

**Peachtree City Water & Sewerage Authority
Regular Meeting
Agenda
Thursday, May 14, 2020
8:00 a.m.**

I. Pledge of Allegiance

II. Public Comment

III. Minutes

March 2, 2020 - Regular Meeting Minutes

IV. Reports

A. Authority Members

B. General Manager

V. Audit Report

VI. Property, Crime, General Liability, Boiler & Machinery, Umbrella, Auto, Inland Marine, Employment Practices Liability, Public Entity Liability, Flood & Earthquake and CyberFirst Liability Insurance Coverage – renewal May 1, 2020

VII. Agreement with Planterra Ridge

VIII. Amend Job Description – Technical Services Coordinator to SCADA-GIS System Administrator

IX. Amend Organizational Chart

X. Quarterly Financial Update

XI. Intergovernmental Agreement with the City of Peachtree City, Georgia regarding technology hosting

XII. On-Call Vehicle Procedures

XIII. Executive Session – Potential Litigation

XIV. Adjourn

**** Location of meeting is Peachtree City Water & Sewerage Authority at 1127 Hwy. 74, South ****

NOTE: This agenda is subject to change up to twenty-four hours prior to the scheduled meeting.

A quorum of City Council will be in attendance.

Peachtree City Water and Sewerage Authority

March 2, 2020

The Peachtree City Water and Sewerage Authority held its monthly meeting on Monday, March 2, 2020, in the conference room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Vanessa Fleisch, Vice-Chairman Mike King, Treasurer/Secretary Terry Ernst, Board Member Kevin Madden, Board Member Phil Prebor, Ms. Melissa Griffis (attorney with Horne & Griffis), Mr. Dan Davis (ISE), Ms. Leslie Baer (ISE), Ms. Millie Shah (WASA), Mr. Larry McNeil (WASA), Mr. John Dufresne, and Ms. Corinne Kehayes.

Ms. Fleisch called the meeting to order at 6:30 pm, and began with the Pledge of Allegiance.

Ms. Fleisch opened the meeting up for public comment. There were no public comments.

Ms. Fleisch asked for a motion to approve the February 3, 2020 regular meeting minutes. Mr. King made the motion, seconded by Mr. Ernst. Mr. Madden abstained. Motion carried.

There were no reports from the Authority members. As a General Manager report, Mr. Dan Davis stated Mr. Xavier Davis has resigned his position at WASA and his last day is this Friday. The Electrician/Instrumentation Technician position (previously held by Mr. Roman Benitez) was previously advertised and candidate interviews were conducted. As a result, Mr. Chris Wetherbee was hired and began working today.

Mr. Dan Davis discussed the 2020 Long Term Water Quality Monitoring Work Authorization with Integrated Science & Engineering (attached). Mr. Dan Davis stated WASA has a federal NPDES permit to discharge treated wastewater into the streams, and this permit has associated requirements which include monitoring pollutants in the stream. To comply with this permit, the Watershed Protection Plan and Watershed Assessment Plan are complete, and Integrated Science & Engineering has been doing the associated monitoring for 10 years. Every five years there is a biological monitoring component, which is not required this year. The monitoring report is due the following June to the EPD. Mr. Dan Davis stated if the Board would like more information, Ms. Hope Larisey can provide more details of the program. The monitoring includes sampling for a lot of constituents in the water/creeks in Peachtree City. Mr. Dan Davis discussed the fee estimate, stating lab fees have increased over the years, but otherwise the fee has been consistent over the years. Ms. Griffis stated she reviewed the Work Authorization and removed some provisions that were not favorable to the Authority. Mr. King made a motion to approve the 2020 Long Term Water Quality Monitoring Work Authorization with Integrated Science & Engineering, seconded by Mr. Madden. Motion carried.

Mr. King provided the Property Committee Report. The Property Committee is comprised of Mr. King, Mr. Madden, Mr. Dan Davis, and Mr. Larry McNeil. Mr. King stated a month ago the Committee reviewed four major properties owned by WASA:

1. The property at the airport: The property is small; could have a future use as a treatment facility; the property services the City and rate payers well;
2. The property at the administration building: If WASA was looking to expand in the future, this area could provide area for expansion;
3. The property at the old treatment facility behind the Police Station on Hwy 74: The property is not of great use to WASA currently; the old treatment facility infrastructure is still in the ground;

there is no need to sell the property; a possible use is to move the mulch mound over from the City property, possibly on a lease agreement with the City; and

4. The 185-acre site on Hwy 85 North (previously the gun/shooting range): It is thought that the original purpose of the land was for land application (LAS); the land cannot be used for LAS now because there are residential developments around the perimeter of the property; the committee has no interest in selling the property at the current time; the property may prove more valuable in the future.

Mr. Madden stated there are some very nice developments around the perimeter of the 185-acre property; the adjacent subdivisions are high-end homes. Mr. Ernst asked to confirm that the Committee's recommendation is that WASA retain all four properties at this time. Mr. King stated there is no need to sell any properties currently, and WASA should hold on to what they currently own. Mr. Dan Davis stated the land at the Larry B Turner (LBT) and Rockaway plant locations may be needed in the future for expansion. Ms. Fleisch asked what it would take to clean-up the property behind the Police Station. Mr. Dan Davis stated the old Flat Creek plant was at that location; when closed, the walls were removed, but the foundation and slab was left in the ground. Mr. Dan Davis stated as long as the site is not holding water it is probably not causing a problem. The cost to remove the foundation is unknown at this time. Mr. Dan Davis stated there is a pump station at the site, as well as a discharge location. Ms. Fleisch asked if years ago when WASA bought the property, should the cost/purchase price have been affected by the tank in the ground. Mr. Dan Davis responded that he was uncertain. Mr. King stated there is a lot of dredge material from Lake Peachtree on the property.

Ms. Fleisch asked for a motion to adjourn into Executive Session for the purpose of Real Estate, Personnel, and Potential Litigation. The motion was made by Mr. Madden and seconded by Mr. Prebor. Motion carried. The meeting was adjourned into Executive Session at 6:46 pm.

The meeting was reconvened at 8:17 pm.

Ms. Fleisch asked for a motion to adjourn. The motion was made by Mr. Madden and seconded by Mr. King. Motion carried. The meeting was adjourned at 8:17 pm.

Chairman - Vanessa Fleisch

Treasurer/Secretary - Terry Ernst

**PEACHTREE CITY WATER &
SEWERAGE AUTHORITY**

(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

PEACHTREE CITY WATER & SEWERAGE AUTHORITY

FINANCIAL REPORT SEPTEMBER 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Peachtree City Water & Sewerage Authority
Peachtree City, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the **Peachtree City Water & Sewerage Authority** (the "Authority"), a blended component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

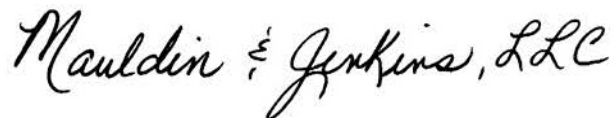
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, a component unit of Peachtree City, Georgia, as of September 30, 2019, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 13) be presented to supplement the basic financial statements. Such information, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2020, on our consideration of the 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 the 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 the Authority's internal control over financial reporting and compliance.



Macon, Georgia
January 27, 2020

PEACHTREE CITY WATER & SEWERAGE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2019

As management of the Peachtree City Water and Sewerage Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2019. We encourage readers to read the information presented in conjunction with the financial statements.

This discussion and analysis is designed to: 1) assist the readers in focusing on significant financial issues; 2) provide an overview of the Authority's financial activities; 3) identify changes in the Authority's financial position; and 4) identify any material deviation from the financial plan (the approved budget).

Profile of Peachtree City Water and Sewerage Authority

The Authority is a public corporation of the State of Georgia, legally created and validly existing under and by virtue of an Act by the Georgia General Assembly, known as the Peachtree City Water and Sewerage Authority Act (GA. Laws 1987, pp. 5085 et seq., as amended by GA. Laws 1996 pp.3828 et seq. as amended by GA. Laws 2018, HB 838) (the "Act"). The Authority, originally created April 17, 1973 by Act of the Georgia Legislature, operates under provisions of House Bill Number 1132, Act 411, enacted during the 1987 Session of the General Assembly of the State of Georgia as a public, nonprofit corporation.

The Authority is an autonomous governing body to provide sewer services for the residents, businesses and industry of the City of Peachtree City.

Method of Governance

The Authority is governed by a five-member board made up of the members of the City Council of the City of Peachtree City. The mayor shall be the chairman and the members shall elect the other officers.

Overview of the System

The primary purpose of the Authority is to acquire, operate and maintain facilities that provide for the collection, treatment, and disposal of sewage. Fayette County currently operates a water system which serves the entire county, including customers located within the service area of the Authority.

The Authority consists of a sewage and wastewater treatment and collection system, including two wastewater treatment plants. The Line Creek WWTF was renamed in August 2010, in memory of the previous General Manger of the Authority, Larry B. Turner. The condition of the Rockaway WWTP and the Larry B. Turner WRF is excellent.

The Authority collection system includes roughly 180 miles of gravity sewer, 37 pump stations, 18 miles of force mains, and 4,000 manholes to serve approximately 11,500 residences, commercial, and industrial buildings. The original system was installed in the 1950s by developers to non-municipal standards. During the initial development of what became Peachtree City, reinforced plastic pipe (also referred to as RPM or truss pipe) was primarily used. More recent additions to the sewer system by the Authority have primarily used polyvinyl chloride ("PVC"), which now makes up the majority of the pipes in the system. Figure 1-1, below shows pipe materials used in the gravity sewer system, along with the total length, in miles, of each material.

MANAGEMENT'S DISCUSSION AND ANALYSIS

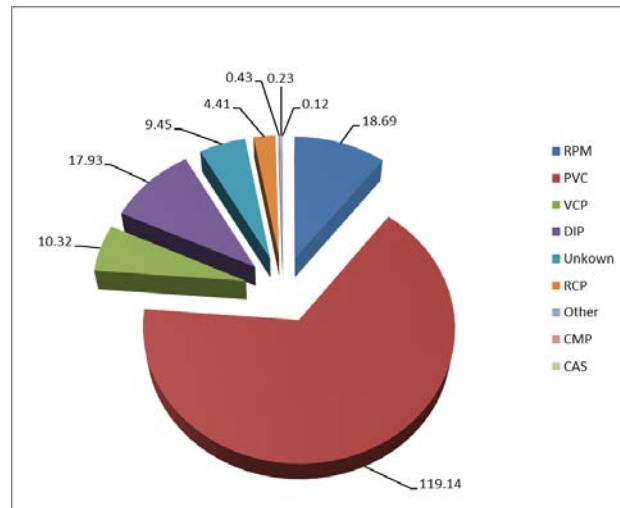


Figure 1-1: Gravity sewer system pipe material and length

Rockaway WPCP

The Rockaway WPCP was constructed in 1988, with updates to the facility made in 1999 and 2002. The facility utilizes four sequencing batch reactors (“SBR”) for the majority of its treatment, with cloth disk filters and an ultraviolet (“UV”) disinfection system for polishing of the effluent. The Rockaway WPCP currently operates with a permit allowing discharge of 4 million gallons per day (“MGD”) to Line Creek, while the plant has a peak daily flow capacity of 10 MGD.

