

**NEW ISSUE - BOOK ENTRY ONLY**

**RATING:**

**S&P: “AA+”**

**(See “MISCELLANEOUS - Rating” herein)**

*In the opinion of Murray Barnes Finister LLP, Bond Counsel, subject to the limitations and conditions described herein, interest on the Series 2024 Bonds (including any original issue discount properly allocable to a holder of the Series 2024 Bonds) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See “LEGAL MATTERS—Tax Matters.”*



**\$88,055,000\***

**Coweta County (Georgia) Water and Sewerage Authority  
Revenue Bonds, Series 2024**

Dated: Date of Issuance

Due: June 1, as shown on the inside front cover

The Coweta County Water and Sewerage Authority Revenue Bonds, Series 2024 (the “Series 2024 Bonds”) are being issued in fully registered form and in denominations of \$5,000, or any integral multiple thereof, by the Coweta County Water and Sewerage Authority (the “Authority”). The Series 2024 Bonds are being issued for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements to the System (as herein defined), (b) funding capitalized interest on the Series 2024 Bonds and (c) paying the costs of issuing the Series 2024 Bonds. See “APPLICATION OF FUNDS.”

The Series 2024 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2024 Bonds. Purchases will be made only in book-entry form through the Participants (as herein defined) in DTC, and no physical delivery of the Series 2024 Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and interest on the Series 2024 Bonds will be made to Beneficial Owners by DTC through its Participants. As long as Cede & Co. is the registered owner of the Series 2024 Bonds, as nominee of DTC, references herein to the holders of the Series 2024 Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2024 Bonds. See “THE SERIES 2024 BONDS – Book-Entry System.”

Interest on the Series 2024 Bonds is payable semiannually on June 1 and December 1 of each year (each such date, an “Interest Payment Date”), commencing December 1, 2024, by U.S. Bank Trust Company, National Association, Nashville, Tennessee, as Paying Agent, to the owners thereof as shown on the registration books maintained by U.S. Bank Trust Company, National Association, Nashville, Tennessee, as Bond Registrar. The Series 2024 Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See “THE SERIES 2024 BONDS – Description.”

The Series 2021 Bonds (as herein defined) and the Series 2024 Bonds are special limited obligations of the Authority secured by and payable solely from a first lien on and pledge of the Net Revenues (as defined herein) of the System (as defined herein). The Authority has reserved the right to issue Additional Bonds (as defined herein). If such Additional Bonds are issued, they will be secured by a first lien on and pledge of the Net Revenues of the System on a parity with the lien thereon securing the Series 2021 Bonds and the Series 2024 Bonds. The Series 2024 do not constitute a charge, lien, or encumbrance, legal or equitable, on any other property of the Authority. See “THE SERIES 2024 BONDS – Security and Sources of Payment of the Series 2024 Bonds.”

The Series 2024 Bonds are subject to redemption prior to maturity, as more fully described herein. See “THE SERIES 2024 BONDS – Redemption.”

**THE SERIES 2024 BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE STATE OF GEORGIA, COWETA COUNTY, GEORGIA OR ANY OTHER POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE OF GEORGIA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON INDEBTEDNESS. NO OWNER OF THE SERIES 2024 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE OF GEORGIA, COWETA COUNTY, GEORGIA OR ANY OTHER POLITICAL SUBDIVISION OR MUNICIPAL CORPORATION OF THE STATE OF GEORGIA TO PAY THE SAME OR THE INTEREST THEREON. THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2024 BONDS ARE SECURED BY AND PAYABLE SOLELY FROM A FIRST LIEN ON AND PLEDGE OF THE NET REVENUES OF THE SYSTEM.**

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.**

The Series 2024 Bonds are offered, subject to prior sale, when, as and if issued by the Authority and accepted by the Underwriter and subject to the approving opinion of Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its counsel, Horne & Griffis, P.C. and for the Underwriter by its counsel, Smith Gambrell & Russell LLP. The Series 2024 Bonds are expected to be delivered through DTC in New York, New York, on or about May \_\_, 2024.



Dated: April \_\_, 2024

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment without notice. The Series 2024 Bonds may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS**

**SERIES 2024 BONDS**

<u>Maturity</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> <u>Number</u>
2027	\$150,000			
2028	155,000			
2029	165,000			
2030	175,000			
2031	180,000			
2032	190,000			
2033	200,000			
2034	210,000			
2035	220,000			
2036	230,000			
2037	245,000			
2038	255,000			
2039	270,000			
2040	280,000			
2041	300,000			
2042	330,000			
2046	5,160,000			
2047	5,595,000			
2048	5,875,000			
2049	6,165,000			
2050	6,475,000			
2051	6,800,000			
2052	7,140,000			
2053	7,495,000			
2054	7,870,000			
2055	8,265,000			
2056	8,635,000			
2057	9,025,000			
\$ _____	* . . %	Term Bonds due June 1, 20__	to Yield . . %	CUSIP <sup>(1)</sup> _____
\$ _____	* . . %	Term Bonds due June 1, 20__	to Yield . . %	CUSIP <sup>(1)</sup> _____
\$ _____	* . . %	Term Bonds due June 1, 20__	to Yield . . %	CUSIP <sup>(1)</sup> _____

<sup>(1)</sup> CUSIP data presented herein has been provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. Copyright, American Bankers Association. The Authority is not responsible for the selection of CUSIP numbers, nor is any representation made as to their correctness on the Series 2024 Bonds or as indicated above.

<sup>(2)</sup> [Priced to June 1, 20\_\_ optional redemption date].

\* Preliminary, subject to change.

**COWETA COUNTY WATER AND SEWERAGE AUTHORITY**

Authority Members

Laurie Bartlett, Chairperson  
Dr. Marc Guy, Vice Chairperson  
Larry W. Kay, Secretary  
Mark Woods, Co-Treasurer  
Dennis Hammond, Co-Treasurer

Executive Staff

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**AUTHORITY'S ACCOUNTANT**

J. K. Boatwright & Co., P. C.  
LaGrange, Georgia

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and the Appendices hereto and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from representatives of the Authority, public documents, records and other sources considered to be reliable. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date hereof. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

NO REGISTRATION STATEMENT RELATING TO THE SERIES 2024 BONDS HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) OR ANY STATE SECURITIES AGENCY. THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE SECURITIES AGENCY, NOR HAS THE SEC OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE AUTHORITY, THE SYSTEM AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2024 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2024 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Any projections or forecasts contained herein are based on current expectations but are not intended as representations of fact or guarantees of results. The projections or forecasts are intended to be forward-looking statements as defined in the Securities Act of 1933, as amended (the “1933 Act”), and such projections and forecasts inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such projections. These projections and forecasts speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any projections or forecasts contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such projections or forecasts are based.

The Series 2024 Bonds have not been registered under the 1933 Act, and the Resolution (as defined herein) has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

This Preliminary Official Statement has been deemed final by the Authority for purposes of U.S. Securities and Exchange Commission Rule 15c2-12, except for permitted omissions described in paragraph (b)(1) of Rule 15c2-12.

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## INTRODUCTION

### General

This Official Statement sets forth certain information concerning the Coweta County Water and Sewerage Authority (the “Authority”) and its water and sewerage system as now exists and as may hereafter be added to, extended and improved (the “System”) in connection with the issuance of \$88,055,000\* Coweta County Water and Sewerage Authority Revenue Bonds, Series 2024 (the “Series 2024 Bonds”). Capitalized terms used but not defined herein shall have the meanings assigned to them in APPENDIX C – THE RESOLUTION.

*This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2024 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this introduction from the Official Statement or to otherwise use it without the entire Official Statement including the Appendices hereto.*

### The Authority

The Authority is a public body corporate and politic of the State of Georgia and was established in 2001. The Authority owns and operates the System. The Authority’s service area for water and sewer consists of the unincorporated areas of Coweta County, Georgia (the “County”). For more complete information, see “THE AUTHORITY.”

### Authority for the Issuance of the Series 2024 Bonds

The Series 2024 Bonds will be issued pursuant to the Revenue Bond Law (O.C.G.A. § 36-82-60 *et seq.*, as amended), the Act, a bond resolution adopted by the Authority on May 26, 2021, as amended and restated on June 9, 2021 (as amended, the “Original Resolution”) and a parity bond resolution adopted by the Authority on March 27, 2024, as supplemented on April \_\_\_\_, 2024 (together with the Original Resolution, the “Resolution”).

### Purpose of the Series 2024 Bonds

The Series 2024 Bonds are being issued to provide funds for the purpose of (a) acquiring, constructing, and equipping the Series 2024 Project (as herein defined), (b) funding capitalized interest on the Series 2024 Bonds and (c) paying the costs of issuing the Series 2024 Bonds. See “APPLICATION OF FUNDS.”

### The Series 2024 Project

The Authority plans to acquire, construct, and equip certain additions, extensions and improvements to the System identified in the Engineering Report of Garver, LLC relating to the Series 2024 Project, a copy of which is attached hereto as Appendix E (the “Series 2024 Engineering Report”); provided, however, the Authority reserves the right to modify the project as shall be necessary or desirable (collectively, the “Series 2024 Project”). See “PLAN OF FINANCING-The Series 2024 Project.”

### Security and Sources of Payment for the Series 2024 Bonds

The Series 2024 Bonds are special limited obligations of the Authority and are secured by and payable solely from a first lien on the Net Revenues, on a parity with the lien thereon securing the Series 2021 Bonds (hereinafter defined) and any Additional Bonds that may hereafter be issued pursuant to the Resolution (collectively the “Bonds”)

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\*Throughout this Preliminary Official Statement, an asterisk indicates that the information is preliminary and subject to change.

provided certain conditions are satisfied as more fully described herein. All such conditions have been or will be satisfied with respect to the Series 2024 Bonds prior to the issuance of the Series 2024 Bonds.

The Series 2024 Bonds will not be secured by a debt service reserve subaccount (a “Reserve Subaccount”). The Authority may establish a Reserve Subaccount as security for Additional Bonds. If created, such Reserve Subaccount will not secure the Series 2024 Bonds.

For more complete information see “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS” and APPENDIX C.

### **The Series 2021 Bonds**

Pursuant to the Original Resolution, the Authority has previously issued and has outstanding its (a) Water and Sewerage Revenue Refunding Bonds, Taxable Series 2021A (the “Series 2021A Bonds”), (b) Water and Sewerage Revenue Bonds, Series 2021B (the “Series 2021B Bonds”), (c) Water and Sewerage Revenue Refunding Bonds, Taxable Series 2021C (the “Series 2021C Bonds”) and (d) Water and Sewerage Refunding Revenue Bonds, Series 2021D (the “Series 2021D Bonds”). The Authority has previously authorized, but has not issued, its Water and Sewerage Refunding Revenue Bonds, Series 2021E (the “Series 2021E Bonds” and together with the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds and the Series 2021D Bonds, the “Series 2021 Bonds”) pursuant to the Original Resolution. It is anticipated that the Series 2021E Bonds will be issued on or about September 2, 2024 and will be exchanged for the remaining Series 2021C Bonds.

### **Consent to Amendments**

In connection with the issuance of the Series 2024 Bonds, certain amendments are being made to the conditions for issuing Additional Bonds and the adoption of supplemental proceedings set forth in the Original Resolution. By purchasing the Series 2024 Bonds, the owners of the Series 2024 Bonds shall be deemed to have consented to the amendments. See “CONSENT TO AMENDMENTS TO RESOLUTION.”

### **Description of the Series 2024 Bonds**

*Redemption\**. The Series 2024 Bonds are subject to redemption prior to maturity, as more fully described herein. See “THE SERIES 2024 BONDS – Redemption” and “Mandatory Sinking Fund Prepayment” herein.

*Denominations*. The Series 2024 Bonds are issuable in denominations of \$5,000 and integral multiples thereof. See “THE SERIES 2024 BONDS” herein.

*Book-Entry Series 2024 Bonds*. The Series 2024 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2024 Bonds. Purchases will be made only in Book-Entry Form through the Direct Participants and Indirect Participants (as herein defined), and no physical delivery of the Series 2024 Bonds will be made to Beneficial Owners (as herein defined). The principal of and interest on the Series 2024 Bonds are payable by the Paying Agent to Cede & Co., as nominee of DTC. As long as Cede & Co. is the registered owner of the Series 2024 Bonds, as nominee of DTC, references herein to the holders of the Series 2024 Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2024 Bonds. See “THE SERIES 2024 BONDS – Book-Entry System of Registration.”

*Registration, Transfers and Exchanges*. While the Series 2024 Bonds are held in Book-Entry Form, registrations of transfers and exchanges will be made in accordance with the rules and procedures of DTC. If the Series 2024 Bonds are no longer held in Book-Entry Form, ownership of any Series 2024 Bond may be registered as transferred upon surrender and presentation of such Series 2024 Bond to U.S. Bank Trust Company, National Association, as bond registrar (the “Bond Registrar”), duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney in writing. If the Series 2024 Bonds are no longer held in Book-Entry Form, any Series 2024 Bond, upon presentation and surrender thereof to the Bond Registrar, may be exchanged, at the option of the registered owner, for an aggregate principal amount of Series 2024 Bonds of the same

type and maturity equal to the principal amount of the Series 2024 Bond so surrendered and of any authorized denomination. See “THE SERIES 2024 BONDS – Registration Provisions; Transfer and Exchange.”

*Payments.* Interest on the Series 2024 Bonds is payable on each June 1 and December 1 of each year, commencing on December 1, 2024 (each such date an “Interest Payment Date”). The principal of the Series 2024 Bonds will be payable at the times and in the amounts shown on the inside front cover of this Official Statement. When in Book-Entry Form, payment of the principal of and interest on the Series 2024 Bonds will be made by U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners of the Series 2024 Bonds. See “THE SERIES 2024 BONDS – Book-Entry System of Registration.”

If the Series 2024 Bonds are no longer held in Book-Entry Form, the principal of the Series 2024 Bonds shall be payable upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent. If the Series 2024 Bonds are no longer held in Book-Entry Form, payments of interest on the Series 2024 Bonds shall be made by check or draft payable to the registered owner as shown on the registration book kept by the Bond Registrar at the close of business on the fifteenth day of the calendar month preceding each Interest Payment Date (the “Record Date”), and such payments of interest shall be mailed by first class mail to the registered owner at the address shown on the bond registration book. See “THE SERIES 2024 BONDS – Description.”

For a more complete description of the Series 2024 Bonds, see “THE SERIES 2024 BONDS” and APPENDIX C.

### **Tax Exemption**

In the opinion of Murray Barnes Finister LLP, Bond Counsel, subject to the limitations and conditions hereinafter described, interest on the Series 2024 Bonds (including any original issue discount properly allocable to a holder of the Series 2024 Bonds) is exempt from present State of Georgia income taxation, is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. See APPENDIX B for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2024 Bonds. For a more complete discussion of such opinion and certain tax consequences incident to the ownership of the Series 2024 Bonds, see “TAX MATTERS” herein.

### **Professionals Involved in the Offering**

The Series 2024 Bonds are offered when, as, and if issued and received by the Underwriter, subject to the approval of legality by Murray Barnes Finister LLP, Bond Counsel and Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its counsel, Horne & Griffis, P.C. and for the Underwriter by its counsel, Smith Gambrell & Russell LLP.

The financial statements of the Authority for the fiscal year ended June 30, 2023 included as APPENDIX A hereto have been audited by J.K. Boatwright & Co., P.C., LaGrange, Georgia.

The Series 2024 Engineering Report attached hereto as Appendix E has been prepared by Garver, LLC (the “Engineers”). See “MISCELLANEOUS – Engineers.”

### **Bond Registrar, Paying Agent, Depositories**

U.S. Bank Trust Company, National Association, Nashville, Tennessee will act as Bond Registrar, Paying Agent and Construction Fund Custodian for the Series 2024 Bonds. The address of the principal office of the Paying Agent is 333 Commerce Street, Suite 900, Nashville, Tennessee 37201. Truist Bank, Newnan, Georgia, will act as the Revenue Fund Depository and the Sinking Fund Depository and Southern States Bank, Newnan, Georgia will act as the Renewal and Extension Fund Depository.

## **Offering and Delivery of the Series 2024 Bonds**

The Series 2024 Bonds are offered when, as, and if issued by the Authority and accepted by the Underwriter, subject to prior sale, to the withdrawal or modification of the offer without notice, and subject to the approving opinion of Murray Barnes Finister LLP, Atlanta, Georgia, Bond Counsel to the Authority. The Series 2024 Bonds in definitive form are expected to be delivered through DTC, New York, New York on or about May \_\_, 2024.

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change without notice.

This Official Statement and the Appendices hereto contain brief descriptions of, among other matters, the Authority, the Series 2024 Bonds and the security and sources of payment for the Series 2024 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Resolution, the Disclosure Certificate (hereinafter defined) and other documents are intended as summaries only and are qualified in their entirety by reference to such documents and laws, and references herein to the Series 2024 Bonds are qualified in their entirety to the form thereof included in the Resolution. Copies of the Resolution, the Disclosure Certificate and other documents and information are available, upon request and upon payment to the Authority of a charge for copying, mailing and handling, from the Coweta County Water and Sewerage Authority, 545 Corinth Road, Newnan, Georgia 30263; telephone: (770) 254-3710, ext. 8803. During the period of the offering of the Series 2024 Bonds copies of the documents are available, upon request and payment of a charge for copying, mailing and handling, from Stifel, Nicolaus & Company, Incorporated, 3630 Peachtree Road, NE, Suite 400, Atlanta, Georgia, 30326, telephone: (404) 504-2760.

## **CONTINUING DISCLOSURE**

The Authority has covenanted for the benefit of the owners of the Series 2024 Bonds in a Continuing Disclosure Certificate (the “Disclosure Certificate”) to provide within 270 days after the end of each fiscal year of the Authority (a) certain financial information and operating data relating to the System (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) and (b) notices of the occurrence of certain events (the “Events Notices”), to EMMA. The undertaking to provide Operating and Financial Data and Events Notices is described in the Disclosure Certificate, a form of which is attached as APPENDIX D hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”).

The Authority has previously entered into undertakings similar to the Disclosure Certificate in connection with the issuance of other obligations (the “Prior Undertakings”), however, only a single Prior Undertaking is currently in effect. During the last five fiscal years, there was one instance in which the Authority failed to timely file a notice regarding the incurrence of a financial obligation and one instance in which the Authority failed to file a notice of a rating upgrade. In each instance, the Authority also failed to file a notice of failure to file related to the filings. The Authority continues to incorporate controls to conform and upgrade its continuing disclosure compliance.

## **THE SERIES 2024 BONDS**

### **Description**

The Series 2024 Bonds will be dated as of their date of issuance. Interest on the Series 2024 Bonds is payable on each Interest Payment Date. The Series 2024 Bonds will bear interest from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date and prior to the corresponding Interest Payment Date, in which case from such corresponding Interest Payment Date or unless their date of authentication is prior to the first Interest Payment Date in which case from their date of original issuance) at the rates per annum set forth on the inside front cover of this Official Statement (computed on

the basis of a 360-day year comprised of twelve 30-day months). The principal amount of the Series 2024 Bonds is payable at the times and in the amounts set forth on the inside front cover page of this Official Statement.

The Series 2024 Bonds shall initially be issued in Book-Entry Form. When in Book-Entry Form, payment of the principal of and interest on the Series 2024 Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter to Beneficial Owners of the Series 2024 Bonds. See “THE SERIES 2024 BONDS – Book-Entry System of Registration.”

If the Series 2024 Bonds are no longer held in Book-Entry Form, the principal of the Series 2024 Bonds shall be payable at maturity upon presentation and surrender thereof at the designated trust office of the Paying Agent. If the Series 2024 Bonds are no longer held in Book-Entry Form, payments of interest on the Series 2024 Bonds shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on each Record Date, and such payments of interest shall be mailed by first class mail to the registered owner at the address shown on the bond registration book.

### **Registration Provisions; Transfer and Exchange**

The Series 2024 Bonds will be issued in fully registered form. Ownership of the Series 2024 Bonds will be registered on the registration book maintained by the Bond Registrar. While the Series 2024 Bonds are held in Book-Entry Form, registration of transfers and exchanges of the Series 2024 Bonds shall be made in accordance with the rules of DTC. See “THE SERIES 2024 BONDS – Book-Entry System of Registration.”

If the Series 2024 Bonds are no longer held in Book-Entry Form, the transfer of any Series 2024 Bonds shall be registered upon the registration book upon the surrender and presentation of such Series 2024 Bonds to the Bond Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or attorney duly authorized in writing in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for the Series 2024 Bond so surrendered, a new Series 2024 Bond registered in the name of the transferee, in Authorized Denominations. If the Series 2024 Bonds are no longer held in Book-Entry Form, any Series 2024 Bond, upon presentation and surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or duly authorized attorney, in such form as may be satisfactory to the Bond Registrar, may be exchanged, at the option of the registered owner, for an aggregate principal amount of Series 2024 Bonds of the same type and maturity equal to the principal amount of the Series 2024 Bonds so surrendered and of any Authorized Denominations. The Bond Registrar may make a charge for every registration of transfer or exchange of the Series 2024 Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such registration of transfer or exchange, but no other charge shall be made to the owner for the privilege of registering the transfer or exchanging of Series 2024 Bonds.

### **Book-Entry System**

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2024 Bond will be issued for each maturity and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust &

Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2024 Bond (a “Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2024 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2024 Bonds, except in the event that use of the book-entry-only system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2024 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2024 Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2024 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and

interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2024 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates for each maturity of the Series 2024 Bonds are required to be printed and delivered to DTC.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates for each maturity of the Series 2024 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

**NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS, OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (A) SENDING TRANSACTION STATEMENTS; (B) MAINTAINING, SUPERVISING OR REVIEWING, OR THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (C) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR INTEREST ON BOOK-ENTRY BONDS; (D) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF BOOK-ENTRY BONDS, OR (E) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE BOOK-ENTRY BONDS.**

**Redemption\***

*Optional Redemption of Series 2024 Bonds.* The Series 2024 Bonds maturing on and after June 1, 20\_\_ may be redeemed prior to their stated maturities, either in whole or in part at any time, in any order of maturities, at the option of the Authority, on and after June 1, 20\_\_, at a redemption price of 100% of the par amount of the Series 2024 Bonds to be redeemed, plus accrued interest.

**Mandatory Sinking Fund Redemption\***

*Mandatory Redemption – Series 2024 Bonds.* The Series 2024 Bonds maturing on June 1, 20\_\_ are subject to mandatory sinking fund redemption prior to their maturity on June 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the June 1, 20\_\_ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
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The Series 2024 Bonds maturing on June 1, 20\_\_ are subject to mandatory sinking fund redemption prior to their maturity on June 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the June 1, 20\_\_ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
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The Series 2024 Bonds maturing on June 1, 20\_\_ are subject to mandatory sinking fund redemption prior to their maturity on June 1 in the years and amounts set forth below, at a redemption price of par, plus accrued interest (the June 1, 20\_\_ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
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At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date, the Authority may (a) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2024 Bonds subject to scheduled mandatory redemption which are delivered to the Paying Agent for cancellation and not theretofore applied as a credit against a scheduled mandatory redemption obligation or (b) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2024 Bonds which prior to said date have been redeemed (otherwise than through scheduled mandatory redemption) and canceled by the Paying Agent and not theretofore applied as a credit against said scheduled mandatory redemption obligation. Each Series 2024 Bond so delivered or previously redeemed shall be credited by the Paying Agent, at the principal amount thereof, to the obligation of the Authority on such scheduled mandatory redemption date and the principal amount of the Series 2024 Bonds to be redeemed by operation of such scheduled mandatory redemption on such date shall be accordingly reduced.

#### **Redemption Procedures and Redemption Notice**

Notice of redemption shall be given by the Paying Agent not less than 30 nor more than 60 days prior to the redemption date (a) in accordance with the rules of the Securities Depository as long as the Series 2024 Bonds are held in Book-Entry Form and (b) by first class mail, postage to all registered owners of the Series 2024 Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice if the Series 2024 Bonds are no longer held in Book-Entry Form. Any defect in such notice will not affect the validity of the proceedings for such redemption or cause the interest to accrue on the principal amount of the Series 2024 Bonds so designated for redemption after the redemption date. Notice given in the manner described above will be conclusively presumed to have been given, whether or not the registered owner receives the notice.

If at the time of mailing of notice of redemption there have not been deposited with the Paying Agent or an escrow agent moneys sufficient to redeem all the Series 2024 Bonds called for redemption, such notice will state that it is conditional upon the deposit of the redemption moneys with the Paying Agent or the escrow agent not later than the opening of business on the date established for redemption, and such notice will be of no effect unless such moneys are so deposited.

The Series 2024 Bonds designated for redemption as described above shall be payable at the redemption price specified above and interest will cease to accrue on the principal amount of such Series 2024 Bonds from and after the date of redemption unless there is a default in the payment of such Series 2024 Bonds.

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## SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

### General

The Series 2024 Bonds are special limited obligations of the Authority and are secured by and payable solely from a first lien on the Net Revenues, on a parity with the lien thereon securing the Series 2021 Bonds and any Additional Bonds that may hereafter be issued pursuant to the Resolution.

The Series 2024 Bonds shall not be deemed to constitute a debt of the State of Georgia (the "State") or any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory limitation on indebtedness, nor a pledge of the faith and credit of the State or any political subdivision thereof, including the Authority, nor shall the State or any political subdivision thereof, including the Authority, be subject to any pecuniary liability thereon. The Series 2024 Bonds shall not be payable from or a charge upon any funds other than the Net Revenues of the System. No holder of any Bond shall ever have the right to compel the exercise of any taxing power of the State or any political subdivision thereof, including the Authority, to pay the same or the interest thereon nor to enforce the payment thereof against any other property of the State or any political subdivision thereof, including the Authority, nor shall the Series 2024 Bonds constitute a charge, lien, or encumbrance, legal or equitable, upon any other property of the State or any political subdivision thereof, including the Authority.

### Flow of Funds

*Funds and Accounts.* The following funds and accounts have been created in the Resolution: the Construction Fund, the Revenue Fund, the Sinking Fund and the Renewal and Extension Fund (collectively the "Accounts"). The Sinking Fund consists of two accounts: the "Debt Service Account" and the "Debt Service Reserve Account."

*Flow of Funds.* All revenues arising from the operation of the System will be collected by the Authority or by its agents or employees and deposited promptly into the Revenue Fund. The Authority will pay from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including, without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, the cost of purchased water, including hedging costs associated with such purchases, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, amortization, and interest expense coming due in such month, and then there shall be retained in the Revenue Fund a balance deemed suitable by the Authority to meet the working capital needs of the System. The Net Revenues remaining in the Revenue Fund after the payment of such operating expenses have been pledged to the payment of the principal of and the interest on the Bonds.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the Resolution described above, there shall be paid into the Debt Service Account, for the purpose of paying the principal of and interest on the Bonds as the same become due and payable in the then current Sinking Fund Year, and taking into consideration moneys to be deposited in the Debt Service Account to be used to pay debt service, (i) substantially equal monthly sums sufficient to pay the interest on the Bonds on the next Interest Payment Date, (ii) with respect to the Series 2021C Bonds and the Series 2021D Bonds, substantially equal monthly sums sufficient to pay the principal on the Series 2021C Bonds and the Series 2021D Bonds on the next June 1 or December 1, as applicable and (iii) with respect to all other Bonds other than the Series 2021C Bonds and the Series 2021D Bonds, substantially equal monthly sums sufficient to pay the principal on the Bonds on the next June 1, such monthly payments to continue until sufficient funds are on hand in said Sinking Fund to pay all of the outstanding Bonds and the interest which will become due and payable thereon.

After making the sums described above, there shall next be paid into said Debt Service Reserve Account such amounts as may be required to maintain such account in an amount equal to the Debt Service Reserve Requirement. The Resolution does not require a Debt Service Reserve Account for the Series 2024 Bonds; accordingly, one will not be established for the Series 2024 Bonds.

After there have been paid from the Revenue Fund the sums described above, there will be paid from the Revenue Fund such amounts as are needed to pay any subordinate debt issued ranking as to lien on the revenues of the system junior and subordinate to the lien securing the Bonds.

After there have been paid from the Revenue Fund the sums described above, all remaining amounts in the Revenue Fund, less a reasonable working capital reserve in such amount as may be deemed appropriate by the Authority, will be paid into the Renewal and Extension Fund.

See APPENDIX C for more information on the funds and accounts created in the Resolution.

### **Rate Covenant**

Pursuant to the Resolution, the Authority has covenanted and agreed that, as often as it shall appear necessary, the Authority shall revise the schedule of rates, tolls, fees and charges for the services, facilities and commodities furnished by the System to the extent necessary to produce funds sufficient in each fiscal year to:

- (a) operate, maintain and repair the System on a sound businesslike basis;
- (b) produce an amount equal to 125% of the amount required to discharge the payment of the principal of and the interest on the Bonds as the same become due and payable in the then current Sinking Fund Year;
- (c) create and maintain a reserve in the Debt Service Reserve Account as may be required in any proceedings authorizing such issue or issues of Additional Bonds; and
- (d) create and maintain a reserve for extensions and improvements to the System.

The rates, tolls, fees and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as nearly as practicable such rates, fees and charges shall be uniform in application to all users falling within any reasonable class. No free services shall at any time be furnished from the System, and the Authority will undertake within its health powers and public safety or such other applicable powers now or hereafter provided by law to require the owners of all improved property abutting any sewerage line to connect with the System. No customer shall be connected to the System or served by the Authority without a proper meter having been first installed. All services shall be furnished in accordance with rates now or hereafter established, including services furnished to any county, municipal corporation or other public board or body. Notwithstanding the foregoing, the Authority, in the exercise of its reasonable discretion, shall have the right to furnish free unmetered water to nonprofit bodies or public bodies.

In the event the Authority fails to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges, in accordance with the provisions of the Resolution, any bondholder, without regard to whether any default shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the Authority to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges in accordance with the requirements of the Resolution or to take any other action permitted by the Resolution.

### **Additional Bonds**

The Authority has agreed in the Resolution that it will not hereafter issue any other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System prior to the lien created for the payment of the Bonds. Nothing contained therein, however, restricts the issuance of Additional Bonds or obligations from time to time payable from the revenues of the System and secured by a lien on said revenues which is junior and subordinate to the lien created under the Resolution. Additional Bonds, ranking as to lien on the Net Revenues of the System on a parity with the Bonds, may be issued under the following conditions:

- (a) Any Series 2024 Bonds (or other Bonds issued under the Resolution) outstanding shall not be in default under the Resolution

(b) The payments covenanted to be made into the Sinking Fund, as the same may have been enlarged and extended in any proceedings authorizing the issuance of any Additional Bonds, must be currently being made in the full amount required and said "Debt Service Account" and "Debt Service Reserve Account" (if any) held within said Sinking Fund must be at their proper respective balances.

(c) The Authority shall satisfy one of the following:

- (i) The Certifying Officer shall have certified that (A) for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of such Additional Bonds or (B) for the most recent audited Fiscal Year, the Net Revenues must have been equal to at least 1.25 times the maximum annual Debt Service Requirement for any succeeding Sinking Fund Year on the Bonds then outstanding and the Additional Bonds proposed to be issued. If a new schedule of rates and charges has been adopted for the services, facilities and commodities furnished by the System, the Certifying Officer may take such additional revenues into account in the foregoing certification.
- (ii) The Consulting Engineer shall have certified that for each of the full five Fiscal Years next following the earlier of (A) the end of the period during which interest on the Additional Bonds is to be capitalized, or if no interest on the Additional Bonds is to be capitalized, the Fiscal Year in which the Additional Bonds are issued or (B) the date on which substantially all the Projects financed with such Additional Bonds are expected to be placed into service, the Net Revenues are projected to be at least 1.25 times the actual Debt Service Requirements in each of those five Fiscal Years.
- (iii) (A) the Additional Bonds are being issued to refund other Bonds and (B) the maximum annual debt service on the Additional Bonds does not exceed the maximum annual debt service on the Bonds being refunded

(d) The Authority shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and provide for the terms thereof and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to this Resolution. In such proceedings, the Authority shall, if necessary, modify the payments being made into the Debt Service Account. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Sinking Fund to the trustee in sufficient time for the payment of debt service on such Additional Bonds; but nothing contained herein shall require the Sinking Fund to be held by such trustee. In the event Additional Bonds are secured hereunder and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of this Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds. It shall not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued hereunder. Any such proceeding or proceedings shall ratify and reaffirm, by reference, all of the applicable terms, conditions and provisions of this Resolution.

(e) Any proposed variable rate Additional Bonds shall specify a maximum interest rate. If any such variable rate Additional Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a credit or liquidity facility may be provided at or prior to the issuance of such variable rate Additional Bonds to support the Authority's obligations for any such mandatory redemption or purchase. The failure of any such credit or liquidity facility to purchase any such variable rate Additional Bonds shall not be a default under this Resolution, and shall not cause an acceleration of such variable rate Additional Bonds or Bonds issued pursuant to this Resolution.

(f) Such Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(g) The Authority shall determine if it is necessary or desirable to establish a Debt Service Reserve Subaccount for such Additional Bonds.”

(h) In the event that any such Additional Bonds bear interest at a rate other than a fixed rate of interest per annum, the proceedings under which such Additional Bonds are issued shall provide a “cap” or a maximum rate of interest per annum which such Additional Bonds may bear, and in the event that the Authority enters into a contract with a bank or other financial institution (a “Liquidity Provider”) to provide liquidity for such Additional Bonds, (i) the interest rate payable to the Liquidity Provider must be specified at the time of issuance of such Additional Bonds, (ii) any acceleration of principal payments due to the Liquidity Provider or any interest due in excess of the interest payable on such Additional Bonds must be subordinate to the payment of debt service on the Bonds outstanding under the Resolution, and (iii) the Liquidity Provider must be rated in either of the two highest short-term debt rating categories of the applicable rating agency or agencies.

### **Subordinate Debt**

The Authority has also reserved the right to issue Subordinate Debt. If such Subordinate Debt is issued, it will be secured by a subordinate lien on and pledge of the Net Revenues of the System. See Appendix C for a description of the terms and conditions under which Subordinate Debt may be issued.

### **Enforceability of Remedies**

*Generally.* The Revenue Bond Law and the Resolution provide for certain remedies for the owners of the Bonds upon an event of default. See Appendix C for a description of the remedies available to owners of the Bonds under the terms of the Resolution.

The Revenue Bond Law provides that the duties of the Authority and the members and officers of the Authority under the Revenue Bond Law and the Resolution are enforceable by any owner of the Bonds by mandamus or other appropriate action or proceeding at law or in equity. The Revenue Bond Law also provides that in the event the Authority defaults in the payment of the principal or interest on any of the Bonds after the same becomes due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or in the event the Authority or the members, officers, agents, or employees of the Authority fail or refuse to comply with the essential provisions of the Revenue Bond Law or default in any material respect in any agreement made with the holders of the Bonds, any holders of the Bonds shall have the right to apply in an appropriate judicial proceeding to the Superior Court of Coweta County or to any court of competent jurisdiction for the appointment of a receiver of the System, whether or not all Bonds have been declared due and payable and whether or not such holder is seeking or has sought to enforce any other right or to exercise any remedy in connection with the Bonds. Upon such application, the Superior Court, if it deems such action necessary for the protection of the bondholders, may appoint and, if the application is made by the holders of 25 percent in principal amount of the Bonds then outstanding, shall appoint a receiver of the System.

The receiver so appointed under the Revenue Bond Law has the power to hold, use, operate, manage and control the System. The receiver does not have the power to sell, assign, mortgage or otherwise dispose of the System.

*Enforceability of Remedies.* The realization of value from the pledge of the Net Revenues will depend upon the exercise of various remedies specified by State law (including the Revenue Bond Law) and the Resolution. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2024 Bonds may be limited by State and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors’ rights or remedies heretofore or hereafter enacted.

Section 36-80-5 of the Official Code of Georgia Annotated provides that no county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or the laws of

the State shall be authorized to file a petition for relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. Section 36-80-5 of the Official Code of Georgia Annotated also provides that no chief executive, mayor, board of commissioners, city council, board of trustees, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county, municipality, authority, division, instrumentality, political subdivision, or public body corporate created under the Constitution or laws of the State of any petition for federal relief from payment of its debts as they mature or a petition for consolidation of its debts under any federal statute providing for such relief or consolidation or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

### **CONSENT TO AMENDMENTS TO RESOLUTION**

Certain amendments are being made in the Resolution in connection with the issuance of the Series 2024 Bonds. The material amendments are described briefly below. By purchasing the Series 2024 Bonds, the owners of the Series 2024 Bonds will be deemed to have consented to the amendments.

*Additional Bonds.* The Original Resolution has been amended to amend certain provisions applicable to the issuance of Additional Bonds. Particularly by (i) adding a specific provision for the issuance of Additional Bonds without regard to the requirements of the Original Resolution for the purpose of refunding outstanding Bonds so long as doing so does not increase the maximum annual debt service requirement of the Bonds being refunded, (ii) allowing for an Authority Certificate certifying the conditions for issuance of additional bonds have been met (as opposed to requiring a CPA Certificate), and (iii) amending the test for additional bonds that are issued to finance new facilities (i.e. removing the requirement for consulting engineer’s report certifying projected new revenues will produce 1.25x coverage). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Additional Bonds” for a complete description of the provisions applicable to the issuance of Additional Bonds, including the amendments described above.

*Adoption of Supplemental Proceedings.* The Original Resolution has been amended to clearly define which amendments do not require bondholder consent, and that amendments requiring Bondholder Consent require at least 55% of affected Bondholders. The Original Resolution has been amended pursuant to its terms and without the consent of the holders of the Series 2021 Bonds.

See APPENDIX C for a further description of the Resolution, including the amendments described above.

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**PLAN OF FINANCING**

**Application of Funds**

The proceeds of the Series 2024 Bonds are expected to be applied as follows.

Sources of Funds:	<u>Series 2024 Bonds</u>
Par Amount	\$
Plus: [Net] Original Issue Premium	
Total Sources of Funds	<u>\$</u>
Application of Funds:	
Deposit to Construction Fund	\$
Costs of Issuance <sup>(1)</sup>	
Total Application of Funds	<u>\$</u>

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<sup>(1)</sup> Includes the Underwriter’s discount, legal and accounting fees, initial Bond Registrar and Paying Agent fees, rating agency fees, printing costs, validation court costs, and other costs of issuance.

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## The Series 2024 Project

A portion of the proceeds of the Series 2024 Bonds will be used to pay the costs of the Series 2024 Project and the costs of issuance. See APPENDIX E for a detailed description of the Series 2024 Project. The Authority intends to complete four primary extension and improvement projects with proceeds of the Series 2024 Bonds. These include the following:

**Chattahoochee River Pump Station:** This project is a result of years of studies and engineering to allow for water usage from the Chattahoochee River. The Georgia Environmental Protection Division (GEPD) has issued a draft withdrawal permit for 27 MGD allowing for long-term water supply and growth. Bids for this project were opened March 15, 2024 with a project cost of \$27,032,160. Construction is expected to commence in April 2024

**Raw Water Transmission Main (Phase 1):** This transmission main is intended to supply water to the B.T. Brown Reservoir for storage prior to treatment and discharge. Phase I will provide resiliency to the System and allows more water from the B.T. Brown WTP under varying environmental conditions. Phase II of the pipeline will further improve the ability of the System to provide additional water to the System. This project is expected to be bid in April 2024, and the expected project cost is \$25,000,000.

**B.T. Brown Water Treatment Plant Improvements:** The addition of the Chattahoochee River as a water source will require improvements to the B.T. Brown Water Treatment Plant. These improvements will be further defined by EPD in the coming year. Projects may include improvements to chemicals for taste and odor management or granular activated carbon to capture new constituents found within the water. This project is expected to be bid in March 2025, and the expected project costs are \$10,000,000.

**Shenandoah WWTP Improvements:** This \$62.6 million project allows for treatment capacity of additional sewer users within the service area. The corridor served by the System is a prime location for industrial and commercial development due to close proximity to the interstate system. This project is expected to increase treatment capacity at Shenandoah from a current maximum of 2.0 MGD to the GEPD permitted capacity of 6.0 MGD. This project is currently under construction having received \$35,000,000 through loans made by the Georgia Environmental Financing Authority (“GEFA”) and a \$5,000,000 grant from Coweta County, Georgia. The Authority expects to use \$22,622,583 of proceeds from the Revenue Bonds to complete this project.

The proceeds of the Series 2024 Bonds used to pay the Series 2024 Project and the costs of issuance will be deposited into the Construction Fund held by the Construction Fund Custodian. Prior to the expenditure of the proceeds of the Series 2024 Bonds held by the Construction Fund Custodian, such moneys will be invested at the direction of the Authority in any investment authorized by the laws of the State, as more fully described below under the heading “Investment of Bond Proceeds.”

*Investment of Bond Proceeds.* Presently, Section 36-82-7 of the Official Code of Georgia Annotated governs the investment of revenue bond proceeds. It provides that the proceeds of the Series 2024 Bonds may be invested and reinvested by the governing authority of the County in the following investments, and no others:

- (1) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated;
- (2) bonds or obligations of the County or bonds or obligations of the State of Georgia or other states or of other counties, municipal corporations, and political subdivisions of the State of Georgia;
- (3) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;
- (4) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence, provided however, that all such obligations shall have a current credit rating from

a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

(5) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(6) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any such bond proceeds, provided the portion of the certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if any, must be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations described in (3) above, obligations of the agencies of the United States government described in (4) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities described in (5) above;

(7) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(a) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations described in paragraph (3) and (4) above and repurchase agreements fully collateralized by any such obligations,

(b) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian,

(c) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value, and

(d) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(8) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement, or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys.

## Debt Service Schedule\*

The following table sets forth the annual debt service requirements payable from the Net Revenues of the System during each fiscal year ending June 30. The Authority has no other debt payable from the Net Revenues of the System.

FYE June 30	Series 2021 Bonds		Series 2024 Bonds		Aggregate Bonded Debt Service	Subordinate Estimated GEFA Loans			Aggregate Combined Debt Service
	Principal	Interest	Principal	Interest (Net)		Principal	Interest	Total	
2024	\$2,970,000	\$2,078,342	\$0	\$0	\$5,048,342	\$67,052	\$199,143	\$266,195	\$5,314,537
2025	3,113,000	1,935,371	0	1,012,311	6,060,681	1,076,665	359,563	1,436,229	7,496,910
2026	3,204,000	1,844,691	0	3,585,499	8,634,190	1,147,461	491,770	1,639,231	10,273,421
2027	3,268,000	1,780,202	150,000	4,234,425	9,432,627	1,561,123	501,282	2,062,405	11,495,032
2028	3,334,000	1,714,426	155,000	4,226,925	9,430,351	1,628,877	499,731	2,128,608	11,558,959
2029	3,401,000	1,647,320	165,000	4,219,175	9,432,495	1,645,746	482,861	2,128,608	11,561,102
2030	3,469,000	1,578,860	175,000	4,210,925	9,433,785	1,662,815	465,793	2,128,608	11,562,393
2031	3,539,000	1,509,047	180,000	4,202,175	9,430,222	1,680,083	448,524	2,128,607	11,558,829
2032	3,611,000	1,437,316	190,000	4,193,175	9,431,491	1,697,556	431,051	2,128,608	11,560,099
2033	3,683,000	1,364,321	200,000	4,183,675	9,430,996	1,715,235	413,372	2,128,608	11,559,603
2034	3,762,000	1,285,761	210,000	4,173,675	9,431,436	1,733,123	395,484	2,128,607	11,560,043
2035	3,843,000	1,204,809	220,000	4,163,175	9,430,984	1,751,224	377,384	2,128,608	11,559,591
2036	3,946,000	1,101,251	230,000	4,152,175	9,429,426	1,769,539	359,068	2,128,607	11,558,033
2037	4,040,000	1,007,229	245,000	4,140,675	9,432,904	1,788,073	340,535	2,128,608	11,561,512
2038	4,137,000	910,490	255,000	4,128,425	9,430,915	1,806,827	321,780	2,128,607	11,559,522
2039	4,237,000	810,502	270,000	4,115,675	9,433,177	1,825,806	302,802	2,128,608	11,561,785
2040	4,339,000	708,223	280,000	4,102,175	9,429,398	1,845,012	283,596	2,128,608	11,558,006
2041	4,435,000	609,986	300,000	4,088,175	9,433,161	1,864,448	264,160	2,128,607	11,561,768
2042	4,515,000	511,831	330,000	4,073,175	9,430,006	1,884,117	244,490	2,128,608	11,558,614
2043	4,990,000	392,438	0	4,056,675	9,439,113	1,904,024	224,584	2,128,607	11,567,720
2044	5,110,000	259,538	0	4,056,675	9,426,213	1,844,060	204,467	2,048,527	11,474,739
2045	5,230,000	134,938	0	4,056,675	9,421,613	1,461,396	186,727	1,648,123	11,069,736
2046	210,000	5,338	5,160,000	4,056,675	9,432,013	1,477,716	170,408	1,648,123	11,080,136
2047	-	-	5,595,000	3,837,375	9,432,375	1,494,247	153,876	1,648,123	11,080,498
2048	-	-	5,875,000	3,557,625	9,432,625	1,510,993	137,130	1,648,124	11,080,749
2049	-	-	6,165,000	3,263,875	9,428,875	1,527,958	120,165	1,648,123	11,076,998
2050	-	-	6,475,000	2,955,625	9,430,625	1,545,145	102,979	1,648,124	11,078,749
2051	-	-	6,800,000	2,631,875	9,431,875	1,562,556	85,568	1,648,124	11,079,999
2052	-	-	7,140,000	2,291,875	9,431,875	1,580,195	67,929	1,648,124	11,079,999
2053	-	-	7,495,000	1,934,875	9,429,875	1,598,066	50,057	1,648,124	11,077,999
2054	-	-	7,870,000	1,560,125	9,430,125	1,616,173	31,951	1,648,124	11,078,249
2055	-	-	8,265,000	1,166,625	9,431,625	764,470	16,718	781,188	10,212,813
2056	-	-	8,635,000	794,700	9,429,700	696,110	6,266	702,376	10,132,076
2057	-	-	9,025,000	406,125	9,431,125	66,108	95	66,202	9,497,327
Total	\$86,386,000	\$25,832,227	\$88,055,000	\$111,833,010	\$312,106,237	\$50,800,000	\$8,741,308	\$59,541,308	\$371,647,545

(1) Numbers may not total due to rounding

(2) The Authority has an existing loans from the Georgia Environmental Finance Authority (“GEFA”) in the aggregate amount of \$40,800,000 ranging in interest cost between 0.86% and 0.89%. An additional \$10,000,000 1.90% loan is expected to be executed in August 2024. \$35,000,000 of these loans are related to the Shenandoah WWTP expansion described in Appendix E. the payment Commencement Date (as defined in the loan agreements with GEFA) are tied to the earlier of certain future dates or completion of each project. For purposes of this table, the Authority has assumed payments commence on the dates listed in each loan, which range from May 1, 2024 to October 1, 2026. During the construction phase of each loan the Authority pays accrued interest on the amounts drawn.

## THE AUTHORITY

### General Description

The Authority was created as a body politic and corporate pursuant to the Coweta County Water and Sewerage Authority Act (2001 Ga. Laws p. 3539 *et seq.*, as amended) (the “Act”). Ownership and operation of the System was transferred from the County to the Authority on June 6, 2007.

The Authority’s service area under the Act includes all portions of the unincorporated County. The Authority currently supplies water to residential, commercial, and industrial customers within the unincorporated area of the County. The Authority currently treats wastewater for customers located in Arnco, Sargent, the Shenandoah Industrial Park, the White Oak Commercial District and two decentralized sewer systems located in unincorporated Coweta County, which were acquired in 2016 from the Water, Sewerage and Light Commission of the City of Newnan.

The water system operated by the Authority serves approximately 31,000 customers. The Authority produces water at the B.T. Brown Water Treatment Plant and purchases water from Newnan Utilities and the City of Griffin. The wastewater treatment system operated by the Authority serves approximately 3,400 customers. The Authority treats wastewater at four plants: the Shenandoah Wastewater Treatment Plant, the Arnco Wastewater Plant, the Sargent Wastewater Plant, the Twelve Parks Water Reclamation Facility. In February, 2021, the Authority placed in service the 80,750 GPD Twelve Parks Water Reclamation Facility to serve the Twelve Parks residential development, a 438 acre development zoned to 694 residential units and permitted for the water reclamation facility. In addition, some wastewater is collected and pumped to the Wahoo Creek Wastewater Plant, which is owned by the Water, Sewerage and Light Commission of the City of Newnan.

### Government Structure and Operations

The Authority consists of five members who are appointed by the Board of Commissioners of Coweta County. The members serve staggered four-year terms. The current members of the Authority, their position, and primary occupation, and the expiration of their terms of office, are listed below:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Occupation</u>
Laurie J. Bartlett	Chairperson	April 10, 2027	Certified Public Accountant
Dr. Marc Guy	Vice-Chairperson	April 10, 2025	Education Administrator
Mark Woods	Secretary	April 10, 2025	Builder
Larry W. Kay	Co-Treasurer	April 10, 2025	Retired Telecommunications
Dennis Hammond	Co-Treasurer	April 10, 2027	Retired Firefighter

The Authority employs a Chief Executive Officer (“CEO”) who is appointed by majority vote of the members of the Authority. The CEO is vested with responsibility for oversight of day-to-day operations, executive and administrative management, and supervision of personnel. The CEO is a direct representative of the Authority and is authorized by the Authority to perform most day-to-day functions. Jay C. Boren currently serves as CEO.

Jay C. Boren has served as the CEO since January 1, 2013 and prior to being appointed as CEO, he served as the Interim General Manager and Controller. Mr. Boren has been employed with the Authority since 2009. Mr. Boren attended Auburn University and holds a Bachelors of Business Administration in Finance. Mr. Boren previously worked for Milliken and Company for fifteen years and served in various roles, including Controller.

The Authority employs a Chief Financial Officer (“CFO”) who is hired by the CEO. The CFO is responsible for managing the Authority’s fiscal functions including but not limited to controllership, budgeting, strategic planning, and financial reporting. Roger C. Dawson currently serves as CFO.

Roger C. Dawson is a certified public accountant and a certified fraud examiner. He has served as the CFO since January 22, 2018. Mr. Dawson attended Mercer University and holds a Bachelor of Business Administration

in Accounting. Mr. Dawson practiced public accounting with a local CPA Firm for 29 years prior to joining the Authority.

All administrative functions of the Authority are domiciled in a 11,000 square foot building complex situated at 545 Corinth Road, Newnan Road. All administration, planning, purchasing, billing, engineering, collections, and radio dispatch of maintenance personnel and vehicles are currently performed at this location.

## WATER SYSTEM

### Water Customers and Usage

*Water Customers.* Information comparing the number of water connections of the System for the past 10 fiscal years is set forth below.

<u>Water Customers</u>				
Year Ended <u>June 30</u>	Number of Water <u>Connections</u>	New Water <u>Connections</u>	% Change Water <u>Connections</u>	
2014	25,086	425	1.72	
2015	25,470	384	1.53	
2016	25,999	629	2.08	
2017	26,690	691	2.66	
2018	27,183	493	1.85	
2019	27,720	537	1.98	
2020	28,398	678	2.45	
2021	29,321	923	3.25	
2022	30,125	804	2.74	
2023	30,905	780	2.60	

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Source: Coweta County Water and Sewerage Authority.

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*Water Usage.* The information concerning total water used by customers of the System for the last 10 fiscal years is set forth below.

<u>Water Usage</u>			
Year Ended <u>June 30</u>	Annual <u>Gallons</u>	Average Daily <u>Gallons</u>	Per Customer <u>(GPD)</u>
2014	1,975,105,811	5,411,249	216
2015	2,107,648,377	5,774,379	227
2016	2,317,480,016	6,349,260	244
2017	2,614,499,565	7,163,012	268
2018	2,518,699,376	6,900,546	254
2019	2,554,043,750	6,997,380	252
2020	2,755,526,368	7,549,387	266
2021	2,657,700,329	7,281,371	248
2022	2,736,845,964	7,498,208	249
2023	2,856,310,981	7,825,510	253

Source: Coweta County Water and Sewerage Authority.

### **Largest Water Customers**

The following table sets forth the largest water users of the System during the fiscal year ending June 30, 2023 based on total annual billings during such period. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customer will continue to maintain their status as major water users.

<u>Ten Largest Water Users</u>			
<u>User</u>	<u>Annual Gallons</u>	<u>% Total System Billings<sup>(1)</sup></u>	<u>Annual Billings<sup>(2)</sup></u>
1. Niagara Bottling, LLC	392,650,148	8.31%	\$2,120,233
2. City of Hogansville <sup>(3)</sup>	128,836,768	1.70	432,770
3. City of Grantville <sup>(3)</sup>	93,201,903	1.23	312,646
4. City of Senoia	49,975,826	0.65	165,095
5. City of Palmetto <sup>(3)</sup>	40,425,150	0.52	132,332
6. Yamaha Motor	31,094,658	1.39	354,737
7. Excel	20,134,340	0.90	229,631
8. Piedmont Newnan Hospital	18,917,456	0.83	212,550
9. 10 Lakeside Way, LLC	16,805,440	0.75	192,398
10. Gregory Packaging	<u>16,451,924</u>	<u>0.74</u>	<u>187,664</u>
	<u>808,492,985</u>	<u>17.02%</u>	<u>\$4,340,056</u>

<sup>(1)</sup> Based on total System water billings for the fiscal year ended June 30, 2023 of \$25,502,209.

<sup>(2)</sup> Due to different rate structures for different categories of customer (*i.e.*, residential, industrial/commercial), amounts billed to a given customer can be lower or higher than another customer's billings for the same amount of water use.

<sup>(3)</sup> The Authority has entered into "take or pay" water supply contracts with the indicated municipalities. The City of Hogansville contract expires in August of 2058, and provides that Hogansville must purchase a minimum of 150,000 gallons of water per day at a rate of \$3.54 per thousand gallons. The contract with the City of Grantville expires in December of 2047, and provides that Grantville must purchase a minimum of 200,000 gallons of water per day at a rate of \$3.54 per thousand gallons. The contract with the City of Palmetto expires in 2027 and provides

that Palmetto must purchase a minimum of 50,000 gallons of water per day at a rate of \$3.54 per gallon. Each of the “take or pay” contracts provides that the Authority reserves the right to increase the then applicable rates.

**B.T. Brown Water Treatment Plant**

The B.T. Brown Water Treatment Plant is a surface water filtration and treatment plant located in the northern portion of the service area and provides water to the northern and western parts of the service area. This facility is currently providing approximately 59% of the potable water used by Authority water customers. Raw water, non-potable water, is provided to this facility from B. T. Brown Reservoir, a 339-acre impoundment that contains 1.5 billion gallons of water. The B.T. Brown Reservoir is fed by Cedar and Alexander Creeks. The Reservoir is contained by an earthen dam 58.5’ tall that was constructed in 1978.

The B.T. Brown Water Treatment Plant was constructed in 2007 and has a designed non-potable withdrawal capacity, from B.T. Brown Reservoir, of 10 million gallons per day (“MGD”) of water, with a limit of no more than a 6.7 MGD monthly average withdrawal and a no more than 6.4 MGD annual daily average withdrawal. This facility is permitted to produce potable drinking water at a maximum of 7.77 MGD over 24 hours. The Plant has three high service pumps, three raw water pumps and two back wash pumps. The Plant has a 2 million gallon clearwell storage tank with a diameter of 110 feet and a height of 28 feet. The Plant is in good condition. Upon completion of the Series 2024 Project, the facility will be able to maximize the full production volume of the plant.

**Water Purchases**

Shown below is information on the quantity, price and expense associated with water purchased from other water systems by the Authority for the use of the System for the last five fiscal years.

<u>Fiscal Year</u>	<u>Historical Water Purchases</u> <u>(Thousands of Gallons)</u> <sup>(1)</sup>	
	<u>City of Griffin</u>	<u>Newnan Utilities</u>
2019	1,080,821	1,161,181
2020	1,110,739	989,959
2021	1,061,113	798,953
2022	1,088,684	574,500
2023	1,800,800	555,127

<sup>(1)</sup> The Authority received at no charge 78,000, 71,000, 66,571,000, 252,049,000, and 221,618,000 gallons of water in fiscal years 2019, 2020, 2021, 2022, and 2023, respectively, from the City of Atlanta. Water from the City of Atlanta is transferred as a courtesy to the Authority’s System to help maintain and keep consistent the chlorination of the System's water. See “WATER SYSTEM – Connections to Other Utilities.”

Source: Coweta County Water and Sewerage Authority.

<u>Current Wholesale Water Rates</u>	
<u>City of Griffin</u> <u>(Per 1,000 Gallons)</u>	<u>Newnan Utilities</u> <u>(Per 1,000 Gallons)</u>
\$3.45	\$2.59

Source: Coweta County Water and Sewerage Authority.

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### Summary of Water Purchases

<u>Fiscal Year</u>	<u>City of Griffin</u>	<u>Newnan Utilities</u>
2019	\$3,045,077	\$2,622,360
2020	3,216,756	2,506,709
2021	3,174,257	1,933,466
2022	3,447,116	1,390,290
2023	6,156,939	1,343,407

Source: Coweta County Water and Sewerage Authority.

### **Water Purchase Contracts**

When the ownership and operation of the System was turned over to the Authority (in 2007), the Authority was assigned the rights and assumed the responsibilities under certain water purchase agreements previously entered into by the County. In addition, the Authority has entered contracts for water purchases since that time. The agreements are summarized below.

*Newnan Utilities.* The Authority entered into a Water Purchase Agreement (the “Newnan Agreement”) on February 8, 2019, with the City of Newnan acting through the Water, Sewerage and Light Commission of the City of Newnan (“Newnan Utilities”). The Newnan Agreement terminates in February 2029. Pursuant to the Newnan Agreement, the Authority is required under a take or pay arrangement to purchase a varying minimum amount of water as follows: 3 MGD from February 8, 2019 to February 7, 2020; 2.4 MGD from February 8, 2020 to February 27, 2021; 1.8 MGD from February 8, 2021 to February 7, 2022; and 1.25 MGD from February 2022 to February 7, 2029. Under the Newnan Agreement, Newnan Utilities reserves the right to restrict the maximum purchase to 4 MGD. Newnan Utilities has the right under the Newnan Agreement to change its rates as Newnan Utilities sees fit by a percentage equal to any residential rate changes implemented for the residents of the City of Newnan.

*City of Griffin.* Coweta County and the City of Griffin executed a revised Water Sales Agreement (the “Revised Agreement”) on September 11, 2012, modifying the original Water Sales Agreement dated as of December 14, 1999 (the “Original Agreement” and, together with the Revised Agreement, the “Griffin Agreement”). The Griffin Agreement is a take or pay arrangement that calls for the Authority to purchase a minimum amount of 3 MGD per day from Griffin until June 30, 2022 and then 5 MGD per day of water from the City of Griffin until the termination of the Revised Agreement. The Revised Agreement became effective upon its execution by all parties and shall terminate on December 31, 2049; provided, however, at the end of the 35th year of the term of the Original Agreement (*i.e.*, 2034), the Authority may elect to give a written notice to the City of Griffin that it will terminate the Griffin Agreement, effective December 31, 2039. The rate for Griffin is calculated on an annual basis, and the rate is effective for the calendar year. The rate calculation is based on Griffin’s audited financial statements and Griffin’s volume of water sold.

*City of Atlanta.* The County entered into a Wholesale Water Services Agreement (the “Atlanta Agreement”) with the City of Atlanta in 2001. The Atlanta Agreement terminated on December 31, 2021. The Authority has not purchased water from the City of Atlanta in the past five (5) years. However, the City of Atlanta provides water to the Authority free of charge to help with the City of Atlanta’s water quality. The Authority has received the following gallons of water (in thousands) from the City of Atlanta at no cost to the Authority in the stated fiscal years: 78,000 in 2019, 71,000 in 2020, 66,571,000 in 2021, 252,049,000 in 2022, and 221,618,000 in 2023. Water is transferred from the City of Atlanta to the System to help maintain the residual chlorine levels of the System and the City of Atlanta’s water system.

### **Water Storage Facilities**

Elevated storage tanks are located in strategic areas throughout the Authority’s service area. All of these tanks are constructed of steel plate, are 77 feet in diameter and have a maximum capacity of 1 million gallons. The following chart describes the location and elevation of each storage reservoir, excluding the ground storage tank at

the B.T. Brown described under the heading “THE WATER SYSTEM – B.T. Brown Water Treatment Plant.” The System’s storage tanks are in good condition.

<u>Tank</u>	<u>Overflow Elevation (O.E.)</u>	<u>Location</u>
Shenandoah	1,125	Amlajack Road
Macedonia	1,125	Buddy West Road
Fisher Spur	1,169	Fisher Spur Road
East Coweta	1,120	Highway 16 East
Highway 154	1,125	Highway 154

Source: Coweta County Water and Sewerage Authority.

