

**MINUTES  
LAKE LANIER ISLANDS DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
MAGNOLIA ROOM  
LEGACY LODGE AND CONFERENCE CENTER – LAKE LANIER ISLANDS, GEORGIA**

**October 15, 2010 – 12:35 p.m.**

**BOARD MEMBERS PRESENT:**

Mr. Craig Dowdy, Vice Chairman  
Mrs. Dorothy Burns (via telephone)  
Mr. John Gibb (via telephone)  
Mr. Alan Gravel  
Mr. John Kieffer  
Mr. Bob Whitley

**STAFF:**

Mr. Bill Donohue  
Mr. Lee Smith  
Ms. Joy Hortman  
Ms. Marilyn Brown

**ABSENT BOARD MEMBERS:** Chairman Lonice C. Barrett; Mr. Hank Burnham; Mrs. Connie Hagler

**VISITORS:** Mr. Samuel L. Oliver, LLIDA Legal Counsel, Hulsey, Oliver & Mahar, (Special Assistant to the Attorney General)  
Mr. Michael Williams, Lake Lanier Islands Management Company, LLC  
Mr. Grier Todd, Lake Lanier Islands Management Company, LLC

**NOTE : All referenced materials were provided to Board members during the meeting.**

**I.&II. CALL TO ORDER AND APPROVAL OF AGENDA**

Vice Chairman Craig Dowdy called the meeting to order at 12:35 p.m. *Mr. Kieffer moved to approve the Agenda as presented; Mr. Whitley seconded the motion and it was unanimously approved.*

**III. APPROVAL OF SEPTEMBER 17, 2010 LLIDA BOARD MEETING MINUTES**

*Mr. Whitley moved to approve Minutes of the September 17, 2010 LLIDA Board of Directors Meeting as submitted; Mr. Kieffer seconded the motion and it passed unanimously.*

**IV. ACTION ITEMS**

Vice Chairman Dowdy asked that Mr. Bill Donohue report on Action Item #1 regarding the increased cost for rock removal in the new sewer line project to the hotel.

1. **Consider Recommendation of the Infrastructure Committee to Increase Amount of Contract with Townley Construction to Cover Increased Cost for Rock Removal in Installation of the New Sewer Line to Hotel (Increased Cost to be paid from GEFA Loan Proceeds)**

Reference was made to 1) Mr. Donohue's memorandum dated October 8, 2010 regarding the Townley Contract Proposed Change Order; 2) a 2-page summary detailing bid form rock quantity compared to the actual rock encountered in the project; 3) Table showing actual volume of rock; 4) "Typical Payment for Rock Excavation" information sheet, and 5) a map showing the area being discussed.

Mr. Donohue explained the calculations used to determine the cost overrun due to rock. It was noted that the amount of rock encountered was approximately three times what was expected. He said the contractor's additional cost was \$103,720. He said that because the contractor was able to use excess rock on the Islands rather than removing it, it was determined that there was a savings of at least \$20,000. Therefore, ESI suggested that LLIDA's payment to Townley Construction be \$83,720.

*Mr. Gravel moved to accept the recommendation of the Infrastructure Committee and approve a payment to Townley Construction to cover increased cost for rock removal in the installation of the new sewer line to the hotel in an amount not to exceed \$83,720; Mr. Whitley seconded the motion. Mr. Kieffer abstained and the motion passed.*

2. **Consider a Recommendation of the Infrastructure Committee to approve the Final Change Order on the Contract with G.P.'s Enterprises for the Phase 2 Road Project to Reflect Final Installed Quantities and All Credits in the Amount of \$194,393.03**

Mr. Donohue referred to his memorandum regarding G.P.'s Enterprises Contract Final Balancing Change Order dated October 8, 2010, as well as the "Phase Two Road Project Final Project Cost Summary" and 16 additional information sheets detailing costs. He explained that this Change Order included accounting activity and spending activity equaling a summary of final costs on the Project. He referred to Paragraph 2 in his memorandum which states that the total amount of the balancing change order is \$194,393.03 and the final contract amount is \$7,700,701.57. He noted that this represents a 6.67% increase (based on excess rock encountered; delays due to utility challenges, additions and changes) in the original contract amount. He recalled that the Board approved a \$10,511,807 budget for the project and the final cost was \$10,480,437. Also stated was that the amount of rock encountered was the most significant portion of this cost so the preponderance of items for under runs were noted to bring the original \$300,000 cost down to \$194,393.03. He said it was the Infrastructure Committee's recommendation that approval be granted for the final change order in the amount of \$194,393.03.