A process flow diagram for Rockaway WPCP is provided in Figure 1-2.

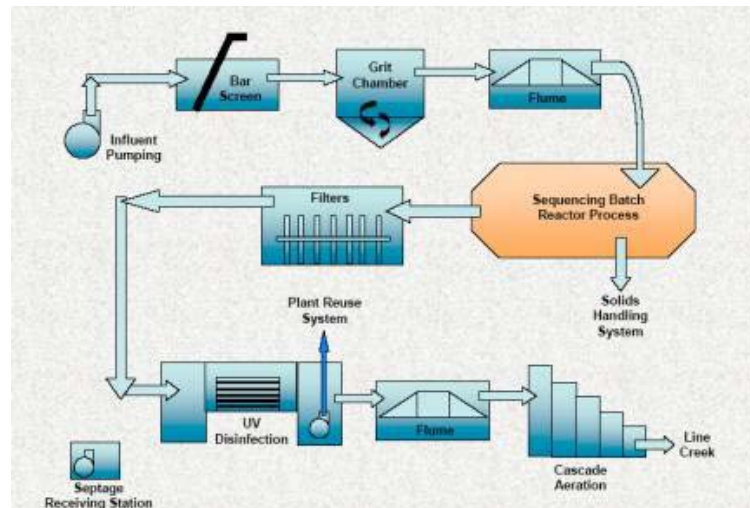


Figure 1-2: Rockaway WPCP process flow diagram¹

MANAGEMENT'S DISCUSSION AND ANALYSIS

LBTWRF

The LBTWRF was constructed in 1980, with updates made to the facility in 1985, 1999, and 2002. The LBTWRF uses a system of two aeration basins and four clarifiers, along with cloth disk filters and a UV disinfection system to treat wastewater. The facility is permitted for discharge into Flat Creek, Line Creek, and for land application of reuse effluent at Planterra Golf Course, for a total of 2 MGD. LBTWRF was designed to handle a peak daily flow of 5 MGD.

LBTWRF also has a septage receiving station to receive wastewater from septic pumping trucks. The trucks discharge the septage onto a concrete pad that directs flow to a bar screen to remove solid waste. After the bar screen, a wet well and pump is used to transfer the water to the headworks of the facility to join the main stream of influent to be treated. A process flow diagram is provided below in Figure 1-3.

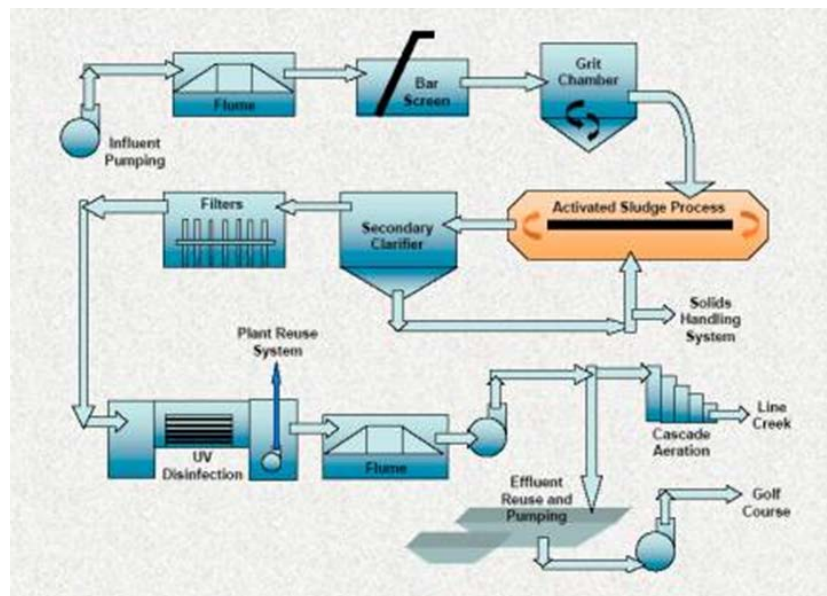


Figure1-3: LBTWRF process flow diagram

Average daily flow at the Rockaway WWTP and Larry B. Turner WRF has remained the same as the previous year.

	Treated Water Flow				
	2015	2016	2017	2018	2019
Avg. Daily (MGD)	3.130	2.887	3.300	3.467	3.489

Service Area and Fee Structure

The system provides sewer services to residential, commercial, and industrial customers located within the City's corporate limits. Fayette County currently provides billing and collection services for the Authority. Fayette County uses a cycle billing method consisting of four cycles. The cycles are relatively evenly distributed throughout each month. The Authority has no taxing ability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

All expenses and costs, including operational and maintenance costs, as well as, Capital Improvements, and Renewal and Replacement Projects, are funded from customer fees and charges. Monthly service charges for sewer services generally consist of a base rate and demand charge based upon a volume charge applied to the monthly water consumption.

<u>Customer Class</u>	Volume Charge	
	<u>Base Charge</u>	<u>(per 1,000 gallons)</u>
Residential/Single-Family	\$26.00	\$4.65
Commercial/Industrial/Multi-Family	\$26.00	\$6.15

Customer

The Authority's customer base has seen an increase of 4.6% in the last two years. There is a slight increase in commercial, industrial and multi-family customers within the last five years.

<u>Type of Customer</u>	Number of Sewer Connections				
	2019	2018	2017	2016	2015
Residential	10,846	10,589	10,347	10,204	10,168
Multi-Family Residential	27	27	26	26	26
Commercial	453	454	454	446	439
Industrial	41	40	39	39	39
Total Customers	11,367	11,110	10,866	10,715	10,672

Top Ten Sewer Customers

<u>Customer</u>	Gallons Metered	Sewer Fees	% of Total
Hoshizaki	25,704,820	\$ 163,149.51	21%
VR Balmoral Holding LP	15,897,570	\$ 98,082.07	13%
Bo Trammell	14,434,000	\$ 89,081.09	11%
Summit Properties (2 Properties)	14,242,600	\$ 92,487.29	11%
KRC Property Management	13,968,540	\$ 93,173.72	11%
Aberdeen Woods Conference Cntr	10,933,870	\$ 67,555.32	8%
1600 Barberry Lane, LLC	8,607,780	\$ 57,296.04	7%
Universal Environmental Systems	8,595,000	\$ 53,171.25	6%
Renew Peachtree City of Apartments	8,579,830	\$ 53,128.97	6%
The Fairways @ PTC	8,486,860	\$ 52,506.20	6%
Total	129,450,870	\$ 819,631.46	100%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Authority Activities and Highlights

Management believes the financial position of the Authority remains stable. The Authority funds its daily operation and maintenance expenses strictly from sewer billings. According to its bond covenants, the Authority is required to generate revenues that are at least equal to 110% of its annual debt services, after deducting operating expenses. This is referred to as coverage. For fiscal year 2019, the Authority generated a 184% coverage.

There were 257 new residential and new commercial connections in fiscal year 2019. By comparison, the Authority had 244 new connections in fiscal year 2018, 151 in fiscal year 2017, and 43 in fiscal year 2016.

The Authority is administered by the Authority through its staff. The General Manager of the Authority is charged with the responsibility of daily operation and administration of the Authority. Mr. L.H. (Dan) Davis, Jr. P.E. from Integrated Science and Engineering, Inc. has served as General Manager of the Authority since July 2018. Two key positions were filled as of September 2019. Mr. Lawrence McNeil now serves as a Deputy General Manager and Ms. Hetal Millie Shah serves as the Authority's Controller. The Authority continues to run a lean organization, with employees performing multiple tasks and duties. The Authority employs 26 full-time and 2 part-time employees. The facilities are staffed 24 hours a day, seven days a week, with additional staff on-call for emergencies. The Authority is highly reliant on technology to maintain its efficiency.

The Authority began a \$1.2 million, three-year project in 2011 to evaluate the entire collection system. All field data has been gathered on the 200 miles of pipe and 4,079 manholes. The Authority has conducted approximately \$3.9 million in repairs and rehabilitation as a result of the evaluation.

Financial Highlights

Key financial highlights for fiscal year 2019 are as follows:

- The assets of the Authority exceeded its liabilities by \$25,013,428 (*net position*). Of this amount, \$7,973,798 (*unrestricted net position*) may be used to meet the Authority's ongoing obligations.
- The Authority's total net position at September 30, 2019 increased by \$2,853,115, or 12.8%, compared to the previous year. This change is further reflected in the Authority's Statement of Revenues, Expenses and Changes in Net Position.
- Total operating revenues of the Authority were \$9,986,174 and total operating expenses were \$6,609,310.
- The Authority served approximately 11,367 sewer customers and treated approximately 1.07 billion gallons of wastewater.
- The average daily flow for fiscal year 2019 was 3.489 MGD (ADF). The maximum daily flow was 6.30 MGD (ADF).

Overview of the Financial Statements

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information, which includes the Management's Discussion and Analysis ("MD&A"), the basic financial statements and supplemental information. This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The notes to the financial statements contain more detail on some of the information presented in the financial statements. The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position presents information on

MANAGEMENT'S DISCUSSION AND ANALYSIS

all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recorded in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned but unused vacation leave). The Statement of Revenues, Expenses and Changes in Net Position can be found on page 16 of this report.

The Statement of Cash Flows presents changes in cash and cash equivalents, resulting from operational, financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

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

Analysis of Net Position

Net Position	2019	2018	\$ Chg.	% Chg.	% Net Position
Net Investment in Capital Assets	\$ 15,443,376	\$ 14,097,987	\$ 1,345,389	9.5%	61.7%
Restricted	1,596,254	1,557,586	38,668	2.5%	6.4%
Unrestricted	7,973,798	6,504,740	1,469,058	22.6%	31.9%
Total Net Position	\$ 25,013,428	\$ 22,160,313	\$ 2,853,115		100.0%

Net Investment in Capital Assets increased by \$1,345,389, or 9.5%, compared to the previous year. The Authority recognized approximately \$993,238 reversal of depreciation expenses from prior years. An increase of \$38,668, or 2.5%, in restricted net position was due to a slight increase in the amount of current revenue bonds compared to the previous year.