### Water Lines

Numerous extensions to the System’s water distribution system have been made each year, targeting existing subdivisions and existing roads where development is expected to occur. The Authority has adopted a policy regarding subdivision development whereby line sizes are controlled and each subdivision will contribute to the further development of the water system. It is the objective of the Authority to highlight expansion activities in areas where subdivisions are favorably situated to provide an adequate loop connecting principal main lines to others on parallel roads.

The approximate quantities of lines in the water distribution system are as follows:

<u>Diameter of Water Line</u>	<u>Linear Feet</u>	<u>Total Miles</u>
36”	7,135	1.4
30”	1,827	0.4
24”	104,401	19.7
20”	26,331	5.0
18”	32,939	6.2
16”	94,436	17.9
14”	6,577	1.2
12”	617,380	116.9
10”	795,148	150.6
8”	3,230,774	611.9
6”	844,026	159.9
Smaller than 6”	<u>1,014,457</u>	<u>192.1</u>
Total	<u>6,775,431</u>	<u>1,283.2</u>

Source: Coweta County Water and Sewerage Authority.

Most pipes are made of ductile iron or PVC. Approximately 80 percent of the System’s water lines have been in service for 20 years or less. Generally, the System’s water lines are in good condition.

### Connections to Other Utilities

The Authority maintains water system connections with several municipalities located within the County, the City of Griffin water system, Newnan Utilities, and with the City of Atlanta water system. These connections facilitate the transfer of water purchased by the Authority pursuant to the Newnan Agreement and the Griffin Agreement, allow routine transfer of water between systems to ensure chlorination levels are kept at the appropriate levels and allow the transfer of water between systems in emergency situations.

**Water Rates and Fees**

The water service rates set forth below became effective for customers on January 22, 2024. Waters consumption fees are based on non-irrigation based

Residential Water Rates

\$18.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 – 4,000 Gallons	\$6.01 Per 1,000 Gallons
4,001 – 10,000 Gallons	\$8.43 Per 1,000 Gallons
10,001 – 20,000 Gallons	\$9.80 Per 1,000 Gallons
20,001 Gallons and Above	\$11.91 Per 1,000 Gallons

Commercial/Industrial Water Rates

\$28.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 – 4,000 Gallons	\$6.95 Per 1,000 Gallons
4,001 – 10,000 Gallons	\$9.16 Per 1,000 Gallons
10,001 – 20,000 Gallons	\$10.51 Per 1,000 Gallons
20,001 Gallons and Above	\$11.91 Per 1,000 Gallons

Church and School Water Rates

\$18.00 Base Charge  
\$6.0675 Per 1,000 Gallons

Residential Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$1,400
1"	\$1,650

Commercial, Industrial and Multifamily Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$2,100
1"	\$2,600
2"	\$7,550
Larger Than 1"	Negotiated

Church Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$1,400
1"	\$1,650

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Source: Coweta County Water and Sewerage Authority.

## WASTEWATER SERVICES

### Treatment

The wastewater treatment system consists of four treatment facilities and two decentralized sewer systems as described in more detail under the below headings. The wastewater treatment system facilities are in good condition.

*Shenandoah.* The Shenandoah Wastewater Treatment Plant was placed in service on June 16, 2009. This facility, located at 1519 Poplar Road, replaced a smaller treatment facility at the same location and uses ultraviolet light for disinfection instead of chlorine. The Shenandoah facility has a 2.0 MGD capacity and averages 1.40 MGD. The collection system is comprised of approximately 33 miles of lines that convey wastewater from the White Oak commercial and residential district, 2.63 miles of collection lines that service the Highway 154/Interstate 85 corridor and 9 lift stations. A 6.3-mile sewer main extension along U.S. Highway 34 East was completed March 2011 and provides sewer service to the Highway 34 and Thomas Crossroads commercial areas. Three hundred and fifty thousand gallons per day (“GPD”) of treatment at the Shenandoah plant was allocated for new sewer customers in connection with this project. The Shenandoah Plant also provides sewer and reclaimed water service to the Piedmont Newnan Hospital campus located on Poplar Road. When complete, the Shenandoah WWTP project described herein will increase capacity to 6.0 MGD. Completion of this project is expected in June 2026.

*Arnall/Sargent.* The Arnall/Sargent Wastewater Treatment Plant, located on Ball Street in the unincorporated community of Sargent, has a capacity of 60,000 GPD and has an average flow of 15,000 GPD. This plant was constructed in 1952 and serves the Arnall and Sargent communities in the northwestern part of the County. There are 2.36 miles of collection lines to convey wastewater to this facility.

*Arnco.* This facility, located on Bibb Road in the western part of the County, was constructed in 1960. The plant has a 100,000 GPD capacity and averages 23,000 GPD. 2.42 miles of collection lines convey wastewater to this facility.

*Twelve Parks Water Reclamation Facility.* This facility was placed in service in February 2021 and is in the eastern part of Coweta County near Sharpsburg, Georgia. The facility has a capacity of 80,750 GPD. The facility is designed to be easily expandable in the future.

*Decentralized Sewer Systems.* In fiscal year 2016, the Authority acquired four decentralized sewer systems from Newnan Utilities that are located within the County. Of the four systems located in the County, one of those has since been decommissioned and one was sold.

*Additional Facilities.* In addition to the facilities described above, the Authority also owns and operates a lift station in the East Newnan area that has an average flow of 45,000 GPD. This lift station pumps wastewater to the Wahoo Creek Water Treatment Plant operated by Newnan Utilities.

Residents of the unincorporated County not served by the System’s wastewater treatment facilities have private septic tanks.

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## Sewer Lines

The approximate quantities of sewer lines that comprise the System's wastewater system are as follows:

Diameter of Sewer Line	Linear Feet	Total Miles
42"	1,068	0.2
30"	15,709	3.0
24"	13,602	2.6
20"	860	0.2
18"	2,414	0.5
16"	4,276	0.8
15"	1,222	0.2
12"	24,384	4.6
10"	48,493	9.2
8"	478,073	90.0
6"	108,596	20.6
Smaller than 6"	<u>128,278</u>	<u>24.3</u>
Total	<u>826,975</u>	<u>156.2</u>

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Source: Coweta County Water and Sewerage Authority.

The sewer lines are in generally good condition.

## Wastewater Customers and Treatment

*Wastewater Customers.* Information concerning the number of wastewater connections of the System for the last 10 fiscal years is set forth below.

<u>Wastewater Connections</u>			
Year Ended <u>June 30</u>	Number of Wastewater <u>Connections</u>	New Wastewater <u>Connections</u>	% Change Wastewater <u>Connections</u>
2014	2,224	3	0.14
2015	2,237	13	0.58
2016 <sup>(1)</sup>	2,300	63	2.82
2017	2,349	49	2.13
2018	2,374	25	1.06
2019	2,433	59	2.49
2020	2,573	140	5.75
2021	2,901	328	12.75
2022	3,120	219	7.55
2023	3,352	232	7.44

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<sup>(1)</sup> Figures for fiscal year 2016 include customers of the decentralized sewer systems acquired by the System from Newnan Utilities, which do not discharge to the System's wastewater treatment plants.

Source: Coweta County Water and Sewerage Authority.

*Wastewater Treatment.* Information concerning the minimum flows, maximum flows and average flows treated by the System for the last 10 fiscal years is set forth below.

<u>Wastewater Treatment</u>				
<u>Year</u>	<u>Minimum Effluent Flow (MGD)</u>	<u>Maximum Effluent Flow (MGD)</u>	<u>Average Daily Effluent Flow (MGD)</u>	<u>Usage/Customer (GPD)</u>
2014	0.777	0.989	0.876	381
2015	0.809	1.218	0.961	426
2016	1.042	1.388	1.207	406 <sup>(1)</sup>
2017	0.927	1.313	1.158	396
2018	1.102	1.563	1.267	394
2019	1.262	1.821	1.518	402
2020	1.279	1.730	1.449	386
2021	1.335	1.928	1.482	359
2022	1.330	1.782	1.522	349
2023	1.398	1.709	1.584	412

<sup>(1)</sup> Figures for fiscal year 2016 include customers of the decentralized sewer systems acquired by the System from Newnan Utilities, which do not discharge to the waste treatment plants.

Source: Coweta County Water and Sewerage Authority.

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## Largest Wastewater System Customers

The following table sets forth the largest wastewater users of the System during the fiscal year ending June 30, 2023 based on total annual billings during such period. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customer will continue to maintain their status as major sewer wastewater customers.

### Ten Largest Wastewater Users

User	Annual Gallons	% Total System Billings <sup>(1)</sup>	Annual Billing <sup>(2)</sup>
1. Niagara Bottling, LLC	112,979,338	17.63%	\$ 842,598
2. Yamaha Motor	23,791,473	5.13	245,261
3. Excel	17,776,708	4.51	215,628
4. 10 Lakeside Way, LLC	16,805,440	3.63	173,410
5. Piedmont Newnan Hospital	13,717,576	2.97	141,807
6. RP Creekside 437, LLC	6,911,209	1.48	70,834
7. TW Peachtree City LLC	6,259,490	1.35	64,452
8. PetSmart, Inc.	5,615,928	1.22	58,079
9. MP Creekside at White Oak	5,559,780	1.19	56,658
10. Amazon.com Services, LLC	<u>5,508,580</u>	<u>1.18</u>	56,439
	<u>214,925,552</u>	<u>40.29</u>	\$1,925,166

<sup>(1)</sup> Based on total System wastewater billings for the fiscal year ended June 30, 2023 of \$4,778,994.

<sup>(2)</sup> Due to different rate structures for different categories of customer (i.e., residential, industrial/commercial and municipal), amounts billed to a given customer can be lower or higher than another customer's billings for the same amount of sewer use.

Source: Coweta County Water and Sewerage Authority.

## Sewer Rates and Fees

The sewer service rates set forth below became effective for customers on January 22, 2024. Wastewater consumption fees are based on non-irrigation based water consumption.

### Residential Sewer Rates

#### \$18.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 - 4,000 Gallons	\$6.32 Per 1,000 Gallons
4,001 - 10,000 Gallons	\$8.22 Per 1,000 Gallons
10,001 - 20,000 Gallons	\$9.48 Per 1,000 Gallons
20,001 Gallons and Above	\$10.74 Per 1,000 Gallons

### Commercial/Industrial Sewer Rates

#### \$28.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 - 4,000 Gallons	\$6.32 Per 1,000 Gallons
4,001 - 10,000 Gallons	\$8.22 Per 1,000 Gallons
10,001 - 20,000 Gallons	\$9.48 Per 1,000 Gallons
20,001 Gallons and Above	\$10.74 Per 1,000 Gallons

Church and School Sewer Rates

\$18.00 Base Charge  
 \$6.06 Per 1,000 Gallons

Residential Sewer Connection Fees

<u>Area</u>	<u>Cost</u>
All	\$1,350

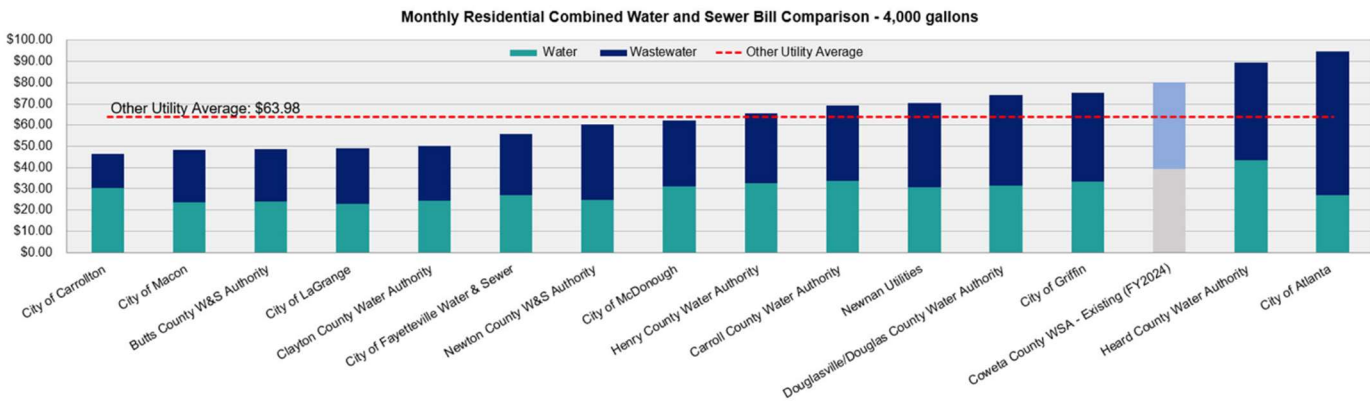
Source: Coweta County Water and Sewerage Authority.

Commercial, Industrial, School and Multifamily Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$2,100
1"	\$2,600
2"	\$7,550
Larger Than 1"	Negotiated

**Water and Sewer Rate Comparison with Neighboring Utilities**

The Authority’s residential customers can expect to pay approximately \$40 per month for 4,000 gallons of water and \$40 per month for 4,000 gallons of sewer (\$80.00 combined). This is compared to a combined average of \$63.98 per month paid by customers of neighboring utilities. The results of the analysis are included in the following table:



Source: Fiscal Year 2024 Water and Wastewater Revenue Sufficiency Study prepared for the Authority by Ryper Water Analytics dated November 1, 2023

## OTHER SYSTEM INFORMATION

### **Employees, Employee Relations, Employee Benefits and Labor Organizations**

The Authority employs 95 persons as of December 31, 2023. There are 91 full-time employees and four part-time employees. No employees related to the system are represented by labor organizations or are covered by collective bargaining agreements. The Authority is not aware of any union organizing efforts at the present time. The Authority believes that employee relations are very good.

Employees are provided with group medical, life, and dental insurance options. Additional supplemental insurance options are available through outside vendors. The Authority provides full-time and part-time employees with life insurance in the amount of three times an employee's salary, with a maximum of \$300,000, short term disability insurance, long term disability insurance, and accidental death and dismemberment insurance, including access to an Employee Assistance Program that provides counseling services to employees upon request. The Authority provides its full-time and part-time employees with paid holidays, annual leave, and jury duty leave. Full-time employees also receive sick leave.

### **Post-Employment Benefits**

*Defined Benefit Plan.* The County offered a defined benefit pension plan (the "Defined Benefit Plan") to its employees prior to July 1, 2006. The Defined Benefit Plan was frozen by the County as of July 1, 2006. Employees of the County that became employees of the Authority when the ownership and operation of the System were assumed by the Authority were allowed to continue their participation in the Defined Benefit Plan.

The Authority remitted contributions on behalf of its employees to the County and was notified annually of additional contributions required. During the fiscal year ended June 30, 2014, the Authority and the County entered into an agreement which established a one-time contribution by the Authority to fully satisfy any current and future obligations under the Defined Benefit Plan. The contribution amount was \$1,006,060 and was determined by the Defined Benefit Plan's actuary to be the necessary present value contribution to satisfy all future obligations related to Authority employees. The agreement expressly states that the County will be responsible for any additional funding on behalf of Authority employees, should it be required. The Defined Benefit Plan issues a stand-alone report. This report can be obtained in its entirety from Stanley, Hunt, Dupree & Rhine, 7701 Airport Center Drive, Greensboro, NC, 27409. The Defined Benefit Plan is administered by Diversified Investment Advisors. For additional information on the Defined Benefit Plan, see Note 8 to the Authority's audited financial statements.

*Defined Contribution Plan.* On January 1, 2012, the Authority created a new defined contribution plan (the "Defined Contribution Plan") for the benefit of its employees. The Defined Contribution Plan is managed by Empower Retirement. The board members of the Authority have established the benefit terms and may amend them from time to time.

All Authority employees are eligible to participate in the Defined Contribution Plan. Participants become vested in employer contributions at a rate of 20 percent per year over a five-year period. Employees are 100 percent vested in their own contributions. Forfeitures are used to either reduce plan expenses or are allocated to the participants. Unapplied forfeitures totaled \$10,267 and \$22,269 at June 30, 2023 and 2022, respectively.

The Authority makes an annual contribution for all full-time employees participating in the Defined Contribution Plan equal to 3% of the participating employee's total compensation. In addition, the Authority matches employee contributions dollar for dollar (100%) up to 3.5% of the participating employee's total compensation. If an employee's contributions exceed 3.5%, then the next 4% of contributions are matched at 50 cents for every dollar (50%). During the years ended June 30, 2023 and 2022, the Authority contributed \$478,993 and \$432,455 to the Defined Contribution Plan, respectively. For additional information on the Defined Contribution Plan, see Note 9 to the Authority's audited financial statements.

## **Rate Setting Process**

Under Georgia law, the Authority has the power to establish rates and charges for water and sewer service supplied by the System. The rates charged by the Authority for water and sewer are not subject to review or approval by any federal or state regulatory body. The board members of the Authority establish the rates, which are subject to change at any time as the board members of the Authority deem advisable. The board members of the Authority adopt rate schedules by resolution after recommendations from the staff of the system. Rates and charges are determined pursuant to an adopted rate policy which allows Authority management to semi-annually review the retail water and wastewater rates and consider adjustments to such rates based on the rate of change to the Consumer Price Index, South Region as published by the Bureau of Labor Statistics. This semi-annual rate indexing policy limits the maximum rate adjustment in any twelve month period to the percentage change in the CPI over the previous twelve month period, plus five percent (5.0%). The most recent adjustment, which increased water and wastewater rates by approximately 2.5% and 2.5%, respectively, became effective on January 22, 2024. Adjustments to the monthly user rates and charges does not require approval by the Authority's board members. The staff of the system makes periodic reviews of the rate structure to determine if modifications are needed. See "SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2024 BONDS – Rate Covenant."

## **Billing**

The Authority has implemented a state-of-the-art electronic water metering system to provide for increased operational efficiency and improved billing accuracy. As of July 15, 2020, virtually all water meters in the System were read electronically. Customers are billed utilizing four billing cycles each month. Bills are due and payable on the 6<sup>th</sup>, the 15<sup>th</sup>, the 22<sup>nd</sup> or the 29<sup>th</sup> day of the month. Accounts that are not paid by the due date are assessed a 10 percent late charge. In the event an account remains unpaid, service to the customer is disconnected. If service is disconnected for non-payment, a \$50.00 continuation service fee is charged and collected prior to reconnection of service.

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## Environmental and Regulatory Matters

The operations of the water treatment and distribution system operated by the Authority are subject to the regulations of the Georgia Department of Natural Resources, Environmental Protection Division (EPD). Wastewater operations are subject to the regulations imposed by the federal Water Pollution Control Act, as amended (the “Clean Water Act”). The regulatory requirements are administered by the federal Environmental Protection Agency (“EPA”) through the EPD. The table below provides information about the permits under which the Authority currently operates.

Permit Number	Purpose	Facility	Issued	Expiration
038-1218-02	Surface Water Withdrawal	B.T. Brown Water Treatment Plant	November 15, 2017	November 15, 2027
038-1218-03	Surface Water Withdrawal	B.T. Brown / Cedar Creek	November 15, 2017	November 15, 2027
038-0005	Ground Water Withdrawal	Murphy & Shoal Creek Wells	December 29, 2022	December 5, 2025
CS0770042	Operate Public Community Water System	Coweta County Water System	June 7, 2017	June 6, 2027
GA0038822	NPDES <sup>(1)</sup>	Shenandoah Wastewater Treatment Plant	June 22, 2023	June 30, 2028
GA0000299	NPDES <sup>(1)</sup>	Arnall/Sargent Wastewater Treatment Plant <sup>(2)</sup>	May 20, 2019	May 31, 2024
GA0000311	NPDES <sup>(1)</sup>	Arnco Wastewater Treatment Plant <sup>(2)</sup>	July 23, 2019	July 31, 2024
GAJ040032	NPDES <sup>(1)</sup>	Blalock Lakes Wastewater Plant <sup>(2)</sup>	April 18, 2019	April 30, 2024
GAJ0040034	NPDES <sup>(1)</sup>	Twelve Parks Wastewater Plant <sup>(2)</sup>	May 1, 2017	April 30, 2022 <sup>(3)</sup>
GAG640000	NPDES <sup>(1)</sup>	BT Brown Alum Pond Discharge	December 15, 2020	December 31, 2025
GAG278079	NPDES <sup>(1)</sup>	Turin Oaks Wastewater Plant	February 1, 2020	January 31, 2025

<sup>(1)</sup> National Pollutant Discharge Elimination System.

<sup>(2)</sup> The Authority is currently pursuing renewal of the permit in accordance with EPD regulations and anticipates receiving such renewal.

<sup>(3)</sup> The permit for this facility expired on April 30, 2022. The Authority has been granted an indefinite extension of the existing permit until the issuance of a new permit.

Source: Coweta County Water and Sewerage Authority.

The Authority is not aware of any regulatory or enforcement proceedings pending or threatened against the Authority or the System. The Authority expects the routine renewal of the above-described permits upon their respective expirations.

## SYSTEM FINANCIAL INFORMATION

### General

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles as applied to governments. See note 1 of the audited financial statements of the Authority attached as APPENDIX A for a detailed discussion of the Authority's significant accounting policies.

For more detailed information regarding the financial results and condition of the System, see the audited financial statements of the System for the fiscal year ended June 30, 2023, included in APPENDIX A hereto. Also, see "GENERAL COUNTY INFORMATION" for certain general information regarding the demographics and economic conditions of the County. No representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the results of operations of the System for the periods shown. The following financial information should be read in conjunction with the audited financial statements included as APPENDIX A.

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## Historical Summary of Balance Sheet

Set forth below is a summary of the Authority's balance sheet for the last five fiscal years ending June 30. The information in the following table has been extracted from audited financial statements of the Authority. Although taken from the audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown fairly presents the financial position of the System as of the end of the fiscal years shown. For more complete information, reference is made to the audited financial statements of the Authority, copies of which are available from the Authority upon request.

	Fiscal Years Ended June 30				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalent	\$ 8,373,609	\$ 26,525,115	\$33,546,641	\$29,566,770	\$33,440,088
Investments	13,270,968	—	—	—	—
Receivables, net	1,750,135	1,466,373	1,609,829	1,830,135	1,855,963
Inventories	380,150	432,576	489,175	734,308	921,478
Other receivables	460,235	1,459,414	491,428	303,515	510,453
Georgia Environmental Finance Authority	—	—	—	1,387,914	3,196,855
Prepaid expenses	144,984	119,869	224,459	384,131	293,023
Lease receivable, current	—	—	10,029	10,828	11,666
Restricted cash and cash equiv.	6,983	117,210	183,405	10,158,523	990,484
Total current assets	<u>24,387,064</u>	<u>30,120,557</u>	<u>36,554,966</u>	<u>44,376,124</u>	<u>41,220,010</u>
Noncurrent assets:					
Capital assets, non-depreciable	11,098,560	10,653,116	8,135,842	21,115,999	39,885,257
Capital assets, net of depreciation	133,209,184	140,854,358	143,669,631	142,160,786	144,637,909
Prepaid Bond insurance, net	195,844	183,850	171,853	—	—
Lease receivable, net of current	—	—	312,277	301,449	289,783
Total noncurrent assets	<u>144,503,588</u>	<u>151,691,324</u>	<u>152,289,603</u>	<u>163,578,234</u>	<u>184,812,949</u>
Total assets	<u>168,890,652</u>	<u>181,811,881</u>	<u>188,844,569</u>	<u>207,954,358</u>	<u>226,032,959</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred amount on refundings	6,595,970	6,016,223	5,436,481	10,241,964	9,139,804
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	1,272,978	1,766,166	1,372,987	2,128,250	4,798,307
Accrued liabilities	688,581	1,004,254	1,089,051	1,408,178	1,706,164
Accrued interest payable	253,326	244,182	237,354	181,316	180,357
Lease liabilities, current	—	—	4,212	5,082	7,098
Bonds payable - current portion	3,226,097	3,199,389	3,404,475	3,797,430	2,907,432
Compensated absences	153,138	164,336	168,097	169,164	204,812
Total current liabilities	<u>5,594,120</u>	<u>6,378,327</u>	<u>6,276,176</u>	<u>7,689,420</u>	<u>9,804,170</u>
Noncurrent liabilities:					
Compensated absences	75,426	80,941	82,794	83,320	100,878
Lease liabilities, net of current	—	—	7,126	9,694	15,357
Deposits payable	1,438,062	1,454,316	1,451,636	1,462,881	1,322,171
Note Payable – GEFA	3,127,090	5,072,506	5,072,506	6,460,420	15,299,672
Bonds payable – noncurrent	<u>80,632,255</u>	<u>77,484,486</u>	<u>73,994,923</u>	<u>87,780,969</u>	<u>84,748,399</u>
Total noncurrent liabilities	<u>85,272,833</u>	<u>84,092,249</u>	<u>80,608,985</u>	<u>95,797,284</u>	<u>101,486,477</u>
Total liabilities	<u>90,866,953</u>	<u>90,470,576</u>	<u>86,885,161</u>	<u>103,486,704</u>	<u>111,290,647</u>
DEFERRED INFLOW OF RESOURCES					
Related to lease receivable	—	—	314,223	296,182	278,140
Net assets:					
Invested in capital assets, net of related debt	63,918,270	71,767,316	74,758,710	75,465,154	90,685,012
Restricted					
Projects Fund	—	—	—	9,480,114	980,592
Capitalized Interest Fund	—	—	—	437,631	—
DRIP Program	—	115,083	181,278	233,401	—
Education	6,983	2,127	2,127	7,377	9,892
Unrestricted	<u>20,694,416</u>	<u>25,473,002</u>	<u>32,139,551</u>	<u>28,789,759</u>	<u>31,928,480</u>
Total net position	<u>\$84,619,669</u>	<u>\$97,357,528</u>	<u>\$107,081,666</u>	<u>\$114,413,436</u>	<u>\$123,603,976</u>

## Historical Summary of Revenues, Expenses and Changes in Net Assets

Set forth below is a historical, comparative summary of the revenues, expenses and changes in net position of the System for the last five fiscal years ending June 30. The information in the following table has been extracted from the audited financial statements of the Authority. Although taken from the audited financial statements, no representation is made that the information is comparable from year to year, or that the information as shown presents fairly the financial results of the System for the fiscal years shown. For more complete information, reference is made to the audited financial statements of the Authority, copies of which are available from the Authority upon request.

	Fiscal Years ended June 30				
	2019	2020	2021	2022	2023
Operating revenues:					
Water sales	\$19,656,268	\$21,482,303	\$20,869,733	\$23,100,715	\$25,517,159
Sewer fees	4,507,519	5,292,574	6,159,731	5,202,740	6,269,583
Water and sewer tap fees	1,054,396	1,546,351	2,118,807	1,549,535	1,634,892
Reimbursements	270,872	1,357,061	2,625,588	1,551	128,527
Other services	<u>1,454,514</u>	<u>1,536,330</u>	<u>1,506,511</u>	<u>2,139,834</u>	<u>2,900,942</u>
Total operating revenues	<u>26,943,569</u>	<u>31,214,619</u>	<u>33,280,370</u>	<u>31,994,375</u>	<u>36,451,103</u>
Operating expenses:					
Cost of sales	5,667,437	5,723,463	5,107,723	4,868,613	7,436,935
Personnel services and benefits	5,448,598	6,129,916	6,788,609	7,363,228	8,733,483
Depreciation and amort. charges	4,692,948	5,110,345	5,608,792	5,804,410	6,070,298
Other services and charges	<u>3,523,656</u>	<u>4,235,801</u>	<u>4,605,368</u>	<u>5,989,794</u>	<u>6,405,492</u>
Total operating expenses	<u>19,332,639</u>	<u>21,199,525</u>	<u>22,110,492</u>	<u>24,026,045</u>	<u>28,646,208</u>
Operating income	7,610,930	10,015,094	11,169,878	7,968,330	7,804,895
Non-operating revenues (expenses)					
Interest income	233,890	375,538	51,617	135,419	836,189
Amortization	(482,974)	(277,265)	(277,262)	(1,971,600)	(1,123,591)
Interest charges	(3,054,659)	(3,065,531)	(2,943,844)	(2,035,341)	(2,219,181)
Contributions – DRIP Program	-	115,083	133,695	127,123	113,031
Awards – DRIP Program	-	-	(67,500)	(75,000)	(346,550)
Lease revenue	-	-	18,041	18,041	18,044
Net increase in the fair value of investments	132,127	166,578	-	(66)	71
Loss on extinguishment of debt	(1,137,490)	-	-	-	-
Gain (loss) on disposal of assets	<u>38,973</u>	<u>(275,363)</u>	<u>89,512</u>	<u>-</u>	<u>23,814</u>
Total non-operating revenues (expenses)	<u>(4,270,133)</u>	<u>(2,960,960)</u>	<u>(2,995,741)</u>	<u>(3,801,424)</u>	<u>(2,698,173)</u>
Change in net position before capital contributions	<u>3,340,797</u>	<u>7,054,134</u>	<u>8,174,137</u>	<u>4,166,906</u>	<u>5,106,722</u>
Capital Contributions:					
Contributed lines	992,494	5,341,611	1,292,765	3,164,864	4,083,818
CDBG Grant	<u>-</u>	<u>342,114</u>	<u>258,024</u>	<u>-</u>	<u>-</u>
Total capital contributions	<u>992,494</u>	<u>5,683,725</u>	<u>1,550,789</u>	<u>3,164,864</u>	<u>4,083,818</u>
Change in net position	4,333,291	12,737,859	9,724,926	7,331,770	9,190,540
Net position, beginning of year	<u>80,286,378</u>	<u>84,619,669</u>	<u>97,356,740</u>	<u>107,081,666</u>	<u>114,413,436</u>
Net position, end of year	<u>\$84,619,669</u>	<u>\$97,357,528</u>	<u>\$107,081,666</u>	<u>\$114,413,436</u>	<u>\$123,603,976</u>

Source: Audited Financial Statements of the Authority for fiscal years 2019 through 2023.

## Interim Financial Statements

Set forth below in the following table is a summary of the revenues, expenditures, and changes in net position of the System for seven-month periods ending January 31, 2023 and 2024. The information in the following table has not been audited and was prepared by the Authority's staff on a cash basis. Therefore, such information should not be compared with the financial information in the table above. The financial results for the seven-month period ending January 31, 2024 are not necessarily indicative of the actual financial results for the fiscal year ending June 30, 2024.

	7-Month Periods Ended January 31	
	<u>2023<sup>(1)</sup></u>	<u>2024<sup>(1)</sup></u>
Operating Revenues		
Water sales	\$15,541,075	\$16,935,145
Sewer fees	3,482,496	5,244,197
Water and sewer tap fees	918,809	1,097,913
Other services	<u>1,492,321</u>	<u>2,088,839</u>
Total operating revenues	<u>21,434,701</u>	<u>25,366,094</u>
Operating Expenses		
Cost of sales	4,417,680	4,634,787
Personnel services and benefits	4,948,650	5,908,436
Depreciation	3,481,727	3,730,509
Other services and charges	<u>3,582,647</u>	<u>4,366,499</u>
Total operating expenses	<u>16,430,704</u>	<u>18,640,231</u>
Operating income	<u>5,003,997</u>	<u>6,725,863</u>
Non-operating revenues (expenses)		
Interest income	327,084	1,023,211
Amortization	(606,428)	(606,428)
Contributions – DRIP Program	74,734	-
Change in market value	71	-
Bond interest expense	(1,292,030)	(1,298,075)
Gain on disposal of assets	-	20,131
Lease Revenue	6,171	10,524
Loan Costs	<u>(14,000)</u>	<u>-</u>
Total non-operating revenues	<u>(1,504,398)</u>	<u>(850,637)</u>
Change in net position before capital contributions	3,499,599	5,875,226
Capital Contributions		
Grant Program Income	<u>3,497</u>	<u>-</u>
Total Contributions	<u>3,497</u>	<u>-</u>
Change in net position	<u>3,503,096</u>	<u>5,875,226</u>
Net assets, beginning of year	<u>114,413,436</u>	<u>123,603,976</u>
Total net position	<u>\$117,916,532</u>	<u>\$129,479,202</u>

<sup>(1)</sup> Unaudited.

## Budget

The staff of the System prepares an annual budget for the System for management control purposes. Set forth below is the proposed budget (prepared on an accrual basis) for the fiscal year ending June 30, 2024.

Operating Revenues:	
Sales and charges for services	
Water Sales	\$ 28,762,739
Sewer fees	6,581,623
Water and sewer tap fees	1,349,490
Other services	<u>2,836,068</u>
Total Operating Revenues	39,529,920
Operating Expenses:	
Cost of sales	8,696,512
Personnel services and employee benefits	11,352,966
Other services and charges	<u>7,006,523</u>
Total Operating Expenses	27,056,001
Operating Income (before Depreciation)	12,473,919
Non-operating revenues (expenses)	
Interest Income	1,138,168
Debt Service	(6,440,226)
Capital Outlay	<u>(11,545,861)</u>
Total Non-operating Revenues (Expenses)	(16,847,919)
Change in Net Assets	<u>\$ (4,374,000)</u>

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Source: Coweta County Water and Sewerage Authority.

## Financial Policies

The Authority maintains a formal financial policy (the “Financial Policy”), including cash on hand maintenance levels, preparation of quarterly financial statements and documentation of financial trends, capital improvement plan updates, and policies governing debt, management and investments.

The long-term plan set forth in the Financial Policy is to maintain a balance equal to 300 days of cash on hand to offset deficiencies caused by short-term fluctuations or disruptions. Additionally, the Financial Policy sets forth a debt limit that shall not exceed (1) 75% of the total assets of the Authority and (2) a ratio of \$7,500 per customer of the Authority. The Authority may amend or rescind the Financial Policy at any time and exceptions to the Financial Policy may be approved by a unanimous vote of the voting members of the Authority.

## Capital Improvement Plan

The capital projects for the next five years (fiscal years 2024-2028) are expected to be funded with operating revenues on a pay-as-you-go basis, proceeds from the Series 2024 Bonds (\$90 million), and financing from the Georgia Environmental Finance Authority (GEFA) (\$50.8 million). See “SYSTEM FINANCIAL INFORMATION – Additional Debt” below. The Authority’s five-year capital improvement plan includes projects that total approximately \$158 million in committed projects and another \$78 million of conditional projects, including, but not limited to, water main replacements and relocations, sewer expansion and wastewater treatment plant expansion, pump station upgrades, intersection improvements, building infrastructure improvements, equipment fleet replacement, and information technology upgrades. Execution of certain projects in the capital improvement plan are subject to future economic conditions in the Authority’s service area. The following table sets forth the approximate amount budgeted for improvements in the next five fiscal years based on the Authority’s current capital improvement plan:

	Fiscal Year Ended June 30				
	2024	2025	2026	2027	2028
<b>Committed Projects</b>	\$47,559,293	\$51,582,407	\$38,601,616	\$10,000,000	\$10,000,000
<b>Funding Sources:</b>					
Series 2024 Bonds	\$4,657,771	\$46,488,882	\$33,508,091	-	-
GEFA Loans	32,000,000	5,000,000	5,000,000	-	-
Series 2021 Bonds	980,592	-	-	-	-
GEFA or Add'l Bonds	-	-	-	10,000,000	10,000,000
Grants	5,000,000	-	-	-	-
R&E Funds	4,920,930	93,525	93,525	-	-
<b>Total Sources</b>	<b>\$47,559,293</b>	<b>\$51,582,407</b>	<b>\$38,601,616</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>
<b>Conditional Projects</b>	\$7,040,418	\$25,293,841	\$40,550,000	\$2,550,000	\$2,550,000
<b>Funding Sources:</b>					
GEFA or Add'l Bonds	-	21,117,000	21,000,000	-	-
Capacity Fees	-	-	15,000,000	-	-
R&E Funds	7,040,418	4,176,841	4,550,000	2,550,000	2,550,000
<b>Total Sources</b>	<b>\$7,040,418</b>	<b>\$25,293,841</b>	<b>\$40,550,000</b>	<b>\$2,550,000</b>	<b>\$2,550,000</b>

Source: Coweta County Water and Sewerage Authority.

## Additional Debt

In addition to the Series 2024 Bonds, the Authority expects to execute a \$10,000,000 GEFA loan for completion of the Shenandoah WWTP expansion. The Series 2024 Bonds, the GEFA loans, and \$5.1 million from renewal and extension fund reserves are expected to cover all committed capital improvements through fiscal year 2026. Additional capital improvements beyond fiscal 2026 may be funded with a combination of renewal and extension funds and additional debt. The timing on said improvements is conditioned on need and the economic climate in the System’s service area. As such, the timing of any future additional debt is uncertain.

## Historical Debt Service Coverage

The following table sets forth the historical long-term debt service coverage of the System for the last five fiscal years. Such information should be considered in conjunction with the information concerning the System

contained elsewhere in this Official Statement, including but not limited to the selected historical financial data of the System and the financial statements of the System included in APPENDIX A.

#### Historical Debt Service Coverage

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Operating Income (Including Tap Fees) <sup>(1)</sup>	\$ 7,610,930	\$10,015,094	\$11,169,878	\$ 7,968,330	\$ 7,804,895
Plus Depreciation	4,692,948	5,110,345	5,608,792	5,804,410	6,070,298
Plus Interest Income <sup>(2)</sup>	233,890	375,538	51,617	135,419	836,189
Net Revenues Available for Debt Service	\$12,537,768	\$15,500,977	\$16,830,287	\$13,908,159	\$14,711,382
Bonded Debt Service <sup>(3)</sup>	5,375,496	5,899,914	5,900,184	6,466,573	5,586,871
Coverage Ratio	2.332x	2.627x	2.853x	2.151x	2.633x
Subordinate GEFA Debt Service <sup>(4)</sup>	\$7,382	\$38,804	\$20,220	\$43,904	\$65,732
Coverage Ratio (All Debt)	2.329x	2.610x	2.843x	2.136x	2.603x

<sup>(1)</sup> Tap fees for the years ending June 30, 2023, 2022, 2021, 2020 and 2019 were \$1,634,892, \$1,549,535, \$2,118,807, \$1,546,351, and \$1,054,396 respectively.

<sup>(2)</sup> Does not include interest income earned in the Construction Fund.

<sup>(3)</sup> Includes the revenue bonds refunded by the Series 2021 Bonds for fiscal year ending June 30, 2021, and the Series 2021 Bonds thereafter.

<sup>(4)</sup> Includes accrued interest paid on amounts drawn under the existing GEFA Loans. Payments due under the GEFA Loans carry a lien on Net Revenues which is subordinate to the lien held by holders of the Bonds.

#### **Historical Pro-Forma Debt Service Coverage Ratios\***

Set forth below are the historical pro-forma maximum annual debt service coverage ratios for the past five fiscal years.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net Revenues Available for Debt Service (Including Tap Fees) <sup>(1)(2)</sup>	\$12,537,768	\$15,500,977	\$16,830,287	\$13,908,159	\$14,711,382
Maximum Annual Debt Service on Series 2021 Bonds and Series 2024 Bonds	\$9,439,113	\$9,439,113	\$9,439,113	\$9,430,113	\$9,439,113
Coverage Ratio	1.328x	1.642x	1.783x	1.473x	1.559x
Maximum Annual Debt Service on Series 2021 Bonds, Series 2024 Bonds and Subordinate GEFA Debt Service <sup>(3)</sup>	\$11,567,720	\$11,567,720	\$11,567,720	\$11,567,720	\$11,567,720
Coverage Ratio (All Debt)	1.084x	1.340x	1.455x	1.202x	1.272x

<sup>(1)</sup> Tap fees for the years ending June 30, 2023, 2022, 2021, 2020 and 2019 were \$1,634,892, \$1,549,535, \$2,118,807, \$1,546,351, and \$1,054,396 respectively.

<sup>(2)</sup> The Authority currently maintains a working capital reserve in excess of 300 days' cash on hand and therefore has not made a deduction from Net Revenues for a working capital reserve for purposes of satisfying Section 508 of the Resolution.

<sup>(3)</sup> Includes the projected GEFA Loans. Payments due under the GEFA Loans carry a lien on Net Revenues which is subordinate to the lien held by holders of the Bonds.

#### **Proforma Forecasted Debt Service Coverage\***

The following table sets forth the proforma forecasted long-term debt service coverage of the System for the fiscal years ending June 30, 2024 through June 30, 2028. Such information should be considered in conjunction with the information concerning the System contained elsewhere in this Official Statement, including but not limited to the

selected historical financial data of the System, the information under the heading “PLAN OF FINANCING”, and the financial statements of the System included in APPENDIX A.

Proforma Forecasted Debt Service Coverage (\$000s)

	Fiscal Year Ended June 30				
	2024	2025	2026	2027	2028
System Revenues <sup>(1)</sup>	\$37,895	\$38,895	\$40,548	\$45,702	\$45,754
Operating Expenses (excluding depreciation)	25,807	26,528	26,188	27,407	28,455
Revenues Available for Debt Service	\$12,088	\$12,367	\$14,360	\$18,295	\$17,299
Bonded Debt Service <sup>(2)</sup>	5,048	6,061	8,634	9,433	9,430
<b>Bonded Coverage Ratio</b>	<b>2.39</b>	<b>2.04</b>	<b>1.66</b>	<b>1.94</b>	<b>1.83</b>
Subordinate GEFA Loan debt service <sup>(3)</sup>	266	1,436	1,639	2,062	2,129
Total Debt Service	5,315	7,530	10,305	11,377	11,443
<b>Coverage Ratio (All Debt)</b>	<b>2.26</b>	<b>1.65</b>	<b>1.40</b>	<b>1.59</b>	<b>1.50</b>

<sup>(1)</sup> Operating Income takes into account expected system revenue and expense increases of 2.5% and 3.3%, respectively, annually compounded.

<sup>(2)</sup> Includes the Series 2021 Bonds and Series 2024 Bonds.

<sup>(3)</sup> Includes the projected GEFA Loans. Payments due under the GEFA Loans carry a lien on Net Revenues which is subordinate to the lien held by holders of the Bonds.

Source: Coweta County Water and Sewerage Authority.

**Insurance**

The Authority is exposed to various risks of loss associated with the operation of the System, including torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Authority maintains insurance for the types of claims and in amounts that are customary for similar enterprises and property and casualty damage insurance on its buildings and other physical assets. The Authority also purchases worker’s compensation insurance coverage for its employees from a commercial carrier. This insurance policy pays all claims in excess of \$2,500 per claim. As of the end of fiscal year 2023, there have been no significant reductions in the Authority’s insurance coverage from the prior year and no settlements that exceeded the Authority’s insurance coverage in fiscal year 2023.

**GENERAL COUNTY INFORMATION**

**Introduction**

The County is a political subdivision created and existing under the laws of the State of Georgia. The County is located approximately 40 miles southwest of the City of Atlanta. Access is provided by U.S. Interstate 85, Highway 29 and U.S. Highway 27A. There are eight incorporated municipalities located in the County: Grantville, Haralson, Moreland, Newnan, Palmetto, Senoia, Sharpsburg and Turin. The County has a land area of approximately 440.89 square miles. The County’s estimated population as of calendar year 2022 was 152,882.

**Form of Government and County Officials**

The County is governed by and generally acts through its Board of Commissioners, which is comprised of five members. The County is divided into five districts and the five members of the Board of Commissioners are elected for staggered, four-year terms. The County Commission Chairmanship is rotated among the five districts, based upon a set rotation outlined in the Coweta County Code of Ordinances. Each Chairman serves for a two-year

term. The Board of Commissioners elects a Vice-Chairman for a one-year term. Information concerning the current Board of Commissioners is set forth below:

Coweta County Board of Commissioners

<u>Name</u>	<u>Occupation/Employer</u>	<u>Current Term Began January 1 in the Year</u>	<u>Current Term Expires December 31 in the Year</u>
John Reidelbach, Chairman	Physician Advocates, Inc.	2021	2024
Bill McKenzie, Vice Chairman	Retired	2023	2026
Al Smith	Self-employed	2021	2024
Paul Poole	Retired	2021	2024
Bob Blackburn	Self-employed	2023	2026

The Board of Commissioners appoints a full-time County Administrator to run the day-to-day operations of the County. The County Administrator implements the Board of Commissioner’s policies, administers county government, appoints department directors, and supervises County employees. The current County Administrator is Mr. Michael Fouts. Mr. Fouts began his service as County Administrator in July 2013. Prior to his appointment, Mr. Fouts served four years as the director of information technology for the County. He joined the County government in 2005 and has extensive experience in local government operations. Mr. Fouts holds a B.S. in Information Technology with a minor in Business Management.

The County also employs a Finance Director who oversees all revenues and expenditures of the County, among other things. The current Finance Director is Mr. Hans Wilson. Mr. Wilson has served as the Finance Director for the County since 2008. Prior to joining the County, Mr. Wilson worked in public accounting, corporate affairs, and as a junior officer in the United States Army. He holds a BBA in Accounting, an MBA, and CPA and CMA designations.

**Demographic Information**

*Population.* Set forth below is the population of the County for the census years 1990 through 2020 and an estimate for the year 2022 (the most recent information available).

<u>Year</u>	<u>Population</u>
1990	53,853
2000	89,215
2010	127,317
2020	146,158
2022	152,882

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Source: U.S. Census Bureau, 1990, 2000, 2010 and 2020 U.S. Census, and 2015-2023 American Community Survey 1-Year Estimates.

*Population by Age; Median Age.* The estimated median age of the County for the calendar year 2022 (the most recent information available) was 38.8 years. The following table presents the estimated population by age for the County for the calendar year 2022 (the most recent information available).

<u>Under 20 Years</u>	<u>20 to 44 Years</u>	<u>45 to 64 Years</u>	<u>65 Years and Over</u>
25.4%	32.4%	27.0%	15.2%

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Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2022.

*Population by Race.* The following table presents estimated population by race for the County for the calendar year 2022 (the most recent information available).

<u>White<sup>(1)</sup></u>	<u>Black or African American<sup>(1)</sup></u>	<u>American Indian and Alaska Native<sup>(1)</sup></u>	<u>Asian<sup>(1)</sup></u>	<u>Native Hawaiian and Other Pacific Islander<sup>(1)</sup></u>	<u>Other<sup>(1)</sup></u>	<u>Two or More Races</u>	<u>Hispanic or Latino<sup>(1)</sup></u>
70.7%	16.3%	0.4%	2.0%	0.0%	1.4%	9.2%	8.0%

<sup>(1)</sup> Includes persons reporting only one race.

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2022.

*Level of Education.* The following table presents the estimated level of educational attainment of the population aged 25 years and older for the County for the calendar year 2022 (the most recent information available).

Less than 9 <sup>th</sup> grade	2.7%
9 <sup>th</sup> to 12 grade, no diploma	5.5
High school graduate (including equivalency)	22.8
Some college, no degree	21.9
Associate degree	11.6
Bachelor's degree	22.3
Graduate or Professional degree	13.3
Percent high school graduate or higher	91.8%
Percent bachelor's degree or higher	35.6

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2022.

*Commuting Characteristics.* The following table presents the estimated percentages of the County's population employed at jobs located within the County and those employed at jobs located outside of the County for the calendar year 2022 (the most recent information available).

Residents of the County Employed:	
Inside the County	55.8%
Outside the County	43.8

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2022.

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**Economic Information**

The following information is provided to give prospective investors an overview of the general economic condition in the County. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the Authority or the Underwriter.

*Per Capita Personal Income.* The following table reflects the per capita personal income for the County, the State of Georgia and the United States for the calendar years 2018 through 2022 (the most recent information available for the County).

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2018	48,226	46,626	53,309
2019	50,284	48,535	55,547
2020	53,350	51,469	59,153
2021	57,721	56,184	64,430
2022	59,967	56,589	65,470

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Source: United States Department of Commerce, Bureau of Economic Analysis.

*Poverty Levels.* The following table reflects an estimate of the percentage of all people in the County and the State with incomes lower than the poverty level for calendar year 2022 (the most recent information available).

<u>County</u>	<u>State</u>
6.5%	12.7%

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Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2022.

*Household Income Distribution.* The following table reflects the estimated income distribution of all households in the County for the calendar year 2022 (the most recent information available). The median household income for the calendar year 2022 was estimated to be \$84,747.

<u>Income</u>	<u>Percent of Population</u>
Less than \$10,000	3.6%
\$10,000 to \$14,999	1.0
\$15,000 to \$24,999	5.8
\$25,000 to \$34,999	3.8
\$35,000 to \$49,999	12.7
\$50,000 to \$74,999	17.4
\$75,000 to \$99,999	13.2
\$100,000 to \$149,999	21.8
\$150,000 to \$199,999	8.0
\$200,000 or more	<u>12.6</u>
	<u>100.0%</u>

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Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2022.

*Median Home Values.* The following table reflects the median home value of owner occupied housing for the County, the State and the United States for the 1990 and 2000 census years and estimates for the calendar years 2010, 2020 and 2022 (the most recent information available for the County).

<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
1990	\$ 69,100	\$ 71,300	\$ 79,100
2000	121,700	111,200	119,600
2010	178,700	156,200	179,900
2020	225,000	190,200	229,800
2022	359,600	297,400	320,900

Source: U.S. Census Bureau, 1990 and 2000 U.S. Census; U.S. Census Bureau, American Community Survey, 1-Year Estimates Program, 2010; 2020 and 2022.

*Building Permits.* Set forth below are the number and the estimated total value of construction building permits issued by the County for the last five calendar years. Value is based upon estimates provided by the permit applicant.

<u>Year</u>	<u>Residential</u>		<u>Non-Residential</u>	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
2019	607	\$194,000,000	38	\$ 35,000,000
2020	759	259,858,447	31	110,292,745
2021	1159	360,479,453	31	115,033,047
2022	898	305,001,948	38	60,922,956
2023	823	295,599,379	46	128,860,518

Source: Coweta County Building Department.

*Banking Deposits.* The following table contains the number of banking institutions and the total banking deposits (in thousands of dollars) on deposit in the County at all FDIC-insured institutions located within the County for the last five fiscal years ended June 30.

<u>Year</u>	<u>Number of Institutions</u>	<u>Total Deposits as of June 30 (in thousands)</u>
2019	14	\$1,476,380
2020	14	1,832,029
2021	14	2,315,683
2022	14	2,646,449
2023	14	2,552,518

Source: Federal Depository Insurance Corporation.

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*Largest Employers.* Set forth below are the 10 largest employers located in the County for the fiscal year ending September 30, 2023 (the most recent information available). The type of business and the approximate number of employees, including both full-time and part-time employees, are shown in the table. There can be no assurance that any employer listed below will continue to operate or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

	<u>Employer</u>	<u>Industry</u>	<u>Number of Employees</u>
1.	Coweta County School System	Education	3,187
2.	Amazon	Distribution	2,474
3.	City of Hope	Healthcare	2,000
4.	Yamaha Motor Manufacturing	Manufacturer	1,850
5.	Hello Fresh	Distribution	1,532
6.	Piedmont Newnan Hospital	Healthcare	1,200
7.	Coweta County	Government	957
8.	Cargill Meat Solutions	Packaging	710
9.	Surge Staffing	Staffing	661
10.	Brent Scarbrough	Construction	621

Source: Coweta County

*Labor Statistics.* Set forth below are labor statistics for the County, the State and the United States for the past five calendar years<sup>(1)</sup> and for the month of February 2024 (the most recent information available).

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023<sup>(1)</sup></u>	<u>2024<sup>(2)</sup></u>
County Labor Force	74,415	75,586	74,654	76,347	77,762	78,954	79,778
County Unemployment Rate	3.5%	3.1%	6.1%	3.3%	2.7%	2.6%	2.7%
State Unemployment Rate	4.0	3.6	6.5	3.9	3.0	2.9	3.1
United States Unemployment Rate	3.9	3.7	8.1	5.3	3.6	3.5	4.2

<sup>(1)</sup> Reflects labor statistics for the month of December 2023.

<sup>(2)</sup> Preliminary, month of February.

Source: Georgia Department of Labor.

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*Industry Mix.* The table set forth below provides an estimate of the industry mix and the average number of employees employed in the indicated industry within the County for the third quarter of 2023 (the most current information available). The estimates include persons employed in the indicated industry within the County regardless of where they reside. The table does not provide information with respect to all industries and firms doing business within the County and is only intended to provide general information regarding the types of industries located within the County and the number of their employees.

INDUSTRY <sup>(1)</sup>	Average Number of Establishments	Average Monthly Employment
Goods-Producing		
Agriculture, Forestry, Fishing & Hunting	14	54
Mining	2	(2)
Construction	313	2,487
Manufacturing	131	6,253
Service-Providing		
Utilities	6	400
Wholesale Trade	164	1,584
Retail Trade	429	7,810
Transportation and Warehousing	98	2,252
Information	52	451
Finance and Insurance	168	780
Real Estate and Rental and Leasing	207	927
Professional Scientific & Technical Svc	324	1,271
Management of Companies and Enterprises	10	82
Admin., Support, Waste Mgmt, Remediation	226	4,020
Education Services	38	603
Health Care and Social Assistance	361	7,038
Arts, Entertainment, and Recreation	53	640
Accommodation and Food Services	280	5,524
Other Services (except Public Admin.)	220	1,025
Unclassified Industry	<u>542</u>	<u>262</u>
Total – Private Sector	<u>3,638</u>	<u>43,495</u>
Government		
Federal Government	19	325
State Government	21	320
Local Government	<u>49</u>	<u>5,041</u>
Total Government	<u>89</u>	<u>5,686</u>
ALL INDUSTRIES <sup>(3)</sup>	<u>3,727</u>	<u>49,181</u>

<sup>(1)</sup> These data use the North American Industrial Classification System (NAICS) categories (as opposed to Standard Industrial Classification (SIC) categories).

<sup>(2)</sup> Denotes confidential data relating to individual employers and cannot be released.

<sup>(3)</sup> This amount accounts for confidential data and may be greater than the sum of the amounts in the column.

Source: Georgia Department of Labor.

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## Category of Land Use

The following table reflects the categories of land use in the County for the calendar year 2023.

<u>Land Type</u>	<u>Percentage by Acreage<sup>(1)</sup></u>
Agricultural	18.78%
Commercial	5.51
Industrial	1.74
Forest Land Cons Use	2.64
Qualified Timberland	0.14
Residential	34.43
Utility	0.01
Conservation Use	35.63
Timber	<u>1.12</u>
	<u>100.0%</u>

<sup>(1)</sup> Percentages are based on the number of acres of real property used for each purpose. The total acreage of all real property subject to ad valorem taxation located in the County is approximately 221,519.76 acres. This figure does not include the acreage of real property that is exempt from ad valorem property taxation. See “COUNTY AD VALOREM TAXATION — Property Subject to Taxation.”

Source: Georgia Department of Revenue Consolidated Digest Summary, 2023.

## Education

County residents are served by public, charter and private schools. The Coweta County Board of Education currently operates 31 schools within the County, staffed by approximately 3,200 employees. The current student population is approximately 22,900. There are approximately eight private and charter schools located in the County. During the County school system’s five-year re-accreditation review by Cognia in 2021, the school system received the highest rating in 28 of the 31 standards reviewed.

The County is also home to satellite campuses for two major colleges and universities. West Georgia Technical College and the University of West Georgia offer programs in the County. There are at least 12 major colleges and universities in the Atlanta metropolitan area and several smaller institutions of higher learning.

## Commercial Services

A full range of commercial services are provided within the County. The County has one local newspaper that is published twice a week, *The Newnan Times-Herald*. *The Atlanta Journal-Constitution* is available to residents of the County. The County is served by radio stations operating in the greater Atlanta area. The County has two local cable television channels. The County receives all major networks from Atlanta area television stations and cable television is available to residents of the County.

## Transportation

Interstate 85 bisects Coweta County, giving quick access to Atlanta, where 1-20, 1-75 and 1-285 intersect. U.S. Highways 29, 27A and 16 and Georgia State Roads 16, 34, 54 and 154 serve the area. The nearest navigable river, the Chattahoochee, has a nine-foot channel depth and a public barge dock 72 miles away at Columbus. The nearest seaport is 254 miles away, at Savannah.

The nearest commercial air service is Atlanta’s Hartsfield-Jackson International Airport. It is located 30 miles north of the County and runs most major domestic and international carriers. A regional airport with a 5,500-foot runway is located in the County.

The County is also served locally by Norfolk Southern rail service and CSX piggyback service. Norfolk Southern piggyback service and CSX piggyback service are available at Atlanta.

### **Recreation**

The County operates 14 public park facilities containing various forms of active and passive recreation. The County also operates a 80-acre fairground facility, which includes a 6,000-square foot Exhibit/Conference Center, 10,000-square foot Agriculture Building, a Nature/Wetland Education Center, walking trails, a horse arena and an open-air theater.

The County operates a Convention & Visitors Bureau to promote tourism in the Community. The County has constructed six Community Centers to provide recreation and meeting facilities for citizens.

### **Medical Services**

Residents of the County have access to several hospital systems located within the County. Piedmont Newnan Hospital currently operates a 154-bed JCAHO-licensed, private, non-profit facility serving the County. Services include a 24-hour emergency department, same day surgery, obstetrics, women and children services, CT scan, PET scan, MRI and Open MRI, a Wound Treatment Center, a Sleep Center, a Stroke Center, a PCI program, and a Cancer Center. Piedmont Newnan Hospital was awarded the Women's Choice Award in 2016 as one of America's best hospitals for patient safety. The Cancer Treatment Centers of America Southeastern Regional Medical Center in Newnan, Georgia opened September 18, 2012. The Southeastern Regional Medical Center is a JCAHO-licensed specialty facility that focuses on advanced oncology patients with breast or lung cancer and the implementation of traditional and supplementary cancer treatments, including a variety of clinical trials. The County is also home to Encompass Rehabilitation Hospital, located in Newnan. The Rehabilitation Hospital is a 60-bed inpatient rehabilitation hospital that offers comprehensive inpatient rehabilitation services designed to return patients to their normal styles of life.

### **Utilities**

Natural gas is supplied to the County by Georgia Natural Gas Company and Coweta-Fayette EMC, is on Atlanta Gas Light Company's distribution system and is available in industrial quantities on both a firm and an interruptible basis. The County receives electricity from Georgia Power, MEAG Power, Coweta-Fayette EMC and the State of Georgia's integrated electrical transmission system.

## **BONDHOLDERS' RISKS**

### **General**

The purchase of the Series 2024 Bonds involves special risks and the Series 2024 Bonds may not be appropriate investments for all types of investors. Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of debt service on the Series 2024 Bonds and could affect the market price of the Series 2024 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the Series 2024 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

### **Limited Obligations**

*General.* The Series 2024 Bonds constitute special, limited obligations of the Authority. The Series 2024 Bonds do not constitute a general obligation of the Authority, and the Authority has no taxing power. Owners of the Series 2024 Bonds may not look to any Authority funds or accounts other than those specifically pledged by the Authority to the payment of the Series 2024 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS."

*Loss of System Revenues.* The Series 2024 Bonds are secured by and payable solely from a first lien on and pledge of the Net Revenues of the System and from moneys on deposit in certain funds and accounts created pursuant to the Resolution. If the System, or any material portion thereof, were to become inoperable due to damage, destruction, or environmental restriction or if the Authority should lack raw water or lack treatable water due to contamination, drought or catastrophe, the Authority may be unable to generate adequate revenues of the System. In the event that the operating revenues at any time are not sufficient to make such payments and deposits, the Authority covenants in the Resolution that it will increase such rates, fees, tolls, and charges to an extent which will ensure such payments and deposits (the “Rate Covenant”). See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Rate Covenant”

*No Mortgage Secures the Series 2024 Bonds.* The payment of the Series 2024 Bonds is not secured by an encumbrance, mortgage, or other pledge of property of the Authority, except for the Net Revenues. No real or personal property of the Authority, shall be liable to be forfeited or taken in payment of the Series 2024 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS.”

### **Additional Bonds**

Under the Resolution, the Authority is permitted to issue Additional Bonds on a parity with the lien of the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Additional Bonds.” Debt service on all Additional Bonds of the Authority will be payable from Net Revenues on a pro-rata basis. Accordingly, to the extent that future obligations are issued on a parity with the lien of the Bonds, the security for the Bonds may be diluted.

### **Factors That May Cause Insufficiency of Expected Revenues**

*General.* The generation of Net Revenues is dependent upon several factors outside the Authority’s control, such as the economy, collections of water and wastewater service charges and tap fees, continued growth (or lack thereof), and changes in law. It is impossible to predict whether current economic conditions will continue or worsen or to predict how future conditions will affect the operation of the System or the Authority’s finances in general. The following factors, among others, may impact the generation of Net Revenues in the future.

Payment on the Series 2024 Bonds is dependent upon the generation of sufficient Net Revenues of the System. If the System becomes inoperable due to damage, destruction, environmental restriction or for any other reason, if the Authority should lack raw water or lack treatable water due to contamination, lack of adequate supply to serve existing customers, drought or for any other reason, if the Authority has inadequate storage or transmission facilities, if the Authority is unable to increase rates and charges for any reason or if the Authority incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, the Authority may be unable to generate adequate revenues from the System to pay debt service on the Series 2024 Bonds (subject to the requirement that the Authority must subsequently raise rates if necessary to satisfy the Rate Covenant).

