840		n/a
Total Personnel Costs:	\$ 215,825	\$ 193,370	\$ 22,455	\$ 215,785	\$ (40)		0.0%
Non-Personnel Costs:							
Automotive Maintenance & Repairs	\$ 1,000	\$ 900	\$ 100	\$ 2,000	\$ 1,000		100.0%
Gas, Oil & Diesel	1,800	1,300	500	2,600	800		44.4%
Small Equipment	750	1,200	(450)	750	-		0.0%
Office Supplies	1,800	1,800	-	1,800	-		0.0%
Food	500	500	-	1,000	500		100.0%
Safety Supplies	500	700	(200)	1,000	500		100.0%
Telephone & Communication	3,500	3,300	200	3,500	-		0.0%
Total Non-Personnel Costs	\$ 9,850	\$ 9,700	\$ 150	\$ 12,650	\$ 2,800		28.4%
Total Safety & Security Expense	\$ 225,675	\$ 203,070	\$ 22,605	\$ 228,435	\$ 2,760		1.2%

Information Technology Expense Budget

Cobb County - Marietta Water Authority						
Supporting Sched to Statement of Operations						
For The Year Ended December 31, 2017						
						%
		2016	Variance		Increase	Increase
		Projected	Favorable	2017	(Decrease)	(Decrease)
	2016	Actual	(Unfavorable)	Budget	Over 2016	Over 2016
	Budget			Budget	Budget	Budget
Information Technology Expense:						
Personnel Costs:						
Salaries & Wages	\$ 171,700	\$ 171,700	\$ -	\$ 178,570	\$ 6,870	4.0%
Overtime	1,200	1,200	-	1,250	50	4.2%
FICA - Employer Share	10,875	10,875	-	11,105	230	2.1%
Medicare - Employer Share	2,545	2,545	-	2,600	55	2.2%
Travel Expense	6,000	2,000	4,000	4,000	(2,000)	-33.3%
Dues & Fees	400	400	-	400	-	0.0%
Education & Training	5,445	5,445	-	7,400	1,955	35.9%
Employee Benefits	34,240	34,240	-	34,240	-	0.0%
Uniforms	-	-	-	840	840	n/a
Total Personnel Costs:	\$ 232,405	\$ 228,405	\$ 4,000	\$ 240,405	\$ 8,000	3.4%
Non-Personnel Costs:						
Automotive Maintenance & Repairs	\$ 900	\$ 500	\$ 400	\$ 900	\$ -	0.0%
Gas, Oil & Diesel	1,400	900	500	1,400	-	0.0%
Office Supplies	2,000	1,250	750	2,000	-	0.0%
Food	300	300	-	300	-	0.0%
Safety Supplies	200	200	-	200	-	0.0%
Telephone & Communication	5,400	4,700	700	5,400	-	0.0%
General - Software, Renewals and Support	3,000	3,000	-	3,000	-	0.0%
General - Technology, PCs & Peripherals	5,000	5,000	-	5,000	-	0.0%
Admin - Software, Renewals and Support	13,630	13,600	30	16,795	3,165	23.2%
Admin - Technology, PCs & Peripherals	2,000	2,000	-	2,000	-	0.0%
HLC - Software, Renewals and Support	9,000	9,000	-	11,250	2,250	25.0%
HLC - Technology, PCs & Peripherals	2,250	1,150	1,100	1,125	(1,125)	-50.0%
Finance - Software, Renewals and Support	13,030	13,000	30	12,345	(685)	-5.3%
Finance - Technology, PCs & Peripherals	2,000	2,000	-	4,000	2,000	100.0%
Wyckoff - Software, Renewals & Support	30,480	30,400	80	34,195	3,715	12.2%
Wyckoff - Technology, PCs & Peripherals	17,000	17,000	-	20,100	3,100	18.2%
Quarles - Software, Renewals & Support	31,285	31,000	285	48,950	17,665	56.5%
Quarles - Technology, PCs & Peripherals	7,000	6,000	1,000	4,500	(2,500)	-35.7%
Trans - Software, Renewals & Support	10,030	10,000	30	11,935	1,905	19.0%
Trans - Technology, PCs & Peripherals	7,000	7,000	-	9,800	2,800	40.0%
Engineer - Software, Renewals & Support	53,765	53,700	65	51,265	(2,500)	-4.6%
Engineer - Technology, PCs & Peripherals	6,290	6,200	90	11,890	5,600	89.0%
Lab - Software, Renewals & Support	16,030	16,000	30	15,445	(585)	-3.6%
Lab - Technology, PCs & Peripherals	4,500	4,000	500	10,500	6,000	133.3%
IT - Software, Renewals & Support	17,330	17,300	30	45,535	28,205	162.8%
IT - Technology, PC's & Peripherals	11,050	11,050	-	12,050	1,000	9.0%
S&S - Software, Renewals & Support	8,030	8,000	30	7,335	(695)	-8.7%
S&S - Technology, PC's & Peripherals	5,500	5,500	-	10,300	4,800	87.3%
Total Non-Personnel Costs	\$ 285,400	\$ 279,750	\$ 2,350	\$ 359,515	\$ 74,115	26.0%
Total Information Technology Expense	\$ 517,805	\$ 508,155	\$ 6,350	\$ 599,920	\$ 82,115	15.9%

Administration Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
		2016	Variance		Increase	Increase	
	2016	Projected	Favorable	2017	(Decrease)	(Decrease)	
	Budget	Actual	(Unfavorable)	Budget	Over 2016	Over 2016	
					Budget	Budget	
Administration Expense:							
Personnel Costs:							
Salaries & Wages	\$ 611,500	\$ 572,000	\$ 39,500	\$ 651,960	\$ 40,460		6.62%
Overtime	500	200	300	500	-		0.00%
FICA - Employer Share	36,720	33,600	3,120	40,450	3,730		10.16%
Medicare - Employer Share	8,875	7,900	975	9,465	590		6.65%
Travel Expense	12,000	9,000	3,000	12,000	-		0.00%
Dues & Fees	2,500	800	1,700	2,000	(500)		-20.00%
Education & Training	7,500	7,000	500	7,500	-		0.00%
Employee Benefits	98,440	102,500	(4,060)	117,875	19,435		19.74%
Uniforms	-	-	-	2,520	2,520		n/a
Total Personnel Costs:	\$ 778,035	\$ 733,000	\$ 45,035	\$ 844,270	\$ 66,235		8.51%
Non-Personnel Costs:							
Automotive Maintenance & Repairs	\$ 2,500	\$ 1,000	\$ 1,500	\$ 1,500	\$ (1,000)		-40.00%
Gas, Oil & Diesel	1,000	800	200	1,000	-		0.00%
Small Equipment	1,500	1,000	500	1,500	-		n/a
Office Supplies	6,420	4,100	2,320	5,000	(1,420)		-22.12%
Food	1,500	1,500	-	1,600	100		6.67%
Safety Supplies & Equipment	1,500	1,100	400	1,500	-		0.00%
Telephone & Communication	8,000	9,100	(1,100)	9,600	1,600		20.00%
Total Non-Personnel Costs	\$ 22,420	\$ 18,600	\$ 3,820	\$ 21,700	\$ (720)		-3.21%
Total Administration Expense	\$ 800,455	\$ 751,600	\$ 48,855	\$ 865,970	\$ 65,515		8.18%

Administration & Rental Buildings Expense Budget

Administration and Rental Buildings Expense:							
1170 Atlanta Industrial Drive, Administration Building:							
Cleaning Services	\$ 12,600	\$ 11,500	\$ 1,100	\$ 12,500	\$ (100)		-0.79%
Admin. Building General Maint. & Repairs	25,000	18,000	7,000	25,000	-		0.00%
Rental Buildings General Maint. & Repairs	20,000	16,200	3,800	20,000	-		0.00%
Security Supplies & Maintenance	3,500	1,800	1,700	3,000	(500)		-14.29%
Grounds Maintenance	17,500	17,000	500	17,500	-		0.00%
Natural Gas	2,250	3,000	(750)	3,100	850		37.78%
Electricity	29,650	30,100	(450)	32,000	2,350		7.93%
Janitorial Supplies	1,700	900	800	1,500	(200)		-11.76%
Water	1,500	1,300	200	1,500	-		0.00%
Sewerage	1,100	400	700	500	(600)		-54.55%
Small Equipment	4,500	3,500	1,000	4,000	(500)		-11.11%
Telephone & Communication	1,000	500	500	1,000	-		0.00%
Total Administration & Rental Buildings:	\$ 120,300	\$ 104,200	\$ 16,100	\$ 121,600	\$ 1,300		1.08%