Unrestricted net position increased by \$1,469,058, or 22.6%, compared to the previous year. The increase was due to a combination of revising the estimated useful life of several capital assets during the year and an increase in net operating income of \$371,154.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Current Assets

Current Asset Classification	2019	2018	\$ Chg.	% Chg.	% Current Assets
Unrestricted:					
Cash and cash equivalents	\$ 1,787,708	\$ 912,264	\$ 875,444	95.96%	19.75%
Investments	3,687,458	3,282,012	405,446	12.35%	40.74%
Accounts receivable, net	1,821,005	1,551,425	269,580	17.38%	20.12%
Prepaid expenses	108,027	62,269	45,758	73.48%	1.19%
Inventory	12,352	-	12,352		0.14%
	\$ 7,416,550	\$ 5,807,970	\$ 1,608,580		81.94%
Restricted:					
Cash and cash equivalents	1,633,735	1,600,648	33,087		18.06%
	\$ 9,050,285	\$ 7,408,618	\$ 1,641,667		100.00%

Unrestricted current assets increased by \$1,608,580, or 95.96%, from the previous year due to an increase in net cash flow provided by operating activities and an increase in outstanding accounts receivables. In April 2019, investments held at Morgan Stanley were sold at a gain of \$45,307 and reinvested with the Georgia Fund 1 with the State of Georgia. Georgia Fund 1 offered by the State of Georgia to counties and municipality entities is a conservative, efficient and liquid investment alternative. Restricted cash consists of cash in the Sinking Fund for the debt service reserves.

Analysis of Capital Assets

Capital Assets	2019	2018	\$ Chg.	% Chg.
Capital assets, not depreciated	\$ 2,109,580	\$ 2,109,580	\$ -	0.00%
Capital assets, depreciated	63,514,380	63,191,863	322,517	0.51%
Depreciation	34,535,823	33,431,126	1,104,697	3.30%
Depreciable property net	28,978,557	29,760,737		
Total Capital Assets, net	\$ 31,088,137	\$ 31,870,317	\$ (782,180)	

The largest portion (61.74%) of the Authority's net position is invested in capital assets (land, infrastructure, building and equipment). At September 30, 2019, the Authority had capital assets of \$31,088,137 (net of accumulated depreciation) invested in land, land improvements, buildings, system improvements, machinery and equipment, furniture and fixtures, and construction in progress. Capital assets increased \$322,517 from September 30, 2018, which was the result of current year additions in excess of current year depreciation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Liabilities

Liabilities	2019	2018	\$ Chg.	% Chg.
Accounts payable	\$ 476,086	\$ 403,231	\$ 72,855	18.1%
Interest Payable	37,481	43,062	(5,581)	13.0%
Revenue bond Payable	2,300,000	2,260,000	40,000	1.8%
Long-term Bonds Payable	<u>\$ 2,813,567</u>	<u>\$ 2,706,293</u>	<u>\$ 107,274</u>	

Accounts Payable increased by \$72,855, or 18.1% from the previous year. This is due to a timing difference of payment to vendors between years and properly recognizing expenses in the year they were incurred. The Authority's debt consists of revenue bonds and compensated absences. At September 30, 2019, the Authority had outstanding long-term debt of \$16,031,321 compared to the September 30, 2018 total of \$18,403,217.

Analysis of Revenues

Operating Revenues	2019	2018	\$ Change	% Change	% of Operating Revenue
Sewer services	\$ 9,123,445	\$ 8,836,437	\$ 287,009	3.20%	91.40%
Septage	134,221	199,501	(65,280)	-32.70%	1.30%
Other operating revenue	728,508	717,435	11,073	1.50%	7.30%
	<u>\$ 9,986,174</u>	<u>\$ 9,753,373</u>	<u>\$ 232,801</u>		100.00%

For the 2019 fiscal year, the operating revenues of the Authority totaled \$9,986,174, an increase of \$232,801, or 2.38%, compared to the previous year revenues of \$9,753,373. The operating revenues are made up of two categories: sewer charges and other operating revenues. Reve Solutions, Authority's septage processor, saw a slight decline in septage haulers in 2019 resulting in a decrease in septage revenue by \$65,280.

Analysis of Expenses

Operating Expenses	2019	2018	\$ Change	% Change	% of Operating Expenses
Salaries, wages, and employee benefits	\$ 2,240,747	\$ 2,392,536	\$ (151,789)	-6.3%	41.2%
Plant operations	1,750,440	2,197,793	(447,353)	-20.4%	32.2%
Consulting and legal	974,872	546,558	428,314	78.4%	17.9%
Other operating expenses	471,887	439,412	32,475	7.4%	8.7%
	<u>\$ 5,437,946</u>	<u>\$ 5,576,299</u>	<u>\$ (138,353)</u>		100.00%

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the 2019 fiscal year, the operating expenses for the Authority totaled \$6,609,310, a decrease of \$2,521,557, or 27.61%, compared to previous year expenses of \$9,130,867. Administrative expenses were down by \$138,353, or 2.4%, compared to the previous year operating expenses of \$5,576,299. Depreciation expense decreased by \$1,954,890 as a result of the Authority reevaluating and revising the estimated useful life of several capital assets during the year. Consulting and legal fees increased by \$428,314, or 78.4%, compared to the last year due to pending litigations. The \$151,789, or 6.3%, decrease in salaries were offset by an increase in consulting fees. In 2019 fiscal year, two key positions were vacant – General Manager and Controller. Integrated Science and Engineering was hired in July 2018 to take over day-to-day operations.

Debt Administration

The Authority is within its debt service covenants and has not incurred long-term debt since the issuance of the Series 2005 Bonds. These bonds were refinanced/refunded in February of 2013 as series 2013A and 2013B. The resulting savings over the remaining 10-year life of the bonds, in the amount of \$2,859,393 (NPV), will be used to fund rehabilitation projects within the system and delay the need for future rate adjustments.

As of September 30, 2019, the Authority was obligated to make the following annual payments on:

	2013A Series		2013B Series		Total
	Principal	Interest	Principal	Interest	
2020	\$ -	\$ 300,000	\$ 2,300,000	\$ 147,677	\$ 2,747,677
2021	-	300,000	2,345,000	99,698	2,744,698
2022	-	300,000	2,405,000	44,787	2,749,787
2023	1,900,000	268,000	565,000	7,543	2,740,543
2024	1,385,000	208,300	-	-	1,593,300
2025	1,440,000	151,800	-	-	1,591,800
2026	1,505,000	92,900	-	-	1,597,900
2027	1,570,000	31,400	-	-	1,601,400
	<u>\$ 7,800,000</u>	<u>\$ 1,652,400</u>	<u>\$ 7,615,000</u>	<u>\$ 299,705</u>	<u>\$ 17,367,105</u>

In 2010, a rate study was performed and as a result of the findings, the Authority's new rate structure was put into place in December 2010. This new rate structure charges, as a base rate for Authority customers, an amount that is calculated to be equal to the Authority's annual debt service requirement plus the amounts necessary to meet 1.10 coverage ratio. This newly imposed rate structure has produced a strong debt service coverage of 1.84 for fiscal year 2019.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net Revenue Available for Debt Services *	5,054,682	4,712,078	4,258,651	4,142,641	5,045,979
Debt Service on Bonds **	2,749,926	2,754,689	2,755,036	2,748,878	2,749,431
Debt Service Coverage Ratio	1.84	1.71	1.55	1.51	1.84

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statements

Net Position: The following table summarizes the changes in net position for the fiscal years ended September 30, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Current assets	\$ 7,416,550	\$ 5,807,970
Restricted assets	1,633,735	1,600,648
Capital assets, net of accumulated depreciation	<u>31,088,137</u>	<u>31,870,317</u>
Total assets	<u>\$ 40,138,422</u>	<u>\$ 39,278,935</u>
Deferred outflows of resources	<u>\$ 1,419,894</u>	<u>\$ 1,730,888</u>
Current liabilities, payable from current assets	\$ 476,086	\$ 403,231
Current liabilities, payable from restricted assets	2,337,481	2,303,062
Long-term liabilities	<u>13,731,321</u>	<u>16,143,217</u>
Total liabilities	<u>\$ 16,544,888</u>	<u>\$ 18,849,510</u>
Net position:		
Net investment in capital assets	\$ 15,443,376	\$ 14,097,987
Restricted for debt service	1,596,254	1,557,586
Unrestricted	<u>7,973,798</u>	<u>6,504,740</u>
Total net position	<u>\$ 25,013,428</u>	<u>\$ 22,160,313</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Statements (Continued)

Revenues, Expenses and Changes in Net Position: The following table illustrates the history of revenues, expenses and changes in net position for the year ended September 30, 2019 and the previous year ended September 30, 2018.

	2019	2018
Operating revenues:		
Charges for services:	\$ 9,986,174	\$ 9,753,373
Total operating revenues	<u>9,986,174</u>	<u>9,753,373</u>
Operating expenses:		
Salaries and related benefits	2,240,747	2,392,536
Plant operations	1,750,440	2,197,793
Consulting and legal	974,872	546,558
Depreciation and amortization	1,171,364	3,554,568
Other operating expenses	471,887	439,412
Total operating expenses	<u>6,609,310</u>	<u>9,130,867</u>
Operating income	<u>3,376,864</u>	<u>622,506</u>
Non-operating revenues (expenses):		
Interest income	92,531	32,234
Interest expense and fiscal charges	(616,280)	(700,596)
Total non-operating expenses, net	<u>(523,749)</u>	<u>(668,362)</u>
Income (loss) before capital contributions	2,853,115	(45,856)
Capital contributions	-	1,608,560
Change in net position	2,853,115	1,562,704
Net position, beginning of year	<u>22,160,313</u>	<u>21,597,608</u>
Prior period adjustment	-	(999,999)
Net position, beginning of year, as restated	<u>22,160,313</u>	<u>20,597,609</u>
Net position, end of year	<u>\$ 25,013,428</u>	<u>\$ 22,160,313</u>

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Peachtree City Water & Sewerage Authority, 1127 Highway 74 South, Peachtree City, Georgia 30269.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY

STATEMENT OF NET POSITION SEPTEMBER 30, 2019

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,787,708
Investments	3,687,458
Accounts receivable, net	1,821,005
Prepaid expenses	108,027
Inventory	<u>12,352</u>
Total current assets	<u>7,416,550</u>
RESTRICTED ASSETS	
Cash and cash equivalents	<u>1,633,735</u>
Total restricted assets	<u>1,633,735</u>
CAPITAL ASSETS	
Non-depreciable	2,109,580
Depreciable, net of accumulated depreciation	<u>28,978,557</u>
Total capital assets, net	<u>31,088,137</u>
Total assets	<u><u>\$ 40,138,422</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
DEFERRED OUTFLOWS OF RESOURCES	
Deferred bond refunding loss	\$ 386,560
Goodwill	<u>1,033,334</u>
Total deferred outflows of resources	<u><u>\$ 1,419,894</u></u>

