

Peachtree City Water & Sewerage Authority
Regular Meeting
Agenda
Tuesday, June 2, 2026
8:30 a.m.

- I. Pledge of Allegiance
- II. Public Comment
- III. Minutes

February 10, 2026 – 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, 2026
- VII. Quarterly Financial Report
- VIII. General Consulting Services Work Authorization from ISE
- IX. June 16, 2026 Meeting Cancellation
- X. Executive Session – Real Estate, Personnel, Potential Litigation
- XI. 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

February 10, 2026

The Peachtree City Water and Sewerage Authority held its monthly meeting on Tuesday, February 10, 2026, in the break room of the John W. Gronner Administrative Center. The following individuals were present: Chairman Kim Learnard, Vice-Chairman Suzanne Brown, Treasurer/Secretary Michael Polacek, Board Member Clint Holland, Board Member Laura Johnson, Ms. Melissa Griffis (attorney with Horne & Griffis), Mr. Dan Davis (ISE), Ms. Leslie Baer (ISE), Ms. Millie Shah (WASA), Mr. Larry McNeil (WASA), Mr. Bishop Womack (Cpak Technology Solutions), Ms. Hope Larisey (ISE), Ms. Lisa Perrett (ISE), and Ms. Lauren Worley (ISE).

Ms. Learnard called the meeting to order at 8:32 am. The meeting began with the Pledge of Allegiance.

Ms. Griffis administered the Oath of Office to board member Michael Polacek. Ms. Learnard asked for nominations for the Vice-Chairman, Treasurer/Secretary, and two signatory positions. Ms. Johnson nominated Ms. Brown for the Vice-Chairman position, Mr. Polacek for the Treasurer/Secretary position, Ms. Johnson as signatory, and Ms. Brown as signatory, seconded by Mr. Polacek. Motion carried.

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

Ms. Learnard asked for a motion to approve the December 16, 2025 regular meeting minutes and the December 29, 2025 special called meeting minutes. Ms. Brown made a motion to approve the December 16, 2025 and the December 29, 2025 meeting minutes, seconded by Ms. Johnson. Motion carried.

There were no reports from the Authority members.

Mr. Dan Davis provided a General Manager report including an update on the 54/74 Sanitary Sewer Line Replacement project. Mr. McNeil stated that the second bore ran into rock but should be finished today. Mr. Dan Davis discussed the Force Main 2 and 3 pipe ruptures and stated that a Work Authorization would be presented in the future for the design of the replacement of a portion of the line, which will be bid out with a construction timeframe of approximately six to eight months.

Ms. Perrett and Ms. Worley discussed the Work Authorization for Industrial Pretreatment stating this is a program administered by ISE on behalf of the Authority which is mandated by the Federal government and included in the State permit. This program prevents industries from discharging pollutants into the system that are problematic. The permit issuance has a five-year cycle along with activities that are required yearly. Every five years permits are issued to industrial users and it is anticipated that additional industries should have a permit; currently there are five industries discharging wastewater to the system (CertainTeed, Sigvaris, Avery Dennison, Asahi Biosciences, and Hoshizaki). Ms. Perrett stated that there are additional potential industries to be included in the program – potentially three to five industries. Ms. Perrett discussed the Sewer Use Ordinance last adopted in 2018 which addresses local limits and requires updating. The last permit was issued in 2022, and the new permit must be issued before January 31, 2027. Mr. Dan Davis stated the program will be expanded to protect the plants which have seen some heavy metals. There was some discussion on metals and related limits. Ms. Brown asked how the Authority enforces the program. Ms. Perrett stated they ask for the industry's permission to come on site and would prefer the industry conduct the sampling, but they will conduct sampling if needed. Ms. Worley discussed the program's yearly activities and stated there are monthly reporting requirements, inspections, and an annual report which is also sent to the EPD. Ms. Perrett stated the EPD inspects the program each year.

Ms. Brown made a motion to approve the Work Authorization for Industrial Pretreatment, seconded by Ms. Johnson. Motion carried.

Ms. Larisey discussed the 2026 Long-Term Monitoring Work Authorization from ISE, completed as part of the Watershed Protection Plan required by the EPD permit, which provides for water sampling (surface water) at five sites to ensure the watershed is staying protected. ISE has completed this sampling for 20 years. Ms. Larisey stated the report is due to the EPD by June 30 each year, and there are no changes to the chemical and bacteria sampling required this year; biological sampling is not due this year. Ms. Larisey stated the cost has increased five percent this year. Mr. Holland asked about sampling for Camp Creek this year. Ms. Larisey stated the City of Peachtree City performs sampling of Camp Creek as part of the impaired waters sampling program. Ms. Brown made a motion to approve the 2026 Long-Term Monitoring Work Authorization from ISE, seconded by Mr. Holland. Motion carried.

Ms. Shah discussed the Quarterly Financial Report stating it is the end of the first quarter for FY2026. Ms. Shah stated that the audit is in process. Revenues are at budget and expenses are below budget. Ms. Shah stated a budget amendment may be necessary depending on the force main repair and pretreatment program costs. Ms. Shah summarized bond payments and stated two payments remained. Mr. Holland stated that the fees are low and asked if it was related to septage. Ms. Shah stated plan review fee fluctuations are typical, and less septage is being received. Mr. Holland asked about the amount listed in other income. Ms. Shah stated that amount is due to selling land.

Ms. Learnard asked for a motion to adjourn into Executive Session for the purpose of Real Estate and Potential Litigation. The motion was made by Mr. Holland and seconded by Ms. Brown. Motion carried. The meeting was adjourned into Executive Session at 9:18 am.

The meeting was reconvened at 10:08 am.

Ms. Learnard asked for a motion to adjourn. The motion was made by Mr. Holland and seconded by Ms. Brown. Motion carried. The meeting was adjourned at 10:08 am.

Chairman – Kim Learnard

Vice Chairman – Suzanne Brown

**PEACHTREE CITY WATER &
SEWERAGE AUTHORITY**

(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025**

**PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)**

**FINANCIAL REPORT
SEPTEMBER 30, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Peachtree City Water & Sewerage Authority
(A Component Unit of Peachtree City, Georgia)
Peachtree City, Georgia

Report on the Audit of the Financial Statements

Opinion

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, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2025, 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.

Basis for Opinion

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

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 4 – 20 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB") 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 generally accepted auditing standards, 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 March 10, 2026, 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 Peachtree City Water and Sewerage Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 10, 2026

PEACHTREE CITY WATER & SEWERAGE AUTHORITY (A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2025

Profile of the Peachtree City Water and Sewerage Authority

The Peachtree City Water and Sewerage Authority (referred to as the "Authority") is a public corporation established under the laws of the State of Georgia. It was created through an Act of the Georgia General Assembly, specifically 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. and further amended by GA. Laws 2018, HB 838). The Authority was initially formed on April 17, 1973, by the Georgia Legislature and operates as a public, nonprofit corporation under the provisions of House Bill Number 1132, Act 411, which was enacted during the 1987 legislative session.

As an independent governing entity, the Authority is tasked with delivering sewer services to the residents, businesses, and industries within Peachtree City. It is classified as a component unit of the City of Peachtree City.

Population

Located in Fayette County – Georgia's 21st most populous county – Peachtree City is the largest municipality among its neighbors, which include Fayetteville, Tyrone, Brooks, and Woolsey. Situated in the county's northwestern region, Peachtree City's population is estimated at 41,355 as of 2025. Within this growing community, the Authority provides essential sewer services to approximately 12,572 customer accounts.

Method of Governance

The Authority is governed by a five-member Board of Directors, which is composed of members from the Peachtree City Council and led by the Mayor of Peachtree City as Chairperson. This Board holds the primary responsibility for electing officers, approving the annual budget, setting billing rates, and authorizing capital projects and debt issuance for system maintenance.

On an operational level, the Authority is managed by its professional staff under the leadership of the General Manager. Mr. L.H. (Dan) Davis, Jr., P.E., of Integrated Science & Engineering, Inc., has served in this capacity since July 2018. Under his guidance, the Authority maintains a streamlined organizational structure where employees manage diverse roles and responsibilities. Currently, twenty-seven full-time employees ensure that all facilities remain operational 24/7, with additional personnel always on call to respond to emergencies.

Overview of the System

The Authority's main objective is to acquire, manage, and maintain facilities dedicated to the collection, treatment, and disposal of sewage. Fayette County currently operates a water system that serves the majority of the county, including customers within the Authority's service area.

The Authority is comprised of two wastewater treatment facilities and a comprehensive collection system. The Rockaway Wastewater Treatment Plant ("WWTP") and the Larry B. Turner Water Reclamation Facility ("WRF") have been well preserved and remain in excellent condition despite their age.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Authority's collection system encompasses approximately 180 miles of gravity sewer, 37 pump stations, 18 miles of force main, and 4,000 manholes. This infrastructure serves around 12,572 residential, commercial, and industrial customers. The system was developed by various builders from the late 1950s to the 1980s, following non-municipal standards. Initially, reinforced plastic pipe, commonly referred to as RPM or truss pipe, was primarily used during the establishment of what is now Peachtree City. Following the transfer of ownership from Georgia Utilities to the Authority, initiatives were launched to upgrade the system to meet municipal standards.

Currently, the system operates effectively and is capable of collecting and treating wastewater in compliance with or exceeding the standards established by the Georgia Environmental Protection Division. Figure 1-1 below illustrates the types of pipe materials utilized in the gravity sewer system, detailing the total length of each material in miles.