General Operating Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
						Increase (Decrease)	Increase (Decrease)
	2016 Budget	2016 Projected Actual	Variance Favorable (Unfavorable)	2017 Budget	2017 Budget	Over 2016 Budget	Over 2016 Budget
General Operating Expenses:							
Pension Plan Contributions & Fees	\$ 900,000	\$ 900,000	\$ -	\$ 935,100	\$ 35,100		3.90%
Workers' Compensation Insurance	175,000	175,000	-	155,000	(20,000)		-11.43%
Liability Insurance	360,000	355,000	5,000	375,000	15,000		4.17%
Boiler/Machinery Insurance	39,000	-	39,000	31,600	(7,400)		-18.97%
Umbrella & Crime Insurance	49,500	58,312	(8,812)	61,500	12,000		24.24%
Risk Reduction / Safety Initiative	-	-	-	10,000	10,000		n/a
Employee Incentive	16,000	16,000	-	17,000	1,000		6.25%
Fees - Board Members	34,800	34,800	-	34,800	-		0.00%
Fees - Accounting	2,150	-	2,150	2,000	(150)		-6.98%
Fees - Audit	20,000	20,000	-	20,000	-		0.00%
Fees - Legal	23,000	41,851	(18,851)	29,000	6,000		26.09%
Drug Testing & Background Checks	7,500	7,200	300	7,900	400		5.33%
Technical Services	9,000	8,152	848	9,000	-		0.00%
Travel Expenses	10,000	10,000	-	11,000	1,000		10.00%
Dues & Fees	50,000	50,000	-	50,000	-		0.00%
Education & Training	7,000	5,500	1,500	7,000	-		0.00%
Public Education & Outreach	128,000	128,000	-	130,000	2,000		1.56%
Bank Fees	2,000	2,000	-	2,000	-		0.00%
Office Supplies	4,500	3,035	1,465	4,500	-		0.00%
Investment Advisor	40,000	40,000	-	40,000	-		0.00%
Food	2,000	1,900	100	2,000	-		0.00%
Books and Periodicals	300	300	-	400	100		33.33%
Employee Wellness Program	28,000	28,000	-	28,000	-		0.00%
General Operating Expense:	\$ 1,907,750	\$ 1,885,051	\$ 22,700	\$ 1,962,800	\$ 55,050		2.89%
Depreciation Expense	20,642,400	20,000,000	642,400	21,625,000	982,600		4.76%
General Operating & Depreciation Expense:	\$22,550,150	\$21,885,051	\$ 665,100	\$23,587,800	\$ 1,037,650		4.60%

Research and Development Expense Budget

Cobb County - Marietta Water Authority							
Supporting Sched to Statement of Operations							
For The Year Ended December 31, 2017							
							%
						Increase	Increase
		2016	Variance			(Decrease)	(Decrease)
	2016	Projected	Favorable	2017	Over 2016	Over 2016	Over 2016
	Budget	Actual	(Unfavorable)	Budget	Budget	Budget	Budget
Research and Development Projects:							
Other Professional Services	\$ 100,000	\$ 68,000	32,000	\$ 100,000	\$ -		0.00%
Hydraulic Model	25,000	-	25,000	75,000	50,000		200.00%
Asset Management	50,000	50,000	-	50,000	-		0.00%
Miscellaneous Engineering	100,000	100,000	-	100,000	-		0.00%
Security & I.T. Evaluation	100,000	50,000	50,000	50,000	(50,000)		-50.00%
Effective Utility Management	15,000	15,000	-	40,000	25,000		166.67%
GIS Easement Project	130,000	100,000	30,000	150,000	20,000		15.38%
Energy Optimization Program	150,000	68,000	82,000	25,000	(125,000)		-83.33%
GAC Study - Wyckoff Treatment Plant	15,000	-	15,000	15,000	-		0.00%
Surveying - Easements & Legal	25,000	28,300	(3,300)	25,000	-		0.00%
Upper Etowah Watershed Studies	10,000	10,000	-	10,000	-		0.00%
Long Term Water Supply	150,000	850,000	(700,000)	100,000	(50,000)		-33.33%
Allatoona Lake Clean-up / Monitoring	10,000	10,000	-	10,000	-		0.00%
Pipe Investigations / Monitoring	500,000	30,000	470,000	50,000	(450,000)		-90.00%
Emergency Response Planning	75,000	37,500	37,500	25,000	(50,000)		-66.67%
Drought Management Plan	30,000	30,000	-	-	(30,000)		-100.00%
Wyckoff Raw Water Line Replacement Study	25,000	-	25,000	120,000	95,000		380.00%
Website & Communications Development	41,500	-	41,500	41,500	-		0.00%
Information System Management Study	200,000	24,000	176,000	100,000	(100,000)		-50.00%
Aged Pipe Program Support	200,000	98,500	101,500	50,000	(150,000)		-75.00%
Facilities Security Evaluation	50,000	-	50,000	50,000	-		0.00%
Laboratory Facilities Evaluation	30,000	25,000	5,000	-	(30,000)		-100.00%
Payments to Other Agencies (WRF & ISAC)	78,000	82,350	(4,350)	86,500	8,500		10.90%
Workforce Development Study	-	-	-	100,000	100,000		n/a
GIS Platform Services	-	-	-	116,000	116,000		n/a
Wyckoff Intake Tower - Structural Testing	-	-	-	100,000	100,000		n/a
QTD Chemical Building - Structural Review	-	-	-	50,000	50,000		n/a
Surge Analysis	-	-	-	50,000	50,000		n/a
Production Meter Testing	-	-	-	100,000	100,000		n/a
Contingency	400,000	-	400,000	100,000	(300,000)		-75.00%
Total Research & Development Expenses	\$ 2,509,500	\$ 1,676,650	\$ 832,850	\$ 1,889,000	\$ (620,500)		-24.73%

Capital Improvement and Replacement Program

The Cobb County-Marietta Water Authority has a Capitalization Policy adopted by the Board of Directors. The policy clarifies CCMWA's definition of capital assets and provides guidance for acquisition and valuation of capital assets and implementation of Governmental Accounting Standards Board (GASB) Statement No. 34.

CCMWA has established minimum capitalization thresholds for administration purposes. All purchases below the applicable class threshold are to be expensed in the current period. Below is a table stating classes of assets, capitalization thresholds and estimated useful life.

Capital Asset Class		Threshold	Estimated Useful Life
Construction in Progress	>	\$ 1	Various
Land and Improvements	>	\$ 1	Various
Computer Hardware and Software	>	\$ 5,000	3 Years
Furniture, Fixtures & Other Equipment	>	\$ 5,000	5-7 Years
Laboratory and Monitoring Equipment	>	\$ 5,000	10 Years
Buildings & Improvements	>	\$ 10,000	25-50 Years
Infrastructure	>	\$ 10,000	10-50 Years
Machinery and Equipment	>	\$ 10,000	5-25 Years
Vehicles	>	\$ 10,000	5 Years
Intangible Assets	>	\$ 25,000	3-50 Years

For detailed information on the full requirements for asset capitalization, please refer to CCMWA's Capitalization Policy, which can be obtained from the Finance Division.

Budgeted 2017-2021 Capital Improvement Projects

Note: The list below of capital improvement projects is inclusive of projects only to be completed or started in the 2017 – 2021, 5-year planning period. The list does not take into account any capital projects planned to begin after 2020, nor costs incurred prior to 2017. All capital improvement projects listed in this document are financed with designated reserves and net income.

Routine and Non-routine Capital Projects Budgeted for Completion or Start Between 2017 and 2021						
Project Description	Budgeted Project Cost 2017-2021	2017 Budgeted Cost	2018 Budgeted Cost	2019 Budgeted Cost	2020 Budgeted Cost	2021 Budgeted Cost
(1) Southwest Connector Phase I, 54" water line	21,543,575	21,543,575	-	-	-	-
(2) Dallas Hwy Parallel 36" water line	1,507,246	1,507,246	-	-	-	-
(3) Southwest Connector Phase 2A, 36" water line	2,486,656	-	-	-	-	2,486,656
(4) West Side Loop 48" water line	2,210,628	2,210,628	-	-	-	-
(5) Highway 41, Phase Four 36" water line	1,004,831	1,004,831	-	-	-	-
(6) Wyckoff Finished 42" water line Replacement	6,084,285	301,449	3,448,580	2,334,256	-	-
(7) Mabelton Parkway 36" water line Replacement	3,250,402	301,449	2,677,247	271,706	-	-
(8) U.S. Highway 41 Parallel 24" water line	6,230,436	301,449	2,626,668	3,302,318	-	-
(9) West Side Loop Sec. #2 36" water line Replacement	13,804,035	-	1,149,527	6,203,190	6,451,318	-
(10) Blackjack Supply Replacement Phase I, 36" water line	10,934,821	-	-	-	1,243,328	9,691,493
(11) Wyckoff Raw 42" water line Replacement	587,755	-	-	-	-	587,755
(12) Wyckoff Electrical Improvements & Filter Building Rehabilitation	14,570,048	14,570,048	-	-	-	-
(13) Quarles Water Treatment Plant One Replacement	67,366,180	4,019,324	31,350,725	19,562,852	12,433,279	-
(14) Quarles De-Watering Equipment Replacement	1,564,604	-	-	-	-	1,564,604
(15) Wyckoff Sludge Thickener #4	2,490,138	-	-	-	783,297	1,706,841
(16) Pete Shaw, 5MG potable water storage tank	3,791,347	-	313,507	3,477,840	-	-
(17-18) Hickory Log Creek Reservoir & Sharp Mountain Creek Reservoir	<i>Contingency</i>	<i>Contingency</i>	<i>Contingency</i>	<i>Contingency</i>	<i>Contingency</i>	<i>Contingency</i>
(19) Reservation for Department of Transportation Driven Projects	6,000,000	1,500,000	1,000,000	1,000,000	1,000,000	1,500,000
(20) Asset Renewal & Replacement (Routine Capital Projects)						
<i>(construction/design carry-over %)</i>	32,945,902	8,980,827	5,335,893	6,282,936	5,704,615	6,641,631
(21) General Contingency	19,329,258	3,818,357	4,180,097	3,260,475	3,956,043	4,114,285
Total Budgeted Cost:	\$217,702,146	\$ 60,059,185	\$ 52,082,244	\$ 45,695,574	\$ 31,571,880	\$ 28,293,264

Note: Projects with **red font** were under construction as of December 31, 2016. Projects with **blue font** were under design as of December 31, 2016. Projects with **green font** are ongoing land purchases whereas land is purchased as available or as condemnations are resolved. Projects with **black font** had not begun as of December 31, 2016.

