

Peachtree City Water & Sewerage Authority
Regular Meeting
Agenda
Tuesday, April 19, 2022
8:30 a.m.

I. Pledge of Allegiance

II. Public Comment

III. Minutes

March 15, 2022 - Regular Meeting Minutes

IV. Reports

A. Authority Members

B. General Manager

V. 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, 2022

VI. 2022 Long-Term Monitoring Work Authorization from ISE

VII. Quarterly Financial Update

VIII. Executive Session – Real Estate, Personnel, Potential Litigation

IX. 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 15, 2022

The Peachtree City Water and Sewerage Authority held its monthly meeting on Tuesday, March 15, 2022, in the break room and conference room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Kim Learnard, Vice-Chairman Mike King, Treasurer/Secretary Gretchen Caola, Board Member Phil Prebor, Board Member Frank Destadio, Ms. Melissa Griffis (attorney with Horne & Griffis), Mr. Dan Davis (ISE), Ms. Leslie Baer (ISE), Ms. Millie Shah (WASA), Mr. Larry McNeil (WASA), Mr. Chris Miller (Cpak Technology Solutions), Ms. Hope Larisey (ISE), Mr. David Irwin (Mauldin & Jenkins; via video conference), and Mr. John Dufresne. Due to the COVID-19 pandemic and Governor Brian Kemp's Executive Order the Board members were located in the break room and the public was in the Board room for proper social distancing with live video and audio being fed into each room.

Ms. Learnard called the meeting to order at 8:39 am. The meeting began with the Pledge of Allegiance.

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

Ms. Learnard asked for a motion to approve the January 18, 2022 regular meeting minutes. Mr. King made a motion to approve the January 18, 2022 regular meeting minutes, seconded by Mr. Destadio. Motion carried.

There were no reports from the Authority members. Mr. Dan Davis provided a General Manager report. Mr. Dan Davis discussed the on-going list of projects/activities by Authority staff, highlighting some of the projects. Mr. Dan Davis provided an update on the pump station 13 rebuilding efforts, and provided photos of the work at the pump station. Mr. Dan Davis stated the Authority received four customer calls; three of the calls were customer issues and one was an Authority issue. Mr. Dan Davis reported that Authority staff continue to clear sewer easements; the Bridlepath easement clearing is being discussed with the City regarding buffers. Mr. Dan Davis stated there was a <10,000 gallon spill last week which was reported to the EPD and proper response procedures were followed. Mr. Destadio asked how the Authority cleans up spills. Mr. McNeil responded that the soil area is dug out, backfilled, dusted with lime, and seeded/strawed; the pipe was replaced immediately. Ms. Learnard asked how the spill was reported. Ms. Shah stated that a resident called in the spill. Mr. Dan Davis stated the staff continue to use the SL-RAT to inspect the sewer lines; about 50 miles are complete and 60-70 miles remain. Mr. Dan Davis stated two new pump station generators are on order. Mr. Dan Davis stated the new SCADA system (GRM) is saving approximately 10% per month in power costs. The Authority is averaging eight loads of septage per day; meeting the intent of the Fayette County agreement. Mr. Dan Davis stated the power will be discontinued at the Miller Farm property and staff are investigating a leak in the pond on the property.

Ms. Shah presented the December 31, 2021 Quarterly Financial Report, stating the Authority is at the 25% mark in the year at the first quarter. Ms. Shah stated the revenue is above budget because of plan review fees (at 37%); and expenses are at 24%. Ms. Shah stated the Authority has \$11 million in cash, and a \$2.4 million bond payment was made on March 1, 2022. Ms. Shah stated the Authority is at budget for both expenses and revenue. Ms. Learnard asked regarding the sinking fund. Ms. Shah stated the sinking fund is money for bond payments. Mr. Destadio asked about the Georgia Fund 1 line item. Ms. Shah stated Georgia Fund 1 is the investment account for the Authority. Ms. Griffis stated the new Board moved to this account because it is a more secure fund; the previous fund was with Morgan Stanley.