CURRENT LIABILITIES

Payable from current assets:

Accounts payable and accrued expenses	\$ 476,086
	<u>476,086</u>

Payable from restricted assets:

Interest payable	37,481
Revenue bonds payable, current	<u>2,300,000</u>
	<u>2,337,481</u>

Total current liabilities	<u>2,813,567</u>
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LONG-TERM LIABILITIES

Revenue bonds payable, net	<u>13,731,321</u>
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Total liabilities	<u>16,544,888</u>
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NET POSITION**NET POSITION**

Net investment in capital assets	15,443,376
Restricted for debt service	1,596,254
Unrestricted	<u>7,973,798</u>

Total net position	<u>\$ 25,013,428</u>
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See Notes to Financial Statements.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Operating revenues:

Charges for services	\$ 9,986,174
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Operating expenses:

Salaries, wages, and employee benefits	2,240,747
Plant operations	1,750,440
Consulting and legal	974,872
Amortization expense	66,667
Depreciation expense	1,104,697
Other operating expenses	471,887
Total operating expenses	<u>6,609,310</u>

Operating income	<u>3,376,864</u>
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Non-operating revenues (expenses):

Interest income	92,531
Interest expense	(616,280)
Total non-operating expenses, net	<u>(523,749)</u>

Change in net position	2,853,115
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Net position, beginning of year	<u>22,160,313</u>
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Net position, end of year	<u><u>\$ 25,013,428</u></u>
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See Notes to Financial Statements.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 9,716,594
Payments to suppliers	(3,302,687)
Payments to employees	(2,120,514)
Net cash provided by operating activities	<u>4,293,393</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(322,517)
Principal payments on long-term debt	(2,260,000)
Payment of interest on bonds	(489,430)
Net cash used in capital and related financing activities	<u>(3,071,947)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(405,446)
Interest received	92,531
Net cash used in investing activities	<u>(312,915)</u>

Net increase in cash and cash equivalents 908,531

Cash and cash equivalents (including restricted amounts of \$1,600,648), beginning of year 2,512,912

Cash and cash equivalents (including restricted amounts of \$1,633,735), end of year \$ 3,421,443

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 3,376,864
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	1,171,364
Changes in assets and liabilities:	
Increase in accounts receivable	(269,580)
Increase in prepaid expenses	(45,758)
Increase in inventory	(12,352)
Decrease in accounts payable	(47,378)
Increase in accrued payroll and compensated absences	120,233
Net cash provided by operating activities	<u><u>\$ 4,293,393</u></u>

See Notes to Financial Statements.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2019

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

On March 31, 1987, the General Assembly of the State of Georgia approved enabling legislation to create the Peachtree City Water & Sewerage Authority (the "Authority").

The purpose of the Authority is to manage the sewer systems of Peachtree City, Georgia (the "City") and they are empowered to do all things necessary to accomplish this purpose. The Authority is a utility charged with the collection and treatment of public, commercial, and industrial wastewater within the City. The Authority owns and operates the entire sewer system infrastructure located in Peachtree City. The Authority's related services include waste treatment, maintenance of sewer lines, and installation of new sewer lines.

The Authority is considered to be a blended component unit of Peachtree City, Georgia, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61. The City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The Authority's governing body is the same as that of the City. The Authority and the City have entered into a sewer agreement whereby the City is obligated to make contract payments when the Authority has insufficient funds to meet the debt service requirements. The contract represents a general obligation of the City to which its full faith and credit are pledged.

Significant Accounting Policies

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant accounting policies:

Basis of Presentation

The Authority's financial statements include provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Fund Accounting

The Authority uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in this report is a Proprietary Fund Type - *Enterprise Fund*. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on the *flow of economic resources measurement focus* and use the *accrual basis of accounting*. With this measurement focus, all assets and liabilities associated with the operation of these funds are included in the statement of net position. Net position is segregated into net investment in capital assets and restricted and unrestricted net position components. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in net position. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Authority.

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with an original maturity date of three months or less, and customer deposits to be cash equivalents. Investments are stated at fair value.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond September 30, 2019, are recorded as prepaid expenses.

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.

Restricted Assets

The Authority, because of certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and purchase additional equipment and improvements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Capital Assets

Capital assets are carried at cost. Donated capital assets are recorded at acquisition value. Capital assets of the Authority are depreciated using the straight-line method over the following useful lives:

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

Maintenance and repairs of capital assets are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of capital assets, the cost and accumulated depreciation is eliminated from the accounts and a gain or loss is recognized.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position is those amounts, because of certain bond covenants, that can be used only to service outstanding debt and purchase additional equipment and improvements.

Bond Premium/Discount and Issuance Costs

Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums and discounts are presented as an addition and reduction, respectively, of the face amount of bonds payable. Bond issuance costs are expensed in the period incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a 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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority had two items that qualified for reporting in this category: deferred bond refunding loss and goodwill. A bond refunding loss results from the difference in the carrying value of 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. Goodwill results under circumstances in which an asset is acquired and the consideration provided exceeds the net position acquired. This amount is deferred and amortized over the useful life of the asset acquired, starting at the acquisition date.

In addition to liabilities, the statement of net position will sometimes report a 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 future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority had no items that qualified for reporting in this category.

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 nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net position 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.

Capital Contributions

Capital contributions consist of capital grants or contributions from developers, customers and other governmental entities.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2019, the Authority's deposits were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

Interest Rate Risk. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of September 30, 2019, the Authority had the following investments:

<u>Investment Type</u>	<u>Maturities (Days)</u>	<u>Fair Value</u>
Georgia Fund 1	26	\$ 3,687,458
Total Fair Value		<u>\$ 3,687,458</u>

Fair Value Measurements. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The only investments held by the Authority as of September 30, 2019, are maintained in Georgia Fund 1 and are not subject to level disclosure.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the Authority does not disclose its investment in the Georgia Fund 1 within the fair value hierarchy.

NOTE 3. RECEIVABLES

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following at September 30, 2019:

Accounts receivable	\$ 1,865,995
Less allowance for uncollectibles	44,990
Net total receivables	<u>\$ 1,821,005</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the Authority for the year ended September 30, 2019, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,609,580	\$ -	\$ -	\$ 1,609,580
Assets to be disposed of	500,000	-	-	500,000
Total	<u>2,109,580</u>	<u>-</u>	<u>-</u>	<u>2,109,580</u>
Capital assets, being depreciated:				
Land improvements	18,300	-	-	18,300
Buildings	1,924,105	-	-	1,924,105
Vehicles and equipment	4,219,754	45,586	-	4,265,340
Infrastructure	373,776	22,077	-	395,853
Sewer plants and pump stations	36,529,725	153,636	-	36,683,361
Pipeline	20,126,203	101,218	-	20,227,421
Total	<u>63,191,863</u>	<u>322,517</u>	<u>-</u>	<u>63,514,380</u>
Less accumulated depreciation for:				
Land improvements	18,300	-	-	18,300
Buildings	568,323	39,199	-	607,522
Vehicles and equipment	3,653,844	176,714	-	3,830,558
Infrastructure	46,090	18,931	-	65,021
Sewer plants and pump stations	24,513,489	255,509	-	24,768,998
Pipeline	4,631,080	614,344	-	5,245,424
Total	<u>33,431,126</u>	<u>1,104,697</u>	<u>-</u>	<u>34,535,823</u>
Depreciable property, net	<u>29,760,737</u>	<u>(782,180)</u>	<u>-</u>	<u>28,978,557</u>
Total capital assets, net	<u>\$ 31,870,317</u>	<u>\$ (782,180)</u>	<u>\$ -</u>	<u>\$ 31,088,137</u>

Depreciation expense for the year ended September 30, 2019, was \$1,104,697.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT

The following is a summary of long-term debt activity of the Water & Sewerage Authority as of and for the year ended September 30, 2019:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 17,675,000	\$ -	\$ (2,260,000)	\$ 15,415,000	\$ 2,300,000
Bond premium	728,217	-	(111,896)	616,321	-
Revenue bonds, net	18,403,217	-	(2,371,896)	16,031,321	2,300,000
Compensated absences (in accrued expenses)	122,850	107,900	(63,794)	166,956	166,956
	<u>\$ 18,526,067</u>	<u>\$ 107,900</u>	<u>\$ (2,435,690)</u>	<u>\$ 16,198,277</u>	<u>\$ 2,466,956</u>

On January 30, 2013, the Authority issued \$7,800,000 in 2013A series sewer system revenue bonds with interest rates ranging from 2.0% to 4.0% to fully refund the 2002 Series bonds.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2013. The debt service requirements to maturity are as follows:

<u>Fiscal year ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 300,000	\$ 300,000
2021	-	300,000	300,000
2022	-	300,000	300,000
2023	1,900,000	268,000	2,168,000
2024	1,385,000	208,300	1,593,300
2025-2027	4,515,000	276,100	4,791,100
	<u>\$ 7,800,000</u>	<u>\$ 1,652,400</u>	<u>\$ 9,452,400</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT (CONTINUED)

On January 30, 2013, the Authority issued \$20,800,000 in 2013B sewer system revenue bonds with interest rates ranging from .48% to 2.67% in order to advance refund \$18,975,000 of outstanding 2005 Series bonds. The proceeds were deposited into an escrow account to provide for the future debt service payments on the 2005 Series bonds. As a result, that portion of the Series 2005 bonds are considered defeased and have been removed from the Authority's financial statements. The outstanding principal of the defeased bonds is \$8,105,000 as of September 30, 2019.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2013. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2020	\$ 2,300,000	\$ 147,676	\$ 2,447,676
2021	2,345,000	99,698	2,444,698
2022	2,405,000	44,788	2,449,788
2023	565,000	7,543	572,543
	<u>\$ 7,615,000</u>	<u>\$ 299,705</u>	<u>\$ 7,914,705</u>

The Series 2013A and Series 2013B bonds are limited obligations of the Authority, payable solely from net operating revenues of the system and the contract payments. The Authority and the City have entered into a sewer system agreement whereby the City is obligated to make contract payments when the Authority has insufficient funds to meet the debt service requirements. The contract represents a general obligation of the City to which its full faith and credit are pledged.