Project Descriptions and Impacts – Non Routine Capital Projects

- 1.) The Southwest Connector Phase I project is an upgrade to the Authority's transmission system. The Southwest Connector water main replaces an aging pipe system of 20, 24, and 30-inch diameter concrete pipe reaching the end of its useful life. The new 54-inch diameter ductile iron pipe will increase system reliability by allowing the Quarles Water Treatment Plant to deliver more water at lower pressures, thereby reducing operating costs and the potential for future water main breaks. This new water main will provide adequate water supply to Cobb County residents and neighboring customers for decades. The water main is over six miles in length and will begin near the James E. Quarles Water Treatment Plant on Lower Roswell Road and will terminate near the intersection of Terrell Mill Road and Cobb Parkway. The water main will be installed primarily in the travel lane of the roads and cross country to minimize conflicts with other buried utilities and impacts to private property. The project was initiated in fiscal year 2014 and is scheduled to be complete in fiscal year 2017.
- 2.) The Dallas Highway Parallel pipeline project is an upgrade to the Authority's transmission system. Design began in fiscal year 2015 and construction should be completed in fiscal year 2017. A 36-inch ductile iron water main will be constructed parallel to an existing 24-inch water main on Dallas Highway. The water main will begin near Bob Fleming Road terminating at the Authority's Lost Mountain water storage tanks. The 36-inch parallel water line will increase water supply to the Authority's Lost Mountain water storage tanks and surrounding areas. This project will have little impact on operational costs once completed, but will allow CCMWA to sell additional water in the given service area in the future.
- 3.) The Southwest Connector Phase IIA project is the first of a two-phase project and an upgrade to the Authority's transmission system. The new 36-inch diameter ductile iron pipe will increase reliability by allowing the Quarles Water Treatment Plant to deliver more water at lower pressures, thereby reducing the potential for future water main breaks. This new water main will provide adequate water supply to Cobb County residents and neighboring customers for decades, particularly in the event of a large transmission main out of service in south Cobb. The first section of the water main is over six miles in length and will begin at the intersection of Terrell Mill Road and Cobb Parkway and terminate near the East-West Connector. The later phase will continue to Cardell Road. The project will be initiated in fiscal year 2021 and is scheduled to be complete in fiscal year 2023. Prior to project, this project will be reviewed to determine its impact on future water quality, actual route selection and reconfirmation as to project justification based on future demands.
- 4.) The West Side Loop project is a pipe replacement project. The project was initiated in fiscal year 2014 and is scheduled to be completed in fiscal year 2017. This project will replace 5.3 miles of an aging 36-inch pre-stressed concrete water main with a new 48-inch ductile iron water main. The Authority has found that steel wire used in the pre-stressed concrete pipes degrades over time and eventually results in unplanned water main failures. This project will have little impact on operational costs once completed, but will allow CCMWA to sell additional water in the given service area in the future. Additionally, this project will improve pressure reliability and provide redundancy to the Lost Mountain area.

- 5.) The Highway 41, Phase 4 (Dobbins AFB to Windy Ridge Parkway) project is a pipe replacement project. This project will replace a 20-inch steel water main that was installed in the 1940s with 2.5 miles of new 36- and 42-inch ductile iron water main, a portion of which will be encased in a tunnel. The project is under construction and scheduled to be completed in fiscal year 2017. This project will connect the Highway 41 Phase 3 (Barnes Mill Road to Dobbins AFB) project to the Highway 41 Phase 5 (Windy Ridge Parkway to Cumberland) project to supply additional water from the Wyckoff Water Treatment Plant to the Cumberland area. This project will have little impact on operational costs once completed, but will allow CCMWA to sell additional water in the given service area in the future. This project will also serve to provide increased capacity and reliability for the new Atlanta Braves stadium and accompanying developments slated for 2017.
- 6.) The Wyckoff Finished 42-inch water line project involves replacement of 6,900 feet of 42-inch and 30-inch pre-stressed concrete cylinder pipe from Wyckoff Treatment Plant to Highway 41 along Mars Hill Road with 42-inch Ductile Iron Pipe. The original pipe was installed in 1964. The project was identified as one of the highest priority replacement water mains as a result of the Aged Pipe Replacement (APR) Program Study. The (APR) Program is a multi-year program to proactively replace transmission mains as they near the end of their useful life. By proactively replacing aged pipe, the Authority mitigates the risk of catastrophic failure and costly repair. The pre-stressed concrete pipe has been prioritized for replacement based on criticality and risk, taking into account age of pipe, pipe material, consequence of failure and other factors. The actual extent and alignment will be assessed early in the design phase. The intent is to eliminate critical vulnerable infrastructure that has been prone to leaks in and near the intersection of Highway 41 and Mars Hill Road.
- 7.) The Mableton Parkway 36-inch water line project involves replacement of 4,600 feet of 36-inch pre-stressed concrete cylinder pipe from Dodgen Road to Orchard Lane along Mableton Parkway with 36-inch Ductile Iron Pipe. This pipe was initially installed in 1969. The project was identified as one of the highest priority replacement water mains as a result of the Aged Pipe Replacement (APR) Program Study and a water main break in this section in 2016. The (APR) Program is a multi-year program to proactively replace transmission mains as they near the end of their useful life. By proactively replacing aged pipe, the Authority mitigates the risk of catastrophic failure and costly repair. The pre-stressed concrete pipe has been prioritized for replacement based on criticality and risk, taking into account age of pipe, pipe material, consequence of failure and other factors.
- 8.) The U.S. Highway 41 parallel 24-inch water line project involves installation of 12,000 feet of 24-inch pipe from Mars Hill Road to S.R.92 along Highway 41 to parallel the existing pre-stressed concrete cylinder pipe. This will allow for redundancy in an area of Cobb County expanding with several critical customers. The existing pipe was initially installed in 1977. The project was identified as one of the highest priority replacement water mains as a result of the Aged Pipe Replacement (APR) Program Study and a water main break in this section in 2016. The (APR) Program is a multi-year program to proactively replace transmission mains as they near the end of their useful life. By proactively replacing aged pipe, the Authority mitigates the risk of catastrophic failure and costly repair. The pre-stressed concrete pipe has been prioritized for replacement based on criticality and risk, taking into account age of pipe, pipe material, consequence of failure and other factors. The initial phase of this project will include coordination with CCWS to determine shared responsibilities.