Ms. Shah introduced Mr. Irwin with Mauldin & Jenkins to present the Audit Report for the fiscal year ended September 30, 2021. Mr. Irwin discussed the annual audit, stating they issued a clean/unmodified opinion of the report with no audit findings and no material weaknesses or significant deficiencies in the Authority's internal controls. Mr. Irwin stated the financial statements as prepared by management are fairly stated in all material respects in accordance with generally accepted accounting principles. Mr. Irwin stated Ms. Shah does a great job compiling the audit information in a timely manner. Mr. Irwin encouraged the Board to read the Management's Discussion and Analysis (MD&A) within the report which provides a narrative discussion of the financial statements. Mr. Irwin discussed the financial statements, stating the Authority is in a very good liquid financial position. Mr. Irwin stated net position increased by \$2.3 million from prior year. Mr. Destadio asked how much cash is available for capital improvement projects. Mr. Irwin stated there are \$17 million in net investment in capital assets, \$1.5 million restricted for debt service, and \$11 million unrestricted; stating the amount for capital improvements is a management decision. Ms. Shah stated the Authority must maintain a debt ratio of 1.2 due to the bond coverage requirement; the bond coverage ratio is currently 1.72 and above 1.5 is considered healthy. Mr. Prebor made a motion to approve the audit report as presented, seconded by Mr. King. Motion carried. Mr. Destadio asked if the Authority can use the funds after approval. Ms. Griffis clarified that this was an audit report of last year, not the actual budget itself.

Mr. Dan Davis discussed the Industrial Pre-Treatment program, stating local industries must meet EPD's tightening requirements for discharge into the sewer system, and the Authority permits those industries. Ms. Larisey discussed the Industrial Pre-Treatment Renewal Permit appeal received from Hoshizaki dated January 29, 2022 for metal limits. Ms. Larisey stated sometimes the limits are very low and the lab cannot sample low enough to meet the EPD requirement/limit. Mr. Destadio asked if Hoshizaki does their own testing. Ms. Larisey stated they perform monthly self-monitoring sent to a third-party independent lab for testing, and the Authority conducts annual reconnaissance sampling. Ms. Larisey stated the staff would like to evaluate the total loading for all five industries, and compare it to the headworks loading to determine if more is available to offer Hoshizaki. If more is not available, the Authority will provide Hoshizaki with a compliance schedule to update their treatment works to get down to the lower levels. Ms. Larisey stated there are five industries under permit, and two potential new industries will be sampled this year. Ms. Learnard asked for the names of the permitted industries. Ms. Larisey stated they are Avery Dennison, Calpis America, CertainTeed, Sigvaris, and Hoshizaki; the potential industries are Amcor and Silon (formerly Viega facility). Mr. Destadio asked what the Authority does if the industry cannot meet the limit. Ms. Larisey stated the Authority would take enforcement action and assess fines. Mr. Dan Davis stated Hoshizaki is a significant employer and recommended the Authority work with them to resolve the issue. Mr. Dan Davis stated a consultant, Mr. Pedro Rossello, P.E., has been engaged (at an hourly rate up to \$8,855) to evaluate the headworks loading for the total available to all five industries to determine if a higher level can be offered to Hoshizaki. Ms. Griffis stated the ISE Work Authorization for the Industrial Pre-Treatment Program provided for additional services as approved by the Board. Mr. King made a motion to approve not-to-exceed \$8,855 for Mr. Pedro Rossello, P.E. to analyze the Industrial Pre-Treatment permit appeal, seconded by Mr. Destadio. Motion carried.

Ms. Learnard 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. King and seconded by Mr. Prebor. Motion carried. The meeting was adjourned into Executive Session at 9:29 am.

The meeting was reconvened at 10:37 am.

Ms. Learnard asked for a motion to adjourn. The motion was made by Mr. King and seconded by Mr. Destadio. Motion carried. The meeting was adjourned at 10:37 am.

Chairman – Kim Learnard

Vice Chairman – Mike King

Peachtree City Water & Sewerage Authority Insurance Summary

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Peachtree City Water & Sewerage Authority

Insurance Summary

2021-2022 COVERAGES	21/22	22/23	2022-2023 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> 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	\$ 24,205	\$ 26,900	<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 2017 Ford F150, S#5410 2015 Ford F150, S#3050 2011 Dodge Ram, S#5592 2011 Freightliner, S#5949 2011 Ford F750, S#4746 2012 Freightliner, S#2619 2012 Freightliner, S#2618 2012 Ford Transit, S#0729 Continued on next page