*Water Quality and Environmental Requirements.* The System is subject to numerous federal and State regulatory requirements. Those regulations are subject to change at any time. Public drinking water systems like the System are regulated by the Environmental Protection Agency and the EPD, and the EPD has the authority to enforce drinking water quality standards. Water quality standards imposed by the federal government or the State may affect the water available to the Authority and implementation of those standards or enforcement by the EPD could result in increased costs associated with water treatment operations of the Authority. In addition, failure to comply with regulatory changes, or the inability to comply with them in a timely manner could cause portions of the System to become unavailable. Any disruption of service could negatively impact Net Revenues.

In operating the System, the Authority also may be subject to various environmental regulations that could subject the Authority to increased operating costs or capital expenditures. Such risks include the use of hazardous materials in the water treatment process and the disposal of such materials, the occurrence of upstream events that could cause contamination of the Authority’s water sources, or other factors. Such increased costs could reduce the amount of Net Revenues available to pay debt service on the Series 2024 Bonds.

*Drought.* In recent years, the State has experienced drought conditions. Continued, or more severe, watering limitations or increased conservation measures could reduce the amount of water treated and sold by the Authority and therefore could reduce the Net Revenues generated by the System. Further, although the Authority may increase rates and charges without restriction in response to lower usage, it is not possible to predict at this time whether any rate increases can or will be implemented in time to pay debt service on the Series 2024 Bonds in any given fiscal year.

*Cybersecurity.* Despite the implementation of network security measures by the Authority, its information technology systems may be vulnerable to breaches, hacker and ransomware attacks, computer viruses, physical or electronic break-ins and other similar events or issues. State and local governments have recently been subject to such attacks.

The foregoing events or issues could lead to the inadvertent disclosure of confidential information, ransomware attacks holding critical information and operations hostage or could have an adverse effect on the Authority's ability to collect Net Revenues. Any breach or cyberattack that compromises data could result in negative press. Despite efforts of the Authority, no assurances can be given that the Authority's measures will prevent cybersecurity attacks, and no assurances can be given that any cybersecurity attacks, if successful, will not have a material adverse effect on the operations or financial condition of the System.

### **Secondary Market**

There is no guarantee that a secondary market for the Series 2024 Bonds will be maintained. Thus, owners of Series 2024 Bonds should be prepared to hold their Series 2024 Bonds to maturity.

### **Changes in Law**

Various federal and State laws and constitutional provisions apply to the imposition, collection, and expenditure of the Net Revenues and the operation of the System and the Authority. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the System, the affairs of the Authority and the imposition, collection, and expenditure of the Net Revenues.

### **No Trustee**

There is no bond trustee or similar person or entity to monitor or enforce the provisions of the applicable Resolution on behalf of the Bondholders, and therefore the Bondholders should be prepared to enforce such provisions themselves if the need to do so ever arises.

## **LEGAL MATTERS**

### **Litigation**

The Authority, like other similar governmental bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Authority, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Authority, or its officials in such capacity, are adequately covered by insurance or will not have a material adverse effect upon the financial position of the Authority.

There is no controversy or litigation of any nature now pending against the Authority restraining or enjoining the issuance or delivery of the Series 2024 Bonds, the pledge of the Net Revenues to secure the Series 2024 Bonds, or the use of proceeds of the Series 2024 Bonds, or which questions or contests the validity of the Series 2024 Bonds or the proceedings and authority under which they are issued and secured.

## Validation and Approving Opinions

In accordance with the procedures set forth in the Revenue Bond Law, the Series 2024 Bonds will be validated prior to delivery by order of the Superior Court of Coweta County. A final validation order was received from the Superior Court of Coweta County on April 15, 2024.

Legal matters incidental to authorization and issuance of the Series 2024 Bonds by the Authority are subject to the approval of Murray Barnes Finister LLP, Atlanta, Georgia, Bond Counsel to the Authority, whose approving opinion will be attached to the Series 2024 Bonds. It is anticipated that the approving opinion will be in substantially the form attached hereto as APPENDIX B. Certain legal matters will be passed upon for the Authority by its counsel, Horne & Griffis, P.C. and for the Underwriter by its counsel, Smith Gambrell & Russell LLP.

The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## TAX MATTERS

*Generally.* In the opinion of Murray Barnes Finister LLP, Bond Counsel, under existing statutes, rulings and court decisions, and assuming compliance by the Authority with certain tax covenants, interest on the Series 2024 Bonds (including any original issue discount properly allocable to a holder of the Series 2024 Bonds) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. Except as provided below with respect to original issue premium, no opinion will be expressed with respect to any other federal tax consequences of the receipt or accrual of interest on, or the ownership of, the Series 2024 Bonds.

Ownership of the Series 2024 Bonds may result in other collateral federal income tax consequences to certain taxpayers, including, without limitation, banks, thrift institutions and other financial institutions, foreign corporations which conduct a trade or business in the United States, property and casualty insurance corporations, S corporations, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2024 Bonds. Purchasers of the Series 2024 Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

In rendering its opinion that the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes, Bond Counsel will (a) rely as to questions of fact material to its opinion upon certificates and certified proceedings of public officials, including officials of the Authority, and representations of the Authority (including representations as to the use and investment of the proceeds of the Series 2024 Bonds), without undertaking to verify the same by independent investigation and (b) assume continued compliance by the Authority with its covenants relating to the use of the proceeds of the Series 2024 Bonds and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), including the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such representations or noncompliance with such covenants may cause interest on the related Series 2024 Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2024 Bonds.

*Original Issue Premium.* An amount equal to the excess of the purchase price of a Series 2024 Bonds over its stated redemption price at maturity constitutes premium on such Series 2024 Bond. A purchaser of a Series 2024 Bond must amortize any premium over such Series 2024 Bond's term using constant yield principles, based on the Series 2024 Bond's yield to maturity. As premium is amortized, the purchaser's basis in such Series 2024 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be

recognized for federal income tax purposes on sale or disposition of such Series 2024 Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed.

The foregoing is a general discussion of certain federal income tax consequences of original issue premium and does not purport to deal with all tax questions that may be relevant to particular investors or circumstances. Purchasers of any Series 2024 Bond at a premium, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Series 2024 Bonds.

*Original Issue Discount.* In the opinion of Bond Counsel, under existing statutes, rulings and court decisions and under applicable regulations, any original issue discount in the selling price of a Series 2024 Bond, to the extent properly allocable to a holder of such Series 2024 Bond, is excludable from gross income for federal income tax purposes. The original issue discount is the excess of the stated redemption price at maturity of such Series 2024 Bond over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of such Series 2024 Bond was sold.

Under Section 1288 of the Code, original issue discount on tax-exempt obligations accrues on a constant yield to maturity basis. The amount of the original issue discount that accrues to an owner of a discount bond who acquires such discount bond during any accrual period generally equals (a) the issue price of such discount bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (b) the yield to maturity of such discount bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (c) any interest payable on such discount bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in a discount bond for the purpose of determining gain or loss upon a subsequent sale, exchange, payment, or redemption. Any gain realized by an owner from a sale, exchange, payment, or redemption of a discount bond would be treated as gain from the sale or exchange of such discount bond.

The foregoing is a general discussion of original issue discount. Purchasers of discount Series 2024 Bonds should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal income tax purposes and with respect to state and local tax consequences of owing such discount Series 2024 Bonds.

*State of Georgia.* In the opinion of Bond Counsel, under existing law, interest on the Series 2024 Bonds is exempt from present state income taxation within the State of Georgia. Interest on the Series 2024 Bonds may or may not be subject to state or local income taxation in jurisdictions other than the State of Georgia. Purchasers of the Series 2024 Bonds should consult their own tax advisor with respect to the tax-exempt status of interest on the Series 2024 Bonds in a particular state or local jurisdiction other than the State of Georgia.

## MISCELLANEOUS

### Engineers

The Series 2024 Engineering Report has been prepared by the Engineers and has been included herein in reliance upon the fact that the Engineers are experts.

### Underwriting

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed to purchase the Series 2024 Bonds pursuant to a Bond Purchase Agreement (the "Purchase Agreement") entered into between the Authority and the Underwriter. The price and other terms regarding underwriting of the Series 2024 Bonds were established through negotiation. The Underwriter has agreed to purchase the Series 2024 Bonds at a purchase price of \$ \_\_\_\_\_ (which is equal to par, plus [net] original issue premium of \$ \_\_\_\_\_, less Underwriter's discount of \$ \_\_\_\_\_). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2024 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set

forth in the Bond Purchase Agreement. The Underwriter intends to offer the Series 2024 Bonds initially at offering prices which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with other dealers and underwriters in offering the Series 2024 Bonds to the public. The Underwriter may offer and sell the Series 2024 Bonds to certain dealers at prices lower than the public offering.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing, and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority or the County for which they received or will receive customary fees and expenses.

### **Rating**

As noted on the cover page of this Official Statement, the Series 2024 Bonds have been assigned a rating of “AA+” by S&P Global Ratings (“S&P”). Any desired explanation of the significance of such rating should be obtained from S&P. Generally, rating agencies base their ratings on the information and materials furnished to the agencies and on investigations, studies and assumptions by such agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The Authority has not undertaken any responsibility to oppose any such proposed revision, suspension or withdrawal. Any such change in or withdrawal of either of such ratings could have an adverse effect on the market price of the Series 2024 Bonds.

### **Independent Auditors**

The financial statements of the Authority for the fiscal year ended June 30, 2023 have been audited by J.K. Boatright & Co., P.C., LaGrange, Georgia, as indicated in their report included therein, and have been included as APPENDIX A hereto in reliance upon the authority of such firm as independent auditors.

### **Additional Information**

Use of the words “shall” or “will” in this Official Statement in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

Any statements made in this Official Statement involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2024 Bonds.

**AUTHORIZATION OF OFFICIAL STATEMENT**

The Authority has duly authorized the execution and delivery of this Official Statement as of the date shown on the cover page.

**COWETA COUNTY WATER AND SEWERAGE  
AUTHORITY**

By: \_\_\_\_\_  
Chairperson

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE  
COWETA COUNTY WATER AND SEWERAGE AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**(Component Unit of Coweta County, Georgia)**

**Annual Financial Report**

**For the Years Ended**

**June 30, 2023 and June 30, 2022**

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**FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

To the Board Members  
Coweta County Water & Sewerage Authority  
Newnan, Georgia

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of Coweta County Water & Sewerage Authority, component unit of Coweta County, Georgia, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Coweta County Water & Sewerage Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Coweta County Water & Sewerage Authority, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Coweta County Water & Sewerage Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Coweta County Water & Sewerage Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coweta County Water & Sewerage Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Coweta County Water & Sewerage Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

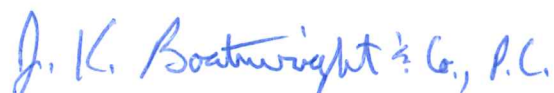
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coweta County Water & Sewerage Authority's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2023 on our consideration of Coweta County Water & Sewerage Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Coweta County Water & Sewerage Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Coweta County Water & Sewerage Authority's internal control over financial reporting and compliance.

Yours truly,



J. K. BOATWRIGHT & CO., P.C.  
Certified Public Accountants  
LaGrange, Georgia  
December 4, 2023

**Management's Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

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The following discussion and analysis of the financial performance of the Coweta County Water & Sewerage Authority (the Authority) provides a narrative overview of the financial activities for the fiscal year ended June 30, 2023. The discussion and analysis also provide information relating to future business initiatives. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements following this section.

**Financial highlights**

- Operating revenues increased to \$36,451,103 for the period ending June 30, 2023, as compared to \$31,994,375 for the same period in 2022, which is a increase of \$4,456,728 or 13.9%.
- Operating expenses increased to \$28,646,208 for the period ending June 30, 2023, as compared to \$24,026,045 for the same period in 2022, which is an increase of \$4,620,163 or 19.2%.
- Operating income decreased by \$163,435, or 2.1%, for the period ending June 30, 2023, as compared to the same period in 2022.
- Change in net position increased to \$9,190,540 for the period ending June 30, 2023 as compared to \$7,331,770 for the same period in 2022, which is a increase of \$1,858,770 or 25.4%.

**Economic conditions**

Coweta County has experienced economic challenges related to the continued COVID 19 pandemic recovery, supply chain issues, materials and supply shortages, and historic inflation. Increased costs of materials and supplies have impacted operations and capital projects. Where possible, procurement of materials was accelerated or delayed in an effort to manage the increased costs. Most capital projects have seen significant delays and cost increases as a result of these general economic conditions. Significant efforts have been made in the design and planning stages of the projects to mitigate the effects of these factors and to keep needed projects moving forward, at the most reasonable costs attainable.

The unemployment rate in Coweta County, the State of Georgia, and the United States was directly and substantially impacted by the economic shut-down in fiscal year 2020. Recoveries experienced in 2021 and 2022 began to slow in the fiscal year ended June 30, 2023. According to FRED (the Federal Reserve Bank of St. Louis Economic Research website), Coweta County's unemployment rate rose to 3.2% in June 2023, as compared to 3.0% for the same period in 2022. The unemployment rate in Georgia saw the same increase, with Georgia increasing to 3.2% from 3.0%. Unemployment for the United States as a whole remained steady at 3.6% for June 2023 and 2022.

According to the West Georgia Regional Update (Fall 2023), provided by University of West Georgia's Richards College of Business, based on first quarter 2023 employment data compared to first quarter 2022, Coweta County led the West Georgia Region with an overall employment growth rate of 6.2%. Goods-producing employment, which includes manufacturing and construction, increased by 11%. The services sector, which includes retail, health care, warehousing/transportation and accommodation/food services, increased by 4.8%.

*Management's Discussion and Analysis continues on the next page*

**Management's Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

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Coweta County has experienced general growth brought on by a steady increase in population over the past several years. The April 1, 2020 censuses showed the County's population at 146,158. According to the United States Census Bureau website, the County's July 1, 2022 population was 152,882, a slight increase from the 2021 population estimates of 149,956.

Despite the negative economic impacts of supply chain issues and inflation, there have been several positive business announcements in Coweta County. As noted by The West Georgia Regional Update (Fall 2023), future and new developments, including the following:

- FREYR, a Norway based battery manufacturer, has announced plans to build a \$2.6 billion battery manufacturing facility in the Bridgeport Industrial Park, with a commitment to hire 700 employees.
- Bonnell Aluminum has continued construction on a new headquarters building in downtown Newnan.
- Yamaha Motor Manufacturing Corp continues to work on an expansion, which is a 200,000 square foot advanced "Smart" warehouse that is expected open in 2024.
- Poplar Road mixed use development that will include office space, townhomes, a hotel, retail and restaurant space was approved and will be located across from Piedmont Newnan Hospital
- Several major residential developments (Twelve Parks, Del Webb Newnan, Cresswind at Spring Haven, Chapel Hill) are planned to bring a significant number of homes to Coweta County.
- Kellogg's opened a new distribution center in the Orchard Hills Business Park in 2022.
- Dollar General opened its new distribution facility in Coweta Industrial Park in April 2023.

Coweta County is well positioned for attracting industrial projects to the area with available parcels and buildings in several industrial developments including, the Coweta Industrial Park, Creekside Industrial Park, the 281-acre Orchard Hills Business Park, and the 500-acre mega-site, the Cubes at Bridgeport, which can accommodate buildings up to two million square feet.

The West Georgia Regional Update (Fall 2023) also reported that there has been some cooling in the housing market in Coweta County. Closed sales are down 29% for the period from January to September 2022. Also, average days on the market rose from an average of 25 days for the period from January to September 2022, to 51 days for the same period in 2023. Home prices remain strong in the County with the average sales price for homes sold from January to September 2023 increasing by 5.6% over the same period for 2022. The average sales price of homes sold in the County for January to September 2023 was \$440,549, the highest average home sales price in the West Georgia Region. Single-family home permits increased 33% in the County for the periods January – August 2023 compared to the same period in 2022.

Employment in Coweta County's government sector increased 2.5% between first quarter 2023 and first quarter 2022, according to the West Georgia Regional Update (Fall 2023). Most government workers in the county are employed by local government, specifically the Coweta County School System (the School System). The School System has reported total enrollment of 22,961 (as of October 2022) for the school system for the 2022-2023 school year. According to information provided by the School System, the four-year graduation rate has increased from 90.5% in 2022 to 91.7% in 2023 and is more than 7% higher than the state of Georgia's four-year graduation rate of 84.4%.

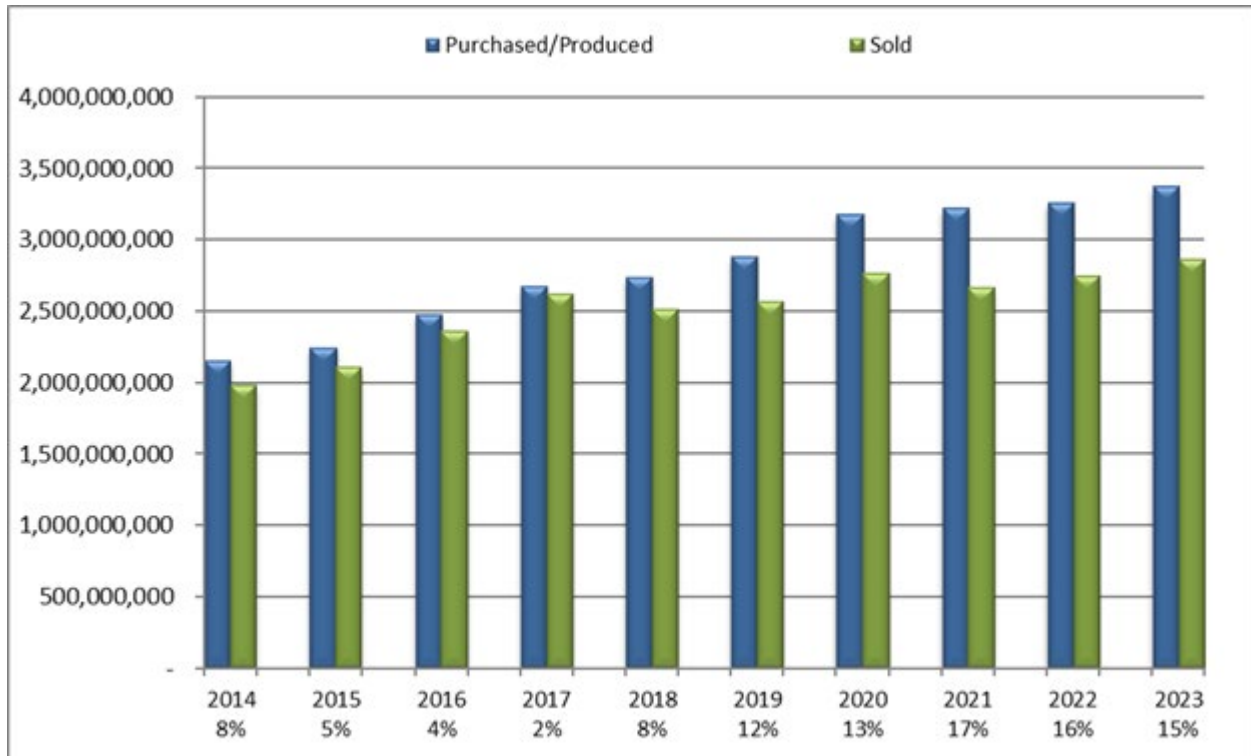
**Management’s Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

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**Water loss**

The Authority continues to maintain improvements in unaccounted water. The Authority began aggressively changing out polybutylene pipe in 2007. Beginning with fiscal year 2011, the Authority measures and includes data on system flushing, which is performed at the BT Brown Water Treatment Plant along with hydrant flushing in the County. Below is a 10-year history of water gallons purchased and produced versus sales by fiscal year:

**Water Gallons Purchased/Produced versus Sales by Fiscal Year**



*Management’s Discussion and Analysis continues on the next page.*

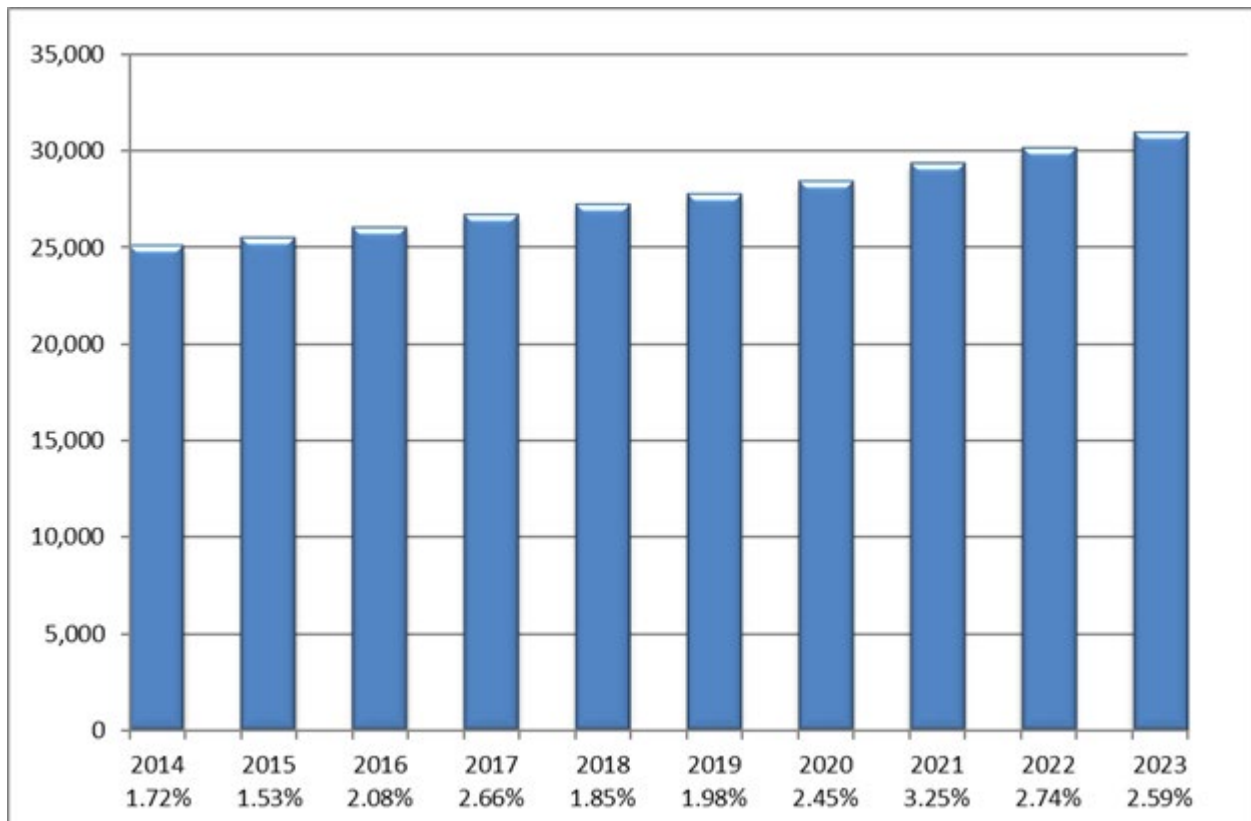
**Management’s Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

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**Historical customer growth**

At June 30, 2023, the Authority had 30,905 customers as compared to 30,125 customers for the same period in 2022, which represents an increase of 2.59%. The graph below illustrates the Authority’s customer growth for the previous 10 years.

**Historical Customer Growth**



**Overview of the financial statements**

This discussion serves as an introduction to the financial statements included and a full disclosure of the fiscal year ending June 30, 2023. Three types of financial statements are included in the financial section of this audit: Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows.

The Statement of Net Position includes all the Authority’s assets and liabilities using the accrual basis of accounting and provides the basis for evaluating capital and assessing liquidity and flexibility.

All current year’s revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position and measure the success of the Authority’s operation. This statement can be used to determine whether the Authority has successfully recovered its costs through usage fees and other charges.

The Statement of Cash Flows provides information about cash receipts, cash payments, and the net change in cash resulting from the operating, investing, and financing activities of the Authority including repayment of bonds and capital additions.

**Management’s Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

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The notes to the financial statements provide additional information that is essential to a full understanding of these statements.

**Financial analysis**

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the Authority’s activities to determine if, overall, the financial position improved over the year.

These two statements report the net position of the Authority and changes in net position over time. Analyzing the Authority’s net position is one way to measure financial health; however, non-financial factors such as economic conditions, population growth, and new or revised government legislation should be considered as well.

The following discussion should be read in conjunction with the financial statements and related notes along with other financial data included elsewhere in this report.

**Net position**

The following table depicts the Authority’s condensed summary of net position for the years ended June 30, 2023, 2022 and 2021.

	<u>2023</u>	<u>2022</u>	<u>2021</u> <u>Restated</u>
<b>Assets</b>			
Current assets	\$ 41,220,010	\$ 44,376,124	\$ 36,554,967
Capital assets	184,523,166	163,276,785	151,805,473
Other assets	289,783	301,449	484,130
Total assets	<u>226,032,959</u>	<u>207,954,358</u>	<u>188,844,570</u>
<b>Deferred outflow of resources</b>			
Deferred amount on refundings	<u>9,139,804</u>	<u>10,241,964</u>	<u>5,436,481</u>
<b>Liabilities</b>			
Current liabilities	9,804,170	7,689,420	6,276,292
Noncurrent liabilities	101,486,477	95,797,284	80,608,871
Total liabilities	<u>111,290,647</u>	<u>103,486,704</u>	<u>86,885,163</u>
<b>Deferred inflow of resources</b>			
Related to lease receivable	<u>278,140</u>	<u>296,182</u>	<u>314,223</u>
<b>Net Position</b>			
Net investment in capital assets	90,685,012	75,465,154	74,758,710
Restricted	990,484	10,158,523	183,406
Unrestricted	31,928,480	28,789,759	32,139,550
Total net position	<u>\$ 123,603,976</u>	<u>\$ 114,413,436</u>	<u>\$ 107,081,666</u>

The Authority uses capital assets to provide services to customers and therefore these assets are not available for future spending. Although the Authority’s investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The Authority’s net position also included restricted net assets of \$990,484 (approximately 0.8% of net position) that represent resources subject to external restriction on how they may be used.

**Management's Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

**Changes in net position**

The following table reflects the Authority's changes in net position for the years ended June 30, 2023, 2022 and 2021.

	<u>2023</u>	<u>2022</u>	<u>2021</u> <u>Restated</u>
<b>Operating revenues</b>			
Water sales	\$ 25,517,159	\$ 23,100,715	\$ 20,869,733
Sewer fees	6,269,583	5,202,740	6,159,731
Water and sewer tap fees	1,634,892	1,549,535	2,118,807
Other services	3,029,469	2,141,385	4,132,099
Total operating revenues	<u>36,451,103</u>	<u>31,994,375</u>	<u>33,280,370</u>
<b>Operating expenses</b>			
Cost of sales	7,436,935	4,868,613	5,107,723
Personnel services and employee benefits	8,733,483	7,363,228	6,788,609
Depreciation and amortization	6,070,298	5,804,410	5,608,792
Other services and charges	6,405,492	5,989,794	4,605,368
Total operating expenses	<u>28,646,208</u>	<u>24,026,045</u>	<u>22,110,492</u>
Operating income	<u>7,804,895</u>	<u>7,968,330</u>	<u>11,169,878</u>
<b>Non-operating revenues (expenses)</b>			
Interest income	836,189	135,419	51,617
Interest charges	(2,219,181)	(2,035,341)	(2,943,844)
Amortization	(1,123,591)	(1,971,600)	(277,262)
Contributions - DRIP Program	113,031	127,123	133,695
Awards - DRIP Program	(346,550)	(75,000)	(67,500)
Lease revenue	18,044	18,041	9,267
Net increase in the fair value of investments	71	(66)	-
Gain (loss) on disposal of assets	23,814	-	89,512
Total non-operating revenues (expenses)	<u>(2,698,173)</u>	<u>(3,801,424)</u>	<u>(3,004,515)</u>
Change in net position before capital contributions	<u>5,106,722</u>	<u>4,166,906</u>	<u>8,165,363</u>
Capital contributions:			
Contributed water and sewer lines	4,083,818	3,164,864	1,292,765
Community Development Block Grant	-	-	258,024
Total capital contributions	<u>4,083,818</u>	<u>3,164,864</u>	<u>1,550,789</u>
Change in net position	9,190,540	7,331,770	9,716,152
Net position, beginning of year	114,413,436	107,081,666	97,357,528
Prior period adjustment	-	-	7,986
Net position, end of year	<u>\$123,603,976</u>	<u>\$114,413,436</u>	<u>\$107,081,666</u>

Operating revenues increased to \$36,451,103 for the period ending June 30, 2023, as compared to \$31,994,375 for the same period in 2022, an increase of \$4,456,728 or 13.9%. Sewer revenues increased \$1,066,843 due to an increase in new customer growth, which translates into increased capacity fees. In 2015 the Authority gained a new private label water bottling customer and continues to see positive operating revenues from this source as well.

**Management’s Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

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Operating expenses increased to \$28,646,208 for the period ending June 30, 2023, as compared to \$24,026,045 for the same period in 2022, which is an increase of \$4,620,163 or 19.2%. Personnel services and employee benefits expense increased \$1,370,255 mainly from health insurance premiums rising and adding additional staff to maintain infrastructure and the distribution system. Cost of sales, which is the contractual obligation to purchase water from our two providers, increased \$2,568,322 or 52.7% as more water was purchased due to a required increase under one of the water supply contracts.

Non-operating revenues (expenses) were (\$2,698,173) for the period ending June 30, 2023, as compared to (\$3,801,424) for the same period in 2022, which is a decrease of \$1,103,251 or 29.0%. Interest income increased \$700,770, as increasing interest rates were experienced during the fiscal year. Amortization decreased by \$848,009, which includes amortization on Bond related items (premiums, discounts, and loss on refunding) and issuance costs associated with debt issued during the fiscal year.

**Capital assets, intangible assets and debt administration**

The Authority’s investment in capital assets includes land, buildings, site improvements, machinery, equipment, vehicles, furniture and fixtures, water system infrastructure, sewer system infrastructure, construction-in-progress and intangible assets. The Authority’s investment in capital assets as of June 30, 2023, was \$184,523,166 net of accumulated depreciation and amortization, which is an increase of \$21,246,381 from the same period in 2022. The Authority added \$8,571,703 of capital assets and intangible assets (including donated assets, but not including depreciation and amortization) for the period ending June 30, 2023, as compared to \$4,362,703 for the same period in 2022. Accumulated depreciation and amortization increased to \$85,924,995 for the period ending June 30, 2023, as compared to \$80,075,677 for the same period in 2022.

During fiscal year 2022, the Authority defeased all outstanding bonded debt and funded new projects with the issuance of \$95,058,000 in Series 2021 Bonds. The refunding portion of the debt lowered the effective interest rate for outstanding bonds and resulted in an estimated present value savings of approximately \$5.5 million over the life of the debt.

During fiscal year 2023, the Authority issued Series 2021D Bonds pursuant to a forward delivery agreement dated July 8, 2021. The Series 2021D Bonds refunded a portion of the Series 2021C Bonds. The transaction was undertaken to achieve debt service savings by reducing the interest rate on a portion of the Series 2021 C Bonds to 2.38% from 3.01%.

At June 30, 2023, the Authority had total bonded outstanding debt of \$86,386,000. The detail breakdown of these amounts for each bond issue is stated below:

Series 2021A Refunding Revenue Bonds	\$49,470,000
Series 2021B Refunding Revenue Bonds	\$17,255,000
Series 2021C Refunding Revenue Bonds	\$17,668,000
Series 2021D Refunding Revenue Bonds	\$ 1,993,000

**Budgetary highlights, economic factors and next year’s budget**

In fiscal year 2023, the Coweta County Water and Sewerage Authority Board adopted the annual operating budget for FY24. When preparing the fiscal year 2024 budget, the Authority considered many factors, and the budget and expenditures will be monitored closely to determine if changes will need to be made as a result of changes in operations and the economy.

**Management's Discussion and Analysis (Unaudited)**  
**Coweta County Water & Sewerage Authority**  
**As of and For the Year Ended June 30, 2023**

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**Looking forward**

While Coweta County has experienced a steady recovery from the effects of the COVID 19 pandemic, it has certainly felt the effects of supply chain issues, materials and supply shortages, and historic inflation. The Authority is continuing efforts to manage the increased costs while providing the most efficient service to its customers and planning for infrastructure needs well into the future. Continued growth in the housing market and comparative low unemployment point to a recovery that is among the leaders in the six-county west Georgia region. The Authority is encouraged by continued inquiries regarding service for proposed new developments, including industrial, commercial, and residential. The Authority's vision is to be a recognized community partner and leader in water and sewer supply. Management and the Board are strong advocates of customer service and provide all necessary tools to employees to provide the very best service possible to the Authority's customers.

**Request for information**

This financial report provides a general overview of Coweta County Water and Sewerage Authority's finances. Questions concerning this report or requests for additional financial information can be obtained by contacting the Coweta County Water and Sewerage Authority Administration and Finance Department at the following address:

Coweta County Water & Sewerage Authority  
Attn: Chief Financial Officer  
545 Corinth Road  
Newnan, GA 30263  
(770) 254-3710

Coweta County Water & Sewerage Authority  
 STATEMENTS OF NET POSITION  
 June 30, 2023 and June 30, 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 33,440,088	\$ 29,566,770
Receivables:		
Customer accounts, net	1,855,963	1,830,135
Other receivables	510,453	303,515
Georgia Environmental Finance Authority (GEFA)	3,196,855	1,387,914
Lease receivable current	11,666	10,828
Inventories	921,478	734,308
Prepaid expenses	293,023	384,131
Restricted assets:		
Cash and cash equivalents	990,484	10,158,523
Total current assets	<u>41,220,010</u>	<u>44,376,124</u>
Noncurrent assets:		
Capital assets:		
Nondepreciable	39,885,257	21,115,999
Depreciable, net	138,150,429	135,433,243
Intangible assets, net	6,487,480	6,727,543
Lease receivable - net of current	<u>289,783</u>	<u>301,449</u>
Total noncurrent assets	<u>184,812,949</u>	<u>163,578,234</u>
Total assets	<u>226,032,959</u>	<u>207,954,358</u>
<b>Deferred Outflow of Resources</b>		
Deferred amount on refunding	<u>9,139,804</u>	<u>10,241,964</u>

*continued*

Coweta County Water & Sewerage Authority  
 STATEMENTS OF NET POSITION  
 June 30, 2023 and June 30, 2022

*continued*

	<u>2023</u>	<u>2022</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 4,798,307	\$ 2,128,250
Accrued liabilities	1,706,164	1,408,178
Accrued interest payable	180,357	181,316
Lease liabilities - current portion	7,098	5,082
Bonds payable - current portion	2,907,432	3,797,430
Compensated absences due within one year	204,812	169,164
Total current liabilities	<u>9,804,170</u>	<u>7,689,420</u>
Noncurrent liabilities:		
Deposits payable	1,322,171	1,462,881
Lease liabilities - net of current	15,357	9,694
Bonds payable - noncurrent portion	84,748,399	87,780,969
Note payable	15,299,672	6,460,420
Compensated absences due in more than one year	100,878	83,320
Total noncurrent liabilities	<u>101,486,477</u>	<u>95,797,284</u>
Total liabilities	<u>111,290,647</u>	<u>103,486,704</u>
<b>Deferred Inflow of Resources</b>		
Deferred revenue on leases	<u>278,140</u>	<u>296,182</u>
<b>Net Position</b>		
Net investment in capital assets	90,685,012	75,465,154
Restricted:		
Projects Fund	980,592	9,480,114
Capitalized Interest Fund	-	437,631
Education	9,892	7,377
DRIP Program	-	233,401
Unrestricted	<u>31,928,480</u>	<u>28,789,759</u>
Total net position	<u>\$ 123,603,976</u>	<u>\$ 114,413,436</u>

See accompanying notes to financial statements.

Coweta County Water & Sewerage Authority  
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Water sales	\$ 25,517,159	\$ 23,100,715
Sewer fees	6,269,583	5,202,740
Water and sewer tap fees	1,634,892	1,549,535
Reimbursements	128,527	1,551
Other services	<u>2,900,942</u>	<u>2,139,834</u>
Total operating revenues	<u>36,451,103</u>	<u>31,994,375</u>
Operating expenses:		
Cost of sales	7,436,935	4,868,613
Personnel services and employee benefits	8,733,483	7,363,228
Depreciation and amortization	6,070,298	5,804,410
Other services and charges	<u>6,405,492</u>	<u>5,989,794</u>
Total operating expenses	<u>28,646,208</u>	<u>24,026,045</u>
Operating income	<u>7,804,895</u>	<u>7,968,330</u>
Non-operating revenues (expenses):		
Interest income	836,189	135,419
Interest charges	(2,219,181)	(2,035,341)
Amortization	(1,123,591)	(1,971,600)
Contributions - DRIP Program	113,031	127,123
Awards - DRIP Program	(346,550)	(75,000)
Lease revenue	18,044	18,041
Net increase (decrease) in the fair value of investments	71	(66)
Gain on disposal of assets	<u>23,814</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>(2,698,173)</u>	<u>(3,801,424)</u>
Change in net position before capital contributions	<u>5,106,722</u>	<u>4,166,906</u>
Capital contributions:		
Contributed water and sewer lines	<u>4,083,818</u>	<u>3,164,864</u>
Change in net position	9,190,540	7,331,770
Net position - beginning of year	<u>114,413,436</u>	<u>107,081,666</u>
Net position - end of year	<u>\$ 123,603,976</u>	<u>\$ 114,413,436</u>

See accompanying notes to financial statements.

Coweta County Water & Sewerage Authority  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Receipts from customers	\$ 34,471,067	\$ 30,574,068
Payments to vendors	(13,625,518)	(12,364,553)
Payments to employees	<u>(6,165,915)</u>	<u>(5,174,659)</u>
Net cash provided by operating activities	<u>14,679,634</u>	<u>13,034,856</u>
Cash flows from noncapital financing activities:		
Net contributions (distributions) - DRIP program	<u>(233,519)</u>	<u>52,123</u>
Cash flows from capital and related financing activities:		
Proceeds from issuance of bonds	-	96,452,968
Repayment of bonds payable	(3,860,000)	(4,812,000)
Transfer out to defeased bonds escrow account	-	(83,135,260)
Proceeds from issuance of note payable	8,839,252	1,387,914
Loan and administrative costs incurred	-	(931,940)
Interest paid	(2,218,222)	(2,092,339)
Acquisition of capital assets	(23,237,167)	(14,160,714)
Acquisition of intangible assets	(105,617)	(9,510)
Proceeds from return of equipment/ sale of assets	-	67,138
Repayment of lease liability	(6,099)	(3,438)
Collection of lease receivable	<u>10,828</u>	<u>10,030</u>
Net cash used in capital and related financing activities	<u>(20,577,025)</u>	<u>(7,227,151)</u>
Cash flows from investing activities:		
Interest income	<u>836,189</u>	<u>135,419</u>
Net cash provided by investing activities	<u>836,189</u>	<u>135,419</u>
Net increase (decrease) in cash and cash equivalents	(5,294,721)	5,995,247
Cash and cash equivalents, and restricted cash beginning of year	<u>39,725,293</u>	<u>33,730,046</u>
Cash and cash equivalents, and restricted cash end of year	<u>\$ 34,430,572</u>	<u>\$ 39,725,293</u>

*Continued*

See accompanying notes to financial statements.

Coweta County Water & Sewerage Authority  
 STATEMENTS OF CASH FLOWS  
 For the Years Ended June 30, 2023 and 2022

*Continued*

	<u>2023</u>	<u>2022</u>
Reconciliation of operating income to net cash provided		
by operating activities:		
Operating income	\$ 7,804,895	\$ 7,968,330
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	6,070,298	5,804,410
(Increase) decrease in:		
Receivables, net	35,843	(220,306)
Other receivables	(206,938)	187,913
Georgia Environmental Finance Authority (GEFA)	(1,808,941)	(1,387,914)
Inventories	(187,170)	(245,133)
Prepaid assets	91,108	(159,672)
Increase (decrease) in:		
Accounts payable	2,670,057	755,263
Accrued liabilities	297,986	319,127
Compensated absences	53,206	1,593
Deposits payable	<u>(140,710)</u>	<u>11,245</u>
Net cash provided by operating activities	<u>\$ 14,679,634</u>	<u>\$ 13,034,856</u>
Non-cash investing, capital and financing activities:		
Interest accrued on bonds	<u>\$ 180,357</u>	<u>\$ 181,316</u>
Amortization of bond premium	<u>\$ 62,568</u>	<u>\$ 62,570</u>
Capital assets, contributed by developers and entities	<u>\$ 4,083,818</u>	<u>\$ 3,164,864</u>

See accompanying notes to financial statements.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

On March 20, 2001, the General Assembly of the State of Georgia approved enabling legislation to create the Coweta County Water & Sewerage Authority (the Authority). However, prior to May 1, 2007, the operating activities of the water and sewerage system of Coweta County were reported in the Water and Sewer Fund of Coweta County, Georgia. On May 1, 2007, the Authority began operations as a separate entity.

The purpose of the Authority is to manage the water and sewer systems of Coweta County and they are empowered to do all things necessary to accomplish this purpose.

Reporting Entity

In defining the Authority for financial reporting purposes, Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus* – an amendment of GASB Statements No. 14 and No. 34, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* establishes the basis for the reporting entity and whether it is considered a component unit of another entity and whether other entities are component units. Review of these statements has resulted in the conclusion that the Authority is considered to be a component unit of Coweta County, Georgia. There are also no entities that are considered to be component units of the Authority.

A financial burden or benefit relationship exists between the entities. The County appoints all board members of the Authority. The Authority and Coweta County have entered into an intergovernmental agreement whereby the County has provided the pledging of the full faith and credit for all the GEFA loans. The Agreement represents a general obligation of the County to which its full faith and credit are pledged.

Financial Statement Presentation

The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) as prescribed by GASB and are presented as required by these standards to provide a comprehensive, entity-wide perspective of the Authority's assets, liabilities, net position, revenues, expenses, changes in net position and cash flows.

Operating revenues and expenses generally result from the sale of water and sewerage service. Operating expenses include costs of maintaining and providing water and sewerage service including administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Therefore, transactions, which are capital, financing or investing related, are reported as non-operating revenues and interest expense and financing costs are reported as non-operating expenses.

Basis of Accounting

For financial reporting purposes, the Authority is considered a special-purpose government engaged only in business-type activities. Accordingly, the Authority's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expense are recorded when an obligation has been incurred.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include money on hand, demand deposits at banks, certificates of deposit with a maturity of one year or less, and money market investments.

Receivables

All receivables are reported at their gross value and are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues are recognized at the end of each fiscal year based on billings during the month following the close of the fiscal year.

Inventories

Inventories are presented at the lower of cost or net realizable value on a first-in, first-out basis and are expensed when used.

Capital Assets

Property, plant, and equipment purchased or acquired with an original cost of \$5,000 or more are reported at historical cost. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Donated capital assets are valued at their estimated fair market value on the date received. Gains and losses on disposal of property, plant and equipment are reflected in current income. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Vehicles	5 years
Equipment	10 years
Sewer plants	10-25 years
Pump stations	20 years
Pipeline	50 years
Buildings	25-50 years
Infrastructure	50 years

Intangible Assets

The Authority participates in a water purchase agreement with the City of Griffin, Georgia, obligating it to purchase certain minimum amounts of water over a period of years. The Authority entered into the agreement on December 14, 1999. It was modified by mutual agreement on September 11, 2012. The Authority made a payment in the amount of \$9,000,000 in exchange for a modification of the minimum amounts of water it must take from July 1, 2012 through the end of the contract. The monies paid funded improvements to the regional water supply system. The amount paid for the contract modification is recorded as an intangible asset and treated in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Leases

Lessee:

The Authority is a lessee for noncancelable leases of equipment. The Authority recognizes a lease liability and an intangible right-of-use lease asset (lease assets) on the financial statements. The Authority recognizes lease liabilities with an initial, aggregate value of approximately \$22,400.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if available) that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported stand-alone debt on the statement of net position.

Lessor:

The Authority is a lessor for a noncancellable lease of property. The Authority recognizes a lease receivable and a deferred inflow of resources on the financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

*(The notes to the basic financial statements continue on the next page)*

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Key estimates and judgments include how the Municipality determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Management’s Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management’s estimates. Actual results could differ from these estimates.

Restricted Assets

The Authority is custodian of restricted assets to be used for educational purposes and projects funded by bond issuance at June 30, 2023 and June 30, 2022.

Net Position

The Authority recognizes the difference between its assets and liabilities as net position. Net position categories for the Authority include the following:

Net investment in capital assets – comprised of capital assets, intangible assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets.

Restricted – comprised of assets when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted – the remaining balance of net position.

Bond Issuance Costs, Bond Discounts, and Bond Premiums

The Authority accounts for bond issuance cost in accordance with the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Bond issuance costs (related to insurance) are recorded as deferred charges, whereas bond discounts and premiums are recorded as a reduction of, or addition to, the face amount of bonds payable. All other bond issuance costs are expensed as incurred. Amortization of bond issuance costs, bond discounts, and bond premiums is calculated over the life of the bonds using the straight-line method and is reported as a component of interest expense.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Compensated Absences

It is the policy of the Authority to permit employees to accumulate earned but unused vacation and sick pay benefits, up to 600 hours. Only one-half (50%), up to 300 hours, of the accrued paid time off will be paid out upon the separation of employment, for any reason. A liability is not reported for unpaid accumulated sick leave which does not vest and is not paid upon termination. Vacation pay is accrued when incurred in the Authority's financial statements.

Deferred Inflows and Outflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, established accounting and financial reporting for deferred outflows/inflows of resources and the concept of net position as the residual of all elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority only has one item that qualifies for reporting in this category. The *deferred charge on refunding* is reported in the Authority's statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

In addition to liabilities, the statement of net position will sometimes report separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Authority only has one item that qualifies for reporting in this category. The *deferred revenue on leases* is reported in the Authority's statement of net position. A deferred revenue on leases results from the difference in the carrying value of the lease receivable and its reacquisition price. This amount is deferred and amortized as revenue over the life of the lease agreement.

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from the nonexchange transactions or ancillary activities.

When an expense is incurred for purposes for which there are both restricted and unrestricted resources available, it is the Authority's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions

Capital

At times, the Authority receives contributions of capital assets from developers in the form of donated lines which became part of the distribution system. Contributions to the Authority are reported after non-operating revenue and expenses.

Other

The Authority has partnered with the Coweta Community Foundation, Inc., a Georgia non-profit corporation, to provide their customers an opportunity to support other non-profits in their community by rounding-up their monthly water and sewer bills. The program, named DRIP, received \$113,031 and \$127,123 for the years ended June 30, 2023 and 2022, respectively. Additionally, during the years ended June 30, 2023 and 2022, the Authority distributed \$346,550 and \$75,000, respectively, in awards to Coweta Community Foundation, Inc. which were earmarked for multiple non-profit organizations (\$7,500 each).

Fair Value Measurements

The Authority has adopted the provisions of the GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 establishes an authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair-value measurements.

Assets and liabilities recorded at fair value in the Statement of Net Position are categorized based upon the level of judgment associated with inputs used to measure their fair value. Level inputs are defined as:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets and liabilities in active markets or quoted market prices for identical assets or liabilities in active markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

NOTE 2 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In 2022, the Authority implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement improves accounting and financial reporting for leases; enhances the comparability of financial statements between governments; and also enhances the relevance, reliability, and consistency of information about the leasing activities of governments.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 3 – CASH AND CASH EQUIVALENTS

The Authority’s available cash is placed in demand deposit accounts, money market (insured cash sweep) accounts, money market treasury accounts and certificate of deposits. The carrying amounts of the cash and cash equivalents at June 30 consist of the following:

	<u>2023</u>	<u>2022</u>
Unrestricted:		
Demand deposit accounts	\$ 2,503,070	\$ 4,504,818
Money market funds	1,333,608	280,915
Certificate of Deposits	29,601,730	24,779,357
Petty Cash	1,680	1,680
Total Unrestricted Cash and Cash Equivalents	33,440,088	29,566,770
Restricted:		
Demand deposit accounts	9,892	678,409
Money market funds	980,592	
Government Bonds	-	2,482,084
U.S. Treasury Bills	-	6,998,030
Total Restricted Cash and Cash Equivalents	990,484	10,158,523
Total Cash and Cash Equivalents	\$ 34,430,572	\$ 39,725,293

Deposits Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits. State statues require all deposits and investment amounts that exceed standard depository insurance limits are required to be collateralized. The Authority is a depositor with banks that either participates in the State of Georgia Secure Deposit Program or are Insured Cash Sweep accounts (ICS). As such, all of the Authority’s financial institutions balances were insured and collateralized at June 30, 2023 and 2022.

The Authority has no formal credit risk policy. The current deposit strategy of the Authority provides that safety of capital is the primary objective of all Authority cash and cash equivalents and requires that all deposits are managed to ensure preservation of and to limit exposure to principal losses due to credit, market and/or liquidity risks.

NOTE 4 – RECEIVABLES

Receivables at June 30, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Customer accounts	\$ 2,221,919	\$ 2,160,248
Less allowance for doubtful accounts	(365,956)	(330,113)
Total customer accounts	1,855,963	1,830,135
Other receivable	510,453	303,515
GEFA receivable	3,196,855	1,387,914
Receivables, net	\$ 5,563,271	\$ 3,521,564

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

NOTE 5 – CAPITAL ASSETS

A summary of capital assets follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
<b>Non-depreciable assets</b>				
Land	\$ 9,417,808	\$ 56,444	\$ -	\$ 9,474,252
Construction in progress	11,698,191	21,981,624	(3,268,810)	30,411,005
Total non-depreciable assets	<u>21,115,999</u>	<u>22,038,068</u>	<u>(3,268,810)</u>	<u>39,885,257</u>
<b>Depreciable assets</b>				
Site improvements	2,538,803	264,806	-	2,803,609
Infrastructure-Water	135,531,816	4,070,318	-	139,602,134
Infrastructure-Sewer	29,451,043	2,813,936	-	32,264,979
Buildings	38,430,782	-	-	38,430,782
Machinery and equipment	3,572,290	443,844	(182,240)	3,833,894
Furniture and fixtures	549,562	61,540	(28,693)	582,409
Vehicles	2,166,986	795,731	(26,525)	2,936,192
Capitalized interest	<u>369,258</u>	<u>-</u>	<u>-</u>	<u>369,258</u>
Total depreciable assets	<u>212,610,540</u>	<u>8,450,175</u>	<u>(237,458)</u>	<u>220,823,257</u>
<b>Less accumulated depreciation</b>				
Site improvements	(2,228,663)	(89,372)	-	(2,318,035)
Infrastructure-Water	(51,683,956)	(3,523,915)	-	(55,207,871)
Infrastructure-Sewer	(6,757,379)	(684,485)	-	(7,441,864)
Buildings	(11,881,582)	(762,734)	-	(12,644,316)
Machinery and equipment	(2,327,028)	(323,324)	169,757	(2,480,595)
Furniture and fixtures	(382,597)	(57,578)	24,777	(415,398)
Vehicles	(1,713,000)	(262,043)	20,771	(1,954,272)
Capitalized interest	<u>(203,092)</u>	<u>(7,385)</u>	<u>-</u>	<u>(210,477)</u>
Total accumulated depreciation	<u>(77,177,297)</u>	<u>(5,710,836)</u>	<u>215,305</u>	<u>(82,672,828)</u>
Net depreciable assets	<u>135,433,243</u>	<u>2,739,339</u>	<u>(22,153)</u>	<u>138,150,429</u>
<b>Intangible assets</b>				
Contract modification	9,000,000	-	-	9,000,000
Right-of-use assets - equipment	22,642	13,782	(7,804)	28,620
Computer software enhancements	603,281	107,746	-	711,027
Less accumulated amortization	<u>(2,898,380)</u>	<u>(359,462)</u>	<u>5,675</u>	<u>(3,252,167)</u>
Net intangible assets	<u>6,727,543</u>	<u>(237,934)</u>	<u>(2,129)</u>	<u>6,487,480</u>
Capital assets, net	<u>\$ 163,276,785</u>	<u>\$ 24,539,473</u>	<u>\$ (3,293,092)</u>	<u>\$ 184,523,166</u>

Coweta County Water and Sewerage Authority  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023 and June 30, 2022

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NOTE 6 – LEASES

Lease Receivable

The Authority implemented the guidance in GASB No. 87, *Leases*, and recognized the value of a property lease under long-term contracts. The Authority has one lease agreement which meets the criteria of a lease, Skyway Towers, LLC (Tenant) property lease. The term of the lease is for five years with renewal options of four (4) successive five (5) year periods, maturity of the lease is December 31, 2038.

The Tenant agrees to pay the Authority on the first day of each month \$1,200, with lease increases annually on the anniversary of the commencement date by an amount equal to 3% of the lease from the previous year. At June 30, 2023 and 2022, the monthly lease payments to be received totaled \$1,566 and \$1,520, respectively.

On the date of adoption, the lease receivable is measured as the present value of the future minimum lease payments expected to be received during the lease term at a discount rate of 2.5%, which is the implied rate based on the Authority’s current borrowing rate. At June 30, 2023, the present value of the future minimum lease payments totaled \$301,449. For the year ended June 30, 2023, the Authority recognized \$10,830 in lease revenue and \$7,945 in interest revenue. For the year ended June 30, 2022, the Authority recognized \$10,031 in lease revenue and \$7,685 in interest revenue.

Minimum future lease collections are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 11,666	\$ 7,405	\$ 19,071
2025	12,539	7,103	19,642
2026	13,452	6,780	20,232
2027	14,407	6,432	20,839
2028	15,403	6,061	21,464
2029-2033	93,572	23,802	117,374
2034-2038	125,877	10,192	136,069
2039	14,533	106	14,639
Total	\$ 301,449	\$ 67,881	\$ 369,330

*(The notes to the basic financial statements continue on the next page)*

Coweta County Water and Sewerage Authority  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023 and June 30, 2022

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NOTE 6 – LEASES – continued

Lease Liabilities

The Authority has implemented the guidance in GASB No. 87, *Leases*, for accounting and reporting leases that had been previously reported as operating leases.

The Authority, as a lessee, has entered into lease agreements involving four (4) copiers and is required to make principal and interest payments over the lease term. The Authority leases the copiers from Standard Office Systems of Atlanta, Inc, for term of sixty (60) months. The required minimum lease payments range from \$125 to \$184 per month, plus additional charges for excess usage and excluding applicable sales taxes. For purposes discounting future payments on the leases, the Authority used the implicit interest rate of 2.5% which was determined by the current incremental borrowing rate of the Authority. The leased equipment and accumulated amortization of the right-of-use assets are included with intangible assets on note 5.

Minimum lease payments over the next five years include:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 7,098	\$ 481	\$ 7,579
2025	7,277	302	7,579
2026	6,580	122	6,702
2027	1,500	17	1,517
Total	\$ 22,455	\$ 922	\$ 23,377

*(The notes to the basic financial statements continue on the next page)*

Coweta County Water and Sewerage Authority  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2023 and June 30, 2022

NOTE 7 – LONG-TERM DEBT

Revenue Bonds

The Authority issues bonds to construct and maintain the water and sewerage system of Coweta County. During the year ended June 30, 2022, the Authority entered into a bond resolution and issued Series 2021 Bonds (The “Bond Resolution”). The Bond Resolution, among other things, authorizes (A) the issuance and delivery of the Series 2021 Bonds (Series 2021A, \$55,000,000 and Series 2021B, \$17,255,000) and (b) the refunding and defeasance of the Refunded Bonds. Also, simultaneously, Zions Bancorporation, N. A. made a direct purchase of \$22,803,000 in aggregate principal amount of Series 2021C and 2021D Bonds, which are issued under the Bond Resolution. The original amount of revenue bonds issued in current and prior years is \$95,058,000. Revenue bonds outstanding at June 30, 2023 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2021A - partial refunding of 2005, 2014, 2015, 2016, 2017 and 2019 bond issues	2.0 - 2.65%	\$ 49,470,000
Series 2021B - partial refunding of 2005, 2014, 2015, 2016, 2017 and 2019 bond issues	2.13 - 3.0%	17,255,000
Series 2021C - partial refunding of 2005, 2014, 2015, 2016, 2017 and 2019 bond issues	3.01%	17,668,000
Series 2021D - partial refunding of 2005, 2014, 2015, 2016, 2017 and 2019 bond issues	2.38%	<u>1,993,000</u>
		<u>\$ 86,386,000</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,970,000	\$ 2,078,342	\$ 5,048,342
2025	3,113,000	1,935,371	5,048,371
2026	3,204,000	1,844,691	5,048,691
2027	3,268,000	1,780,202	5,048,202
2028	3,334,000	1,714,426	5,048,426
2029-2033	17,703,000	7,536,864	25,239,864
2034-2038	19,728,000	5,509,539	25,237,539
2039-2043	22,516,000	3,032,980	25,548,980
2044-2046	<u>10,550,000</u>	<u>399,813</u>	<u>10,949,813</u>
Total	<u>\$ 86,386,000</u>	<u>\$ 25,832,228</u>	<u>\$ 112,218,228</u>

Pledged Revenues

The Authority has pledged future water and sewer revenues to repay the original bond indebtedness of \$95,058,000. The debt is payable solely from water and sewer revenues and is payable through 2046.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 7 – LONG-TERM DEBT - continued

The total principal and interest remaining to be paid is \$112,218,228. Principal and interest payments for the years ending June 30, 2023 and 2022 were \$5,586,671 and \$6,466,573, respectively, which is approximately 15% and 23%, respectively, of operating revenues.

Advance Refunding and Defeased Debt

On July 8, 2021, the Authority issued \$55,000,000 in Series 2021A revenue refunding taxable bonds with interest rates ranging from 2.0% - 2.65%.

On July 8, 2021, the Authority issued \$17,255,000 in Series 2021B revenue bonds with interest rates ranging from 2.125% - 3.0%.

Simultaneously with the issuance of the Series 2021A/B Bonds, the Authority issued the Series 2021C Bonds under the Bond Resolution on parity with the Series 2021A/B Bonds. The Series 2021C Bonds was a direct purchase (\$22,803,000) from Zions Bancorporation, N. A. (Bank Lender) and are not offered for sale pursuant to this Official Statement. The Series 2021C Bonds were delivered in registered form to the Bank Lender in minimum denominations of \$100,000 and integral multiples of \$1,000 in excess thereof. The Series 2021C Bonds will mature on June 1, 2041. In order to refund the Series 2021C Bonds on a tax-exempt basis the Authority may issue on a forward delivery basis (i) \$2,129,000 in aggregate principal amount Series 2021D Bonds and (ii) \$17,578,000 in aggregate principal amount Series 2021E Bonds. On October 22, 2022, the Authority issued the before mentioned Series 2021D Bonds. No issuance of the Series 2021E Bonds has occurred as of June 30, 2023.

The Authority used the Series 2021A bond proceeds to provide funds to pay (a) advance refund a portion of the Refunded Bonds, which are currently outstanding in the aggregate principal amount of approximately \$41,400,000, and (b) pay a portion of the costs of issuing the Series 2021 Bonds.

The Authority used the Series 2021B bond proceeds to provide funds to pay (a) costs of the Project, (b) capitalized interest on the Series 2021B Bonds, and (c) a portion of the costs of issuance of the Series 2021 Bonds.

The Authority used the Series 2021C bond proceeds to provide funds to pay (a) advance refund a portion of the Refunded Bonds, which are currently outstanding in the aggregate principal amount of approximately \$16,100,000 and (b) pay a portion of the costs of issuing the Series 2021 Bonds.

At June 30, 2023 and 2022, the Authority had approximately \$57,500,000 and \$70,425,000, respectively, of bonds which were legally defeased and remain outstanding.