- 9.) The West Side Loop Section No. 2 project involves replacement of 18,500 feet of 36-inch pre-stressed concrete cylinder pipe from Cardell Road to South Gordon Road with 36-inch ductile iron pipe. The existing pipe was initially installed in 1967. The project was identified as one of the highest priority replacement water mains as a result of the Aged Pipe Replacement (APR) Program Study and a water main break in this section in 2016. The (APR) Program is a multi-year program to proactively replace transmission mains as they near the end of their useful life. By proactively replacing aged pipe, the Authority mitigates the risk of catastrophic failure and costly repair. The pre-stressed concrete pipe has been prioritized for replacement based on criticality and risk, taking into account age of pipe, pipe material, consequence of failure and other factors.
- 10.) The Blackjack Supply project is a pipeline replacement project for the Authority's oldest finished water mains. The project was identified as one of the highest priority replacement water mains as a result of the Aged Pipe Replacement (APR) Program Study and a water main break in this section in 2016. The pre-stressed concrete pipe has been prioritized for replacement based on criticality and risk, taking into account age of pipe, pipe material, consequence of failure and other factors. The project will replace a 30-inch concrete pipeline, which was installed in the early 1950's as the first water supply line from the Quarles Water Treatment Plant to Blackjack Mountain Storage Tank, with a 36-inch ductile iron water main. The main to be replaced is approximately 26,000 feet in length and lies within a 60 foot wide permanent easement through several residential neighborhoods, including Indian Hills Country Club.
- 11.) The Wyckoff Raw 42-inch water line project will address aged pipeline replacement (original raw water pipeline was constructed in 1966) and provide raw water pipeline redundancy for Wyckoff. The Wyckoff raw water pipeline consists of two parallel pipes – the original 42/30-inch diameter pipeline constructed with the original plant in 1966, and the 60-inch diameter pipeline completed in 1987. The construction of the 1987 pipeline significantly reduced head losses in the system and required modification of the raw water pumps. However, when the older pipeline is operating alone, the resulting head losses are high enough that the raw water pumps (after being modified to operate at lower head losses with the new pipeline in service) can only deliver about 35 mgd of water to the 72 mgd plant. The current project budget includes funds for a new parallel 60-inch diameter pipeline the entire distance from the Raw Water Pump Station to the Wyckoff Plant. At the same time, funding is being provided for an interim Phase I solution to maximize the capacity of the existing 42/30-inch pipeline. Phase I of the project is to be executed in the 2021/2022 timeframe. The second phase of the project will be coordinated with the Wyckoff Raw Water Pump Station replacement project and is currently slated for the 2027/2029 timeframe.
- 12.) The Wyckoff Filter Building Rehabilitation and Electrical Improvements Project will provide needed updates and refurbishment to the filter building. Design was initiated in fiscal year 2014 and construction is scheduled for completion in fiscal year 2017. All of the electrical systems, from 4160 volts down to 120 volts, will be replaced. Reclaiming areas previously used for chemical feed systems will provide training and office space which are ADA compliant. In addition to providing updates and refurbishment to the filter building, the project will also provide backup power generating capability to the Wyckoff Water Treatment Plant. These features will not only extend the useful life of the treatment plant, but will also facilitate limited operation in the event of power failure. Last, the project will provide increased reliability in the high-service pumping of potable water from the plant. This project should

have the effect of reducing overall operational costs. Increased electrical efficiency and reduced maintenance from replacement of aged equipment should reduce overall maintenance expenses. The largest impact of the project will be increased reliability of the Wyckoff plant to produce drinking water and pump into the transmission system.

- 13.) The Quarles Plant 1 Replacement Project will demolish all of the nearly 60-year-old structures associated with Quarles Plant 1 and rebuild a new water treatment facility in its place. The engineering on this project began in 2015, and a 2- to 3-year construction period is scheduled to commence in 2017. The new plant will have a treatment capacity of 33 MGD (replacing the current Q1 Plant's rated capacity of 42 MGD). The new plant will increase reliability of the Quarles campus.
- 14.) Quarles Dewatering Equipment - This project includes the replacement of the dewatering equipment at the Quarles Plant when the existing equipment nears the end of its useful life (est. year 2023). This project includes replacing the three existing plate-and-frame presses, the press feed pumps and solids conditioning equipment (pumps, mixers, and tanks), as well as recoating of the lime silo. The new equipment will be sized to provide sufficient redundancy to handle plant design flows with one press out of service. The project is scheduled to begin in fiscal year 2021 and to be completed in fiscal year 2023. The project will have minimal impact to operations costs upon completion, as maintenance costs for the new equipment should be less than currently required to maintain the existing equipment.
- 15.) Wyckoff Thickener No. 4 – This project includes the addition of a new thickener at the Wyckoff Plant. The new thickener will be of similar construction as, and located adjacent to, the existing 65- foot diameter thickener southeast of the dewatering building. In addition, a new thickened sludge pump station and associated piping will be constructed to serve both the existing and new thickeners. The new equipment will be sized to provide sufficient redundancy so as to handle plant design flows with one thickener out of service. The thickener will help provide a more consistent thickened solids feed for dewatering during periods of low settle-ability of the solids. The project is scheduled to begin in fiscal year 2020 and to be completed in fiscal year 2022. The project will add minimally to the costs to operations upon completion, the largest of which will be maintenance, cleaning and inspections.
- 16.) The Pete Shaw storage tank project will add a second 5 million gallon finished water storage tank, and is an upgrade to the Authority's transmission system. The project is scheduled to begin in fiscal year 2018 and to be completed in fiscal year 2019. The addition of a second finished water storage tank will enhance the Authority's ability to adequately serve higher elevation areas of northeast Cobb County during periods of high demand for water. The project will add costs to operations upon completion, the largest of which will be maintenance, cleaning and inspections, which are estimated at around \$40,000 per year.
- 17.) The Hickory Log Creek Reservoir project has been ongoing since 2005 and is substantially complete. The project is designed to supply up to 33 MGD of raw water to the Wyckoff Treatment Division for future water supply and during drought conditions. There is funding in fiscal year 2017 for the resolution of outstanding eminent domain issues related to project real estate needs.

- 18.) The Sharp Mountain Creek Reservoir is still in conceptual stages. Land for the reservoir is purchased when available to preserve and secure the location of the potential future reservoir. Yield of the potential reservoir has not yet been determined. No appreciable impact on operating cost is expected from further land acquisitions. Land acquisitions will secure an area for a possible future water supply reservoir.
- 19.) The Reservation for DOT Projects is an allocation for potential but unidentified relocation of transmission system infrastructure due to DOT related projects. No appreciable impact on operating cost is expected from transmission system infrastructure relocations related to DOT projects.
- 20.) Asset Renewal & Replacement projects are various routine capital improvement projects.
- 21.) The CIP General Contingency was a new line item in the 2015-2019 CIP and continues in the 2017-2021 CIP. It is a funding reserve source to accommodate individual project shortfalls without impacting other projects in the CIP. During the initial budget development of a new project, significant contingencies are added due to the preliminary nature of the project scope. This can result in unspent CIP funds, as many projects will not exceed their budgets. This reserve allows for reductions in individual project contingencies, while still providing for a means to accommodate an individual project shortfall with a net reduction to the overall CIP cost.

Estimated Impacts of the Capital Improvement Plan on Cash Flows

2016 - 2021 Cash Flow Model

Year	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Projected Water Demand (MGD)	82.5	81.0	82.2	83.5	77.2	73.0
Anticipated Rate Increase	4.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Revenues	\$ 88.4	\$ 87.7	\$ 91.9	\$ 96.2	\$ 91.3	\$ 88.9
Expenses (Without Depreciation)	27.5	29.6	30.4	31.6	31.8	32.3
Net Income	37.5	33.8	35.4	37.4	31.4	28.1
Total CIP Spending	77.0	60.1	52.1	45.7	31.6	28.3
Ending Cash Balance	<u>\$ 161.0</u>	<u>\$ 149.9</u>	<u>\$ 149.9</u>	<u>\$159.6</u>	<u>\$ 178.4</u>	<u>\$ 197.8</u>
<i>All Dollar Figures are in Millions</i>						

Routine Capital Projects Detailed (Asset Renewal & Replacement)

- *Projects in red italics were started in a prior year*

	Prior Year Allocations	2017 Allocation	Allocation Active Projects 2017	Budgeted 2017 Project Spending
Quarles Treatment Division				
Raw Water Pump, Standby Motor Refurbishment	-	130,000	130,000	130,000
Sonde for RWPS	-	30,000	30,000	30,000
Wash Water Pump #2 Rebuild	-	35,000	35,000	35,000
Wash Water Pump #1 Ball Valve Replacement	-	50,000	50,000	50,000
Hypochlorite Generator Cell Replacement	-	140,000	140,000	140,000
Sludge Blanket Monitor (Residuals)	-	20,000	20,000	20,000
Second, Liquid Lime Tank & Feed System	-	300,000	300,000	300,000
SCADA Server Replacement	-	125,000	125,000	125,000
SCADA Development Server	-	13,000	13,000	13,000
Segmentation of SCADA Network (Deep Packet Inspection)	-	16,000	16,000	16,000
SCADA Change Detection Security Software	-	114,500	114,500	114,500
SCADA Domain Servers & Configuration	-	31,000	31,000	31,000
<i>High Service Pump #1 & #5 Limited Refurbishment</i>	50,000	-	50,000	22,000
<i>Electrical Replacement @ RWPS #1</i>	140,000	275,000	415,000	394,000
<i>Transfer Pump Limited Refurbishment</i>	50,000	-	50,000	50,000
<i>Rebuild Lower Level Restrooms in Q2</i>	45,000	30,000	75,000	31,200
<i>New sign for Intake to Match Plant Signage</i>	30,000	-	30,000	30,000
<i>Landscaping at River Pump Station</i>	45,000	-	45,000	45,000
<i>River Bank Stabilization at Intake</i>	1,000,000	500,000	1,500,000	1,360,000
<i>Quarles Dam Stabilization</i>	895,000	-	895,000	878,000
	2,255,000	1,809,500	4,064,500	3,814,700
Wyckoff Treatment Division				
High Service Pump Motor #3 Rewind	-	100,000	100,000	100,000
Raw Water Pump Motor #4 Rewind	-	100,000	100,000	100,000
Residuals Filter Press & Lime Silo PLC Upgrade		40,000	40,000	40,000
High Service 42-inch Gate Valve (Isolation Valve)	-	83,000	83,000	83,000
Raw Water Pumps (1-4) Valve Actuators	-	100,000	100,000	100,000
SCADA Development Server	-	13,000	13,000	13,000
Segmentation of SCADA Network (Deep Packet Inspection)	-	16,000	16,000	16,000
SCADA Change Detection Security Software	-	114,500	114,500	114,500
SCADA Domain Servers & Configuration	-	31,000	31,000	31,000
<i>Basin 5/6 Expansion Joint Repair</i>	135,000	100,000	235,000	100,000
<i>High Service Pump Priming System Replacement</i>	85,000	15,000	100,000	100,000
<i>Thickener #3 Transfer Pump Controls Retrofit</i>	55,000	-	55,000	55,000
<i>High Service Pump Electric Valve Actuators</i>	100,000	60,000	160,000	160,000
<i>Raw Water Pump and Motor #5 Replacement</i>	500,000	500,000	1,000,000	1,000,000
	875,000	1,272,500	2,147,500	2,012,500
Transmission				
Replace 5 meters at approximately \$35,000 each	-	175,000	175,000	175,000
Replacement Vehicle (3/4 ton 4wd Crew Cab)	-	44,000	44,000	44,000
Reservation for Purchase of Pipe Yard Replacement Inventory	-	212,000	212,000	212,000
Reservation for Unplanned Pipe & Valve Replacements	-	515,000	515,000	515,000
Planned Blow-Off Replacements	-	525,000	525,000	525,000
<i>Blackjack Mtn. Tank Painting and Capital Repairs</i>	300,000	532,000	832,000	827,000
<i>Transient Pressure Detection Installations</i>	150,000	-	150,000	117,000
	450,000	2,003,000	2,453,000	2,415,000