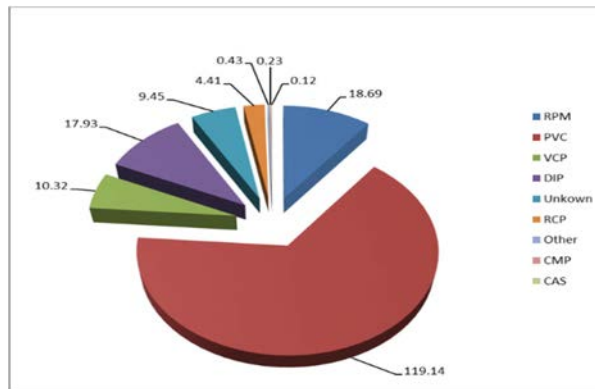


Figure 1-1: Gravity sewer system pipe material and length

MANAGEMENT'S DISCUSSION AND ANALYSIS

Rockaway WWTP

Rockaway WWTP, constructed in 1988, underwent renovations in 1999 and 2002. Its treatment process primarily relies on four sequencing batch reactors (SBR), supplemented by cloth disk filters and an ultraviolet ("UV") disinfection system to enhance effluent quality. The facility is permitted to discharge up to four million gallons per day ("MGD") into Line Creek, with a peak daily flow capacity of 10 MGD. For a visual representation of the process flow diagram, refer to Figure 1-2.

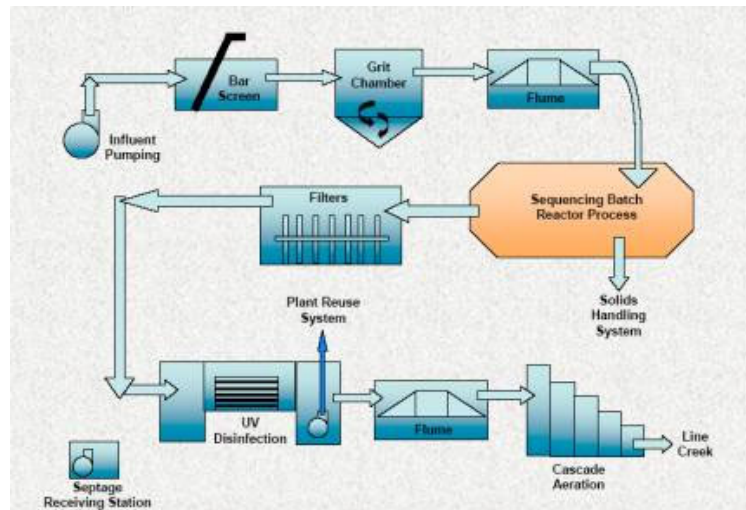


Figure 1-2: Rockaway WWTP process flow diagram

Larry B. Turner WRF

Constructed in 1980, the Larry B. Turner WRF underwent upgrades in 1985, 1999, and 2002. The facility treats wastewater using a system that includes two aeration basins, four clarifiers, cloth disk filters, and a UV disinfection system. Under its permit, it is authorized to treat up to two million gallons per day ("MGD") of wastewater, which can be discharged into Line Creek and Flat Creek. The plant is designed to accommodate a peak daily flow of five MGD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Additionally, the Larry B. Turner WRF features a septage receiving station for wastewater from septic pumping trucks. These trucks discharge septage onto a concrete pad, where it is directed to a bar screen for solid waste removal. From there, a wet well and pump transfer the wastewater to the facility's headworks, where it joins the influent for treatment. For a visual representation of the process flow diagram, refer to Figure 1-3.

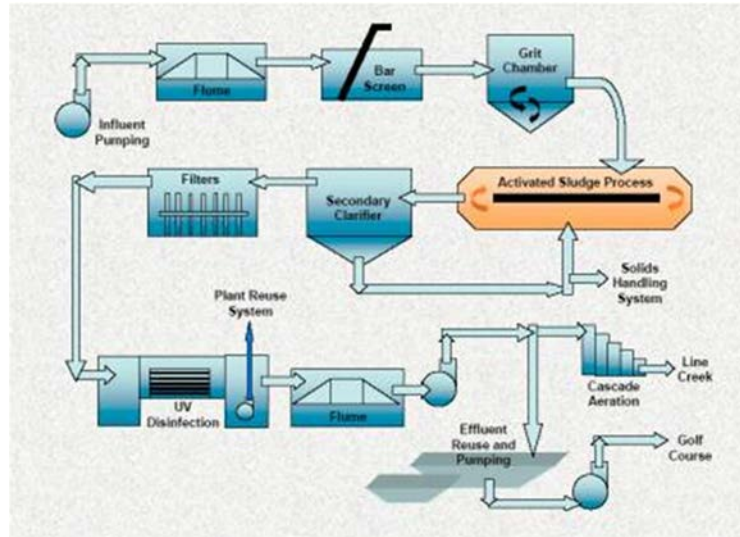


Figure 1-3: Larry B. Turner WRF process flow diagram

Wastewater treated flow is measured in million gallons per day or MGD to provide a standardized way of tracking the volume of water moving through a treatment plant over a twenty-four-hour period. This metric is essential for both operational management and regulatory compliance because it allows engineers to compare the actual amount of water being processed against the total design capacity of the facility. For instance, a plant might have a permitted capacity of five MGD but an average daily flow of only three MGD, which indicates the system has plenty of room for future population growth or heavy rain events.

Measuring flow in MGD also helps operators identify technical issues within the infrastructure. A sudden spike in the daily flow during dry weather might suggest a major water main break or a significant leak in the collection system, while a sharp drop could indicate a blockage or a pump failure at a lift station. Because wastewater treatment involves high energy usage for aeration and pumping, tracking the flow in millions of gallons allows the Authority to accurately budget for these costs and ensure that the treatment process remains efficient and environmentally safe. The average daily flow at the Rockaway WWTP and Larry B. Turner WRF has remained even over the last seven years.

Treated Wastewater Flow							
	2019	2020	2021	2022	2023	2024	2025
Million Gallons Daily (MGD)	3.36	3.73	3.47	3.57	3.58	3.662	3.6

MANAGEMENT'S DISCUSSION AND ANALYSIS

Service Area and Fee Structure

The Authority provides sewer services to residential, commercial, and industrial customers within the City's jurisdiction. To maintain steady cash flow, billing and collection services are managed by Fayette County through a four-cycle system that distributes billing evenly throughout each month. This structured approach ensures that revenue remains predictable and supports the Authority's financial stability.

The Authority charges customers through a two-part billing structure designed to ensure both day-to-day operational stability and long-term financial health. The most critical component of this structure is the base rate, which is a fixed monthly fee that every customer pays regardless of how much water they use. This base rate acts as a guaranteed revenue stream that the Authority uses to service its debt, specifically for bond payments. When an authority issues bonds to upgrade treatment plants or upgrade miles of underground piping, it proves to investors that it has a reliable way to pay back that debt over twenty or thirty years. By dedicating the base rate to these payments, the Authority maintains a high credit rating and will secure lower interest rates for future capital projects. Furthermore, a portion of this base fee is set aside in a restricted reserve fund to pay for future improvements, such as upgrading technology to meet new environmental regulations or expanding the system to accommodate a growing population.

Beyond the fixed costs of debt and expansion, the Authority also covers a wide range of recurring expenses through its usage charges, which are based on the volume of water a customer sends down the drain. These funds pay for the treatments of the wastewater, electricity required to run pumps and aeration blowers 24 hours a day, and the specialized labor of certified plant operators and collection crew. On a regular basis, the Authority must also invest in preventive maintenance to protect its infrastructure. This includes cleaning and inspecting sewer line to prevent backups, repairing manholes to stop rainwater from leaking into the system, and servicing heavy machinery like grit chambers and belt press. The Authority also manages the disposal of biosolids and maintains a fleet of service vehicles and emergency generators to ensure that the system remains functional even during power outages or natural disasters.

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

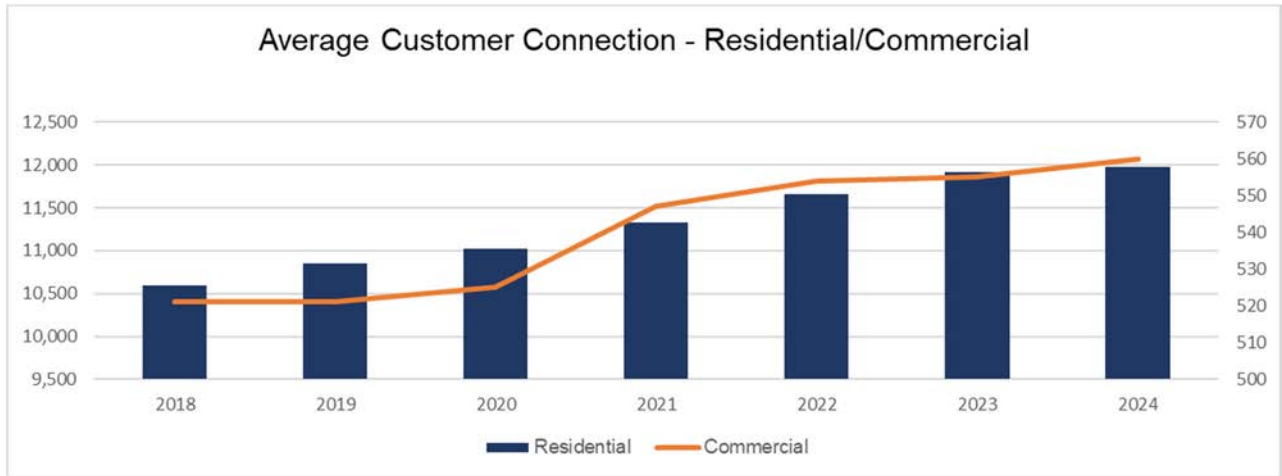
Customer Connection								
	2018	2019	2020	2021	2022	2023	2024	2025
Residential	10,589	10,846	11,021	11,324	11,664	11,911	11,978	12,003
Commercial	454	453	457	477	479	486	491	500
Industrial	40	41	41	43	48	42	42	42
Multi-Family Residential	27	27	27	27	27	27	27	27
Total	11,110	11,367	11,546	11,871	12,218	12,466	12,538	12,572

*Commercial includes Comm wat, restaurant and chemical as of September 30th.