*Mr. Whitley moved to accept the recommendation of the Infrastructure Committee and approve the final change order on the contract with G.P.'s Enterprises for the Phase 2 Road Project to reflect final installed quantities and all credits in the amount of \$194,393.03. Mr. Gravel seconded the motion and it passed unanimously.*

Vice Chairman Dowdy asked that Mr. Donohue combine the discussion of Action Item 3 and Action Item 4.

3. **Consider a Recommendation of the Infrastructure Committee to Approve a Work Release Authorization for Engineering Strategies, Inc. (ESI) to Design, Bid and Manage the Project to Rehabilitate the 12" Sewer Line from the Campgrounds Entrance to the Treatment Plant**

and

4. **Consider a Recommendation of the Infrastructure Committee to Bid Out the Project to Rehabilitate the 12" Sewer Line from the Campground Entrance to the Treatment Plant**

Mr. Donohue referred to his memorandum dated October 8, 2010 regarding I) Engineering Strategies, Inc.'s (ESI's) Fee proposal to design, manage and supervise the Sewer Line Rehabilitation Project; II) two information pages from ESI:

- 1) "LLIDA-ESI Agreement – Attachment "I" Tasks" and 2) "Consultant Statement #13 dated September 27, 2010. Additionally, he used the map provided during the Action Item #1 discussion to illustrate the location of the project

Also referenced was Action Item #4 with Mr. Donohue's accompanying memorandum dated October 8, 2010 regarding the Rehab 12" Sewer Line and an aerial photograph showing the existing sewer line.

(Mr. Gibb joined the meeting by phone at this time.)

Mr. Donohue reported that shoreline stabilization had been done so that heavy equipment could be used to evaluate the condition of the Islands main 12" sewer line from the Campground Entrance to the Treatment Plant. He said that ESI developed a proposal detailing activities, hours and rates to design, engineer, bid out and manage the construction of the sewer line rehabilitation project. He and Mr. Rossello discussed details of the project, whose purpose it was to eliminate the problem of tree roots blocking the sewer line. It was explained that after repairs to the line were complete, a permanent solution was to insert a lining within the sewer line through which roots could not penetrate, and that the total cost for the project was estimated at \$200,000. It was noted that the Board was being asked only to approve ESI's fee to design, manage and supervise the project at a cost of \$24,765.

Mr. Donohue pointed out that ESI has done an excellent job of managing within the confines of Board approved funds. He said their last payment from LLIDA was \$206,000 and the summary shows they are not only under that amount for two projects, but also have saved sufficient money by reducing their rates and billable time to include project management and construction management of the Water Tank Project which was not necessarily part of the original ESI fee.

Mr. Gravel moved to accept the recommendation of the Infrastructure Committee to approve a Work Release Authorization for Engineering Strategies, Inc. to design, engineer, bid and manage the project to rehabilitate the 12" sewer line from the Campground to the Treatment Plant for a fee not to exceed \$24,765. Mr. Whitley seconded the motion and it passed unanimously.

Mr. Donohue said the Infrastructure Committee had considered two options regarding choosing a contractor to do the sewer line rehabilitation project:

- 1) do a change order with Townley Construction who is currently on site or
- 2) work with three or four of the contractors who have worked either on the pump stations or other sewer lines. For two reasons, he said, neither of these are feasible options because first, GEFA requires that a project of this size be bid out and second, this is a highly specialized type of work and the current contractors would subcontract it to one of three or four speciality firms.

Mr. Gravel moved to accept the recommendation of the Infrastructure Committee to bid out the project to rehabilitate the 12" sewer line from the Campground Entrance to the Treatment Plant. Mr. Whitley seconded the motion and it passed unanimously.

**V. FINANCIAL REPORT**

Mr. Donohue referred to the August 2010 Financial Report. He said there were no variations to report; LLIDA is tracking well within budget and recommended approval.