Routine Capital Projects Detailed (Asset Renewal & Replacement).....continued

	Prior Year Allocations	2017 Allocation	Allocation Active Projects 2017	Budgeted 2017 Project Spending
Laboratory				
<i>Purge & Trap</i>	25,000	-	25,000	25,000
<i>Automatic Sampler</i>	25,000	-	25,000	25,000
<i>Simmons Lab Expansion Design & HVAC Replacement</i>	370,000	-	370,000	193,177
	420,000	-	420,000	243,177
Hickory Log Creek				
Replacement YSI Water Quality Sonde	-	13,500	13,500	13,500
Dam Electrical Panel Refurbishment	-	56,250	56,250	56,250
Air Quality Monitoring - Inside Dam	-	7,500	7,500	7,500
	-	77,250	77,250	77,250
Information Systems / Technology				
Replacement of CISCO Routers (6 locations)	-	25,000	25,000	25,000
Domain Controllers (3 locations)	-	10,000	10,000	10,000
Network Analyzer	-	20,000	20,000	20,000
Administration Firewall Replacement	-	15,000	15,000	15,000
<i>Separate & Secure SCADA Network, Phase II</i>	20,000	54,000	74,000	54,000
	20,000	124,000	144,000	124,000
Safety & Security				
Brush Mountain Fence Install	-	17,500	17,500	17,500
Groover's Mtn Pump Station Security & Access	-	49,500	49,500	49,500
QTD Intake Replacement Gate Install with Operator	-	25,000	25,000	25,000
Cameras (4) for WTD Residuals		14,600	14,600	14,600
QTD Camera Upgrades	-	19,000	19,000	19,000
WTD Residuals Access Control	-	35,000	35,000	35,000
	-	160,600	160,600	160,600
General and Administration				
<i>Remodeling of 1190 Atlanta Industrial Drive</i>	150,000	-	150,000	133,600
	150,000	-	150,000	133,600
Totals	\$ 4,170,000	\$ 5,446,850	\$ 9,616,850	\$ 8,980,827

Note: Prior year allocations also include funds already expended. The intent is to show total funding for the given project in the "Allocation Active Projects 2017" column and budgeted cash outflows in the "Budgeted 2017 Project Spending" column.

Debt Obligations

Description of Debt Standards

The Cobb County-Marietta Water Authority does not have a Board-adopted debt policy; however, the Authority does utilize the following standards when considering use of debt as a funding source.

- Debt should be utilized only for construction of capital projects which are new additions to the Authority's assets and which will provide benefit to future generations of the Authority's customers.
- The Authority strives to maintain AAA bond ratings from the three bond rating agencies in order to obtain the lowest possible rates when financing projects through debt issuance.
- The Authority will consider the expected useful life of any capital project financed through issuance of debt and will not secure debt with a term longer than the expected useful life of the capital project.
- In addition to issuance of revenue bonds, the Authority considers the use of loans through the Georgia Environmental Finance Authority when considering sources for financing of capital projects through debt issuance.
- When fiscally responsible to do so, the Authority will consider financing capital projects with cash and avoid issuance of debt.
- Bond premiums, discounts and issuance costs are deferred and amortized over the term of issued bonds using the effective interest method.
- Deferred charges on refunding are amortized over the shorter of the life of the refunded bonds or the refunding bonds using the effective interest method.
- Bond premiums, discounts and deferred charges on refunding are presented as additions and reductions to the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

Legal Debt Limit

The Cobb County-Marietta Water Authority has a legal debt limit of \$400,000,000 as established by the Georgia General Assembly. As of January 1, 2016 the Authority had \$96,477,158 in outstanding debt. Of that debt, \$16,879,694 was accounted for as a current liability and \$79,597,464 was accounted for as a long-term liability. Accrued compensated absences constituted \$2,078,693 of aforementioned debt. No additional debt was issued calendar year 2016 to finance capital projects, general operations or to refinance existing debt.

Intent to Issue in Five Year Plan

There is currently no intent to issue debt in the Authority's five year plan; however, if interest rates become favorable, refinancing of existing debt could occur.

Debt Coverage Ratio

As of January 1, 2017, the Authority estimates a debt coverage ratio of 6.05 for all debt.

Principal and Interest Payments – 2015 through 2017 Budgets

Series 2009 Revenue Bonds

Fiscal Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,240,000	\$ 1,516,138	<u>\$ 5,756,138</u>
2016	\$ 4,450,000	\$ 1,267,054	<u>\$ 5,717,054</u>
2017	\$ 4,680,000	\$ 1,081,638	<u>\$ 5,761,638</u>

Maturity - 2021

Series 2015 Revenue Bonds

Fiscal Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 580,833	\$ 924,611	<u>\$ 1,505,444</u>
2016	\$ 1,150,833	\$ 1,982,450	<u>\$ 3,133,283</u>
2017	\$ 1,185,833	\$ 1,947,925	<u>\$ 3,133,758</u>

Maturity - 2021

Total All Long-Term Debts Payable

Fiscal Year Ending December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 4,820,833	\$ 2,440,748	<u>\$ 7,261,581</u>
2016	\$ 5,600,833	\$ 3,249,504	<u>\$ 8,850,338</u>
2017	\$ 5,865,833	\$ 3,029,563	<u>\$ 8,895,396</u>

Basis of Budgeting

The Cobb County-Marietta Water Authority utilizes one fund to report on its financial position and the results of operations. The Authority employs a Proprietary or Enterprise fund since the Authority is operated and financed similar to a private business. For purposes of measurement focus, the Authority uses the flow of economic resources. The Authority utilizes the accrual basis of accounting for both budgeting and financial accounting purposes.

Operations Guide

Operating Divisions

The Cobb County-Marietta Water Authority is divided into eight operating divisions. Each division is responsible for a particular set of duties within CCMWA. A list and brief description of CCMWA's divisions can be found below:

General and Administrative Division

The General and Administrative Division is responsible for several functions that affect the entire organization. The General Manager, Director of Operations, Safety and Security, Human Resources, and Communications are functions of the Division.

Number of Full Time Equivalent Employees: 8

Engineering Division

The Engineering Division plans, coordinates and implements capital projects for CCMWA. The Engineering Division acts to assist in planning non-routine capital projects and provides engineering, construction coordination, and management once projects begin. Recommendations from the Engineering Division drive the strategic position of CCMWA in relation to capital improvement projects. The Engineering Division is also charged with development and maintenance of the CCMWA's geographical information system (GIS), and provides strategic and regulatory guidance for CCMWA operations.

Number of Full Time Equivalent Employees: 8

Finance Division

The Finance Division is responsible for coordination and administration of financial and accounting related functions of CCMWA. The Division manages budget development and implementation, maintains CCMWA's cash flow model, and ensures accounting compliance with GASB and FASB ASC. The Division also coordinates with and oversees work of CCMWA's Investment Advisors, facilitates CCMWA's annual financial audit and works to facilitate CCMWA's pension plan. The Finance Division plans and makes recommendations for funding of operations and capital projects, develops and presents financial reports, oversees accounts payable operations, manages payroll, maintains internal financial controls and administers CCMWA's Asset Management Program. The Finance Division also includes the Information Technology functions of CCMWA.