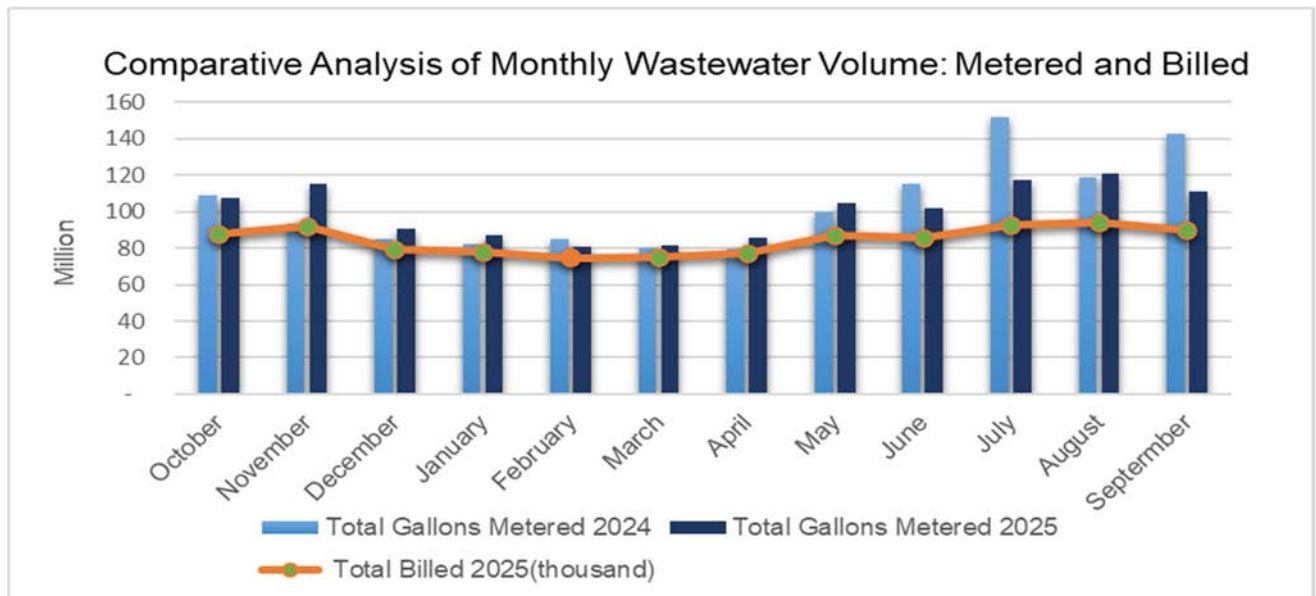
MANAGEMENT'S DISCUSSION AND ANALYSIS

Customers and Usage

Over the past few years, the Authority's customer base has remained steady due to a lack of geographic expansion and recent annexations. Growth has been limited to the city's existing footprint, while the sharp rise in interest rates since the pandemic has made borrowing for new construction more expensive. This has slowed the residential and commercial developments that typically drive new connections, leading to a plateau in growth even as maintenance costs continue to rise.



*Wastewater flow levels typically peak during the summer months due to increased seasonal water usage, though current data shows that metered gallons remained slightly lower than the levels recorded at this time last year. This type of year-over-year fluctuation is common in wastewater management and is frequently tied to local weather patterns rather than a shift in the customer base.



MANAGEMENT’S DISCUSSION AND ANALYSIS

Top Ten Customer

While the Authority maintains a diverse revenue stream, approximately 9% of its \$11 million annual revenue is generated by its top ten customers. These key accounts—consisting entirely of commercial and multi-family residential entities – provide a stable financial foundation. Overall, the Authority’s revenue model is supported by 12,572 accounts, which generate \$10,228,788 in rate revenues. Residential customers make up the vast majority of the system, accounting for 12,003 connections, or approximately 95.5% of the total. The remaining 569 accounts (4.5%) include commercial, industrial, and multi-family residential users. Despite their smaller numbers, these non-residential users have a significant fiscal impact due to higher discharge volumes and potential surcharges for high-strength waste.

Customer	Gallons Metered	Sewer Fees	% of Total
Universal Environmental Services	36,875,384	\$ 227,408	23.4%
Hoshizaki America	20,824,333	\$ 128,382	13.2%
Camden Apartments	16,952,880	\$ 104,884	10.8%
VR Balmoral Holding LP	15,578,800	\$ 96,122	9.9%
Shiloh MHP	14,087,610	\$ 86,951	9.0%
Retreat Apartments	12,907,050	\$ 79,690	8.2%
The Greens at Braelinn	11,311,120	\$ 68,716	7.2%
Aberdeen Woods Conference Center	10,865,830	\$ 67,137	6.9%
Peachtree Lodging Associates, LLC	10,143,010	\$ 62,692	6.4%
Sigvaris	7,765,787	\$ 48,072	4.9%
Total	157,311,804	\$ 970,054	100%

Long-term Financial Planning

To ensure long-term sustainability, the Authority utilizes a five-year cash flow model that forecasts system capacity, revenue growth, and debt obligations. This model is supported by an annually updated Capital Improvements Program, which identifies the most critical projects for system expansion and rehabilitation. Currently, the Authority prioritizes funding for these essential projects through a combination of operating revenue and capital reserves to avoid unnecessary debt. Looking further ahead, the General Manager and the finance team have developed a comprehensive seven-year financial plan to secure the funding needed for future infrastructure. This strategic plan is scheduled for presentation to the Board for formal approval once the Series 2013A Bond is fully repaid.

Furthermore, the General Manger has directed Integrated Science and Engineering (“ISE”) to update the Authority’s outdated 2018 infrastructure prioritization plan, with a target completion date of February 2027. The scope of work includes developing a digital sewer model to identify capacity deficiencies, conducting flow monitoring to analyze infiltration and inflow (“I&I”), and preparing documentation for re-permitting the Larry B. Turner Water Reclamation Facility (“WRF”) to increase its capacity from **2 MGD to 3 MGD**. Additionally, the plan will evaluate the long-term needs of treatment facilities, create a preliminary 30% design for a consolidated biosolids management system, and rank collection system rehabilitation projects based on their condition and potential impact from failure.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In support of these sustainability goals, the Authority is also conducting a formal rate study to ensure that future infrastructure funding and bond capacity are built on a stable, self-sustaining foundation. This study provides the financial roadmap required to secure the necessary capital for the Authority to move forward with updating the 2018 infrastructure prioritization plan and addressing the system's evolving capacity needs.

Financial Performance and Highlights

The Authority strengthened its financial position for the fiscal year ending September 30, 2025, as its total net position rose 16.1% to \$44,057,144. This \$6,095,872 increase over the previous year was driven primarily by **American Rescue Plan ("ARP")** funding provided by the City of Peachtree City. Operationally, the Authority remained profitable, generating \$11,065,181 in revenue against \$8,732,686 in expenses.

The Authority is required by its bond agreements to maintain a coverage ratio of at least 110% of its annual debt service. For the 2025 fiscal year, it comfortably met this benchmark with a coverage ratio of **264%**. By the end of the period, the system served approximately 12,572 customers and treated 1.11 billion gallons of wastewater.

Overview of the Financial Statements

The financial section of the annual report consists of four key components: the independent auditor's report, required supplementary information, basic financial statements, and supplemental information. The independent auditor's report provides a third-party review of the Authority's financial statements to ensure compliance with accounting standards. The required supplementary information includes the Management's Discussion and Analysis ("MD&A"), which offers insights into financial trends and performance. The basic financial statements present the Authority's financial position and results of operations, while the supplemental information provides additional details that support the primary financial statements.

The analysis presented in this section introduces the financial statements of the Peachtree City Water and Sewerage Authority. As a utility enterprise, the Authority follows the economic resources measurement focus and applies the full accrual basis of accounting in its financial reporting. This approach ensures that financial transactions are recorded in a manner similar to private-sector businesses, providing a comprehensive view of both short-term and long-term financial activities. The Authority's financial statements focus on its business-type activities within the Sewer Fund and adhere to U.S. generally accepted accounting principles ("GAAP") established by the Governmental Accounting Standards Board ("GASB").

Key Financial Statements

The Authority's financial reporting consists of several critical statements. The Statement of Net Position provides a snapshot of the Authority's financial standing by detailing assets, liabilities, and deferred inflows and outflows of resources. This statement serves as a foundation for assessing capital structure, liquidity, and overall financial stability. The Statement of Revenues, Expenses, and Changes in Net Position summarizes the Authority's financial performance by consolidating all revenues and expenses incurred during the fiscal year. This statement helps evaluate whether operating revenues, primarily derived from user fees, are sufficient to cover expenses. The Statement of Cash Flows tracks cash inflows and outflows, categorizing them into operating, investing, and financing activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

These financial statements are accompanied by Notes to the Financial Statements, which provide additional explanations, detailed disclosures, and tabular presentations for clarity. These notes are essential for a deeper understanding of the Authority's financial condition.

Statement of Net Position

The Authority's net position represents the difference between its total assets and liabilities. This figure serves as a primary indicator of financial health, where an increasing net position typically suggests stability and growth. To get a clear picture of the Authority's trajectory, this data must be considered alongside external factors like the local economy, population growth, weather patterns, and shifting environmental regulations.

Net Position	FY2025	FY2024	\$ Variance	% Variance
Current Assets	\$ 13,919,559	\$ 13,082,794	\$ 836,765	6.4%
Restricted Assets	2,488,786	2,170,703	318,083	14.7%
Capital Assets, net	31,332,358	27,798,336	3,534,022	12.7%
Total Assets	\$ 47,740,703	\$ 43,051,833	\$ 4,688,870	10.9%
Deferred Outflow of Resources	633,332	699,999	(66,667)	(9.5%)
Current Liabilities	1,185,675	1,158,111	27,564	2.4%
Revenue Bonds Payable	1,514,854	1,454,468	60,386	4.2%
Long Term Liabilities	1,616,362	3,177,981	(1,561,619)	(49.1%)
Total Liabilities	\$ 4,316,891	\$ 5,790,560	\$ (1,473,669)	(25.4%)
Net Position				
Net Investment in Capital Assets	28,210,996	23,180,355	5,030,641	21.7%
Restricted	2,478,932	2,156,235	322,697	15.0%
Unrestricted	13,367,216	12,624,682	742,534	5.9%
Total Net Position	\$ 44,057,144	\$ 37,961,272	\$ 6,095,872	16.1%

Figure 1

For the fiscal year ended in 2025, the Authority's total net position rose 16.1% to \$44,057,144. This growth was driven primarily by a \$5,030,641 increase in capital asset investments, largely due to the near-completion of infrastructure projects funded by the **American Rescue Plan ("ARP")**. By combining these capital improvements with a reduction in outstanding bond debt, the Authority achieved a stronger financial position even after accounting for \$1,807,571 in annual depreciation.

The restricted net position, which is set aside for bond requirements and future projects, grew to \$2,478,932. This 15% increase reflects the strategic use of reserves to manage the final years of current bond debt while preparing for upcoming system needs.

The unrestricted net position also saw a modest 5.9% increase, ending the year at \$13,367,216. This change was mainly due to the settlement of a prior-year reimbursement from the City of Peachtree City for ARPA-funded projects.

MANAGEMENT’S DISCUSSION AND ANALYSIS

Analysis of Assets

The Authority’s current assets – the funds available for operations over the next year—grew by \$836,765 (6.4%) for the fiscal year ending September 30, 2025. This increase was driven by stronger cash flow and lower bond payments, allowing the Authority to maintain a solid liquid position even after reinvesting significantly into capital improvements.

Prepaid expenses declined by \$15,384, or 14.2%, while inventory saw a significant increase of \$245,360, or 86.7%. This rise was primarily due to the strategic purchase of a spare pump and other critical "on the shelf" parts to support daily maintenance and upcoming capital improvement projects. Meanwhile, Accounts Receivable fell by \$277,279 (10.6%) because the City of Peachtree City fully reimbursed all outstanding **American Rescue Plan (“ARP”)** funds for FY2025.

The Authority’s investment strategy remains centered on the Georgia Fund One, which reached a balance of \$8,670,172. This account generated \$376,373 in interest income at an average rate of 4.57%, providing a secure and liquid return on idle funds. Furthermore, the Authority maintained its restricted cash reserves within a Sinking Fund to satisfy debt service requirements and provide a stable funding source for future capital projects.

Asset Category	FY2025	FY2024	\$ Variance	% Variance	% of Total
Unrestricted Assets					
Cash and Cash Equivalents	\$ 2,297,242	\$ 1,789,547	\$ 507,695	28.4%	14.0%
Investments - Georgia Fund One	8,670,172	8,293,799	376,373	4.5%	52.8%
Accounts Receivable, net	2,330,472	2,607,751	(277,279)	(10.6%)	14.2%
Prepaid Expenses	93,327	108,711	(15,384)	(14.2%)	0.6%
Inventory	528,346	282,986	245,360	86.7%	3.2%
Total Unrestricted	13,919,559	13,082,794	836,765	6.4%	84.8%
Restricted Assets					
Cash and Cash Equivalents	2,488,786	2,170,703	318,083	14.7%	15.2%
Total Restricted	2,488,786	2,170,703	318,083	14.7%	15.2%
Total Current Assets	\$ 16,408,345	\$ 15,253,497	\$ 1,154,848	7.6%	100.0%
Combined Cash Position	\$ 13,456,200	\$ 12,254,049	\$ 1,202,151	9.8%	—

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Net Investments in Capital Assets

Capital Assets		FY2025	FY2024	\$ Variance	% Variance
Land & Construction in Progress	\$	7,202,618	\$ 3,190,941	\$4,011,677	125.7%
Capital Assets, Gross		68,320,118	68,283,123	36,995	0.1%
Less: Accumulated Depreciation		44,190,378	43,675,728	(514,650)	(1.2%)
Capital Assets, Net		24,129,740	24,607,395	(477,655)	(1.9%)
Total Capital Assets	\$	31,332,358	\$27,798,336	\$3,534,022	12.7%

A sizable portion of the Authority's net position is tied to its investment in capital assets, which are essential for providing sewer services but cannot be liquidated for other expenditures. For the 2025 fiscal year, the Net Investment in Capital Assets reached \$28,210,996 (see *Figure 1 on Page 8*), representing 64.0% of the total net position. This reflects a 21.7% increase (\$5,030,641) over the previous year, calculated by subtracting \$3,121,362 in outstanding bonds from the \$31,332,358 depreciated value of assets.

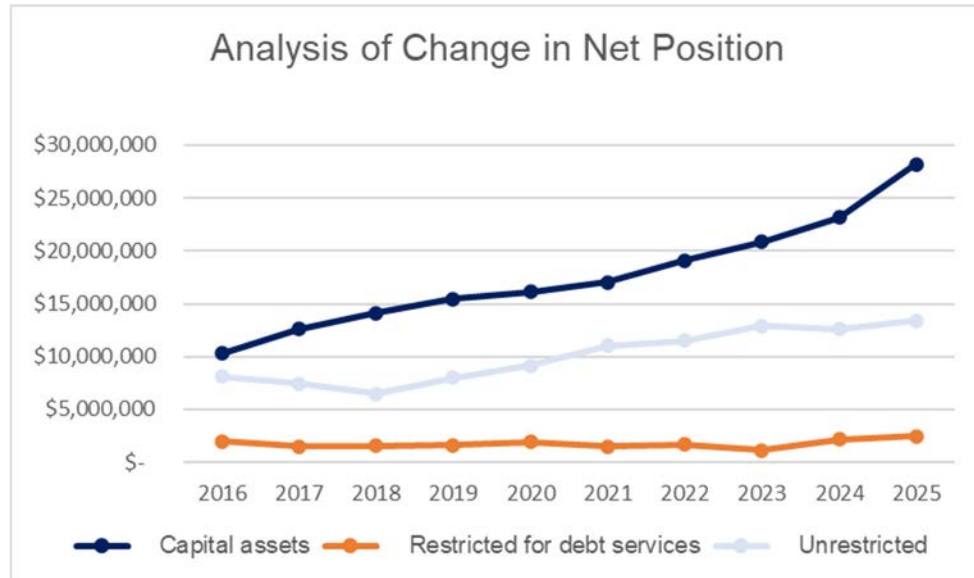
Capital assets not being depreciated saw a major increase of 125.72%, or \$4,011,677, primarily driven by a surge in construction in progress. This growth is largely tied to ongoing Wastewater Treatment Facility Improvements and the Governors Square Main Gravity Sewer Line, both of which are scheduled for completion in FY2026. Because these projects are still under construction, they are not yet subject to annual depreciation expenses.

Total capital assets being depreciated also increased by \$1,316,830 (*note to financial statements, page 32*) as several key projects reached completion and were moved into active service. Notable additions included the rehabilitation of the Pump Station 2 wet well, various plant upgrades, and the purchase of new vehicles, pumps, and generators. These investments directly enhance the system's operational reliability and service capacity.

Additionally, finance staff conducted a thorough review of the fixed asset registry to improve data accuracy. This cleanup involved disposing of old assets that are no longer on the property. By offsetting these fully depreciated assets against their accumulated depreciation, the Authority was able to remove obsolete items from the books without impacting on the overall net position, ensuring a more transparent and up-to-date accounting of the Authority's physical holdings.

The growth investment in capital assets shows the Authority's commitment to maintaining and upgrading its infrastructure. While these investments strengthen the Authority's long-term sustainability, it is important to note that the debt used to fund them must be repaid from other revenue sources, such as sewer billings, as the assets themselves remain illiquid.

MANAGEMENT'S DISCUSSION AND ANALYSIS



Analysis of Liabilities

In financial accounting, liabilities represent the Authority's obligations arising from past transactions or events. These obligations may require the transfer or use of assets, the provision of services, or other economic outflows in the future. This section examines the claims that creditors and vendors have on the Authority's assets, which are expected to be settled within the next twelve months.

Liabilities	FY2025	FY2024	\$ Variance	% Variance	% of Total Liabilities
Accounts Payable	\$ 1,185,675	\$ 1,158,111	\$ 27,564	2.4%	27.5%
Interest Payable	9,854	14,468	(4,614)	(31.9%)	0.2%
Revenue Bond Payable	1,505,000	1,440,000	65,000	4.5%	34.9%
Short-Term Liabilities	\$ 2,700,529	\$ 2,612,579	\$ 87,950	3.4%	62.6%
Long-Term Liabilities	\$ 1,616,362	\$ 3,177,981	\$ (1,561,619)	(49.1%)	37.4%
Total Liabilities	\$ 4,316,891	\$ 5,790,560	\$ (1,473,669)	(25.4%)	100.0%

Accounts Payable, including accrued expenses, increased by \$27,564 (2.3%) compared to the previous year. This change is primarily due to differences in vendor payment timing and the proper allocation of expenses in the year they were incurred.