Peachtree City Water & Sewerage Authority

Insurance Summary

2021-2022 COVERAGES	21/22	22/23	2022-2023 COVERAGES
<u>Vehicle Schedule Continued:</u> 2012 Freightliner, S#2619 2012 Freightliner, S#2618 2012 Ford Transit, S#0729 2014 Ford F150, S#2896 2015 Gator, S#4605 2014 Ford F150, S#2897 2014 Freightliner, S#3695 2017 Gator, S#0715 2011 Pace TV Trl, S#215A 2017 Ford F350, S#3574 2017 Ford F250, S#8318 2017 Ford F150, S#0739 2000 Lawn Trl, S#1152			<u>Vehicle Schedule Continued:</u> 2014 Ford F150, S#2896 2014 Ford F150, S#2897 2014 Freightliner, S#3695 2014 Ford F150, S#2762 2016 Ford F150, S#8961 2011 Freightliner, S#5876 2021 Gooseneck, S#4455 2000 Lawn Trl, S#1152 2011 Pace TV Trl, S#215A 2017 Ford F350, S#3574 2017 Ford F250, S#8318 2017 Ford F150, S#0739 2014 Gator Trl, S#0715 2014 Ford F150, S#4046 2015 Ford F250, S#0930

Peachtree City Water & Sewerage Authority

Insurance Summary

2021-2022 COVERAGES	21/22	22/23	2022-2023 COVERAGES
<u>Inland Marine – Travelers</u> 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: 1987 Ram Jet Sewerage Cleaner \$ 5,000 Onen Generator \$15,000 Cat Yancy 416F2 Backhoe \$86,000 2007 New Holland Tractor \$12,570 2007 New Holland Tractor \$12,570 2012 Kawasaki Mule #5919 \$11,500 2012 Baldor Generator \$20,000 2012 Blue Phoenix Generator, S#2013 \$19,980 2012 Godwin Pump, S#7101/12 \$28,774 2012 Sullair Air Compressor, S#4088 \$11,332 2014 Bobcat E50 Excavator, S#1764 \$45,523 2014 Bobcat Track Loader, S#1626 \$46,405 1999 Grass Hopper, S#6645 \$10,000 2016 Grass Hopper, S#7105 \$11,117 2015 Grass Hopper, S#7465 \$11,928 2015 Grass Hopper, S#6120 \$10,818 2015 EZ GO Golf Cart, S#1703 \$ 3,500 2015 EZ GO Golf Cart, S#6477 \$ 3,500 2013 New Holland Tractor, S#9409 \$16,034 2013 New Holland Tractor, S#6714 \$20,940 2007 Woods Rotary Cutter, S#3212 \$ 1,884 2007 Woods Rotary Cutter, S#3213 \$ 1,884 2013 Woods Brush Cutter, S#2548 \$ 2,800 2013 Woods Brush Cutter, S#2494 \$ 2,500 2013 Dirt Dog Box Blade, S#0183 \$ 450 2013 Dirt Dog Box Blade, S#0027 \$ 550 2015 Blue Diamond, S#3010 \$ 4,970 Bobcat Grapple #0681 \$2,500 2014 Bobcat S550, S#2286 \$45,000 2014 Bobcat S550, S#2289 \$45,000 2018 Golf Cart #6095 \$ 5,700 2018 Golf Cart #6075 \$5,700 Unscheduled Equipment \$50,000	Included	Included	<u>Inland Marine – Travelers</u> 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: 1987 Ram Jet Sewerage Cleaner \$ 5,000 Onen Generator \$15,000 Cat Yancy 416F2 Backhoe \$86,000 2007 New Holland Tractor \$12,570 2007 New Holland Tractor \$12,570 2012 Kawasaki Mule #5919 \$11,500 2012 Baldor Generator \$20,000 2012 Blue Phoenix Generator, S#2013 \$19,980 2012 Godwin Pump, S#7101/12 \$28,774 2012 Sullair Air Compressor, S#4088 \$11,332 2014 Bobcat E50 Excavator, S#1764 \$45,523 2014 Bobcat Track Loader, S#1626 \$46,405 1999 Grass Hopper, S#6645 \$10,000 2016 Grass Hopper, S#7105 \$11,117 2015 Grass Hopper, S#7465 \$11,928 2015 Grass Hopper, S#6120 \$10,818 2015 EZ GO Golf Cart, S#1703 \$ 3,500 2015 EZ GO Golf Cart, S#6477 \$ 3,500 2013 New Holland Tractor, S#9409 \$16,034 2013 New Holland Tractor, S#6714 \$20,940 2007 Woods Rotary Cutter, S#3212 \$ 1,884 2007 Woods Rotary Cutter, S#3213 \$ 1,884 2013 Woods Brush Cutter, S#2548 \$ 2,800 2013 Woods Brush Cutter, S#2494 \$ 2,500 2013 Dirt Dog Box Blade, S#0183 \$ 450 2013 Dirt Dog Box Blade, S#0027 \$ 550 2015 Blue Diamond, S#3010 \$ 4,970 Bobcat Grapple #0681 \$2,500 2014 Bobcat S550, S#2286 \$45,000 2014 Bobcat S550, S#2289 \$45,000 2018 Golf Cart #6095 \$ 5,700 2018 Golf Cart #6075 \$ 5,700 Unscheduled Equipment \$50,000

Insurance Summary

A.M. Best Rating: **The Travelers** **A++** **BCS Insurance Company** **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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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

To: Larry McNeil
Company: Peachtree City Water & Sewerage Authority
Address: 1127 Highway 74 South
Peachtree City, GA 30269

Date: March 14, 2022
From: Jason Ray, GISP
Copy to: File

Project: 2022 Long Term Monitoring

Background Information:

The Peachtree City Water & Sewerage Authority (PCWASA) is required to perform annual long-term water quality monitoring to meet the requirements of its Watershed Protection Plan (WPP). This WPP was developed and approved by EPD in 2005. ISE proposes to implement the 2022 long-term monitoring activities required by PCWASA's WPP according to the scope, schedule, and fee described below.

Scope of Work:

Summary of Sampling Activities

ISE will conduct long-term water quality monitoring including sampling and analysis of physical and chemical parameters. Monitoring will be performed at five (5) locations as specified in PCWASA's existing WPP. These stations are described below:

Station ID	Station Location	Sampling Type
FC – 1	Flat Creek at Highway 74 Crossing	Water Quality, Biological
FC – 6	Flat Creek at Crabapple Road	Water Quality, Biological
FC – 7	Flat Creek at Dogwood Trail Crossing	Water Quality, Biological
LC – 1	Line Creek at Highway 85 Crossing	Water Quality
LC – 7	Line Creek at Palmetto-Tyrone Road Crossing (Castlewood Road)	Water Quality, Biological

Water samples will be collected and analyzed for the following chemical constituents:

- Temperature (*In-situ*)
- Dissolved Oxygen (*In-situ*)
- pH (*In-situ*)
- Turbidity (*In-situ*)
- Conductivity (*In-situ*)
- Fecal Coliform
- Total Kjeldahl Nitrogen (TKN)
- Hardness
- Total Suspended Solids (TSS)
- Ortho Phosphate
- Total Phosphorus
- Nitrate Nitrogen
- Nitrite Nitrogen
- Ammonia Nitrogen
- Dissolved Metals (Cadmium, Copper, Lead, Zinc)*

* *Metals are sampled once per year during a wet weather sampling event.*

WORK AUTHORIZATION

Parameters identified as “*in-situ*” will be measured directly in the stream using a Horiba U-52 water quality meter. The remaining parameters will be analyzed in a laboratory.

Dry and wet weather sampling will be performed quarterly (four times per year) for all the above parameters except fecal coliform. Sampling will be conducted during one (1) dry weather event and one (1) wet weather event during the summer period from May – October and during one (1) dry weather event and one (1) wet weather event during the winter period from November – April.

ISE will perform bacteria sampling for fecal coliform to calculate quarterly (four per year) geometric means each requiring four (4) samples collected over a 30-day period (16 total sampling events).

ISE proposes to implement this work for the PCWASA according to the Scope of Work outlined below.

Task 1 – Water Quality Sampling and Analysis

ISE proposes to collect water quality data over sixteen (16) sampling events. These events will be divided into 4 distinct phases.

Task 1A – Winter Water Quality Monitoring

The initial water quality monitoring period will take place February to March and will consist of 4 separate sampling events at all five sites. The initial sampling event will focus on collecting water quality samples during a period preceded by at least 72-hours of no rainfall. This shall qualify as a “dry weather” event. This event will collect water quality samples to be tested for the aforementioned *in-situ*, chemical and bacteria parameters. Following this event, three additional sampling events will be conducted within 28 days and water quality samples will be tested for *in-situ* and bacteria parameters. These three events will be taken approximately every 7 days irrespective of the weather. Following completion of all four sampling events, ISE will submit a memo summarizing the monitoring results for this task.

Task 1B – Spring Water Quality Monitoring

The second water quality monitoring period will take place in May and will consist of 4 separate sampling events at all five sites. The initial sampling event will focus on collecting water quality samples during or immediately following a rainfall event of at least 0.2-inches of rainfall and preceded by a period of at least 72-hours of no rainfall. This shall qualify as a “wet weather” event. This event will collect water quality samples to be tested for the aforementioned *in-situ*, chemical and bacteria parameters as well as metals. Following this event, three additional sampling events will be conducted within 28 days and water quality samples will be tested for *in-situ* and bacteria parameters. These three events will be taken approximately every 7 days irrespective of the weather. Following completion of all four sampling events, ISE will submit a memo summarizing the monitoring results for this task.

Task 1C – Summer Water Quality Monitoring

The third water quality monitoring period will take place in August and will consist of 4 separate sampling events at all five sites. The initial sampling event will focus on collecting water quality samples during a period preceded by at least 72-hours of no rainfall. This shall qualify as a “dry weather” event. This event will collect water quality samples to be tested for the aforementioned *in-situ*, chemical, and bacteria parameters. Following this event, three additional sampling events will be conducted within 28 days and water quality samples will be tested for *in-situ* and bacteria parameters. These three events will be taken

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approximately every 7 days irrespective of the weather. Following completion of all four sampling events, ISE will submit a memo summarizing the monitoring results for this task.

Task 1D – Fall Water Quality Monitoring

The final water quality monitoring period will take place in November and will consist of 4 separate sampling events at all five sites. The initial sampling event will focus on collecting water quality samples during or immediately following a rainfall event of at least 0.2-inches of rainfall and proceeded by a period of at least 72-hours of no rainfall. This shall qualify as a “wet weather” event. This event will collect water quality samples to be tested for the aforementioned *in-situ*, chemical, and bacteria parameters. Following this event, three additional sampling events will be conducted within 28 days and water quality samples will be tested for *in-situ* and bacteria parameters. These three events will be taken approximately every 7 days irrespective of the weather.

Summary of Sampling Events

The following table provides a summary of the proposed water quality sampling schedule. ISE will subcontract with an EPA certified laboratory for all laboratory testing services.

Task	Event	Parameters to be Tested	Approximate Time Period	Season
Task 1A	Event #1	<i>In-situ</i> , Chemical, Bacteria (Dry Event)	February - March	Winter
	Event #2	<i>In-situ</i> , Bacteria		
	Event #3	<i>In-situ</i> , Bacteria		
	Event #4	<i>In-situ</i> , Bacteria		
Task 1B	Event #5	<i>In-situ</i> , Chemical, Bacteria, and Metals (Wet Event)	May	Summer
	Event #6	<i>In-situ</i> , Bacteria		
	Event #7	<i>In-situ</i> , Bacteria		
	Event #8	<i>In-situ</i> , Bacteria		
Task 1C	Event #9	<i>In-situ</i> , Chemical, Bacteria (Dry Event)	August	Summer
	Event #10	<i>In-situ</i> , Bacteria		
	Event #11	<i>In-situ</i> , Bacteria		
	Event #12	<i>In-situ</i> , Bacteria		
Task 1D	Event #13	<i>In-situ</i> , Chemical, Bacteria (Wet Event)	November	Winter
	Event #14	<i>In-situ</i> , Bacteria		
	Event #15	<i>In-situ</i> , Bacteria		
	Event #16	<i>In-situ</i> , Bacteria		

Task 2 – Water Quality Evaluation and Report

Following completion of the water quality sampling activities, ISE will evaluate the data and prepare a water quality report summarizing the 2022 monitoring results. The water quality evaluation will include a comparison of the 2022 data with EPD or other appropriate guidelines for each parameter. If data indicate that water quality may be impacted by pollutants, potential pollutant sources will be identified. With the report, ISE will include a Certification Statement to be signed by PCWASA and the 2022 monitoring data entered into an EPD formatted spreadsheet saved to CD-ROM.

WORK AUTHORIZATION

Deliverables

ISE will complete all sampling activities by December 31, 2022. ISE will prepare and submit one (1) copy of the following documents to both PCWASA and EPD prior to EPD's June 30, 2023 reporting deadline for watershed protection plans:

- Annual Water Quality Report
- Certification Statement
- EPD Spreadsheet of Water Quality Data (CD-ROM)

Schedule:

ISE will begin work following the execution of this Work Authorization. Sampling will be completed by December 31, 2022. Project deliverables will be completed and submitted to PCWASA and EPD by June 30, 2023.

Fee Estimate:

Task No.	Task Name	Contract Amount	Billing Type
1A	Winter Water Quality Monitoring	\$ 5,500	Lump sum
1B	Spring Water Quality Monitoring	\$ 5,700	Lump sum
1C	Summer Water Quality Monitoring	\$ 5,500	Lump sum
1D	Fall Water Quality Monitoring	\$ 5,500	Lump sum
2	Water Quality Evaluation and Report	\$ 7,200	Lump sum
TOTAL		\$ 29,400	

All work will be performed in accordance with the attached Terms and Conditions. The fees listed contain ISE labor, subconsultants, and direct project expenses previously noted in the Scope of Work section. Additional efforts, including fees and services outside the Scope of Work detailed herein will be coordinated directly with the Client prior to proceeding. Additional fees will be billed hourly and in accordance with the rate schedule herein.

Authorization:

Authorized by: _____ Title: _____

Print Name: _____ Date: _____

Terms and Conditions Included

WORK AUTHORIZATION

TERMS AND CONDITIONS

Integrated Science & Engineering, Inc. (ISE) shall perform the services outlined in this agreement for the stated fee arrangement.

Access to Site: Unless otherwise stated ISE will have reasonable access to the site for activities necessary for the performance of the services. If reasonable access is not provided and consequently ISE is denied or delayed in performing their services, the associated cost may be viewed as a reimbursable expense.

Billings/Payment: Invoices for ISE's services shall be submitted, at ISE's option, either upon completion of such services or on a monthly basis (unless noted otherwise) and are due when rendered. Invoices shall be considered "Past Due" if not paid within 30 days after the invoice date. If the invoice is not paid within 30 days, ISE may, without waiving any claim or right against the Company, and without liability whatsoever to the Company, terminate the performance of the service. Unpaid accounts shall be subject to a monthly service charge of 1.5% on the unpaid balance at the sole election of ISE.

Reimbursable Expenses: Any expenses that are required beyond those identified under professional services will be billed at a multiple of 1.15 times the cost incurred.

Additional Services: Additional services include increase or change in scope of project, major revisions when such revisions are inconsistent with written approvals or instructions previously given, services after award of contract in evaluation of substitutions proposed by the construction contractor, and other services that are not included under professional services; provided, however, that additional services shall not be classified as reimbursable expenses and will be billed at ISE's cost incurred or normal prevailing rate. ISE will only perform additional services when authorized in writing by the Company.

Indemnification: ISE shall indemnify and hold harmless Company and all of Company's personnel from and against any claims, damages, losses and expenses (including attorney's fees) arising out of or resulting from the performance of the services, provided that any such claim, damage, loss or expense is caused by the negligent act, omission, and/or strict liability of ISE, anyone directly employed by ISE, or anyone for whose acts any of them may be liable.

Termination of Services: This agreement may be terminated by written notice by either the Company or ISE should the other fail to perform its obligations hereunder. In the event of termination, the Company shall pay ISE for all services rendered to the date of termination and all reimbursable expenses.

Ownership of Documents: All documents produced by ISE under this agreement shall remain the property of ISE and may not be used by the Company for any other endeavor without the written consent of ISE. Any unauthorized use or distribution shall be at Company's and Recipient's sole risk and without liability to ISE. Company further agrees that documents produced by ISE pursuant to this agreement will not be used at any location or for any project not expressly provided for in this agreement without ISE's written approval.

Discovery of Unanticipated Hazardous Materials: Hazardous materials may exist where there is no reason to believe they could or should be present. The Company acknowledges that ISE's scope of services for this project does not include any services related to hazardous wastes. ISE and the Company agree that the discovery of unanticipated hazardous materials constitutes a changed condition mandating a renegotiation of the scope of work or termination of services. ISE and the Company also agree that the discovery of unanticipated hazardous materials may make it necessary for ISE to take immediate measures to protect human health and safety, and/or the environment. ISE agrees to notify the Company as soon as practically possible should unanticipated hazardous materials or suspected hazardous materials be encountered. The Company encourages ISE to take any and all measures that in ISE professional opinion are justified to preserve and protect the health and safety of ISE personnel and the public, and/or the environment, and the Company agrees to compensate ISE for the additional cost of such work.

Site Operations: ISE field personnel will avoid hazards or utilities which are visible to them at the site. If ISE is advised or given data in writing that reveals the presence or potential presence of underground or overground obstructions, such as utilities, ISE will give special instructions to their field personnel. ISE will conduct the research that in its professional opinion is necessary to locate utility lines and other man-made objects that may exist beneath the site's surface. The Company recognizes that ISE's research may not identify all subsurface utility lines and man-made objects, and that the information upon which ISE relies may contain errors or may not be complete. ISE is not responsible for any damage or loss due to undisclosed or unknown surface or subsurface conditions, owned by Company or third parties. Evaluations of existing buildings require that certain assumptions be made regarding existing conditions, many of which are not able to be reviewed by reasonable visual observation. These assumptions cannot be verified without substantial cost of demolition. Where the detailed investigation of such a condition is not authorized, ISE shall not be responsible for the condition of the existing structure. The Company understands that actual field conditions may subsequently be found to vary from design assumptions which in turn may alter or increase the scope of the design and/or construction services. The Company is fully responsible for and assumes all risks associated with such conditions.

Construction Activities: Unless specifically stated otherwise, the Company and his contractor(s) are fully and solely liable for all means and methods of construction, temporary bracing and shoring, and construction site safety.

Integration: This agreement, the attached documents and those incorporated herein constitute the entire agreement between the parties and cannot be changed except by a written instrument signed by both parties.

Governing Law: Unless otherwise specified, this agreement shall be governed by the laws in the State of Georgia.

WORK AUTHORIZATION

UNIT RATES – 2021 BILLING RATES

Integrated Science & Engineering, Inc.

	Rate/Hour
Sr. Principal	\$ 215.00
Principal	\$ 195.00
Sr. Project Manager	\$ 170.00
Project Manager	\$ 160.00
Project Engineer III	\$ 150.00
Project Engineer II	\$ 140.00
Project Engineer I	\$ 130.00
Engineer II	\$ 115.00
Engineer I	\$ 105.00
Sr. Environmental Scientist	\$ 145.00
Environmental Scientist	\$ 115.00
Sr. Professional Land Surveyor	\$ 140.00
Survey Crew (2-person)	\$ 145.00
Survey Crew (1-person)	\$ 120.00
Planner	\$ 95.00
Technician III	\$ 115.00
Technician II	\$ 95.00
Technician I	\$ 85.00
Administrative	\$ 65.00
Subcontractor / Subconsultant	Cost + 15%
Reimbursables	Cost + 15%



Quarterly Financial Report
March 31, 2022

PCWASA Cash Account Balances
March 31, 2022

1111 Revenue Operating Account	\$ 5,311,397
1112 Sinking Fund Account	\$ 334,253
1113 Renewal & Extension Account	\$ 9,047
1114 Capital Fund Account	\$ 7,576
1320 Georgia Fund One	\$ 3,725,871
	<u>\$ 9,388,144</u>

Peachtree City Water and Sewerage Authority
Financial Report
For the Fiscal Year Ending on September 30, 2022
Second Quarter Ending on March 31, 2022

	FY 2022 APPROVED BUDGET	FY 2022 ACTUAL/ ENCUMBRANCES	% Used YTD
Revenues - Rate	\$9,380,470	\$4,537,659	48.37%
Revenues - Fee	\$866,750	\$781,783	90.20%
Fund Balance	\$1,100,000	\$0	
Operating Fund Revenues	\$11,347,220	\$5,319,442	
Salaries, Wages, & Benefits	\$3,052,352	\$1,377,209	45.12%
Materials, Supplies, & Services	\$3,595,642	\$1,883,264	52.38%
Operation Expenditures	\$6,647,994	\$3,260,473	49.04%
Operating Surplus (Deficit)	\$4,699,226	\$2,058,969	
Oper Trfr-Sinking Fund	\$2,749,787	\$2,592,245	94.27%
Oper Trfr-Ren & Ext	\$350,000	\$113,990	32.57%
Oper Trfr-Capital	\$1,418,865	\$242,214	17.07%
Sub-Total	\$4,518,652	\$2,948,449	65.25%
Total All Expenditures	\$11,166,646	\$6,208,922	
Net Surplus (Deficit)	\$180,574	(\$889,480)	
Other Income (Expenditures)	\$0	\$0	
Total Surplus (Deficit)	\$180,574	(\$889,480)	

Percentage into Budget Year: 25%

*Preliminary and unaudited

** Total surplus(deficit) includes a bond payment of \$2,405,000