Number of Full Time Equivalent Employees: 5.5

Hickory Log Creek Reservoir Division

The Hickory Log Creek Reservoir Division consists of a 411-acre reservoir and a 44 million gallon per day intake/pumping station. The Division is located in central Cherokee County in the City of Canton. The project withdraws water from the Etowah River and impounds water from Hickory Log Creek to fill the 5.77 billion gallon reservoir. The project supplies water to Wyckoff Treatment Division by supplementing flow in the Etowah River through release of water from the reservoir. The project is jointly owned by CCMWA (75% ownership) and the City of Canton (25% ownership).

Number of Full Time Equivalent Employees: 2 (*cost shared with the city of Canton*)

Laboratory Division

The Laboratory Division is responsible for water quality monitoring across CCMWA's transmission system. The Division is also accountable for bacteriological sampling/testing and other water sampling/testing for the CCMWA's sole-source customers' systems. The Laboratory Division operates out of two locations, the Calvin A. Simmons Microbiological Laboratory in Acworth and the Chemical Laboratory located at the Quarles Plant.

Number of Full Time Equivalent Employees: 10

Quarles Treatment Division

The Quarles Treatment Division is in east Cobb County. The Division withdraws water from the Chattahoochee River, treats the water to potable standards of quality and pumps the water into CCMWA's transmission system. The Division consists of two water treatment facilities and two intakes/pumping stations. The Division has a total permitted treatment capacity of 86 million gallons per day.

Number of Full Time Equivalent Employees: 34.5

Transmission Division

The Transmission Division is responsible for maintaining CCMWA's transmission pipeline system. The Division's primary functions are Utility Protection Center-driven locates of CCMWA's transmission water mains, operation of the Valve Maintenance Program and coordination of repairs and maintenance to the transmission system. The Division also works with the Engineering Division to maintain the GIS database, and with the Asset Manager to provide updates on buried infrastructure.

Number of Full Time Equivalent Employees: 10.5

Wyckoff Treatment Division

The Wyckoff Treatment Division is located in northwest Cobb County. The Division withdraws water from Allatoona Lake, treats the water to potable standards of quality and pumps the water into CCMWA's transmission system. Allatoona Lake is an impoundment of the Etowah River operated by the U.S. Army Corps of Engineers. The Division is responsible for coordinating and overseeing operation of the Hickory Log Creek Reservoir. The Division consists of one water treatment facility and one intake/pumping station. The Division has a total permitted treatment capacity of 72 million gallons per day.

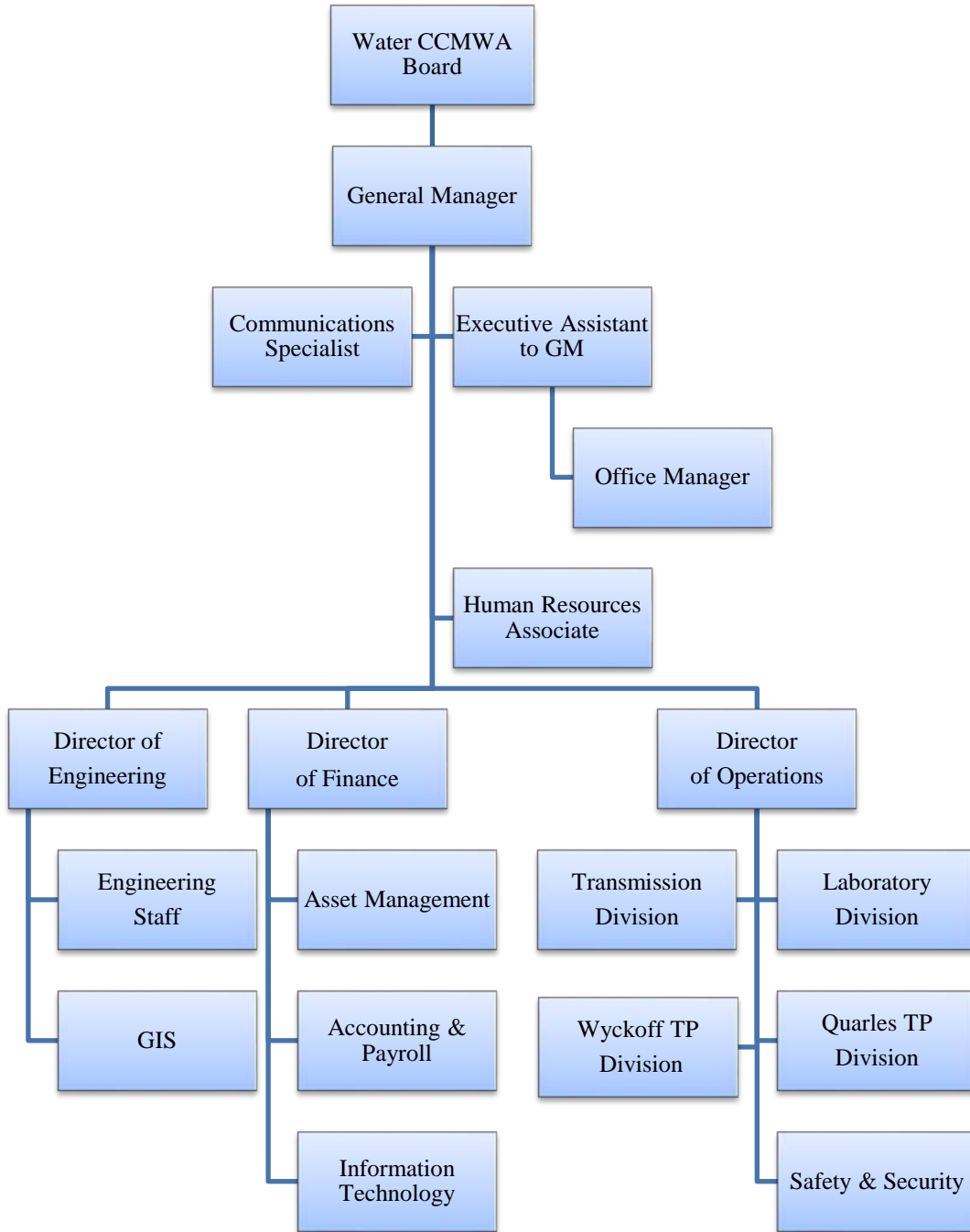
Number of Full Time Equivalent Employees: 36

Intern Program

The CCMWA utilizes an intern program to develop a future source of skilled and tested employees. As a result, CCMWA has allocated funding for two interns at the Wyckoff Division and two interns at the Quarles Division. The Engineering and Finance Divisions have an allocation for one intern at each Division. Each intern will serve a term of three months.

Number of Full Time Equivalent Employees: 1.5

Cobb County-Marietta Water Authority Organizational Chart



Summary Table of Position Counts – Entity Wide

By Division	Full Time Equivalent Positions FY2015	Full Time Equivalent Positions FY2016	Full Time Equivalent Positions FY2017
Administration and General	9.5	9.5	8
Engineering	8	8	8
Finance	3.5	3.5	5.5
Hickory Log Creek Reservoir	2	2	2
Laboratory	10	10	10
Quarles	34	34	34.5
Transmission	10.5	10.5	10.5
Wyckoff	35.5	35.5	36
Intern Program	1.5	1.5	1.5
Total All Divisions:	114.5	114.5	116

Shifts in Responsibility

During 2017, CCMWA is planning to separate maintenance staff from each Treatment Division into an independent operating division, and add a full-time position for Maintenance Division Manager. In the table above, maintenance staff are part of the Quarles Division and Wyckoff Division. During 2016, the Information Technology department was moved to be part of the Finance Division from the Administrative and General Division. The increase in full-time equivalent staff of 1.5 is resulting from transition of a part-time Human Resource Associate position to a full-time position and the planned addition of a Maintenance Division Manager.

- Total new full-time equivalent positions for calendar year 2017: **1.5**

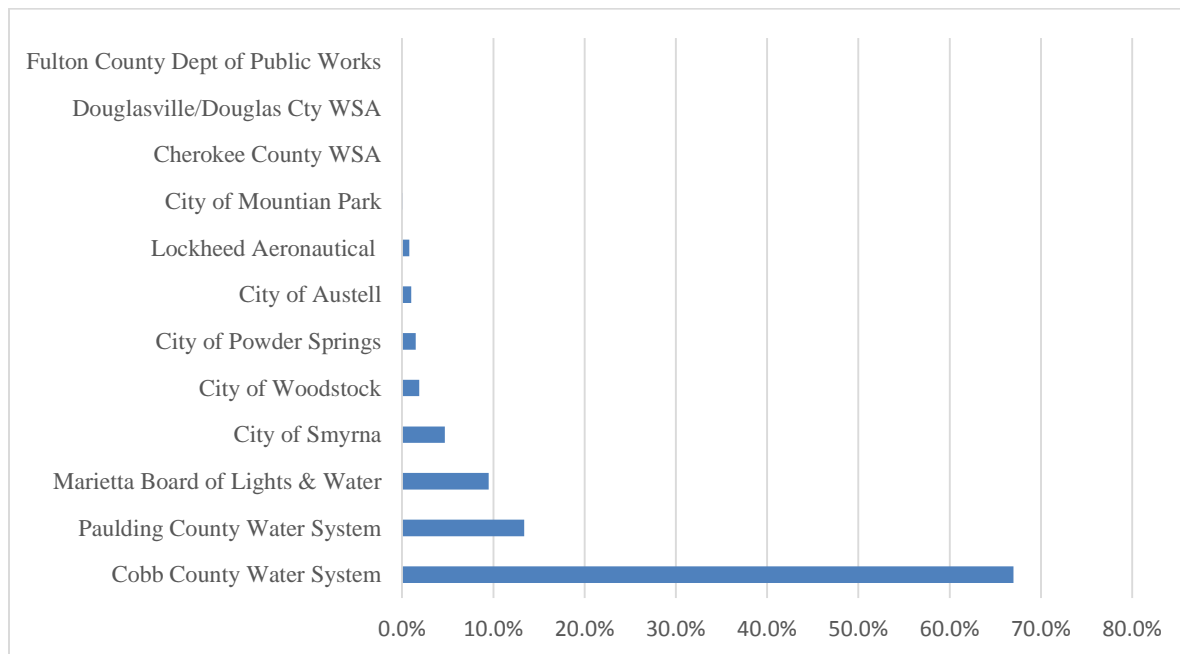
CCMWA expects to economize its workforce in years beyond 2017 through attrition as a result of an expected decrease in projected water sales, once Paulding County employees its own water treatment plant and significantly reduces its dependency upon CCMWA's water system in late 2020.