*(The notes to the basic financial statements continue on the next page)*

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

NOTE 7 – LONG-TERM DEBT - continued

Changes in Long-term Debt

Long-term liability activity for the year ended June 30, 2023 is as follows:

	<u>Outstanding July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2023</u>	<u>Amounts Due in One Year</u>
Bonds payable					
Series 2021A	\$ 51,985,000	\$ -	\$ (2,515,000)	\$ 49,470,000	\$ 2,870,000
Series 2021B	17,255,000	-	-	17,255,000	-
Series 2021C	21,006,000	(2,129,000)	(1,209,000)	17,668,000	90,000
Series 2021D	<u>-</u>	<u>2,129,000</u>	<u>(136,000)</u>	<u>1,993,000</u>	<u>10,000</u>
Total bonds payable	90,246,000	-	(3,860,000)	86,386,000	2,970,000
Bond premiums	<u>1,332,399</u>	<u>-</u>	<u>(62,568)</u>	<u>1,269,831</u>	<u>(62,568)</u>
Total bonds payable	91,578,399	-	(3,922,568)	87,655,831	2,907,432
Notes payable	6,460,420	8,839,252	-	15,299,672	-
Lease Liability	14,776	13,778	(6,099)	22,455	7,098
Deposits	1,462,881	-	(140,710)	1,322,171	-
Compensated absences	<u>252,484</u>	<u>439,069</u>	<u>(385,863)</u>	<u>305,690</u>	<u>204,812</u>
	<u>\$ 99,768,960</u>	<u>\$ 9,292,099</u>	<u>\$ (4,455,240)</u>	<u>\$ 104,605,819</u>	<u>\$ 3,119,342</u>

*(The notes to the basic financial statements continue on the next page)*

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 7 – LONG-TERM DEBT – Continued

Loans from the Georgia Environmental Finance Authority (GEFA) are as follows:

	<u>2023</u>	<u>2022</u>
<p>GEFA Loan #DW2016012, Drinking Water State Revolving Fund; \$7,400,000 note payable to replace manual read water meters with an advance metering infrastructure system (AMI), backflow preventers, and related appurtenances. On July 27, 2022, the Authority and GEFA amended the original note dated April 6, 2018, adding \$1,400,000 to the original amount totaling \$8,800,000, for the purpose to repair and replace various components of the BT Brown Water Treatment Plant. Interest, on the unpaid principal, (fixed at .89%) is payable on the first of each month, until the earlier of (i) completion of the project, (ii) January 1, 2024, or (iii) all loan funds have been disbursed. Then principal and interest will be payable in 239 equal monthly installments (to be determined on the commencement date).</p>	\$ 8,391,953	\$ 5,494,820
<p>GEFA Loan #CW2021032, Clean Water State Revolving Fund; \$25,000,000 note payable to increase the capacity and make improvements at the Shenandoah Waste Water Treatment Facility. Interest, on the unpaid principal, (fixed at .86%) is payable on the first of each month, until the earlier of (i) completion of the project, (ii) July 1, 2024 or (iii) all loan funds have been disbursed. Then principal and interest will be payable in 359 equal monthly installments (to be determined on the commencement date).</p>	6,537,887	965,600
<p>GEFA Loan #DW2022030, Drinking Water State Revolving Fund; \$7,000,000 note payable to plan, design, acquisition of land for a new water withdrawal pumping station on the Chattahoochee River. Interest, on the unpaid principal, (fixed at .86%) is payable on the first of each month, until the earlier of (i) completion of the project, (ii) February 1, 2024 or (iii) all loan funds have been disbursed. Then principal and interest will be payable in 359 equal monthly installments (to be determined on the commencement date).</p>	<u>369,832</u>	<u>-</u>
<p>Total long-term debt</p>	<u>\$15,299,672</u>	<u>\$ 6,460,420</u>

At June 30, 2023 and 2022, GEFA loans interest expense totaled \$65,732 (\$7,101 was accrued interest) and \$43,904 (\$3,335 was accrued interest), respectively.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS

Net Investments in capital assets can be summarized by the year end balances as follows:

	<u>2023</u>	<u>2022</u>
Net capital assets	\$ 184,523,166	\$ 163,276,785
Debt related to capital assets	(102,977,958)	(98,053,595)
Debt related to deferred outflows	<u>9,139,804</u>	<u>10,241,964</u>
End of year	<u>\$ 90,685,012</u>	<u>\$ 75,465,154</u>

NOTE 9 – RETIREMENT PLANS

Defined Contribution Plan

On January 1, 2012, the Authority created a defined contribution plan managed by One America. On March 1, 2019 the Authority changed managers of the plan to Empower Retirement. The Board of the Authority has established the benefit terms and may amend them from time to time. Participants become vested in employer contributions at a rate of 20 percent per year over a five-year period. Employees are 100 percent vested in their own contributions. Forfeitures are used to either, reduce plan expenses or are allocated to the participants. Unapplied forfeitures totaled \$10,267 and \$22,269 at June 30, 2023 and 2022, respectively.

The Authority makes a contribution for all employees equal to 3 percent of employee compensation. In addition, the Authority matches employee contributions dollar for dollar (100%) up to 3.5 percent of compensation. If an employee's contributions exceed 3.5 percent, then the next 4 percent of contributions are matched at 50 cents for every dollar (50%). Additional discretionary contributions may be made by the Authority from time to time. During the years ended June 30, 2023 and 2022, the Authority contributed \$478,993 and \$432,455 to the plan, respectively. No accrual for contributions was necessary at June 30, 2023 and 2022.

NOTE 10 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk to the Authority.

Health

The Authority purchases health insurance coverage for its employees from a commercial carrier. The Authority's liability is limited to the amount of premiums paid.

Worker's Compensation

The Authority purchases, worker's compensation insurance coverage for its employees from a commercial carrier. The coverage provided is equal to the statutory limits and benefits required by the laws of the State of Georgia. The policy pays all claims in excess of \$2,500 per claim deductible.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceeded the Authority's insurance coverage in the past year.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 11 – COMMITMENTS & CONTINGENCIES

Construction

During the year ended June 30, 2023, the Authority had entered into \$63,327,528 of construction contracts for the improvement and expansion of the water and sewerage system. As of June 30, 2023, the balance of all contracts totaled \$61,443,255, including \$815,370 of retainage payable within the accrued liabilities on the statement of net position.

During the year ended June 30, 2022, the Authority entered into \$15,843,775 of construction contracts for the renovation, improvement and expansion of the water and sewerage system. As of June 30, 2022, the remaining balance of those contracts totaled \$9,444,312, including \$502,869 of retainage payable within the accrued liabilities of the statement of position..

Water Purchases

The Authority has entered into contracts with three jurisdictions for the wholesale purchase of water.

On February 8, 2019, the Authority entered into a contract with Newnan Utilities that requires the purchase of varying amounts of water until February 7, 2029. For the period from February 8, 2020 to February 7, 2021, the Authority must purchase a minimum 2.4 million gallons per day (mgd). Beginning February 8, 2021 until February 7, 2022, the amount decreases to 1.8 mgd. Beginning February 8, 2022 until the end of the agreement on February 7, 2029, the amount decreases to 1.25 mgd. For the year ended June 30, 2023, purchases under this contract amounted to 456,348,877 gallons and totaled \$1,343,407. For the year ended June 30, 2022, purchases under this contract amounted to 574,500,000 gallons and totaled \$1,390,290. At June 30, 2023 and 2022, the rate charged under the agreement was \$2.59 and \$2.42 per 1,000 gallons, respectively.

The Authority has a contract with the City of Griffin, Georgia which requires the purchase of varying amounts of water until the year 2049. The contract was revised through mutual agreement of the parties on September 11, 2012. For the year ended June 30, 2023, purchases under this contract amounted to 1,800,000,000 gallons and totaled \$6,156,939. For the year ended June 30, 2022, purchases under this contract amounted to 1,088,683,800 gallons and totaled \$3,447,117. The required purchases under this contract are for 3.0 million gallons per day (mgd) from July 1, 2012 through June 30, 2022. Required purchases then increase to 5.0 mgd from July 1, 2022 through December 31, 2049. Rates are adjusted on an annual basis as set forth in the contract. At June 30, 2023 and 2022, the rate charged under the agreement was \$3.54 and \$3.36 per 1,000 gallons, respectively.

The Authority has a contract with the City of Atlanta that allows for the purchase of up to 6.6 million gallons per day. No minimum purchase is required under the agreement.

Related Party Agreement

At the time of separation from Coweta County, Georgia, the Authority retained three (3) employees that qualified for the Coweta County, Georgia's post-retirement plan. The Authority does not have a post-retirement plan, therefore the Authority agreed to reimburse Coweta County, Georgia the pro-rata share of the retirees post-retirement health care cost. The Authority's unknown liability will be limited to the pro-rata share of the actual premiums charged.

Coweta County Water and Sewerage Authority  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and June 30, 2022

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NOTE 12 – FAIR VALUE MEASUREMENTS

The following summarizes financial instruments measured on a recurring basis within the fair value hierarchy as of June 30, 2023 and 2022. These instruments are included in “Cash and cash equivalents” on the Authority’s statement of position.

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
June 30, 2023:				
Money Market Funds	\$ 2,314,200	\$ 2,314,200	\$ -	\$ -
Certificates of Deposit	<u>29,601,730</u>	<u>-</u>	<u>29,601,730</u>	<u>-</u>
	<u>\$ 31,915,930</u>	<u>\$ 2,314,200</u>	<u>\$ 29,601,730</u>	<u>\$ -</u>
June 30, 2022:				
Money Market Funds	\$ 280,915	\$ 280,915	\$ -	\$ -
Certificates of Deposit	24,779,357	-	24,779,357	-
Government Bonds	2,482,084	2,482,084	-	-
Treasury Bills	<u>6,998,030</u>	<u>6,998,030</u>	<u>-</u>	<u>-</u>
	<u>\$ 34,540,386</u>	<u>\$ 9,761,029</u>	<u>\$ 24,779,357</u>	<u>\$ -</u>

NOTE 13 – SUBSEQUENT EVENTS

The Authority evaluated subsequent events through December 4, 2023 the date of the auditors’ report (which is also the date the financial statements were available to be issued). No events have occurred that would require disclosure in the financial statements, or the notes thereto, for the year ended June 30, 2023.

**COMPLIANCE SECTION**

15 North Lafayette Square LaGrange, Georgia 30240  
P.O. Box 1107 LaGrange, Georgia 30241  
Phone: 706-884-4605 Fax: 706-845-0057

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board Members  
Coweta County Water & Sewerage Authority  
Newnan, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Coweta County Water & Sewerage Authority, component unit of Coweta County, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Coweta County Water & Sewerage Authority’s basic financial statements, and have issued our report thereon dated December 4, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Coweta County Water & Sewerage Authority’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coweta County Water & Sewerage Authority’s internal control. Accordingly, we do not express an opinion on the effectiveness of Coweta County Water & Sewerage Authority’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coweta County Water & Sewerage Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yours truly,



J. K. BOATWRIGHT & CO., P. C.

Certified Public Accountants

December 4, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board Members  
Coweta County Water & Sewerage Authority  
Newnan, Georgia

**Report on Compliance for Each Major Federal Program**

*Opinion on Each Major Federal Program*

We have audited Coweta County Water & Sewerage Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Coweta County Water & Sewerage Authority's major federal programs for the year ended June 30, 2023. Coweta County Water & Sewerage Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Coweta County Water & Sewerage Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

*Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Coweta County Water & Sewerage Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Coweta County Water & Sewerage Authority's compliance with the compliance requirements referred to above.

*Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws,

statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Coweta County Water & Sewerage Authority's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coweta County Water & Sewerage Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coweta County Water & Sewerage Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coweta County Water & Sewerage Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Coweta County Water & Sewerage Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Coweta County Water & Sewerage Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Yours truly,

A handwritten signature in blue ink that reads "J. K. Boatwright & Co., P.C." The signature is written in a cursive style.

J. K. BOATWRIGHT & CO., P.C.

Certified Public Accountants

LaGrange, Georgia

December 4, 2023

Coweta County Water & Sewerage Authority  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For The Year Ended June 30, 2023

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<u>Federal Grantor/Program Title</u>	<u>Federal ANL Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditure</u>
<u>United States Environment Protection Agency</u>			
<u>Drinking Water State Revolving Fund</u>			
Pass Through Payments:			
Georgia Environmental Finance Authority			
Clean Water State Revolving Funds	66.458	CW2021032	<u>\$ 5,793,749</u>
Drinking Water State Revolving Fund	66.468	DW2016012	3,078,632
Drinking Water State Revolving Fund	66.468	DW2022030	<u>369,832</u>
Total Drinking Water State Revolving Fund			<u>3,448,464</u>
Total Expenditures of Federal Awards			<u><u>\$ 9,242,213</u></u>

Coweta County Water & Sewerage Authority  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2023

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Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards received by Coweta County Water & Sewerage Authority (the Authority) . All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included in this schedule.

Note 2 - Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting which is described in Note 1 - Summary of Significant Accounting Policies to the Authority's basic financial statements. Expenditures are recognized following the applicable cost principles contained in either Title 2 U. S. Code of Federal *Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") or the OMB A-87, *Cost Principles for State, Local, and Indian Tribal Governments* , wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Loans

Drinking Water State Revolving Fund, administered by Georgia Environmental Finance Authority (GEFA) issued a loan on April 6, 2018, modified on July 27, 2022 to replace manual read water meters with advanced metering infrastructure system (AMI), backflow preventers and related appurtenances. Modified to include repair and replace various facility components of the BT Brown Water Treatment Plant. This loan program under ANL #66.468, had an outstanding balance of \$8,391,953 at June 30, 2023.

Drinking Water State Revolving Fund, administered by (GEFA) issued a second loan on February 13, 2023, to plan, design, and acquire land for a new water withdrawal pump station on the Chattahoochee River. The loan program under ANL #66.468, had an outstanding balances of \$369,832 at June 30, 2023.

Additionally, Clean Water State Revolving Fund, administered by GEFA issued a loan on March 23, 2022 to increase the capacity and make improvements at the Shenandoah Water Treatment Facility, including the installation of a 36-inch outfall line, and related appurtenances. This loan program under ANL #66.458, had an outstanding balance of \$6,537,887 at June 30, 2023.

Note 4 - Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 5 - De Minimis Indirect Cost Rate

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Coweta County Water & Sewerage Authority  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 For The Year Ended June 30, 2023

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**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No

Identification of major programs:

<u>ANL Number</u>	<u>Name of Federal Program</u>
66.458	Clean Water State Revolving Fund
66.468	Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Auditee qualified as low-risk auditee?	No

**Section II - Financial Statement Findings**

No matters were reported.

**Section III - Federal Award Findings and Questioned Costs**

No matters were reported.

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**APPENDIX B**  
**FORM OF BOND COUNSEL OPINION**

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# MURRAY BARNES FINISTER LLP

3525 PIEDMONT ROAD • 5 PIEDMONT CENTER • SUITE 515 • ATLANTA, GEORGIA 30305

\_\_\_\_\_, 2024

Coweta County Water and  
Sewerage Authority  
Newnan, Georgia

U.S. Bank Trust Company,  
National Association, as Paying Agent  
Nashville, Tennessee

Stifel, Nicolaus & Company, Incorporated  
Atlanta, Georgia

Re: \$\_\_\_\_\_ Coweta County Water and Sewerage Authority Revenue Bonds,  
Series 2024

To the Addressees:

We have acted as Bond Counsel and Disclosure Counsel to the Coweta County Water and Sewerage Authority (the “Authority”) in connection with the issuance of the above-captioned revenue bonds (the “Series 2024 Bonds”). In our capacity as Bond Counsel, we have examined (a) the Constitution and laws of the State of Georgia, including specifically the “Coweta County Water and Sewerage Authority Act” (Ga. L. 2001, p. 3539, as amended) and the “Revenue Bond Law” (O.C.G.A. Section 36-82-60 *et seq.*, as amended), (b) the Resolution adopted by the Authority on May 26, 2021, as amended and restated on June 9, 2021 (the “Original Resolution”) and the Parity Bond Resolution adopted by the Authority on March 27, 2024, as supplemented on \_\_\_\_\_, 2024 (the “Series 2024 Resolution” and together with the Original Resolution, the “Resolution”), (c) a certified copy of the transcript of the validation proceeding concluded in the Superior Court of Coweta County, Georgia related to the Series 2024 Bonds; and (d) such other documents, records, agreements, certificates and opinions as we have considered necessary to render the opinions expressed herein. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate. Capitalized terms used, but not defined herein, shall have the meanings assigned to them in the Resolution defined below.

The Series 2024 Bonds are being issued for the purpose of (a) acquiring, constructing and equipping certain additions, extensions and improvements (the “Series 2024 Project”) to the Authority’s water and sewer system (the “System”), (b) funding capitalized interest on the Series 2024 Bonds (if any) and (c) paying the costs of issuing the Series 2024 Bonds.

Pursuant to the Resolution, the Authority has created a first lien on net revenues of the System (the “Net Revenues”) as security for the Series 2021 Bonds and the Series 2024 Bonds. The Authority has reserved the right to issue Additional Bonds under the Resolution, and if such

Additional Bonds are issued, they will be secured by a lien on the Net Revenues on a parity with the lien thereon securing the Series 2021 Bonds and the Series 2024 Bonds.

The Series 2024 Bonds are special limited obligations of the Authority and are secured by and payable solely from the Net Revenues. The Series 2024 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority. No owner of the Series 2024 Bonds shall ever have the right to compel the exercise of the taxing power of Coweta County to pay the same or the interest thereon. The Authority has no taxing power.

The Series 2024 Bonds are subject to redemption prior to maturity in the manner and on the terms specified in the Resolution.

As Bond Counsel, we express no opinion with respect to the accuracy, completeness or sufficiency of the Official Statement or any other offering materials distributed in connection with the offering or sale of the Series 2024 Bonds. Furthermore, we express no opinion as to the compliance by the Authority or the underwriter with any federal or state statute, regulation or ruling with respect to the sale or distribution of the Series 2024 Bonds.

In rendering our opinion that the interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes, we have (a) relied as to questions of fact material to our opinion upon certificates and certified proceedings of public officials, including officials of the Authority, and representations of the Authority (including representations as to the use and investment of the proceeds of the Series 2024 Bonds), without undertaking to verify the same by independent investigation and (b) assumed continued compliance by the Authority with its covenants relating to the use of the proceeds of the Series 2024 Bonds, the Series 2024 Project and the System and compliance with the requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), including the arbitrage requirements contained in Section 148 of the Code. The inaccuracy of any such certificates or representations or the noncompliance with such covenants may cause interest on the Series 2024 Bonds to become subject to federal income taxation retroactive to the date of issuance of the Series 2024 Bonds.

Based upon the foregoing, we are of the opinion as of this date that:

(1) The Authority has the power to (a) adopt the Resolution and perform its obligations thereunder and (b) issue, execute, deliver and perform its obligations under the Series 2024 Bonds.

(2) The Resolution has been duly adopted by the Authority and constitutes the legal, valid and binding obligation of the Authority. The Series 2024 Resolution is permitted by the terms of the Original Resolution. The Resolution creates a lien on the Net Revenues as security for the Series 2024 Bonds on a parity with the Series 2021 Bonds.

(3) The Series 2024 Bonds have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding limited obligations of the Authority.

(4) Interest on the Series 2024 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations. We express no opinion regarding any other federal tax consequences caused by the receipt or accrual of interest on the Series 2024 Bonds.

(5) The interest on the Series 2024 Bonds is exempt from all present Georgia income taxes.

The rights of the owners of the Series 2024 Bonds and the enforceability of the Resolution and the Series 2024 Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

We are members of the State Bar of Georgia. Our opinions herein are limited to the laws of the State of Georgia and any applicable federal laws of the United States. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters so stated. This opinion is intended solely for the use of the addressees and their permitted successors and/or assigns and may not be relied upon by any other person for any purpose without our prior written consent in each instance. We expressly disclaim any duty to update this opinion in the future for any changes of fact or law that may affect any of the opinions expressed herein.

Very truly yours,

MURRAY BARNES FINISTER LLP

By: \_\_\_\_\_  
A Partner

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**APPENDIX C**  
**THE RESOLUTION**

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## APPENDIX C

### SUMMARY OF RESOLUTION

#### Introduction

The following is a summary, which does not purport to be comprehensive or definitive, of the defined terms used in and certain provisions of the Resolution. Reference is made to the Resolution in its entirety for a complete recital of the detailed provisions thereof, copies of which are available from the Authority upon request.

#### Definitions

The following is a summary of certain of the defined terms used in the Resolution. Reference is made to the Resolution for the full definition of all terms.

“**Act**” means the Coweta County Water and Sewerage Authority Act (Ga. L. 2001, p. 3539, as amended).

“**Additional Bonds**” means any revenue bonds of the Authority ranking on parity with the Series 2021 Bonds and the Series 2024 Bonds which may hereafter be issued pursuant to the Resolution.

“**Authority**” means the Coweta County Water and Sewerage Authority, and its successors and assigns.

“**Authorized Denominations**” means with respect to the Series 2024 Bonds, \$5,000 and any integral multiple thereof.

“**Authorized Officer of the Authority**” means the officer or officers designated by the Authority as such to the Depository or Depositories of any funds held under the Resolution.

“**Bondholder**” and “**bondholder**” means the registered owner of any of the outstanding Bonds.

“**Bonds**” means any revenue bonds authorized by and issued pursuant to the Resolution, including the Series 2021 Bonds, the Series 2024 Bonds and any Additional Bonds of the Authority issued pursuant to the Resolution.

“**Bond Index**” means (a) with respect to any outstanding Bonds, the average interest rate on such Bonds for the twelve (12) month period ending on the last day of the month immediately preceding the last full month prior to such calculation, or if such Bonds shall have had a variable rate for less than a twelve (12) month period, the average interest rate on such Bonds for such lesser period; (b) with respect to any proposed tax-exempt Additional Bonds, at the option of the Authority, (i) the rate that is equal to the Bond Buyer Revenue Bond Index not more than 30 days prior to the issuance of such Additional Bonds or (ii) the rate that the original purchaser of such Additional Bonds or a municipal financial advisor or firm thereof certifies that such Additional Bonds would have borne as of the date of issuance thereof had such Additional Bonds borne a fixed, constant rate of interest; and (c) with respect to any proposed taxable Additional Bonds, at the option of the Authority, (i) the rate that is equal to the five year treasury note plus one percent (1%) within 30 days of the issuance of such Additional Bonds or (ii) the rate that the original purchaser of such additional Bonds or a municipal financial advisor or firm thereof certifies as of the date of issuance thereof would have borne as of the date of issuance thereof had such Additional Bonds borne a fixed, constant rate of interest.

“**Book-Entry Bonds**” shall mean Series 2024 Bonds issued in full Book-Entry Form through the facilities of the Securities Depository.

“**Book-Entry Form**” or “**Book-Entry System**” shall mean a form or system, as applicable, under which (a) ownership of beneficial interests in the Series 2024 Bonds and bond service charges may be transferred only through book-entry and (b) physical Series 2024 Bonds in fully registered form are registered only in the name of a

Securities Depository or its nominee as holder, with physical Series 2024 Bonds in the custody of a Securities Depository.

**“Beneficial Owner”** means the owner of a beneficial interest in the Series 2024 Bonds registered in Book-Entry Form.

**“Bond Index”** means (a) with respect to any outstanding Bonds, the average interest rate on such Bonds for the twelve (12) month period ending on the last day of the month immediately preceding the last full month prior to such calculation, or if such Bonds shall have had a variable rate for less than a twelve (12) month period, the average interest rate on such Bonds for such lesser period; (b) with respect to any proposed tax-exempt Additional Bonds, at the option of the Authority, (i) the rate that is equal to the Bond Buyer Revenue Bond Index not more than 30 days prior to the issuance of such Additional Bonds or (ii) the rate that the original purchaser of such Additional Bonds or a municipal financial advisor or firm thereof certifies that such Additional Bonds would have borne as of the date of issuance thereof had such Additional Bonds borne a fixed, constant rate of interest; and (c) with respect to any proposed taxable Additional Bonds, at the option of the Authority, (i) the rate that is equal to the five year treasury note plus one percent (1%) within 30 days of the issuance of such Additional Bonds or (ii) the rate that the original purchaser of such additional Bonds or a municipal financial advisor or firm thereof certifies as of the date of issuance thereof would have borne as of the date of issuance thereof had such Additional Bonds borne a fixed, constant rate of interest.

**“Bond Registrar”** means the person or commercial bank or banks appointed by the Authority to maintain the registration books of the Authority for any series of Bonds secured by the Resolution.

**“Bonds”** means any revenue bonds issued by the Authority pursuant to the Resolution, including the Series 2021 Bonds, the Series 2024 Bonds and any Additional Bonds.

**“Book-Entry Form”** or **“Book-Entry System”** means, with respect to the Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Bonds and bond service charges may be transferred only through book-entry and (b) physical Bonds in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with physical Bonds in the custody of a Securities Depository.

**“Certifying Officer”** means, at the election of the Authority, (a) the Chief Executive Officer, the Chief Financial Officer or similar officer of the Authority, (b) the Consulting Engineer, (c) a certified public accountant or firm thereof or (d) a municipal finance advisor or firm thereof.

**“Code”** means the Internal Revenue Code of 1986, as amended and any regulations promulgated thereunder.

**“Construction Fund”** means the Coweta County Water and Sewerage Authority Construction Fund created in the Resolution.

**“Construction Fund Custodian”** means initially U.S. Bank National Association, Nashville, Tennessee, its successors and assigns, or any successor custodian for the Construction Fund hereafter appointed by the Authority; provided, however, the Construction Fund Custodian shall at *all* times be a commercial bank.

**“Consulting Engineer”** means such engineer, engineers or engineering firm that might hereafter be employed by the Authority in relation to the supervision of the additions, extensions and improvements to be made to the System and in relation to the services to be rendered as contemplated by the Resolution or any supplemental resolution.

**“Continuing Disclosure Certificate”** means any continuing disclosure certificate executed in connection with the issuance of a series of Bonds.

**“Debt Service Account”** means the Debt Service Account created within the Sinking Fund.

**“Debt Service Coverage Ratio”** means the ratio determined by dividing the Income Available for Debt Service by the Debt Service Requirement.

**“Debt Service Requirement”** means, with respect to any measurement period, the principal and interest payable on the Bonds in such measurement period; provided however, (a) interest shall be excluded from the determination of the Debt Service Requirement to the extent (i) the same is provided from (A) the original proceeds of Bonds, (B) earnings on the funds to the extent the same will be applied to pay debt service on the Bonds or (C) a counterparty with a rating that is the same or higher than the Authority’s or (ii) the Authority is entitled to receive a payment from the United States of America or any agency or department thereof, (b) with respect to Bonds that are variable rate Bonds, the interest payable on such Bonds shall be calculated using the Bond Index, (c) notwithstanding that the definition of Bonds excludes credit or liquidity facilities to the extent they are drawn upon to purchase, but not retire, Bonds, any interest expense included on such credit or liquidity facilities in excess of the interest expense on the related Bonds shall be included in the determination of the Debt Service Requirement and (d) with respect to any compound interest Bonds, the total principal and interest coming due in any specified period shall be determined by a supplemental resolution authorizing such compound interest Bonds.

**“Debt Service Reserve Requirement”** means, as of any date of calculation, (a) with respect to the Series 2021 Bonds and the Series 2024 Bonds, an amount equal to \$0 and (b) with respect to Additional Bonds, the amount, if any, set forth in the supplemental resolution authorizing the issuance of such Additional Bonds.

**“Debt Service Reserve Surety Bond”** means a surety bond, insurance policy or irrevocable letter of credit credited to the Reserve Account in lieu of or in partial substitution for moneys and securities on deposit therein.

**“Fiscal Year”** shall mean any period of twelve consecutive months adopted by the Authority as the fiscal year for financial reporting purposes related to the System and shall initially mean the period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year.

**“Government Obligations”** means (a) obligations of the United States and (b) obligations fully insured or guaranteed by the United States.

**“Interest Payment Date”** means June 1 and December 1 of each year for the Series 2021 Bonds and the Series 2024 Bonds, except that with respect to any series of Additional Bonds that bear interest at a variable rate, the Authority may provide in a supplemental resolution for any other interest payment dates as it deems appropriate.

**“Net Revenues”** means all interest income earned in the funds and accounts maintained by the Authority except for the Construction Fund; plus, all revenues arising from the Authority's ownership and operation of the System and properties in connection therewith as it now exists and as it may hereafter be added to, extended or improved remaining in the Revenue Fund after the payment in each month of all reasonable and necessary costs of operating, maintaining and repairing the System, including, without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, the cost of purchased water, including hedging costs associated with such purchases, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practices, but before making provision for depreciation, amortization, and interest expense coming due in such month (the **“Operating Expenses”**) and the retention of a balance deemed suitable by the Authority to meet the working capital needs of the System.

**“Participants”** means those financial institutions for which the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository in the Book-Entry System, as such listing exists at the time of such reference.

**“Paying Agent”** means the person or commercial bank or banks appointed by the Authority to serve as paying agent for any series of Bonds secured by the Resolution.

**"Permitted Investments"** means and includes any of the following securities, if and to the extent the same are at the time legal for investment of the Authority funds:

(a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

(b) bonds or obligations of the State of Georgia, or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

(c) bonds or other obligations of the United States or of subsidiary corporations of the United States government which are fully guaranteed by such government;

(d) obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;

(e) bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency, or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan, or payment agreement with the United States government;

(f) certificates of deposit of national or state banks located within the State of Georgia which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State of Georgia which have deposits insured by the Savings Association insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian, or trustee for any of the proceeds of the Certificates. The portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, if any, shall be secured by deposit, with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State of Georgia, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State of Georgia or of any county or municipal corporation in the State of Georgia, obligations of the United States or subsidiary corporations referred to in paragraph (c) above, obligations of the agencies of the United States government referred to in paragraph (d) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities referred to in paragraph (e) above;

(g) securities of or other interests in any no-load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, .or any common trust fund maintained by any bank or trust company which holds such proceeds as trustee or by an affiliate thereof so long as:

(i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referred to in paragraph (c) above and repurchase agreements fully collateralized by any such obligations;

(ii) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;

(iii) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and

(iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

(h) repurchase agreements with respect to the foregoing investments consented to by the Insurer, if applicable; and

(i) any other investments authorized by the laws of the State of Georgia.

**“Renewal and Extension Fund”** means the Coweta County Water and Sewerage Authority Renewal and Extension Fund created by the Resolution.

**“Renewal and Extension Fund Depository”** means the commercial bank appointed by the Authority to maintain the Renewal and Extension Fund.

**“Reserve Account”** means the Reserve Account created within the Sinking Fund.

**“Resolution”** means the bond resolution adopted by the Authority on May 26, 2021, as amended and restated on June 9, 2021, and a parity bond resolution adopted by the Authority on March 27, 2024, as supplemented on April 24, 2024, as the same may be amended, restated and supplemented from time to time.

**“Revenue Bond Law”** means the Revenue Bond Law, (O.C.G.A. Section 36-82-60 *et seq.*), as amended from time to time.

**“Revenue Fund”** means the Coweta Water and Sewerage Authority Revenue Fund created by the Resolution.

**“Revenue Fund Depository”** means the commercial bank appointed by the Authority to maintain the Revenue Fund.

**“Securities Depository”** shall mean any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to provisions of Section 17A of the Securities Exchange Act of 1934, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interest in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, DTC.

**“Series 2021 Bonds”** means the Authority’s (i) \$2,129,000 in aggregate principal amount of its Water and Sewerage Revenue Refunding Bonds, Series 2021D (the “Series 2021D Bonds”) and (ii) \$17,578,000 in aggregate principal amount of its Water and Sewerage Refunding Revenue Bonds, Series 2021E (the “Series 2021E Bonds”) and together with the Series 2021A Bonds, the Series 2021B Bonds, the Series 2021C Bonds, and Series 2021D Bonds, the “Series 2021 Bonds”)

**“Series 2024 Bonds”** means the Coweta Water and Sewerage Revenue Bonds, Series 2024, authorized to be issued pursuant to the Resolution.

**“Series 2024 Capitalized Interest Account”** means the subaccount of the Construction Fund created pursuant to the Resolution.

**“Series 2024 Engineering Report”** means the Engineering Report of Garver, LLC relating to the Series 2024 Project to be delivered prior to the issuance of the Series 2024 Bonds.

**“Series 2024 Project”** means the acquisition, construction, and equipping of the additions, extensions and improvements to the System identified in the Series 2024 Engineering Report; provided, however, the Authority reserves the right to modify the Series 2024 Project as shall be necessary or desirable.

“**Series 2024 Project Account**” means the subaccount of the Construction Fund created pursuant to the Resolution.

“**Sinking Fund**” means the Coweta County Water and Sewerage Authority Sinking Fund created by the Resolution in which are held the Debt Service Account, the Reserve Account and the Swap Payments Account.

“**Sinking Fund Depository**” means the commercial bank appointed by the Authority to maintain the Sinking Fund.

“**Sinking Fund Investments**” means (a) Government Obligations and forward purchase agreements and repurchase agreements with respect thereto, (b) demand deposits or certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however that the portion of such demand deposits or certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured and (c) the local government investment pool created by O.C.G.A. Section 36-83-8.

“**Sinking Fund Year**” means the period commencing on the 2nd day of June in each year and extending through the 1st day of June in the next year.

“**State**” means the State of Georgia.

“**System**” means the Authority’s water and sewer system, as now existent and as hereafter added to, extended and improved.

“**Underwriter**” means with respect to the Series 2024 Bonds, Stifel Nicolaus and Company, Incorporated and its successors and assigns.

#### **Funds Created by the Resolution and Flow of Funds**

*Creation of Funds.* Under the terms of the Resolution, the Authority has established the following funds and accounts, and the moneys deposited in such funds and accounts shall be held in trust for the purposes set forth in the Resolution:

- (a) Construction Fund;
- (b) Revenue Fund;
- (c) Sinking Fund; and
- (d) Renewal and Extension Fund.

The Construction Fund shall be maintained by the Construction Fund Custodian, the Revenue Fund shall be maintained by the Revenue Fund Depository, the Sinking Fund shall be maintained by the Sinking Fund Depository, and the Renewal and Extension Fund shall be maintained by the Renewal and Extension Fund Depository.

*Construction Fund.* The Construction Fund Custodian created on its books and records two sub-accounts within the Construction Fund designated as the “Series 2024 Project Account” and the “Series 2024 Capitalized Interest Account.” The moneys credited to the Series 2024 Project Account shall be used to pay the costs of the Series 2024 Project and the costs of issuing the Series 2024 Bonds. The moneys credited to the Series 2024 Capitalized Interest Account shall be used to pay capitalized interest on the Series 2024 Bonds (if any). Any moneys in the Series 2024 Project Account not needed to pay the costs of the Series 2024 Project or the costs of issuing the Series 2024 Bonds shall be transferred to the Sinking Fund.

All payments from the Construction Fund shall be made by wire transfer or checks signed by the Construction Fund Custodian or an Authorized Authority Representative. Before any such transfers are made or any checks are signed, there shall be filed with the Construction Fund Custodian the requisition and certificate required by the Resolution.

Any moneys held in the Construction Fund shall be invested or reinvested at the direction of the Authority in Permitted Investments as directed by the Authority. Any such securities so purchased shall be held by the Construction Fund Custodian in trust until paid at maturity or sold, and all income or increments therefrom shall be immediately deposited to the credit of the Construction Fund. The money in the Construction Fund and all securities held in and for said Construction Fund, and all income and increments therefrom are hereby pledged to and charged with the payments set forth in this Section.

*Revenue Fund.* All revenues arising from the ownership or operation of the System and properties in connection therewith as it now exists and as it may hereafter be added to, extended or improved shall be collected by the Authority or by its agents or employees and deposited promptly with the depository to the credit of the Revenue Fund, and the Authority shall continue to maintain the Revenue Fund separate and apart from its other funds so long as the Series 2021 Bonds, the Series 2024 Bonds and any future issue or issues of Additional Bonds therewith hereafter issued are outstanding and unpaid or until provision shall have been duly made for the payment thereof. Said revenues shall be disbursed from the Revenue Fund to the extent and in the following manner and order:

1. Costs of System. There shall first be paid from the Revenue Fund in each month all reasonable and necessary costs of operating, maintaining and repairing the System, including, without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, the cost of purchased water, including hedging costs associated with such purchases, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, amortization, and interest expense coming due in such month (the "Operating Expenses"), and then there shall be retained in the Revenue Fund a balance deemed suitable by the Authority to meet the working capital needs of the System.

The Net Revenues of the System remaining in the Revenue Fund after the payment of the sums required or permitted to be paid or retained under the provisions of this paragraph (1) are hereby pledged to the payment of the principal of and the interest on, and the redemption premium, if any, on all the Bonds issued hereunder, including any Additional Bonds. Said Net Revenues so pledged shall immediately be subject to a lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding against the Authority and against all parties having claims of any kinds against the Authority, whether such claims shall have arisen in contract, tort or otherwise and irrespective of whether or not such parties have notice hereof.

2. Sinking Fund. There shall next be paid from the Revenue Fund into the Sinking Fund, which consists of two accounts, the "Debt Service Account" and the "Debt Service Reserve Account" The Sinking Fund shall be kept as a special fund with the Sinking Fund Depository separate from other deposits of the Authority.

A debt service reserve subaccount was not established for the Series 2021 Bonds, and a debt service reserve subaccount will not be established for the Series 2024 Bonds. As to any issue of Additional Bonds for which the Authority has determined that it is necessary or desirable to establish a debt service reserve for such Additional Bonds, the Sinking Fund Depository shall establish a separate special subaccount within the Debt Service Reserve Account, each of which shall be designated as the "Series \_\_\_\_ Debt Service Reserve Subaccount." Each subaccount created in connection with the issuance of Additional Bonds is hereinafter referred to as a "Debt Service Reserve Subaccount." Each Debt Service Reserve Subaccount shall only secure the Bonds for which it was established. Each Debt Service Reserve Subaccount shall be funded and replenished pro rata.

- (a) After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of paragraph 1 above, there shall be paid into the Debt Service Account for the

purpose of paying the principal of and interest on the Bonds as the same become due and payable in the then current Sinking Fund Year, and taking into consideration moneys to be deposited in the Debt Service Account to be used to pay debt service, (i) substantially equal monthly sums sufficient to pay the interest on the Bonds on the next Interest Payment Date, (ii) with respect to the Series 2021C Bonds and the Series 2021D Bonds, substantially equal monthly sums sufficient to pay the principal on the Series 2021C Bonds and the Series 2021D Bonds on the next June 1 or December 1, as applicable and (iii) with respect to all other Bonds other than the Series 2021C Bonds and the Series 2021D Bonds, substantially equal monthly sums sufficient to pay the principal on the Bonds on the next June 1, such monthly payments to continue until sufficient funds are on hand in said Sinking Fund to pay all of the outstanding Bonds and the interest which will become due and payable thereon.

(b) If the Authority shall determine that it is necessary or desirable to establish a Debt Service Reserve Subaccount in connection with the issuance of Additional Bonds and such Debt Service Reserve Subaccount is not funded with the proceeds of such Additional Bonds or a Debt Service Reserve Surety Bond, there shall next be paid into the Debt Service Reserve Subaccount substantially equal monthly sums sufficient to create within the Debt Reserve Subaccount within 60 months from the date of issuance of any Additional Bonds a reserve equal to the Debt Service Reserve Requirement. If moneys are withdrawn from a Debt Service Reserve Subaccount to pay any of the Bonds secured thereby, if the value of the investments declines to an amount less than the Debt Service Reserve Requirement, or if a Debt Service Reserve Surety Bond is drawn upon to pay any of the Bonds secured thereby, then such monthly deposits shall also include substantially equal monthly payments sufficient to (i) restore the amount withdrawn from the Debt Service Reserve Subaccount, (ii) restore the value of investments to an amount equal to the Debt Service Reserve Requirement or (iii) reimburse the issuer of the Debt Service Reserve Surety Bond, in each case within 12 months.

(c) All sums required to be deposited to comply with the provisions of subparagraphs (a) and (b) above shall be paid on or before the 25th day of the month in which the payment is due, and if, in any month, for any reason, the full amount herein required to be paid in such month shall not be paid into the Sinking Fund, any deficiency shall be added to and shall become a part of the amount required to be paid into the Sinking Fund in the next succeeding month; provided, however, the Authority covenants and agrees that in the event it hereafter elects to issue Additional Bonds, pursuant to the provisions of the Resolution, the above stated payments into the Sinking Fund will be increased to the extent necessary to pay the principal of and interest on the Series 2021 Bonds, the Series 2024 Bonds, and on any Additional Bonds therewith then outstanding and on the Bonds proposed to be issued

It is expressly provided, however, that if on the 2nd day of June in any year there are on deposit in the Debt Service Reserve Account moneys and securities (such securities to be valued at the lower of their market value or face amount, plus accrued interest thereon to June 2) the aggregate amount of which is in excess of the Debt Service Reserve Requirement, such excess shall be withdrawn from the Debt Service Reserve Account and immediately deposited into the Revenue Fund. Any moneys in the Debt Service Account on such date shall be immediately withdrawn therefrom and deposited into said Revenue Fund. The calculation and determination of such excess amounts in accordance with this provision shall be the responsibility of an Authorized Officer of the Authority and an Authorized Officer shall notify the Sinking Fund Depository and make or cause to be made any transfer of funds required pursuant to the provisions of this subparagraph. The Sinking Fund Depository shall be entitled to rely on such calculation and determination by the Authority.

3. Renewal and Extension Fund. After there have been paid from, or retained in, the Revenue Fund in each month the sums required or permitted to be paid or retained under the provisions of Paragraphs 1 and 2 above, there shall next be paid from the Revenue Fund into the Renewal and Extension Fund, all of the moneys then remaining in the Revenue Fund. Expenditures shall be made from the Renewal and Extension Fund only for the purpose of:

(a) in case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such

emergency;

(b) making replacements, additions, extensions and improvements and acquiring equipment and paying the cost of any engineering studies, surveys or plans and specifications pertaining to the future development or expansion of the System deemed to be reasonable and to the best interest of the Authority and the Bondholders; (c) payment of the charges of Truist Bank, Coweta County, Georgia (the "Renewal and Extension Fund Depository") for investment services; (d) funding any reserve fund established in connection with the issuance of Additional Bonds or paying the premium on any Debt Service Reserve Surety Bond issued to fund any reserve fund established in connection with the issuance of Additional Bonds; (e) paying principal of and interest on any revenue bonds then outstanding and falling due at any time for the payment of which money is not available in the sinking fund securing the payment of same and the interest thereon; or (f) after any uses set forth in (a) through (e) above at the end of each month, making transfers to other funds and accounts established by the Authority from time to time in accordance with its customary procedures.

*Subordinate Debt.* It is expressly provided, however, that should Bonds or other debt obligations be hereafter issued ranking as to lien on the revenues of the System junior and subordinate to the lien securing the payment of the Series 2021 Bonds and Series 2024 Bonds authorized to be issued pursuant to the Resolution, including any issue or issues of Additional Bonds hereafter issued, then such payments into the Renewal and Extension Fund as provided above may be suspended and such moneys shall be available to the extent necessary to pay the principal of and interest on such junior lien Bonds and to create and maintain a reasonable reserve therefor and such moneys may be allocated and pledged for that purpose.

The Authority may at any time fulfill any portion of its obligation to fund the Debt Service Reserve Account, if any, by depositing in the Debt Service Reserve Account an irrevocable surety bond payable on any interest or principal payment date in an amount equal to any portion of the reserve requirement then required to be maintained within the Debt Service Reserve Account. Before any such surety bond is substituted for cash or deposited in lieu of cash within the Debt Service Reserve Account, there shall be filed with the Authority and the Sinking Fund Depository (i) an opinion of nationally recognized bond counsel to the effect that such substitution will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (ii) and having a rating in the top two highest respective rating categories by S&P or another nationally recognized statistical rating organization; and (iii) a copy of the surety bond issued to fulfill the Authority's obligation to fund the Debt Service Reserve Account together with an opinion of counsel satisfactory to the Sinking Fund Depository to the effect that the surety bond is valid and enforceable in accordance with its terms. Each such surety bond shall be unconditional and irrevocable and shall provide liquidity for the life of the Bonds with respect to which the surety bond is purchased and, if the surety bond is purchased with respect to more than one issue of Bonds hereunder, then for the term of the Bonds for which it was purchased. So long as the balance of the Debt Service Reserve Account equals the highest combined principal and interest requirements coming due in any succeeding Sinking Fund Year on the Series 2021 Bonds, the Series 2024 Bonds and any Additional Bonds, any reimbursement agreement entered into between the Authority and the issuer of any such surety bond may provide that the Authority will be obligated to repay such issuer an amount equal to any drawdown on the surety bond plus a market rate of interest over a specified period of time not to exceed three years but such obligation shall be junior and subordinate in right of payment to all outstanding Bonds.

### **Rate Covenant**

The Authority has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System and as often as it shall appear necessary the Authority shall revise and adjust such schedule of rates, fees and charges for the services, facilities and commodities of the System to the extent necessary to produce funds sufficient to:

- (a) operate, maintain and repair the System on a sound businesslike basis;
- (b) produce an amount equal to 125% of the amount required to discharge the payment of the principal of and the interest on the Series 2021 Bonds, Series 2024 Bonds and any Additional Bonds as the same become due and payable in the then current Sinking Fund Year;
- (c) create and maintain a reserve in the Debt Service Reserve Account in the amount, if any, required herein or such larger amount as may be required in any proceedings authorizing any such issue or issues of Additional Bonds; and
- (d) create and maintain a reserve for extensions and improvements to the System.

The rates, tolls, fees and charges shall be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as nearly as practicable such rates, fees and charges shall be uniform in application to all users falling within any reasonable class. No free services shall at any time be furnished from the System and it will undertake within its health powers or such other applicable powers now or hereafter provided by law to require the owners of all improved property abutting any sewerage line to connect with the System. No customer shall be connected to the System or served by the Authority without a proper meter having been first installed. All services shall be furnished in accordance with rates now or hereafter established, including services furnished to any county, municipal corporation or other public board or body. Notwithstanding the above limitation in this paragraph, the Authority in the exercise of its reasonable discretion shall have the right to furnish free unmetered water to nonprofit bodies or public bodies

In the event the Authority shall fail to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges, in accordance with the provisions of this Section, any bondholder without regard to whether any default, as defined in the Resolution, shall have occurred, may institute and prosecute in any court of competent jurisdiction, an appropriate action to compel the Authority to adopt a schedule or schedule of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges in accordance with the requirements of this Section.

**Sinking Fund Disbursements.**

Subject to the terms and conditions set forth in the Resolution, moneys in the Sinking Fund shall be disbursed for (a) the payment of the interest on the Bonds secured hereby as such interest becomes due and payable; (b) the payment of the principal of the Bonds secured hereby as same becomes due and payable, either at maturity or by proceedings for mandatory redemption; (c) the optional redemption of Bonds secured hereby before maturity at the price and under the conditions provided therefor in the Resolution; (d) upon notice by the Authority, the purchase of Bonds in the open market; provided, however, the price paid shall not exceed the authorized call price; (e) the transfer of excess moneys, if any, in the Sinking Fund (as described in the second paragraph of subparagraph (c) to the Revenue Fund; (f) the payment of fees and charges of the Paying Agent for paying the Bonds and interest thereon and the charges for the registration of the Bonds secured hereby and their transfer or exchange in accordance with the terms thereof; and (g) the payment of any charges for investment services.

Moneys on deposit in the Sinking Fund shall be invested in Sinking Fund Investments as directed by the Authority; provided, however, moneys on deposit in the Debt Service Reserve Account derived from Bond proceeds shall be invested only in Sinking Fund Investments that are also Permitted Investments. All investments in the Sinking Fund shall mature or be redeemable at the option of the holder within five years. Any such securities so purchased shall be held by the Sinking Fund Depository until paid at maturity or sold, and all income or increments therefrom shall be immediately deposited to the credit of the Sinking Fund. The money in the Sinking Fund and all securities held in and for said Sinking Fund, and all income and increments therefrom are hereby pledged to and charged with the payments set forth in this Section.

## **Revenue Fund, Sinking Fund and Renewal and Extension Fund Investments**

Moneys in the Revenue Fund and the Renewal and Extension Fund shall be invested in any investment authorized by the laws of the State.

Moneys on deposit in the Sinking Fund shall be invested in Sinking Fund Investments; provided, however, moneys on deposit in the Reserve Account derived from Bond proceeds shall be invested only in Sinking Fund Investments that are also Permitted Investments.

### **Additional Bonds**

It is expressly provided in the Resolution that Additional Bonds may be issued by the Authority, from time to time, for any lawful purpose, and if such Additional Bonds are issued, such Additional Bonds shall rank as to lien on the Net Revenues on a parity with the lien thereon securing the payment of the Series, provided all of the following conditions are met:

- (a) Any Series 2021 Bonds or other Bonds outstanding shall not be in default under the Resolution.
- (b) The payments covenanted to be made into the Sinking Fund, as the same may have been enlarged and extended in any proceedings authorizing the issuance of any Additional Bonds, must be currently being made in the full amount required and said "Debt Service Account" and "Debt Service Reserve Account" held within said Sinking Fund must be at their proper respective balances.
- (c) The Authority shall satisfy one of the following:
  - (i) The Certifying Officer shall have certified that (A) for a period of 12 full consecutive calendar months out of the 18 consecutive calendar months preceding the month of the adoption of proceedings for the issuance of such Additional Bonds or (B) for the most recent audited Fiscal Year, the Net Revenues must have been equal to at least 1.25 times the maximum annual Debt Service Requirement for any succeeding Sinking Fund Year on the Bonds then outstanding and the Additional Bonds proposed to be issued. If a new schedule of rates and charges has been adopted for the services, facilities and commodities furnished by the System, the Certifying Officer may take such additional revenues into account in the foregoing certification.
  - (ii) The Consulting Engineer shall have certified that for each of the full five Fiscal Years next following the earlier of (A) the end of the period during which interest on the Additional Bonds is to be capitalized, or if no interest on the Additional Bonds is to be capitalized, the Fiscal Year in which the Additional Bonds are issued or (B) the date on which substantially all the Projects financed with such Additional Bonds are expected to be placed into service, the Net Revenues are projected to be at least 1.25 times the actual Debt Service Requirements in each of those five Fiscal Years.
  - (iii) (A) the Additional Bonds are being issued to refund other Bonds, (B) the final maturity of the Additional Bonds is not extended past the maturity of the Bonds being refunded and (C) the average annual debt service of the Additional Bonds does not exceed the average annual debt service on the Bonds being refunded.
- (d) The Authority shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and provide for the terms thereof and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to the Resolution. In such proceedings, the Authority shall, if necessary, modify the payments being made into the Debt Service Account. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make

appropriate provisions for the transfer of moneys on deposit in the Sinking Fund to the trustee in sufficient time for the payment of debt service on such Additional Bonds; but nothing contained in the Resolution shall require the Sinking Fund to be held by such trustee. In the event Additional Bonds are secured hereunder and issued pursuant to a trust indenture, the trustee thereunder shall for purposes of the Resolution, in accordance with the provisions of such trust indenture, exercise the rights and remedies of the owners of such Additional Bonds. It shall not be necessary that the interest and principal and payment dates or redemption provisions for such Additional Bonds correspond with the provisions of any other Bonds. Any Credit or Liquidity Facility related to any Additional Bonds may secure only such Additional Bonds and not any other Bonds issued hereunder. Any such proceeding or proceedings shall ratify and reaffirm, by reference, all of the applicable terms, conditions and provisions of the Resolution.

(e) Any proposed variable rate Additional Bonds shall specify a maximum interest rate. If any such variable rate Additional Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a credit or liquidity facility may be provided at or prior to the issuance of such variable rate Additional Bonds to support the Authority's obligations for any such mandatory redemption or purchase. The failure of any such credit or liquidity facility to purchase any such variable rate Additional Bonds shall not be a default under the Resolution, and shall not cause an acceleration of such variable rate Additional Bonds or Bonds issued pursuant to the Resolution.

(f) Such Additional Bonds and all proceedings relative thereto, and the security therefor, shall be validated as prescribed by law.

(g) The Authority shall determine if it is necessary or desirable to establish a Debt Service Reserve Subaccount for such Additional Bonds.

(h) In the event that any such Additional Bonds bear interest at a rate other than a fixed rate of interest per annum, the proceedings under which such Additional Bonds are issued shall provide a "cap" or a maximum rate of interest per annum which such Additional Bonds may bear, and in the event that the Authority enters into a contract with a bank or other financial institution (a "Liquidity Provider") to provide liquidity for such Additional Bonds, (i) the interest rate payable to the Liquidity Provider must be specified at the time of issuance of such Additional Bonds, (ii) any acceleration of principal payments due to the Liquidity Provider or any interest due in excess of the interest payable on such Additional Bonds must be subordinate to the payment of debt service on the Bonds outstanding under the Resolution, and (iii) the Liquidity Provider must be rated in either of the two highest short-term debt rating categories of the applicable rating agency or agencies.

### **Discharge of Lien and Security Interests**

If the Authority shall pay or cause to be paid the principal of, and the interest on the Bonds at the times and in the manner stipulated therein and in the Resolution, and if the Authority shall keep, perform and observe all and singular the agreements in the Bonds and the Resolution expressed as to be kept, performed and observed by it or on its part, then the lien hereof, these presents shall cease, determine and be discharged, and thereupon the Paying Agent, upon receipt by the Paying Agent of an opinion of bond counsel stating that in the opinion of the signer all conditions precedent to the satisfaction and discharge of the Resolution have been complied with (the "Bond Counsel Opinion"), shall cancel and discharge the Resolution, and shall execute and deliver to the Authority such instruments in writing as shall be required to cancel and discharge the Resolution: provided, however, such cancellation and discharge of the Resolution shall not terminate the powers and rights granted to the Paying Agent with respect to the payment, registration of transfer and exchange of the Bonds..

### **Provision for Payment**

The Bonds shall be deemed to have been paid within the meaning of the Resolution if:

(a) there shall have been irrevocably deposited in a special escrow account noncallable, nonrepayable Permitted Investments as defined in subparagraph (c) of the definition of Permitted Investments in the Resolution having such maturities and Interest Payment Dates and bearing such interest as will, in the opinion of an independent certified public accounting firm of national reputation, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), be sufficient, together with any moneys of the Authority deposited in such special escrow account and lawfully available for such purpose, for the payment of their respective maturities, sinking fund redemption dates or optional redemption dates (if such Bonds are to be redeemed prior to maturity) of the principal thereof, premium, if any, and the interest to accrue thereon to such maturity or redemption dates, as the case may be;

(b) there shall have been paid to the Paying Agent, or provisions made therefor to the satisfaction of the Paying Agent, all Paying Agent's fees and expenses due or to become due in connection with the payment or redemption of the Bonds or there shall be sufficient moneys in said special account to make said payments; and

(c) if any Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Paying Agent in form satisfactory to the Paying Agent irrevocable instructions to redeem such Bonds on such date and either evidence satisfactory to the Paying Agent that all redemption notices required by the Resolution have been given or irrevocable power authorizing the Paying Agent to give such redemption notices.

#### **Sinking Fund Depository; Security for Deposits**

Except as otherwise provided in the Resolution, all moneys received by the Authority under the terms hereof shall, subject to the giving of security as hereinafter provided, be deposited with the proper Depository or with the Sinking Fund Depository in the name of the Authority. All moneys deposited under the provisions hereof shall be deposited in banks insured by the Federal Deposit Insurance Corporation and such moneys shall be applied in accordance with the terms and for the purposes set forth in the Resolution, shall not be subject to lien or attachment or any type of security interest by any creditor of the Authority and shall be in an account of such a type that the applicable Depository can administer them according to the terms hereof.

All moneys on deposit in the funds created in the Resolution shall be secured by (a) the State of Georgia Secure Deposits Program, or any successor thereto or (b)(i) the Federal Deposit Insurance Corporation, or any successor thereto or (ii) a pledge of obligations (A) authorized by O.C.G.A Section 50-17-59 or (B) issued or guaranteed by the United States of America in an amount of such deposit not insured by the Federal Deposit Insurance Corporation, or any successor thereto.

#### **Particular Covenants**

*Rules and Regulations.* The Authority has and shall continue to enforce reasonable rules and regulations governing the System and the operation thereof, and that all compensation, salaries, fees and wages paid by it in connection with the operation, repair and maintenance of the System will be reasonable, and that no more persons will be employed by it than are necessary, and that it will operate same in an efficient and economical manner, and will at all times maintain the same in good repair and in sound operating condition, and will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such undertaking and enterprise. The Authority will also cause to be bonded its officials, employees or agents handling funds of the System, same to be in such amount or amounts as may be considered adequate for its protection.

*Ten Percent (10%) Retention.* Subject to the provisions of Section 13-10-2 of the Official Code of Georgia Annotated, as amended, any contract relating to the installation, extension, improvement, maintenance or repair of the System shall provide for the retention of ten percent (10%) of the gross value of the completed work; provided, however, that no amounts shall be retained on estimates or progress payments submitted after fifty percent (50%).of

the work has been completed, if, in the opinion of the Authority, such work is satisfactory and has been completed on schedule. If, after discontinuing the retention, the Authority determines that the work is unsatisfactory or has fallen behind schedule, the ten percent (10%) retention may be resumed. Nothing in the Resolution shall affect the retained amounts on the first fifty percent (50%) of the work which shall continue to be held to ensure satisfactory completion of the work. Final payment shall be made after certification by the Consulting Engineers that the work has been satisfactorily completed and is accepted in accordance with the contract and plans and specifications pertaining thereto.

*Liens.* The Authority shall not create or suffer to be created, in the operation and maintenance of the System, any lien, security interest or charge thereon, or any part thereof, or upon the revenues derived therefrom, ranking equally with or prior to the lien and charge herein authorized upon such revenues, and that it will pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge, within sixty (60) days after the same shall occur, all lawful claims and demands for labor, materials, supplies or other objects, which, if unpaid, might by law become a lien upon such System, or any part thereof, or upon the revenues derived therefrom; provided, however, that nothing contained in this Section shall require the Authority to pay, or cause to be discharged, or make provision for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

*Sale of Assets.* So long as any of the Bonds shall be outstanding, the Authority shall not encumber the System or any part thereof, and it will not sell or otherwise dispose of the System or any integral part thereof, except it may sell such System as a whole, or substantially as a whole, if the proceeds of such sale be at least sufficient to provide for the payment of the Bonds authorized under and secured by the Resolution and any interest accrued or to accrue thereon, and that the proceeds of any such sale shall be deposited with the Sinking Fund Depository in trust and applied by it to the extent necessary to purchase or redeem the Bonds. Nothing contained in the Resolution, however, shall preclude (a) sales in the ordinary course of business or (b) a sale of a part of the System where the sale would not, in any way, materially adversely affect the Net Revenues as certified by the Consulting Engineer. Prior to such a sale, the Authority shall receive an opinion of nationally recognized bond counsel to the effect that such sale will not adversely affect the exclusion from gross income for federal income tax purposes on any Tax-Exempt Bonds.

The Authority shall not create, or permit to be created, any charge, lien or encumbrance or any security interest in or on the revenues of the System, as it now exists and as it will hereafter be extended and improved, ranking prior to the lien on said revenues created to secure payment of the Bonds, or ranking equally with said charge or lien of the Bonds, except that it may issue Additional Bonds standing on a parity therewith in accordance with the provisions of the Resolution.

*Insurance.* The Authority shall procure and maintain or cause to be procured and maintained so long as the Bonds and any Additional Bonds therewith are outstanding: (a) fire and extended coverage insurance on the insurable portions of the System in a responsible insurance company or companies authorized and qualified to do business under the laws of the State of Georgia. Coverage by such insurance shall be maintained in amounts not less than eighty percent (80%) of the full insurable value; (b) public liability insurance relating to the operation of the System within the limits of not less than \$100,000 for injury to or death of one individual, \$500,000 for injury or death growing out of any one accident and \$50,000 property damage insurance for any one accident; (c) vehicular public liability insurance on any vehicle owned by the Authority and used in the operation of the System within the limits of not less than \$100,000 for injury to or death of one individual, \$500,000 for injury or death growing out of any one accident and \$50,000 property damage insurance for any one accident. The proceeds of such fire and extended coverage policies are pledged as security for the Series 2021 Bonds, but shall be available for and shall, to the extent necessary and desirable, be applied to the repair and replacement of the damaged or destroyed property. In the event the proceeds of such policies are not used for that purpose, then same shall be deposited in the Renewal and Extension Fund. All insurance policies shall be open to the inspection of the Bondholders or their duly authorized Representatives at all reasonable times.

*Annual Audit.* In the month immediately following the end of each Fiscal Year, or as soon thereafter as practicable, the Authority shall cause an annual audit to be made of the books and accounts pertaining to the System by an independent and recognized firm of certified public accountants of suitable experience and responsibility, to

be chosen by the governing body of the Authority. The annual audit shall include, among others, a statement of the income and expenses and a balance sheet, both in reasonable detail, comments by the auditor respecting compliance by the Authority with the provisions of the Resolution and that it is complying therewith or point out where, if any, the Authority is not in compliance therewith.

*Certificate as to Use of Proceeds.* The Chairman and the Secretary and Treasurer of the Authority are hereby authorized and directed to execute, for and on behalf of the Authority, a certification, based upon facts, estimates and circumstances, as to the reasonable expectations regarding the amount, expenditure and use of the proceeds derived from the sale of the Bonds, as well as such other documents as may be necessary or desirable in connection with the issuance and delivery of the Bonds.

*Tax Covenants.* The Authority has agreed to do all things necessary to maintain the tax-exempt status of any tax-exempt Bonds and not to do anything that would adversely affect such tax-exempt status.

*Compliance with Continuing Disclosure Certificate.* The Authority has agreed to comply with its obligations under each Continuing Disclosure Certificate. However, a breach of this covenant shall not be deemed to be an event of default under the Resolution, and the sole remedy under the Resolution shall be an action to compel performance.

### **Events of Default**

Under the terms of the Resolution, each of the following events is an “event of default”, that is to say, if: (a) payment of the principal of and any redemption premium on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption, or (b) payment of any installment of interest shall not be made when the same becomes due and payable, or (c) the Authority shall, for any reason, be rendered incapable of fulfilling its obligations under the Resolution, (d) an order or decree shall be entered, with the consent or acquiescence of the Authority, appointing a Receiver (as defined in the Revenue Bond Law), or Receivers, of the System, or of the revenues thereof, or any proceedings shall be instituted, with the consent or acquiescence of the Authority, for the purpose of effecting a composition between the Authority and its creditors, or for the purpose of adjusting claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of the revenues of the System, or if such order or decree, having been entered without the consent and acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within sixty (60) days after entry thereof, or if such proceeding, having been instituted without the consent or acquiescence of the Authority, shall not be withdrawn, or any orders entered shall not be vacated, discharged or stayed on appeal, within sixty (60) days after the institution of such proceedings, or the entry of such orders, or (e) the Authority shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in the Resolution, on the part of the Authority to be performed, and such default shall continue for 30 days after written notice, specifying such default and requiring same to be remedied, shall have been given to the Authority by any bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it shall not be a default thereunder if the Authority shall institute corrective action and diligently pursue it until the default is cured.

### **Acceleration; Remedies**

Upon the happening and continuance of any Event of Default specified in Section 801, then and in every such case the owners of not less than fifty-five percent (55%) in the principal amount of the Bonds then outstanding may, by a notice in writing to the Authority, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in the Bonds or the Resolution to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, all arrears of interest, if any, upon the Bonds then outstanding, and all other indebtedness secured hereby, except the principal of any Bonds not then due by their terms, and the interest accrued on such Bonds since the last Interest Payment Date, shall have been paid, or shall have been provided for any deposit with the Paying Agent for such Bonds of a sum sufficient to pay the same, and every other default in the observance or performance of any

covenant, condition or agreement in the Bonds, or the Resolution, shall be made good, or, provisions therefor satisfactory to such Bondholders shall have been made, then and in every such case the owners of not less than fifty-five percent (55%) in principal amount of the Bonds then outstanding may, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to, or affect, any subsequent default or impair any right consequent thereto.

Upon the happening and continuance of any event of default, then and in every such case any bondholder may proceed, subject to provisions of the Resolution regarding equal benefit described below, to protect and enforce the rights of the bondholders under the Resolution by a suit, action or special proceedings in equity, or at law, for the specific performance of any covenant or agreement contained in the Resolution or in aid or execution of any power therein granted, or for the enforcement of any proper legal or equitable remedy as such bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

In case any proceeding taken by any bondholder on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such bondholder, then and in every such case the Authority and the bondholders shall be restored to their former positions and rights under the Resolution, respectively, and all rights, remedies, powers and duties of the bondholders shall continue as though no such proceedings had been taken.

In case any proceeding taken by any Bondholder on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondholder, then and in every such case the Authority and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondholders shall continue as though no such proceedings had been taken

No one, or more, owners of the Bonds secured by the Resolution shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for in the Resolution, or to enforce any right under the Resolution, except in the manner provided in the Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

No remedy conferred in the Resolution upon the bondholders is intended to be exclusive of any other remedy, or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given under the Resolution or now or hereafter existing at law or in equity, or by statute.

No delay or omission of any bondholder to exercise any right or power accruing upon any default occurring and continuing, shall impair any such default or be construed as an acquiescence therein and every power and remedy given by the Resolution to be owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

### **Supplemental Proceedings**

The Authority may, from time to time and at any time, with the consent of a majority in aggregate principal amount of Bonds outstanding, adopt such resolution or resolutions supplemental to the Resolution as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Resolution or in any supplemental resolution or in the Bonds; provided, however, that nothing contained in the Resolution shall permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued under the Resolution; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental resolution; or (d) the creation of any lien on the Net Revenues of the System prior to or superior to the lien created as the security for the payment of the Bonds without the consent of all the Bonds outstanding. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Nothing in the Resolution, however, shall be construed as making necessary the approval by the bondholders of any supplemental resolution (a) to cure any ambiguity or formal defect or omission in the Resolution or in any supplemental proceedings, (b) to provide for the issuance of Additional Bonds in accordance with the terms of the Resolution (including, without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Authority), (c) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders by the Authority, (d) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof, (e) to provide for the deposit into the Reserve Account of a Debt Service Reserve Surety Bond as more fully provided in the Resolution, (f) to modify, amend or supplement the Resolution or any proceedings supplemental thereto in such manner as to permit the qualification of the Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect, (g) to make any modification or amendment of the Resolution required in order to make the Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Bonds or interests therein in book-entry form, (h) to modify any of the provisions of the Resolution in any respect provided that such modification shall not be effective until after the Bonds outstanding immediately prior to the effective date of such supplemental resolution shall cease to be outstanding and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in such subsequent proceedings, or (i) to make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

After any supplemental resolution requiring the consent of the bondholders shall have been adopted, the Authority shall cause a notice of the adoption of such supplemental resolution to be mailed, postage prepaid, to Designated Representatives of the original purchaser of any Bonds.

Any supplemental resolution adopted and becoming effective in accordance with the provisions of the Resolution described above shall thereafter form a part of the Resolution and all conditions of the Resolution for any and all purposes, and shall be effective as to all owners of Bonds then outstanding and no notation or legend of such modifications and amendments shall be required to be made thereon.

Whenever referred to in the Resolution as "supplemental resolution" same shall be construed to mean such action as shall be taken by the Authority, as may be required to comply with the law then in force and effect.

In the event of the issuance of any Bonds ranking *pari passu* with the Series 2021 Bonds, then the provisions of the Resolution shall likewise be applicable in all respects to any such proceedings so authorizing such Additional Bonds and in any supplemental resolution amending such proceedings and the notice of such supplemental resolution shall be given such parity Bondholders and any such modification and amendment shall apply to any such Additional Bonds and the owners of such Additional Bonds.

Any request, waiver, direction, consent or other instrument required by the Resolution to be signed or executed by bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, or of the written appointment of such agent, and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of the Resolution and shall be conclusive in favor of the Authority with regard to any action taken under such instrument:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction, who by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The fact of the ownership of the Bonds shall be determined and proved by reference to the bond registration book kept by the Bond Registrar for such issue of Bonds and the Authority may conclusively assume that such ownership continues until written notice to the contrary is served upon the Authority.

Any request or consent of the owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the Authority in pursuance of such request or consent.

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**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Coweta County Water and Sewerage Authority (the “Authority”) in connection with the issuance of its Revenue Bonds, Series 2024 (the “Series 2024 Bonds”). The Series 2024 Bonds are being issued pursuant to a bond resolution adopted by the Authority on May 26, 2021, as amended and restated on June 9, 2021 (as amended, the “Original Resolution”) and a parity bond resolution adopted by the Authority on March 27, 2024, as supplemented on April \_\_\_\_, 2024 (together with the Original Resolution, the “Resolution”).

The Authority hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Beneficial Owners (as herein defined) of the Series 2024 Bonds and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Authority pursuant to the Rule and this Disclosure Certificate.

“Beneficial Owners” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2024 Bonds (including persons holding Series 2024 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2024 Bonds for federal income tax purposes.

“Dissemination Agent” means the Authority, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Market Access System, which receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Authority as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the next calendar year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

“Official Statement” shall mean the Official Statement of the Authority relating to the Series 2024 Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Georgia.

“System” shall mean the water and sewerage system owned and operated by the Authority.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent (if any) to, no later than 270 days following the end of the Authority’s Fiscal Year (the “Reporting Date”), beginning for the Fiscal Year ending June 30, 2024, provide to the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Authority has appointed a Dissemination Agent, the Authority shall provide the Annual Report to such Dissemination Agent not later than 10 business days prior to the Reporting Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report (i.e., in the event that the audited financial statements have not been completed by the Reporting Date). In such event, the audited financial statements will be submitted promptly upon their availability. In the event that the audited financial statements are not available at the time of the Reporting Date and will be submitted at a later date, the Authority shall include unaudited financial statements of the Authority in the information provided to the MSRB in its Annual Report and the Authority shall indicate in the Annual Report the date on which the audited financial statements of the Authority are expected to be submitted. The audited financial statements of the Authority, when available, will be provided to the MSRB in an electronic format as prescribed by the MSRB (which as of the time hereof, is EMMA).

(b) The Authority or the Dissemination Agent (if any) shall:

(i) determine each year prior to the Reporting Date the appropriate electronic format prescribed by the MSRB for filing with the MSRB and the proper form of such filing;

(ii) if the Annual Report is not distributed/filed (or the audited financial statements which were to be separately submitted) by the date required in subsection (a), send a notice in a timely manner to the MSRB in an electronic format prescribed by the MSRB (which as of the date hereof is EMMA) in substantially the form attached hereto as Exhibit A; and

(iii) if the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and the date provided.

Section 4. Content of Annual Reports. The Authority's Annual Report for each Fiscal Year shall contain or incorporate by reference the following:

(a) The Authority's basic financial statements for the preceding Fiscal Year, which shall include the basic financial statements of the System to be prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(b) Notwithstanding the foregoing provisions of subsection (a), if at any point in time the Authority elects to prepare the basic financial statements of the System separately from those of the Authority, the Annual Report shall include the independent basic financial statements of the System, prepared in accordance with generally accepted accounting principles, as in effect from time to time and which shall be accompanied by an opinion letter, if available at the time of the submission of the Annual Report to the MSRB pursuant to Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or firm of independent certified public accountants in conformity with generally accepted auditing standards.

(c) If generally accepted accounting principles changed from the previous Fiscal Year and if such changes are material to the Authority, a narrative description (as required by Section 8 of this Disclosure Certificate) of the impact of the changes on the Authority.

(d) If the Authority's Fiscal Year has changed, a statement indicating the new Fiscal Year.

(e) To the extent not included in items provided pursuant to subsections (a) or (b) above, an update of the financial information and operating data with respect to the Authority of the type contained in the Official Statement under the captions “Water Customers,” “Water Usage,” “Largest Water Customers,” “Water Purchases,” “Water Rates and Fees,” “Wastewater Customers,” “Wastewater Treatment,” “Largest Wastewater Customers,” “Sewer Rates and Fees” and “Historical Debt Service Coverage (based on the financial statements provided pursuant to subsection (a) above).”

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB in an electronic format prescribed by the MSRB (which, as of the date hereof, is EMMA). The Authority shall clearly identify each such other document so incorporated by reference.

#### Section 5. Reporting of Significant Events.

(a) Within ten (10) business days of the occurrence of one of the following Listed Events, the Authority or the Dissemination Agent (if any) shall file a notice of such occurrence with EMMA.

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draw on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5071-TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds, or other material events affecting the tax status of the Series 2024 Bonds.
- (vii) Modifications to rights of the Beneficial Owners, if material.
- (viii) Series 2024 Bond calls, if material, and tender offers.
- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Series 2024 Bonds, if material.

(xi) Appointment of an additional or a successor trustee, or the change in name of a trustee, if material.

(xii) Ratings changes.

(xiii) Bankruptcy, insolvency, receivership or other similar event of the Authority including any of the following: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Authority or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

(xiv) The consummation of a merger, consolidation or acquisition involving the Authority, or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xv) Incurrence of a Financial Obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the obligated person, any of which affect Beneficial Owners, if material.

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) The content of any notice of the occurrence of a listed event under subsection (a) above shall be determined by the Authority and shall be in substantially the form attached as Exhibit B.

(c) For purposes of the events identified paragraphs (a)(xv) and (a)(xvi) above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.<sup>1</sup>

Section 6. Termination of Reporting Obligation. The Authority’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or

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<sup>1</sup>The Authority shall interpret the events identified in paragraphs (a)(xv) and (a)(xvi) in accordance with Release No. 34-83885 adopted by the Securities and Exchange Commission on August 20, 2018, or any future guidance or releases provided by the Securities and Exchange Commission.

payment in full of all of the Series 2024 Bonds. If the Authority's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Authority and the Authority shall have no further responsibility hereunder. The Authority will provide notice of such termination to the MSRB in an electronic format as prescribed by the MSRB (which as of the date hereof, is EMMA).

Section 7. Dissemination Agent. The Authority may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Authority may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 8. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Authority to the effect that the amendment does not violate the provisions of the Rule after taking into account any amendments or official interpretations of the Rule, as well as any change in circumstances.

In the event that this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the first Annual Report containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If the amendment or waiver relates to the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible, the comparison must also be qualitative. A notice of the change in the accounting principles shall be filed with the MSRB in an electronic format as prescribed by the MSRB (which, as of the date hereof, is EMMA) on or before the effective date of any such amendment or waiver.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, any Bondholder may initiate an action against the failing party to compel performance. A default under this Disclosure Certificate shall not be

deemed a “default” or an “event of default” under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto), and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2024 Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Participating Underwriter, and Beneficial Owners from time to time of the Series 2024 Bonds, and shall create no rights in any other person or entity.

Section 13. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney’s fees).

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

Section 16. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

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\_\_\_\_\_, 2024

COWETA COUNTY WATER AND SEWERAGE  
AUTHORITY

By: \_\_\_\_\_  
Chairperson

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Coweta County Water and Sewerage Authority (the "Authority")

Name of Bond Issue: Coweta County Water and Sewerage Authority Revenue Bonds, Series 2024 (the "Series 2024 Bonds")

CUSIP Number: \_\_\_\_\_

Date of Issuance: \_\_\_\_\_, 2024

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report due with respect to the Series 2024 Bonds as required by its Disclosure Certificate, dated \_\_\_\_\_, 2024. The Authority anticipates that the Annual Report will be filed by \_\_\_\_\_.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to \_\_\_\_\_.

Dated: \_\_\_\_\_

**COWETA COUNTY WATER AND  
SEWERAGE AUTHORITY**

By: \_\_\_\_\_  
Title:

EXHIBIT B

NOTICE TO REPOSITORIES OF THE OCCURRENCE OF  
[INSERT THE LISTED EVENT]

Relating to

Coweta County Water and Sewerage Authority Revenue Bonds, Series 2024, (the “Series 2024 Bonds”)

CUSIP NUMBER \_\_\_\_\_

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)(ix) shall include the following:

The Authority hereby expressly reserves the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The Authority hereby covenants not to exercise any optional or extraordinary redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Series 2024 Bonds have been defeased to [maturity/the first call date, which is \_\_\_\_\_]. This notice does not constitute a notice of redemption and no bonds should be delivered to the Authority as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed \_\_\_\_\_ to \_\_\_\_\_ days prior to the redemption date.]

Dated: \_\_\_\_\_

**COWETA COUNTY WATER AND  
SEWERAGE AUTHORITY**

By: \_\_\_\_\_  
Title:

**APPENDIX E**  
**ENGINEER'S REPORT**

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200 Galleria Drive, SE  
Suite 520  
Atlanta, GA 30339  
TEL 678.264.8904

[www.GarverUSA.com](http://www.GarverUSA.com)

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## **ENGINEERING REPORT**

### **WATER AND SEWER REVENUE BONDS, SERIES 2024**

FOR THE

**COWETA COUNTY WATER AND SEWERAGE AUTHORITY**

April 4, 2024

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Appendix A - Coweta County Water Master Plan – December 2022 (Appendix to document were not included and can be provided upon request)

# 1. INTRODUCTION

## 1.1. Authorization

The Coweta County Water and Sewerage Authority (the “Authority”) has authorized Garver, LLC (“Garver”) to prepare this Engineering Report, which assesses the feasibility of the Authority’s proposed issuance of approximately \$85,605,000\* million in Tax Exempt Water and Sewer Revenue Bonds (the “Series 2024 Bonds”). The Authority is proposing to issue the Series 2024 Bonds to ensure adequate financing exists for the Chattahoochee River Pump Station, Raw Water Transmission Main, and improvements to the Shenandoah Water Reclamation Facility, as described in the following report. Additionally, this report will assess the financial capacity of the Net Revenues of the System to pay the Debt Service Requirement of the Series 2024 Bonds and the Series 2021 Bonds (herein defined), all as described and defined in a Bond Resolution dated March 27, 2024, to be supplemented on or about April 24, 2024 (the “Resolution”). The ultimate purpose of this Engineering Report is to provide information pertinent to the issuance of the Series 2024 Bonds and the findings of this Engineering Report will be included in the Official Statement for the Series 2024 Bonds.

## 1.2. Scope

This Engineering Report provides a background on the Authority and the governing body; outlines the Service Delivery Areas for all relevant infrastructure of the water and sewer system (the “System”); describes existing and proposed facilities and infrastructure for the System; and outlines historical and projected financial performance. The Authority’s fiscal year (FY) starts on July 1 and continues through June 30 of the following calendar year. Historical operating results are presented for the previous five-year fiscal period from FY 2019 through FY 2023. Projected operating results are presented for FY 2024 through FY 2033. Descriptions of the principal assumptions and limitations of the analysis are also included.

The project engineering information includes the expansion of the System, generally. Through research and experience, this Engineering Report outlines a perspective that is supported with a descriptive narrative and an engineer’s estimate of probable construction costs.

## 1.3. Assumptions

In preparing this Engineering Report, Garver relied on information provided by the Authority and data from the pertinent State Agencies. The following sources of information and data were used in the drafting of this Engineering Report:

- Authority – Fiscal Year 2024 Water and Wastewater Revenue Sufficiency Study prepared by Ryper Water Analytics dated November 1, 2023 (the “Revenue Sufficiency Study”)
  - Financial information related to capital improvement program
  - Fiscal Year 2024 adopted operating budget
  - Recently completed financial results for Fiscal Year 2023
  - Fiscal-Year-to-Date 2024 financial information
  - Other financial or statistical information

\*Throughout this Engineering Report, an asterisk indicates that the information is preliminary and subject to change.

- Authority – Water Master Plan
  - Governor’s office of planning and budget population predictions
  - Census Bureau population information
  - Coweta billing data

These sources and the information obtained are believed to be accurate, specifically the information provided from audited financial reports and government sources. Since future conditions may differ from those projected in this Engineering Report, the projected operating results would also vary. However, this Engineering Report provides a reasonable assessment based on the information available and utilizes the following assumptions:

- Existing System revenues are based on current usage data for existing residential, commercial, and industrial users.
- Projected System-wide usage and revenues is based on the Revenue Sufficiency Study.
- System expenses for the water and sewer enterprise are based on the Revenue Sufficiency Study.
- It is assumed the issuance of the Series 2024 Bonds equal to approximately \$85\* Million in principal amount will occur within a timeframe established by the Authority (current delivery planned for May, 2024). The projected annual debt service requirements for the proposed Series 2024 Bonds are based on current market data for municipal bonds and may vary based on the final schedules provided by Stifel, Nicolaus and Company, Incorporated (the “Underwriter”).
- It is assumed the Authority will continue to operate all infrastructure and the respective facilities in full compliance with all federal, state and local regulations.

## **2. BACKGROUND**

### **2.1. Local Government Background**

The Coweta County Water and Sewerage Authority is headquartered at 545 Corinth Road, Newnan, GA 30263. The Authority currently serves water customers in unincorporated Coweta County and wastewater customers in portions of Coweta County. Day to day operations consist of customer services, maintenance, plant operations, finance, and human resources. (Add service area map?)

All bids for procurement of materials, goods, and services follow local procurement policies and Georgia Public Works Construction Law (O.C.G.A. 36-91-1 et. seq.). Public works construction projects greater than \$100,000 will require public bid on the Georgia Procurement Registry (GPR). All bids for construction services are required to run for four weeks and follow the applicable State and local policies for publication.

### **2.2. Service Delivery Area**

During the 1997 legislative session, House Bill 489 (The Service Delivery Strategy Law) was passed by the Georgia General Assembly to require each county and the cities within the county to adopt a Service Delivery Strategy (“SDS”) by July 1, 1999. The intent of the legislation is that local governments take a careful look at the services they provide in order to identify overlap or gaps in service provision and develop a more rational approach to allocating delivery and funding of these services among the various

local governments and authorities in each county. The legislation also asks local governments to look at their land use plans in order to minimize conflicts between the city and county plans.

The Service Delivery Strategy (SDS) process gives local governments and authorities the opportunity to reach agreement on the delivery of services in an effective and cost-efficient manner to Georgia's citizens. The intent of the Act is:

- To provide a flexible framework for local governments and authorities to agree on service delivery arrangements.
- To minimize any duplication or competition among local governments and authorities providing local services.
- To provide a method of resolving disputes among service providers regarding service delivery, funding equity and land use.

### 3. INFRASTRUCTURE ANALYSIS

#### 3.1 Existing Infrastructure

The Authority’s BT Brown and infrastructure divisions are responsible for the maintenance and treatment and delivery of water service and the wastewater division is responsible for the maintenance and treatment of wastewater. The infrastructure division is responsible for piping, tanks, and pump stations in the distribution and collection system. Following is a general description of the System services provided and the condition of existing related public infrastructure and facilities.

The Authority’s service delivery area is limited to unincorporated Coweta County for water and sewer. The Authority has control over the policy and rate setting for the operation of the System.

##### 3.1.1 Water System

Authority serves water to approximately 95,000 people through approximately 30,905 service connections. The Authority service area includes all of Coweta County except for the cities of Newnan, Grantville, and Senoia, and the towns of Turin, Sharpsburg, and Haralson. Authority produces most of its water from the BT Brown Water Treatment Plant (WTP). The remainder is purchased through wholesale contracts from the cities of Newnan, Griffin, and Atlanta. Authority has historically supplemented its water supply by pumping groundwater from the Murphy Well directly into the water distribution system. Murphy Well has been converted to a raw water source that pumps to the BT Brown Reservoir. See Table 0-1 for an inventory of Authority’s water sources. Authority is a wholesale supplier for the cities of Palmetto, Grantville, and Senoia, the town of Turin, and Heard County.

**Table 0-1. Existing Water Sources**

Name	Type
BT Brown WTP	Surface Water
Line Creek Road Supply	Imported Water from the City of Griffin
Highway 29 Supply	Imported Water from the City of Newnan
Corinth Road Supply	Imported Water from the City of Newnan
Shell Road Supply	Imported Water from the City of Atlanta

The new Chattahoochee River Pump Station and Raw Water Transmission main is intended to increase the supply from BT Brown WTP. The plant is rated for 8 million gallons per day, but storage in the reservoirs does not allow for the production rate. With the completion of these projects, the facility will be able to maximize the use of the full production volume of the plant.

See Table 0-2 for an inventory of Authority’s existing elevated storage tanks and Table 0-3 for an inventory of Authority’s existing pump stations.

**Table 0-2. Existing Elevated Storage Tanks**

Name	Zone	Hydraulic Grade Line Range (feet)	Volume (MG)
Buddy West Road Tank	Main Zone	1,097 – 1,130	1.15
Highway 154 Tank		1,092 – 1,125	1.15
Shenandoah Tank		1,090 – 1,125	1.22
East Coweta Tank <sup>(1)</sup>		1,087 – 1,120	1.15
Canongate Tank	High Pressure Zone	1,135.75 – 1,168.75	1.15
<sup>(1)</sup> The East Coweta Tank is currently offline, but will be returned to service following upgrades to the Line Creek Road pump station and the installation of a 24-inch transmission main from Line Creek to the East Coweta EST.			

**Table 0-3. Existing Pump Stations**

Name	Number of Pumps	Zone	Design Flow (gpm) <sup>(1)</sup>	Design Head (feet) <sup>(1)</sup>
BT Brown High Service Pump Station	3	Main Zone	3,472	492
Corinth Road Pump Station	2		1,400	110
Highway 29 Pump Station	2		1,389	149
Line Creek Road Pump Station	2		2,100	230
Tommy Lee Cook Road Pump Station 1	2	High Pressure Zone	680	181
Tommy Lee Cook Road Pump Station 2	2		1,490	225
<sup>(1)</sup> Design flow and head per pump.				

The minimum month, average, maximum month, and maximum day demands from 2019 through 2021 are listed in Table 3-4.

**Table 3-4. Recent Water Supplied**

Demand Condition	2021 (MGD)	2022 (MGD)	2023 (MGD)	Average (MGD)	Factor	Per Capita (gpcd) <sup>(1)</sup>	Per Connection (gpcd) <sup>(1)</sup>
Min Month	7.2	7.2	8.0	7.5	0.85	79	242
Average	8.5	9.0	9.7	9.0	1.00	95	291
Max Month	9.7	11.0	11.7	10.8	1.32	114	349
Max Day	13.4	13.5	14.1	13.6	1.54	143	440
<sup>(1)</sup> Calculated using 2023 connection count in Table							

In 2021, production at BT Brown WTP was increased significantly to account for approximately 63% of water supplied. The flow from imported sources decreased accordingly, except for Shell Road supply which was brought online with the TLC2 pump station. Authority has expressed interest in continuing this trend: increasing production from BT Brown WTP while phasing out imported supply. The Chattahoochee River Pump Station and Raw Water Transmission Main projects are both intended to accomplish this goal.

**Table 3-5. Historic System Wide Water Usage**

	Annual Gallons	Average Daily	Per Customer (GPD)
2019	2,554,043,750	6,997,380	252
2020	2,755,526,368	7,549,387	266
2021	2,657,700,329	7,281,371	248
2022	2,736,845,964	7,498,208	249
2023	2,856,310,981	7,825,510	253

Authority billed water usage is primarily residential with increasing commercial and industrial. Growth in all three types is expected to continue as rural portions of the county are further developed and large industrial and commercial facilities are established in the county.

**Table 3-6. 2023 Billed Water Usage by Type**

Billed Usage Type	Percentage of Total
Residential	57%
Industrial	18%
Municipal	12%
Commercial	10%
Church / School	1%
Uncategorized	< 1%

### **Current Customer Data**

Historic information showing the number of water connections for the 5-year fiscal period from 2019 to 2023 are shown in Table 3-7. The Historic customer data provides a basis to estimate the future connection growth.

**Table 3-7. Historic Customer Data, Water System**

	Connections
2019	27,720
2020	28,398
2021	29,321
2022	30,125
2023	30,905

The top ten customers for fiscal year 2023 provided 17.02% of total water system revenue. The top ten customers are listed in Table 3-8, on the following page. The largest water customer is Niagara

Bottling, LLC, providing 8.31% of the water charges for service. Niagara Bottling, LLC is both the largest water customer by consumption and by revenue, accounting for 392.65 million gallons in total consumption, and \$2,120,233 in total water revenues for fiscal year 2023.

**Table 3-8. Top Customers, Water System**

<b>Water Customers by Billing Amount</b>	<b>Billing</b>	<b>% of Water Revenues<sup>(1)</sup></b>	<b>Gallons</b>
Niagara Bottling, LLC	\$2,120,233	8.31%	392,650,148
City of Hogansville	\$432,770	1.70%	128,836,768
City of Grantville	\$312,646	1.23%	93,201,903
City of Senoia	\$165,095	0.65%	49,975,826
City of Palmetto	\$132,332	0.52%	40,425,150
Yamaha Motor	\$354,737	1.39%	31,094,658
Excel	\$229,631	0.90%	20,134,340
Piedmont Newnan Hospital	\$212,550	0.83%	18,917,456
10 Lakeside Way, LLC	\$192,398	0.75%	16,805,440
Gregory Packaging	\$187,664	0.75%	16,451,924
<b>Total Billing</b>	<b>\$4,340,056</b>	<b>17.02%</b>	<b>808,492,985</b>

<sup>(1)</sup> Based on total water system billings for the fiscal year ended June 30, 2023 of \$25,502,209.

### 3.1.2 Wastewater System

The wastewater treatment system consists of four treatment facilities and two decentralized sewer systems as described in more detail under the below headings. The wastewater treatment system facilities are in good condition.

*Shenandoah.* The Shenandoah Wastewater Treatment Plant (“Shenandoah”) was placed in service on June 16, 2009. This facility, located at 1519 Poplar Road, replaced a smaller treatment facility at the same location and uses ultraviolet light for disinfection instead of chlorine. Shenandoah has a 2.0 MGD capacity and averages 1.40 MGD. The collection system is comprised of approximately 33 miles of lines that convey wastewater from the White Oak commercial and residential district, 2.63 miles of collection lines that service the Highway 154/Interstate 85 corridor and 9 lift stations. A 6.3-mile sewer main extension along U.S. Highway 34 East was completed March 2011 and provides sewer service to the Highway 34 and Thomas Crossroads commercial areas. Three hundred and fifty thousand gallons per day (“GPD”) of treatment at Shenandoah was allocated for new sewer customers in connection with this project. Shenandoah also provides sewer and reclaimed water service to the Piedmont Newnan Hospital campus located on Poplar Road. Treatment capacity at Shenandoah is currently being increased as described in Section 3.2.

*Arnall/Sargent.* The Arnall/Sargent Wastewater Treatment Plant, located on Ball Street in the unincorporated community of Sargent, has a capacity of 60,000 GPD and has an average flow of 15,000 GPD. This plant was constructed in 1952 and serves the Arnall and Sargent communities in the northwestern part of the County. There are 2.36 miles of collection lines to convey wastewater to this facility.

*Arngo.* This facility, located on Bibb Road in the western part of the County, was constructed in 1960. The plant has a 100,000 GPD capacity and averages 23,000 GPD. 2.42 miles of collection lines convey wastewater to this facility.

*Twelve Parks Water Reclamation Facility.* This facility was placed in service in February 2021 and is in the eastern part of Coweta County near Sharpsburg, Georgia. The facility has a capacity of 80,750 GPD. The facility is designed to be easily expandable in the future.

*Decentralized Sewer Systems.* In fiscal year 2016, the Authority acquired four decentralized sewer systems from Newnan Utilities that are located within the County. Of the four systems located in the County, one of those has since been decommissioned and one was sold.

*Additional Facilities.* In addition to the facilities described above, the Authority also owns and operates a lift station in the East Newnan area that has an average flow of 45,000 GPD. This lift station pumps wastewater to the Wahoo Creek Water Treatment Plant operated by Newnan Utilities.

Residents of the unincorporated County not served by the System’s wastewater treatment facilities have private septic tanks.

The following table shows flow information for the past 5-year fiscal period (including annual flows, daily flows, and peak daily flows).

**Table 3-9. Historical Flow Data – Sewer**

	Annual Total (millions)	Daily Avg. (MGD)	Peak Daily Avg. (MGD)
2019	554	1.52	1.82
2020	529	1.45	1.73
2021	540	1.48	1.93
2022	555	1.52	1.78
2023	577	1.58	1.71

**Current Customer Data**

Historic information showing the number of customers for the 5-year fiscal period from 2019 to 2023 are shown in Table 3-10. The Historic customer data provides a basis to estimate the future connection growth.

The difference in the number of water and sewer accounts does not reflect a difference in the water and sewer service areas, but rather reflects that a portion of the Authority’s service area previously developed with septic tanks, which do not currently receive wastewater service.

**Table 3-10. Historic Customer Data, Sewer System**

	Connections
2019	2,433
2020	2,573
2021	2,901
2022	3,120
2023	3,352

The top ten customers for fiscal 2023 provided 40.29% of total sewer system revenue. The top ten customers are listed in Table 3-11, below. The largest sewer customer is Niagara Bottling, LLC, providing 17.63% of the sewer charges for service. Niagara Bottling, LLC is both the largest sewer customer by consumption and by revenue, accounting for 112,979,338 million gallons in total consumption, and \$842,598 in total sewer revenues for fiscal year 2023.

**Table 3-11 Historic Customer Data, Sewer System**

<b>Water Customers by Billing Amount</b>	<b>Billing</b>	<b>% of Wastewater Revenues<sup>1</sup></b>	<b>Gallons</b>
Niagara Bottling, LLC	\$842,598	17.63%	112,979,338
Yamaha Motor	\$245,261	5.13%	23,791,473
Excel	\$215,328	4.51%	17,776,708
10 Lakeside Way, LLC	\$173,410	3.63%	16,805,440
Piedmont Newnan Hospital	\$141,807	2.97%	13,717,576
RP Creekside 437, LLC	\$70,834	1.48%	6,911,209
TW Peachtree City LLC	\$64,452	1.35%	6,259,490
PetSmart, Inc.	\$58,079	1.22%	5,615,928
MP Creekside at White Oak	\$56,658	1.19%	5,559,780
Amazon.com Services, LLC	\$56,439	1.18%	5,508,580
<b>Total Billing</b>	<b>\$1,925,166</b>	<b>40.29%</b>	<b>214,925,552</b>

<sup>(1)</sup> Based on total System wastewater billings for the fiscal year ended June 30, 2023 of \$4,778,994.

### 3.2 Infrastructure Funded by the Series 2024 Bonds

There are 4 major projects that are planned each are reviewed below:

1. **Chattahoochee River Pump Station:** This project is a result of years of studies and engineering to allow for water usage from the Chattahoochee River. The Georgia Environmental Protection Division (GEPD) has issued a draft withdrawal permit for 27 MGD allowing for long-term water supply and growth for Authority. Bids for this project were opened on March 15, 2024 and construction is expected to commence in April 2024.
2. **Raw Water Transmission Main:** This transmission main is intended to supply water to the B.T. Brown Reservoir for storage prior to treatment and discharge. Phase I is included in this bond to provide resiliency to the system and allows Authority to deliver more water from B.T. Brown WTP under varying environmental conditions. Phase II of the pipeline will further improve the ability of the utility to provide even more water to the system. This project is expected to be bid April 2024.
3. **B.T. Brown WTP Improvements:** The change in water source will require improvements to the WTP to treat. These improvements will be further defined by EPD in the coming year. Projects may include improvements to chemicals for taste and odor management or granular activated carbon to capture new constituents found within the water. This project is expected to be bid March 2025.
4. **Shenandoah WWTP Improvements:** This \$58.6 million project allows for treatment capacity of additional sewer users within the service area. The corridor Authority serves is a prime location for industrial and commercial development due to close proximity to the interstate system. This project is expected to increase treatment capacity at Shenandoah

from a current maximum of 2.0 MGD to the GEPD permitted capacity of 6 MGD. This project is currently under construction having received \$35,000,000 through loans made by the Georgia Environmental Financing Authority (“GEFA”). The Authority expects to use \$22,622,583 of proceeds from the Series 2024 Bonds to complete this project.

### 3.3 Anticipated Project Costs

The projects described below will be funded by the Series 2024 Bonds. The Series 2024 Bonds estimated total in Table 3-13 represents the total costs for all capital projects described in this Engineering Report, including engineering, construction management, program management, and related professional costs.

**Table 3-12. Proposed Revenue Bond Capital Projects**

ITEM NO.	DESCRIPTION	TOTAL PRICE
1	Chattahoochee River Pump Station	27,032,160*
2	Raw Water Transmission Main – Phase I	25,000,000*
3	B.T. Brown Improvements	10,000,000*
4	Completion Shenandoah WWTP Imp.	22,622,583*
5	Additional Contingency	5,345,257*
<b>PROJECT ESTIMATED TOTAL</b>		<b>\$90,000,000*</b>
<b>FUNDING SOURCES</b>		
Series 2024 Bonds Proceeds		90,000,000*
<b>Total Sources of Funds</b>		<b>\$90,000,000*</b>

## 4 FINANCIAL FEASIBILITY ANALYSIS

To establish the financial feasibility of the projects and funding mechanisms proposed, revenues must be shown to be sufficient to meet financial obligations and coverage requirements. This Engineering Report relies on the Revenue Sufficiency Study for the projected revenues of the System, the costs of operating and maintaining the System and the resulting Net Revenues as defined in the Resolution. Historical and projected debt service on the Authority’s current and projected debt obligations including the Series 2024 Bonds has been provided by the Underwriter.

### 4.1 Historical Financial Data

The Authority’s fiscal year (FY) starts on July 1 and continues through June 30 of the following calendar year. The table shows the primary sources of operating revenues for the enterprise funds associated with the System. The primary uses of funds generated by operating revenues include personal services and operational costs. The information in this table was developed from the audited financial

statements for the Authority for the fiscal years ended June 30, 2019 through 2023 and the fiscal year 2024 budget provided by the Authority.

**Table 4-1. Five Year Historical Financial Results**

	Fiscal Years ended June 30				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Operating revenues:					
Water sales	\$19,656,268	\$21,482,303	\$20,869,733	\$23,100,715	\$25,517,159
Sewer fees	4,507,519	5,292,574	6,159,731	5,202,740	6,269,583
Water and sewer tap fees	1,054,396	1,546,351	2,118,807	1,549,535	1,634,892
Reimbursements	270,872	1,357,061	2,625,588	1,551	128,527
Other services	<u>1,454,514</u>	<u>1,536,330</u>	<u>1,506,511</u>	<u>2,139,834</u>	<u>2,900,942</u>
Total operating revenues	<u>26,943,569</u>	<u>31,214,619</u>	<u>33,280,370</u>	<u>31,994,375</u>	<u>36,451,103</u>
Operating expenses:					
Cost of sales	5,667,437	5,723,463	5,107,723	4,868,613	7,436,935
Personnel services and benefits	5,448,598	6,129,916	6,788,609	7,363,228	8,733,483
Depreciation and amort. charges	4,692,948	5,110,345	5,608,792	5,804,410	6,070,298
Other services and charges	<u>3,523,656</u>	<u>4,235,801</u>	<u>4,605,368</u>	<u>5,989,794</u>	<u>6,405,492</u>
Total operating expenses	<u>19,332,639</u>	<u>21,199,525</u>	<u>22,110,492</u>	<u>24,026,045</u>	<u>28,646,208</u>
Operating income	7,610,930	10,015,094	11,169,878	7,968,330	7,804,895
Non-operating revenues (expenses)					
Interest income	233,890	375,538	51,617	135,419	836,189
Amortization	(482,974)	(277,265)	(277,262)	(1,971,600)	(1,123,591)
Interest charges	(3,054,659)	(3,065,531)	(2,943,844)	(2,035,341)	(2,219,181)
Contributions – DRIP Program	-	115,083	133,695	127,123	113,031
Awards – DRIP Program	-	-	(67,500)	(75,000)	(346,550)
Lease revenue	-	-	18,041	18,041	18,044
Net increase in the fair value of investments	132,127	166,578	-	(66)	71
Loss on extinguishment of debt	(1,137,490)	-	-	-	-
Gain (loss) on disposal of assets	<u>38,973</u>	<u>(275,363)</u>	<u>89,512</u>	<u>-</u>	<u>23,814</u>
Total non-operating revenues (expenses)	<u>(4,270,133)</u>	<u>(2,960,960)</u>	<u>(2,995,741)</u>	<u>(3,801,424)</u>	<u>(2,698,173)</u>
Change in net position before capital contributions	<u>3,340,797</u>	<u>7,054,134</u>	<u>8,174,137</u>	<u>4,166,906</u>	<u>5,106,722</u>
Capital Contributions:					
Contributed lines	992,494	5,341,611	1,292,765	3,164,864	4,083,818
CDBG Grant	-	342,114	258,024	-	-
Total capital contributions	<u>992,494</u>	<u>5,683,725</u>	<u>1,550,789</u>	<u>3,164,864</u>	<u>4,083,818</u>
Change in net position	4,333,291	12,737,859	9,724,926	7,331,770	9,190,540
Net position, beginning of year	<u>80,286,378</u>	<u>84,619,669</u>	<u>97,356,740</u>	<u>107,081,666</u>	<u>114,413,436</u>
Net position, end of year	<u>\$84,619,669</u>	<u>\$97,357,528</u>	<u>\$107,081,666</u>	<u>\$114,413,436</u>	<u>\$123,603,976</u>

## 4.2 Other Potential Economic Development Resources

The engineering, property acquisition, and a portion of the Shenandoah WWTP project has been funded by GEFA loans. The remaining construction for this program is intended to be funded by the Series 2024 Bonds. No grant funding has been provided.

## 4.3 Population Analysis

The population of Coweta County has experienced a 2% level of growth over the past decade (2010 through 2020), according to recently released data from the U.S. Census Bureau. The master plan population predictions are shown below in Figure 4-1.

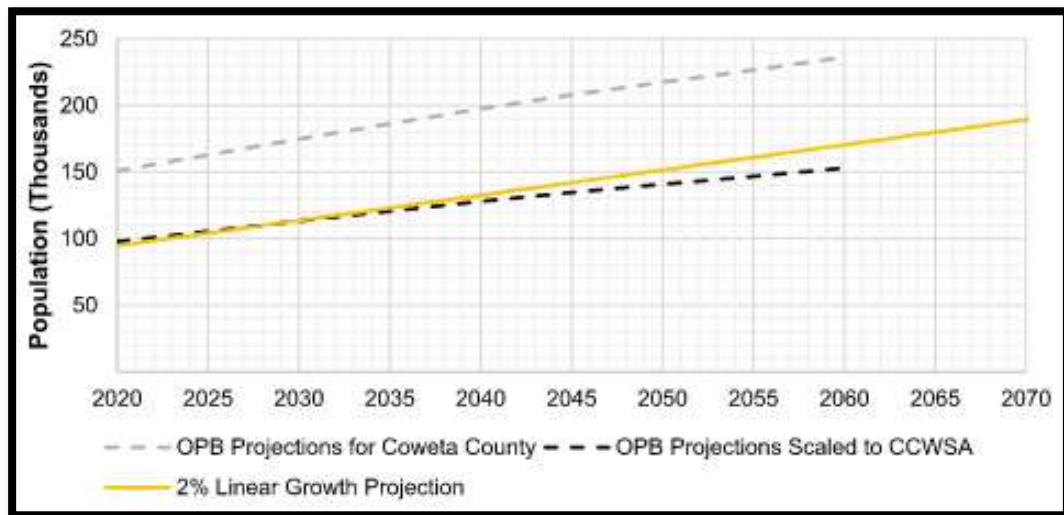


Figure 4-1. Projection Population for Authority Service Area

The population projections included in this Engineering Report are for reference purposes and are calculated utilizing the best data available. These projections have limited impact on the anticipated revenues from the proposed economic development project; the basis for those calculations will come from customer base data, which better reflects how revenues are generated.

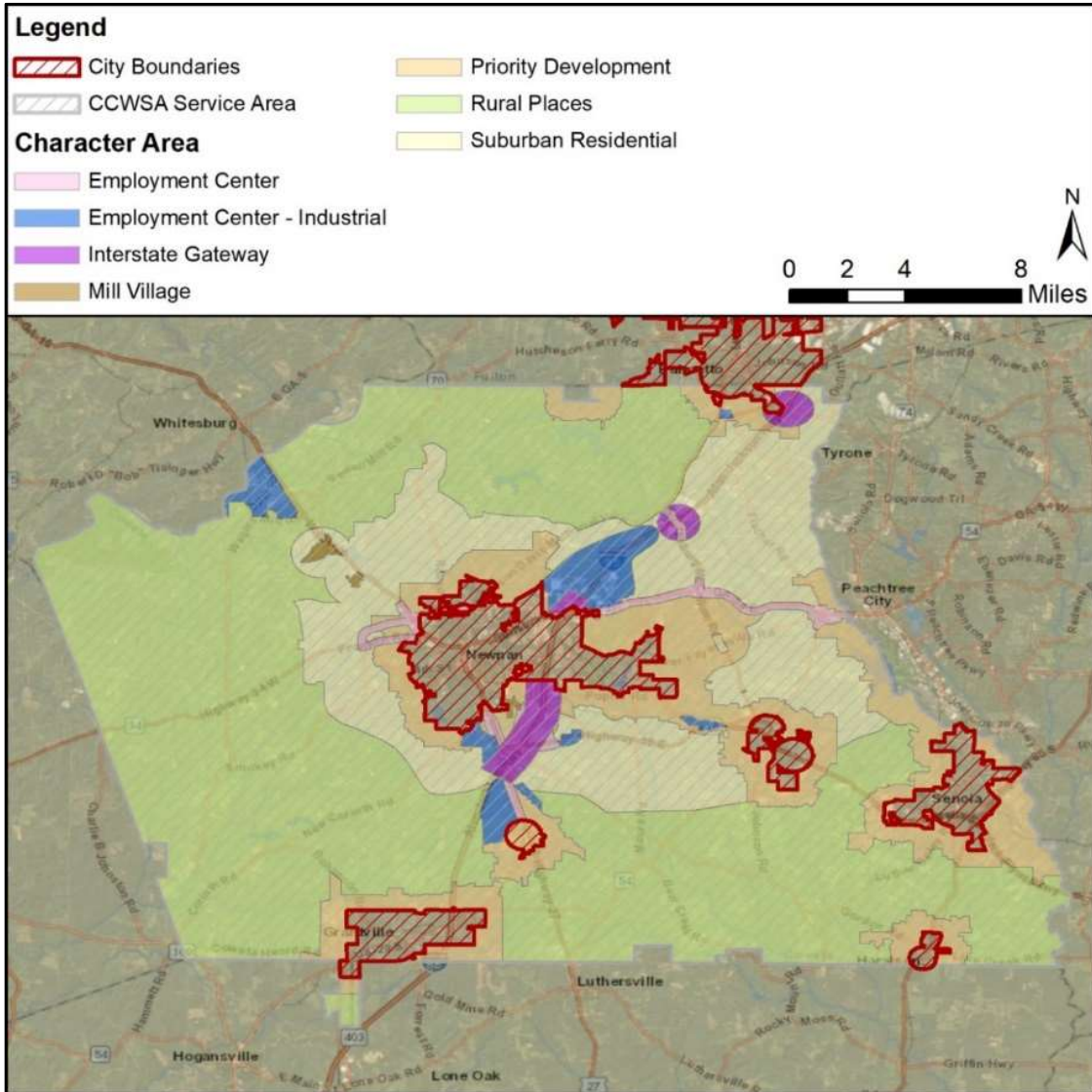
## 4.4 Projected Customer Base

Recent historical water demands were combined with population projections to produce water demand projections over the 50-year planning horizon. An additional allocation was included to account for future large industrial customers. Over the past year, Authority has received several industrial flow requests for over 1 MGD. Planning for potential large water users is imperative to Coweta County's long-term economic development. Authority must have the water supply and transmission infrastructure in place to accommodate future industrial customers. Accordingly, a 10 MGD industrial allocation was derived based on the parameters listed in Table 4-2. Industrial corridors identified in the 2021–2041 Coweta County Comprehensive Plan are delineated in Figure 4-2.

**Table 4-2. Industrial Demand Allocation**

Parameter	Basis	Value
Industrial Water Use Rate	Median consumption from the top 10 industrial users in 2021.	2,000 gpd/acre
Industrial Area	Area within the “Employment Center – Industrial” character area from the 2021–2041 Comprehensive Plan without an existing water service connection.	5,000 acres
Industrial Water Use	Calculated from the above parameters.	10 MGD

**Figure 4-2. Coweta County Comprehensive Plan Character Areas**



Water demand projections are shown in Table 4-3. The following key assumptions were made:

- 2% linear population growth
  - 2020 baseline population of 94,644
  - 92 gpcd average demand for existing customers
  - 60 gpcd average demand for new customers

- 10 MGD total average allocation for new industrial customers
  - 5 MGD initial average allocation
  - 1.54 scaling factor for maximum day industrial demands
  - The median minimum month and maximum month scaling factors were approximately equivalent between the top 40 largest industrial users and system wide demands

**Table 4-3. Water Demand Projections**

Industrial Demand	Demand Condition	Current (2022)	5-yr (2027)	10-yr (2032)	25-yr (2047)	50-yr (2072)
Without Industrial Allocation	Min Month	7.6	8.1	8.6	10.1	12.5
	Average	8.9	9.5	10.1	11.8	14.6
	Max Month	11.9	12.6	13.4	15.6	19.4
	Max Day	13.7	14.6	15.5	18.1	22.4
With Full Industrial Allocation	Min Month	12.1	13.0	13.9	16.6	21.0
	Average	14.1	15.2	16.2	19.4	24.6
	Max Month	18.7	20.1	21.5	25.6	32.5
	Max Day	21.7	23.3	25.0	29.8	37.9

The projected customer base for average annual customers and volume of water billed for 2024 through 2033, which ties to the projected revenues and operating expenses of the System, is included on the following pages in Table 4-4 and Table 4-5.

**Table 4-4. Projected Water Customers**

Coweta County Water and Sewerage Authority  
Calculation of Projected Water Customer Demands

Line No.	Description	Historical	Projected - Fiscal Year Ending June 30,									
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Water System</b>												
<u>Residential</u>												
1	Estimated Annual Customer Growth		900	875	850	450	400	350	300	250	200	200
2	Average Annual Customers	32,414	33,314	34,189	35,039	35,489	35,889	36,239	36,539	36,789	36,989	37,189
3	Total Billed Sales - Kgals	1,657,953	1,703,012	1,747,742	1,791,194	1,814,198	1,834,646	1,852,538	1,867,874	1,880,654	1,890,878	1,901,102
4	Avg. Monthly Demand Per Acct. - Gallons	4,262	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260	4,260
<u>Commercial</u>												
5	Estimated Annual Customer Growth		5	5	5	5	5	5	5	5	5	5
6	Average Annual Customers	1,022	1,027	1,032	1,037	1,042	1,047	1,052	1,057	1,062	1,067	1,072
7	Total Billed Sales - Kgals	274,069	275,318	276,659	277,999	279,339	280,680	282,020	283,361	284,701	286,041	287,382
8	Avg. Monthly Demand Per Acct. - Gallons	22,347	22,340	22,340	22,340	22,340	22,340	22,340	22,340	22,340	22,340	22,340
<u>Industrial</u>												
9	Estimated Incremental Growth - MGD-ADF		-	-	-	0.550	-	-	-	-	-	-
10	Estimated Incremental Growth - Customers		-	-	-	150.71	-	-	-	-	-	-
11	Estimated Annual Customer Growth		-	-	-	-	-	-	-	-	-	-
12	Average Annual Customers	79	79	79	79	230	230	230	230	230	230	230
13	Total Billed Sales - Kgals	105,519	105,228	105,228	105,228	305,978	305,978	305,978	305,978	305,978	305,978	305,978
14	Avg. Monthly Demand Per Acct. - Gallons	111,307	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000
<u>Schools / Churches</u>												
15	Estimated Annual Customer Growth		-	-	-	-	-	-	-	-	-	-
16	Average Annual Customers	124	124	124	124	124	124	124	124	124	124	124
17	Total Billed Sales - Kgals	35,968	35,861	35,861	35,861	35,861	35,861	35,861	35,861	35,861	35,861	35,861
18	Avg. Monthly Demand Per Acct. - Gallons	24,172	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100	24,100
<u>Niagara Bottling</u>												
19	Estimated Annual Customer Growth		-	-	-	-	-	-	-	-	-	-
20	Average Annual Customers	1	1	1	1	1	1	1	1	1	1	1
21	Total Billed Sales - Kgals	395,738	394,800	394,800	394,800	394,800	394,800	394,800	394,800	394,800	394,800	394,800
22	Avg. Monthly Demand Per Acct. - Gallons	32,978,167	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000	32,900,000
<u>Municipal Users</u>												
23	Estimated Annual Customer Growth		-	-	-	-	-	-	-	-	-	-
24	Average Annual Customers	20	20	20	20	20	20	20	20	20	20	20
25	Total Billed Sales - Kgals	329,840	328,800	328,800	328,800	328,800	328,800	328,800	328,800	328,800	328,800	328,800
26	Avg. Monthly Demand Per Acct. - Gallons	1,374,333	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000	1,370,000
<u>Fire Protection / Hydrants</u>												
27	Estimated Annual Customer Growth		-	-	-	-	-	-	-	-	-	-
28	Average Annual Customers	367	367	367	367	367	367	367	367	367	367	367
29	Total Billed Sales - Kgals	11,413	11,406	11,406	11,406	11,406	11,406	11,406	11,406	11,406	11,406	11,406
30	Avg. Monthly Demand Per Acct. - Gallons	2,592	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590	2,590
<b>Total Water System</b>												
31	Average Annual Accounts	34,027	34,932	35,812	36,667	37,273	37,678	38,033	38,338	38,593	38,798	39,003
32	Total Billed Sales - Kgals	2,810,500	2,854,425	2,900,495	2,945,288	3,170,382	3,192,171	3,211,403	3,228,079	3,242,200	3,253,764	3,265,329
33	Estimated - Unaccounted For Water	530,470	538,852	547,550	556,005	598,498	602,611	606,242	609,390	612,056	614,239	616,422
34	Total Water Purchased & Produced	3,340,970	3,393,277	3,448,045	3,501,293	3,768,880	3,794,782	3,817,645	3,837,470	3,854,256	3,868,003	3,881,751

Source: Revenue Sufficiency Study

**Table 4-5. Projected Wastewater Customers**

Coweta County Water and Sewerage Authority  
Calculation of Projected Wastewater Customer Demands

Line No.	Description	Historical	Projected - Fiscal Year Ending June 30,									
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Wastewater System</b>												
<u>Residential</u>												
1	Estimated Annual Customer Growth		250	250	250	250	165	165	165	165	165	165
2	Average Annual Customers	2,806	3,056	3,306	3,556	3,806	3,971	4,136	4,301	4,466	4,631	4,796
3	Total Billed Sales - Kgals	116,641	126,885	137,265	147,645	158,025	164,876	171,727	178,578	185,428	192,279	199,130
4	Avg. Monthly Demand Per Acct. - Gallons	3,464	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460
<u>Commercial</u>												
5	Estimated Incremental Growth - MGD-ADF		-	-	-	0.275	-	-	-	-	-	-
6	Estimated Incremental Growth - Customers					139.43						
7	Estimated Annual Customer Growth		5	5	5	5	5	5	5	5	5	5
8	Average Annual Customers	350	355	360	365	509	514	519	524	529	534	539
7	Total Metered Wastewater - Kgals	285,673	289,748	293,829	297,910	415,795	419,876	423,957	428,038	432,119	436,200	440,281
8	Estimated WW Credits - Kgals [1]	(33,710)	(34,191)	(34,672)	(35,154)	(49,065)	(49,546)	(50,028)	(50,509)	(50,991)	(51,473)	(51,954)
9	Total Billed Sales - Kgals	251,963	255,557	259,157	262,756	366,731	370,330	373,929	377,529	381,128	384,728	388,327
10	Avg. Monthly Demand Per Acct. - Gallons	59,991	59,990	59,990	59,990	59,990	59,990	59,990	59,990	59,990	59,990	59,990
<u>Schools / Churches</u>												
11	Estimated Annual Customer Growth		-	-	-	-	-	-	-	-	-	-
12	Average Annual Customers	26	26	26	26	26	26	26	26	26	26	26
13	Total Billed Sales - Kgals	18,989	18,970	18,970	18,970	18,970	18,970	18,970	18,970	18,970	18,970	18,970
14	Avg. Monthly Demand Per Acct. - Gallons	60,862	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800
<u>Niagara Bottling</u>												
15	Estimated Annual Customer Growth		-	-	-	-	-	-	-	-	-	-
16	Average Annual Customers	1	1	1	1	1	1	1	1	1	1	1
15	Total Metered Wastewater - Kgals	119,536	127,837	127,837	127,837	127,837	127,837	127,837	127,837	127,837	127,837	127,837
16	Estimated WW Credits - Kgals [1]	(6,775)	(15,085)	(15,085)	(15,085)	(15,085)	(15,085)	(15,085)	(15,085)	(15,085)	(15,085)	(15,085)
17	Total Billed Sales - Kgals	112,761	112,752	112,752	112,752	112,752	112,752	112,752	112,752	112,752	112,752	112,752
18	Avg. Monthly Demand Per Acct. - Gallons	9,396,783	9,396,000	9,396,000	9,396,000	9,396,000	9,396,000	9,396,000	9,396,000	9,396,000	9,396,000	9,396,000
<b>Total Water System</b>												
19	Average Annual Accounts	3,183	3,438	3,693	3,948	4,342	4,512	4,682	4,852	5,022	5,192	5,362
20	Total Billed Sales - Kgals	500,354	514,164	528,144	542,123	656,477	666,928	677,378	687,828	698,278	708,728	719,179

**Footnotes:**

[1] Amounts shown represent wastewater credits applied to customer's bills for water evaporation associated with cooling towers.

Customer Name	Kgals Credited
<b>Commercial</b>	
B-Way	6,445
Excel	2,106
Gregory Packaging	11,985
PetSmart	335
Piedmont Hospital	4,949
WY Industries	755
Yamaha	7,135
<b>Total Commercial WW Credited Kgals</b>	<b>33,710</b>
<b>Industrial</b>	
Niagara	6,775
<b>Total Industrial WW Credited Kgals</b>	<b>6,775</b>

Source: Revenue Sufficiency Study

## 4.5 Water and Sewer Rate Structure

The Authority has established monthly user rates and charges for residential and commercial water and sewer service. The rates are adopted pursuant to an adopted rate policy which allows Authority management to semiannually review the retail water and wastewater rates and consider adjustments to such rates based on the rate of change to the Consumer Price Index, South Region (the “CPI Rate Policy”) as published by the Bureau of Labor Statistics. This semi-annual rate indexing policy limits the maximum rate adjustment in any twelve month period to the percentage change in the CPI over the previous twelve month period, plus five percent (5.0%). The most recent adjustment, which increased water and wastewater rates by approximately 2.5% and 2.5%, respectively, became effective on January 22, 2024. **Adjustments to the monthly user rates and charges does not require approval by the Authority’s board members.**

The water service rates set forth below became effective for customers on January 22, 2024.

### Residential Water Rates

\$18.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 – 4,000 Gallons	\$6.01 Per 1,000 Gallons
4,001 – 10,000 Gallons	\$8.43 Per 1,000 Gallons
10,001 – 20,000 Gallons	\$9.80 Per 1,000 Gallons
20,001 Gallons and Above	\$11.91 Per 1,000 Gallons

### Commercial/Industrial Water Rates

\$28.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 – 4,000 Gallons	\$6.95 Per 1,000 Gallons
4,001 – 10,000 Gallons	\$9.16 Per 1,000 Gallons
10,001 – 20,000 Gallons	\$10.51 Per 1,000 Gallons
20,001 Gallons and Above	\$11.91 Per 1,000 Gallons

### Church and School Water Rates

\$18.00 Base Charge  
\$6.0675 Per 1,000 Gallons

### Residential Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$1,400
1"	\$1,650

Commercial, Industrial and Multifamily Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$2,100
1"	\$2,600
2"	\$7,550
Larger Than 1"	Negotiated

Church Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$1,400
1"	\$1,650

---

Source: Coweta County Water and Sewerage Authority.

The sewer service rates set forth below became effective for customers on January 22, 2024.

Residential Sewer Rates

\$18.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 - 4,000 Gallons	\$6.32 Per 1,000 Gallons
4,001 - 10,000 Gallons	\$8.22 Per 1,000 Gallons
10,001 - 20,000 Gallons	\$9.48 Per 1,000 Gallons
20,001 Gallons and Above	\$10.74 Per 1,000 Gallons

Commercial/Industrial Sewer Rates

\$28.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 - 4,000 Gallons	\$6.32 Per 1,000 Gallons
4,001 - 10,000 Gallons	\$8.22 Per 1,000 Gallons
10,001 - 20,000 Gallons	\$9.48 Per 1,000 Gallons
20,001 Gallons and Above	\$10.74 Per 1,000 Gallons

Church and School Sewer Rates

\$18.00 Base Charge  
\$6.06 Per 1,000 Gallons

Residential Sewer Connection Fees

<u>Area</u>	<u>Cost</u>
All	\$1,350

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Source: Coweta County Water and Sewerage Authority.

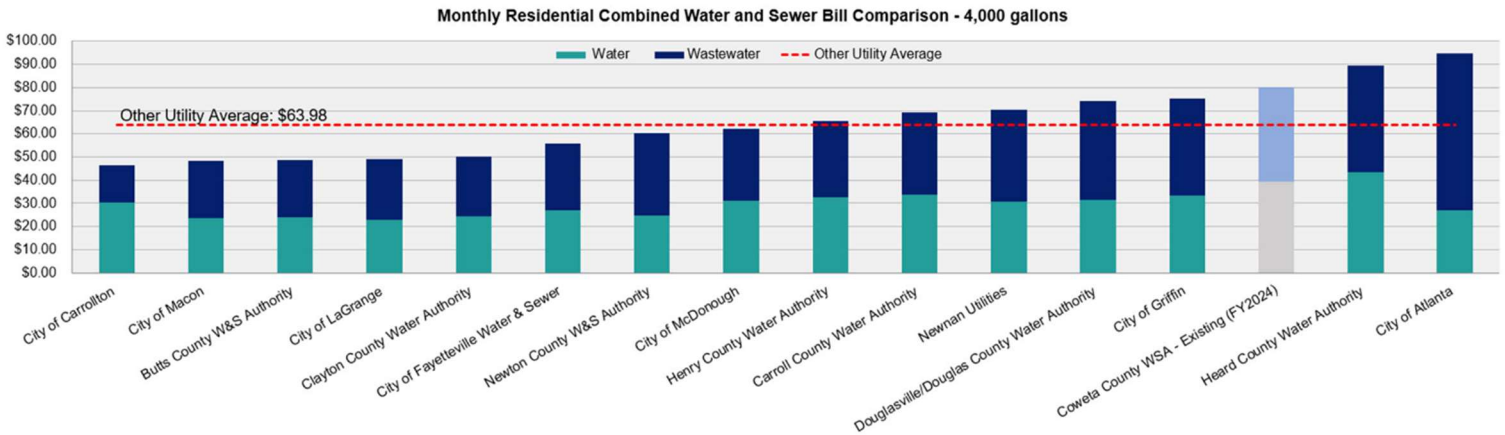
Commercial, Industrial, School and Multifamily Connection Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$2,100
1"	\$2,600
2"	\$7,550
Larger Than 1"	Negotiated

**4.6 Water and Sewer Rate Comparison with Utilities of Similar Size**

Figure 4-3 illustrates the Authority’s residential customers can expect to pay approximately \$40 per month for 4,000 gallons of water and \$40 per month for 4,000 gallons of sewer (\$80.00 combined). This is compared to a combined average of \$63.98 per month paid by customers of neighboring utilities.

**Figure 4-3. Water Rate Comparison of Similar Sized Utilities**



**4.7 Projected Revenues and Expenses –**

***Sourced from the Revenue Sufficiency Study***

The projected operating revenues and expenses of the System as seen in Table 4-6 applies current rates and charges and the current mode of operation where monthly user rates are tied to the CPI Rate Policy. The projected water and wastewater sales revenues assume monthly user rates increase 2.5% annually. The projected volume of water and wastewater sold is shown in Table 4-4 and 4-5. This results in water and wastewater sales revenues increasing at a compound annual growth rate of 1.5% and 3.7%, respectively. It should be noted, the forecast derives 88% of total System revenues from water and wastewater sales.

The forecast of operating expenses relies on various escalation factors ranging from approximately 2.2% to 6.3%. On average, the annual compound growth rate of operating and maintenance expenses is 3.3%. A breakdown of escalation factors can be seen in Table 4-7 below. The cost of purchased water is the largest cost center in the forecast period accounting for 25% of total operating and maintenance expenses. It is estimated that this cost will decline with the completion of the Line Creek Project which was funded with the Series 2021 Bonds and recently completed. This project will allow the Authority to receive its full take-or-pay minimum requirement of five (5) million gallons per day from the City of Griffin. It is estimated that this change in Authority operations will result in a reduction in the total purchased water

expense of approximately \$1,190,000 annually, commencing in Fiscal Year 2027. The forecast of water purchases can be seen in Table 4-8. Excluding the cost of Purchase of Water, all other operating and maintenance expenses are projected to increase by an average annual compound growth rate of approximately 4.3% during the Forecast Period.

**Table 4-6. Summary of Projected Operating Revenues and Expenses**

Summary of Projected Revenues - Forecast Period (\$,000s) [1]										
Authority	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Water Revenues	\$26,418	\$26,907	\$27,382	\$29,966	\$30,199	\$30,404	\$30,582	\$30,733	\$30,857	\$30,981
Wastewater Revenues	\$4,987	\$5,139	\$5,290	\$6,465	\$6,578	\$6,690	\$6,803	\$6,915	\$7,028	\$7,141
Revenues - CPI Rate Policy	\$262	\$1,069	\$1,913	\$2,872	\$3,863	\$4,887	\$5,943	\$7,033	\$8,156	\$9,313
Capacity Fees	\$918	\$918	\$918	\$1,420	\$612	\$612	\$612	\$612	\$612	\$612
Miscellaneous Fees	\$4,385	\$4,447	\$4,512	\$4,454	\$3,977	\$4,017	\$4,061	\$4,108	\$4,159	\$4,284
Investment Income	\$557	\$416	\$443	\$525	\$526	\$515	\$492	\$457	\$416	\$370
<b>Total Revenues</b>	<b>\$37,526</b>	<b>\$38,895</b>	<b>\$40,458</b>	<b>\$45,702</b>	<b>\$45,754</b>	<b>\$47,124</b>	<b>\$48,493</b>	<b>\$49,858</b>	<b>\$51,229</b>	<b>\$52,701</b>

Summary of Projected Operating and Maintenance Expenses - Forecast Period (\$,000s) [1]										
Authority	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Customer Care	\$1,816	\$1,833	\$1,894	\$1,958	\$2,024	\$2,093	\$2,165	\$2,240	\$2,317	\$2,398
Purchase of Water	\$7,447	\$7,586	\$6,444	\$6,603	\$6,765	\$6,932	\$7,107	\$7,288	\$7,472	\$7,679
Wastewater Operations	\$3,021	\$3,152	\$3,289	\$3,432	\$3,583	\$3,740	\$3,905	\$4,078	\$4,260	\$4,450
Admin. and Finance	\$2,865	\$2,825	\$2,934	\$3,048	\$3,167	\$3,291	\$3,420	\$3,554	\$3,694	\$3,840
Infrastructure	\$3,822	\$3,994	\$4,173	\$4,361	\$4,558	\$4,764	\$4,980	\$5,206	\$5,443	\$5,691
BT Brown WTP	\$3,544	\$3,716	\$3,898	\$4,310	\$4,515	\$4,731	\$4,958	\$5,197	\$5,447	\$5,711
Engineering	\$586	\$612	\$638	\$666	\$695	\$726	\$757	\$790	\$825	\$861
Cross Connection	\$1,177	\$1,229	\$1,283	\$1,340	\$1,399	\$1,461	\$1,527	\$1,595	\$1,666	\$1,741
Maintenance	\$797	\$833	\$870	\$909	\$951	\$994	\$1,039	\$1,086	\$1,136	\$1,188
Information Technology	\$704	\$720	\$735	\$750	\$767	\$784	\$801	\$818	\$836	\$855
Safety	\$28	\$29	\$29	\$30	\$31	\$32	\$33	\$34	\$35	\$36
<b>Total Operating Expenses</b>	<b>\$25,807</b>	<b>\$26,528</b>	<b>\$26,188</b>	<b>\$27,407</b>	<b>\$28,455</b>	<b>\$29,548</b>	<b>\$30,692</b>	<b>\$31,887</b>	<b>\$33,142</b>	<b>\$34,450</b>
<b>Annual Change</b>	<b>N/A</b>	<b>2.8%</b>	<b>(1.3%)</b>	<b>4.7%</b>	<b>3.8%</b>	<b>3.8%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>	<b>3.9%</b>

**Table 4-7. Summary of Operating Expense Escalation Factors**

Description	Alloc. Reference	Fiscal Year Ending June 30,										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
General Inflation (Consumer Price Index)	Inflation	100.00%	102.20%	102.10%	102.10%	102.20%	102.20%	102.20%	102.20%	102.20%	102.20%	102.20%
CPI Inflationary Rate Adjustments	CPI Rates	100.00%	103.26%	103.26%	103.26%	103.26%	103.26%	103.26%	103.26%	103.26%	103.26%	103.26%
Annual COL Adjustments to Labor	Labor	100.00%	104.00%	104.00%	104.00%	104.00%	104.00%	104.00%	104.00%	104.00%	104.00%	104.00%
Bureau of Labor Statistics - Electricity	Electric	100.00%	105.72%	105.72%	105.72%	105.72%	105.72%	105.72%	105.72%	105.72%	105.72%	105.72%
Bureau of Labor Statistics - Industrial Chemicals	Chem	100.00%	105.45%	105.45%	105.45%	105.45%	105.45%	105.45%	105.45%	105.45%	105.45%	105.45%
Bureau of Labor Statistics - Fuel Oil	Fuel	100.00%	106.28%	106.28%	106.28%	106.28%	106.28%	106.28%	106.28%	106.28%	106.28%	106.28%
Property/General Insurance Liability	Prop. Insurance	100.00%	105.50%	105.50%	105.50%	105.50%	105.50%	105.50%	105.50%	105.50%	105.50%	105.50%
Employee Health and Workmans Comp Insuranc	Health	100.00%	106.00%	106.00%	106.00%	106.00%	106.00%	106.00%	106.00%	106.00%	106.00%	106.00%
ENR - Construction Cost Index	ENR	100.00%	104.97%	104.97%	104.97%	104.97%	104.97%	104.97%	104.97%	104.97%	104.97%	104.97%
Constant - No Escalation	Constant	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Table 4-8. Projected City of Griffin wholesale Water Purchases**

Calculation of Water Produced By Griffin (Prior Fiscal Year)												
Other Griffin Water Uses - Annual Change (Percent)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other Griffin Water Uses - Annual Flow (Kgals)	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667	2,246,667
Coweta County WSA - Annual Change (Percent)		29.21%	1.57%	89.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Coweta County WSA - Annual Flow (Kgals)	735,273	950,070	964,944	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000
Total Water Produced By Griffin (Prior Fiscal Year)	2,981,940	3,196,737	3,211,611	4,071,667	4,071,667	4,071,667	4,071,667	4,071,667	4,071,667	4,071,667	4,071,667	4,071,667
Metered Water Delivered (Kgals)	950,070	950,070	964,944	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000
Undelivered Water - Percent of Take-or-Pay Minimum	47.2%	47.9%	47.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Undelivered Water (Kgals)	849,930	874,930	860,056	-	-	-	-	-	-	-	-	-
Take-or-Pay Minimum Flow Requirement (Kgals)	1,800,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000
Recognized Purchased Wholesale Water (Max Delivered)	1,800,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000
Effective Wholesale Rate Per Kgal	\$ 3.421	\$ 3.300	\$ 3.349	\$ 2.696	\$ 2.753	\$ 2.812	\$ 2.873	\$ 2.936	\$ 3.002	\$ 3.072	\$ 3.144	\$ 3.144
<b>City of Griffin - Wholesale Water Expense</b>	<b>\$ 6,156,939</b>	<b>\$ 6,022,500</b>	<b>\$ 6,111,925</b>	<b>\$ 4,920,200</b>	<b>\$ 5,024,225</b>	<b>\$ 5,131,900</b>	<b>\$ 5,243,225</b>	<b>\$ 5,358,200</b>	<b>\$ 5,478,650</b>	<b>\$ 5,606,400</b>	<b>\$ 5,737,800</b>	<b>\$ 5,737,800</b>

## 4.8. Debt Service and Coverage Ratios

In order to determine the feasibility of repayment on the proposed Series 2024 Bonds, the projected Net Revenues are compared against existing and proposed debt secured by a 1<sup>st</sup> lien on the Authority's Net Revenues.

#### 4.8.1 Existing Debt Service

The Authority has existing debt related to the System as described below, which includes its Series 2021A, 2021B, 2021C, and 2021D Revenue Bonds (the “Series 2021 Bonds”), which are secured by a 1<sup>st</sup> lien on the Authority’s Net Revenues on a parity with the Series 2024 Bonds, and certain loans made by the Georgia Environmental Finance Authority (“GEFA”), payment of which is subordinate to the Series 2021 Bonds and the proposed Series 2024 Bonds. All information was provided by the Authority and, where applicable, compared with the most current audit information available. Debt service on GEFA loans prior to 2028 is estimated based on the expected completion date of the projects financed.

**Table 4-9. Existing Debt Obligations**

FYE June 30	Series 2021 Bonds <sup>1</sup>			Subordinate GEFA Loans <sup>2</sup>			Aggregate Combined
	Principal	Interest	Total	Principal	Interest	Total	Debt Service
2024	\$2,970,000	\$2,078,342	\$5,048,342	67,052	198,648	265,700	\$5,314,042
2025	3,113,000	1,935,371	5,048,371	1,076,665	304,641	1,381,307	6,429,677
2026	3,204,000	1,844,691	5,048,691	1,147,461	329,726	1,477,187	6,525,877
2027	3,268,000	1,780,202	5,048,202	1,311,389	313,450	1,624,838	6,673,041
2028	3,334,000	1,714,426	5,048,426	1,374,356	316,685	1,691,041	6,739,467
2029	3,401,000	1,647,320	5,048,320	1,386,348	304,693	1,691,041	6,739,361
2030	3,469,000	1,578,860	5,047,860	1,398,444	292,597	1,691,041	6,738,901
2031	3,539,000	1,509,047	5,048,047	1,410,646	280,395	1,691,041	6,739,088
2032	3,611,000	1,437,316	5,048,316	1,422,955	268,086	1,691,041	6,739,357
2033	3,683,000	1,364,321	5,047,321	1,435,371	255,670	1,691,041	6,738,361
2034	3,762,000	1,285,761	5,047,761	1,447,895	243,146	1,691,041	6,738,801
2035	3,843,000	1,204,809	5,047,809	1,460,529	230,512	1,691,041	6,738,849
2036	3,946,000	1,101,251	5,047,251	1,473,272	217,768	1,691,041	6,738,291
2037	4,040,000	1,007,229	5,047,229	1,486,128	204,913	1,691,041	6,738,270
2038	4,137,000	910,490	5,047,490	1,499,095	191,946	1,691,041	6,738,530
2039	4,237,000	810,502	5,047,502	1,512,175	178,866	1,691,041	6,738,543
2040	4,339,000	708,223	5,047,223	1,525,370	165,671	1,691,041	6,738,264
2041	4,435,000	609,986	5,044,986	1,538,680	152,361	1,691,041	6,736,026
2042	4,515,000	511,831	5,026,831	1,552,106	138,935	1,691,041	6,717,872
2043	4,990,000	392,438	5,382,438	1,565,648	125,392	1,691,041	7,073,478
2044	5,110,000	259,538	5,369,538	1,499,199	111,761	1,610,960	6,980,497
2045	5,230,000	134,938	5,364,938	1,109,926	100,631	1,210,557	6,575,494
2046	210,000	5,338	215,338	1,119,509	91,048	1,210,557	1,425,894
2047				1,129,175	81,382	1,210,557	1,210,557
2048				1,138,924	71,633	1,210,557	1,210,557
2049				1,148,757	61,799	1,210,557	1,210,557
2050				1,158,676	51,881	1,210,557	1,210,557
2051				1,168,680	41,877	1,210,557	1,210,557
2052				1,178,770	31,787	1,210,557	1,210,557
2053				1,188,948	21,609	1,210,557	1,210,557
2054				1,199,213	11,344	1,210,557	1,210,557
2055				339,518	4,103	343,622	343,622
2056				263,014	1,795	264,809	264,809
2057				66,108	95	66,202	66,202
	<u>\$86,386,00</u>	<u>\$25,832,22</u>	<u>\$112,218,22</u>	<u>\$40,800,00</u>	<u>\$5,396,84</u>	<u>\$46,196,84</u>	
	0	7	7	0	8	8	\$158,415,075

<sup>1</sup> Assumes the privately held taxable 3.01% Series 2021C bonds are exchanged for the tax-exempt 2.38% Series 2021E Bonds on September 2, 2024.

<sup>2</sup> The Authority has an existing loans from the Georgia Environmental Finance Authority (“GEFA”) in the aggregate amount of \$40,800,000 ranging in interest cost between 0.86% and 0.89%. For purposes of this table, the Authority has assumed payments commence on the dates listed in each loan, which range from May 1, 2024 to October 1, 2026. During the construction phase of each loan the Authority pays accrued interest on the amounts drawn.

#### 4.8.2 Proposed New Debt Service – Series 2024 Bonds\*

The previous discussion of existing debt was included to provide an accurate statement of the existing debts being serviced by the System. The Series 2024 Bonds will be issued as Additional Bonds as defined in the Resolution. The projected debt service for the Series 2024 Bonds is based on debt service schedules developed and provided by the Underwriter. The full projected annual debt service requirements for all debt obligations, outstanding debt, and proposed debt, are shown by fiscal year in the following table.

**Table 4-10: Debt Service Projection**

FYE June 30	Series 2021 Bonds <sup>1</sup>		Series 2024 Bonds <sup>*</sup>		Total Bond	Subordinate GEFA Loans <sup>2</sup>			Debt Service
	Principal	Interest (Net)	Principal	Interest (Net)	Debt Service	Principal	Interest	Total	
2024	\$2,970,000	\$2,078,342	\$0	\$0	\$5,048,342	\$67,052	\$199,143	\$266,195	\$5,314,537
2025	3,113,000	1,935,371	0	1,046,257	6,094,628	1,076,665	359,563	1,436,229	7,530,857
2026	3,204,000	1,844,691	0	3,617,324	8,666,015	1,147,461	491,770	1,639,231	10,305,246
2027	3,268,000	1,780,202	0	4,266,250	9,314,452	1,561,123	501,282	2,062,405	11,376,857
2028	3,334,000	1,714,426	0	4,266,250	9,314,676	1,628,877	499,731	2,128,608	11,443,284
2029	3,401,000	1,647,320	0	4,266,250	9,314,570	1,645,746	482,861	2,128,608	11,443,177
2030	3,469,000	1,578,860	0	4,266,250	9,314,110	1,662,815	465,793	2,128,608	11,442,718
2031	3,539,000	1,509,047	0	4,266,250	9,314,297	1,680,083	448,524	2,128,607	11,442,904
2032	3,611,000	1,437,316	0	4,266,250	9,314,566	1,697,556	431,051	2,128,608	11,443,174
2033	3,683,000	1,364,321	0	4,266,250	9,313,571	1,715,235	413,372	2,128,608	11,442,178
2034	3,762,000	1,285,761	0	4,266,250	9,314,011	1,733,123	395,484	2,128,607	11,442,618
2035	3,843,000	1,204,809	0	4,266,250	9,314,059	1,751,224	377,384	2,128,608	11,442,666
2036	3,946,000	1,101,251	0	4,266,250	9,313,501	1,769,539	359,068	2,128,607	11,442,108
2037	4,040,000	1,007,229	0	4,266,250	9,313,479	1,788,073	340,535	2,128,608	11,442,087
2038	4,137,000	910,490	0	4,266,250	9,313,740	1,806,827	321,780	2,128,607	11,442,347
2039	4,237,000	810,502	0	4,266,250	9,313,752	1,825,806	302,802	2,128,608	11,442,360
2040	4,339,000	708,223	285,000	4,266,250	9,598,473	1,845,012	283,596	2,128,608	11,727,081
2041	4,435,000	609,986	305,000	4,252,000	9,601,986	1,864,448	264,160	2,128,607	11,730,593
2042	4,515,000	511,831	335,000	4,236,750	9,598,581	1,884,117	244,490	2,128,608	11,727,189
2043	4,990,000	392,438	0	4,220,000	9,602,438	1,904,024	224,584	2,128,607	11,731,045
2044	5,110,000	259,538	0	4,220,000	9,589,538	1,844,060	204,467	2,048,527	11,638,064
2045	5,230,000	134,938	0	4,220,000	9,584,938	1,461,396	186,727	1,648,123	11,233,061
2046	210,000	5,338	5,155,000	4,220,000	9,590,338	1,477,716	170,408	1,648,123	11,238,461
2047	-	-	5,580,000	4,013,800	9,593,800	1,494,247	153,876	1,648,123	11,241,923
2048	-	-	5,860,000	3,734,800	9,594,800	1,510,993	137,130	1,648,124	11,242,924
2049	-	-	6,150,000	3,441,800	9,591,800	1,527,958	120,165	1,648,123	11,239,923
2050	-	-	6,455,000	3,134,300	9,589,300	1,545,145	102,979	1,648,124	11,237,424
2051	-	-	6,770,000	2,811,550	9,581,550	1,562,556	85,568	1,648,124	11,229,674
2052	-	-	7,100,000	2,473,050	9,573,050	1,580,195	67,929	1,648,124	11,221,174
2053	-	-	7,445,000	2,118,050	9,563,050	1,598,066	50,057	1,648,124	11,211,174
2054	-	-	7,805,000	1,745,800	9,550,800	1,616,173	31,951	1,648,124	11,198,924
2055	-	-	8,240,000	1,355,550	9,595,550	764,470	16,718	781,188	10,376,738
2056	-	-	8,675,000	922,950	9,597,950	696,110	6,266	702,376	10,300,326
2057	-	-	8,905,000	467,513	9,372,513	66,108	95	66,202	9,438,715
	\$86,386,000	\$25,832,227	\$85,065,000	\$115,978,994	\$313,262,221	\$50,800,000	\$8,741,308	\$59,541,308	\$372,803,529

<sup>1</sup> Assumes the privately held taxable 3.01% Series 2021C bonds are exchanged for the tax-exempt 2.38% Series 2021E Bonds on September 2, 2024.

<sup>2</sup> The Authority has an existing loans from the Georgia Environmental Finance Authority (“GEFA”) in the aggregate amount of \$40,800,000 ranging in interest cost between 0.86% and 0.89%. An additional \$10,000,000 1.90% loan is expected to be executed August, 2024. For purposes of this table, the Authority has assumed payments commence on the dates listed in each loan, which range from May 1, 2024 to October 1, 2026. During the construction phase of each loan the Authority pays accrued interest on the amounts drawn.

### 4.8.3 Coverage Ratios\*

Pursuant to the Resolution, the Authority shall maintain a schedule of rates, tolls, fees, and charges for the services, facilities, and commodities furnished by the System to produce funds sufficient in each fiscal year to produce Net Revenues not less than 125% of the Debt Service Requirement on the Series 2024 Bonds for the then current Sinking Fund Year (the “Debt Service Coverage Ratio”). Set forth on the following page in table 4-11 is the forecasted ratio of Net Revenues to Debt Service for the System through fiscal year 2033.

**Table 4-11. Forecasted Ratio of Net Revenues to Debt Service**  
(Revenues, Expenses, and Debt Service shown in \$000s)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
System Revenues – Table 4-3	\$37,895	\$38,895	\$40,548	\$45,702	\$45,754	\$47,124	\$48,493	\$49,858	\$51,229	\$52,701
Operating Expenses – Table 4-4	25,807	26,528	26,188	27,407	28,455	29,548	30,692	31,887	33,142	34,450
<b>Net Revenues</b>	<b>12,088</b>	<b>12,367</b>	<b>14,360</b>	<b>18,295</b>	<b>17,299</b>	<b>17,576</b>	<b>17,801</b>	<b>17,971</b>	<b>18,087</b>	<b>18,251</b>
Debt Service on Series 2021 Bonds and Series 2024 Bonds– Table 4-5	5,048	6,095	8,666	9,314	9,315	9,315	9,314	9,314	9,315	9,314
<b>Ratio of Net Revenues to Debt Service</b>	<b>2.39</b>	<b>2.03</b>	<b>1.66</b>	<b>1.96</b>	<b>1.86</b>	<b>1.89</b>	<b>1.91</b>	<b>1.93</b>	<b>1.94</b>	<b>1.96</b>
Subordinate GEFA Loan debt service – Table 4-6	266	1,436	1,639	2,062	2,129	2,129	2,129	2,129	2,129	2,129
Total Debt Service – Table 4-6	5,315	7,531	10,305	11,377	11,443	11,443	11,443	11,443	11,443	11,442
<b>Ratio of Net Revenues to Total Debt Service</b>	<b>2.27</b>	<b>1.64</b>	<b>1.39</b>	<b>1.61</b>	<b>1.51</b>	<b>1.54</b>	<b>1.56</b>	<b>1.57</b>	<b>1.58</b>	<b>1.60</b>

**APPENDIX A**  
**Coweta County Water and Sewerage Authority – Water Master Plan**

# **Coweta County Water Master Plan**

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## **Coweta County Water & Sewerage Authority**

**Newnan, Georgia**



**Prepared by:**



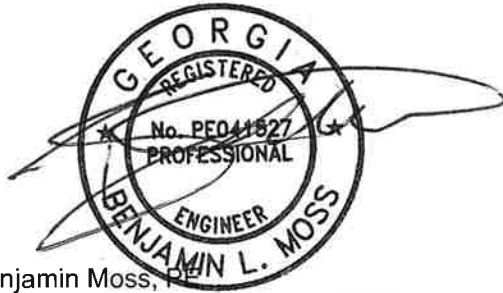
**200 Galleria Drive, SE  
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Atlanta, GA 30339**

**December 2022**

**Garver Project No. 22W38095**

### Engineer's Certification

I hereby certify that the Coweta County Water Master Plan was prepared by Garver under my direct supervision for Coweta County Water & Sewerage Authority.



Benjamin Moss, PE  
State of Georgia PE License 041527



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PEF007804  
Exp. 6/30/2024



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## Introduction

### 1.1 Background

Coweta County Water & Sewerage Authority (CCWSA) provides water service to more than 30,000 active water service connections in Coweta County. CCWSA is anticipating continued growth in the service area, as well as future opportunities to provide additional wholesale water to adjacent utilities and support industrial development. The purpose of this project is to provide a roadmap for CCWSA. The Water Master Plan (WMP) spans from existing system assessment, to population and demand projections, and to Capital Improvement Plan (CIP) development.

### 1.2 Scope

This *Coweta County Water Master Plan Report* includes the following:

- **Hydraulic Model Update and Calibration**
  - Summary of updates made to CCWSA's existing hydraulic model.
  - Comparison of calibrated hydraulic model to field data.
- **Existing System Assessment**
  - Discussion of Georgia Environmental Protection Division (GA EPD) minimum standards for public water systems and Coweta County development standards.
  - Hydraulic evaluations of distribution system available fire flow, minimum and maximum pressure, pipe velocity and head loss gradient, system water age, and source trace.
  - Evaluations of elevated storage capacity and pump station capacity.
  - Summary of existing system deficiencies.
- **Population and Demand Projections**
  - Historical population estimates from United States Census data.
  - Population projections over the 50-year planning horizon (2022 to 2072) based on Georgia Governor's Office of Planning and Budget (OPB) projections.
  - Historical water demand analysis under minimum month, average, maximum month, and maximum day demand conditions.
  - Water demand projections over the 50-year planning horizon based on historical per capita demands, past population growth rates, existing density, and future zoning.
  - Water demand allocation based on historical population growth rates, existing residential density, existing commercial and industrial connections, Coweta County Comprehensive Plan Character Area definitions, and viable area for development.
- **Capital Improvement Plan**
  - Assessment of five high-level water supply alternatives that differ in terms of sources of supply and capital improvements needed.
  - Discussion of five planning horizons evaluated, each with increasing system demand, increasing flow from BT Brown WTP, and decreasing flow from imported supplies.
  - Discussion of seven key drivers for capital improvement projects.
  - Recommended capital improvement project descriptions, overview of project drivers, project horizons, flows up to which the projects provide sufficient capacity, schematic of the proposed system, project quantities, and project costs.
  - Detailed project sheets are included in Appendix A.



## 2.0 Hydraulic Model Update and Calibration

### 2.1 Hydraulic Model Update

CCWSA's existing Bentley WaterGEMS hydraulic model was updated to include new pipelines from GIS, and all facility attributes were verified against record drawings or field data. The following information was used to update the hydraulic model:

- GIS data for pipelines, isolation valves, customer meters, fire hydrants, tanks, and pumps
- Record drawings
- Manufacturer pump curves
- Customer usage data
- Total production data
- SCADA controls and data
- USGS National Elevation Dataset (NED) 10 Meter Digital Elevation Model (DEM) for the State of Georgia

The following list of general updates were made to the model:

- **Pipelines**
  - New pipelines from GIS were imported into the model.
    - Customer service lines and hydrant laterals were excluded from the model.
    - Pipelines were split into segments roughly 500 to 1,000 feet in length.
  - Corrections to alignment, diameter, or material were made to existing model pipelines based on GIS data.
  - Pipe connectivity issues were resolved using WaterGEMS Network Review tools.
  - Proposed pipelines were labeled with the prefix "FUT-" and include fields for the improvement set and project number.
- **Customer Meters**
  - Customer service addresses were geocoded, imported to the model as customer meter elements, and associated with model junctions using the nearest-pipe distance-weighted method.
    - Overall, 99.7% of addresses from 2021 billing records were successfully geocoded.
  - Customer meter elements were labeled with the account subclass and parcel ID. Fields for the account class, account subclass, parcel ID, and customer service address were added for informational purposes.
  - Demands were applied to customer meters from billing records (see Table 2-1 for more information).
- **Pumps**
  - Pump design points and curves were verified against manufacturer pump curves, where available.
  - The BT Brown WTP pumps are modeled as normal pump elements and as a variable speed pump battery.





- **Storage Tanks**
  - Elevated storage tank (EST) diameter, volume, ground elevation, minimum water surface elevation, and maximum water surface elevation were verified against record drawings, where available.
  - All ESTs are represented as cylindrical.
  - Altitude valves are present (as throttle control valves) for the Buddy West, Shenandoah, Highway 154, and East Coweta ESTs.
- **Reservoirs**
  - Sources of supply are represented as fixed head reservoirs with constant hydraulic grade line based on pressure data from SCADA.
  - Head loss elements (modeled as general purpose valves) were included for the Shell Road, Corinth Road, and Line Creek Road supplies.
- **Hydrants**
  - Hydrants were imported from GIS but made inactive to serve as a reference layer.
    - Hydrants identified as “owned by others” were not included in the import.
- **Isolation Valves**
  - Isolation valves were imported from GIS but made inactive to serve as a reference layer.
    - Valves identified as “owned by others” and valves labeled as air release, check, corp stop, curb stop, eclipse, and plug were not included in the import.
- **Pressure Zones**
  - Pressure zone components were created and assigned to all model elements.
  - Pressure zone boundaries were established through check valves or closed pipes.
- **Operational Controls**
  - Controls and set points were added to pumps based on the SCADA controls and data provided.
- **General**
  - Named views were created for all stations.
  - All hydrants, isolation valves, and newly generated junctions were assigned an elevation using the WaterGEMS TRex tool and the 10-meter DEM from USGS.

Demands were allocated in the model based on 2021 customer usage data and total production data (see Table 2-1). Four demand sets were created for 2021 minimum month demand, average demand, maximum month demand, and maximum day demand. Customer usage was linked to customer meter points in the model. Demand was added to model junctions to account for non-revenue water.

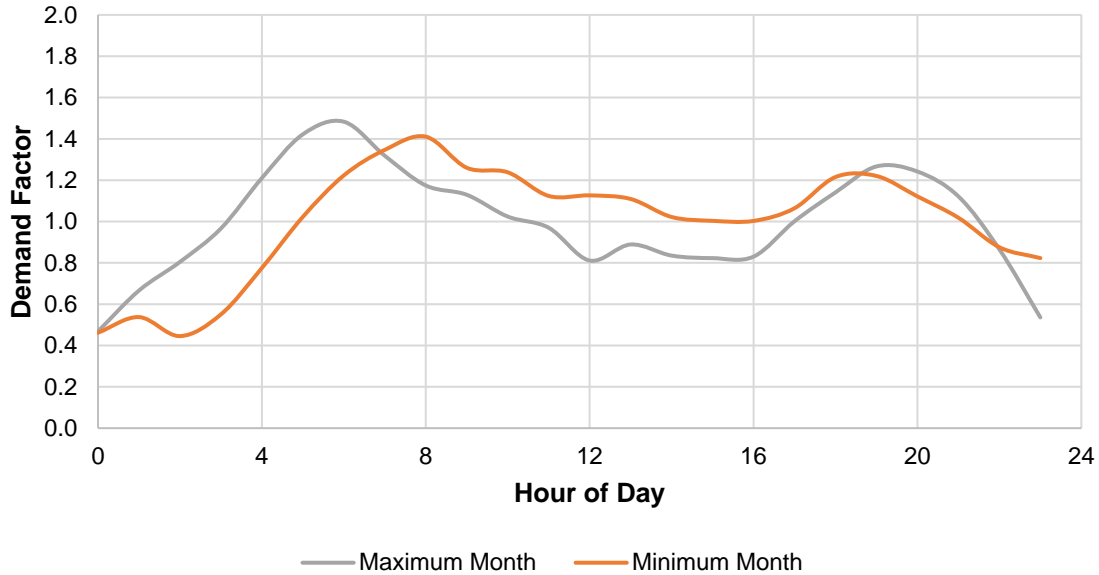
**Table 2-1. Demand Allocation Summary**

	Min Month (MGD)	Avg Day (MGD)	Max Month (MGD)	Max Day (MGD)
Target Demand	7.4	8.7	11.5	13.4
Usage from Billing	5.9	7.5	8.9	10.3
Non-Revenue Water	1.5	1.2	2.6	3.1





Diurnal demand curves were developed using flow and level data from SCADA to approximate variations in system demand throughout the day during minimum month and maximum month demand conditions (see Figure 2-1). The diurnal curves were utilized for extended period simulations (EPS) and in capturing hydraulic conditions at peak hour.



**Figure 2-1. Diurnal Demand Curves**

## 2.2 Hydraulic Model Calibration

The hydraulic model was calibrated against level, flow, and pressure data from SCADA and pressure data recorded at fire hydrants. Controls in the model were adjusted based on field data as listed in Table 2-2. See Figure 2-2 through Figure 2-8 for plots comparing the model output to field data.

**Table 2-2. Model Controls**

Pump(s)	Control Type	Setting
BT Brown WTP	Variable Speed	136 psi Discharge Pressure
Corinth Road PS	Manual	75% Speed
Highway 29 Meter	Manual	Open / Closed
Line Creek Road PS	Manual	83% Speed
Tommy Lee Cook Road 2 PS	Canongate Tank Level	Lead: 25 – 31.5 feet Lag: 15 – 20 feet



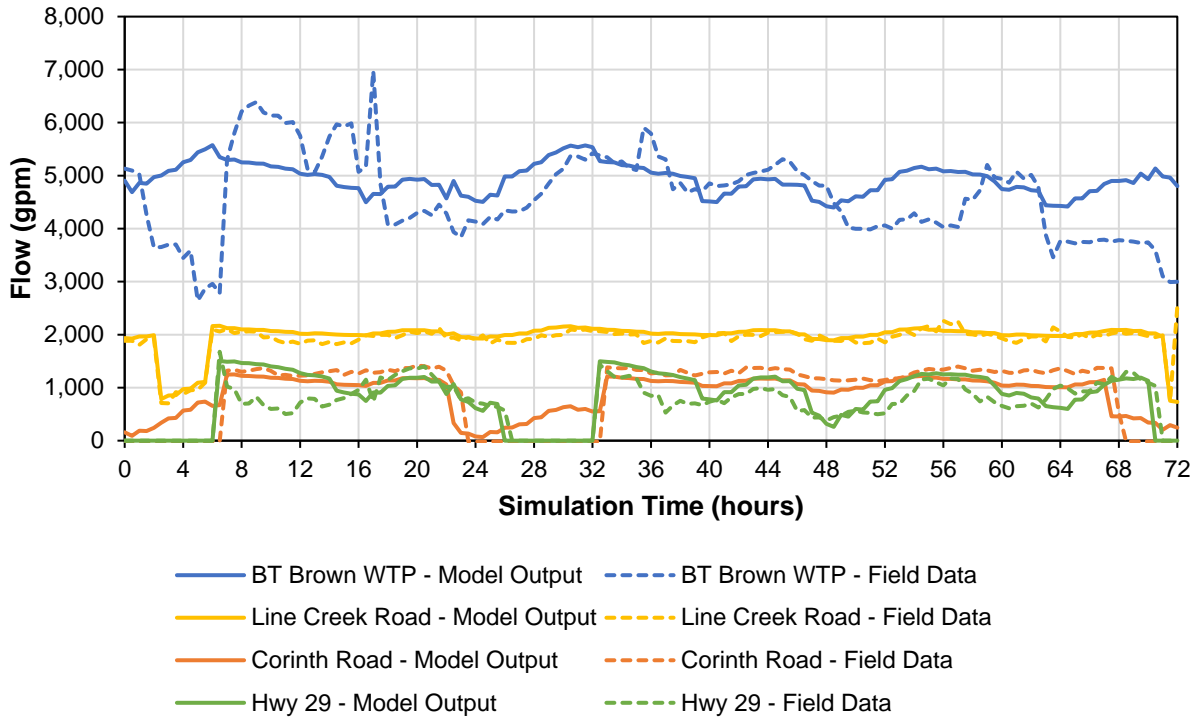


Figure 2-2. Main Zone Source Flow Validation

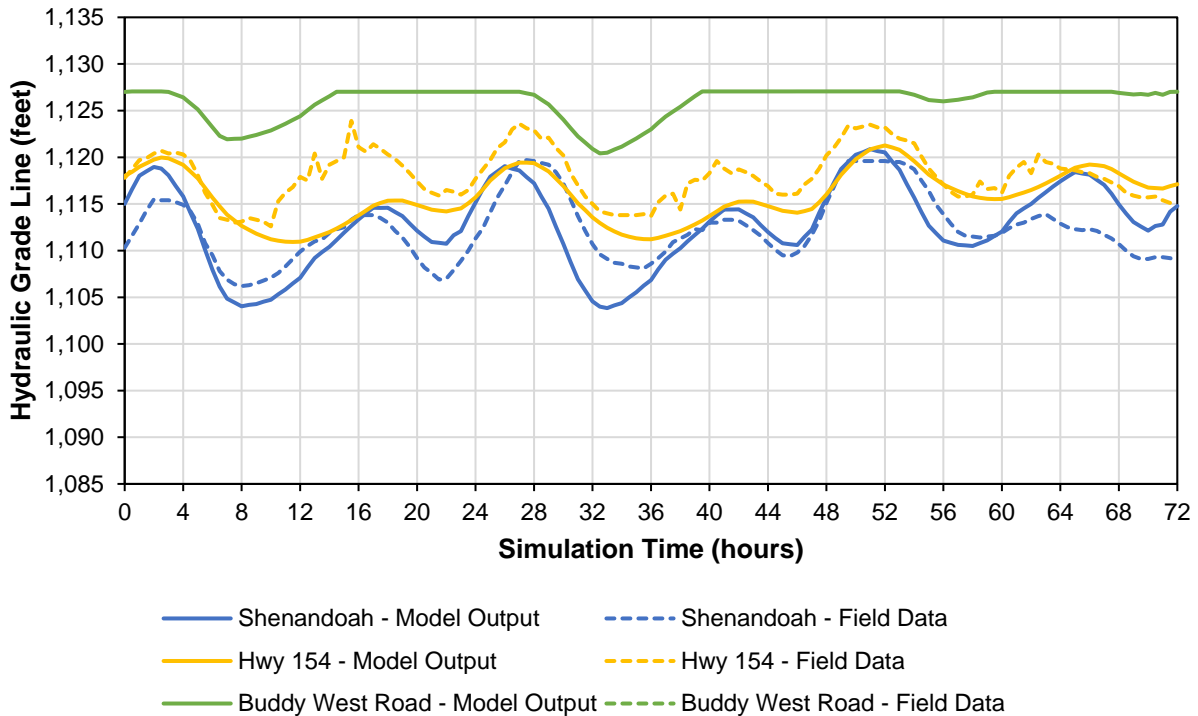


Figure 2-3. Main Zone Elevated Storage Tank Hydraulic Grade Line Validation

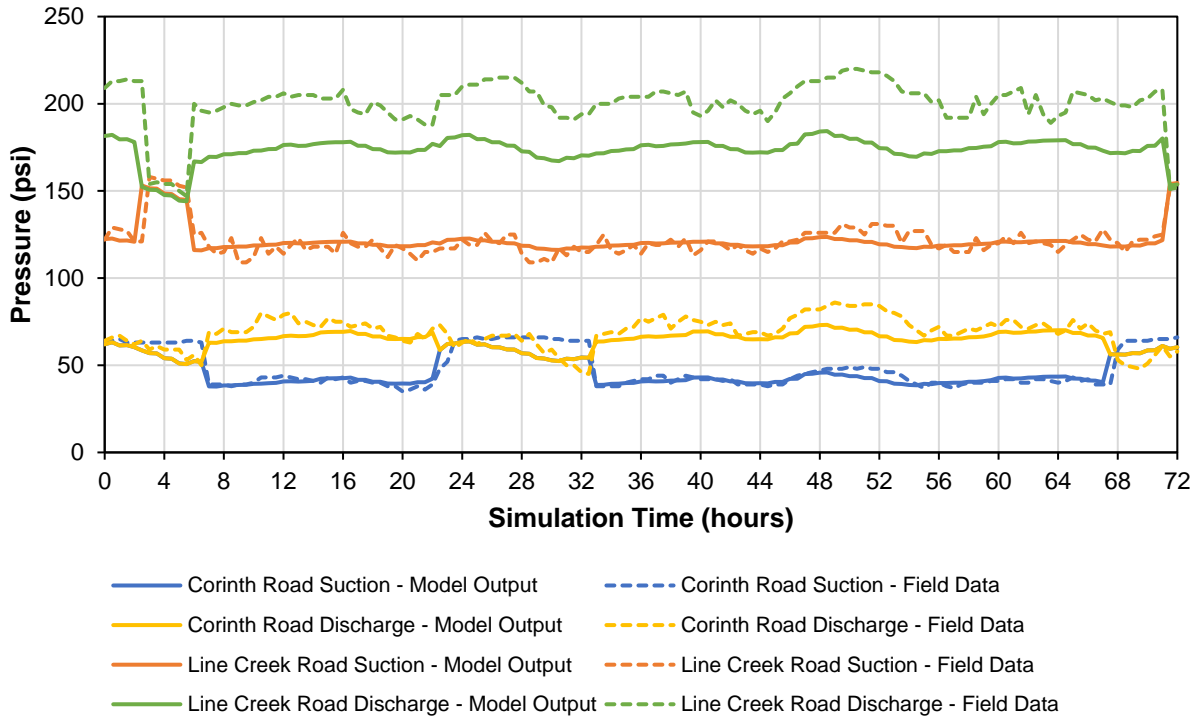


Figure 2-4. Main Zone Pump Suction and Discharge Pressure Validation

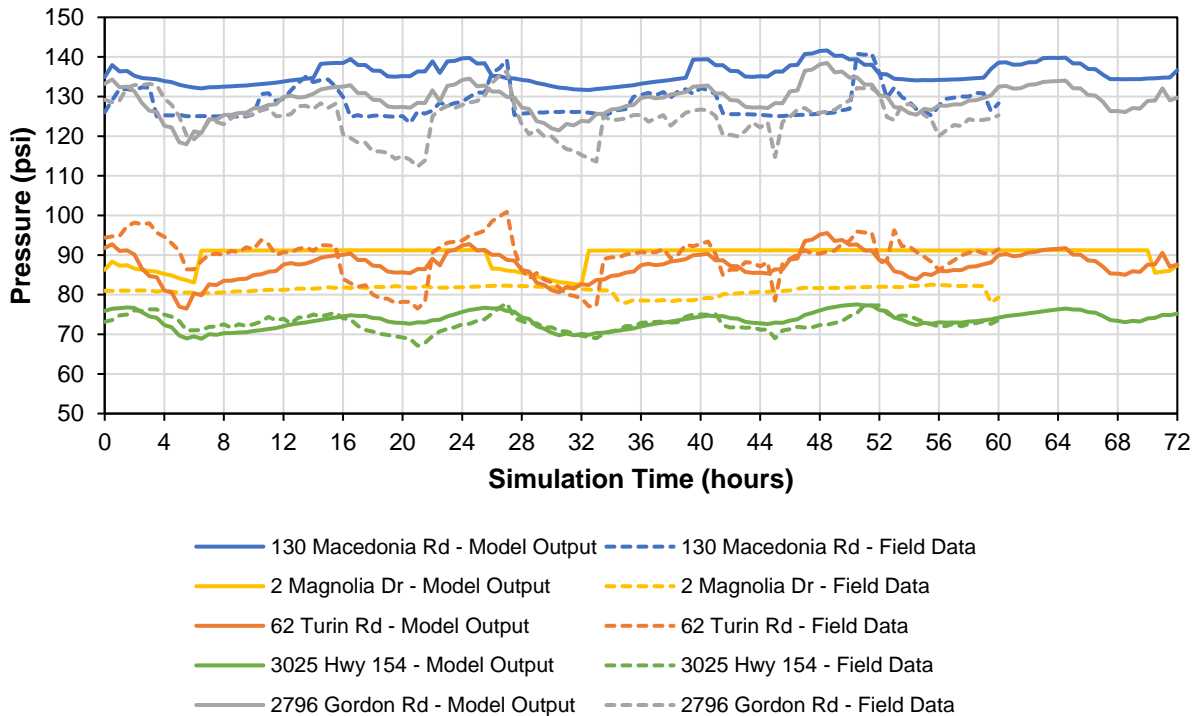


Figure 2-5. Main Zone Hydrant Pressure Validation

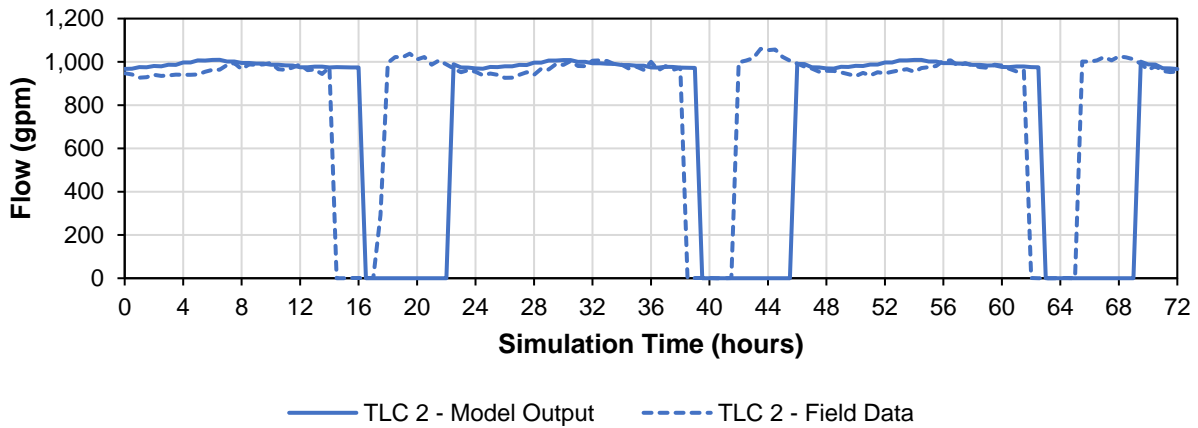


Figure 2-6. High Pressure Zone Pump Flow Validation

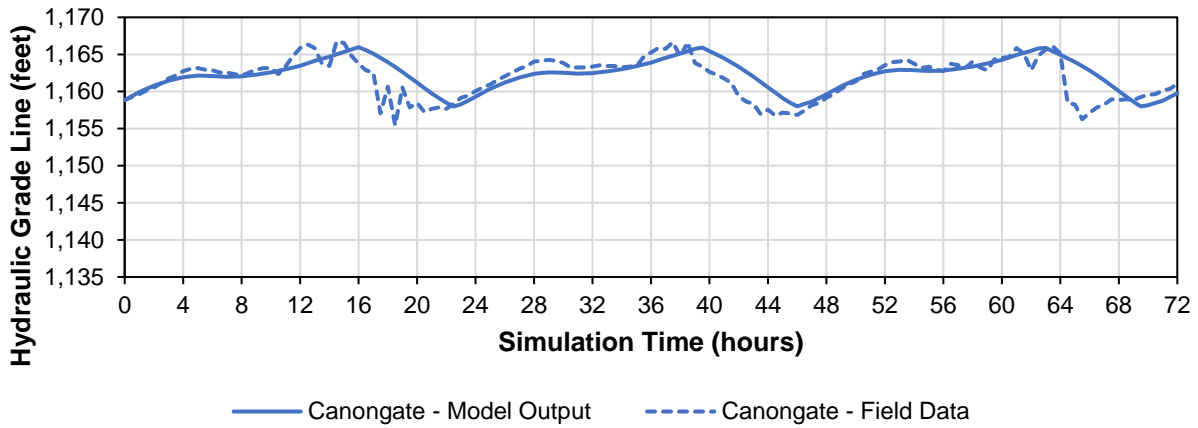


Figure 2-7. High Pressure Zone Elevated Storage Tank Hydraulic Grade Line Validation

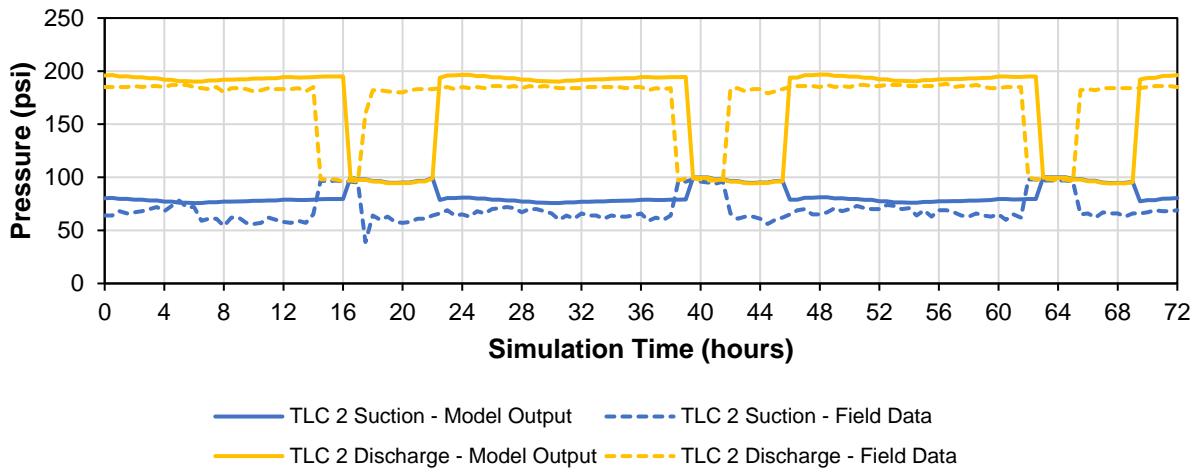


Figure 2-8. High Pressure Zone Pump Suction and Discharge Pressure Validation



### 3.0 Existing System Assessment

#### 3.1 Overview

CCWSA serves water to approximately 95,000 people through approximately 30,000 service connections. The CCWSA service area includes all of Coweta County except for the cities of Newnan, Grantville, and Senoia, and the towns of Turin, Sharpsburg, and Haralson. CCWSA produces most of its water from the BT Brown Water Treatment Plant (WTP). The remainder is purchased through wholesale contracts from the cities of Newnan, Griffin, and Atlanta. CCWSA has historically supplemented its water supply by pumping groundwater from the Murphy Well directly into the water distribution system. Plans are in place to convert the Murphy Well to a raw water source that pumps to the BT Brown Reservoir. See Table 3-1 for an inventory of CCWSA's water sources. CCWSA is a wholesale supplier for the cities of Palmetto, Grantville, and Senoia, the town of Turin, and Heard County.

**Table 3-1. Existing Water Sources**

Name	Type
BT Brown WTP	Surface Water
Line Creek Road Supply	Imported Water from the City of Griffin
Highway 29 Supply	Imported Water from the City of Newnan
Corinth Road Supply	Imported Water from the City of Newnan
Shell Road Supply	Imported Water from the City of Atlanta







All existing sources feed into the Main Zone. Flow from the Corinth Road, Highway 29, and Line Creek Road supplies is by gravity through bypass lines at low flow or by pumping at high flow. The Main Zone contains three active ESTs: the Buddy West Road EST, the Highway 154 EST, and the Shenandoah EST. The East Coweta EST is currently offline, but will be returned to service following upgrades to the Line Creek Road pump station and the installation of a 24-inch transmission main from Line Creek to the East Coweta EST. See Table 3-2 for an inventory of CCWSA’s existing ESTs and Table 3-3 for an inventory of CCWSA’s existing pump stations.

**Table 3-2. Existing Elevated Storage Tanks**

Name	Zone	Hydraulic Grade Line Range (feet)	Volume (MG)
Buddy West Road Tank	Main Zone	1,097 – 1,130	1.15
Highway 154 Tank		1,092 – 1,125	1.15
Shenandoah Tank		1,090 – 1,125	1.22
East Coweta Tank <sup>(1)</sup>		1,087 – 1,120	1.15
Canongate Tank	High Pressure Zone	1,135.75 – 1,168.75	1.15
<sup>(1)</sup> The East Coweta Tank is currently offline, but will be returned to service following upgrades to the Line Creek Road pump station and the installation of a 24-inch transmission main from Line Creek to the East Coweta EST.			

**Table 3-3. Existing Pump Stations**

Name	Number of Pumps	Zone	Design Flow (gpm) <sup>(1)</sup>	Design Head (feet) <sup>(1)</sup>
BT Brown High Service Pump Station	3	Main Zone	3,472	492
Corinth Road Pump Station	2		1,400	110
Highway 29 Pump Station	2		1,389	149
Line Creek Road Pump Station	2		2,100	230
Tommy Lee Cook Road Pump Station 1	2	High Pressure Zone	680	181
Tommy Lee Cook Road Pump Station 2	2		1,490	225
<sup>(1)</sup> Design flow and head per pump.				

A schematic of the CCWSA water system is included in Figure 3-2 on the next page. ESTs and pump stations are labeled with their nominal capacity. All facilities are arranged vertically based on hydraulic grade line. EST minimum and maximum elevations are called out. The lowest and highest service elevations within each pressure zone are listed for reference.



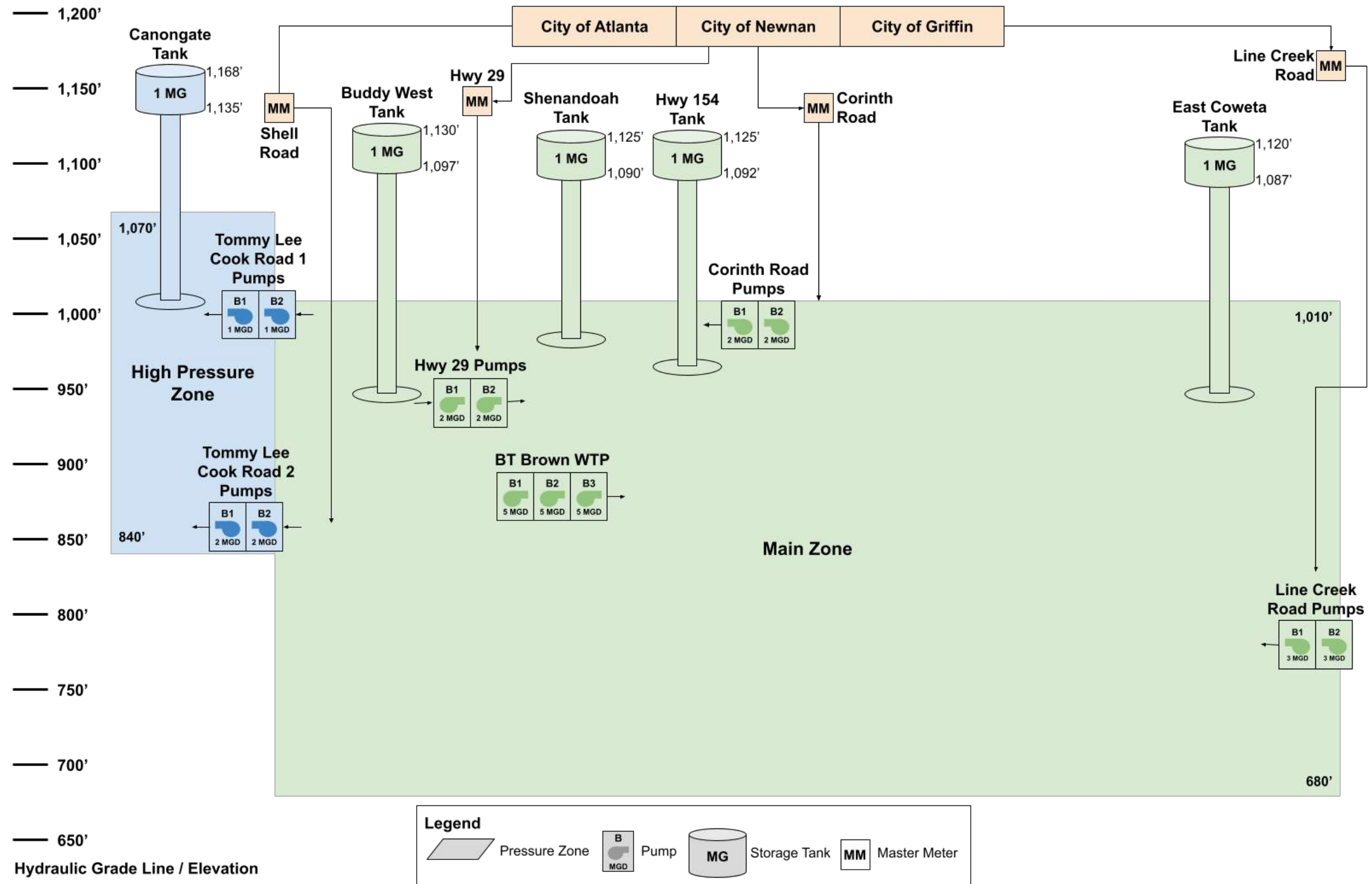


Figure 3-2. Existing System Schematic



### 3.2 Regulatory and Design Requirements

CCWSA’s existing water system was evaluated against Coweta County development standards<sup>1</sup> and Georgia Environmental Protection Division (GA EPD) guidelines and regulations<sup>2</sup>. Coweta County standards specify minimum available fire flow and pipe material preferences (see Table 3-4). GA EPD minimum standards for public water systems include water storage, pumping, and distribution system design criteria (see Table 3-5). All parameters listed in Table 3-4 and Table 3-5 were tested under the most conservative demand condition: existing maximum day demand of 13.4 MGD.

**Table 3-4. Coweta County Development Standards**

Design Criteria	Parameter	Value	Units	Reference
Fire Flow	Minimum Available Flow	1,000	gpm	1.1 item 1
	Minimum Residual Pressure	20	psi	1.1 item 1
Pipeline Material	Ductile Iron Pipe	> 8	inch	1.2.2.1
	PVC Pipe	≤ 8	inch	1.2.2.1

**Table 3-5. GA EPD Minimum Standards for Public Water Systems**

Design Criteria	Parameter	Value	Units	Required	Reference
Storage	Maximum Days of Storage	2	days		10.4 e
	Maximum Water Age	5	days		10.4 f
	Minimum Elevated Storage Volume	Average day demand	gal		12.4 a
	Maximum Change in Storage Level	30	ft		12.4 b
Pumps	Minimum No. Pumps	2	-	<b>X</b>	11.3.1 a
	Minimum Firm Capacity	Peak hour demand	gpm	<b>X</b>	11.3.1 a
	Minimum Suction Line Pressure	20	psi	<b>X</b>	11.4 b
Distribution System	Minimum Residual Pressure	20	psi	<b>X</b>	12.2.1 b
	Minimum Service Connection Pressure	35	psi	<b>X</b>	12.2.1 f
	Normal Working Pressure Target	60 - 80	psi		12.2.1 f
	Maximum Service Connection Pressure	100	psi		12.2.1 g
	Minimum Pipe Size	2	inch	<b>X</b>	12.2.1 c
	Minimum Pipe Size with Hydrants	6	inch	<b>X</b>	12.2.1 b
	Minimum Distribution System Residual	0.2	mg/L	<b>X</b>	9.9.3

**Note:** Required minimum standards are marked. All other minimum standards are recommendations.

<sup>1</sup> <https://www.cowetawater.com/wp-content/uploads/2020/12/CCWSAStandards2018.pdf>

<sup>2</sup> <https://epd.georgia.gov/document/document/minimum-standard-final-march-2021pdf/download>



### 3.3 Distribution System

#### 3.3.1 Fire Flow

Available fire flow at 20 psi is above 500 gpm for all locations and above 1,000 gpm for a vast majority of the CCWSA water system (see Figure 3-3). A few residential developments have marginal fire flow between 750 and 1,000 gpm. Two locations have fire flow less than 750 gpm: to the west of the Canongate Tank in the Arbor Springs Plantation subdivision and along Grandma Branch Road, Alexander Road, and Coweta Heard Road. Distribution system improvements are proposed later in the report to address fire flow deficiencies for both locations (see Section 5.5 Improvements).

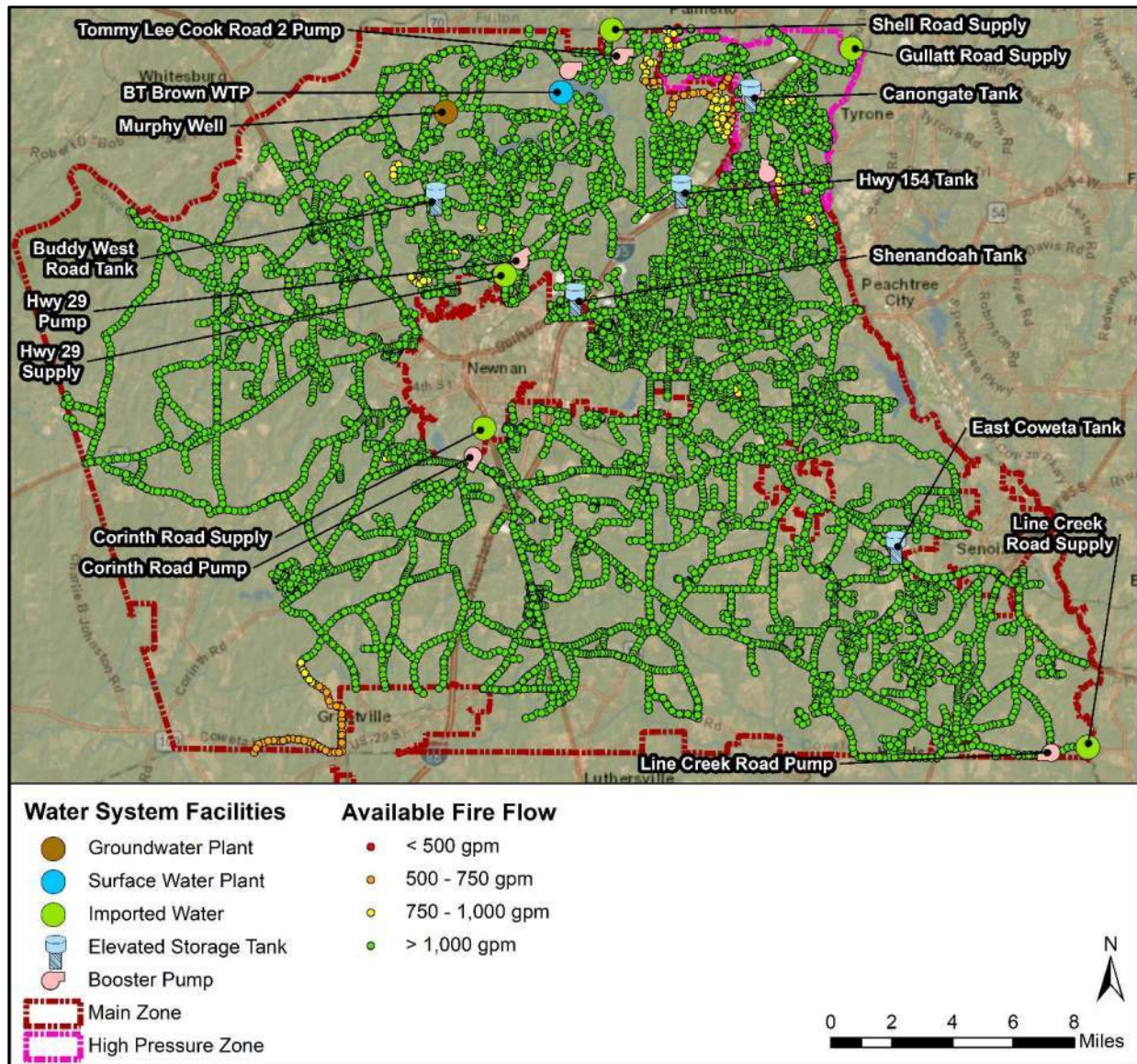


Figure 3-3. Available Fire Flow During Maximum Day Demand Conditions

3.3.2 Pressure

Elevations within the CCWSA water system range from 680 to 1,070 feet (see Figure 3-4). Coweta County contains two major ridgelines: in the south from Luthersville to Newnan along Highway 27, and in the east from Senoia to Palmetto along Highway 16, Highway 154, and Highway 29. The lowest elevations occur primarily in the west.

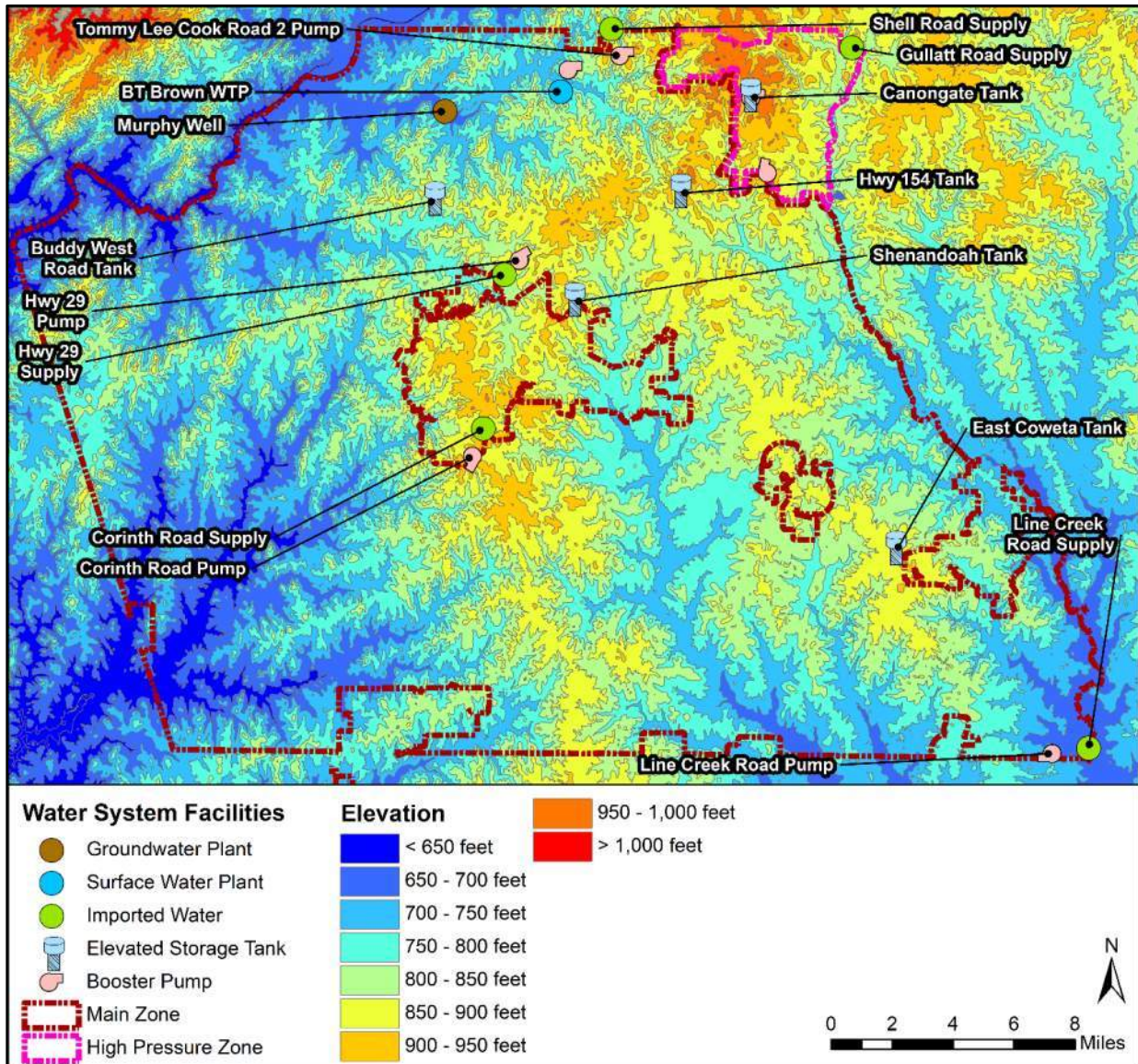


Figure 3-4. Elevation

Minimum pressures are above the GA EPD minimum working pressure requirement of 35 psi throughout the system (see Figure 3-5). Marginal pressures between 35 and 45 psi occur at the highest elevation locations, particularly those above 950 feet. Distribution system rezoning is recommended later in the report to improve the level of service for customers near the Canongate Tank in the Arbor Springs Plantation subdivision, near the East Coweta Tank, and near the Corinth Road Supply (see Section 5.5 Improvements).

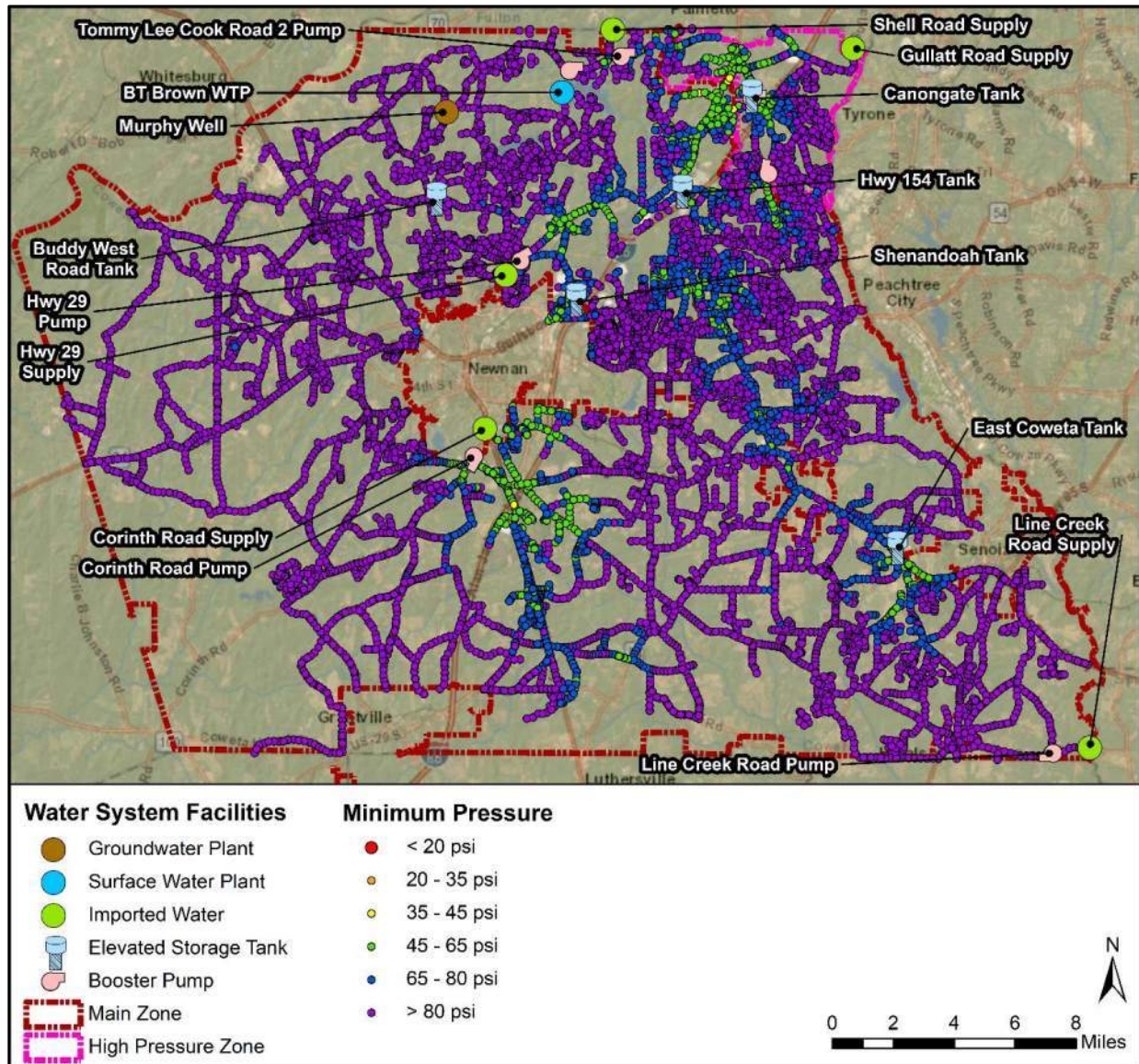


Figure 3-5. Minimum Pressure During Maximum Day Demand Conditions

Maximum pressures are above the GA EPD recommended maximum pressure of 100 psi at many locations (see Figure 3-6). However, over 98% of CCWSA customer meters contain individual pressure regulators. Therefore, maximum pressures between 100 and 200 psi do not impact most customer services. Excessively high pressures can contribute to an increased frequency of main breaks and water loss.

Discharge pressures from Tommy Lee Cook Road 2 (TLC2) pump station exceed 200 psi when only one pump is online. When the TLC2 pumps are offline, discharge pressures drop to 100 psi. The 100-psi jump is due to a major hydraulic bottleneck between TLC2 and the Canongate Tank. Transmission improvements are discussed later in the report that would reduce discharge pressures to below 200 psi.

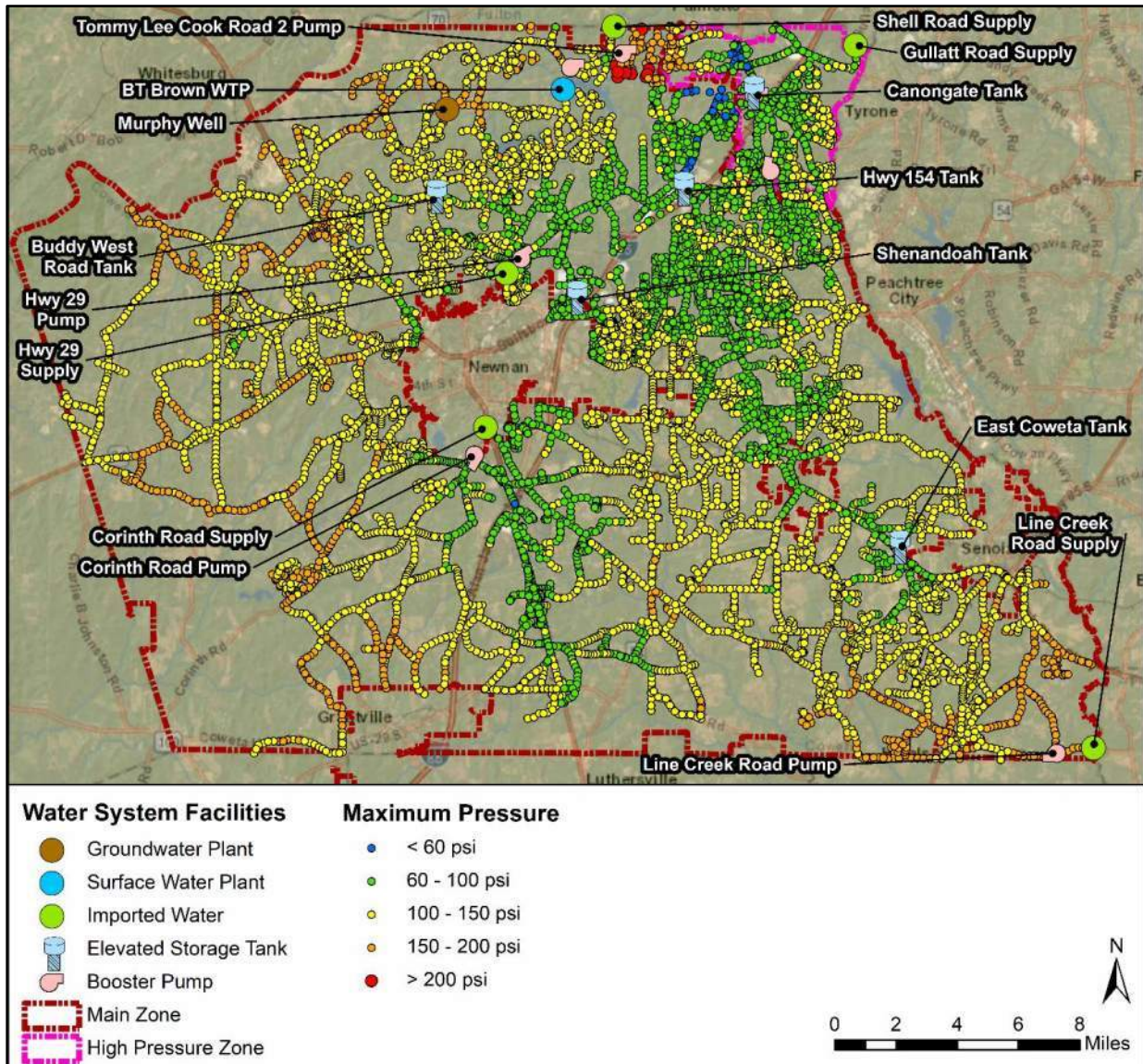


Figure 3-6. Maximum Pressure During Maximum Day Demand Conditions

### 3.3.3 Velocity and Head Loss Gradient

Highest pipeline velocities occur directly downstream of BT Brown WTP and TLC2 pump station (see Figure 3-7). Maximum velocities exceed the American Water Works Association (AWWA) recommended 5 ft/s at few locations. Additional transmission capacity will be needed to accommodate future water demand growth, specifically between BT Brown WTP and the Buddy West Road, Highway 154, and Shenandoah ESTs.

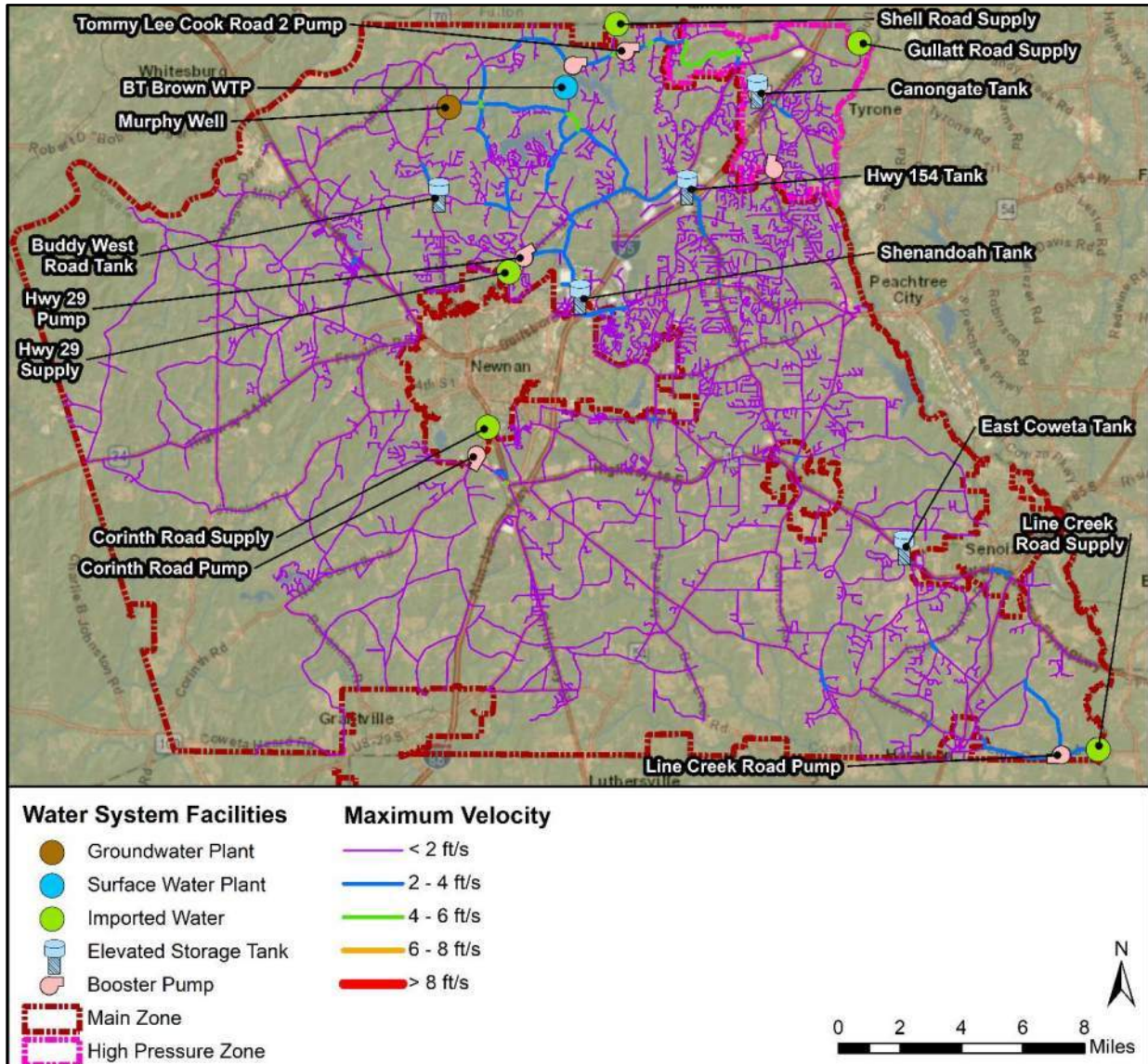


Figure 3-7. Maximum Velocity During Maximum Day Demand Conditions

Maximum head loss gradients are below 5 ft/k-ft throughout the system except for along Ridley Road between Tommy Lee Cook Road and Highway 29 North (see Figure 3-8). The existing 8-inch pipeline is a major hydraulic bottleneck between the TLC2 pump station and the Canongate EST and a main contributor to the high discharge pressures at TLC2 pump station shown in Figure 3-6. The TLC2 pumps currently operate to the left of their best efficiency point, farther back on the curve. Reducing downstream head loss will lead to more efficient operation of the pumps. Transmission improvements are discussed later in the report that increase hydraulic capacity from the TLC2 pump station to the Canongate EST.

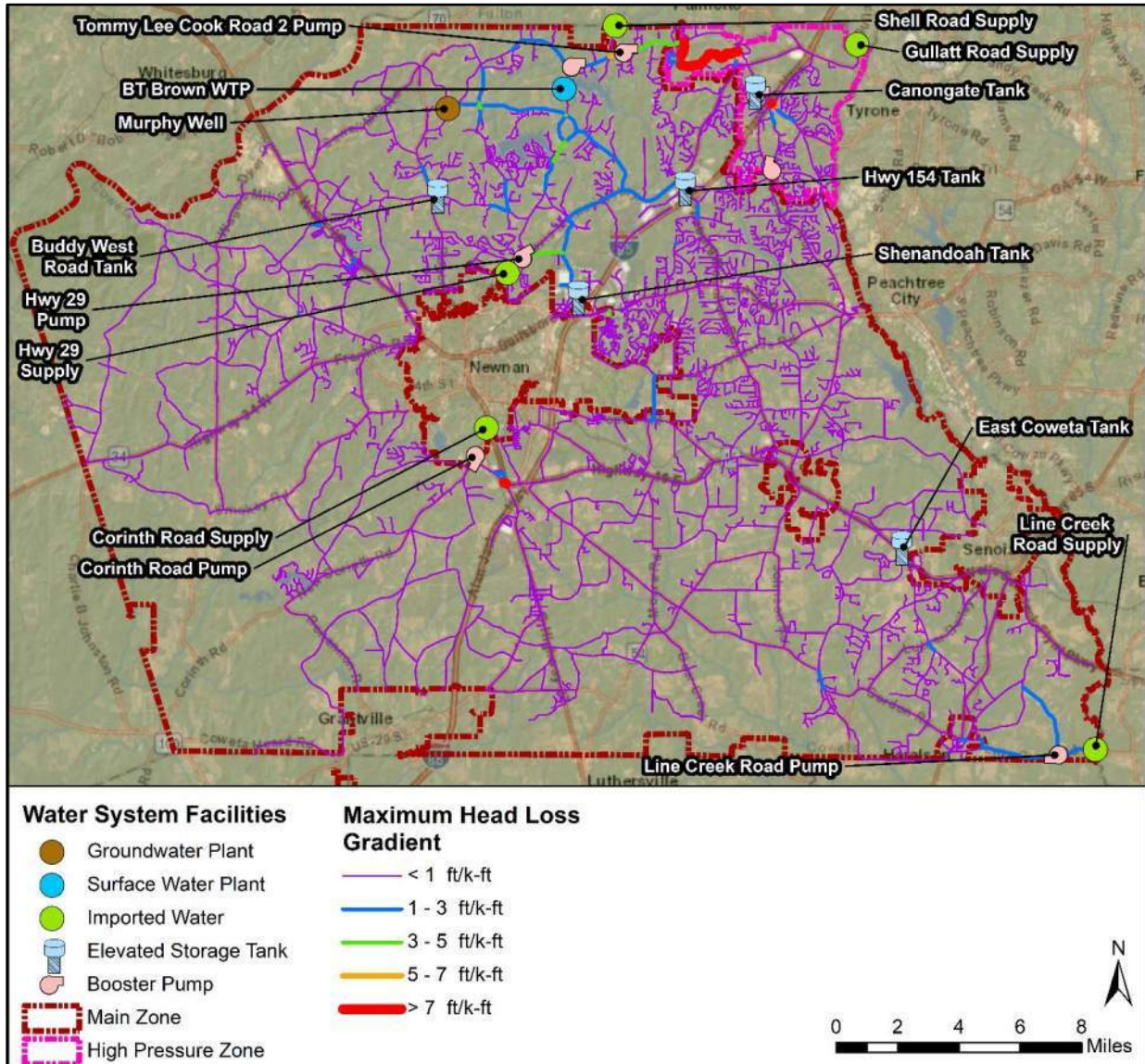


Figure 3-8. Maximum Head Loss Gradient During Maximum Day Demand Conditions

### 3.3.4 Water Age

Water age was modeled under minimum month demands of 7.4 MGD and maximum day demands of 13.4 MGD (see Figure 3-9 and Figure 3-10, respectively). Minimum month water age is highest in the southern half of the system farthest from the sources that are most utilized during low demand periods: BT Brown WTP, Line Creek Road supply, and Shell Road supply. Long dead-ends also experience high water age. Chlorine residuals from Q1 2020 through Q2 2022 shown in Figure 3-9 correlate highly with water age. A few sampling locations in the west near Stallings Crossroad and in the northeast along Collinsworth Road had readings below the required 0.2 mg/L concentration. Distribution system flushing can be pursued to improve disinfectant concentrations at the extents of the system.

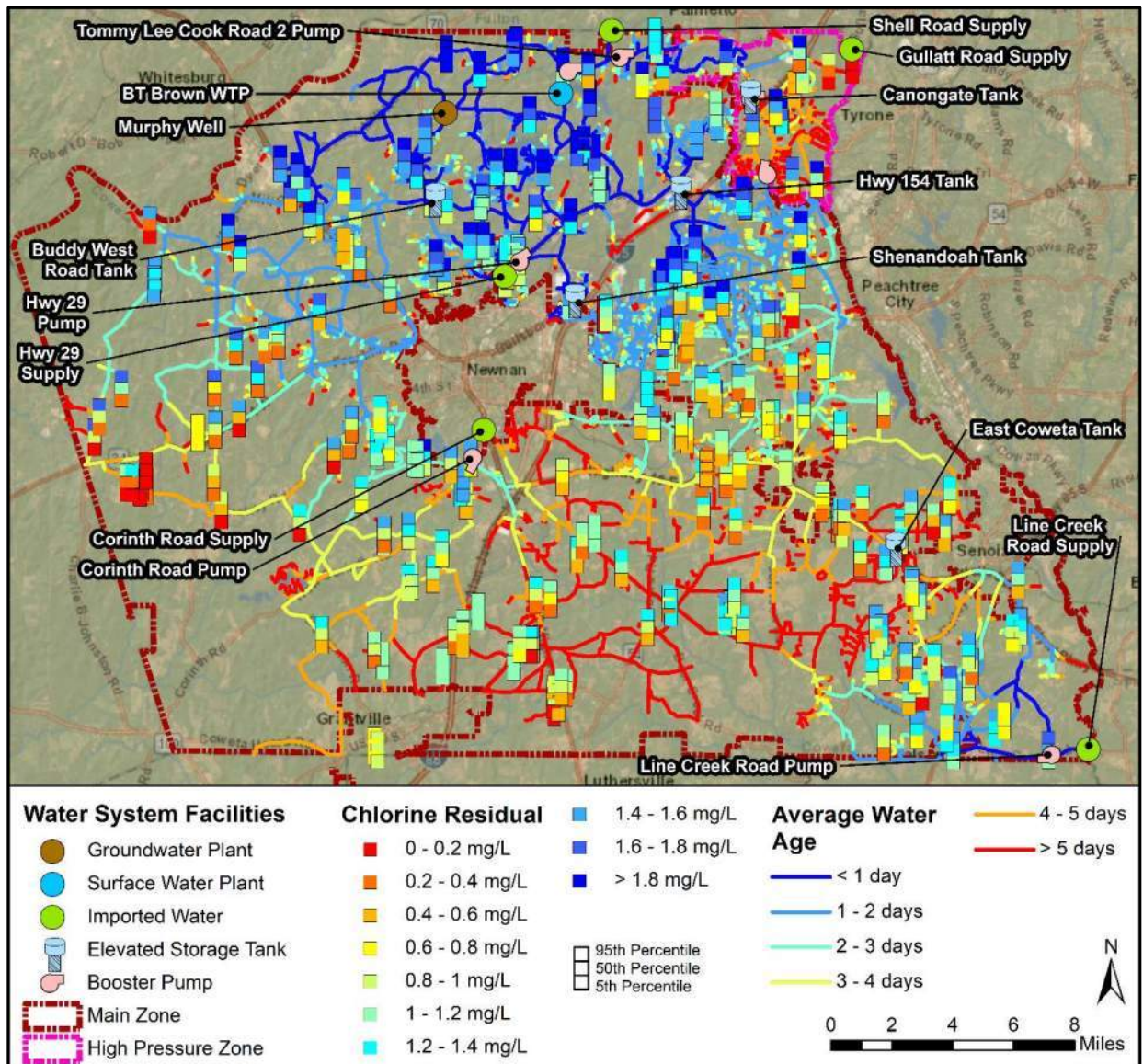


Figure 3-9. Water Age During Minimum Month Demand Conditions

During maximum day demand conditions, water age is less than 5 days for most of the system except for locations in the west and at long dead-ends. Flow to the west is primarily from BT Brown WTP. Water must travel 15 miles or more through areas of relatively low demand.

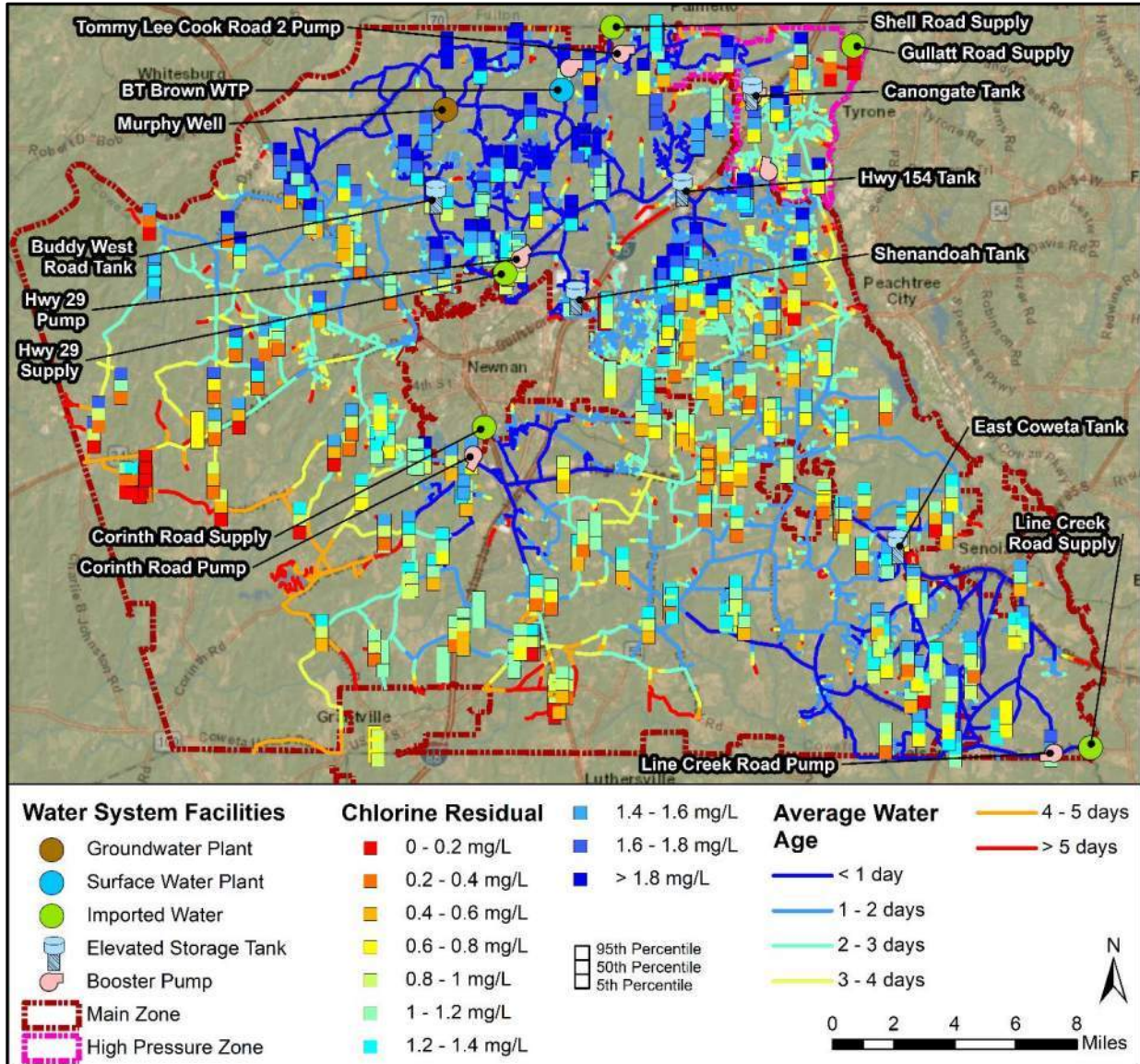


Figure 3-10. Water Age During Maximum Day Demand Conditions

3.3.5 Source Trace

A source trace was performed for the BT Brown WTP, Corinth Road, Highway 29, Line Creek Road, and Shell Road supplies assuming maximum day operations when all sources are utilized (see Figure 3-11). BT Brown WTP produces approximately two-thirds of total flow and serves approximately half of the service area geographically. Water from BT Brown and Shell Road is pumped into the High Pressure Zone. Line Creek Road and Corinth Road supply the southeast.

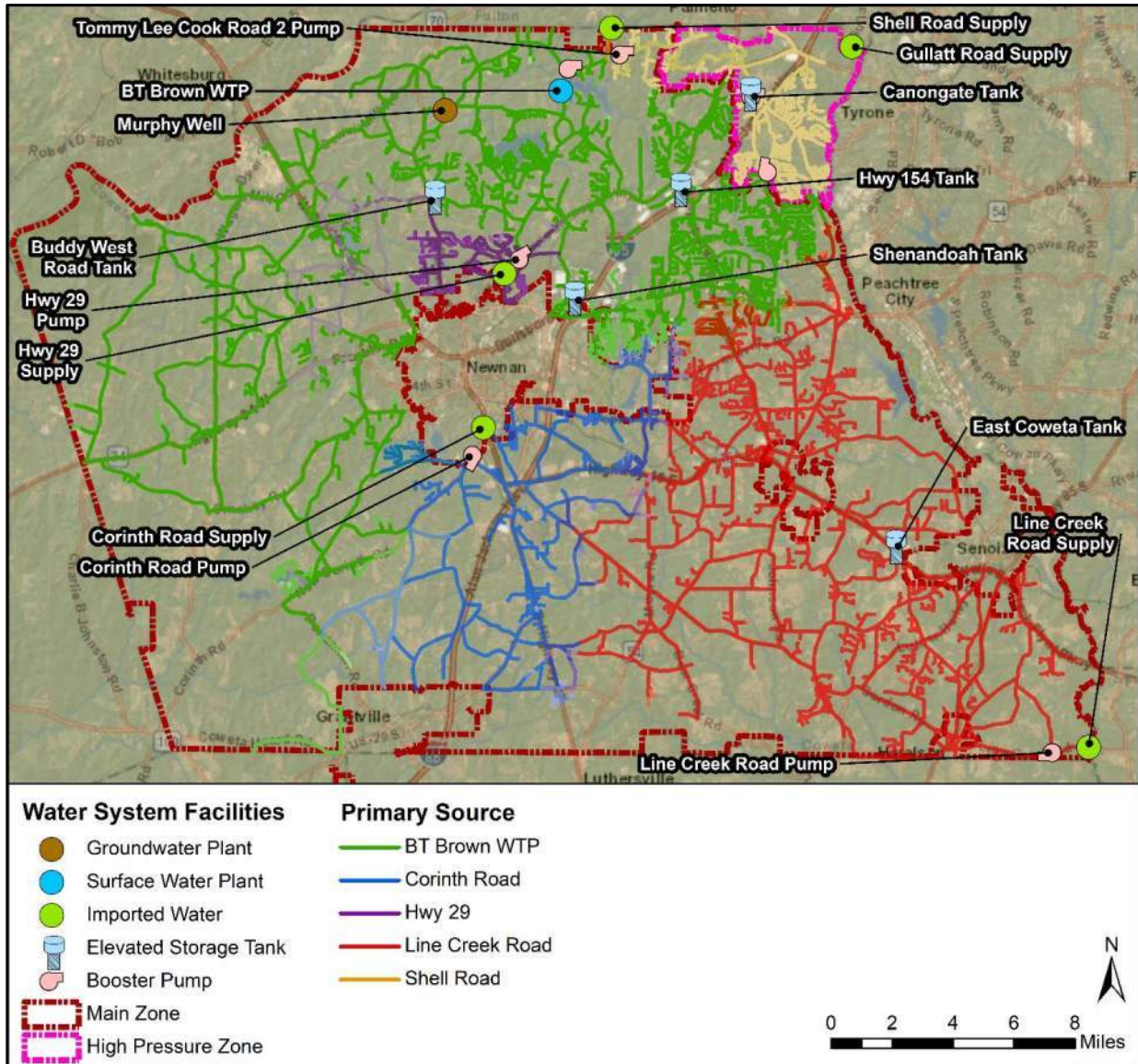


Figure 3-11. Source Trace During Maximum Day Demand Conditions



### 3.4 Elevated Storage Capacity

GA EPD recommends a minimum total elevated storage volume above 20 psi equal to average day demand (see Table 3-5). There are currently four ESTs in the Main Zone (East Coweta EST, Buddy West Road EST, Shenandoah EST, and Highway 154 EST) and one in the High Pressure Zone (Canongate EST). The Canongate EST provides adequate storage to meet average day demands in the High Pressure Zone of 0.6 MGD. Main Zone elevated storage does not meet the GA EPD target. Water can be transferred from the High Pressure Zone to the Main Zone by opening the closed zone valves near Highway 29 N and Weldon Road, the Major Road pump station, or the TLC2 pump station. Construction of additional ESTs is discussed later in the report (see Section 5.5 Improvements).

**Table 3-6. Elevated Storage Capacity**

Zone	Existing Elevated Storage (MG)	Recommended Elevated Storage (MG)
Main Zone	4.7	8.3
High Pressure Zone	1.2	0.6

### 3.5 Pumping Capacity

GA EPD requires at least two pumps and a minimum firm capacity (capacity with the largest pump offline) equal to peak hour demand. Projected maximum day demand for 2022 was 13.7 MGD with a peak hour factor of approximately 1.48 and peak hour demand of 20.3 MGD. Under firm capacity, the Main Zone has eight pumps totaling 24.1 MGD and the High Pressure Zone has three pumps totaling 4.1 MGD. Existing pumping capacity meets the GA EPD requirement as shown in Table 3-7. Additional pumping capacity will be needed to keep pace with system growth.

**Table 3-7. Pumping Capacity**

Zone	Existing Pumping Capacity (MGD)	Required Pumping Capacity (MGD)
Main Zone	24.1	18.9
High Pressure Zone	4.1	1.4





**3.6 Summary**

Overall, the Main Zone and High Pressure Zone have a few minor deficiencies. Select locations have available fire flow less than 1,000 gpm. Within the Main Zone, total elevated storage volume is less than the GA EPD recommendation. Within the High Pressure Zone, a major hydraulic bottleneck between the TLC2 pump station and the Canongate EST has maximum head loss gradients above 7 ft/k-ft and contributes to maximum pressures above 200 psi. Recommendations are made later in the report to address existing system deficiencies.

**Table 3-8. Existing System Deficiencies**

Zone	Deficiency	Recommended Improvement(s)
Main Zone	<ul style="list-style-type: none"> <li>• Available fire flow less than 1,000 gpm</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution system pipe improvements</li> </ul>
	<ul style="list-style-type: none"> <li>• Elevated storage volume less than average day demand</li> </ul>	<ul style="list-style-type: none"> <li>• Construct additional elevated storage</li> </ul>
High Pressure Zone	<ul style="list-style-type: none"> <li>• Available fire flow less than 1,000 gpm</li> </ul>	<ul style="list-style-type: none"> <li>• Distribution system pipe improvements</li> </ul>
	<ul style="list-style-type: none"> <li>• Maximum pressure above 200 psi</li> <li>• Pressure range greater than 40 psi</li> <li>• Maximum head loss gradient above 7 ft/k-ft</li> </ul>	<ul style="list-style-type: none"> <li>• Transmission pipe improvements</li> </ul>





## 4.0 Population and Demand Projections

A population and demand analysis was performed to evaluate historical population and water demands and produce population and water demand projections through the 2072, 50-year planning horizon.

### 4.1 Historical Population Analysis

Historical population estimates were gathered from the United States Census via the Georgia Association of Regional Commissions (GARC)<sup>3</sup>, and historical customer connection counts were provided by CCWSA. Population projections were made based on the Georgia Governor’s Office of Planning and Budget (OPB)<sup>4</sup> projections for Coweta County through 2060.

**Table 4-1. Population Data Sources**

Data	Timeframe	Scope	Source
Historical Population	1990, 2000, 2010, and 2020	County, city, and Census tract level	Census (via the Georgia Association of Regional Commissions)
Population Projections	2020 – 2060	County level	Georgia Governor’s Office of Planning and Budget
Historical Customer Connection Count	2012 – 2020	County level	CCWSA

CCWSA provides water service for most of the land area within Coweta County except for the cities of Grantville, Newnan, and Senoia, and the towns of Turin, Sharpsburg, and Haralson. Additional information regarding CCWSA’s service area can be found in the CCWSA Service Delivery Strategy (SDS)<sup>5</sup>. Estimates of the historical population served by CCWSA were made by taking county Census total population and subtracting out the number of people residing in Grantville, Newnan, Senoia, Turin, Sharpsburg, and Haralson (see Table 4-2). Approximately 65% of people in Coweta County receive water from CCWSA.

**Table 4-2. 2020 Population Estimates**

Geographic Area	2020 Population	Percentage of Total
Coweta County	146,158	100%
Grantville	3,103	2.1%
Newnan	42,549	29.1%
Senoia	5,016	3.4%
Turin	347	0.2%
Sharpsburg	327	0.2%
Haralson	172	0.1%
CCWSA Service Population	94,644	64.8%

<sup>3</sup> <https://opendata.atlantaregional.com/pages/census-data-arc>

<sup>4</sup> <https://opb.georgia.gov/census-data/population-projections>

<sup>5</sup> <https://www.coweta.ga.us/services/sds-service-delivery-strategy-copy>



Between 1990 and 2000, the population served by CCWSA grew rapidly at a rate of 8.2% per year. Growth slowed between 2000 and 2010 and again between 2010 and 2020 to rates of 2.7% per year and 0.9% per year, respectively (see Figure 4-1). The average annual population growth between 1990 and 2020 was 5%. The highest growth occurred in east Newnan, in the northeast portion of Coweta County along the 85 corridor from Atlanta, and in the southeast corner of Coweta County around Senoia (see Figure 4-2).

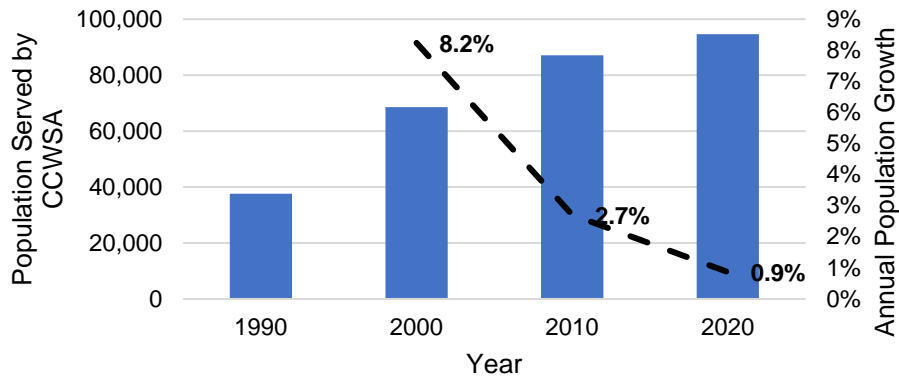


Figure 4-1. Historical Population Served by CCWSA

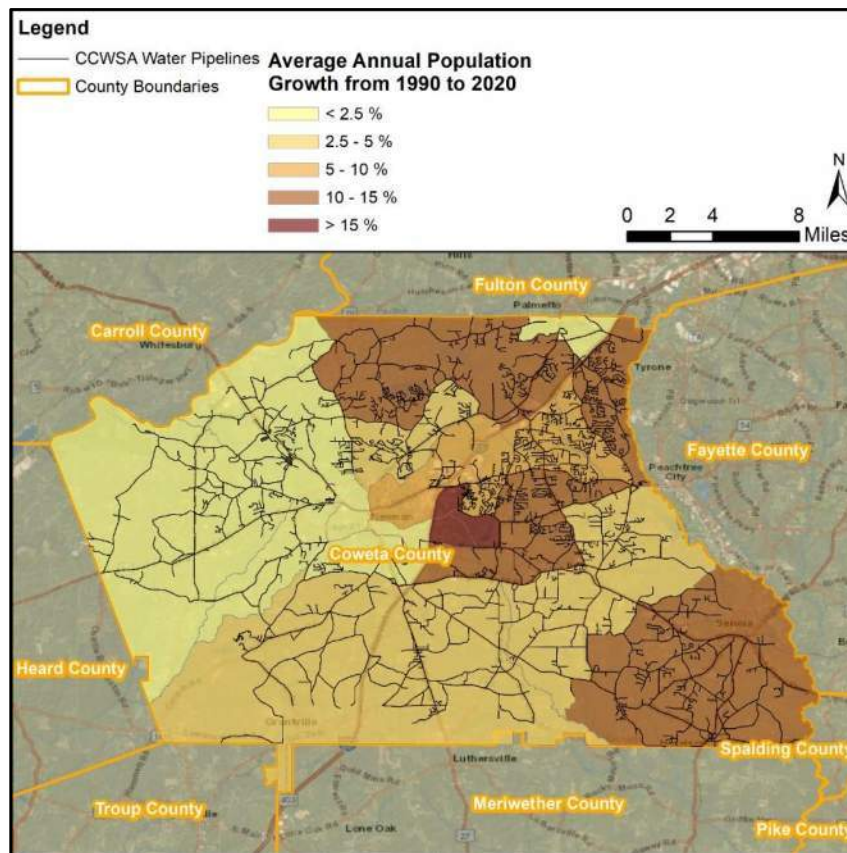


Figure 4-2. Historical Annual Average Population Growth



### 4.2 Population Projections

A 2% linear population growth rate was assumed for WMP population projections. This is slightly more aggressive than the OPB projections. CCWSA service area population was scaled to 65% of the county total population. Over time this ratio will likely increase as development shifts from urban to rural areas.

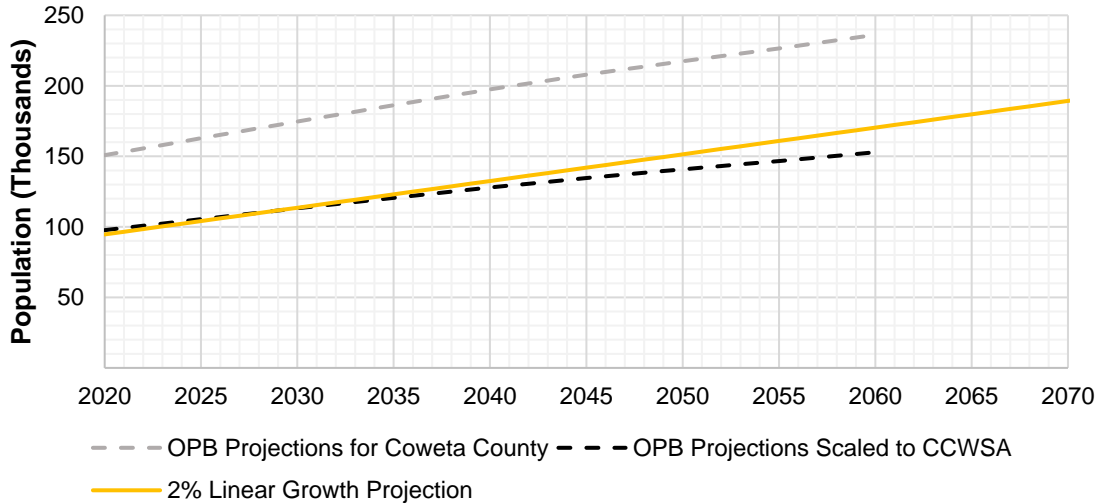


Figure 4-3. Population Projections

### 4.3 Historical Water Demand Analysis

Recent historical water demands were calculated using total production data for all CCWSA sources of supply (see Figure 4-4). The minimum month, average, maximum month, and maximum day demands from 2019 through 2021 are listed in Table 4-3. The values highlighted in red were used for hydraulic model analysis and as baseline assumptions to develop water demand projections.

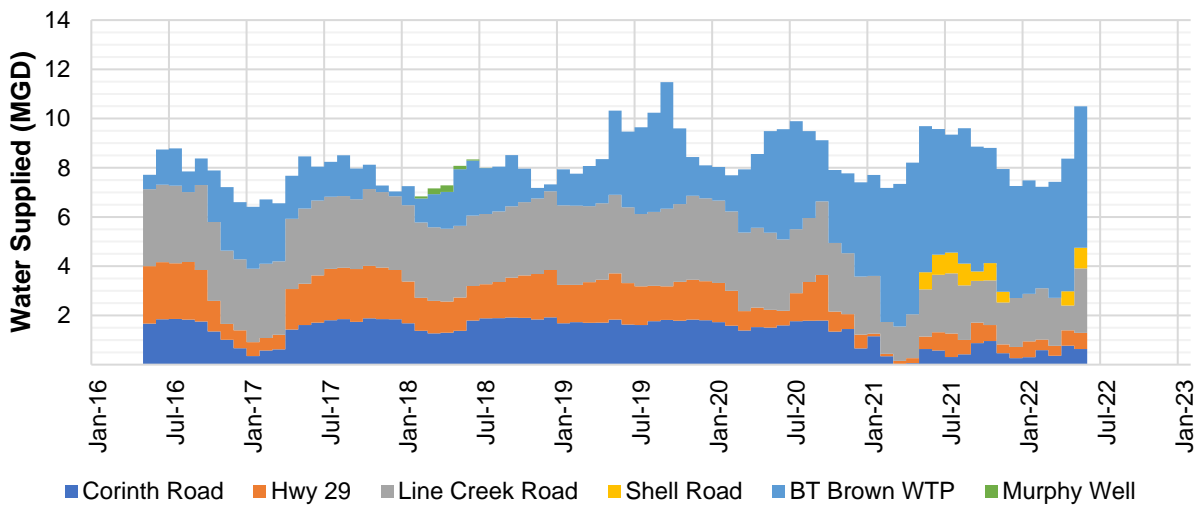


Figure 4-4. Historical Water Supplied





**Table 4-3. Recent Water Supplied**

Demand Condition	2019 (MGD)	2020 (MGD)	2021 (MGD)	Average (MGD)	Factor	Per Capita (gpcd) <sup>(1)</sup>	Per Connection (gpcd) <sup>(1)</sup>
Min Month	7.8	7.4	7.2	<b>7.4</b>	0.85	79	261
Average	9.1	8.6	8.5	<b>8.7</b>	1.00	92	305
Max Month	<b>11.5</b>	9.9	9.7	10.4	1.32	122	412
Max Day	13.3	11.7	<b>13.4</b>	12.8	1.54	141	477

<sup>(1)</sup> Calculated using current population and connection count, and the demands highlighted in red.

In 2021, production at BT Brown WTP was increased significantly to account for approximately 63% of water supplied. The flow from imported sources decreased accordingly, except for Shell Road supply which was brought online with the TLC2 pump station. CCWSA has expressed interest in continuing this trend: increasing production from BT Brown WTP while phasing out imported supply.

CCWSA billed water usage is primarily residential with increasing commercial and industrial. Growth in all three types is expected to continue as rural portions of the county are further developed and large industrial and commercial facilities are established in the county.

**Table 4-4. 2019 Billed Water Usage by Type**

Billed Usage Type	Percentage of Total
Residential	57%
Industrial	19%
Municipal	8%
Commercial	8%
Irrigation	5%
Church / School	2%
Uncategorized	1%

**4.4 Water Demand Projections**

Recent historical water demands were combined with population projections to produce water demand projections over the 50-year planning horizon. An additional allocation was included to account for future large industrial customers. Over the past year, CCWSA has received several industrial flow requests for over 1 MGD. Planning for potential large water users is imperative to Coweta County’s long-term economic development. CCWSA must have the water supply and transmission infrastructure in place to accommodate future industrial customers. Accordingly, a 10 MGD industrial allocation was derived based on the parameters listed in Table 4-5. Industrial corridors identified in the 2021–2041 Coweta County Comprehensive Plan are delineated in Figure 4-5.



Table 4-5. Industrial Demand Allocation

Parameter	Basis	Value
Industrial Water Use Rate	Median consumption from the top 10 industrial users in 2021.	2,000 gpd/acre
Industrial Area	Area within the “Employment Center – Industrial” character area from the 2021–2041 Comprehensive Plan without an existing water service connection.	5,000 acres
Industrial Water Use	Calculated from the above parameters.	10 MGD

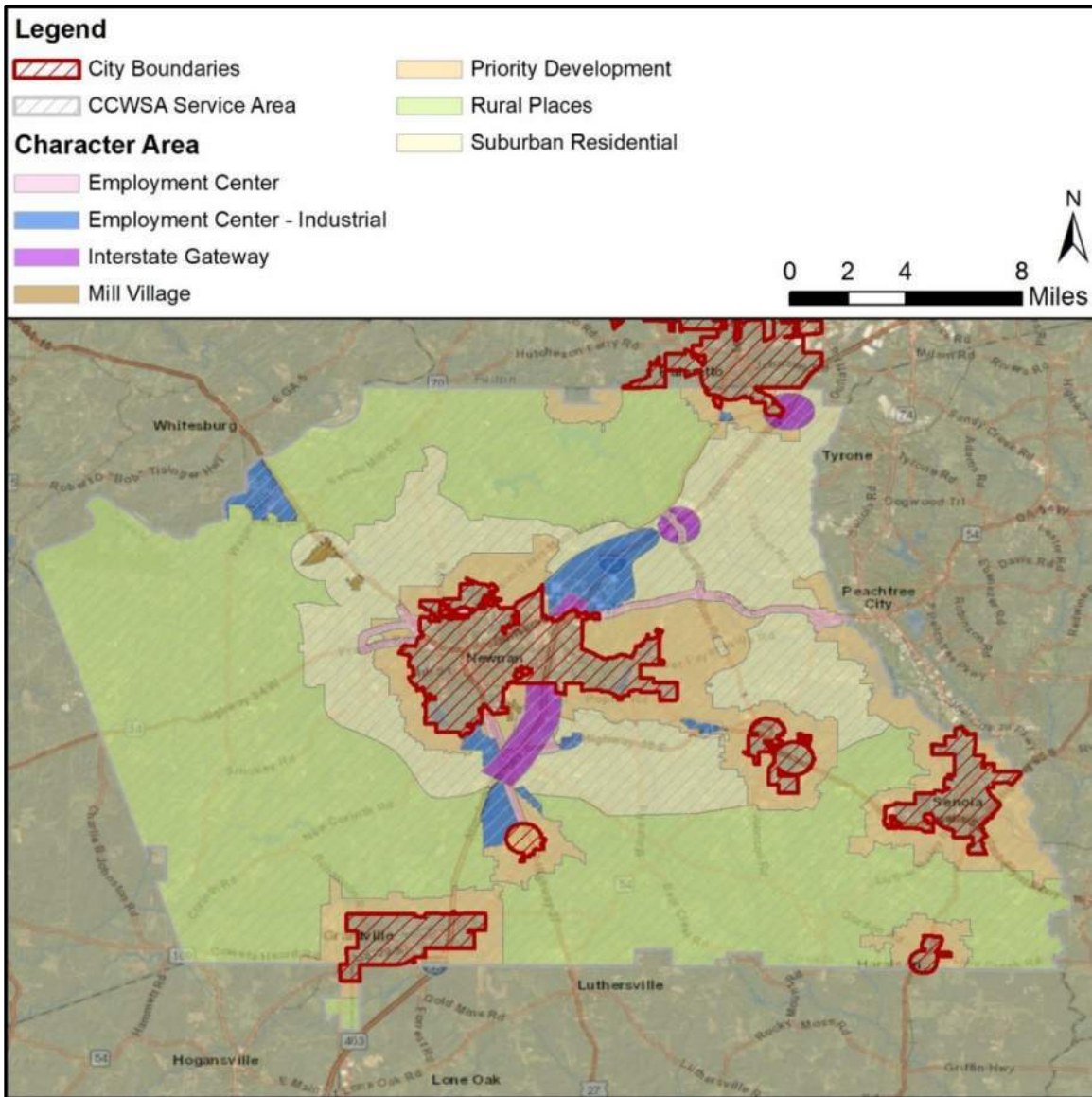


Figure 4-5. Coweta County Comprehensive Plan Character Areas



Water demand projections are shown in Figure 4-6 and Table 4-6. The following key assumptions were made:

- 2% linear population growth
  - 2020 baseline population of 94,644
  - 92 gpcd average demand for existing customers
  - 60 gpcd average demand for new customers
- 10 MGD total average allocation for new industrial customers
  - 5 MGD initial average allocation
  - 1.54 scaling factor for maximum day industrial demands
  - The median minimum month and maximum month scaling factors were approximately equivalent between the top 40 largest industrial users and system wide demands

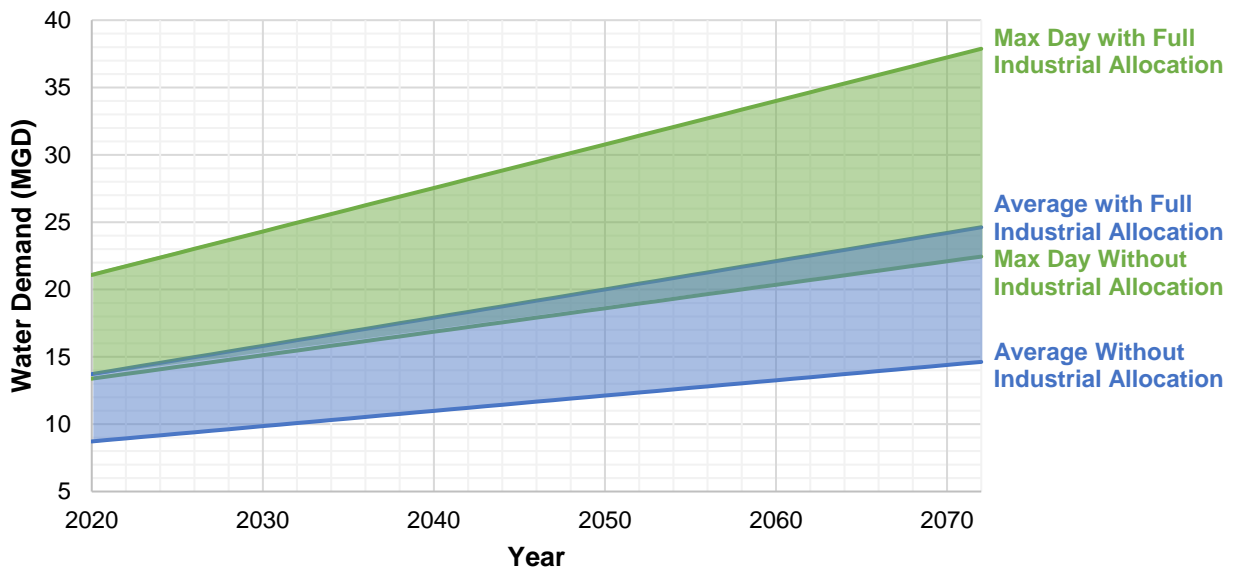


Figure 4-6. Water Demand Projections

Table 4-6. Water Demand Projections

Industrial Demand	Demand Condition	Current (2022)	5-yr (2027)	10-yr (2032)	25-yr (2047)	50-yr (2072)
Without Industrial Allocation	Min Month	7.6	8.1	8.6	10.1	12.5
	Average	8.9	9.5	10.1	11.8	14.6
	Max Month	11.9	12.6	13.4	15.6	19.4
	Max Day	13.7	14.6	15.5	18.1	22.4
With Full Industrial Allocation	Min Month	12.1	13.0	13.9	16.6	21.0
	Average	14.1	15.2	16.2	19.4	24.6
	Max Month	18.7	20.1	21.5	25.6	32.5
	Max Day	21.7	23.3	25.0	29.8	37.9



#### 4.5 Water Demand Allocation

Future residential water demand was allocated spatially considering the factors listed below:

- Historical population growth rates from 1990 to 2020 Census data
- Existing residential density
- Maximum residential density based on Character Area definitions within the Coweta County Comprehensive Plan (see Table 4-7)
- Viable area for development excluding water bodies and wetlands with a 100-foot buffer

Figure 4-7 shows the 2072 projected residential water demand growth.

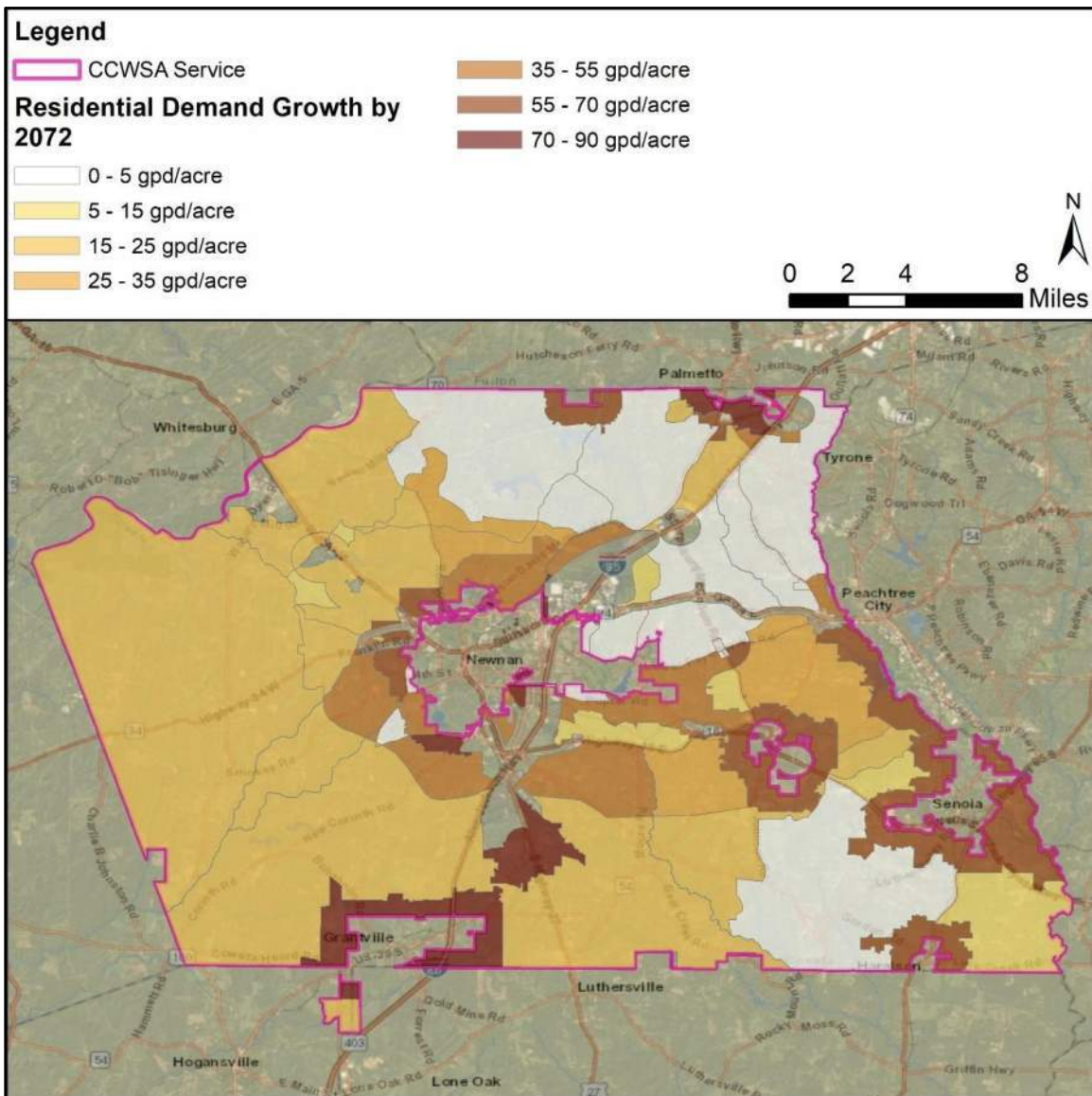


Figure 4-7. Residential Demand Allocation

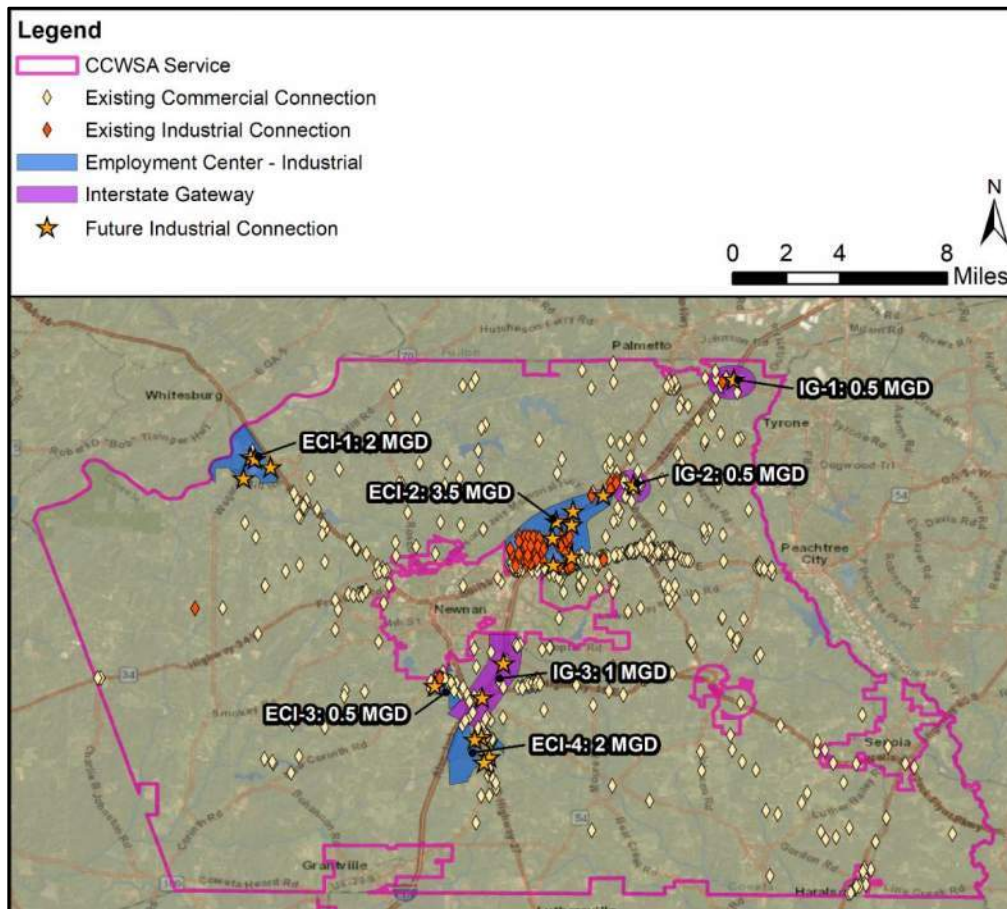
**Table 4-7. Character Area Target Density**

Character Area	Target Density (units/acre)
Priority Development	0.625
Suburban Residential	0.2 – 0.625
Rural Places	0.2

Highest residential water demand growth is anticipated in areas surrounding existing cities and towns that are identified as “Priority Development” or “Suburban Residential”. The northeastern portion of Coweta County is already built out past the target densities listed in the Comprehensive Plan. Moderate growth is likely for “Rural Places” in the west and south.

Future industrial water demand was allocated spatially considering the following factors:

- Existing commercial and industrial connections
- “Employment Center – Industrial” and “Interstate Gateway” Character Area definitions within the Coweta County Comprehensive Plan
- Applied as 0.25 or 0.5 MGD unit demands



**Figure 4-8. Industrial Demand Allocation**

## 5.0 Capital Improvement Plan

Water distribution, transmission, storage, and pumping improvements were identified to accommodate projected water demand growth while maintaining compliance with GA EPD minimum standards for public water systems. The following sections outline the approach taken for developing the Capital Improvement Plan (CIP) and detail the recommended improvements.

### 5.1 No Action

The existing water system was evaluated at the 50-year projected average system demand of 24.6 MGD. Existing transmission infrastructure is undersized to deliver water at maximum head loss gradients below 5 ft/k-ft (see Figure 5-1). In particular, flow is restricted between BT Brown WTP and the existing ESTs and from the north to the south. Existing elevated storage is undersized to buffer changes in demand throughout the day. Existing ESTs fully drain and customer service pressures drop below 20 psi.

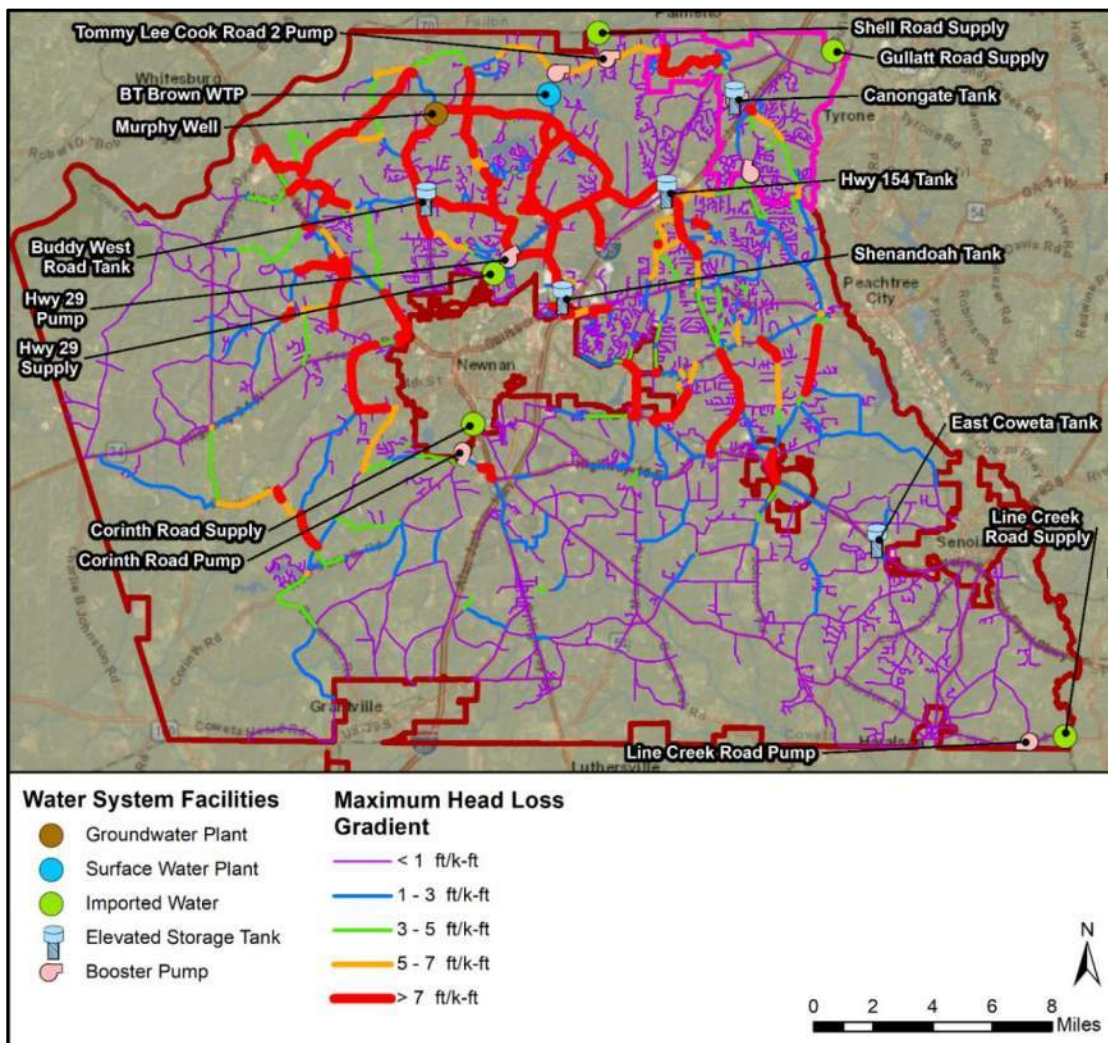


Figure 5-1. Hydraulic Capacity of Existing Infrastructure Under 50-year Projected Average Demand



**5.2 Water Supply Alternatives**

The five high-level water supply alternatives listed in Table 5-1 and shown in Figure 5-2 were considered to meet 50-year projected demands. The water supply alternatives differ in terms of sources of supply and capital improvements needed. All five alternatives include the following new ESTs: East Coweta EST 2, Buddy West Road EST 2, Shenandoah EST 2, Highway 154 EST 2, and Poplar Road EST 1 and 2.

- **Alternative A** involved self-supplying through BT Brown WTP and floating all elevated storage by constructing large-diameter transmission piping between the existing Buddy West Road, Shenandoah, Highway 154, and East Coweta ESTs, and the proposed Poplar Road ESTs.
- **Alternative B** involved self-supplying through BT Brown WTP and establishing one (Alternative B-1) or two (Alternative B-2) new pressure zones to increase hydraulic grade line and operational flexibility for the southeast corner of the system through the construction of a new pump station. Some of the transmission pipe diameters required for Alternative B were smaller than for Alternative A.
- **Alternative C** involved supplementing flow from BT Brown WTP with the Line Creek Road and Corinth Road supplies. Alternative C removed the need for transmission piping from the Highway 154 EST to the East Coweta and Poplar Road ESTs. Upgrades to the Line Creek Road and Corinth Road pump stations would be required.
- **Alternative D** involved self-supplying through BT Brown WTP and a new CCWSA WTP located in the southeast portion of the system. The specific transmission improvements needed for Alternative D were not identified. A WTP siting study would be recommended.

**Table 5-1. Water Supply Alternatives Summary**

Alternative	Water Supplied (MGD)			Capital Improvements		
	BT Brown WTP	Line Creek & Corinth Road	New CCWSA WTP	Transmission	Elevated Storage	Pump Station
A	✓			✓	✓	
B-1	✓			✓	✓	✓
B-2	✓			✓	✓	✓
C	✓	✓		✓	✓	✓
D	✓		✓	✓	✓	



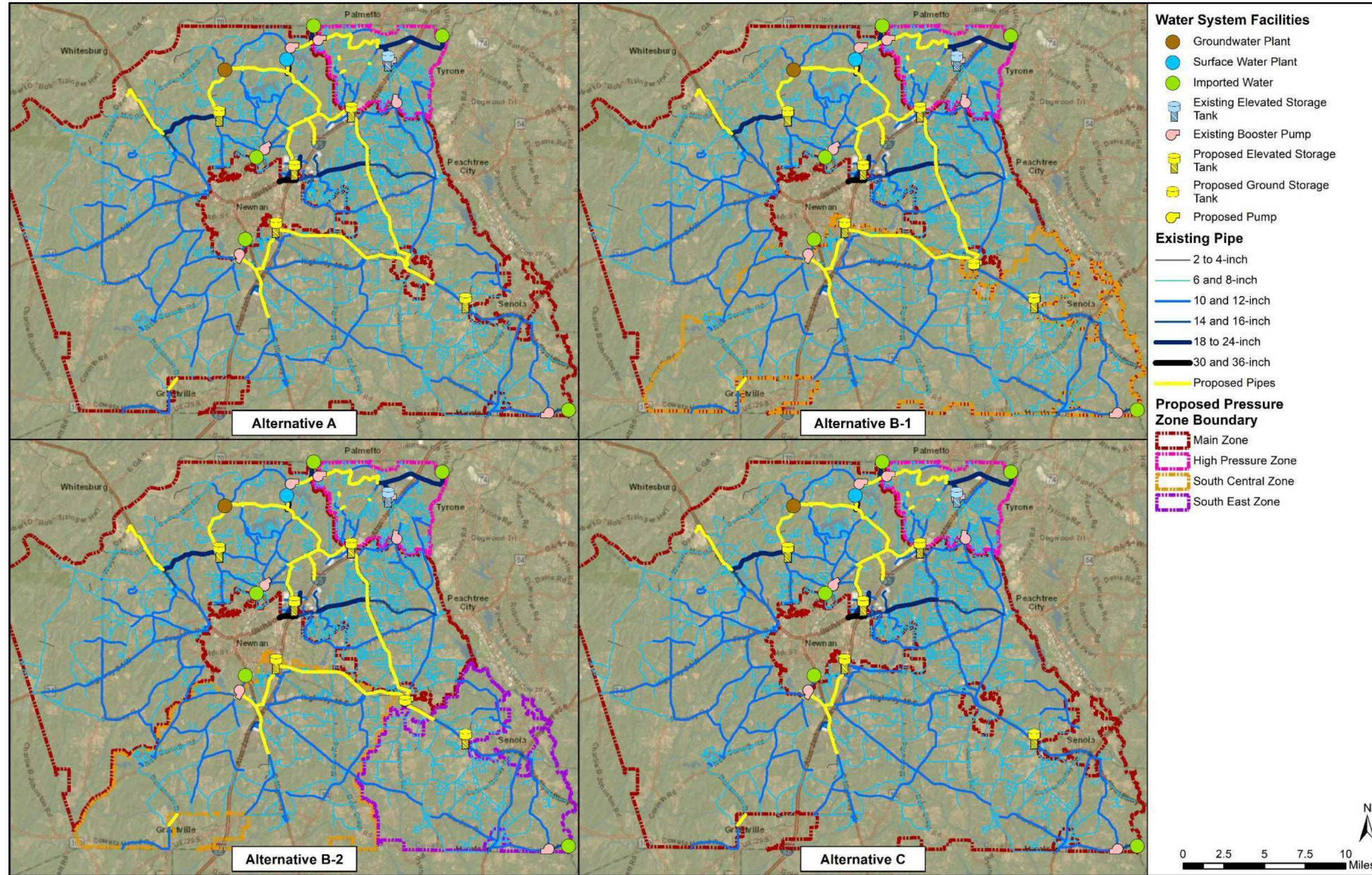
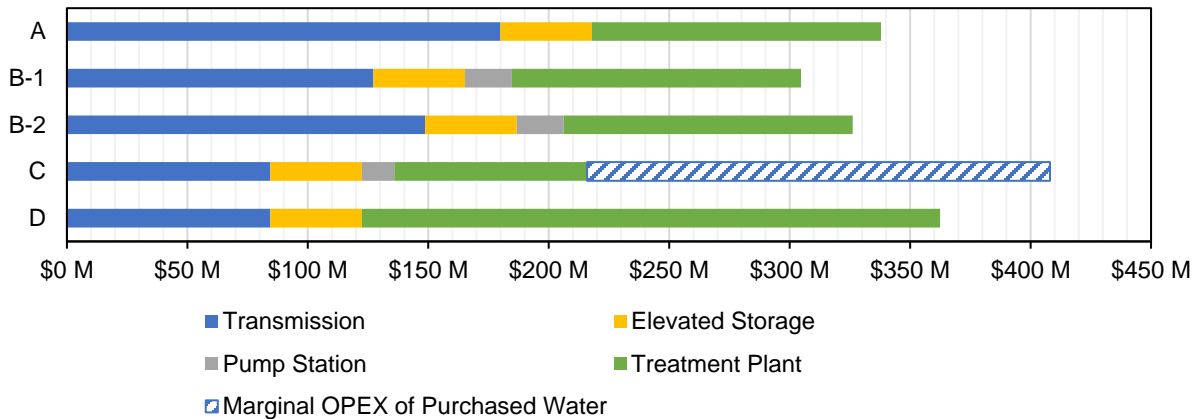


Figure 5-2. Water Supply Alternatives Summary



High-level cost estimates were developed for each water supply alternative (see Figure 5-3). The approximate total costs for Alternatives A and B are the lowest overall. Alternative D has the highest capital cost (including transmission, elevated storage, pump station, and treatment plant improvements) due to the cost of constructing a greenfield WTP compared with expansion of the existing BT Brown WTP. Alternative C has the lowest capital cost, but the highest total cost when the marginal operational expenditure of purchasing water from the cities of Griffin and Newnan over a 50-year period is considered.



**Figure 5-3. Water Supply Alternatives Cost Comparison**

Alternatives A, B-1, B-2, and C were also evaluated from a non-monetary perspective. Each alternative was ranked from one to four with one being the most favorable and four being the least favorable for a given category (see Table 5-2).

**Table 5-2. Water Supply Alternatives Non-Monetary Comparison**

Consideration	A	B-1	B-2	C
Pressure Maintenance	4	2	1	3
Elevated Storage Compatibility	4	3	1	2
Operational Flexibility	4	3	1	2
Asset Management	1	2	4	3
Water Age	4	3	2	1
<i>Average</i>	3.3	2.6	1.8	2.2

Alternative A ranks last in terms of non-monetary considerations: elevated storage compatibility, operational flexibility, and water age are hampered by floating all elevated storage within a single pressure zone. Alternative C ranks second: keeping Corinth Road and Line Creek Road as sources of supply increases operational flexibility and promotes the cycling of the Poplar Road and East Coweta ESTs. Alternative B-2 is favored overall: establishing two new pressure zones will provide the greatest level of control over localized pressure maintenance and tank cycling.

Based on the monetary and non-monetary evaluations, Alternative B-2 was selected by CCWSA for further development.



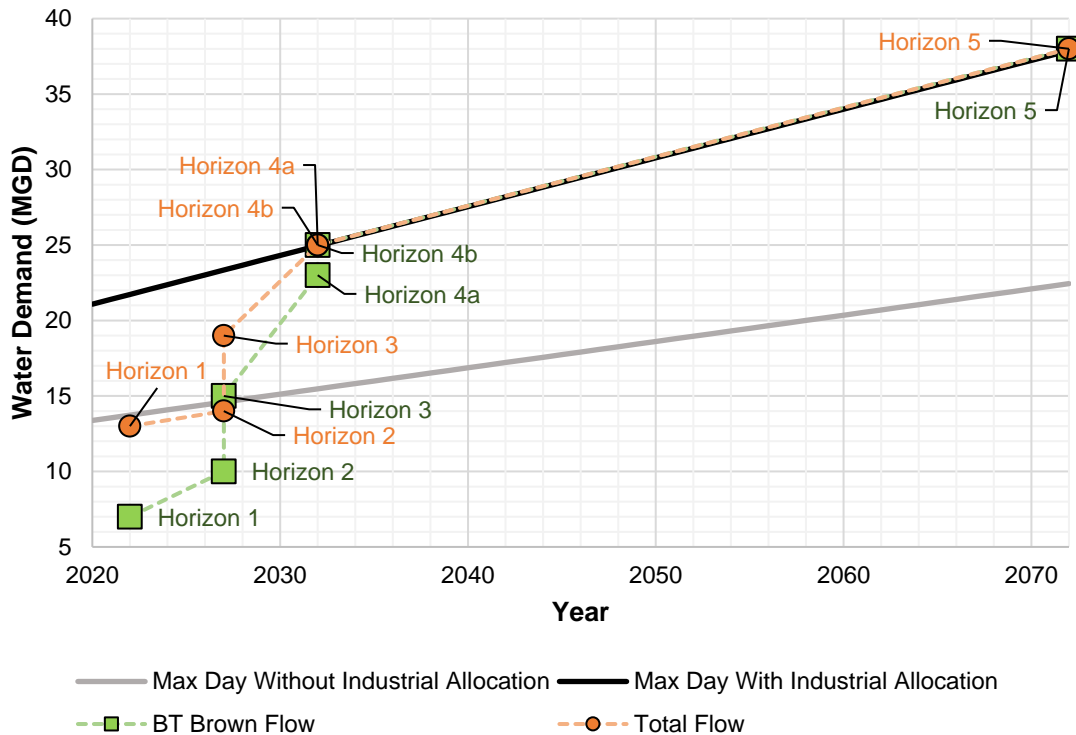


### 5.3 Planning Horizons

Five planning horizons were evaluated, each with increasing system demand, increasing flow from BT Brown WTP, and decreasing flow from imported supplies (see Table 5-3).

**Table 5-3. Planning Horizons**

Horizon	Timing	Demand Condition	Average Flow from Sources (MGD)			
			BT Brown	Griffin	Newnan	Atlanta
1	Current	Max day without industrial allocation	7	3	2	1
2	5-year (2027)	Max day without industrial allocation	10	4	1	-
3	5-year (2027)	Max day with 5 MGD industrial allocation	15	5	-	-
4a	10-year (2032)	Max day with 10 MGD industrial allocation	23	2	-	-
4b			25	-	-	-
5	50-year (2072)	Max day with 15 MGD industrial allocation	38	-	-	-



**Figure 5-4. Planning Horizons**





In Figure 5-4, planning horizons are shown in terms of BT Brown WTP flow and total flow relative to projected maximum day demands with and without the industrial allocation.

- **Horizon 1** improvements address fire flow and minimum and maximum pressure deficiencies under current maximum day demands.
- **Horizon 2** improvements target 2027, 5-year maximum day demands without an industrial allocation (15 MGD system demand), increase average flow from BT Brown WTP to 10 MGD, eliminate the need for the Shell Road and Highway 29 supplies from Atlanta and Newnan, and establish two southern pressure zones.
- **Horizon 3** improvements build upon Horizon 2 to accommodate a 5 MGD industrial allocation (20 MGD system demand), increase average flow from BT Brown WTP to 15 MGD, eliminate the need for the Corinth Road supply from Newnan, and balance the Main Zone ESTs.
- **Horizon 4a** improvements are needed for 2032, 10-year maximum day demands with a 10 MGD industrial allocation (25 MGD system demand). They increase average flow from BT Brown WTP to 20 MGD and target specific industrial developments.
- **Horizon 4b** improvements increase average flow from BT Brown WTP to 25 MGD and eliminate the need for the Line Creek Supply from Griffin.
- **Horizon 5** requires no additional improvements beyond Horizon 4b. Horizon 5 is the 2072, 50-year maximum day demand condition will full industrial allocation (38 MGD system demand).

#### 5.4 Project Drivers

At each planning horizon, improvements were identified based on the seven project drivers listed in Table 5-4 below.

**Table 5-4. Project Drivers**

Project Driver	Description
System Demand	<ul style="list-style-type: none"> <li>• Accommodate water demand growth while limiting pipeline velocities to less than 5 ft/s and maintaining adequate storage.</li> </ul>
BT Brown WTP Flow	<ul style="list-style-type: none"> <li>• Increase the utilization of BT Brown WTP relative to overall system demand and flow from other sources.</li> </ul>
Industrial Demand	<ul style="list-style-type: none"> <li>• Serve specific areas targeted for industrial development.</li> </ul>
Level of Service	<ul style="list-style-type: none"> <li>• Maintain minimum pressures of at least 45 psi.</li> </ul>
Operational	<ul style="list-style-type: none"> <li>• Improve elevated storage tank connectivity and cycling.</li> <li>• Add operational flexibility and redundancy.</li> </ul>
Self-Supply	<ul style="list-style-type: none"> <li>• Eliminate the need for existing imported supplies.</li> </ul>
Fire Flow	<ul style="list-style-type: none"> <li>• Increase available fire flow to at least 1,000 gpm at 20 psi.</li> </ul>





## 5.5 Improvements

The full set of recommended capital improvements is summarized in Table 5-5 and Figure 5-5. Each project includes a project description, overview of project drivers, project horizon, and flows up to which the project provides sufficient capacity. Detailed project sheets can be found in Appendix A. Project sheet exhibits are for planning purposes only. Predesign engineering studies may be needed to determine the preferred alignment for transmission projects and to determine site selection, expansion, or configuration for facilities projects. All proposed pipes were modeled in parallel with existing pipes. Depending on the age and condition of existing infrastructure, pipe replacements may be recommended instead.

A schematic of the proposed system is shown in Figure 5-6. The existing system features two pressure zones, four imported sources, and five elevated storage sites. The proposed system includes four pressure zones, no imported sources, six elevated storage sites, and a new pump station.

Minimum pressures, maximum pressures, available fire flows, and maximum velocities from the hydraulic model are shown in Figure 5-7 for the proposed system under the 50-year maximum day demand condition with full industrial allocation (38 MGD system demand).

Finally, project quantities and costs are presented in Table 5-6. Costs estimates were prepared for each project based on industry standards and the 2022 bidding environment. These costs are an estimate and should be re-evaluated as each project nears its start date. The planning level Opinion of Probable Construction Cost (OPCC) estimates include:

- Capital cost
- Professional services cost applied as a 20% markup
- Contingency cost of 30%

The cost estimates included in this CIP are Class 4 estimates as defined by the Association for the Advancement of Cost Engineering (AACE), which is consistent with cost estimates developed for studies. The expected accuracy range is -30% to +50% of the estimated values. Additional details are needed for each project to develop Class 3 estimates for budget authorization or control. Based on the current market volatility in 2022, factors such as material and labor shortages may impact project costs. Costs are presented in 2022 dollars.

Table 5-5. Capital Improvement Summary

Project ID	Project Name	Project Description	Project Drivers	Flow Triggers			
				Horizon	System Demand	BT Brown WTP Flow	South Central Zone Peak Flow
D1	Arbor Springs Plantation Connectors	Install an 8-inch connector from Arbor Springs Parkway to Coral Ridge Court, a 10-inch connector from Arbor Springs Parkway to Kelly Farm Road, an 8-inch connector from Shepard Way to Hwy 29 N, and a 12-inch bypass of the check valve along Hwy 29 N. Relocate the existing zone boundary from Weldon Road and Hwy 29 N to Arbor Springs Parkway and Hwy 29 N.	<ul style="list-style-type: none"> <li>• <b>Fire Flow:</b> Resolve existing fire flow deficiencies within Arbor Springs Plantation.</li> <li>• <b>Level of Service:</b> Raise marginal minimum pressures (35 – 45 psi) within Arbor Springs Plantation.</li> </ul>	1	13 MGD	7 MGD	n/a
D2	Grandma Branch Road and Bohannon Road Connector	Install an 8-inch connector from Bohannon Road to Grandma Branch Road at Alexander Road.	<ul style="list-style-type: none"> <li>• <b>Fire Flow:</b> Improve existing fire flow deficiencies along Alexander Road and Coweta Heard Road.</li> </ul>				
T1	Tommy Lee Cook Road Downstream Piping	Install approximately 4.7 miles of 16-inch pipe from the discharge side of Tommy Lee Cook Road 2 Pump Station to the existing 20-inch pipe at Weldon Road and Hwy 29 N. Include tie-ins at Gosdin Road and Ridley Road.	<ul style="list-style-type: none"> <li>• <b>Level of Service:</b> Resolve existing maximum pressures above 150 psi, pressure ranges greater than 40 psi, and maximum head loss gradients above 7 ft/k-ft.</li> </ul>				
T2	Tommy Lee Cook Road Upstream Piping	Install approximately 2.2 miles of 16-inch pipe from BT Brown WTP to the suction side of Tommy Lee Cook Road 2 Pump Station cross-country and along Tommy Lee Cook Road. Include a tie-in at Shell Road.	<ul style="list-style-type: none"> <li>• <b>Self-Supply:</b> Eliminate the need for the Shell Road supply from Atlanta.</li> </ul>	2	15 MGD	10 MGD	6 MGD
T3	Cedar Creek Road and Happy Valley Circle Piping	Install approximately 460 feet of 48-inch pipe directly downstream of BT Brown WTP in parallel with the existing 24-inch pipe, approximately 2.4 miles of 24-inch pipe along Happy Valley Circle from Jim Starr Road to Lamar Smith Drive, approximately 3.0 miles of 42-inch pipe along Happy Valley Circle and Cedar Creek Road from Lamar Smith Drive to Hwy 29 N, and approximately 0.7 miles of 30-inch pipe along Hwy 29 N from Cedar Creek Road to Walt Sanders Road. Replace the existing 8-inch piping along Walt Sanders Road with 16-inch pipe.	<ul style="list-style-type: none"> <li>• <b>System Demand / BT Brown WTP Flow:</b> Reduce head loss from BT Brown WTP to the Main Zone ESTs.</li> <li>• <b>Industrial Demand:</b> Supply industrial demands north of Newnan.</li> </ul>				
F1	Shenandoah Elevated Storage Tank 2	Construct a new 1.15-MG EST to operate in parallel with the existing Shenandoah EST.	<ul style="list-style-type: none"> <li>• <b>System Demand:</b> Maintain adequate storage for the Main Zone.</li> <li>• <b>Operational:</b> Increase system redundancy in the event of an outage or other emergency.</li> </ul>				
T4	Highway 16 and Newnan Crossing Bypass Piping	Install approximately 1.8 miles of 20-inch pipe from the existing 24-inch transmission main along Hwy 16 to the new South Pump Station with a tie-in at Hwy 16 and Hwy 54, approximately 0.7 miles of 30-inch pipe from Hwy 154 and Hwy 54 to the new South Pump Station, approximately 2.3 miles of 30-inch pipe from the new South Pump Station to Hwy 16 and Poplar Road, and approximately 2.2 miles of 24-inch pipe along Newnan Crossing Bypass from the new Poplar ESTs to Hwy 16.	<ul style="list-style-type: none"> <li>• <b>Level of Service:</b> Establish new South Central Zone and South East Zone at elevated hydraulic grade lines.</li> <li>• <b>Operational:</b> Allow ESTs within the new South Central Zone and South East Zone to cycle independently; Utilize the Line Creek Road supply until the contract with Griffin expires.</li> <li>• <b>Industrial Demand:</b> Prepare for industrial growth south of Newnan.</li> </ul>	3	20 MGD	15 MGD	8 MGD
F2	Poplar Road Elevated Storage Tank and South Pump Station	Construct a 1.5-MG EST at Poplar Road and Newnan Crossing Bypass. Construct a new booster pump station and 1-MG ground storage tank near the intersection of Hwy 16 and Hwy 54. The ground storage tank will be filled through a 30-inch line and control valve from the Main Zone and a 20-inch line and control valve from the South East Zone. Water will be boosted from the ground storage tank to the South Central Zone.					
T5	Highway 16 and Poplar Road Piping	Install approximately 5.1 miles of 30-inch pipe along Poplar Road from Hwy 16 to the new Poplar Road ESTs and approximately 0.4 miles of 24-inch pipe along Hwy 16 from Newnan Crossing Bypass to Hwy 29 S.	<ul style="list-style-type: none"> <li>• <b>Self-Supply:</b> Eliminate the need for the Corinth Road Supply.</li> <li>• <b>Industrial Demand:</b> Serve industrial demand south of Newnan.</li> </ul>				



Project ID	Project Name	Project Description	Project Drivers	Flow Triggers			
				Horizon	System Demand	BT Brown WTP Flow	South Central Zone Peak Flow
F3	Poplar Road Elevated Storage Tank 2	Construct a new 1.5-MG EST to operate in parallel with the existing Poplar Road EST.	<ul style="list-style-type: none"> <li><b>System Demand:</b> Maintain adequate storage for the South Central Zone.</li> <li><b>Operational:</b> Increase system redundancy in the event of an outage or other emergency.</li> <li><b>Industrial Demand:</b> Serve industrial demand south of Newnan.</li> </ul>	3	20 MGD	15 MGD	8 MGD
F4	East Coweta Elevated Storage Tank 2	Construct a new 1.15-MG EST to operate in parallel with the existing East Coweta EST.	<ul style="list-style-type: none"> <li><b>System Demand:</b> Maintain adequate storage for the South East Zone.</li> <li><b>Operational:</b> Increase system redundancy in the event of an outage or other emergency.</li> <li><b>Industrial Demand:</b> Serve industrial demand south of Newnan within the South Central Zone with flow from the South East Zone.</li> </ul>				
T6	Highway 29, Herring Road, Brimer Road, and Roscoe Road Piping	Install approximately 0.7 miles of 36-inch pipe from the BT Brown WTP to Happy Valley Circle and Lamar Smith Drive, approximately 2.3 miles of 36-inch pipe from Cedar Creek Road and Hwy 29 N to the Hwy 154 EST, approximately 3.5 miles of 30-inch pipe from Walt Sanders Road and Hwy 29 N to the Shenandoah EST with a tie-in at Herring Road, and approximately 3.9 miles of 24-inch pipe from Jim Starr Road and Duncan Road to the Buddy West EST with tie-ins at Brimer Road and Buddy West Road.	<ul style="list-style-type: none"> <li><b>System Demand / BT Brown WTP Flow:</b> Reduce head loss from BT Brown WTP to the Main Zone ESTs.</li> <li><b>Operational:</b> Allow the Main Zone ESTs to float together effectively.</li> </ul>				
F5	Highway 154 Elevated Storage Tank 2	Construct a new 1.15-MG EST to operate in parallel with the existing Highway 154 EST.	<ul style="list-style-type: none"> <li><b>System Demand:</b> Maintain adequate storage for the Main Zone.</li> <li><b>Operational:</b> Increase system redundancy in the event of an outage or other emergency.</li> </ul>	4a	25 MGD	23 MGD	10 MGD
T7	Highway 154 Piping (Phase 1)	Install approximately 3.4 miles of 30-inch pipe from the South Pump Station to Hwy 154 and Lower Fayetteville Road.	<ul style="list-style-type: none"> <li><b>System Demand:</b> Increase transmission capacity from the Main Zone to the South Central Zone.</li> </ul>				
T8	Highway 154 Piping (Phase 2)	Install along Hwy 154 approximately 2.0 miles of 30-inch pipe from Lower Fayetteville Road to Hwy 34 E and approximately 2.9 miles of 36-inch pipe from Hwy 34 E to the Hwy 154 EST.	<ul style="list-style-type: none"> <li><b>Self-Supply:</b> Reduce flow needed from the Line Creek Road supply to the South Central Zone.</li> </ul>				
F6	Buddy West Road Elevated Storage Tank 2	Construct a new 1.15-MG EST to operate in parallel with the existing Buddy West Road EST.	<ul style="list-style-type: none"> <li><b>System Demand:</b> Maintain adequate storage for the Main Zone.</li> <li><b>Operational:</b> Increase system redundancy in the event of an outage or other emergency.</li> </ul>				
T9	Pine Road and Corinth Road Piping	Install approximately 1.5 miles of 12-inch pipe to serve industrial demand along Pine Road and Corinth Road.	<ul style="list-style-type: none"> <li><b>Industrial Demand:</b> Supply industrial demands south of Newnan.</li> </ul>				
T10	West Highway 16 Piping	Install approximately 2.7 miles of 12-inch pipe and 0.6 miles of 16-inch pipe from Macedonia Road and Hwy 16 W to Yates with tie-ins at Robinson Road, Dr. Elliot Road, and Old Carrollton Road.	<ul style="list-style-type: none"> <li><b>Industrial Demand:</b> Supply Yates industrial demands.</li> </ul>	4b	25 MGD	25 MGD	10 MGD
T11	South Highway 29 Piping	Install approximately 2.6 miles of 16-inch pipe to serve industrial demand along Hwy 29 S.	<ul style="list-style-type: none"> <li><b>Industrial Demand:</b> Supply industrial demands south of Newnan.</li> </ul>				
F7	South East Zone Pump Station	Install additional booster pumps at the South Pump Station to pump from the ground storage tank to the South East Zone.	<ul style="list-style-type: none"> <li><b>Self Supply:</b> Eliminate the need for the Line Creek supply.</li> <li><b>Operational:</b> Provide a secondary source for the South East Zone.</li> </ul>				





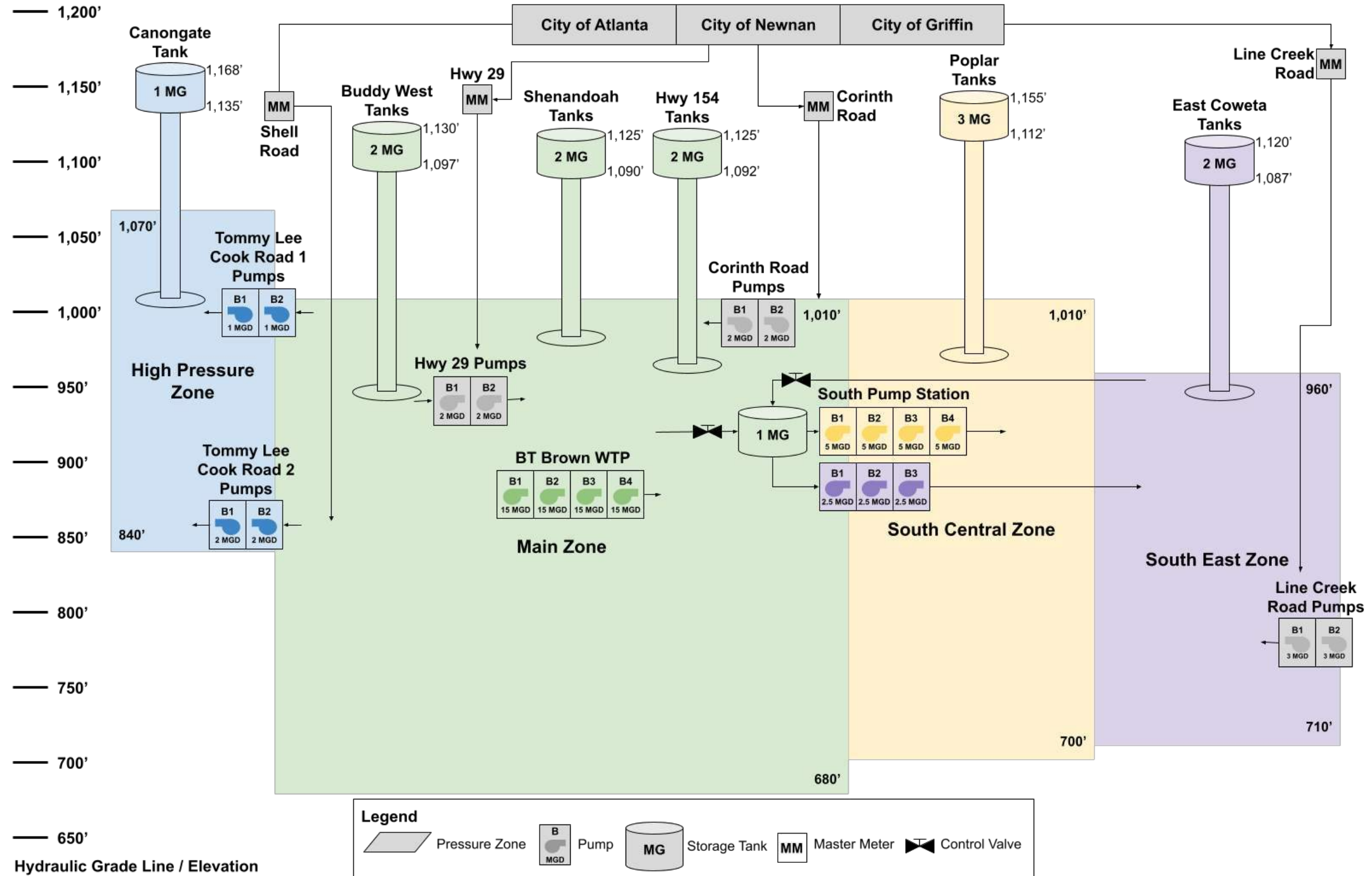


Figure 5-6. Proposed System Schematic

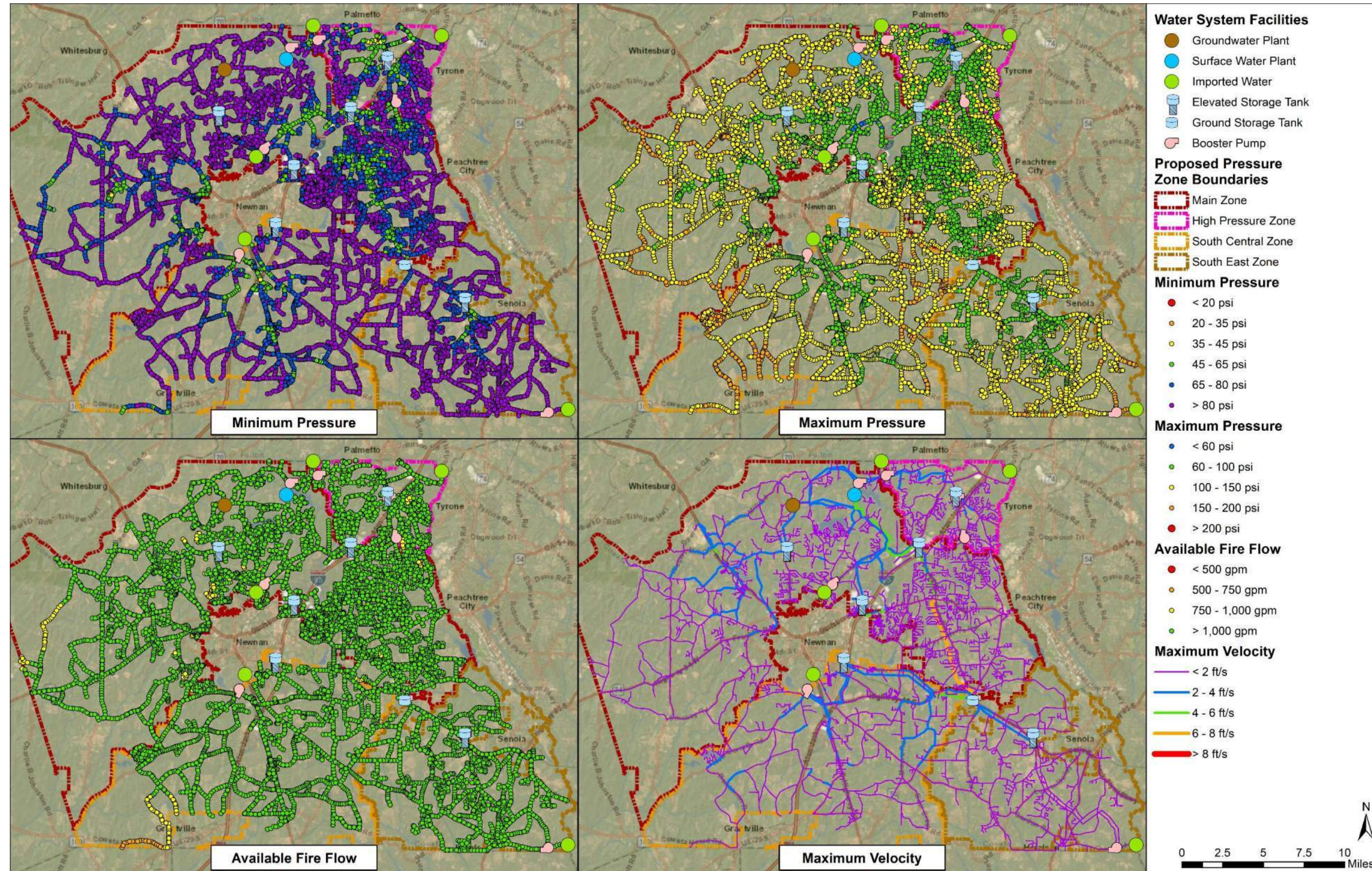


Figure 5-7. Hydraulic Model Results of Proposed System Under 50-year Projected Maximum Day Demand



Table 5-6. Project Quantities and Cost

Project ID	Project Name	Item	Quantity	Capital Cost (\$M)	Total Cost (\$M)
D1	Arbor Springs Plantation Connectors	Pipeline Length	0.5 mi	\$0.4	\$0.6
D2	Grandma Branch Road and Bohannon Road Connector	Pipeline Length	0.7 mi	\$0.4	\$0.7
T1	Tommy Lee Cook Road Downstream Piping	Pipeline Length	4.7 mi	\$6.4	\$9.5
T2	Tommy Lee Cook Road Upstream Piping	Pipeline Length	2.2 mi	\$3.0	\$4.5
T3	Cedar Creek Road and Happy Valley Circle Piping	Pipeline Length	7.6 mi	\$19.5	\$29.3
T4	Highway 16 and Newnan Crossing Bypass Piping	Pipeline Length	7.0 mi	\$15.2	\$22.8
T5	Highway 16 and Poplar Road Piping	Pipeline Length	5.5 mi	\$13.6	\$20.5
T6	Highway 29, Herring Road, Brimer Road, and Roscoe Road Piping	Pipeline Length	10.5 mi	\$26.1	\$39.1
T7	Highway 154 Piping (Phase 1)	Pipeline Length	3.4 mi	\$8.6	\$13.0
T8	Highway 154 Piping (Phase 2)	Pipeline Length	4.9 mi	\$13.9	\$20.8
T9	Pine Road and Corinth Road Piping	Pipeline Length	1.4 mi	\$1.5	\$2.2
T10	West Highway 16 Piping	Pipeline Length	3.3 mi	\$3.6	\$5.3
T11	South Highway 29 Piping	Pipeline Length	2.6 mi	\$3.5	\$5.3
F1	Shenandoah Elevated Storage Tank 2	Elevated Storage Volume	1.15 MG	\$3.8	\$5.7
F2	Poplar Road Elevated Storage Tank and South Pump Station	Elevated Storage Volume	1.5 MG	\$14.7	\$22.0
		Ground Storage Volume	2 MG		
		Pump Station Capacity	9 MGD		
F3	Poplar Road Elevated Storage Tank 2	Elevated Storage Volume	1.5 MG	\$5.0	\$7.5
F4	East Coweta Elevated Storage Tank 2	Elevated Storage Volume	1.15 MG	\$3.8	\$5.7
F5	Highway 154 Elevated Storage Tank 2	Elevated Storage Volume	1.15 MG	\$3.8	\$5.7
F6	Buddy West Road Elevated Storage Tank 2	Elevated Storage Volume	1.15 MG	\$3.8	\$5.7
F7	South East Zone Pump Station	Pump Station Capacity	7.5 MGD	\$7.5	\$11.3
<b>Notes:</b> Total cost includes a 20% markup for professional services and a 30% contingency. All costs are in 2022 dollars.					





5.5.1 Facilities Improvements

5.5.1.1 Parallel Elevated Storage Tanks

Four new ESTs are proposed at existing sites: Shenandoah, East Coweta, Highway 154, and Buddy West Road. The proposed ESTs would operate in parallel with the existing ESTs. Proposed parallel tank parameters are listed in Table 5-7.

Table 5-7. Parallel Elevated Storage Tank Parameters

Proposed Tank	Volume (MG)	Diameter (feet)	Ground Elevation (feet)	Minimum Tank Elevation (feet)	Maximum Tank Elevation (feet)	Height (feet)
Shenandoah EST 2	1.22	77	971	1,090	1,125	154
East Coweta EST 2	1.15	77	940	1,087	1,120	180
Highway 154 EST 2	1.15	77	963	1,092	1,125	162
Buddy West Road EST 2	1.15	77	940	1,097	1,130	190

5.5.1.2 Poplar Road Elevated Storage Tank

New ESTs are sited near the intersection of Poplar Road and Newnan Crossing Bypass. The Poplar Road site was selected because it is outside of the Newnan Coweta Airport approach surface (Part 77 surface) and at a ground elevation above 950 feet (see Figure 5-8). Other locations were considered along Highway 16, but all were either too close to the airport or at low elevations which would necessitate taller tanks. Proposed tank parameters are listed in Table 5-8.



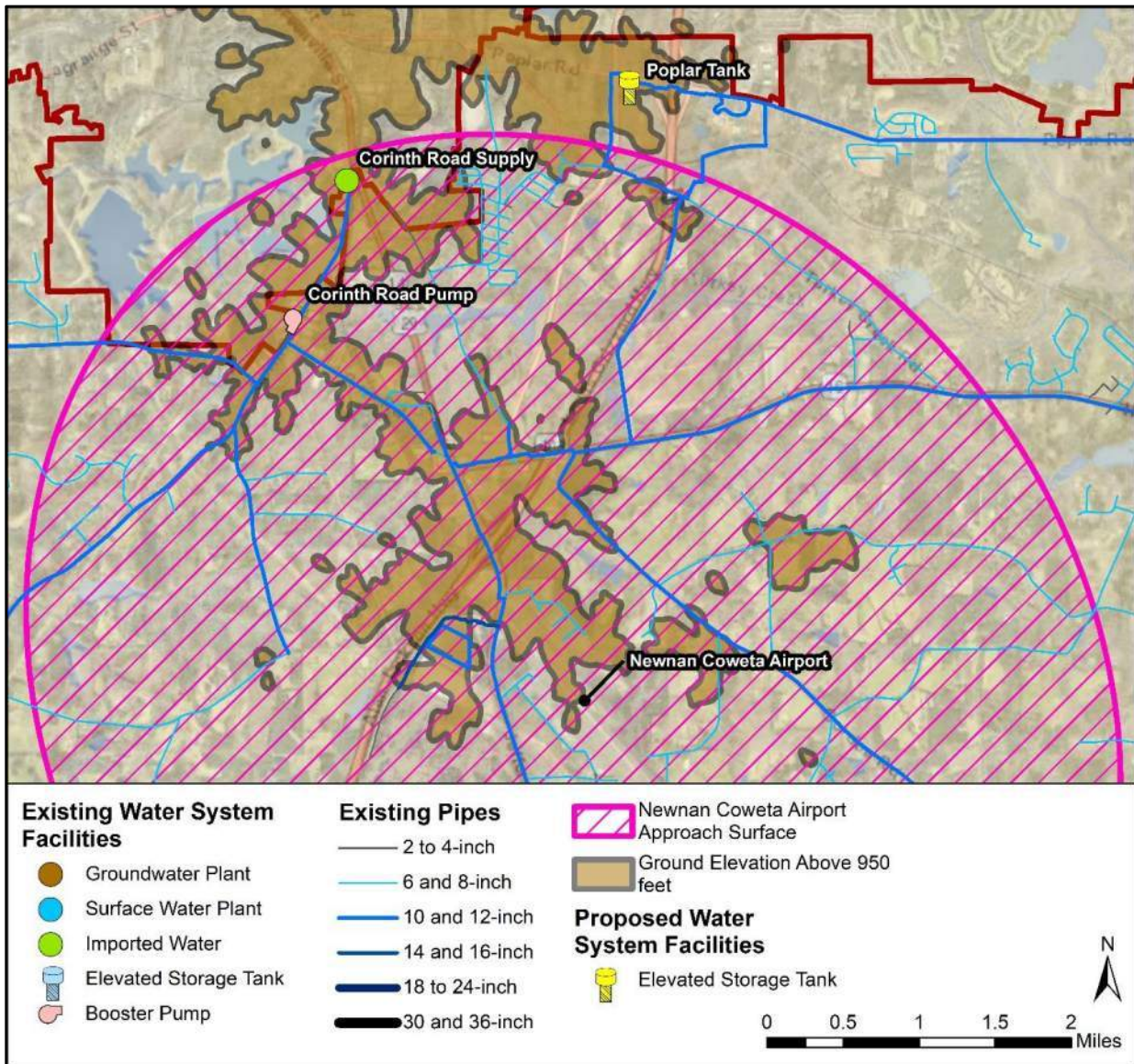


Figure 5-8. Poplar Road Elevated Storage Tank Location

Table 5-8. Poplar Road Elevated Storage Tank Parameters

Parameter	Value
Volume	1.5 MG
Diameter	88 feet
Ground elevation	967 feet
Minimum tank elevation	1,122 feet
Maximum tank elevation	1,155 feet
Height	188 feet



5.5.1.3 South Pump Station

Water will be supplied to the Poplar ESTs and the South Central Zone from the South Pump Station. The South Pump Station is designed to provide operational flexibility and phase out the Line Creek Road supply from the City of Griffin. The South Pump Station will contain a 1-MG ground storage tank (GST) that is fed through two inlet control valves from the Main Zone or South East Zone (see Figure 5-9). Initially, one set of pumps will pump from the GST to the South Central Zone at a firm capacity of 6 MGD. Pumping capacity can be increased at each planning horizon as peak hour demands grow. To eliminate the need for the Line Creek Road Pump Station, a second set of pumps can be added at the South Pump Station to pump from the GST to the South East Zone. Table 5-9 below lists the anticipated peak hour demand and firm capacity needed at each planning horizon.

**Table 5-9. South Pump Station Capacities**

Horizon	Zone	Peak Hour Demand (MGD)	Firm Capacity (MGD)
2	South Central Zone	5.7	6
	South East Zone	1.7	2
3	South Central Zone	7.4	8
	South East Zone	2.4	3
4	South Central Zone	9.3	10
	South East Zone	2.9	3
5	South Central Zone	14.4	15
	South East Zone	4.4	5



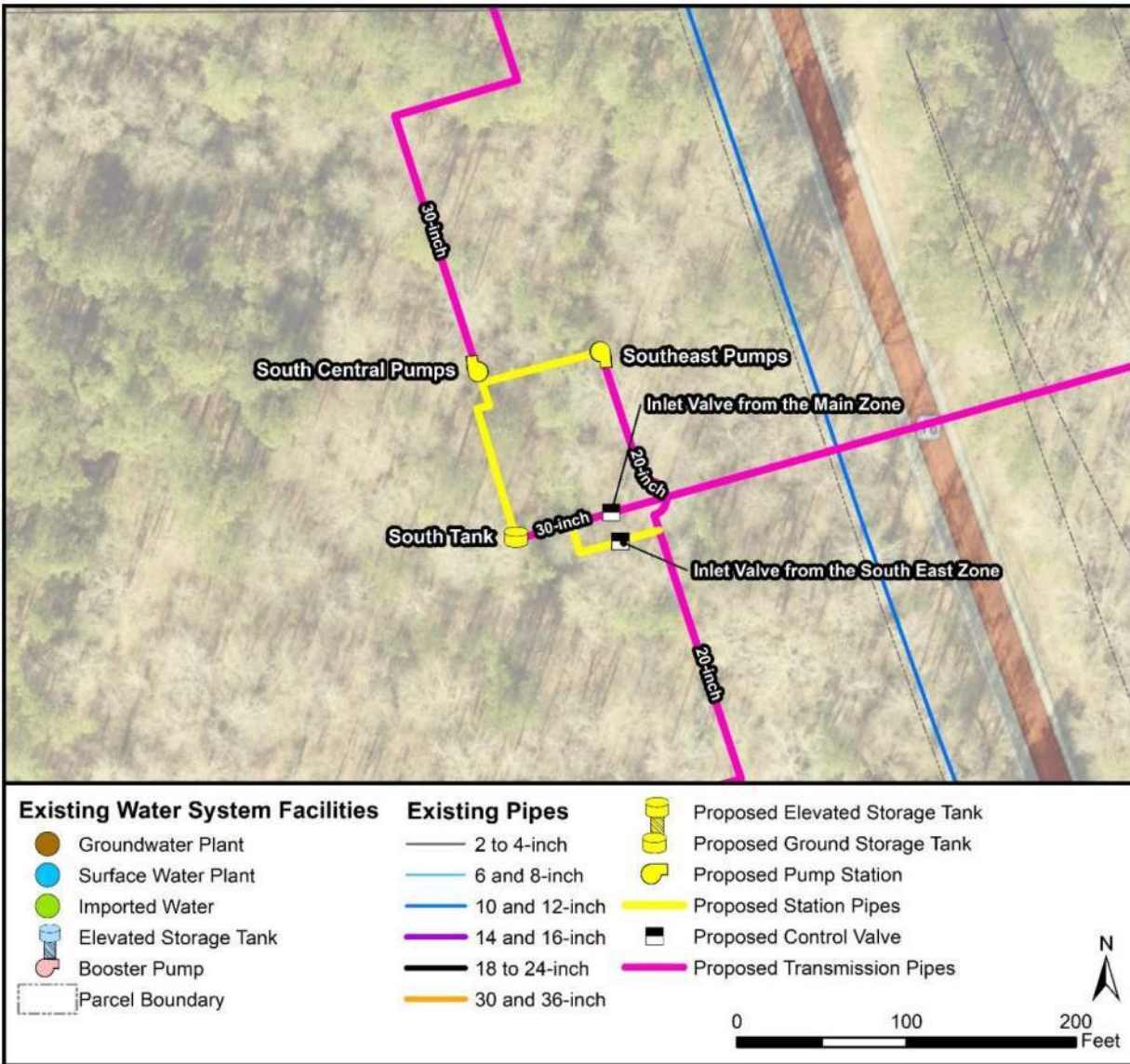


Figure 5-9. South Pump Station Layout Schematic



## **6.0 Summary**

This *Water Master Plan Report* summarizes the development of a CIP for CCWSA's water distribution system. Hydraulic and capacity evaluations were performed to identify existing system deficiencies. Water demand projections were developed over the 50-year planning horizon based on historical per capita demands, past population growth rates, existing density, and future zoning. Water distribution, transmission, storage, and pumping improvements were identified to accommodate projected water demand growth while maintaining compliance with GA EPD minimum standards for public water systems. The CIP detailed in this report will provide CCWSA with a roadmap to plan for future residential and industrial water demand growth.



## **5 CONCLUSIONS**

Based on the results of the analyses developed for the projection period, which includes the combined annual debt service on the Series 2024 Bonds and Series 2021 Bonds, the annual Debt Service Coverage Ratio will satisfy the requirements of the Resolution.

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