NOTE 6. PROFIT SHARING AND SAVINGS PLANS

All employees of the Authority over 18 years of age and after completing six consecutive months of service are eligible to participate in the Peachtree City Water & Sewerage Authority Profit Sharing and Savings Plan. Participants are 100% vested in profit sharing and matching accounts after five years of service.

The Authority contributes 8% of defined compensation for all eligible employees. If the employee also contributes between 4% and 8% to the Plan, the Authority matches 100% of the employee's contribution up to a max of 8% of the employee's salary.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. PROFIT SHARING AND SAVINGS PLANS (CONTINUED)

The Authority also contributes \$10,000 annually to a Money Purchase Plan and Trust for the sole benefit of the general manager ("GM"). The GM is immediately 100% vested and does not make any voluntary contributions to this plan.

Retirement expense for the year ended September 30, 2019 was \$168,321. These plans were effective June 1, 1998.

NOTE 7. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has joined together with other governmental entities in the state as part of the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the Authority is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool's agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The Authority is also to allow the pool's agents and attorneys to represent the Authority in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Authority within the scope of loss protection furnished by the fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The fund is to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Additionally, the Authority has purchased private insurance to cover all other exposure related to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Settled claims have not exceeded the coverages in the last three fiscal years.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. COMMITMENTS AND CONTINGENCIES

Contractual Commitments

As of September 30, 2019, The Authority did not have any contractual commitments on uncompleted contracts.

NOTE 9. IMPAIRMENT OF LONG-LIVED ASSETS

In August 2001, the Financial Accounting Standards Board issued Statement No. 144, *Accounting for the Impairment of Disposal of Long-lived Assets*. This Statement requires that a single accounting model be used for long-lived assets to be disposed of by sale, and broadens the presentation of discontinued operations to include more disposal transactions. The Statement requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. Subsequent to September 30, 2003, the Authority made a decision to shut down a wastewater treatment facility. This facility had an approximate book value of \$653,000. Estimated undiscounted cash flows are expected to be approximately \$500,000; consequently, an impairment loss of approximately \$153,000 was recognized in the year ended September 30, 2003. The facility is now classified as "assets to be disposed of".



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 of Directors
Peachtree City Water & Sewerage Authority
Peachtree City, 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 Peachtree City Water & Sewerage Authority (the "Authority"), a blended component unit of Peachtree City, Georgia, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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.

Mauldin & Jenkins, LLC

Macon, Georgia
January 27, 2020

PEACHTREE CITY WATER & SEWERAGE AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

____ Yes X No

Noncompliance material to financial statements noted?

____ Yes X No

Federal Awards

There was not an audit of major federal award programs as of September 30, 2019 due to the total amount expended being less than \$750,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III STATUS OF PRIOR YEAR FINDINGS

None reported

Insurance Summary

2019-2020 COVERAGES	19/20	20/21	2020-2021 COVERAGES
<u>Property - Travelers</u> Location 1 – 100 Aviation Way, Peachtree City, GA 30269 Location 2 – 1127 Hwy 74 South, Peachtree City, GA 30269 Blanket Building & Personal Property \$13,247,248 EDP - \$250,000 Blanket per occ / \$10,000 away from premises Deductible: \$10,000 Valuation: Replacement Cost / Special Cause of Loss / 90% Coins Loss of Income /Extra Expense: \$100,000/\$500,000 Crime - State National Insurance Company Employee Dishonesty \$500,000 Forgery or Alteration \$500,000 Computer Fraud \$75,000 Deductible: \$1,000 <u>General Liability - Travelers</u> \$3,000,000 General Aggregate \$3,000,000 Products & Completed Operations Aggregate \$1,000,000 Each Occurrence \$1,000,000 Advertising and Personal Injury \$1,000,000 Failure to Supply Limit \$1,000,000 Premises Damage Limit \$ 5,000 Medical Expense \$ 5,000 DEDUCTIBLE Employee Benefit Liability: \$1,000,000 / \$3,000,000 Limit Deductible \$1,000 <u>Boiler & Machinery – Travelers</u> \$13,247,248 Limit \$2,500 Deductible / 24 hour on Service Interruption <u>Umbrella – Travelers</u> \$1,000,000 Limit / \$10,000 Deductible	<p>\$ 58,776</p> <p>Included</p> <p>Included</p> <p>\$ 4,459</p>	<p>\$63,183</p> <p>Included</p> <p>Included</p> <p>\$ 4,667</p>	<u>Property - Travelers</u> Location 1 – 100 Aviation Way, Peachtree City, GA 30269 Location 2 – 1127 Hwy 74 South, Peachtree City, GA 30269 Blanket Building & Personal Property \$13,693,653 EDP - \$250,000 Blanket per occ / \$10,000 away from premises Deductible: \$10,000 Valuation: Replacement Cost / Special Cause of Loss / 90% Coins Loss of Income /Extra Expense: \$100,000/\$500,000 Crime - Travelers Employee Dishonesty \$500,000 Forgery or Alteration \$500,000 Computer Fraud \$75,000 Deductible: \$1,000 <u>General Liability - Travelers</u> \$3,000,000 General Aggregate \$3,000,000 Products & Completed Operations Aggregate \$1,000,000 Each Occurrence \$1,000,000 Advertising and Personal Injury \$1,000,000 Failure to Supply Limit \$1,000,000 Premises Damage Limit \$ 5,000 Medical Expense \$ 5,000 DEDUCTIBLE Employee Benefit Liability: \$1,000,000 / \$3,000,000 Limit Deductible \$1,000 <u>Boiler & Machinery – Travelers</u> \$13,247,248 Limit \$2,500 Deductible / 24 hour on Service Interruption <u>Umbrella – Travelers</u> \$1,000,000 Limit / \$10,000 Deductible

Peachtree City Water & Sewerage Authority

Insurance Summary

2019-2020 COVERAGES	19/20	20/21	2020-2021 COVERAGES
<u>Auto – Travelers</u> \$1,000,000 Liability Limit \$ 100,000 Uninsured Motorist \$ 5,000 Medical Payments * Liability only applies to these vehicles Deductibles: \$1,000 Comprehensive / \$1,000 Collision Hired Car Physical Damage: No Limit (\$100 Comp/\$1,000 Coll) <u>Vehicle Schedule:</u> 2003 Ford F350, S#8124 Comp Only 2006 Ford F250, S#9819 2015 Ford F150, S#1880 2011 Dodge, S#5592 2011 Freightliner, S#5949 2011 Ford, S#4746 2011 Pace, S#7076 2012 Freightliner, S#2619 2012 Freightliner, S#2618 2012 Ford Transit, S#0729 2013 Ford Fusion, S#5150 2014 Ford F150, S#4046 2014 Ford F150, S#2897 2014 Ford F150, S#4047 2014 Freightliner, S#3695 2014 Gator, S#0715 Continued on next page	\$ 25,393	\$ 24,227	<u>Auto – Travelers</u> \$1,000,000 Liability Limit \$ 100,000 Uninsured Motorist \$ 5,000 Medical Payments * Liability only applies to these vehicles Deductibles: \$1,000 Comprehensive / \$1,000 Collision Hired Car Physical Damage: No Limit (\$100 Comp/\$1,000 Coll) <u>Vehicle Schedule:</u> 2015 Ford F150, S#0185 2015 Ford F150, S#1880 2015 Ford F150, S#6123 2016 Utility Trl, S#4605 2015 Ford F250 S#0930 2016 Freightliner S#4195 2016 Ford F150 S#7878 2003 Ford F350, S#8124 Comp Only 2016 Ford F150, S#3950 2014 Ford F150, S#2896 2017 Ford F150, S#5410 2015 Ford F150, S#3050 2011 Dodge Ram, S#5592 2011 Freightliner, S#5949 2011 Ford F750, S#4746 2011 Pace Trl, S#7076 Continued on next page

Peachtree City Water & Sewerage Authority

Insurance Summary

2019-2020 COVERAGES	19/20	20/21	2020-2021 COVERAGES
<u>Vehicle Schedule Continued:</u> 2015 Ford F150, S#0185 2015 Ford F250, S#0930 2015 Ford F150, S#3050 2016 Ford, S#2896 2015 Ford F150, S#6123 20' Utility @7000#GVWR, S#4605 2016 Freightliner, S#4195 2016 Ford F150, S#7878 2011 Pace TV Trl, S#215A 1999 Gator Trl, S#1152 2017 Ford F350 #3574 2017 Ford F150 #0739 2017 Ford F150 #5410 2017 Ford F250 #8318 2014 Ford F150 #2896 2016 Ford F150 #3950			<u>Vehicle Schedule Continued:</u> 2012 Freightliner, S#2619 2012 Freightliner, S#2618 2012 Ford Transit, S#0729 2014 Ford F150, S#2896 2014 Gator, S#4605 2014 Ford F150, S#2897 2014 Freightliner, S#3695 2017 Gator, S#0715 2011 Pace TV Trl, S#215A 1999 Gator Trl, S#1152 2017 Ford F350, S#3574 2017 Ford F250, S#8318 2017 Ford F150, S#0739 2000 Lawn Trl, S#1152