Statistical Data

Customers of the Cobb County-Marietta Water Authority

- Cobb County Water System.....(*Largest customer, ~ 67% of sales*)
- City of Austell
- City of Mountain Park
- City of Powder Springs
- City of Smyrna
- City of Woodstock
- Cherokee County Water and Sewerage Authority (CCWSA)
- Douglasville/Douglas County Water and Sewer Authority (DDCWSA)
- Fulton County Public Works, Water and Sewerage Division (open contract; inactive)
- Lockheed Aeronautical Systems Company
- Marietta Board of Lights and Water.....(*Third largest customer, ~ 9.5% of sales*)
- Paulding County Water System.....(*Second largest customer, ~ 13.4% of sales*)

CCMWA - Percent of Daily Water Sales by Customer



Population Information

- The total estimated population of the region (Cobb County, Paulding County, Douglas County, City of Woodstock) served by the Cobb County-Marietta Water Authority, according to 2015 United States Census Bureau data: 1,064,000

Source: <http://www.census.gov/quickfacts/table/PST045215/00>

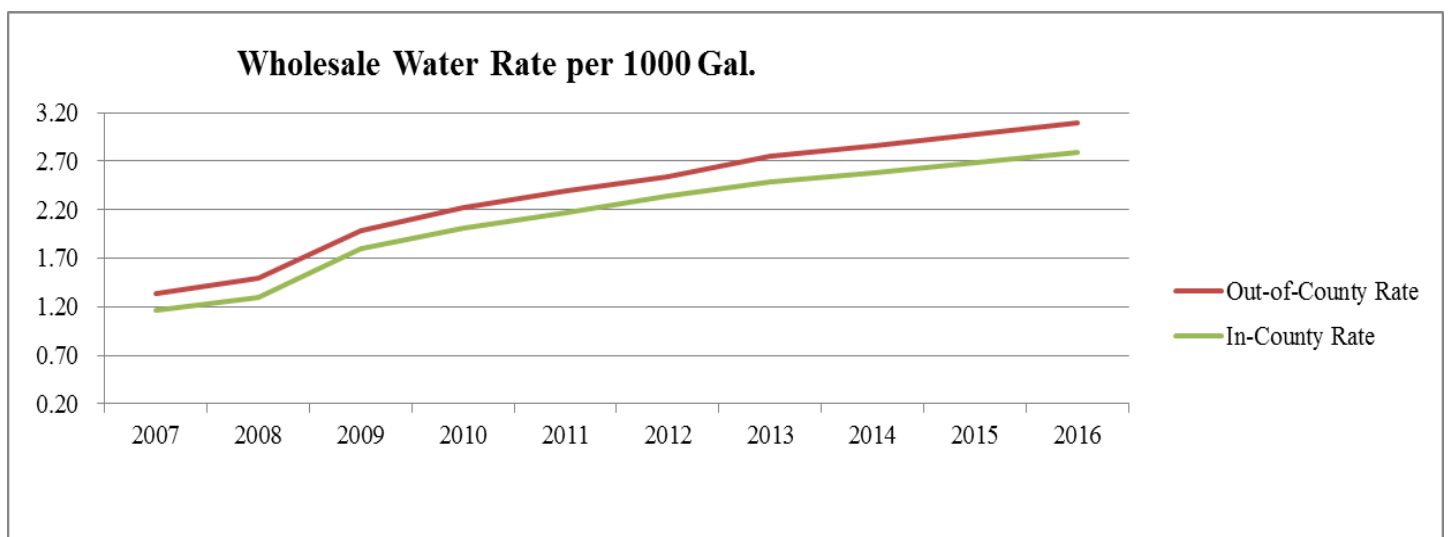
Rate Comparison Information

The following tables represent select peer water purveyors of the Cobb County-Marietta Water Authority (CCMWA) in the Atlanta metropolitan area and beyond.

Wholesale Water Rate Comparison Calendar Year 2016

<u>Utility</u>	<u>Charge per 1,000 gallons</u>	<u>Charge Appended By Retail Sales</u>
<i>CCMWA In-County</i>	\$ 2.79	<u>No</u>
<i>CCMWA Out-of-County</i>	\$ 3.09	<u>No</u>
Columbus Water Works	\$ 2.11	<i>Yes</i>
Cherokee County WSA	\$ 2.35 - 4.70	<i>Yes</i>
Tampa Bay Water (Florida)	\$ 2.56	<u>No</u>
Fayette County Water System	\$ 3.25	<i>Yes</i>
Austin Water Utility (Texas)	\$ 4.10	<i>Yes</i>
Denver Water (Colorado)	\$ 4.15	<i>Yes</i>
Cobb County	\$ 4.28	<i>Yes</i>
Gwinnett County	\$ 4.85	<i>Yes</i>

Cobb County-Marietta Water Authority												
Wholesale Water Rates												
Last Ten Fiscal Years												
<i>Unaudited</i>												
Wholesale Water												
Price Per Thousand Gallons		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Base Charge		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
In-County Rate		1.17	1.30	1.80	2.01	2.17	2.34	2.48	2.58	2.68	2.79	
Out-of-County Rate		1.34	1.49	1.99	2.22	2.40	2.54	2.75	2.86	2.97	3.09	

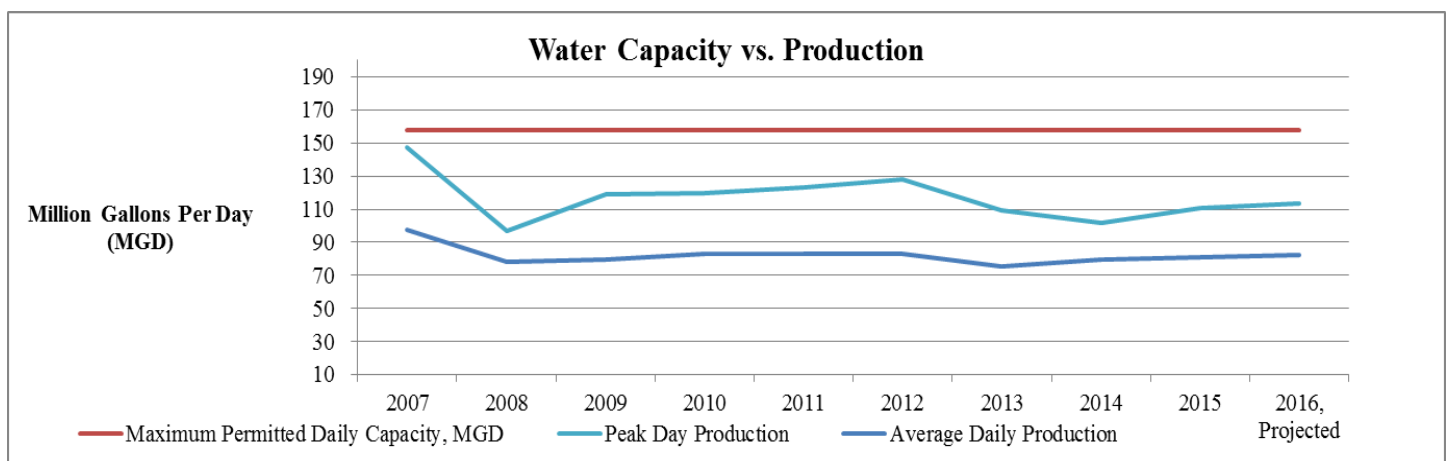


Production Capacity Comparison Information

The table below represents total daily potable water production capacity of major peer water purveyors of the Cobb County-Marietta Water Authority in the Atlanta metropolitan area.