*Mr. Kieffer moved to approve the August 2010 LLIDA Financial Report as submitted; Mr. Whitley seconded the motion and it passed unanimously.*

**VI. DISCUSSION ITEMS**

**1. Report by Legal Counsel (Mr. Sam Oliver)**

**a. Amphitheater Project**

LLIDA Legal Counsel Sam Oliver reported that he is in the process of preparing and securing several kinds of documentation necessary for the Amphitheater Project. He said the Department of Natural Resources (DNR) would be the lessee of record; he has developed a draft Management Agreement with DNR whereby LLIDA and LLIMC would be authorized to manage the project on behalf of DNR. He said the draft Agreement has been submitted and is in the system.

**2. Report by Executive Director (Mr. Bill Donohue)**

Mr. Donohue referred to his Executive Director's Report dated October 8, 2010, as well as a Water Storage Tank Projected Construction Schedule and a Project Inspection Report on the Water Reclamation Facility dated 9-30-10 from the Georgia Department of Natural Resources Environmental Protection Division Construction Management Unit.

His comments included the following information:

-- Road Project: project is complete; paperwork being finalized; pleased with GP's Enterprises work and they are now off the site

-- Wastewater Facility: project is complete: final amount -- \$10,452,540; contract amount -- \$10,910,329; there was a \$300,000 contingency of which only approximately \$30,000 was needed

-- Additional Sewer Project: 90% complete; a walk-through punch list set for next week

-- Wastewater Plant Demo Project: project complete; closeout paperwork being finalized; site looks terrific

-- Water Tank Project: project progressing well; expect to finish first week in November

-- Tourism Development Alliance of Georgia (TDAG) Gala: LLIMC's Mr. Virgil Williams is Honorary Co Chairman of this event; the Board was reminded that LLIDA has reserved a table for 10 and to notify Joy if interested in attending (Saturday, November 13 at 6:30 p.m. at the W Hotel in Atlanta)

- November Meeting and Work Session: November Board meeting will be held on Wednesday, November 17; work session with LLIMC begins at 10 a.m.; lunch at 11:45 a.m. and the regular monthly meeting at 12:30 p.m.
- Magical Nights of Lights Reception: tentatively scheduled for Thursday, December 9; needs to hear from all Board members as to whether this is a convenient date
- 2011 Meeting Dates:
  - ~ many State agencies are meeting every other month and this is being considered for LLIDA Board meetings
  - ~ if fewer meetings are held, the monthly reports will continue to be distributed as they are now
  - ~ Vice Chairman Dowdy asked that members respond to Bill Donohue and Chairman Lonice Barrett with their preferences on this matter before the next meeting which is scheduled for Wednesday, November 17.
  - ~ Once the schedule is set, there will be a vote on it at the November 17 meeting.
  - ~ LLIDA Legal Counsel Samuel L. Oliver added that the LLIDA Bylaws allow whatever meeting schedule the Board prefers.
- Bonds Sold: General Obligation Bonds have been sold and funds should soon be available for the Amphitheater Project
  - ~ meetings have been held with LLIMC; a survey of the property is complete
  - ~ \$200,000,000 may not be sufficient to refurbish the Amphitheater as envisioned;
  - ~ plans are to bring in specialists to advise on construction, seating, amenities, etc. and another entity to design the facility
- GoFish Center: the GoFish Center was opened last week in Perry, GA

**3. Report by COO, Lake Lanier Islands Management Company, LLC (Mr. Grier Todd)**

Among points made during Mr. Todd's report were the following:

- Referred to the LLIMC report under Tab 3
  - ~ Finances continue to improve; August better by 14.8 %; year to date, 27.4% ahead of last year; 1.5% behind budget
- "Haunted Nights of Lights" is now in progress through October 31; traffic has been good
- "Magical Nights of Lights" starts November 18
- Golf Course – in excellent condition and has enjoyed an extremely good fall season
- Wedding numbers off
  - ~ projections did not take into consideration the fact that brides need to see the actual wedding venues (these were not completed until recently)
  - ~ there is a 6-9 month window for bookings
  - ~ March/April/May are tracking well ahead of last year's budget

**VII. ADJOURNMENT**

Vice Chairman Dowdy asked whether there were additional comments or questions. He thanked Mr. Mike Williams of LLIMC for attending the meeting.

There being no further business, the meeting was properly adjourned at 1:15 p.m.

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Craig Dowdy  
Vice Chairman  
Lake Lanier Islands Development Authority

These Minutes were recorded and transcribed by

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Marilyn Brown  
Assistant Secretary  
Lake Lanier Islands Development Authority