Insurance Summary

2019-2020 COVERAGES	19/20	20/21	2020-2021 COVERAGES
Inland Marine – Travelers Blanket Tools & Equipment: \$15,000 (\$2,500 Max Any One Item) Deductible: \$1,000 Rented & Leased Equipment - \$250,000 Limit(\$75,000 any one item) Equipment Schedule: <div style="float:right;">\$ 5,000</div> 1987 Ram Jet Sewerage Cleaner <div style="float:right;">\$15,000</div> Onen Generator <div style="float:right;">\$86,000</div> Cat Yancy 416F2 Backhoe <div style="float:right;">\$12,570</div> 2007 New Holland Tractor <div style="float:right;">\$12,570</div> 2007 New Holland Tractor <div style="float:right;">\$11,500</div> 2012 Kawasaki Mule #5919 <div style="float:right;">\$20,000</div> 2012 Baldor Generator <div style="float:right;">\$19,980</div> 2012 Blue Phoenix Generator, S#2013 <div style="float:right;">\$28,774</div> 2012 Godwin Pump, S#7101/12 <div style="float:right;">\$11,332</div> 2012 Sullair Air Compressor, S#4088 <div style="float:right;">\$45,523</div> 2014 Bobcat E50 Excavator, S#1764 <div style="float:right;">\$46,405</div> 2014 Bobcat Track Loader, S#1626 <div style="float:right;">\$10,000</div> 1999 Grass Hopper, S#6645 <div style="float:right;">\$11,117</div> 2016 Grass Hopper, S#7105 <div style="float:right;">\$11,928</div> 2015 Grass Hopper, S#7465 <div style="float:right;">\$10,818</div> 2015 Grass Hopper, S#6120 <div style="float:right;">\$ 7,195</div> 2015 EZ GO Golf Cart, S#1703 <div style="float:right;">\$ 7,195</div> 2015 EZ GO Golf Cart, S#6477 <div style="float:right;">\$16,034</div> 2013 New Holland Tractor, S#9409 <div style="float:right;">\$20,940</div> 2013 New Holland Tractor, S#6714 <div style="float:right;">\$ 1,884</div> 2007 Woods Rotary Cutter, S#3212 <div style="float:right;">\$ 1,884</div> 2007 Woods Rotary Cutter, S#3213 <div style="float:right;">\$ 2,800</div> 2013 Woods Brush Cutter, S#2548 <div style="float:right;">\$ 2,500</div> 2013 Woods Brush Cutter, S#2494 <div style="float:right;">\$ 450</div> 2013 Dirt Dog Box Blade, S#0183 <div style="float:right;">\$ 550</div> 2013 Dirt Dog Box Blade, S#0027 <div style="float:right;">\$ 4,970</div> 2015 Blue Diamond, S#3010 <div style="float:right;">\$2,500</div> Bobcat Grapple #0681	Included	Included	Inland Marine – Travelers Blanket Tools & Equipment: \$15,000 (\$2,500 Max Any One Item) Deductible: \$1,000 Rented & Leased Equipment - \$250,000 Limit(\$75,000 any one item) Equipment Schedule: <div style="float:right;">\$ 5,000</div> 1987 Ram Jet Sewerage Cleaner <div style="float:right;">\$15,000</div> Onen Generator <div style="float:right;">\$86,000</div> Cat Yancy 416F2 Backhoe <div style="float:right;">\$12,570</div> 2007 New Holland Tractor <div style="float:right;">\$12,570</div> 2007 New Holland Tractor <div style="float:right;">\$11,500</div> 2012 Kawasaki Mule #5919 <div style="float:right;">\$20,000</div> 2012 Baldor Generator <div style="float:right;">\$19,980</div> 2012 Blue Phoenix Generator, S#2013 <div style="float:right;">\$28,774</div> 2012 Godwin Pump, S#7101/12 <div style="float:right;">\$11,332</div> 2012 Sullair Air Compressor, S#4088 <div style="float:right;">\$45,523</div> 2014 Bobcat E50 Excavator, S#1764 <div style="float:right;">\$46,405</div> 2014 Bobcat Track Loader, S#1626 <div style="float:right;">\$10,000</div> 1999 Grass Hopper, S#6645 <div style="float:right;">\$11,117</div> 2016 Grass Hopper, S#7105 <div style="float:right;">\$11,928</div> 2015 Grass Hopper, S#7465 <div style="float:right;">\$10,818</div> 2015 Grass Hopper, S#6120 <div style="float:right;">\$ 7,195</div> 2015 EZ GO Golf Cart, S#1703 <div style="float:right;">\$ 7,195</div> 2015 EZ GO Golf Cart, S#6477 <div style="float:right;">\$16,034</div> 2013 New Holland Tractor, S#9409 <div style="float:right;">\$20,940</div> 2013 New Holland Tractor, S#6714 <div style="float:right;">\$ 1,884</div> 2007 Woods Rotary Cutter, S#3212 <div style="float:right;">\$ 1,884</div> 2007 Woods Rotary Cutter, S#3213 <div style="float:right;">\$ 2,800</div> 2013 Woods Brush Cutter, S#2548 <div style="float:right;">\$ 2,500</div> 2013 Woods Brush Cutter, S#2494 <div style="float:right;">\$ 450</div> 2013 Dirt Dog Box Blade, S#0183 <div style="float:right;">\$ 550</div> 2013 Dirt Dog Box Blade, S#0027 <div style="float:right;">\$ 4,970</div> 2015 Blue Diamond, S#3010 <div style="float:right;">\$2,500</div> Bobcat Grapple #0681 <div style="float:right;">\$45,000</div> 2014 Bobcat S550, S#2286 <div style="float:right;">\$45,000</div> 2014 Bobcat S550, S#2289
Unscheduled Equipment \$50,000			Unscheduled Equipment \$50,000

Peachtree City Water & Sewerage Authority

Insurance Summary

2019-2020 COVERAGES	19/20	20/21	2020-2021 COVERAGES
<u>Employment Practices Liability – Travelers</u> \$3,000,000 Aggregate \$1,000,000 Each Wrongful EPL offense Claims Made Deductible: \$5,000 Retroactive Date: Full Prior Acts	Included	Included	<u>Employment Practices Liability – Travelers</u> \$3,000,000 Aggregate \$1,000,000 Each Wrongful EPL offense Claims Made Deductible: \$5,000 Retroactive Date: Full Prior Acts
<u>Public Entity Liability – Travelers</u> \$3,000,000 Total Limit \$1,000,000 Each Wrongful Act Claims Made Deductible: \$5,000 Retroactive Date: Full Prior Acts	Included	Included	<u>Public Entity Liability – Travelers</u> \$3,000,000 Total Limit \$1,000,000 Each Wrongful Act Claims Made Deductible: \$5,000 Retroactive Date: Full Prior Acts
<u>Flood & Earthquake – Travelers</u> \$1,000,000 Flood Limit – Excludes Zones A & B \$1,000,000 Earthquake Limit Deductible: \$25,000	Included	Included	<u>Flood & Earthquake – Travelers</u> \$1,000,000 Flood Limit – Excludes Zones A & B \$1,000,000 Earthquake Limit Deductible: \$25,000
<u>CyberFirst Liability - Travelers</u> \$1,000,000 Network and Information Security \$1,000,000 Communications and Media Liability Retention: \$2,500	Included	Included	<u>CyberFirst Liability - Travelers</u> \$1,000,000 Network and Information Security \$1,000,000 Communications and Media Liability Retention: \$2,500
Total Premium for 2019-2020	\$88,628	\$ 92,077	Total Premium for 2020-2021

A.M. Best Rating: The Travelers A++



Marsh & McLennan Agency: Compensation Guide for Clients

ABOUT MARSH & MCLENNAN AGENCY

Marsh & McLennan Agency LLC (“MMA”) is dedicated to serving the insurance needs of all our clients, with a focus on local service excellence, and outstanding products and solutions that meet their unique needs.

OUR COMMITMENT TO TRANSPARENCY AND COMPLIANCE

MMA prides itself on being an industry leader including in the area of transparency and compensation disclosure. We believe you should understand how we are paid and also understand the services we are providing for the compensation we receive. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance services provider, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

We are committed to setting the industry standard for ethical business practices and client service. To fulfill that commitment, we pledge to our U.S. clients that we will:

- disclose the role(s) we perform in insurance transaction(s);
- disclose the types of compensation we may receive from insurers or others (see below);
- disclose, upon our clients’ request all quotes and premium indications we receive from insurers on our clients’ behalf;
- disclose, upon our clients’ request, the amount of our compensation from insurers and from other third parties in relation to placements made on our clients’ behalf; and
- promptly respond to client requests for additional information about our compensation.

We have reinforced this commitment with a comprehensive compliance program that includes:

- experienced compliance specialists;
- detailed compliance procedures;
- ethics and compliance training;
- regular transaction monitoring and auditing to make sure we live up to our standards;
- regular reports to our board of directors; and
- a hotline for any questions or complaints.

These initiatives translate into many benefits for our clients, including:

- a clear understanding of how much you are paying us;
- a clear understanding of what you are paying us to do; and
- the ability to evaluate our services and any potential conflicts of interest, much as you evaluate services you purchase from other professionals.

OUR COMPENSATION

We are compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. MMA may receive compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. Retail commission rates can vary from transaction to transaction.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to brokers who meet set goals for all or some of the policies the brokers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on a broker’s performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker for certain transactions. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Other Compensation** – From time to time MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, from time to time, insurers may sponsor certain MMA training programs and/or events.
- **Other Benefits**
 - From time to time, MMA may participate in insurance company promotional events or training and development that insurers provide for MMA employees.

- MMA is sometimes reimbursed by insurers for its costs related to promotional marketing (i.e. cooperative advertising and marketing programs)
- MMA also earns interest and other income on premium accounts in financial institutions that hold insurance premiums pending remittance to the insurance company
- MMA may also be compensated for assisting its clients in obtaining premium financing.

RELATED PARTY TRANSACTIONS

Marsh & McLennan Companies, Inc. and its subsidiaries own equity interests in a number of insurers or reinsurers. For further information regarding these interests, please visit: <https://www.marsh.com/us/about-marsh/leading-the-way-in-transparency.html>

AFCO Premium Credit LLC is a joint venture between Marsh USA Inc. and AFCO Credit Corporation that provides premium financing services to insurance buyers.

STATEMENT REGARDING ALTERING COMPENSATION

MMA is prohibited by law in most states from altering the amount of compensation received from an insurer based in whole or in part on the sale of an insurance policy.

This disclosure is mandated by New York State Insurance Department Regulation No. 194 (11 NYCRR 30) §30.3(5). We interpret this provision to refer to the various anti-rebating insurance laws throughout the country, such as New York Insurance Law §2324 which prohibits insurance companies, agents and brokers from sharing or rebating commissions as an inducement to making an insurance contract. MMA makes the above statement based on that interpretation.

QUESTIONS? JUST ASK.

We encourage you to ask questions regarding any aspect of your relationship with MMA. Please feel free to ask a member of your account team.

If you wish to raise issues, express concerns, or file a complaint regarding compensation paid or payable to us by insurers or any other third parties, please contact our Ethics & Compliance line at 800-381-2105, 24 hours a day, 7 days a week.

A.M. BEST RATING SCALE

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

Financial Strength Ratings

	Rating	Descriptor	Definition
Secure	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Vulnerable	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information.

Rating Modifiers

Modifier	Descriptor	Definition
u	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
s	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

Outlooks

Indicates potential direction of a Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.

Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at www.ambest.com.

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Version 021712

DISCLAIMER

Proposal

J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, thanks you for the opportunity to discuss your insurance and risk management program. This summary is a brief overview of that program and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions, and exclusions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

Client Contracts

In the event that you enter into a contract that has specific insurance requirements, J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

Compensation Disclosure (Including New York Regulation 194 Disclosure)

J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, is an insurance producer domiciled in the State of Georgia and licensed to sell insurance in additional states (including New York). Our licensed insurance producers are authorized by law to confer with you regarding the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. Our role in any particular insurance transaction typically involves one or more of these activities. Except in cases where J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, has a specific fee agreement to receive compensation from a client, we customarily receive compensation from insurers for our professional services in the form of a commission, which normally consists of a percentage of the premium collected by the insurers.