<u>Utility</u>	<u>Potable Water Production Capacity, Permitted</u>
CCMWA	158 MGD
DeKalb County	150 MGD
Fulton County	90 MGD
Columbus Water Works	90 MGD
Cherokee County WSA	38 MGD
Gwinnett County	229.83 MGD
City of Atlanta	201.4 MGD
Tampa Bay Water	265 MGD

Cobb County-Marietta Water Authority												
Water Capacity With Annual Average Daily Flow												
Last Ten Fiscal Years												
(All Numbers Expressed in Millions of Gallons)												
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016, Projected		
Maximum Permitted Daily Capacity, MGD of Water Treatment Plants (WTPs) :												
Quarles WTP	86	86	86	86	86	86	86	86	86	86	86	86
Wyckoff WTP	72	72	72	72	72	72	72	72	72	72	72	72
	158	158	158	158	158	158	158	158	158	158	158	158
Average Daily Production	97.4	78.2	79.4	83.3	82.9	83.1	75.7	79.4	80.8	82.5		
Percent of Capacity Used	61.7	49.5	50.3	52.7	52.5	52.6	47.9	50.3	51.2	52.2		
Peak Day Production	147.6	96.8	118.8	119.8	123.2	128.3	109.3	101.5	110.9	113.4		
Percent of Capacity Used	93.4	61.3	75.2	75.8	77.9	81.2	69.2	64.2	70.2	71.8		
*Source: Cobb County-Marietta Water Authority Historical Records												



Demographic and Economic Statistics

Cobb County-Marietta Water Authority						
Cobb County, Georgia Principal Employers						
			2015		2006	
Employer	Industry	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment	
Cobb County Schools	Government	15,033	4.05%	14,956	3.40%	
Wellstar Health System	Healthcare	14,000	3.77%	11,127	2.53%	
Home Depot	Retail	12,000	3.23%	7,000	1.59%	
Lockheed Martin	Aircraft/Defense	6,000	1.62%	6,938	1.58%	
Kennesaw State University	Education	5,146	1.39%	3,254	0.74%	
Cobb County Government	Government	5,068	1.36%	4,958	1.13%	
Publix Super Markets	Retail	3,546	0.95%	3,381	0.77%	
Dobbins Air Force Base	Defense			2,359	0.54%	
Caraustar Industries	Manufacturing	3,800	1.02%			
Six Flags Over Georgia	Theme Park	2,370	0.64%	2,718	0.62%	
Naval Air Station Atlanta	Defense			2,991	0.62%	
Brand Energy & Infrastructure Holdings	Retail	2,803	0.75%			

***Source:** Cobb County Office of Economic Development and Cobb County Chamber of Commerce

Cobb County-Marietta Water Authority				
Cobb County, Georgia Demographic and Economic Statistics				
Fiscal Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	County Unemployment Rate (2)
2006	661,910	31,079,610,000	46,954	4.00%
2007	670,440	32,249,690,000	48,102	3.50%
2008	679,820	31,744,830,000	46,696	6.20%
2009	684,780	29,643,900,000	43,290	9.60%
2010	689,750	30,144,950,000	43,704	9.50%
2011	697,550	30,776,120,000	44,120	8.40%
2012	707,170	31,338,650,000	44,316	7.30%
2013	716,950	32,029,550,000	44,675	7.10%
2014	726,850	32,765,870,000	45,079	6.00%
2015	733,860	33,827,430,000	46,095	4.90%

Performance Indicators / Measures

Debt Ratio

[Total Liabilities / Total Assets]

<u>Fiscal Year</u>	
2012, Audited	21.6%
2013, Audited	19.3%
2014, Audited	16.3%
2015, Audited	16.0%
2016, Projected	14.0%
AWWA Industry Benchmark (Median Quartile, 2012)	<u>34.0%</u>

MGD of Water Delivered per Full Time Equivalent Employee (FTE)

[Average MGD Delivered / Number of FTEs]

<u>Fiscal Year</u>	<u>MGD</u>	<u>FTEs</u>	<u>MGD per FTE</u>
2012	83.02	113	0.73
2013	75.2	114.5	0.66
2014	78.71	114.5	0.69
2015	80.8	114.5	0.71
2016, Projected	82.5	114.5	0.72
AWWA Benchmark [2.50 Wholesale Factor] (Median Quartile, 2012)			<u>0.53</u>

Return on Assets

[Net Income / Total Assets]

<u>Fiscal Year</u>	<u>Net Income</u>	<u>Total Assets</u>	<u>Return on Assets</u>
2012	\$ 31,785,122	\$ 529,716,913	6.00%
2013	\$ 22,153,944	\$ 544,443,645	4.07%
2014	\$ 34,521,599	\$ 567,344,950	6.08%
2015	\$ 33,924,068	\$ 603,441,449	5.62%
2016, Projected	\$ 37,542,214	\$ 621,071,225	6.04%
AWWA Benchmark (Median Quartile, 2012)			<u>2.20%</u>

Kilowatt Hours of Electricity Used per Million Gallons of Water Produced
[KWH Used / MG Produced]

<u>Fiscal Year</u>	<u>MG Produced</u>	<u>Kilowatts Used</u>	<u>KW/MG</u>
2012	30,272	74,616,139	2,465
2013	27,451	70,321,147	2,562
2014	28,728	71,318,540	2,483
2015	29,445	72,424,851	2,460
2016, Projected	30,113	74,657,417	2,479

Number of Regulatory / Water Quality Infractions

<u>Fiscal Year</u>	<u>Number of Infractions</u>
2012	Zero
2013	Zero
2014	Zero
2015	Zero
2016, Projected	Zero

Operational Cost per Million Gallons Produced & Thousand Gallons Produced
[Operating Expense / Million Gallons Produced] **Includes Depreciation

<u>Fiscal Year</u>	<u>MG Produced</u>	<u>Operating Expense</u>	<u>\$ / MG</u>	<u>\$ / K-Gal</u>
2012	30,272	\$ 38,673,588	\$ 1,278	\$ 1.28
2013	27,451	\$ 40,152,408	\$ 1,463	\$ 1.46
2014	28,728	\$ 44,701,985	\$ 1,556	\$ 1.56
2015	29,445	\$ 45,099,147	\$ 1,532	\$ 1.53
2016, Projected	30,113	\$ 47,230,755	\$ 1,568	\$ 1.57

Transmission Pipeline Failures per Year and Water Outages

<u>Fiscal Year</u>	<u>Pipeline Failures</u>	<u>Water Outages</u>	<u>Pipeline Redundancy Utilized</u>
2012	5	Zero	Yes
2013	9	Zero	Yes
2014	4	Zero	Yes
2015	7	Zero	Yes
2016, Projected	4	Zero	Yes

Glossary

AFB – Air Force Base

Asset Management - A management paradigm and a body of management practices that is applied to the entire portfolio of assets at all levels of the organization, seeking to minimize the total cost of acquiring, operating, maintaining and renewing the assets within an environment of limited resources; while continuously delivering the service level customers desire and regulators require, at an acceptable level of business risk to the organization.

AWWA – American Water Works Association

BCP – Business Continuity Plan

CAFR – Comprehensive Annual Financial Report

CCMWA – Cobb County-Marietta Water Authority

CIP – Construction in Progress

CMP – Communication Management Plan

Depreciation – Loss in monetary value of an asset over time, due to its age and use

Disinfection Byproduct Rule – Rule promulgated by the United States Environmental Protection Agency to regulate water contaminants produced when water is disinfected

Division – A primary operating unit of CCMWA

Employee Benefits – This includes health insurance, life insurance and dental insurance paid as an employee benefit

FASB ASC – Financial Accounting Standards Board Accounting Standards Codification

FTE – Full Time Equivalent Employee

GAC – Granular Activated Carbon

GASB - Governmental Accounting Standards Board

GEFA / ESC – Georgia Environmental Finance Authority / Environmental Finance Center

GIS – Geographic Information System

I&C – Instrumentation and Controls

Master Budget – CCMWA’s capital and operating budgets for all Divisions / Entity wide compiled into a single budget document

MG – Million Gallons

MGD – Million Gallons per Day

MSL – Mean Sea Level

Other Expense – Income from activities other than normal business operations

Other Income – Expenses from activities other than normal business operations

Pay Go – Method of paying for capital projects with cash on hand

Pro Forma – Financial statements based on certain assumptions, such as a budget

R&R – Renewal and Replacement

Raw Water – Also referred to as source water is untreated, surface water.

Residuals Management – Treatment and land application of sludge produced in the course of treating raw water

Right of Way – Area (usually and easement) where CCMWA has transmission pipelines underground

SCADA – Supervisory Control and Data Acquisition

Source Water – Also referred to as raw water is untreated, surface water.

Surcharge – An additional charge for what is deemed excessive consumption

TPW – Total Present Worth

Transmission System – Network of pipelines and water tanks whereby potable water is distributed to CCMWA's customers

Treatment Plant – Plant where raw water / source water is treated through various processes to potable water quality standards and pumped into CCMWA's transmission system

VA – Vulnerability Assessment

WA – Water Authority

WSA – Water and Sewerage Authority

XLIMS – Laboratory Information Management System