The Authority's debt portfolio is comprised of revenue bonds and associated bond premiums. In March 2025, the Authority reduced this liability by making a \$1,505,000 payment toward the 2013A bond series. By the end of the fiscal year on September 30, 2025, the total outstanding debt stood at \$3,199,300, which consists of \$3,075,000 in principal and \$124,300 in accrued interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Revenues

The Authority's billing base is diverse, with residential users comprising the majority of customers. In addition to residential accounts, the billing base includes a stable and growing segment of commercial and industrial users. The rate structure has remained unchanged since the last increase in Fiscal Year 2011.

Operating Revenues	FY2025	FY2024	\$ Variance	% Variance
Sewer Services	\$ 10,228,789	\$ 10,205,219	\$ 23,570	0.2%
Septage	556,580	320,950	235,630	73.4%
Other Operating Revenue	279,812	328,956	(49,144)	(14.9%)
Total Operating Revenues	\$ 11,065,181	\$ 10,855,125	\$ 210,056	1.9%
Non-Operating Revenues	FY2025	FY2024	\$ Variance	% Variance
Interest Income	379,873	369,926	9,947	2.7%
Contribution from Gov Agency	3,465,504	748,334	2,717,170	363.1%
Gain on Sale of Capital Assets	8,566	8,928	(362)	(4.1%)
Total Non-Operating Revenues	\$ 3,853,943	\$ 1,127,188	\$ 2,726,755	241.9%
Total Revenues	\$ 14,919,124	\$ 11,982,313	\$ 2,936,811	24.5%

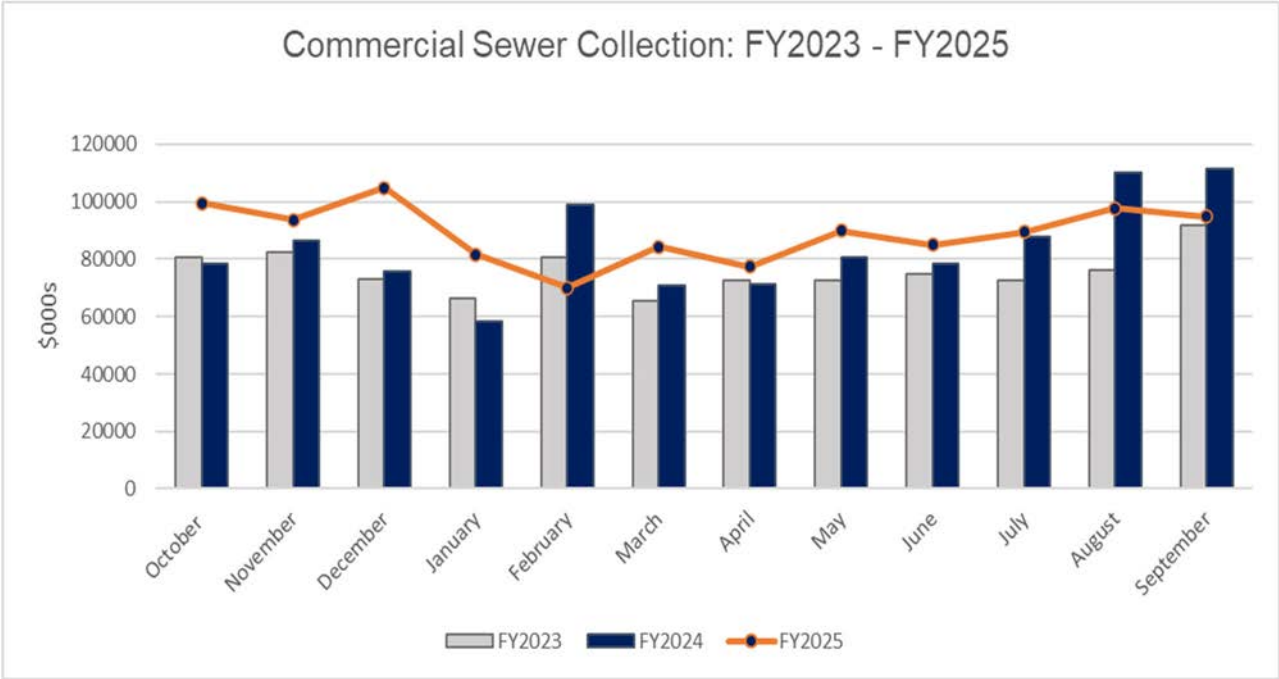
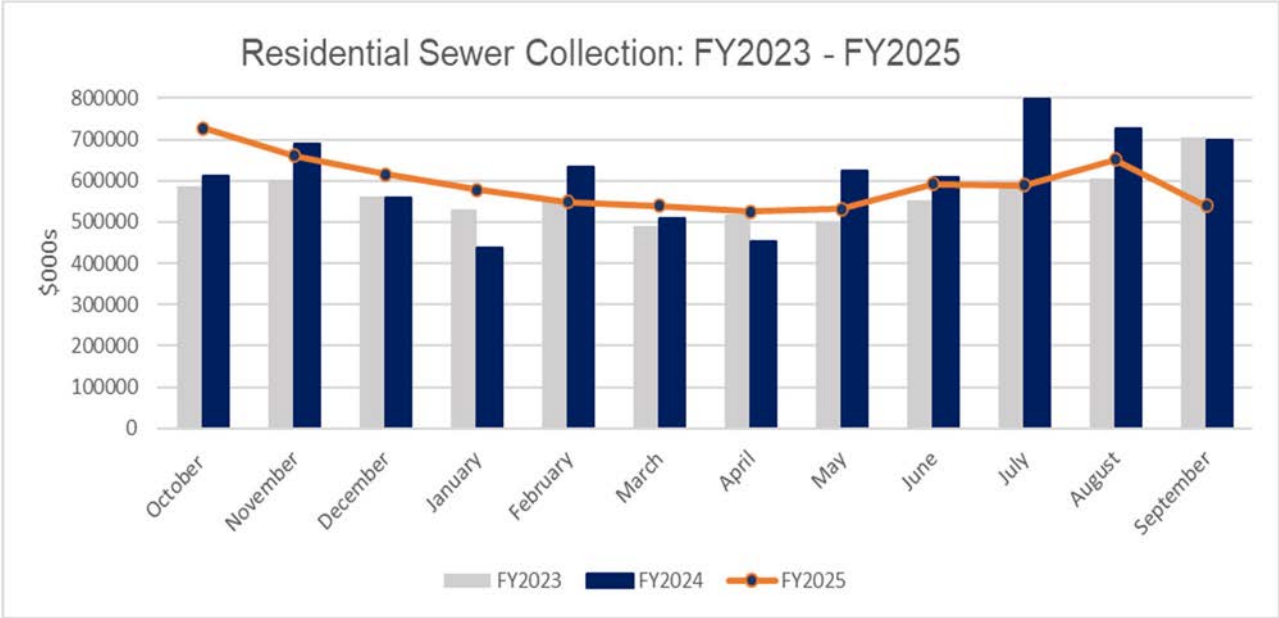
In Fiscal Year 2025, operating revenues reached \$11,065,181, marking a 1.9% increase of \$210,055 over the previous year. While commercial sewer revenue rose by \$59,861, residential revenue saw a \$246,228 decrease, due to the timing of billings.

Connection fee revenue, a key indicator of local development, reflected a slowdown in the residential sector with only \$52,500 collected in FY2025. In contrast, commercial connection fees remained steady at \$216,904. Because these fees are often collected months before a project is finished, timing differences frequently occur between the receipt of revenue and the start of actual service usage.

Other revenue streams showed varying trends, with investment earnings remaining flat as the Authority continued to benefit from higher Federal Reserve interest rates. Septage service income, however, surged by \$235,630, a 73% increase. This growth was made possible by the May 2024 installation of a new septage screen, which allowed the Authority to resume accepting full loads after previously limiting capacity due to equipment overflow issues.

On August 2, 2022, The City of Peachtree City reallocated **American Rescue Plan (“ARP”)** funds totaling \$5,598,182.45, with \$3,526,985 designated for capital projects and \$2,071,197.42 for revenue recovery. In FY2025, the Authority received \$3,465,504 of these funds to offset capital improvement expenses paid to Reynolds Construction, LLC.

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Expenses

Operating Expenses	FY2025	FY2024	\$ Variance	% Variance
Salaries, Wages, and Benefits	\$ 3,422,219	\$ 3,206,305	\$ 215,914	6.7%
Plant Operations	2,379,617	2,114,443	265,174	12.5%
Consulting and Legal	899,071	705,101	193,970	27.5%
Other Operating Expenses	157,541	977,423	(819,882)	(83.9%)
Operating Expense Before Amort.	6,858,448	7,003,272	(144,824)	(2.1%)
Depreciation and Amortization	1,874,238	1,831,341	42,897	2.3%
Total Operating Expenses	\$ 8,732,686	\$ 8,834,613	\$ (101,927)	(1.2%)
Non-Operating Expenses	FY2025	FY2024	\$ Variance	% Variance
Interest Expense	90,566	121,174	(30,608)	(25.3%)
Total Non-Operating Expenses	\$ 90,566	\$ 121,174	\$ (30,608)	(25.3%)
Total Expenses	\$ 8,823,252	\$ 8,955,787	\$ (132,535)	(1.5%)

The Authority maintained a strong financial position through the implementation of responsible fiscal practices. In Fiscal Year 2025, operating expenses totaled \$6,858,448, representing a decrease of \$144,824 (2.1%) from the previous year's total of \$7,003,272.

Salaries and benefits saw an increase of \$215,914, or 6.73%, compared to the prior year. To address inflationary pressures, the Board of Directors approved a 3.00% Cost-of-Living Adjustment ("COLA"). Furthermore, while insurance costs rose only slightly, expenses were impacted by higher employee participation in health insurance plans and the attainment of near-full staffing levels.

The Board awarded Reynolds Construction LLC a \$5,992,200 contract in FY2023 for wastewater treatment facility improvements. This project is nearing completion as of February 2026. All payments made to Reynolds Construction were reimbursed by the City of Peachtree City as part of the **American Rescue Plan ("ARP")** funds, with the corresponding receivable reflected within the current assets section of the financial statements.

Inflationary pressures contributed to rising costs across all operational areas, including electricity, sludge processing, and general operating supplies. Plant operations expenses increased by \$50,468 (2.4%) due to the escalating costs of equipment and labor. To improve the management of these assets, the Authority has begun implementing an inventory system for critical items such as pumps and generators. While actual other operating expenses for FY2025 were \$402,541, adjustments were made to repair, maintenance, and operating supply accounts to reflect the increase in inventory. The finance team is currently recording on-hand inventory using the BS&A Inventory module purchased at the beginning of FY2026.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Debt Administration

The Authority utilizes revenue bonds to finance capital projects as needed. To ensure financial stability, debt obligations are structured to maintain steady debt service payments over time. Additionally, the Authority is required by bond ordinances to maintain a debt service reserve and a bond sinking fund. A portion of annual interest and principal payments is allocated to the sinking fund on a monthly basis, with interest payments made semiannually and principal payments made annually.

Per bond resolutions, the Authority must establish and collect sufficient fees and charges to ensure annual net earnings equal to or exceeding 110% of the total annual debt service for all outstanding bonds. Management has set a higher internal target of 150%, which the Authority has successfully exceeded for the past six fiscal years.

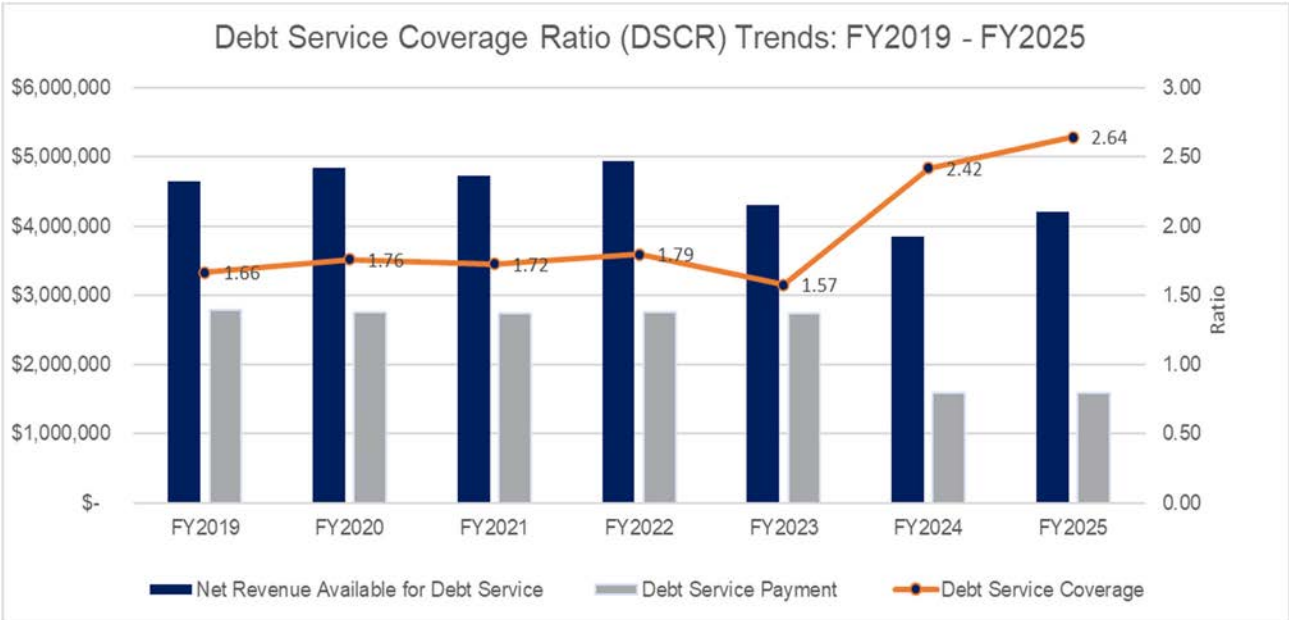
Surplus net earnings from debt-related charges are allocated to future capital projects. To support ongoing improvements, \$178,000 is transferred monthly from the operating checking account to the capital improvements account. As of September 30, 2025, the Authority's annual debt service obligations are detailed in the following table:

2013A Series Bond			
Fiscal Year	Principal	Interest	Total Debt Service
FY2026	\$ 1,505,000	\$ 92,900	\$ 1,597,900
FY2027	1,570,000	31,400	1,601,400
Total	\$ 3,075,000	\$ 124,300	\$ 3,199,300

Debt Service Coverage Ratio (DSCR) Trends: FY2019 - FY2025							
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Operating Revenue	\$10,078,705	\$10,059,012	\$10,374,446	\$10,857,358	\$10,459,049	\$10,855,125	\$ 11,065,181
Operating Expenses	5,437,946	5,224,858	5,643,511	5,925,122	6,147,487	7,003,272	6,858,448
Net Revenue Available for Debt Service	4,640,759	4,834,154	4,730,935	4,932,236	4,311,562	3,851,853	4,206,733
Annual Debt Service	2,789,430	2,747,677	2,744,697	2,749,787	2,740,543	1,593,300	1,591,799
Debt Service Coverage Ratio	1.66	1.76	1.72	1.79	1.57	2.42	2.64

**Note: The decrease in Annual Debt Service for FY2024 is due to the full repayment of the 2013B Series in Q2 of FY2024*

MANAGEMENT’S DISCUSSION AND ANALYSIS



Requests for Information

This financial report provides an overview of the Authority’s financial status. For additional details or further inquiries, please contact the Peachtree City Water and Sewerage Authority at 1127 Highway 74 South Peachtree City, Georgia 30269.

FINANCIAL STATEMENTS

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 2,297,242
Investments	8,670,172
Accounts receivable, net	2,330,472
Prepaid expenses	93,327
Inventory	<u>528,346</u>
Total current assets	<u>13,919,559</u>
RESTRICTED ASSETS	
Cash and cash equivalents	<u>2,488,786</u>
Total restricted assets	<u>2,488,786</u>
CAPITAL ASSETS	
Non-depreciable	7,202,618
Depreciable, net of accumulated depreciation	<u>24,129,740</u>
Total capital assets, net	<u>31,332,358</u>
Total assets	<u>47,740,703</u>
DEFERRED OUTFLOWS OF RESOURCES	
DEFERRED OUTFLOWS OF RESOURCES	
Goodwill	<u>633,332</u>
Total deferred outflows of resources	<u>633,332</u>

(Continued)

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

LIABILITIES	
CURRENT LIABILITIES	
Payable from current assets:	
Accounts payable and accrued expenses	\$ 1,185,675
	<u>1,185,675</u>
Payable from restricted assets:	
Interest payable	9,854
Revenue bonds payable, current	1,505,000
	<u>1,514,854</u>
Total current liabilities	<u>2,700,529</u>
LONG-TERM LIABILITIES	
Revenue bonds payable, net	<u>1,616,362</u>
Total liabilities	<u>4,316,891</u>
NET POSITION	
NET POSITION	
Net investment in capital assets	28,210,996
Restricted for debt service	2,478,932
Unrestricted	<u>13,367,216</u>
Total net position	<u>\$ 44,057,144</u>

See Notes to Financial Statements.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Operating revenues:	
Charges for services	\$ 11,065,181
Operating expenses:	
Salaries, wages and employee benefits	3,422,219
Plant operations	3,278,688
Amortization expense	66,667
Depreciation expense	1,807,571
Other operating expenses	157,541
Total operating expenses	8,732,686
Operating income	2,332,495
Non-operating revenues (expenses):	
Interest income	379,873
Interest expense	(90,566)
Gain on sale of capital assets	8,566
Total non-operating revenues (expenses), net	297,873
Income before capital contributions	2,630,368
Capital contributions	3,465,504
Change in net position	6,095,872
Net position, beginning of year	37,961,272
Net position, end of year	\$ 44,057,144

See Notes to Financial Statements.

PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)

STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 11,342,460
Payments to suppliers	(3,631,343)
Payments to employees	(3,429,517)
	4,281,600
Net cash provided by operating activities	4,281,600

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(5,442,517)
Proceeds from sale of capital assets	109,490
Principal payments on long-term debt	(1,440,000)
Payment of interest on bonds	(151,799)
Capital contributions	3,465,504
	(3,459,322)
Net cash used in capital and related financing activities	(3,459,322)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(376,373)
Interest received	379,873
	3,500
Net cash provided by investing activities	3,500

Change in cash and cash equivalents 825,778

Cash and cash equivalents (including restricted amounts of \$2,170,703), beginning of year 3,960,250

Cash and cash equivalents (including restricted amounts of \$2,488,786), end of year \$ 4,786,028

RECONCILIATION OF OPERATING INCOME TO NET

CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 2,332,495
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	1,874,238
Changes in assets and liabilities:	
Decrease in accounts receivable	277,279
Decrease in prepaid expenses	15,384
Increase in inventory	(245,360)
Increase in accounts payable	34,862
Decrease in accrued payroll and compensated absences	(7,298)
	4,281,600
Net cash provided by operating activities	\$ 4,281,600

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

**PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)**

**NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025**

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 the 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 the City, as defined by Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, as amended. 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, 2025, 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.

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

NOTES TO FINANCIAL STATEMENTS

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

Significant Accounting Policies (Continued)

Capital Assets (Continued)

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.

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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority had one item that qualified for reporting in this category: goodwill. 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.

NOTES TO FINANCIAL STATEMENTS

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

Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources (Continued)

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 assets that applies to a 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 non-exchange 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.

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, 2025, the Authority's deposits were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2025, the Authority had the following investments:

<u>Investment Type</u>	<u>Maturities (Days)</u>	<u>Fair Value</u>
Georgia Fund 1	17	\$ 8,670,172
Total Fair Value		\$ 8,670,172

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, 2025 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, 2025:

Accounts receivable	\$ 2,384,521
Less allowance for uncollectibles	(54,049)
Net total receivables	\$ 2,330,472

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the Authority for the year ended September 30, 2025, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,466,826	\$ -	\$ -	\$ 1,466,826
Construction in progress	1,224,115	4,125,687	(114,010)	5,235,792
Assets to be disposed of	500,000	-	-	500,000
Total	<u>3,190,941</u>	<u>4,125,687</u>	<u>(114,010)</u>	<u>7,202,618</u>
Capital assets, being depreciated:				
Land improvements	310,031	-	-	310,031
Buildings	1,931,821	-	-	1,931,821
Vehicles and equipment	5,177,226	290,076	(1,279,835)	4,187,467
Infrastructure	395,853	-	-	395,853
Sewer plants and pump stations	39,981,249	842,194	-	40,823,443
Pipeline	20,486,943	184,560	-	20,671,503
Total	<u>68,283,123</u>	<u>1,316,830</u>	<u>(1,279,835)</u>	<u>68,320,118</u>
Less accumulated depreciation for:				
Land improvements	58,319	20,658	-	78,977
Buildings	800,240	38,636	-	838,876
Vehicles and equipment	4,588,475	175,807	(1,292,921)	3,471,361
Infrastructure	113,436	9,683	-	123,119
Sewer plants and pump stations	30,823,542	1,147,038	-	31,970,580
Pipeline	7,291,716	415,749	-	7,707,465
Total	<u>43,675,728</u>	<u>1,807,571</u>	<u>(1,292,921)</u>	<u>44,190,378</u>
Depreciable property, net	<u>24,607,395</u>	<u>(490,741)</u>	<u>13,086</u>	<u>24,129,740</u>
Total capital assets, net	<u>\$ 27,798,336</u>	<u>\$ 3,634,946</u>	<u>\$ (100,924)</u>	<u>\$ 31,332,358</u>

Depreciation expense for the year ended September 30, 2025, was \$1,807,571.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT

The following is a summary of long-term debt activity of the Authority as of and for the year ended September 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 4,515,000	\$ -	\$ (1,440,000)	\$ 3,075,000	\$ 1,505,000
Bond premium	102,981	-	(56,619)	46,362	-
Revenue bonds, net	<u>4,617,981</u>	<u>-</u>	<u>(1,496,619)</u>	<u>3,121,362</u>	<u>1,505,000</u>
Compensated absences (in accrued expenses)	<u>87,012</u>	<u>-</u>	<u>(15,927)</u>	<u>71,085</u>	<u>71,085</u>
	<u>\$ 4,704,993</u>	<u>\$ -</u>	<u>\$ (1,512,546)</u>	<u>\$ 3,192,447</u>	<u>\$ 1,576,085</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>
2026	1,505,000	92,900	1,597,900
2027	<u>1,570,000</u>	<u>31,400</u>	<u>1,601,400</u>
	<u>\$ 3,075,000</u>	<u>\$ 124,300</u>	<u>\$ 3,199,300</u>

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 is considered defeased and have been removed from the Authority's financial statements. The outstanding principal of the defeased bonds is \$3,460,000 as of September 30, 2025.

NOTES TO FINANCIAL STATEMENTS

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 (the "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.

Retirement expense for the year ended September 30, 2025 was \$271,823. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. RISK MANAGEMENT (CONTINUED)

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.

NOTE 8. CONTRACTUAL COMMITMENTS

As of September 30, 2025, the Authority had contractual commitments on uncompleted construction contracts in the amount of approximately \$1,973,375 as of September 30, 2025.

NOTE 9. IMPAIRMENT OF LONG-LIVED ASSETS

In August 2001, the Financial Accounting Standards Board (“FASB”) 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”.

**REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL**



**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
(A Component Unit of Peachtree City, Georgia)
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, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 10, 2026.

Report on 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") as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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 financial statements. 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 Authority'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 Peachtree City Water & Sewerage Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia

March 10, 2026

**PEACHTREE CITY WATER & SEWERAGE AUTHORITY
(A COMPONENT UNIT OF PEACHTREE CITY, GEORGIA)**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with GAAP.

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, 2025 due to the total amount expended being less than \$1,000,000.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

**SECTION IV
STATUS OF PRIOR YEAR AUDIT FINDINGS**

No prior year audit findings.

**Peachtree City Water & Sewerage Authority
Insurance Summary**

2025-2026 COVERAGES	25/26	26/27	2026-2027 COVERAGES
<p>Property - US Specialty Insurance Company Location 1 – 100 Aviation Way, Peachtree City, GA 30269 Location 2 – 1127 Hwy 74 South, Peachtree City, GA 30269 Blanket Building & Personal Property \$18,600,838 EDP - \$250,000 Blanket per occ / \$10,000 away from premises Deductible: \$5,000 Valuation: Replacement Cost / Special Cause of Loss / 90% Coins Loss of Income /Extra Expense: \$100,000/\$500,000</p>	\$111,925	\$136,505	<p>Property - US Specialty Insurance Company Location 1 – 100 Aviation Way, Peachtree City, GA 30269 Location 2 – 1127 Hwy 74 South, Peachtree City, GA 30269 Blanket Building & Personal Property \$22,625,838 (+22%) EDP - \$250,000 Blanket per occ / \$10,000 away from premises Deductible: \$5,000 Valuation: Replacement Cost / Special Cause of Loss / 90% Coins Loss of Income /Extra Expense: \$100,000/\$500,000</p>
<p>Crime - US Specialty Insurance Company Employee Dishonesty \$500,000 Forgery or Alteration \$500,000 Computer Fraud \$75,000 Deductible: \$1,000</p>	Included	Included	<p>Crime - US Specialty Insurance Company Employee Dishonesty \$500,000 Forgery or Alteration \$500,000 Computer Fraud \$75,000 Deductible: \$1,000</p>
<p>General Liability - US Specialty Insurance Company \$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</p>	Included	Included	<p>General Liability - US Specialty Insurance Company \$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</p>
<p>Employee Benefit Liability: \$1,000,000 / \$3,000,000 Limit Deductible \$1,000</p>			<p>Employee Benefit Liability: \$1,000,000 / \$3,000,000 Limit Deductible \$1,000</p>
<p>Boiler & Machinery – US Specialty Insurance Company \$18,600,838 Limit \$2,500 Deductible / 24 hour on Service Interruption</p>	Included	Included	<p>Boiler & Machinery – US Specialty Insurance Company \$22,625,838 Limit \$5,000 Deductible / 24 hour on Service Interruption</p>
<p>Excess Liability – US Specialty Insurance Company \$3,000,000 Limit</p>	Included	Included	<p>Excess Liability – HCC \$3,000,000 Limit</p>

**Peachtree City Water & Sewerage Authority
Insurance Summary**

2025-2026 COVERAGES	25/26	26/27	2026-2027 COVERAGES
<p>Auto – US Specialty Insurance Company \$1,000,000 Liability Limit \$ 100,000 Uninsured Motorist \$ 5,000 Medical Payments</p> <p>* Liability only applies to these vehicles</p> <p>Deductibles: \$2,500 Comprehensive / \$1,000 Collision</p> <p>Hired Car Physical Damage: No Limit (\$100 Comp/\$1,000 Coll) 35 Vehicles</p> <p><u>Vehicle Schedule:</u></p> <p>2025 Utility Trailer S#4203 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 2022 Ford F350, S#3222 2016 Ford F150, S#3950 2017 Ford F150, S#5410 2015 Ford F150, S#3050 2011 Dodge Ram, S#5592 2011 Ford F750, S#4746 2012 Freightliner, S#2619 2012 Freightliner, S#2618 2012 Ford Transit, S#0729</p> <p>Continued on next page</p>	<p>Included</p>	<p>Included</p>	<p>Auto – US Specialty Insurance Company \$1,000,000 Liability Limit \$ 100,000 Uninsured Motorist \$ 5,000 Medical Payments</p> <p>* Liability only applies to these vehicles</p> <p>Deductibles: \$2,500 Comprehensive / \$2,500 Collision</p> <p>Hired Car Physical Damage: No Limit (\$100 Comp/\$1,000 Coll) 38 Vehicles</p> <p><u>Vehicle Schedule:</u></p> <p>2026 Vermeer S#1074 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 2022 Ford F350, S#3222 2016 Ford F150, S#3950 2017 Ford F150, S#5410 2015 Ford F150, S#3050 2011 Dodge Ram, S#5592 2011 Ford F750, S#4746 2012 Freightliner, S#2619 2012 Freightliner, S#2618 2012 Ford Transit, S#0729</p> <p>Continued on next page</p>

**Peachtree City Water & Sewerage Authority
Insurance Summary**

2025-2026 COVERAGES	25/26	26/27	2026-2027 COVERAGES
<p><u>Vehicle Schedule Continued:</u></p> <p>2016 Ford F150, S#2896 2014 Freightliner, S#3695 2023 Ford F250 S#0046 2014 Ford F150, S#2896 2023 Xylem Trlr, S#4891 2012 Freightliner, S#5949 2021 Gooseneck, S#4455 1999 Gator Trl S#1152 (Liability) 2011 Pace TV Trl, S#7076 2017 Ford F350, S#3574 2017 Ford F250, S#8318 2017 Ford F150, S#0739 2014 Gator Trl, S#0715 (Liability) 2025 Ford F150, S#6358 2022 Ford F150, S#8322 2023 Ford Bronco S#3296 2022 SECA Trlr S#1465 2025 Ford F150, S#6813 2025 Ford F250, S#7079</p>			<p><u>Vehicle Schedule Continued:</u></p> <p>2016 Ford F150, S#2896 2014 Freightliner, S#3695 2023 Ford F250 S#0046 2014 Ford F150, S#2896 2023Xylem Trlr, S#4891 2012 Freightliner, S#5949 2021 Gooseneck, S#4455 1999 Gator Trl S#1152 (Liability) 2011 Pace TV Trl, S#7076 2017 Ford F350, S#3574 2017 Ford F250, S#8318 2017 Ford F150, S#0739 2014 Gator Trl, S#0715 (Liability) 2025 Ford F150, S#6358 2022 Ford F150, S#8322 2023 Ford Bronco S#3296 2022 SECA Trlr S#1465 2025 Ford F150, S#6813 2025 Ford F250, S#7079 2025 Utility Trailer S#4203 2026 Freightliner S#3893 (Added 10/21/25) 2026 Ford F150 S#2597 (Added 1/20/2026)</p>

**Peachtree City Water & Sewerage Authority
Insurance Summary**

2025-2026 COVERAGES	25/26	26/27	2026-2027 COVERAGES
Inland Marine – US Specialty Insurance Company Blanket Tools & Equipment: \$15,000 (\$10,000 Max Any One Item) Deductible: \$1,000 Rented & Leased Equipment - \$250,000 Limit (\$75,000 any one item) Equipment Schedule: 2021 Club Car Golf Cart S#6095 \$20,000 2007 New Holland Tractor S#1617 \$20,000 2007 New Holland Tractor S#3034 \$20,000 2012 Kawasaki Mule #5919 \$12,000 2017 Grass Hopper, S#1456 \$20,000 2012 Blue Phoenix Generator, S#2013 \$20,000 2023 Voyager 4P Pioneer GC S#2035 \$20,000 2012 Sullair Air Compressor, S#4088 \$25,000 2014 Bobcat E50 Excavator, S#1764 \$45,523 2014 Bobcat Track Loader, S#1626 \$46,405 2016 Grass Hopper, S#7105 \$15,000 2015 Grass Hopper, S#7465 \$20,000 2015 Grass Hopper, S#6120 \$15,000 2015 EZ GO Golf Cart, S#1703 \$20,000 2015 EZ GO Golf Cart, S#6477 \$20,000 2013 New Holland Tractor, S#9409 \$20,000 2013 New Holland Tractor, S#6714 \$20,000 Cat Yancey Backhoe, S#0730 \$86,000 Bobcat S550, S#2288 \$45,000 Bobcat S550, S#2289 \$45,000 Yancey Mower \$20,000 Cues Sewer Camera S#5150 \$65,000	Included	Included	Inland Marine – US Specialty Insurance Company Blanket Tools & Equipment: \$15,000 (\$10,000 Max Any One Item) Deductible: \$1,000 Rented & Leased Equipment - \$250,000 Limit (\$75,000 any one item) Equipment Schedule: 2021 Club Car Golf Cart S#6095 \$20,000 2007 New Holland Tractor S#1617 \$20,000 2007 New Holland Tractor S#3034 \$20,000 2012 Kawasaki Mule #5919 \$12,000 2017 Grass Hopper, S#1456 \$20,000 2012 Blue Phoenix Generator, S#2013 \$20,000 2023 Voyager 4P Pioneer GC S#2035 \$20,000 2012 Sullair Air Compressor, S#4088 \$25,000 2014 Bobcat E50 Excavator, S#1764 \$45,523 2014 Bobcat Track Loader, S#1626 \$46,405 2016 Grass Hopper, S#7105 \$15,000 2015 Grass Hopper, S#7465 \$20,000 2015 Grass Hopper, S#6120 \$15,000 2015 EZ GO Golf Cart, S#1703 \$20,000 2015 EZ GO Golf Cart, S#6477 \$20,000 2013 New Holland Tractor, S#9409 \$20,000 2013 New Holland Tractor, S#6714 \$20,000 Cat Yancey Backhoe, S#0730 \$86,000 Bobcat S550, S#2288 \$45,000 Bobcat S550, S#2289 \$45,000 Yancey Mower \$20,000 Cues Sewer Camera S#5150 \$65,000



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

Marsh & McLennan Agency LLC (“MMA”) 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, MMA 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, MMA is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, MMA 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.

Credit Policy

MMA strives to offer the highest quality of service at the most competitive price possible. Accordingly, we have the following credit policy in place to assure that your coverage is not interrupted during the policy term.

- All premiums are due on the invoice date or effective date of the insurance, whichever is later. Always submit the remittance copy with your payment. If a remittance copy is not submitted, we will apply the cash to the oldest items on the account. Also, credit memos that cannot be applied against the original invoice will be applied to the oldest items on the account unless you direct us otherwise.
- If installment payments are available and provided under insurance policy terms, you will receive an invoice for each installment. Installments are due on the effective date of the invoice. MMA does not finance annual or installment premiums. However, should you wish to finance your premium, we can place your financing with an approved insurance premium finance company.

Your Account Manager maintains on-line access to all of your coverage, premium and accounting detail and will be able to answer most billing questions. Any other questions will be referred directly to our accounting department for immediate response. We thank you for your support and business.

AUTHORIZATION TO BIND

Named Insured: Peachtree City Water & Sewerage Authority

Choose the appropriate option:

I hereby authorize Marsh & McLennan Agency LLC to bind my coverage per the terms and conditions outlined in this Proposal.

Authorized Signature

Date

I hereby authorize Marsh & McLennan Agency LLC 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



Quarterly Financial Report
March 31, 2026

Peachtree City Water and Sewerage Authority
 Financial Report
 For the Fiscal Year Ending on September 30, 2026
 Second Quarter Ending on March 31, 2026

	FY 2026 APPROVED BUDGET	FY 2026 ACTUAL/ ENCUMBRANCES	% Used YTD
Revenues - Rate	\$10,440,000	\$5,149,847	49.33%
Revenues - Fee	\$842,500	\$283,310	33.63%
American Rescue Plan Funding	\$1,277,400	\$1,430,907	112.02%
Other Income	\$300,000	\$169,917	56.64%
Fund Balance	\$5,574,450	\$0	0.00%
Operating Fund Revenues	\$18,434,350	\$7,033,981	
Salaries, Wages, & Benefits	\$3,812,300	\$1,626,210	42.66%
Materials, Supplies, & Services	\$4,225,550	\$1,870,624	44.27%
Operation Expenditures	\$8,037,850	\$3,496,834	43.50%
Operating Surplus (Deficit)	\$10,396,500	\$3,537,147	
Oper Trfr-Sinking Fund	\$1,597,900	\$1,566,500	98.03%
Oper Trfr-Ren & Ext	\$300,000	\$193,515	64.50%
Oper Trfr-Capital	\$8,348,600	\$3,169,724	37.97%
Sub-Total	\$10,246,500	\$4,929,739	48.11%
Total All Expenditures	\$18,284,350	\$8,426,573	
Net Surplus (Deficit)	\$150,000	(\$1,392,592)	
Other Income (Expenditures)	\$0	\$456,712	
Total Surplus (Deficit)	\$150,000	(\$935,880)	

Percentage into Budget Year: 50%

*Preliminary and unaudited

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

Date: May 8, 2026
From: Davis Ozier, P.E.
Copy to: L.H. (Dan) Davis, Jr., P.E.
File

Project: General Consulting Services

Background Information:

As miscellaneous consulting or engineering project needs arise for Peachtree City Water and Sewerage Authority (PCWASA), some level of work is often needed to determine a more well-defined scope and advance the project from the preliminary stage. Integrated Science and Engineering (ISE) has prepared this Work Authorization to outline the scope, schedule, and fee for providing general consulting services to achieve this goal.

Scope of Work:

Task 1 – General Consulting Services:

ISE will provide general consulting services for miscellaneous needs as they arise in order to determine a more well-defined scope of work that can be performed under a separate, job-specific contract. General services may include the following: conducting initial investigations to determine extent of work and/or need for further work; gathering initial data via site visits, field surveys, or other necessary means; meeting with City residents or officials; providing recommendations of further project needs and delivery strategies, and management or coordination of other consultants or contractors. If an independent contract is warranted beyond the preliminary project stage, a separate Work Authorization will be prepared as needed.

Schedule:

To be completed on an as-needed basis

Fee Estimate:

Task No.	Task Name	Contract Amount	Billing Type
1	General Consulting Services	\$30,000*	Hourly
	TOTAL	\$30,000	

**\$7,601.25 of this fee was previously invoiced as an overage under the General Consulting Services Contract dated June 13, 2025.*

WORK AUTHORIZATION

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 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 – 2026 BILLING RATES

Integrated Science & Engineering, Inc.

	Rate/Hour
Sr. Principal	\$265
Principal	\$250
Sr. Project Manager	\$200
Project Manager	\$180
Project Engineer III	\$175
Project Engineer II	\$165
Project Engineer I	\$140
Engineer II	\$135
Engineer I	\$115
Sr. Environmental Scientist	\$155
Environmental Scientist	\$120
Sr. Professional Land Surveyor	\$175
Staff Surveyor	\$135
Survey Crew (1-person)	\$150
Survey Crew (2-person)	\$175
Planner	\$140
Technician III	\$130
Technician II	\$115
Technician I	\$95
Administrative	\$85