J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, may also receive additional compensation, under agreements with one or more insurers and/or insurance intermediaries, in the form of commission overrides or based on some combination of volume, profitability or other factors. We will receive compensation in connection with the sale of insurance products based upon the type of insurance contract that we sell and our arrangement with the insurer. Depending on the insurer and insurance contract that you select, compensation may be paid to J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, by the insurer selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract and the insurer the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

At your request, we will be pleased to provide you with information about compensation expected to be received by J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, based in whole or in part on the sale of insurance to you and (if applicable) compensation expected to be received by us based in whole or in part on any alternative quotes presented to you by J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company.

Collection Disclosure

If this proposal results in your commitment to purchase one or more of the insurance products described in this proposal, J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, will submit to you, or caused to be submitted to you, an invoice for the insurance premiums associated with such insurance products. You are responsible for payment in full of the premium amounts set forth on our invoices within the payment terms set forth on the invoices. In the event that J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, or its designee commences legal action to collect amounts due under outstanding invoices or to enforce its rights under any insurance contracts, you will be responsible for payment of all reasonable attorneys' fees, court costs and expenses incurred by J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, in collecting past due amounts pursuant to such invoices or otherwise enforcing its legal rights under such contracts.

AUTHORIZATION TO BIND

Named Insured: Peachtree City Water & Sewerage Authority

Choose the appropriate option:

☒ I hereby authorize J. Smith Lanier & Co. to bind my coverage per the terms and conditions outlined in this Proposal.

Authorized Signature

Date

☐ I hereby authorize J. Smith Lanier & Co to bind my coverage with changes as stated below. I understand these changes may result in possible additional underwriting requirements or more/less premium.

Authorized Signature

Date

**SECOND AGREEMENT TO EXTEND TERM
OF URBAN REUSE WATER USE AGREEMENT**

THIS SECOND AGREEMENT TO EXTEND TERM OF URBAN REUSE WATER USE AGREEMENT (this "Second Agreement to Extend Term") is entered into this _____ day of _____, 2020 (the "Second Agreement to Extend Term Effective Date") by and between SEQUOIA GOLF PLANTERRA RIDGE, LLC, a Georgia limited liability company ("USER"), , and the Peachtree City Water and Sewerage Authority ("PCWASA") (USER and PCWASA each being a "Party" and collectively being referred to herein as the "Parties"). All capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to them in the Urban Reuse Water Use Agreement, as amended by the First Agreement to Extend Term (both as hereinafter defined).

WHEREAS, USER's predecessor in interest, Sequoia Golf Holdings, LLC ("SEQUOIA") and PCWASA entered into that certain Urban Reuse Water Use Agreement dated April 20, 2005 (the "Urban Reuse Water Use Agreement") for the provision of Urban Reuse Water by PCWASA to SEQUOIA for irrigation of SEQUOIA's golf course located at Planterra Ridge Golf Club in Peachtree City, Georgia; and

WHEREAS, USER and PCWASA entered into that certain Agreement to Extend Term of Urban Reuse Water Use Agreement dated April 11, 2019 (the "First Agreement to Extend Term"), through which the Parties extended the term of the Urban Reuse Water Use Agreement through October 31, 2019, and made certain other modifications to the Urban Reuse Water Use Agreement as provided therein; and

WHEREAS, USER and PCWASA desire to continue and extend the termination date of the Urban Reuse Water Use Agreement from the prior expiration date of October 31, 2019 until 11:59 p.m. on October 31, 2020, as specified herein and subject to the terms and conditions of this Second Agreement to Extend Term;

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Amendment to Section 6 (Terms of Agreement). Effective as of the Second Agreement to Extend Term Effective Date, Section 6 of the Urban Reuse Water Use Agreement (Terms of the Agreement), as amended by the First Agreement to Extend Term, shall be deleted in its entirety and replaced with the following:

Subject to the terms of this Agreement, the PCWASA shall deliver and the USER shall accept and use Urban Reuse Water by the PCWASA's wastewater treatment facility. USER and PCWASA hereby mutually agree to extend the termination date of the Water Use Agreement through and including October 31, 2020, except as otherwise modified by this Agreement.

2. Amendment to Section 5 (Charges). Effective as of the Second Agreement to Extend Term Effective Date, Section 5 of the Water Reuse Agreement (“Charges”) shall be amended such that the following paragraph shall be added to the end of Section 5:

It is agreed by the parties that for furnishing of the Urban Reuse Water during the time period from May 1, 2020 through and including October 31, 2020, PCWASA shall charge USER a total of Fifty-Seven Cents (\$0.57) per 1,000 gallons of Urban Reuse Water (the “Charges”), to be billed monthly in arrears for each month from May through October 2020.

3. Responsibility for Repairs to Water Distribution System. In addition to the Charges, for the period beginning April 20, 2020 through and including October 31, 2020, USER agrees to bear the actual cost of any repairs plus Twenty Percent (20%) to the Urban Reuse Water distribution system, from the Line Creek Pump Stations to the Delivery Point, which are required in order for PCWASA to deliver Urban Reuse Water under the terms of the Water Use Agreement. Please see attached Exhibit “A” which defines the Line Creek Pump Stations to the Delivery Point. Notwithstanding the foregoing, upon becoming aware of any such necessary repairs, PCWASA shall notify USER of such required repairs, along with the corresponding costs. Upon such notification by PCWASA, USER may within forty-eight (48) hours at its option notify PCWASA that it will incur such expense and authorize such repairs to be made, or alternatively, may by notice to PCWASA terminate the Water Use Agreement, as amended herein. Upon becoming aware of necessary repairs, the parties understand the Urban Reuse Water will not be delivered to the USER until such time as the repair cost has been authorized by the USER, and consequently PCWASA has made the repairs. In the event of such termination, USER shall not be entitled to any refund of monies paid to PCWASA under Section 5 (“Charges”), as amended in numbered paragraph 2 above in this Agreement, and shall only be obligated to pay any subsequent monthly Charges for thirty (30) days from the date of written termination by USER.

PCWASA affirms that while it anticipates repairs as described above (including, by way of example but not by way of limitation, repairs and or replacements of portions of pipeline and/or water pumps) may be necessary for the time period from April 20, 2020 through and including October 31, 2020, it is not presently aware of any such necessary repairs that exist as of the date of this Agreement.

4. Ratification. As amended and modified herein, the Parties hereby affirm that the Urban Reuse Water Use Agreement, remains in full force and effect according to its terms.

5. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their respective successors, successors-in-title, legal representatives and permitted assigns.

6. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed an original and all of which shall be deemed one and the same instrument. Facsimile or electronic PDF transmission of signatures of this Agreement shall be deemed to be original signatures.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the day and year first above written.

[Signatures on Next Page]

USER:

SEQUOIA GOLF
PLANTERRA RIDGE, LLC

By: _____

Name: _____

Title: _____

PCWASA:

PEACHTREE CITY WATER AND
SEWERAGE AUTHORITY

By: _____

Name: _____

Title: _____



JOB DESCRIPTION

Title: **SCADA/GIS System Administrator**
Division: **Support Services**
Pay Range: **\$66,400 to \$91,500 per year**
Reports to: **Collection System/Support Services Supervisor**

I. Position Summary

The SCADA/GIS System Administrator will provide technical support for the Authority's Supervisory Control and Data Acquisition (SCADA) systems and Geographic Information System (GIS). This position contributes to the planning, purchase, installation, update, and support of the SCADA infrastructure and GIS program.

II. Essential Duties

- Conceptualizes, details, and implements all phases of SCADA system upgrades for wastewater treatment and conveyance systems.
- Implements start-up of newly installed SCADA equipment.
- Reverse engineers existing Programmable Logic Controller (PLC) code and updates to current standards in Function Block Diagram (FBD).
- Installs and updates point to multi-point radio systems, PLCs, and associated hardware, including controls.
- Integrates vendor supplied equipment with Authority-owned control systems.
- Programs the SCADA operator interface as required for updates/upgrades.
- Maintains a PLC program library for immediate restore of lost or damaged code.
- Troubleshoots and repairs plant-wide control systems.
- Ensures security measures and standards are maintained; documents code revisions through a pre-established change control process.
- Develops and implements standard procedures and naming conventions.
- Administers the GIS program, including coordinating field work, mapping/data updates, and database maintenance.
- Works independently and acts as technical lead on projects.
- Works after hours and weekends as required.
- Operates assigned Authority vehicle.
- Other duties as assigned.

III. Qualifications

The qualifications listed below represent the credentials necessary to perform the essential functions of this position. To be successful in this position, an individual must be able to perform each duty satisfactorily. Reasonable accommodation may be made to enable individuals with disabilities to perform the essential functions.

A. Education and/or Experience

Bachelor's Degree in Computer Science, Information Technology or Engineering and two years experience supporting a SCADA system is preferred. Preference will be given to candidates who are proficient in programming software such as Unity, Concept, and ProWorks; and languages such as FBD, Ladder Logic, VBA, .NET, Python and SQL.

Knowledge of:

- SCADA software and hardware systems (GE preferred)
- Personal computer hardware and software, server computer hardware and software, local area networks, and wide area networks
- Windows operating system, SQL server databases, and Ethernet based PLC's
- Project management, change control
- Data center operation
- SCADA programming and HMI design
- Current industry trends and best practices

Ability to:

- Work independently managing multiple assigned priorities and tasks maintaining project schedules and deliverables.
- Troubleshoot and resolve SCADA control system issues.
- Install, configure, and maintain appropriate SCADA technology to include related hardware and software.
- Establish and maintain effective working relationships with others

Any equivalent combination of training and experience that provides the required knowledge, skills and abilities is qualifying.

B. Supervisory Controls:

Must possess excellent communication skills. This position does not supervise any other positions. The employee plans and carries out the successive steps and handles problems and deviations in the work assignment in accordance with instructions, policies, previous training or accepted practices in the job. The employee uses judgement in interpreting and adapting guidelines such as organizational policies, regulations, precedents, and directions for application to specific cases or problems. The employee analyzes results and recommends changes.

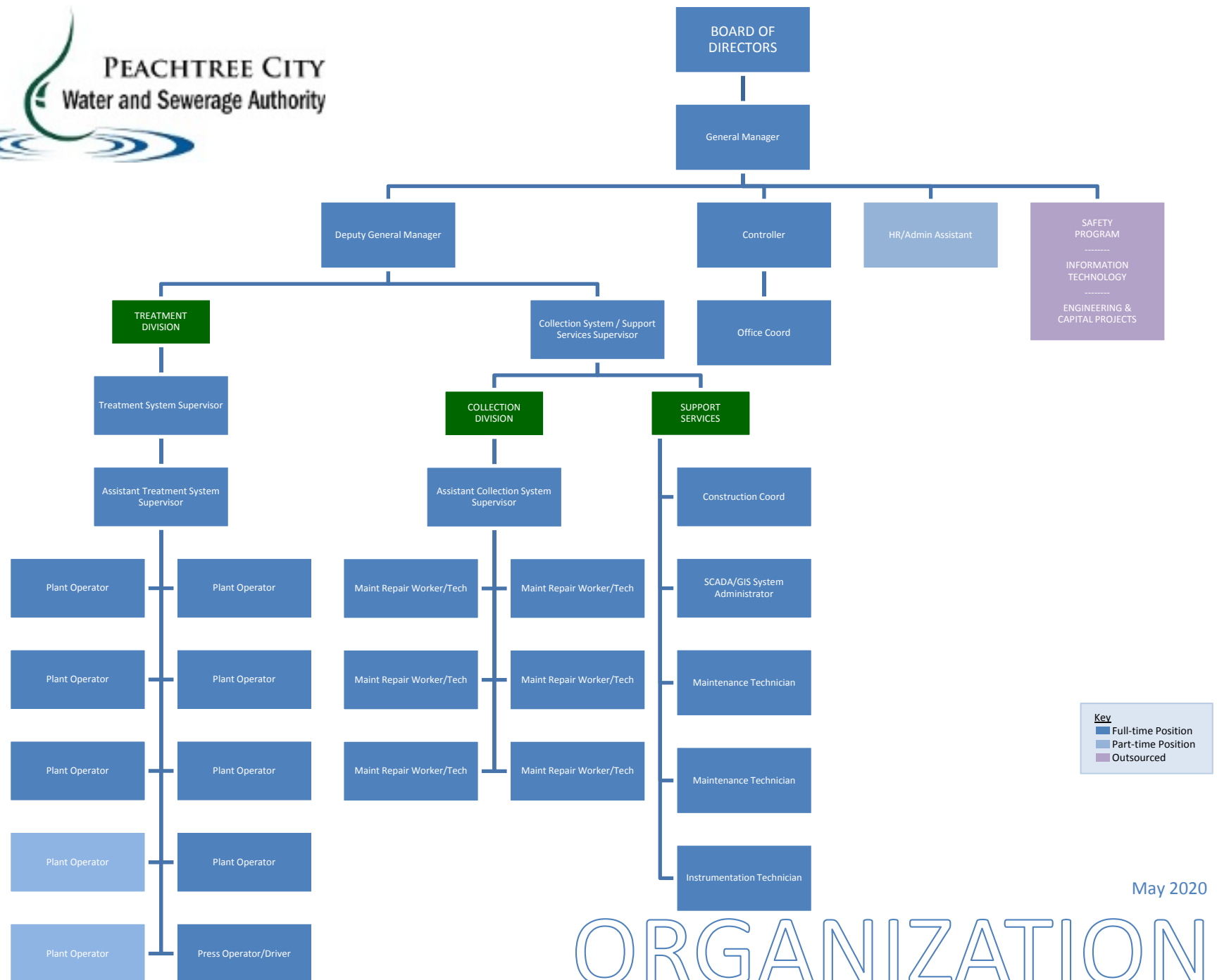
IV. Working Conditions

A. Physical Demands

The work requires some physical exertion such as periods of standing; walking over rough or difficult surfaces; recurring stooping, climbing, or walking; and occasional lifting of objects weighing in excess of 25 pounds. The work may require specific, but common, physical characteristics and abilities such as mobility and dexterity.

B. Work Environment

The work is performed in both office and field environments. Field work can be in adverse conditions, including weather/temperature extremes, wind, rain and high noise volume. Occasional exposure to untreated water/wastewater, chemicals and electrical systems used in plant operations. The work may be in an environment involving everyday risks or discomforts which require normal safety precautions. The employee may be required to use protective clothing or equipment such as masks, coats, boots, goggles, gloves, or shield.







Quarterly Financial Report
March 31, 2020

**PCWASA Cash Account Balances
As of March 31, 2020**

1111 Revenue Operating Account	\$ 2,536,476
1112 Sinking Fund Account	\$ 543,925
1113 Renewal & Extension Account	\$ 8,956
1114 Capital Fund Account	\$ 7,533
1320 Georgia Fund One	\$ 3,687,458
	<u>\$ 6,784,346</u>

Peachtree City Water and Sewerage Authority
Financial Report
For the Fiscal Year Ending on September 30, 2020
Unaudited

	FY 2020	FY 2020	
	<u>APPROVED BUDGET</u>	<u>ACTUAL/ ENCUMBRANCES</u>	<u>% Used YTD</u>
Revenues - Rate	\$8,854,355	\$4,698,123	53.06%
Revenues - Fee	\$930,857	\$370,856	39.84%
<u>Operating Fund Revenues</u>	<u>\$9,785,212</u>	<u>\$5,068,979</u>	
Salaries, Wages, & Benefits	\$2,576,304	\$1,213,591	47.11%
Materials, Supplies, & Services	\$3,105,720	\$1,419,280	45.70%
<u>Operation Expenditures</u>	<u>\$5,682,024</u>	<u>\$2,632,871</u>	46.34%
<u>Operating Surplus (Deficit)</u>	<u>\$4,103,188</u>	<u>\$2,436,108</u>	
Oper Trfr-Sinking Fund	\$2,747,677	\$2,535,223	92.27%
Oper Trfr-Ren & Ext	\$350,000	\$103,006	29.43%
Oper Trfr-Capital	\$626,000	\$77,382	12.36%
<u>Sub-Total</u>	<u>\$3,723,677</u>	<u>\$2,715,611</u>	72.93%
<u>Total All Expenditures</u>	<u>\$9,405,701</u>	<u>\$5,348,482</u>	
Net Surplus (Deficit)	\$379,511	(\$279,503)	
<u>Other Income (Expenditures)</u>	<u>\$10,000</u>	<u>\$26,510</u>	
<u>Total Surplus (Deficit)</u>	<u>\$389,511</u>	<u>(\$252,993)</u>	
Percentage into Budget Year:	50%		

Intergovernmental Agreement

This Intergovernmental Agreement entered into this ____ day of _____ 2020 by and between The City of Peachtree City, Georgia, a body politic acting by and through the City Council of the City of Peachtree City (hereinafter the “City”), and the Peachtree City Water & Sewerage Authority, a body politic acting by and through the Members of the Peachtree City Water and Sewer Authority (hereinafter the “Authority”).

WITNESSETH:

WHEREAS, the City and the Authority desire to cooperate in the evaluation of technology hosting with respect to BS&A Applications, including licensing, support, and maintenance costs; backup storage; emergency assistance, if needed; and any other IT Support items, as needed; and

WHEREAS, the City and the Authority are in agreement to work together toward such cooperative planning.

NOW THEREFORE, in accordance with Article IX, Section III, Paragraph I of the Georgia State Constitution and in accordance with the general laws of the State of Georgia, the City Charter of the City of Peachtree City, the enabling legislation of the Authority, and in accordance with the police powers of both governmental entities the parties hereto do hereby agree as follows:

Article I

Scope of Work:

The City and the Authority agree to provide all materials, plans, agreements, and related documents with respect to any potential technology hosting that can be coordinated between the City and the Authority as deemed necessary by said entities. The City and Authority agree to fully cooperate so as to effectively evaluate the technology hosting, if necessary, including, but not limited to, communications between the City Council, City Manager, WASA Board, WASA general manager, and any other agents, employees, or appointed officials of either the City or WASA in furtherance thereof.

Article II

Term:

The term of this Agreement shall be for fifty (50) years; provided, however, that either party may terminate this agreement by providing sixty (60) days’ written notice to the other party.

Article III

Changes & Modifications:

This Agreement may be amended, revised, changed or modified only by the mutual written agreement of the parties hereto.

Article IV

Agreement supplemental to other agreements.

This Agreement shall be supplemental to any other agreements between the City and the Authority. In the event that such other agreements are terminated, this Agreement shall automatically terminate; provided, however, that the termination of this Agreement shall not affect the status of such other agreements.

Signed this _____ day of _____, 2020.

City of Peachtree City, Georgia

By _____
Vanessa Fleisch, Mayor

Attest:

City Clerk (SEAL)

Peachtree City Water & Sewerage Authority

By _____
Chairperson of the Peachtree City
Water and Sewerage Authority

Attest:

Clerk (SEAL)

PEACHTREE CITY WATER AND SEWERAGE AUTHORITY

ON-CALL VEHICLE PROCEDURES

In order to ensure that there are no interruptions in service, some Peachtree City Water and Sewerage Authority ("PCWASA") employees are required to be "on-call" on a 24-hour basis to address emergency repairs. Any employee who is on the active on-call list must report to work within 30 minutes of being called.

Employees who are designated the "primary" on-call may be allowed to take a PCWASA vehicle home so they can respond as soon as possible. Such employees fully understand that the vehicle is for business use only and is not intended for personal use. Non-employees and non-business passengers (e.g., family members and friends) are prohibited from riding in PCWASA vehicles.

An employee who is designated the "helper" on-call employee is not allowed to take home a PCWASA vehicle.

Employees who are utilizing a PCWASA vehicle for on-call purposes are required to follow all company vehicle guidelines and procedures outlined in the Employee Handbook. For reference, the following is the Company Vehicles Policy from the Employee Handbook dated May 6, 2019.

Company Vehicles

PCWASA provides vehicles for business use. Only employees whose job duties require using a PCWASA vehicle will be allowed to operate a PCWASA vehicle and only after the employee has consented to a complete background and driving history check acceptable to PCWASA. Any traffic violations charged against the employee, whether or not while driving a PCWASA vehicle, should be immediately reported to the HR Administrator. The approval of an employee to drive a PCWASA vehicle may be revoked at any time in the sole discretion of PCWASA.

Vehicle use by approved employees is strictly limited to business purposes. Employees must not be intoxicated or impaired for any reason, must drive in compliance with all applicable laws, and must not allow non-essential persons (including non-employees of PCWASA) to ride in a company-owned vehicle. Any citations given to an employee while operating a PCWASA vehicle must be immediately reported to the HR Administrator, and the employee is responsible for paying any applicable fines assessed.

If an employee is involved in an accident while operating a PCWASA vehicle, he should immediately dial 911 to report the accident. The employee should then next report the accident to the HR Administrator. The employee should also report damage caused to the vehicle for other reasons, like theft or vandalism.

Employees who fail to comply with the policies and procedures outlined herein may be subject to disciplinary action.

I have read and I understand the Company's On-Call Vehicle Procedures.

Employee's Name in Print

Signature of Employee

Date Signed by Employee

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE