



SWA

Sinclair Water Authority

126 Cay Drive Milledgeville, GA 31061

Joseph D. Witcher Plant Manager

Phone (706) 485-8993 Fax (706) 485-8994

**Agenda**

**Thursday, September 12, 2019 ◊ 5:30 PM**

*Sinclair Water Plant*

**Opening**

1. Call to Order
2. Public Participation

**Minutes**

- [3.](#) Minutes - May 20, 2019

**Minutes**

- [4.](#) Bonds Refinance with Bill Camp

**Reports I**

- [5.](#) Manager's Report
  - Budget Calendar
  - Intake & Generator Update
  - Motion to discard old filters after new have been installed

**Reports II**

- [6.](#) Plant Production Reports
- [7.](#) Financial Reports
  - 2018 Audit

**Closing**

8. Next Meeting and Budget Adoption
  - November 18, 2019
9. Adjournment

**Item Attachment Documents:**

3. Minutes - May 20, 2019



SWA

Sinclair Water Authority  
126 Cay Drive Milledgeville, GA 31061  
Joseph D. Witcher Plant Manager  
Phone (706) 485-8993 Fax (706) 485-8994

**Minutes**  
**Monday, May 20, 2019 ♦ 5:00 PM**  
Sinclair Water Plant

The Sinclair Water Authority met on Monday, May 20, 2019 at approximately 5:00 PM at the Sinclair Water Plant, 126 Cay Drive, Milledgeville, Georgia.

*PRESENT*

- Chairperson Joan Minton
- Member Trevor Addison
- Member Sammy Hall
- Member Donna Van Haute
- Member David Waddell

*STAFF PRESENT*

- Plant Manager Joey Witcher
- Clerk Lynn Butterworth

**Opening**

1. Call to Order

Chairperson Minton called the meeting to order at approximately 5:00 p.m.  
(Copy of agenda made a part of the minutes.)

2. Public Participation

None

**Minutes**

3. Minutes - March 18, 2019

**Motion to approve the March 18, 2019 minutes.**

**Motion made by Member Addison, Seconded by Member Hall.**

**Voting Yea: Chairperson Minton, Member Addison, Member Hall, Member Van Haute, Member Waddell**

**New Business**

4. Bond Refinancing-Bill Camp

Mr. Bill Camp, Managing Director of Raymond James, explained that this bond refinancing is refunding the existing debt. It will keep the same term and final maturity date, but lower the payments to make savings. He explained that a document was drafted a couple years ago but never completed due to some discussions between Putnam County and Baldwin County over the existing contract. Mr. Camp provided a handout explaining the rates and a preliminary schedule of events.

**Motion to allow Raymond James to collect data to update the Preliminary Official Statement and for Bond Counsel to send due diligence questionnaires to SWA, Baldwin County and Putnam County.**

**Motion made by Member Addison, Seconded by Member Van Haute.**

**Voting Yea: Chairperson Minton, Member Addison, Member Hall, Member Van Haute, Member Waddell**

(Copy of documents made a part of the minutes.)

**Reports I**

5. Manager's Report - Joey Witcher

- Alex Wiseman Update (informational written memo)

Plant Manager Witcher went over the memo from Carter & Sloope:

- EPD has approved the proposed improvements to the Raw Water Pump Station and materials for the water supply line have been ordered.
- The Generator Grant application was submitted on March 1, 2019, but no feedback received yet; award notifications are not expected until Fall 2019.
- Carter & Sloope was contacted by EPD in early April 2019 requesting a new Permit application. The application on file was submitted in August 2017 after completion of the last membrane replacement project but it was never processed by EPD. When processing did begin in April of this year, the application was out of date and had to be resigned by the Chairperson and resubmitted. SWA received the renewed Permit to Operate on May 10, 2019.

6. SWA and Georgia Power Testing

**Motion to do annual testing at the SWA intake location at a cost of \$8,996 funded through the CLO2 project.**

**Motion made by Member Hall, Seconded by Member Addison.**

**Voting Yea: Chairperson Minton, Member Addison, Member Hall, Member Van Haute, Member Waddell**

7. Boat Quotes

**Motion to purchase the 2019 Tracker Marine Tracker Topper 1542LW at a cost of \$4,975 funded through the membrane replacement fund.**

**Motion made by Member Addison, Seconded by Member Waddell.**

**Voting Yea: Chairperson Minton, Member Addison, Member Hall, Member Van Haute, Member Waddell**

8. Policy to establish Procedural Requirements for the consideration of Action Items during the regular called meetings of the Board as presently proposed and as they may hereafter be rescheduled

**Motion to approve the Resolution to establish procedural requirements for the consideration of action items during the regular called meetings of the board as presently proposed and as they may hereafter be rescheduled with the following amended first sentence in item #1: “The Plant Manager shall prepare a detailed agenda on the subjects to be covered or acted on, and/or objectives to be met three days before each regular scheduled meeting, work session, and/or public hearing; and 24 hours before a called meeting.”**

**Motion made by Member Addison, Seconded by Member Waddell.**

**Voting Yea: Chairperson Minton, Member Addison, Member Hall, Member Van Haute, Member Waddell**

(Copy of resolution made a part of the minutes.)

9. Bank Interest Rates Update

Plant Manager Witcher advised that Exchange Bank has best rate, which is where the money currently is. There is some money in a CD and some in an interest bearing checking account. He recommended leaving everything as is. No action was taken.

10. Proposals; Suez, Scinor & Evoqua - see Christian Henry opinion memo  
Attorney Christian Henry reviewed the proposed Suez contract and didn't see anything out of the ordinary. Plant Manager Witcher advised that Suez has the best warranty and recommended staying with them.

**Motion to enter into contract with Suez for 10 year payment plan at a cost of \$1,407,470 funded with the membrane replacement fund.**

**Motion made by Member Hall, Seconded by Member Addison.**

**Voting Yea: Chairperson Minton, Member Addison, Member Hall, Member Van Haute, Member Waddell**

**Reports II**

11. Plant Production (informational)

Chairperson Minton advised that the Plant Production reports were in the meeting package to review. No action was taken.

12. Financial Reports (informational)

Chairperson Minton advised that the Financial reports were in the meeting package to review. No action was taken.

**Closing**

13. Next Meeting

Chairperson Minton advised that the next meeting is scheduled for July 22, 2019 at 5:00 p.m.

14. Adjournment

**Motion to adjourn the meeting.**

**Motion made by Member Addison, Seconded by Member Van Haute.**

**Voting Yea: Chairperson Minton, Member Addison, Member Hall, Member Van Haute, Member Waddell**

Meeting adjourned at approximately 5:45 p.m.

ATTEST:

Lynn Butterworth  
Clerk

Joan Minton  
Chairperson

**Item Attachment Documents:**

4. Bonds Refinance with Bill Camp

**POLICY WITH RESPECT TO TAX-EXEMPT DEBT**

**OBJECTIVE**

To comply with all applicable federal and state laws, rules and regulations related to the issuance of tax-exempt debt (the “Debt”).

**SCOPE**

This policy (the “Policy”) applies to all Debt issued for the benefit of Sinclair Water Authority and its related entities.

**POLICY**

Sinclair Water Authority shall comply with all federal and state laws, rules and regulations related to the issuance of Debt.

**RESPONSIBILITY**

The Finance Officer shall be administratively responsible for the Policy. The Finance Officer shall be responsible for reviewing the requirements and responsibilities of Sinclair Water Authority under the Policy with bond counsel on or before the closing date of any Debt issued by Sinclair Water Authority.

**DISSEMINATION AND TRAINING**

The Policy shall be disseminated to all personnel in the finance department and to the auditor.

Sinclair Water Authority shall provide appropriate training to all personnel directly involved in the administration of tax-exempt debt to ensure they comply with the provisions of the Policy. The Finance Officer shall consult as appropriate with qualified attorneys with respect to the content of such training.

**REVIEW**

The Policy shall be reviewed and revised annually by the Finance Officer and redistributed to all personnel in the finance department and to the auditor.

The Finance Officer shall annually conduct a due diligence review of all Debt currently outstanding to ensure proper compliance with each of the provisions of the Policy. If the Finance Officer discovers non-compliance with any provisions of the Policy, steps necessary to correct the noncompliance will be taken within ten (10) business days of the conclusion of the annual due diligence review. Records of all corrective action taken shall be retained in accordance with the Policy.

**PROVISIONS**

***Record Keeping***

All records relating to the Debt needed to comply with Section 6001 of the Internal Revenue Code of 1986, as amended (the “Code”) shall be maintained. These records shall be kept in paper or electronic form and shall include, among other things, (i) basic records relating to the transaction

(including the bond documents, the opinion of bond counsel, etc.), (ii) documents evidencing the expenditure of the proceeds of the Debt, (iii) documentation evidencing the use of Debt-financed property by public and private entities (e.g., copies of management contracts, leases and research agreements) and (iv) documentation pertaining to any investment of Debt proceeds (including the purchase and sale of securities, SLG subscriptions, yield calculations for each class of investments, actual investment income received from the investment of the proceeds of the Debt, guaranteed investment contracts and rebate calculations. Such records must be maintained as long as the Debt is outstanding, plus three years after the final payment or redemption date of the respective Debt.

***Use of Proceeds***

A list of all property financed with the proceeds of the Debt shall be created and maintained. The use of such property shall be monitored to ensure that such use does not constitute “private business use” within the meaning of the Code. Without limiting the foregoing, each contract, including but not limited to management contracts and leases, relating to such property shall be reviewed by legal counsel prior to the execution of such contract. The list of property shall be reviewed at least annually to ensure that none of the property has been sold.

***Remedial Action***

In the event that property financed with the proceeds of the Debt is used in a manner that constitutes “private business use” or the property is sold, the remediation provisions of Treasury Regulation § 1.141-12 shall be carried out in consultation with bond counsel.

***Yield Restriction***

If bond counsel advises that a fund or account needs to be yield restricted (i.e., not invested at a yield in excess of the Debt), the moneys on deposit in such fund or account shall be invested in United States Treasury Obligations – State and Local Government Series, appropriate “yield reduction payments” shall be made if permitted by the Code or the Finance Officer shall establish other procedures to ensure that such fund or account is yield restricted.

***Rebate***

At the time the Debt is issued, the Finance Officer shall determine if he or she reasonably expects that one of the arbitrage rebate exceptions will be satisfied. If the arbitrage rebate exception relates to the time period over which the proceeds of the Debt are spent, the Finance Officer shall verify that the appropriate expenditures have been made at each milestone. If one of the milestones is not satisfied or the Finance Officer does not reasonably expect that one of the arbitrage rebate exceptions will be satisfied, an outside arbitrage rebate consultant shall be retained unless the Finance Officer has determined that positive arbitrage will not be earned.

***Continuing Disclosure***

Any continuing disclosure undertaking entered into by Sinclair Water Authority with respect to Debt shall be recorded and complied with. Finance Officer shall catalogue and determine any continuing disclosure undertaking entered into by Sinclair Water Authority prior to the imposition of the Policy to ensure that its continuing disclosure obligations will be updated and satisfied going forward.

Finance Officer will implement appropriate procedures to ensure that annually recurring disclosure obligations are timely fulfilled. Upon the occurrence of an event requiring the filing of an events notice under any continuing disclosure obligation, Finance Officer will ensure such event notice is filed within ten (10) business days of the occurrence of such event.

**Item Attachment Documents:**

5. Manager's Report
  - Budget Calendar
  - Intake & Generator Update
  - Motion to discard old filters after new have been installed

# Budget Calendar

Annual Volume Planning Meeting With Counties

Due: **October 1 (email has been sent)**

Budget Committee Meeting

Scheduled: **September 9**

(other meetings as necessary)

Projected Budget Provided To Authority Members

Due: **October 28**

(by email to allow for questions and comments which will be due by **November 8th**)

Budget Presented to SWA Board for Adoption

Due: **November 18**

## Plant Manager's Report

September 12, 2019

### Project Update: (Alex Wiseman)

#### DBP Improvements:

- Water supply line from plant to RWPS is complete and operational. Initial CLO2 operation is satisfactory but optimization is still ongoing.
- Secondary containers for the chemical storage totes have been purchased but not placed in final location. Awaiting liquid transfer of remaining acid volume and installation of new connecting piping.
- Camera system equipment purchased but not yet installed.
- Awaiting purchase of metal building structure until all totes and piping are in-place.
- Installation of CLO2 monitor in progress.

#### Generator:

- GEMA state application approved 07/26.
- Working on federal application forms to be submitted by 09/23.
- Still in need of meter verification letter from Baldwin County

#### Train 4 Membrane Replacement:

- Summary package submitted to EPD on 08/15 with supplemental data submitted the week of 08/19.
- Awaiting EPD approval; expected in early September.

### Motion to Discard Old filters:

A motion is needed to discard the old Z 1000 filters that we have left from the original plant purchase. The new filters are a different version and therefore the old ones can't be utilized as replacements. The old ones are for the most part non-functional at this point anyway. They will be discarded when the filters in train 4 are changed out this October.

6. Plant Production Reports

Sinclair Water Authority  
Milledgeville, GA 31061

Invoice 15

Date	Invoice #
5/31/2019	268

Bill To
Baldwin County Board of Commissioners 121 N. Wilkinson St. Ate 314 Milledgeville, GA 31061

Description	Qty	Rate	Amount
Baldwin Billable Gallons	68,890	0.422	29,071.58
Baldwin Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Baldwin Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$98,086.58
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Agenda Item 6.

Sinclair Water Authority  
Milledgeville, GA 31061

Invoice **16**

Date	Invoice #
5/31/2019	269

Bill To
Putnam Co. Board of Commissioners 117 Putnam Drive Suite A Eatonton, GA 31024

Description	Qty	Rate	Amount
Putnam Billable Gallons	35,124	0.422	14,822.33
Putnam Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Putnam Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$83,837.33
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Agenda Item 6.

## Billable Gallons

May-19

Chobys Meter #1	4/30/2019	728,797,630
Chobys Meter #1	5/31/2019	798,156,620
	Total	69,358,990
Mays Road Meter	4/30/2019	16,416,000
Mays Road Meter	5/31/2019	16,882,000
	Total	466,000
Ga. Power Meter	4/30/2019	174,099
Ga. Power Meter	5/31/2019	175,748
	Total	1,649
DNR Boat House	4/30/2019	47,867
DNR Boat House	5/31/2019	48,986
	Total	1,119

**Baldwin Billable Gallons 68,890,222**

## Putnam Billable Gallons

Main Putnam Meter	34,655,818
Mays Road Meter	466,000
Ga. Power Meter	1,649
DNR Boat House	1,119
<b>Putnam Billable Gallons</b>	<b>35,124,586</b>

SinclairWater Authority  
126 Cay Drive  
Milledgeville, Ga. 31061  
706-485-8993

# Flows Monthly Report

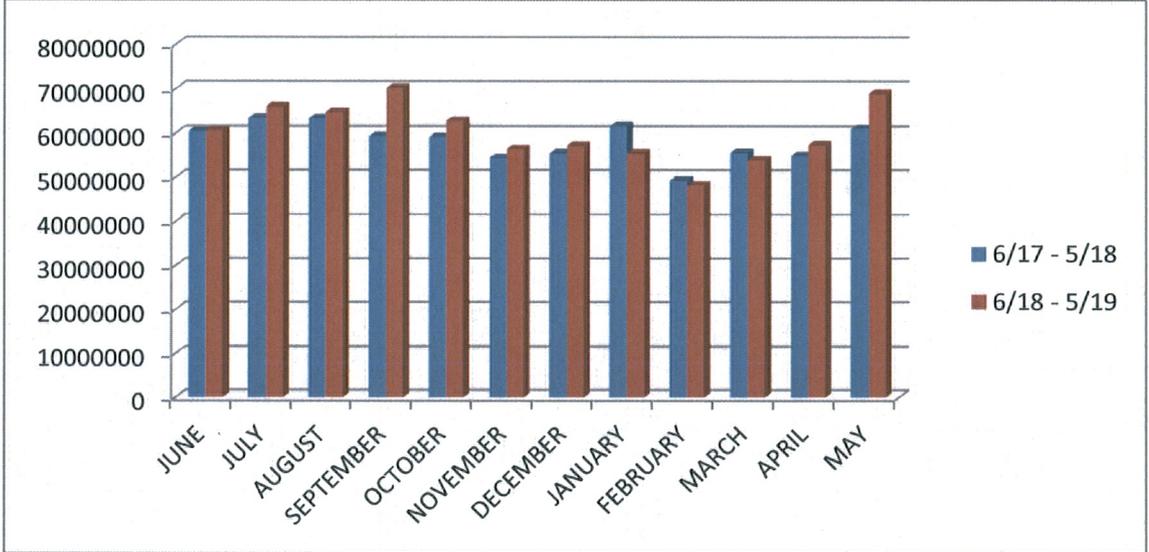
Date	Time	Raw	Permeate	Lagoon	Putnam	Baldwin	Choby's	Total Dist
2019-05-01	23:59:59	3,546,114	3,089,401	231,839	878,706	2,021,606		2,900,312
2019-05-02	23:59:59	3,750,289	3,262,261	229,998	1,157,822	2,012,364		3,170,186
2019-05-03	23:59:59	3,707,445	3,244,001	224,681	909,462	2,162,307		3,071,769
2019-05-04	23:59:59	3,935,258	3,454,768	252,844	1,186,376	2,104,943		3,291,319
2019-05-05	23:59:59	3,448,396	2,998,950	218,594	997,031	2,052,050		3,049,081
2019-05-06	23:59:59	3,549,663	3,102,116	223,271	1,065,775	1,987,213		3,052,988
2019-05-07	23:59:59	3,373,149	2,942,218	217,251	907,524	2,054,408		2,961,932
2019-05-08	23:59:59	3,545,327	3,085,365	223,606	1,113,850	1,897,888		3,011,738
2019-05-09	23:59:59	3,503,643	3,056,962	226,482	1,046,470	1,983,669		3,030,139
2019-05-10	23:59:59	3,655,707	3,196,115	229,269	1,064,906	1,896,076		2,960,982
2019-05-11	23:59:59	3,132,886	2,749,027	220,175	782,373	1,637,794		2,420,167
2019-05-12	23:59:59	3,609,654	3,131,772	241,086	975,883	2,323,774		3,299,657
2019-05-13	23:59:59	3,545,249	3,094,347	234,511	1,010,880	2,073,778		3,084,658
2019-05-14	23:59:59	4,086,063	3,280,199	512,029	1,232,983	1,899,639		3,132,622
2019-05-15	23:59:59	3,711,423	3,221,845	234,134	983,767	2,205,866		3,189,633
2019-05-16	23:59:59	3,853,574	3,355,795	247,374	971,473	2,224,353		3,195,826
2019-05-17	23:59:59	3,576,348	3,131,318	222,952	1,336,033	1,934,113		3,270,146
2019-05-18	23:59:59	4,274,599	3,751,440	249,829	1,255,924	2,212,035		3,467,959
2019-05-19	23:59:59	3,815,460	3,348,479	217,311	1,039,512	2,374,338		3,413,850
2019-05-20	23:59:59	4,233,125	3,714,433	240,423	1,138,715	2,255,912		3,394,627
2019-05-21	23:59:59	3,840,339	3,315,946	258,720	1,070,971	2,112,711		3,183,682
2019-05-22	23:59:59	3,971,007	3,450,406	259,336	1,276,487	2,303,258		3,579,745
2019-05-23	23:59:59	3,976,382	3,483,528	528,094	956,696	2,330,920		3,287,616
2019-05-24	23:59:59	4,287,324	3,422,789	243,708	1,209,977	2,324,684		3,534,661
2019-05-25	23:59:59	4,897,440	4,261,668	306,823	1,398,327	2,627,396		4,025,723
2019-05-26	23:59:59	4,564,437	3,959,016	296,887	1,506,794	2,513,658		4,020,452
2019-05-27	23:59:59	4,720,745	4,104,312	311,870	1,307,144	2,628,606		3,935,750
2019-05-28	23:59:59	4,238,778	3,663,799	288,532	1,243,135	2,462,212		3,705,347
2019-05-29	23:59:59	4,366,662	3,616,535	393,942	1,097,564	2,346,125		3,443,689
2019-05-30	23:59:59	4,442,056	3,808,837	345,113	1,306,053	2,530,045		3,836,098
2019-05-31	23:59:59	4,394,997	3,811,915	306,493	1,227,205	2,452,239		3,679,444
<b>TOTAL:</b>		<b>121,553,539</b>	<b>105,109,563</b>	<b>8,437,177</b>	<b>34,655,818</b>	<b>67,945,980</b>		<b>102,601,798</b>
<b>MIN:</b>		<b>3,132,886</b>	<b>2,749,027</b>	<b>217,251</b>	<b>782,373</b>	<b>1,637,794</b>		<b>2,420,167</b>
<b>MAX:</b>		<b>4,897,440</b>	<b>4,261,668</b>	<b>528,094</b>	<b>1,506,794</b>	<b>2,628,606</b>		<b>4,025,723</b>
<b>AVG:</b>		<b>3,921,082</b>	<b>3,390,631</b>	<b>272,167</b>	<b>1,117,930</b>	<b>2,191,806</b>		<b>3,309,735</b>
<b>COUNT:</b>		<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>31</b>

Agenda Item 6.

### MONTHLY BILLABLE GALLONS FOR BALDWIN COUNTY

June 2017 Thru May 2019

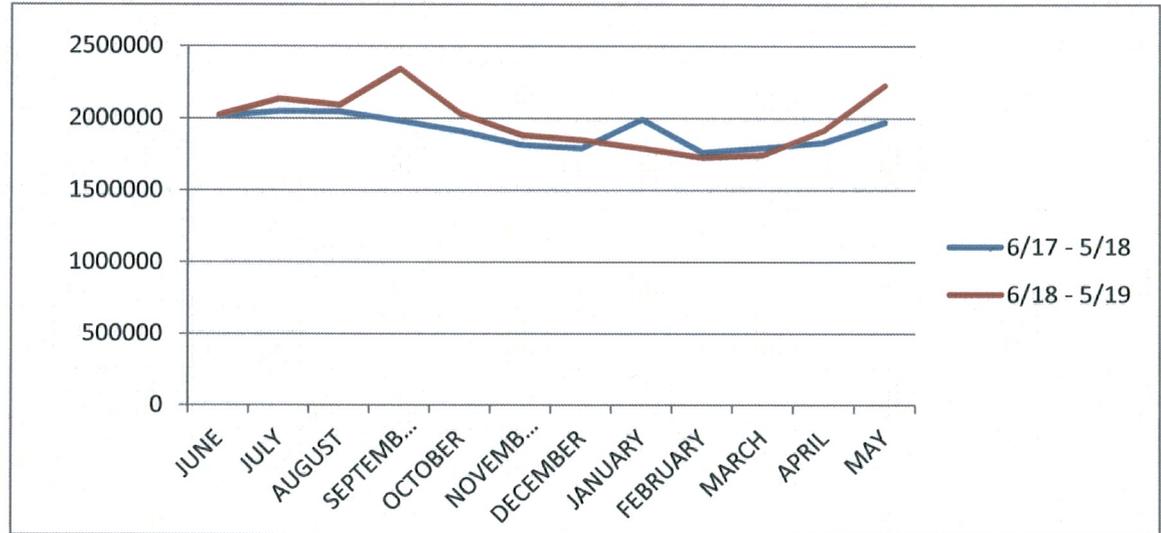
	GALLONS 6/17 - 5/18	GALLONS 6/18 - 5/19
JUNE	60435470	60653130
JULY	63483160	66078070
AUGUST	63403840	64780410
SEPTEMBER	59416400	70235670
OCTOBER	59227270	62831610
NOVEMBER	54456850	56454782
DECEMBER	55504360	57218316
JANUARY	61694940	55462219
FEBRUARY	49309520	48265800
MARCH	55590480	53973721
APRIL	54914140	57353719
MAY	61088810	68890222



## MONTHLY FLOW RATES FOR BALDWIN COUNTY

### June 2017 Thru May 2019

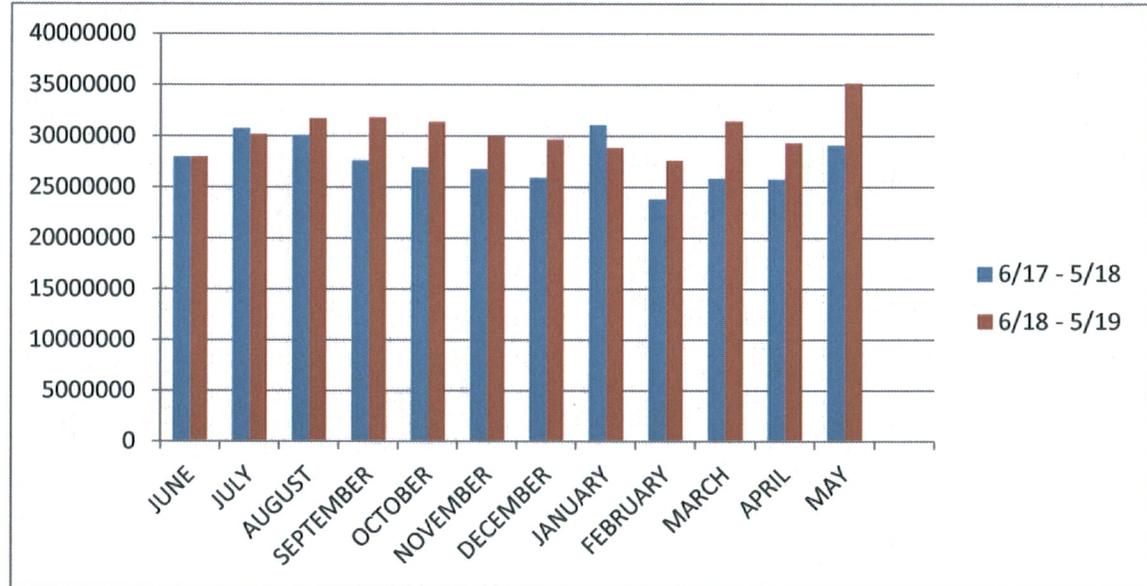
	FLOWRATES* 6/17 - 5/18	FLOWRATES* 6/18 - 5/19
JUNE	2014515	2021771
JULY	2047843	2131550
AUGUST	2045285	2089690
SEPTEMBER	1980546	2341189
OCTOBER	1910557	2026826
NOVEMBER	1815228	1881826
DECEMBER	1790463	1845752
JANUARY	1990159	1789103
FEBRUARY	1761054	1723778
MARCH	1793241	1741087
APRIL	1830471	1911790
MAY	1970606	2222265



\*These figures are the average daily flow each month for Baldwin County  
 These figures are based on the billable gallons for each month

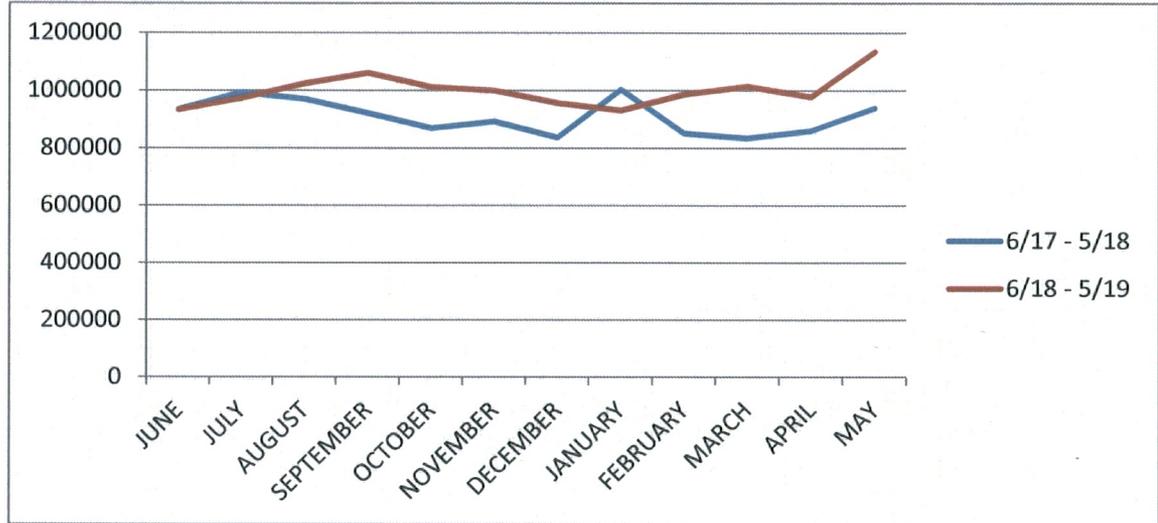
### MONTHLY BILLABLE GALLONS FOR PUTNAM COUNTY June 2017 Thru May 2019

	GALLONS 6/17 - 5/18	GALLONS 6/18 - 5/19
JUNE	27977898	27956573
JULY	30753979	30133017
AUGUST	30069289	31704699
SEPTEMBER	27616307	31778869
OCTOBER	26926808	31347172
NOVEMBER	26763714	29970026
DECEMBER	25914230	29621963
JANUARY	31074293	28818273
FEBRUARY	23811328	27584062
MARCH	25839838	31407865
APRIL	25755751	29285798
MAY	29101432	35124586



### MONTHLY FLOW RATES FOR PUTNAM COUNTY June 2017 Thru May 2019

	FLOWRATES* 6/17 - 5/18	FLOWRATES* 6/18 - 5/19
JUNE	932596	931885
JULY	992063	972032
AUGUST	969977	1022732
SEPTEMBER	920543	1059295
OCTOBER	868606	1011199
NOVEMBER	892123	999000
DECEMBER	835942	955547
JANUARY	1002396	929621
FEBRUARY	850404	985145
MARCH	833543	1013156
APRIL	859191	976193
MAY	938755	1133051



\*These figures are the average daily flow each month for Putnam County  
These figures are based on the billable gallons for each month

Sinclair Water Authority  
 Milledgeville, GA 31061

Invoice **23**

Date	Invoice #
6/30/2019	270

Bill To
Baldwin County Board of Commissioners 121 N. Wilkinson St. Ate 314 Milledgeville, GA 31061

Description	Qty	Rate	Amount
Baldwin Billable Gallons	65,651	0.422	27,704.72
Baldwin Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Baldwin Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$96,719.72
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Agenda Item 6.

Sinclair Water Authority  
 Milledgeville, GA 31061

Date	Invoice #
6/30/2019	271

<b>Bill To</b>
Putnam Co. Board of Commissioners 117 Putnam Drive Suite A Eatonton, GA 31024

Description	Qty	Rate	Amount
Putnam Billable Gallons	31,923	0.422	13,471.51
Putnam Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Putnam Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$82,486.51
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## Billable Gallons

Jun-19

Chobys Meter #1	5/31/2019	798,156,620
Chobys Meter #1	6/30/2019	864,145,950
	<b>Total</b>	<b>65,989,330</b>
Mays Road Meter	5/31/2019	16,882,000
Mays Road Meter	6/30/2019	17,217,000
	<b>Total</b>	<b>335,000</b>
Ga. Power Meter	5/31/2019	175,748
Ga. Power Meter	6/30/2019	177,188
	<b>Total</b>	<b>1,440</b>
DNR Boat House	5/31/2019	48,986
DNR Boat House	6/30/2019	50,330
	<b>Total</b>	<b>1,344</b>

<b>Baldwin Billable Gallons</b>	<b>65,651,546</b>
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## Putnam Billable Gallons

Main Putnam Meter	31,585,444
Mays Road Meter	335,000
Ga. Power Meter	1,440
DNR Boat House	1,344
<b>Putnam Billable Gallons</b>	<b>31,923,228</b>

SinclairWater Authority  
 126 Cay Drive  
 Milledgeville, Ga. 31061  
 706-485-8993

# Flows Monthly Report

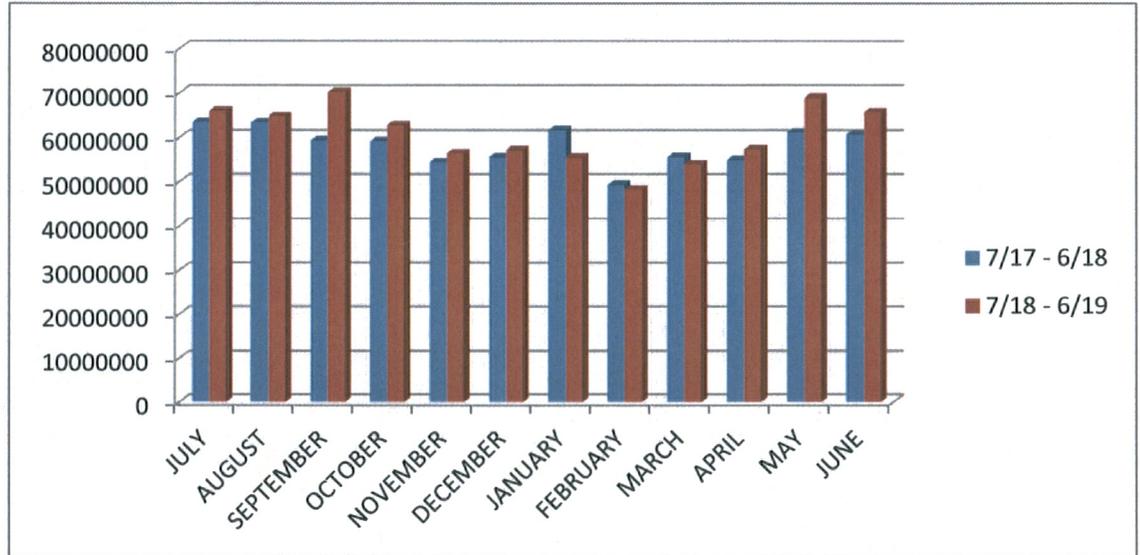
Date	Time	Raw	Permeate	Lagoon	Putnam	Baldwin	Choby's	Total Dist
2019-06-01	23:59:59	4,740,038	4,103,360	334,587	1,214,299	2,664,443		3,878,742
2019-06-02	23:59:59	4,545,799	3,986,486	272,986	1,071,621	2,680,260		3,751,881
2019-06-03	23:59:59	4,436,544	3,825,344	292,906	1,198,440	2,685,957		3,884,397
2019-06-04	23:59:59	3,909,536	3,344,426	305,701	1,184,202	1,972,278		3,156,480
2019-06-05	23:59:59	4,323,323	3,686,186	574,250	1,249,185	2,513,719		3,762,904
2019-06-06	23:59:59	3,583,103	3,008,377	350,396	923,677	1,913,097		2,836,774
2019-06-07	23:59:59	3,795,404	3,082,603	297,720	1,102,545	2,048,943		3,151,488
2019-06-08	23:59:59	4,010,789	3,282,369	311,889	901,735	2,166,522		3,068,257
2019-06-09	23:59:59	3,173,063	2,714,222	248,340	963,444	1,656,813		2,620,257
2019-06-10	23:59:59	4,009,563	3,375,819	375,690	981,379	2,174,075		3,155,454
2019-06-11	23:59:59	3,395,264	2,792,187	348,532	1,160,986	2,071,083		3,232,069
2019-06-12	23:59:59	3,631,262	3,072,677	301,568	801,493	1,928,630		2,730,123
2019-06-13	23:59:59	3,707,600	3,133,641	298,919	1,129,241	1,979,391		3,108,632
2019-06-14	23:59:59	3,726,025	3,187,293	262,150	1,037,940	2,290,001		3,327,941
2019-06-15	23:59:59	4,145,124	3,541,351	309,950	1,015,482	2,385,554		3,401,036
2019-06-16	23:59:59	4,262,561	3,653,332	322,149	1,100,591	2,412,670		3,513,261
2019-06-17	23:59:59	4,207,689	3,622,967	332,352	1,230,037	2,168,300		3,398,337
2019-06-18	23:59:59	3,653,806	3,117,406	298,426	948,800	2,066,716		3,015,516
2019-06-19	23:59:59	3,464,224	2,945,621	293,129	1,047,404	2,003,685		3,051,089
2019-06-20	23:59:59	3,608,305	3,072,623	143,168	871,080	2,010,061		2,881,141
2019-06-21	23:59:59	4,206,039	3,099,966	456,554	973,373	1,975,121		2,948,494
2019-06-22	23:59:59	4,047,975	3,510,814	250,583	1,118,043	2,181,765		3,299,808
2019-06-23	23:59:59	3,298,630	2,901,952	192,968	1,002,618	2,174,851		3,177,469
2019-06-24	23:59:59	3,561,775	3,096,109	223,514	962,311	2,093,323		3,055,634
2019-06-25	23:59:59	3,720,317	3,200,960	241,971	890,792	1,963,149		2,853,941
2019-06-26	23:59:59	3,649,786	3,167,302	304,628	1,102,842	2,123,677		3,226,519
2019-06-27	23:59:59	3,671,205	3,195,400	254,844	1,065,971	2,108,682		3,174,653
2019-06-28	23:59:59	3,846,728	3,366,764	248,148	921,675	2,233,898		3,155,573
2019-06-29	23:59:59	4,071,262	3,533,854	279,978	1,160,408	2,334,029		3,494,437
2019-06-30	23:59:59	3,988,638	3,472,508	254,107	1,253,830	2,320,669		3,574,499
<b>TOTAL:</b>		<b>116,391,377</b>	<b>99,093,919</b>	<b>8,982,103</b>	<b>31,585,444</b>	<b>65,301,362</b>		<b>96,886,806</b>
<b>MIN:</b>		<b>3,173,063</b>	<b>2,714,222</b>	<b>143,168</b>	<b>801,493</b>	<b>1,656,813</b>		<b>2,620,257</b>
<b>MAX:</b>		<b>4,740,038</b>	<b>4,103,360</b>	<b>574,250</b>	<b>1,253,830</b>	<b>2,685,957</b>		<b>3,884,397</b>
<b>AVG:</b>		<b>3,879,713</b>	<b>3,303,131</b>	<b>299,403</b>	<b>1,052,848</b>	<b>2,176,712</b>		<b>3,229,560</b>
<b>COUNT:</b>		<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>30</b>

Agenda Item 6.

### MONTHLY BILLABLE GALLONS FOR BALDWIN COUNTY

July 2017 Thru June 2019

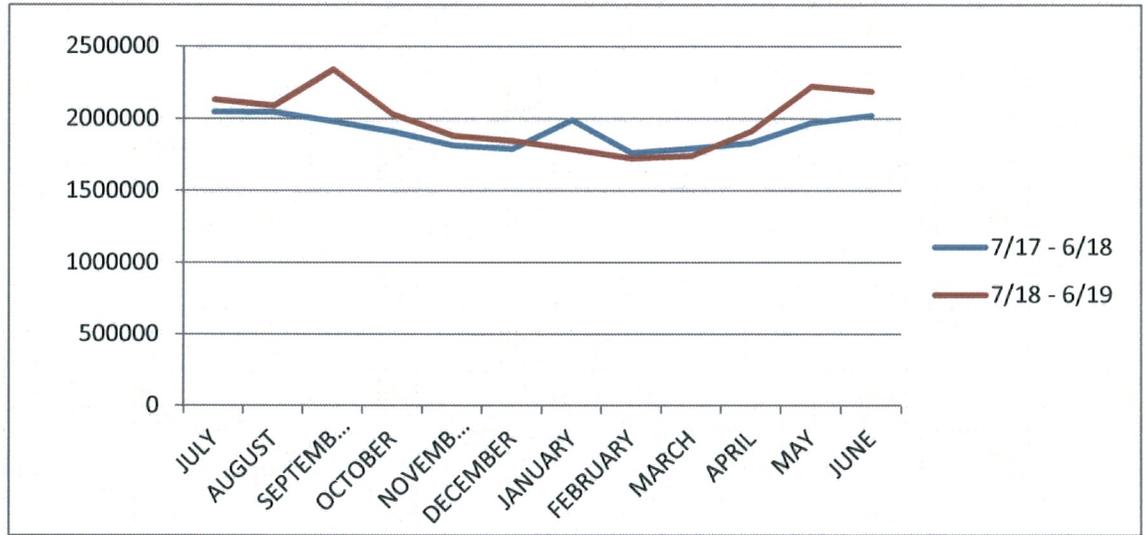
	GALLONS 7/17 - 6/18	GALLONS 7/18 - 6/19
JULY	63483160	66078070
AUGUST	63403840	64780410
SEPTEMBER	59416400	70235670
OCTOBER	59227270	62831610
NOVEMBER	54456850	56454782
DECEMBER	55504360	57218316
JANUARY	61694940	55462219
FEBRUARY	49309520	48265800
MARCH	55590480	53973721
APRIL	54914140	57353719
MAY	61088810	68890222
JUNE	60653130	65651546



## MONTHLY FLOW RATES FOR BALDWIN COUNTY

### July 2017 Thru June 2019

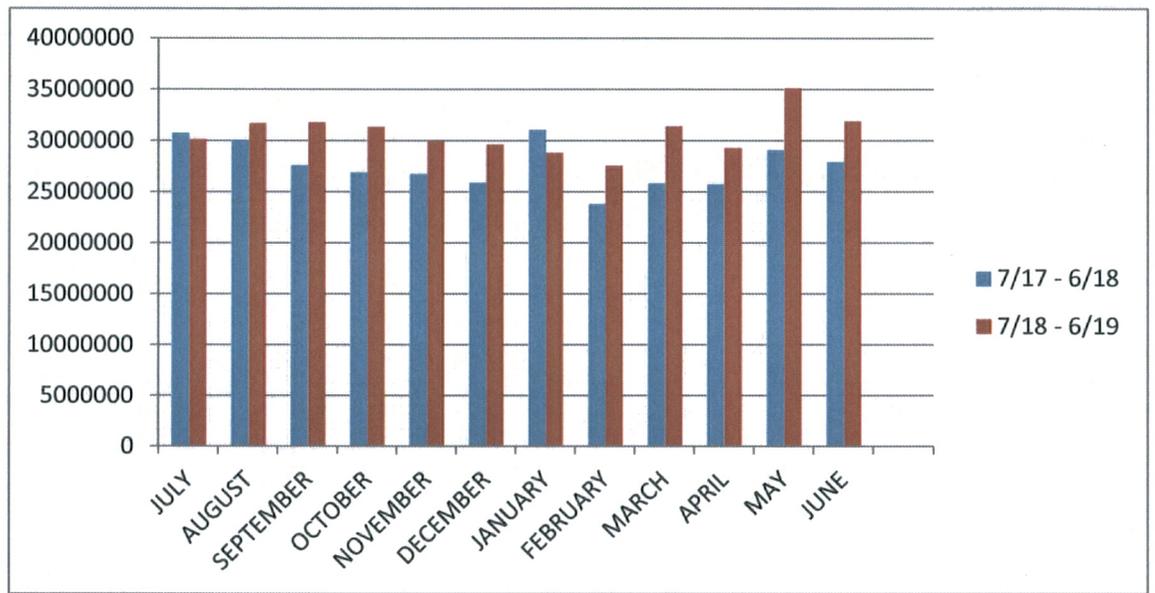
	FLOWRATES* 7/17 - 6/18	FLOWRATES* 7/18 - 6/19
JULY	2047843	2131550
AUGUST	2045285	2089690
SEPTEMBER	1980546	2341189
OCTOBER	1910557	2026826
NOVEMBER	1815228	1881826
DECEMBER	1790463	1845752
JANUARY	1990159	1789103
FEBRUARY	1761054	1723778
MARCH	1793241	1741087
APRIL	1830471	1911790
MAY	1970606	2222265
JUNE	2021771	2188384



\*These figures are the average daily flow each month for Baldwin County  
 These figures are based on the billable gallons for each month

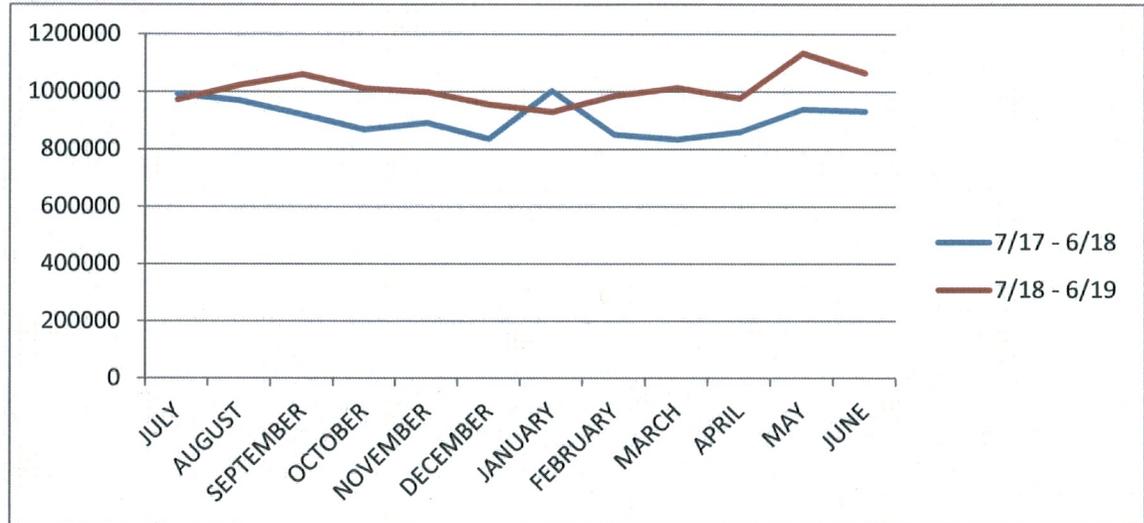
### MONTHLY BILLABLE GALLONS FOR PUTNAM COUNTY July 2017 Thru June 2019

	<b>GALLONS 7/17 - 6/18</b>	<b>GALLONS 7/18 - 6/19</b>
JULY	30753979	30133017
AUGUST	30069289	31704699
SEPTEMBER	27616307	31778869
OCTOBER	26926808	31347172
NOVEMBER	26763714	29970026
DECEMBER	25914230	29621963
JANUARY	31074293	28818273
FEBRUARY	23811328	27584062
MARCH	25839838	31407865
APRIL	25755751	29285798
MAY	29101432	35124586
JUNE	27956573	31923228



## MONTHLY FLOW RATES FOR PUTNAM COUNTY July 2017 Thru June 2019

	FLOWRATES* 7/17 - 6/18	FLOWRATES* 7/18 - 6/19
JULY	992063	972032
AUGUST	969977	1022732
SEPTEMBER	920543	1059295
OCTOBER	868606	1011199
NOVEMBER	892123	999000
DECEMBER	835942	955547
JANUARY	1002396	929621
FEBRUARY	850404	985145
MARCH	833543	1013156
APRIL	859191	976193
MAY	938755	1133051
JUNE	931885	1064107



\*These figures are the average daily flow each month for Putnam County  
These figures are based on the billable gallons for each month

Sinclair Water Authority

126 Cay Dr.  
Milledgeville, GA 31061

Invoice 31

Date	Invoice #
8/1/2019	272

Bill To
Baldwin County Board of Commissioners 121 N. Wilkinson St. Ate 314 Milledgeville, GA 31061

Description	Qty	Rate	Amount
Baldwin Billable Gallons	76,455	0.422	32,264.01
Baldwin Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Baldwin Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$101,279.01
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Agenda Item 6.

Sinclair Water Authority

126 Cay Dr.  
Milledgeville, GA 31061

Invoice 32

Date	Invoice #
8/1/2019	273

Bill To
Putnam Co. Board of Commissioners 117 Putnam Drive Suite A Eatonton, GA 31024

Description	Qty	Rate	Amount
Putnam Billable Gallons	34,706	0.422	14,645.93
Putnam Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Putnam Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$83,660.93
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Agenda Item 6.

## Billable Gallons

Jul-19

Chobys Meter #1	6/30/2019	864,145,950
Chobys Meter #1	8/1/2019	941,073,690
	Total	76,927,740
Mays Road Meter	6/30/2019	17,217,000
Mays Road Meter	8/1/2019	17,686,000
	Total	469,000
Ga. Power Meter	6/30/2019	177,188
Ga. Power Meter	8/1/2019	178,882
	Total	1,694
DNR Boat House	5/31/2019	50,330
DNR Boat House	8/1/2019	51,660
	Total	1,330

<b>Baldwin Billable Gallons</b>	<b>76,455,716</b>
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## Putnam Billable Gallons

Main Putnam Meter	34,234,310
Mays Road Meter	469,000
Ga. Power Meter	1,694
DNR Boat House	1,330
<b>Putnam Billable Gallons</b>	<b>34,706,334</b>

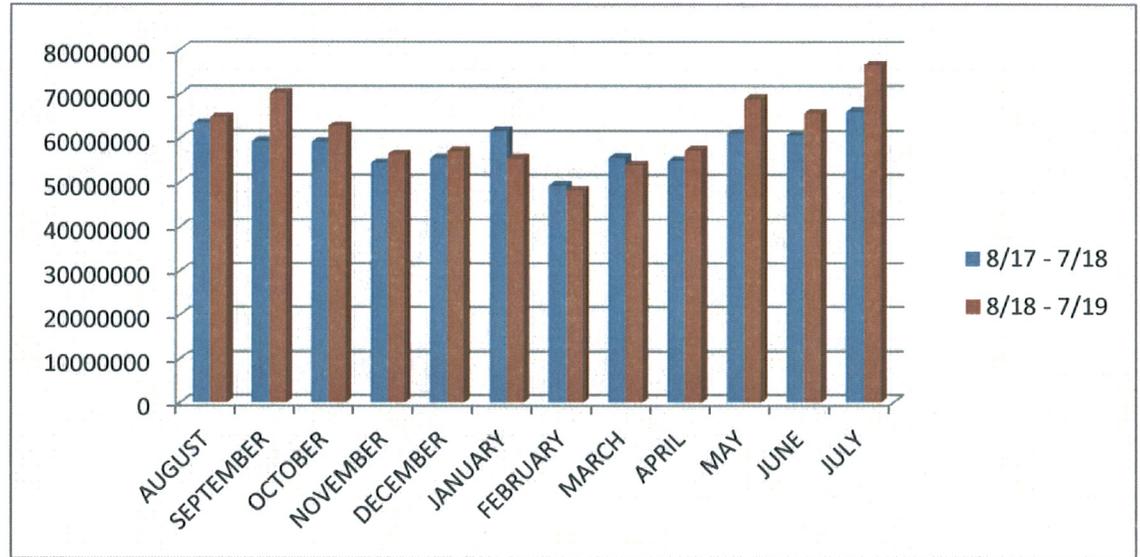
SinclairWater Authority  
 126 Cay Drive  
 Milledgeville, Ga. 31061  
 706-485-8993

# Flows Monthly Report

Date	Time	Raw	Permeate	Lagoon	Putnam	Baldwin	Choby's	Total Dist
2019-07-01	23:59:59	4,276,888	3,538,425	436,462	1,054,925	2,374,496		3,429,421
2019-07-02	23:59:59	3,945,941	3,425,071	268,158	1,078,440	2,199,841		3,278,281
2019-07-03	23:59:59	4,287,761	3,748,828	276,667	1,259,470	2,549,811		3,809,281
2019-07-04	23:59:59	4,322,617	3,771,442	287,285	1,202,563	2,358,573		3,561,136
2019-07-05	23:59:59	4,150,859	3,624,213	268,847	1,252,368	2,353,221		3,605,589
2019-07-06	23:59:59	3,933,535	3,441,004	268,120	1,154,437	2,145,482		3,299,919
2019-07-07	23:59:59	4,226,717	3,715,007	252,941	1,318,366	2,289,579		3,607,945
2019-07-08	23:59:59	3,518,637	3,081,018	225,703	997,235	2,032,041		3,029,276
2019-07-09	23:59:59	3,541,564	3,059,388	244,895	1,042,527	2,105,688		3,148,215
2019-07-10	23:59:59	3,640,258	3,085,654	308,595	926,111	1,964,341		2,890,452
2019-07-11	23:59:59	4,041,170	3,518,199	252,428	1,069,252	2,453,154		3,522,406
2019-07-12	23:59:59	4,125,509	3,606,775	251,710	1,179,730	2,291,776		3,471,506
2019-07-13	23:59:59	3,934,145	3,437,560	251,817	1,086,990	2,365,567		3,452,557
2019-07-14	23:59:59	3,964,907	3,455,422	245,603	1,004,228	2,279,186		3,283,414
2019-07-15	23:59:59	3,955,365	3,461,521	223,190	1,060,864	2,402,398		3,463,262
2019-07-16	23:59:59	4,006,316	3,501,811	223,813	1,076,724	2,362,250		3,438,974
2019-07-17	23:59:59	4,470,381	3,663,049	570,003	1,124,878	2,363,961		3,488,839
2019-07-18	23:59:59	4,588,606	3,729,949	610,085	1,124,231	2,404,205		3,528,436
2019-07-19	23:59:59	3,713,459	3,027,384	263,677	944,299	2,122,173		3,066,472
2019-07-20	23:59:59	3,882,249	3,376,668	247,942	1,153,764	2,354,733		3,508,497
2019-07-21	23:59:59	4,064,096	3,563,478	225,105	1,062,787	2,347,392		3,410,179
2019-07-22	23:59:59	4,119,571	3,591,394	257,537	1,224,368	2,463,090		3,687,458
2019-07-23	23:59:59	3,993,910	3,454,335	265,796	897,329	2,254,556		3,151,885
2019-07-24	23:59:59	3,859,734	3,340,364	265,863	1,195,343	2,039,709		3,235,052
2019-07-25	23:59:59	3,897,266	3,393,616	243,818	1,096,133	2,402,006		3,498,139
2019-07-26	23:59:59	4,000,180	3,489,605	235,062	936,825	2,324,848		3,261,673
2019-07-27	23:59:59	4,548,925	4,004,146	258,811	1,175,395	2,712,887		3,888,282
2019-07-28	23:59:59	4,486,478	3,926,241	245,286	1,161,946	2,779,938		3,941,884
2019-07-29	23:59:59	4,083,188	3,543,799	263,673	1,177,614	2,352,634		3,530,248
2019-07-30	23:59:59	4,137,276	3,623,739	239,175	1,029,475	2,327,131		3,356,606
2019-07-31	23:59:59	4,083,631	3,571,475	249,510	1,165,693	2,488,221		3,653,914
<b>TOTAL:</b>		<b>125,801,139</b>	<b>108,770,580</b>	<b>8,727,577</b>	<b>34,234,310</b>	<b>72,264,888</b>		<b>106,499,198</b>
<b>MIN:</b>		<b>3,518,637</b>	<b>3,027,384</b>	<b>223,190</b>	<b>897,329</b>	<b>1,964,341</b>		<b>2,890,452</b>
<b>MAX:</b>		<b>4,588,606</b>	<b>4,004,146</b>	<b>610,085</b>	<b>1,318,366</b>	<b>2,779,938</b>		<b>3,941,884</b>
<b>AVG:</b>		<b>4,058,101</b>	<b>3,508,728</b>	<b>281,535</b>	<b>1,104,333</b>	<b>2,331,125</b>		<b>3,435,458</b>
<b>COUNT:</b>		<b>31</b>	<i>Agenda Item 6.</i>		<b>31</b>	<b>31</b>	<b>0</b>	<b>31</b>

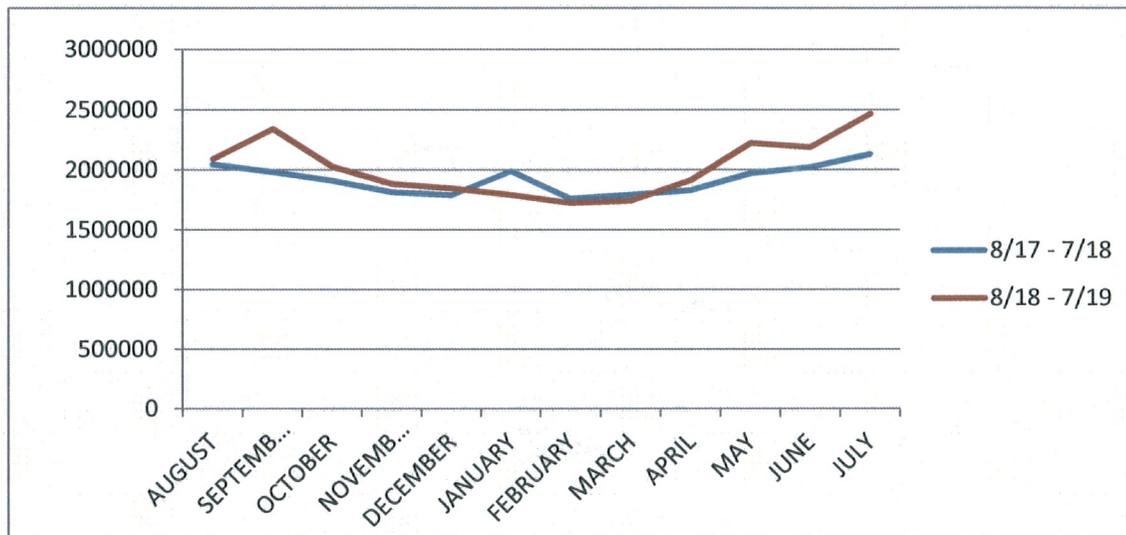
### MONTHLY BILLABLE GALLONS FOR BALDWIN COUNTY August 2017 Thru July 2019

	<b>GALLONS 8/17 - 7/18</b>	<b>GALLONS 8/18 - 7/19</b>
AUGUST	63403840	64780410
SEPTEMBER	59416400	70235670
OCTOBER	59227270	62831610
NOVEMBER	54456850	56454782
DECEMBER	55504360	57218316
JANUARY	61694940	55462219
FEBRUARY	49309520	48265800
MARCH	55590480	53973721
APRIL	54914140	57353719
MAY	61088810	68890222
JUNE	60653130	65651546
JULY	66078070	76455716



## MONTHLY FLOW RATES FOR BALDWIN COUNTY August 2017 Thru July 2019

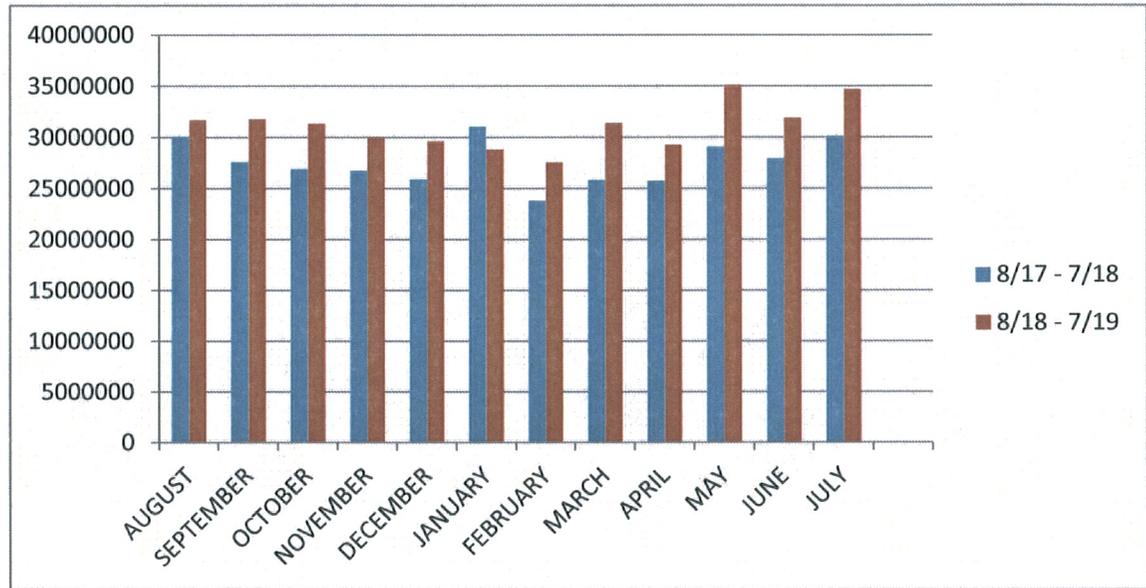
	FLOWRATES* 8/17 - 7/18	FLOWRATES* 8/18 - 7/19
AUGUST	2045285	2089690
SEPTEMBER	1980546	2341189
OCTOBER	1910557	2026826
NOVEMBER	1815228	1881826
DECEMBER	1790463	1845752
JANUARY	1990159	1789103
FEBRUARY	1761054	1723778
MARCH	1793241	1741087
APRIL	1830471	1911790
MAY	1970606	2222265
JUNE	2021771	2188384
JULY	2131550	2466313



\*These figures are the average daily flow each month for Baldwin County  
These figures are based on the billable gallons for each month

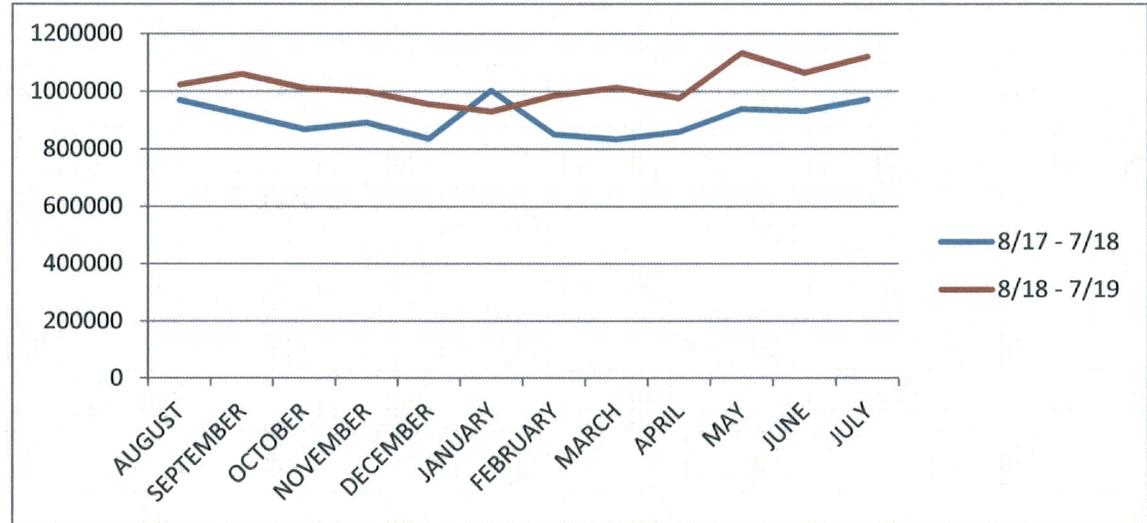
### MONTHLY BILLABLE GALLONS FOR PUTNAM COUNTY August 2017 Thru July 2019

	<b>GALLONS 8/17 - 7/18</b>	<b>GALLONS 8/18 - 7/19</b>
AUGUST	30069289	31704699
SEPTEMBER	27616307	31778869
OCTOBER	26926808	31347172
NOVEMBER	26763714	29970026
DECEMBER	25914230	29621963
JANUARY	31074293	28818273
FEBRUARY	23811328	27584062
MARCH	25839838	31407865
APRIL	25755751	29285798
MAY	29101432	35124586
JUNE	27956573	31923228
JULY	30133017	34706334



## MONTHLY FLOW RATES FOR PUTNAM COUNTY August 2017 Thru July 2019

	FLOWRATES* 8/17 - 7/18	FLOWRATES* 8/18 - 7/19
AUGUST	969977	1022732
SEPTEMBER	920543	1059295
OCTOBER	868606	1011199
NOVEMBER	892123	999000
DECEMBER	835942	955547
JANUARY	1002396	929621
FEBRUARY	850404	985145
MARCH	833543	1013156
APRIL	859191	976193
MAY	938755	1133051
JUNE	931885	1064107
JULY	972032	1119559



\*These figures are the average daily flow each month for Putnam County  
These figures are based on the billable gallons for each month

Sinclair Water Authority

126 Cay Dr.  
Milledgeville, GA 31061

Invoice **39**

Date	Invoice #
8/31/2019	274

Bill To
Baldwin County Board of Commissioners 121 N. Wilkinson St. Ate 314 Milledgeville, GA 31061

Description.	Qty	Rate	Amount
Baldwin Billable Gallons	70,112	0.422	29,587.26
Overcharge on July Billing	-472	0.422	-199.18
Baldwin Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Baldwin Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$98,403.08
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Agenda Item 6.

Sinclair Water Authority

126 Cay Dr.  
Milledgeville, GA 31061

**Invoice** 40

Date	Invoice #
8/31/2019	275

Bill To
Putnam Co. Board of Commissioners 117 Putnam Drive Suite A Eatonton, GA 31024

Description	Qty	Rate	Amount
Putnam Billable Gallons	33,107	0.422	13,971.15
Putnam Fixed (1/2 of Total Fixed Cost)		67,665.00	67,665.00
Putnam Alum Sludge Disposal		1,350.00	1,350.00

	<b>Total</b>	\$82,986.15
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Agenda Item 6.

## Billable Gallons

Aug-19

Chobys Meter #1	8/1/2019	941,073,690
Chobys Meter #1	8/31/2019	1,011,621,920
	Total	70,548,230
Mays Road Meter	8/1/2019	17,686,000
Mays Road Meter	8/31/2019	18,119,000
	Total	433,000
Ga. Power Meter	8/1/2019	178,882
Ga. Power Meter	8/31/2019	180,497
	Total	1,615
DNR Boat House	8/1/2019	51,660
DNR Boat House	8/31/2019	52,675
	Total	1,015

**Baldwin Billable Gallons 70,112,600**

## Putnam Billable Gallons

Main Putnam Meter	32,671,748
Mays Road Meter	433,000
Ga. Power Meter	1,615
DNR Boat House	1,015
<b>Putnam Billable Gallons</b>	<b>33,107,378</b>

SinclairWater Authority  
 126 Cay Drive  
 Milledgeville, Ga. 31061  
 706-485-8993

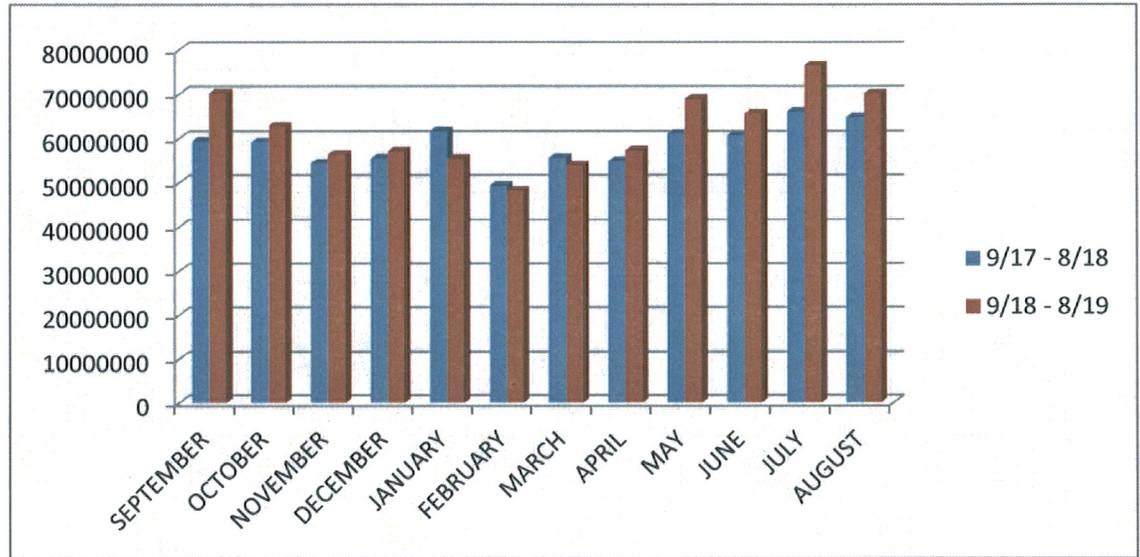
# Flows Monthly Report

Date	Time	Raw	Permeate	Lagoon	Putnam	Baldwin	Choby's	Total Dis
9-08-01	23:59:59	4,046,765	3,537,386	260,693	906,607	2,340,644		3,247,251
2019-08-02	23:59:59	3,746,593	3,259,888	238,180	1,108,356	2,080,595		3,188,951
2019-08-03	23:59:59	3,853,002	3,346,788	245,726	1,093,616	2,287,972		3,381,588
2019-08-04	23:59:59	3,806,189	3,329,981	243,120	1,059,708	2,278,235		3,337,943
2019-08-05	23:59:59	4,009,769	3,486,142	252,653	1,124,474	2,041,008		3,165,482
2019-08-06	23:59:59	3,640,066	3,161,877	230,676	1,169,699	2,104,910		3,274,609
2019-08-07	23:59:59	4,080,502	3,541,095	283,379	1,061,405	2,213,868		3,275,273
2019-08-08	23:59:59	3,593,441	3,128,772	238,785	1,070,675	2,213,496		3,284,171
2019-08-09	23:59:59	4,007,426	3,513,619	245,804	1,085,233	2,319,655		3,404,888
2019-08-10	23:59:59	4,106,500	3,582,005	272,465	1,030,844	2,405,213		3,436,057
2019-08-11	23:59:59	3,952,291	3,466,257	244,402	1,187,304	2,266,828		3,454,132
2019-08-12	23:59:59	4,075,087	3,551,782	229,013	1,195,646	2,316,952		3,512,598
2019-08-13	23:59:59	3,858,026	3,370,847	224,794	1,079,921	2,222,121		3,302,042
2019-08-14	23:59:59	3,832,373	3,331,452	267,181	1,040,829	2,284,318		3,325,147
2019-08-15	23:59:59	3,896,035	3,404,783	250,696	983,583	2,118,532		3,102,115
2019-08-16	23:59:59	3,965,873	3,457,151	250,495	1,140,296	2,515,534		3,655,830
2019-08-17	23:59:59	4,168,607	3,578,673	302,905	1,088,159	2,367,478		3,455,637
2019-08-18	23:59:59	4,249,032	3,705,282	256,885	1,041,553	2,624,590		3,666,143
2019-08-19	23:59:59	4,193,383	3,676,802	272,589	1,176,737	2,283,807		3,460,544
2019-08-20	23:59:59	3,802,775	3,319,285	250,946	954,832	2,263,924		3,218,756
2019-08-21	23:59:59	3,822,028	3,307,634	272,344	1,039,172	2,282,367		3,321,539
2019-08-22	23:59:59	4,092,438	3,574,910	265,803	1,001,952	2,351,586		3,353,538
2019-08-23	23:59:59	4,117,096	3,599,609	284,058	1,140,589	2,177,693		3,318,282
2019-08-24	23:59:59	3,638,584	3,173,343	269,517	1,034,750	2,340,807		3,375,557
2019-08-25	23:59:59	3,791,344	3,319,283	235,242	874,612	2,193,973		3,068,585
2019-08-26	23:59:59	3,738,641	3,271,438	228,777	1,132,010	2,151,660		3,283,670
2019-08-27	23:59:59	3,644,589	3,154,637	272,136	817,512	2,114,750		2,932,262
2019-08-28	23:59:59	3,523,774	3,087,543	230,664	944,863	2,114,623		3,059,486
2019-08-29	23:59:59	3,648,179	3,187,561	222,750	1,081,459	2,127,316		3,208,775
2019-08-30	23:59:59	3,928,769	3,432,713	246,433	852,505	2,293,604		3,146,109
2019-08-31	23:59:59	4,007,041	3,489,678	264,050	1,152,847	2,319,676		3,472,523

<b>TOTAL:</b>	120,836,218	105,348,216	7,853,161	32,671,748	70,017,735	102,689,483
<b>MIN:</b>	3,523,774	3,087,543	222,750	817,512	2,041,008	2,932,262
<b>MAX:</b>	4,249,032	3,705,282	302,905	1,195,646	2,624,590	3,666,143
<b>AVG:</b>	3,897,943	3,398,330	253,328	1,053,927	2,258,637	3,312,564
<b>COUNT:</b>	31	31	Agenda Item 6.	31	31	0

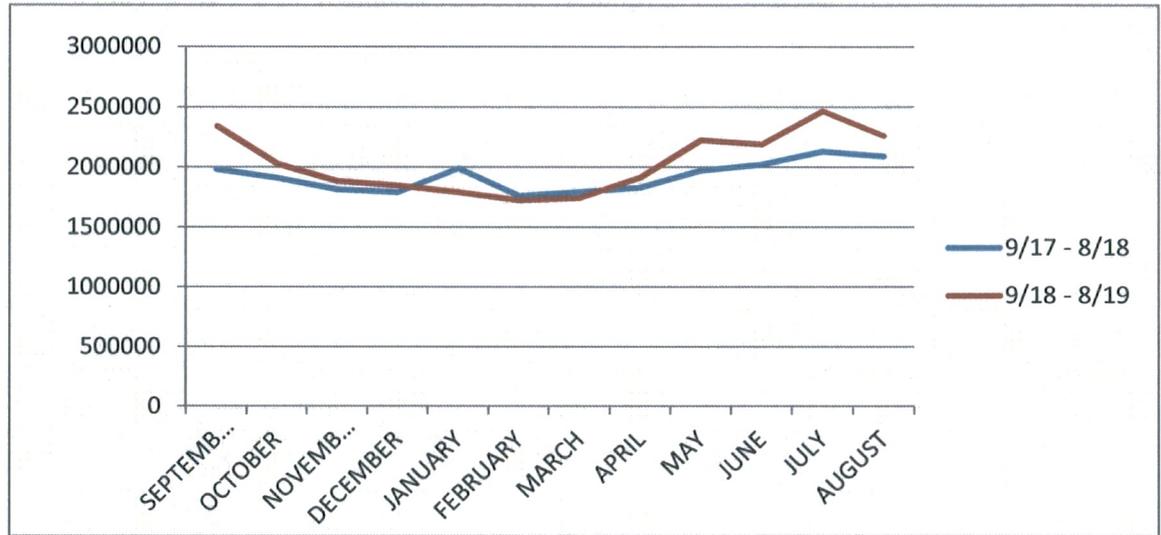
### MONTHLY BILLABLE GALLONS FOR BALDWIN COUNTY September 2017 Thru August 2019

	GALLONS 9/17 - 8/18	GALLONS 9/18 - 8/19
SEPTEMBER	59416400	70235670
OCTOBER	59227270	62831610
NOVEMBER	54456850	56454782
DECEMBER	55504360	57218316
JANUARY	61694940	55462219
FEBRUARY	49309520	48265800
MARCH	55590480	53973721
APRIL	54914140	57353719
MAY	61088810	68890222
JUNE	60653130	65651546
JULY	66078070	76455716
AUGUST	64780410	70112600



## MONTHLY FLOW RATES FOR BALDWIN COUNTY September 2017 Thru August 2019

	FLOWRATES* 9/17 - 8/18	FLOWRATES* 9/18 - 8/19
SEPTEMBER	1980546	2341189
OCTOBER	1910557	2026826
NOVEMBER	1815228	1881826
DECEMBER	1790463	1845752
JANUARY	1990159	1789103
FEBRUARY	1761054	1723778
MARCH	1793241	1741087
APRIL	1830471	1911790
MAY	1970606	2222265
JUNE	2021771	2188384
JULY	2131550	2466313
AUGUST	2089690	2261696

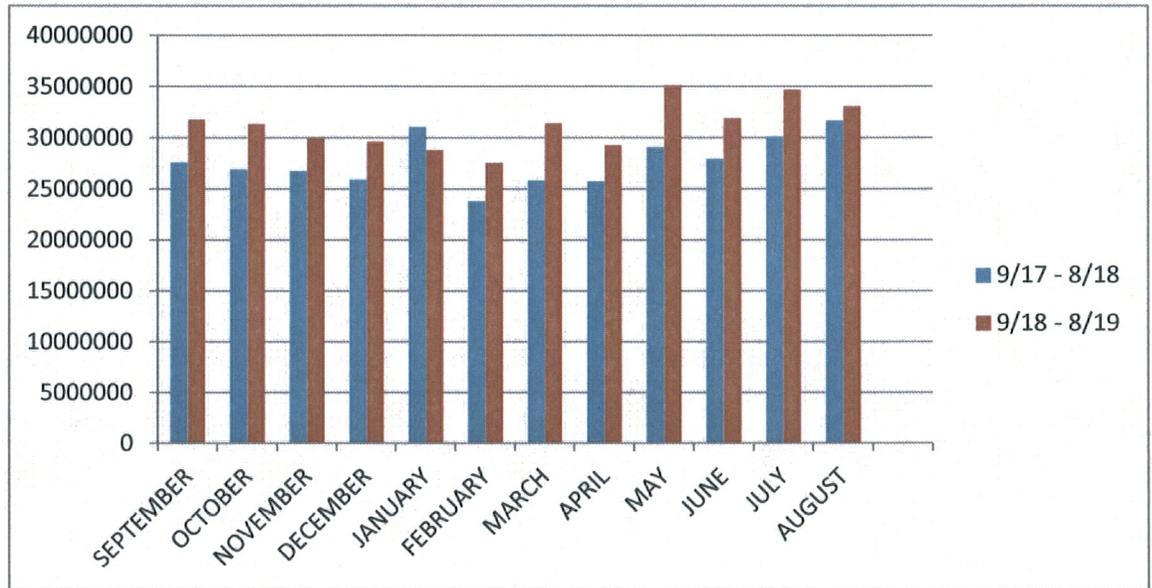


\*These figures are the average daily flow each month for Baldwin County  
These figures are based on the billable gallons for each month

## MONTHLY BILLABLE GALLONS FOR PUTNAM COUNTY

### September 2017 Thru August 2019

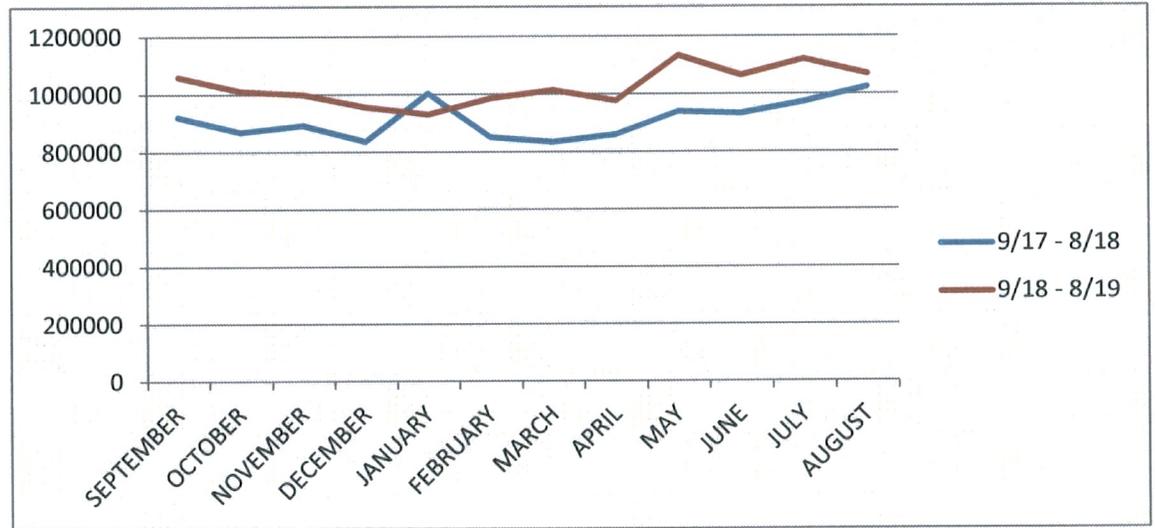
	GALLONS 9/17 - 8/18	GALLONS 9/18 - 8/19
SEPTEMBER	27616307	31778869
OCTOBER	26926808	31347172
NOVEMBER	26763714	29970026
DECEMBER	25914230	29621963
JANUARY	31074293	28818273
FEBRUARY	23811328	27584062
MARCH	25839838	31407865
APRIL	25755751	29285798
MAY	29101432	35124586
JUNE	27956573	31923228
JULY	30133017	34706334
AUGUST	31704699	33107378



## MONTHLY FLOW RATES FOR PUTNAM COUNTY

### September 2017 Thru August 2019

	FLOWRATES* 9/17 - 8/18	FLOWRATES* 9/18 - 8/19
SEPTEMBER	920543	1059295
OCTOBER	868606	1011199
NOVEMBER	892123	999000
DECEMBER	835942	955547
JANUARY	1002396	929621
FEBRUARY	850404	985145
MARCH	833543	1013156
APRIL	859191	976193
MAY	938755	1133051
JUNE	931885	1064107
JULY	972032	1119559
AUGUST	1022732	1067979



\*These figures are the average daily flow each month for Putnam County  
 These figures are based on the billable gallons for each month



	2019	2019	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2019
	January	February	March	April	May	June	July	August	September	October	November	December	Annual
<b>TOTAL FIXED EXPENSES</b>	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$138,030	\$1,656,360
<b>REVENUE</b>													
Baldwin Var. Cost	\$23,405	\$20,488	\$22,777	\$24,203	\$29,072	\$27,705	\$32,264	\$29,587	\$24,712	\$24,712	\$24,712	\$24,712	\$308,349
Baldwin Fixed (1/2 FC)	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$828,180
<b>Total Baldwin Cost</b>	92419.96	89502.68	91792.03	93217.97	98086.58	96719.72	101279.01	98602.26	93727.32	93727.32	93727.32	93727.32	1136529.00
Putnam Var. Cost	\$12,161	\$11,640	\$13,254	\$12,358	\$14,822	\$13,472	\$14,646	\$13,971	\$13,411	\$11,363	\$12,169	\$11,749	\$155,016
Putnam Fixed (1/2 FC)	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$69,015	\$828,180
<b>Total Putnam Cost</b>	81176.20	80655.03	82269.18	81373.27	83837.33	82486.51	83660.93	82986.15	82425.74	80378.19	81183.79	80763.90	983196.21
<b>Total Var. Cost</b>	\$35,566	\$32,128	\$36,031	\$36,561	\$43,894	\$41,176	\$38,614	\$38,614	\$38,614	\$38,614	\$38,614	\$38,614	\$463,365
<b>Total Cost billed to Cty's</b>	\$173,596	\$170,158	\$174,061	\$174,591	\$181,924	\$179,206	\$184,940	\$181,588	\$176,153	\$174,106	\$174,911	\$174,491	\$2,119,726
Baldwin Water Usage Unit(1000 gals)	55,462	48,549	53,974	57,353	68,890	65,651	76,455	70,112	58,560	58,560	58,560	58,560	730,686
Putnam Water Usage/Unit(1000 gals)	28,818	27,583	31,408	29,285	35,124	31,923	34,706	33,107	31,779	26,927	28,836	27,841	367,337
<b>Total Water Usage</b>	84,280	76,132	85,382	86,638	104,014	97,574	111,161	103,219	90,339	85,487	87,396	86,401	1,098,023
Baldwin Cost/Unit(1000 gals)	\$1.67	\$1.84	1.70	1.63	\$1.42	\$1.47	\$1.32	\$1.41	\$1.60	\$1.60	2	\$1.60	\$1.56
Putnam Cost/Unit(1000 gals)	\$2.82	\$2.92	2.62	2.78	\$2.39	\$2.58	\$2.41	\$2.51	\$2.59	\$2.99	3	\$2.90	\$2.68
<b>COST PER MILLION GALLONS</b>	\$2,059.76	\$2,235.04	\$2,038.62	\$2,015.18	\$1,749.03	\$1,836.62	\$1,663.71	\$1,759.25	\$1,949.91	\$2,036.63	\$2,001.36	\$2,019.55	\$1,930.49

Note: 2019 Variable Cost multiplier: \$ 0.422

Variable Cost includes Utilities and Chemicals only

7. Financial Reports  
2018 Audit

DAVID GIDDENS  
CERTIFIED PUBLIC ACCOUNTANT  
412 WEST MARION STREET  
EATONTON, GEORGIA 31024  
TELEPHONE 706-485-5555

Management Letter

Honorable Members of the Board of Directors  
Sinclair Water Authority

Thank you for the opportunity to perform the audit of your 2018 financial statements. Based on that examination, we offer the following comments as an additional client service.

Firstly, we express our appreciation to your staff. Both Joey and Christina respond to requests and questions promptly and thoroughly.

Beyond that, we note two matters which may warrant further explanation and/or your attention.

Negative Net Position. At the end of 2018, for the first time, SWA's total net position was a deficit amount. The amount of that deficit was \$5,417. In short, this occurred because the value of capital assets has been declining (due to depreciation) faster than the amount of debt related to those assets. Consequently, the value of capital assets, net of related debt, a component of net position, has been a growing deficit since 2014. Commensurately, net position has been progressively reduced by the negative value of capital assets.

The efforts of the board to defease USDA debt may slow or change the trend of declining net position. If outstanding debt is reduced more rapidly under the terms of a new debt agreement, this will counterbalance the ongoing reduction in the value of capital assets.

Fortunately, depreciation expense does not reduce SWA's ability to meet its obligations. The cash position remains steady.

Fixed Charges Coverage Ratio. This ratio is calculated by dividing the annual amount of income available for fixed charges by the annual amount of all scheduled debt payments. As part of your debt agreement, GEFA requires a minimum ratio of 1.05. SWA has been and continues to be in compliance with this requirement. At the end of 2018, SWA's ratio was 1.12. In 2017 it was 1.30; in 2016 it was 1.36; in 2015 it was 1.55. You will note the steady decline. This decline is noted as a caution, because this ratio draws closer to the minimum ratio.

There are three components of this ratio. They are the annual amounts of (1) operating income, (2) depreciation expense and (3) total scheduled debt payments (principal and interest). A higher ratio may be achieved with higher operating income and/or lower depreciation expense and lower total debt payments.

In concluding, you and your staff have our appreciation for your work. I am available if you have questions about matters noted in this letter or regarding your audit report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Giddens", written over a circular stamp or seal.

David Giddens  
Certified Public Accountant  
July 11, 2019

**SINCLAIR WATER AUTHORITY, GEORGIA**

**REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2018**

**DAVID GIDDENS  
CERTIFIED PUBLIC ACCOUNTANT  
EATONTON, GEORGIA**

**SINCLAIR WATER AUTHORITY, GEORGIA**  
**REPORT OF AUDIT**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

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**DAVID GIDDENS**  
**CERTIFIED PUBLIC ACCOUNTANT**  
412 WEST MARION STREET  
EATONTON, GEORGIA 31024  
TELEPHONE (706)-485-5555

## **Independent Auditor's Report**

The Honorable Members of the Authority Board of Directors  
Sinclair Water Authority, Georgia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of the Sinclair Water Authority (SWA), Georgia, as of and for the year ended December 31, 2018. Along with the related notes to the financial statements, these collectively comprise the Authority's basic financial statements as listed in the table of contents. The prior year comparative information has been derived from SWA's financial statements. In our report dated July 12, 2018, we expressed an unqualified opinion on those financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment.

They include assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to SWA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. These procedures are not performed for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of the business-type activities of the Sinclair Water Authority, Georgia, as of December 31, 2018. Also fairly presented, in all material respects, are the changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

*Required Supplementary Information (RSI).* Accounting principles generally accepted in the United States of America require the presentation of additional information to supplement the basic financial statements. This information includes the Management's Discussion and Analysis (MD&A); which may be found on the pages immediately following this report, MD&A 1 – MD&A 8. RSI also includes the Schedule of Changes in Net Pension Liability and Related Ratios and the Schedule of Contributions. These may be found immediately following the Notes to the Financial Statements, on pages 24 and 25. Although not a part of the basic financial statements, this information is required by the Governmental Accounting Standards Board (GASB). GASB considers it to be essential for placing the basic financial statements in an appropriate operational, economic and/or historical context.

We have applied certain limited procedures to this required supplementary information in accordance with auditing standards generally accepted in the United States of America. The procedures included posing inquiries to management about the methods of preparing the information. In addition, we compared the information contained in the RSI, for consistency, with the basic financial statements, with management's responses to our inquiries, and with other knowledge we obtained during our audit. 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 July 11, 2019, on our consideration of the Sinclair Water Authority, Georgia internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 SWA's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David Giddens". The signature is fluid and cursive, with a large initial "D" and "G".

David Giddens  
Certified Public Accountant

July 11, 2019

**Management's Discussion and Analysis  
(Unaudited)**

*Sinclair Water Authority, Georgia  
Management's Discussion and Analysis (Unaudited)  
December 31, 2018*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Within this section of the Sinclair Water Authority (SWA), Georgia annual financial report, the Authority's management is pleased to provide the following discussion and analysis to provide context for the accompanying financial statements.

In fulfillment of several years of planning and construction, the Sinclair Water Authority began providing water to its member counties (Baldwin and Putnam) in September 2008.

**Overview of the Financial Statements**

As a special purpose government, the Authority presents one set of comprehensive financial statements for its water treatment operations. This management discussion and analysis introduces the basic financial statements. These include: (1) a statement of net position, (2) a statement of revenues, expenses and changes in net position, (3) a statement of cash flows, and (4) notes to the basic financial statements. These statements provide both long-term and short-term information about the Authority's overall financial status by using a perspective similar to that found in the private sector with its basis in accrual accounting. The financial statements are presented on pages 2 - 4 of this report.

The first of these statements is the *Statement of Net Position*. This reports the financial position, including all assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as useful indicators of whether financial position, as a whole, is improving or deteriorating.

The second statement is the *Statement of Revenues, Expenses and Changes in Net Position*, which illustrates how net position changed during the current period. All revenues and expenses are included, regardless of when cash is received or paid. This statement is designed to show the sources of revenue and funding and the uses of these funds.

The third statement, the *Statement of Cash Flows* classifies the sources, uses and changes in cash during the period of audit. It may be used to assess an entity's cash needs and its ability to meet those needs.

Lastly, the accompanying *Notes to the Financial Statements* provide information essential to a full understanding of the financial statements. The notes to the financial statements begin on page 5 of this report.

**Financial Position**

Net position, or equity, is the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources. From year to year, analysis of net position and its components may be used to evaluate changes in financial position. The table on the following page summarizes the components of net position at the 2018, 2017 and 2016 year ends. Greater detail may be found in the *Statement of Net Position*, on page 2, following this section of the report.

*Sinclair Water Authority, Georgia*  
**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2018**

**Summary of Net Position**

	12/31/2018	% of Totals	12/31/2017	% of Totals	12/31/2016	% of Totals
<b>Assets and Deferred Outflows of Resources</b>						
Current Assets	654,130.80	4.6%	650,464.34	4.4%	758,957.00	5.0%
Long-Term Assets	0.00	0.0%	5,670.00	<0.1%	0.00	0.0%
Restricted Assets	776,240.36	5.5%	708,495.92	4.8%	622,860.21	4.2%
Capital Assets, net of Accumulated Depreciation	12,647,045.81	89.7%	13,335,055.62	90.7%	13,727,698.27	90.8%
Deferred Outflows of Resources	30,269.00	0.2%	6,388.00	<0.1%	7,558.00	<0.1%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>14,107,685.97</b>	<b>100.0%</b>	<b>14,706,073.88</b>	<b>100.0%</b>	<b>15,117,073.48</b>	<b>100.0%</b>
<b>Liabilities and Deferred Inflows of Resources</b>						
Current Liabilities	334,088.83	2.4%	360,720.18	2.5%	331,022.60	2.3%
Long-Term Liabilities	13,731,181.74	97.3%	13,986,257.73	97.3%	14,259,800.90	97.7%
Deferred Inflows of Resources	47,832.90	0.3%	23,785.15	0.2%	9,153.01	<0.1%
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>14,113,103.47</b>	<b>100.0%</b>	<b>14,370,763.06</b>	<b>100.0%</b>	<b>14,599,976.51</b>	<b>100.0%</b>
<b>Net Position</b>						
Invested in Capital Assets, net of Related Debt	(1,333,004.06)		(915,175.49)		(782,593.59)	
Restricted for Debt Service	764,988.00		708,495.92		622,860.21	
Unrestricted	562,598.56		541,990.39		676,830.35	
<b>Total Net Position</b>	<b>(5,417.50)</b>		<b>335,310.82</b>		<b>517,096.97</b>	

**Total Net Position.** With only one exception, the amount of total net position has declined annually since SWA's first full year of operations in 2009. That exception was largely due to the proceeds of a capital grant, received in 2015. In 2018 total net position declined into deficit territory. Each year the shrinking amount of net position causes the percentage of decline to increase. In 2018 the percentage of decline was 102%; in 2017 the decline was 34%; in 2016 it was 17.7%. Some of the factors contributing to these changes are noted in the analysis of financial operations which follows this discussion of net position.

In looking further at the components of net position, the amount of *Net Position Invested in Capital Assets* is reduced by both accumulated depreciation and related debt. It shows an ongoing pattern of decline while *Net Position Restricted for Debt Service* shows steady increase. Discussion of the reasons for these changes follows.

**Capital Assets and Related Capital Debt.** Clearly, these are the predominate items on the Statement of Net Position. The proceeds of capital debt were expended to build the water plant and acquire capital assets. At year's end, related debt exceeded the value of depreciated assets by \$1,333,004. This is the deficit amount of net position labeled as *Invested in Capital Assets, Net of Related Debt*. The deficit occurs because accumulated depreciation reduces the value of capital assets by a greater amount than payments of principal reduce the amount of capital debt.

*Sinclair Water Authority, Georgia  
Management's Discussion and Analysis (Unaudited)  
December 31, 2018*

**Restricted Assets and Net Position Restricted for Debt Service.** As security for its outstanding loans, the USDA requires a cash reserve equal to the total of one year of scheduled payments; that amount is \$764,988. This amount was fully funded in 2018, following ten years of monthly contributions. Use of these funds is restricted, and a portion of net position is restricted accordingly.

**Current Assets** are those assets that are available to meet current operating needs.

**Deferred Outflows of Resources.** This component of net position is calculated by actuaries in their projections related to pension funding. Variances between expected and actual gains are recognized and adjusted annually. The balances of these annually changing amounts are reported as deferred outflows of resources. These variances will be amortized, as expense, in future periods. Note 2-F further explains these deferrals. As part of pension reporting, Note 2-H-1 provides a table of summarized variances and an amortization schedule for these balances.

**Current Liabilities** are routine obligations due within one year. At December 31, 2018, current assets were adequate to meet current liabilities.

**Deferred Inflows of Resources.** As explained in Note 2-G, deferred inflows of resources represents two sources of revenues that will be recognized in future periods. One is related to pension benefit funding. In this case the annually changing amounts of variances between actual results and previously projected results will be amortized and recognized as an inflow of resources (revenue) in future periods. At year's end the total amount of these variances was \$6,705. Note 2-H-1 provides a table of summarized variances and an amortization schedule for these balances.

Similarly, deferred inflows of resources also represent revenues to be applied to future costs of alum sludge removal from the settling pond. As explained in Note 2-G, Baldwin and Putnam Counties make monthly payments to allay these costs. Projections indicate that it will be necessary to clean accumulated solids approximately every three years. Consequently, expenditures are incurred at irregular intervals. The amount of collections which exceed expenditures are accounted for as deferred "unearned" revenues. At year's end this amount was \$41,128.

### **Financial Operations**

Over the course of each year, the sum of all financial activities, meaning all operating and non-operating revenues and expenses, results in the change in net position. Summaries of all of these elements are presented, for years 2018, 2017 and 2016, in the table on the following page. This information may be useful in analyzing annual results and trends. More detailed information may be found in the *Statement of Revenues, Expenses and Changes in Net Position*, on page 3, following this section of the report.

**Operating Revenues.** Operating revenues are composed entirely of water sales to Baldwin and Putnam Counties as well as the assessments to the counties for periodic solids removal. There was little variance (a 0.6% increase) in **water sales** between 2018 and 2017. Previously, sales decreased in 2017 by 2.4%. Variances are natural, and the amounts are unpredictable, because, among other factors, weather is a strong influence on the demand for water.

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In addition to water usage, the member counties are billed for the anticipated costs of removing solids from the settling pond. In years when collections exceed expenditures, the difference accrues as deferred revenue. The deferred amounts are set aside to cover future expenses. In 2018 collections exceeding expenses, in the amount of \$26,335, were deferred. Within every two to three years, solids accumulate to the point that they must be removed. The removal costs will exceed annual collections. In those years, the deferred revenues are then reclassified as current revenue to meet that expense. More information about accounting for sediment removal may be found in Note 2-G.

**Non-operating Revenues.** Interest earnings and fees for records retrieval and copying comprise non-operating revenues.

**Operating Expenses.** Following a 6.7% decrease in 2017, 2018 operating expenses increased by 9.7%. With the exception of sediment removal, all reported expense categories (i.e. personnel services and benefits, purchased contracted services and supplies) contributed to the increase in 2018.

**Non-operating Expenses.** Interest expense is the only non-operating expense. As in prior years, the amount of interest expended for capital loans continues to comprise over 23% of total expenses.

2018 operating revenues exceeded operating expenses. Thus, *operating income* was positive. Yet, as in the past, interest expense exceeded operating income, thereby reducing net position. This occurs, largely, because the annual amount of annual depreciation expense exceeds the annual amount of debt reduction.

**Summary of Revenues, Expenses and Changes in Net Position**

	For the Years Ended					
	12/31/2018	% of Totals	12/31/2017	% of Totals	12/31/2016	% of Totals
Operating Revenues						
Water Sales	2,065,309.43	98.9%	2,052,661.95	98.1%	2,104,013.40	92.4%
Sediment Removal	6,065.25	0.3%	25,003.42	1.2%	139,327.01	6.1%
Total Operating Revenues	<u>2,071,374.68</u>		<u>2,077,665.37</u>		<u>2,243,340.41</u>	
Non-operating Revenues						
Capital Grant	0.00	0.0%	0.00	0.0%	21,127.78	0.9%
Interest Income	16,355.53	0.8%	14,575.27	0.7%	13,752.61	0.6%
Other Income	129.82	<0.1%	196.00	<0.1%	0.00	0.0%
Total Revenues	<u>2,087,860.03</u>	<u>100.0%</u>	<u>2,092,436.64</u>	<u>100.0%</u>	<u>2,278,220.80</u>	<u>100.0%</u>
Operating Expenses						
Personnel Services and Benefits	445,284.33	18.3%	419,397.90	18.4%	443,013.70	18.5%
Purchased / Contracted Services	265,315.21	10.9%	203,144.53	8.9%	330,846.34	13.8%
Supplies	421,652.21	17.4%	371,769.96	16.4%	405,312.12	17.0%
Depreciation	728,993.21	30.0%	702,462.95	30.9%	643,484.28	26.9%
Total Operating Expenses	<u>1,861,244.96</u>		<u>1,696,775.34</u>		<u>1,822,656.44</u>	
Non-operating Expenses						
Interest Expense	567,343.39	23.4%	577,447.45	25.4%	566,902.69	23.8%
Total Expenses	<u>2,428,588.35</u>	<u>100.0%</u>	<u>2,274,222.79</u>	<u>100.0%</u>	<u>2,389,559.13</u>	<u>100.0%</u>
Change in Net Position	(340,728.32)		(181,786.15)		(111,338.33)	
Net Position, Beginning of Period	335,310.82		517,096.97		628,435.30	
Net Position, End of Period	<u>(5,417.50)</u>		<u>335,310.82</u>		<u>517,096.97</u>	

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The resulting decrease in net position, \$340,728, accelerated in 2018 following decreases of \$181,786 in 2017 and \$111,338 in 2016.

### Capital Assets

Capital assets include property; infrastructure; buildings and improvements; furniture, fixtures, machinery and equipment. Of these, the water plant comprises the bulk of the cost of total capital assets. The plant includes the intake system, sedimentation basin, building and storage tank. These assets are expected to provide return on investment for as long as 50 years from the date that they were placed in service. Capital assets, net of accumulated depreciation compose 90% of total assets.

For analysis, the following table depicts the costs of capital assets and accumulated depreciation at years end 2018, 2017 and 2016. More detailed information on the changes in these assets may be found in Note 2-D.

<b>Capital Assets</b>						
	Asset Cost	% of Total	Asset Cost	% of Total	Asset Cost	% of Total
	12/31/2018	Cost	12/31/2017	Cost	12/31/2016	Cost
<b>Non-depreciable Assets</b>						
Land	76,763.35	0.40%	76,763.35	0.40%	76,763.35	0.41%
Construction in Process	9,645.00	0.05%	0.00	0.00%	0.00	0.00%
<b>Total Non-depreciable Assets</b>	<b>86,408.35</b>	<b>0.45%</b>	<b>76,763.35</b>	<b>0.40%</b>	<b>76,763.35</b>	<b>0.41%</b>
<b>Depreciable Assets</b>						
Buildings and Improvements	13,156,639.44	69.19%	13,156,639.44	69.34%	12,853,802.14	68.87%
Furn., Fix., Mach., Equip.	5,539,463.08	29.13%	5,508,124.68	29.03%	5,501,141.68	29.47%
Infrastructure	233,023.74	1.23%	233,023.74	1.23%	233,023.74	1.25%
<b>Total Depreciable Assets</b>	<b>18,929,126.26</b>	<b>99.55%</b>	<b>18,897,787.86</b>	<b>99.60%</b>	<b>18,587,967.56</b>	<b>99.59%</b>
<b>Total Capital Assets Cost</b>	<b>19,015,534.61</b>	<b>100.00%</b>	<b>18,974,551.21</b>	<b>100.00%</b>	<b>18,664,730.91</b>	<b>100.00%</b>
<b>Less Accumulated Depreciation</b>	<b>(6,368,488.80)</b>	<b>-33.49%</b>	<b>(5,639,495.59)</b>	<b>-29.72%</b>	<b>(4,937,032.64)</b>	<b>-26.45%</b>
<b>Book Value - All Assets</b>	<b>12,647,045.81</b>	<b>66.51%</b>	<b>13,335,055.62</b>	<b>70.28%</b>	<b>13,727,698.27</b>	<b>73.55%</b>

The changes presented above are the result of the following:

- In 2018, the board of directors approved construction of a chlorine dioxide system. The initial engineering costs were capitalized as construction in process. Additionally, laboratory analysis equipment, costing \$31,338, was purchased.
- 2017 acquisitions consisted of one replacement, water filter membrane, costing \$302,837, and a used pickup truck, costing \$6,983.
- A major, multi-year construction project was completed and placed in service at the end of 2016. This project consisted of renewing three existing filtration tanks and replacing the filter membranes. To accomplish this, an additional tank was built in order to maintain water processing as each existing tank was taken off line for renewals.
- Annual depreciation expense increased with the addition of each asset. Correspondingly, accumulated depreciation increased, and the book value of assets declined.
- There were no capital asset disposals during these years.

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**Long Term Debt**

Changes in long term obligations are summarized in the following table. For more information regarding long-term debt, please see Note 2-E.

<b>Changes in Long Term Debt</b>									
	12/31/2017	+	Additions	-	Reductions	=	12/31/2018	%	2018
								Total	
USDA Loans	13,146,524.17		0.00		221,971.85		12,924,552.32	92.24%	
GEFA Loans	1,103,706.94		0.00		48,209.39		1,055,497.55	7.53%	
Compensated Absences Payable	5,940.92		384.88		573.68		5,752.12	0.04%	
Net Pension (Asset) Liability	(5,670.00)		23,759.00		(7,646.00)		25,735.00	0.19%	
<b>Total</b>	<b>14,250,502.03</b>		<b>24,143.88</b>		<b>263,108.92</b>		<b>14,011,536.99</b>	<b>100.00%</b>	

Predominate in SWA's long term debt are three United States Department of Agriculture (USDA) Rural Development loans. These provided permanent financing for plant construction. Amortized in May 2009, annual interest rates for these three loans range from 4.125% - 4.375%. The loans have been reduced according to the payment schedules.

During January 2014, SWA closed a loan with the Georgia Environmental Finance Authority (GEFA). This loan provided financing for the installation of a new pump. Repayment began in February of that year, following the completion of construction in 2013. As explained in Note 2-E-2, GEFA provided funding of \$165,000. As part of the loan agreement \$30,000 was forgiven, leaving a balance of \$135,000. The annual interest rate is 2.13%. Repayments of this loan have been and remain on schedule.

More recently, GEFA provided \$1,265,520 for improvements to filter tanks and filter membrane replacements. As part of the agreement, GEFA forgave \$230,000 of loan proceeds, leaving a balance of \$1,035,520 to be repaid. The loan closed in November 2016. The annual interest rate is 2.31%. Repayments of this loan have been and remain on schedule.

The Authority also recognizes a liability for compensated absences payable. This amount varies according to the amount of earned leave accrued and used by employees during the year. 75% of this obligation is estimated to be long term.

As previously noted, SWA began recognizing an obligation for net pension liability in 2015 by beginning with retroactive recognition to the 2014 financial statements. The annual amount of this obligation is calculated by actuaries for the pension plan.

**Economic Conditions Affecting the Authority**

With the objective of providing efficient, economical water services, the Authority board of directors and management regularly review and analyze SWA's business model, in order to anticipate needs; assure compliance; increase efficiencies; and to adjust fees based on these analyses.

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**Contacting the Authority's Financial Management**

This financial report is intended to provide a general overview of the Authority's finances, comply with finance-related laws and regulations, and demonstrate the Authority's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Finance Officer at 126 Cay Drive, Milledgeville, Georgia 31061, or call (706)485-8993.

## **Basic Financial Statements**

SINCLAIR WATER AUTHORITY  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018 AND 2017

	2018	2017
<u>Assets and Deferred Outflows of Resources</u>		
Current Assets:		
Cash	344,649.64	326,502.07
Accounts Receivable	270,443.76	287,133.71
Prepaid Items	39,037.40	36,828.56
Total Current Assets	654,130.80	650,464.34
Long-Term Assets:		
Net Pension Asset	0.00	5,670.00
Restricted Assets:		
Cash	514,478.46	449,856.34
Time Certificate of Deposit	261,761.90	258,639.58
Total Restricted Assets	776,240.36	708,495.92
Capital Assets:		
Nondepreciable Assets	86,408.35	76,763.35
Depreciable Assets	18,929,126.26	18,897,787.86
	19,015,534.61	18,974,551.21
Less Accumulated Depreciation	6,368,488.80	5,639,495.59
Total Capital Assets	12,647,045.81	13,335,055.62
Total Assets	14,077,416.97	14,699,685.88
Deferred Outflows of Resources	30,269.00	6,388.00
Total Assets and Deferred Outflows of Resources	14,107,685.97	14,706,073.88
<u>Liabilities and Deferred Inflows of Resources</u>		
Current Liabilities:		
Accrued Payables	28,134.18	64,709.71
Current Portion of Compensated Absences Payable	1,438.03	1,485.23
Accrued Interest Notes Payable	25,599.40	26,096.17
Current Portion of USDA Notes Payable	229,593.28	220,219.68
Current Portion of GEFA Notes Payable	49,323.94	48,209.39
Total Current Liabilities	334,088.83	360,720.18
Long-Term Liabilities (Net of Current Portion):		
Long-Term Portion of Compensated Absences Payable	4,314.09	4,455.69
Long-Term Portion of USDA Notes Payable	12,694,959.04	12,926,304.49
Long-Term Portion of GEFA Notes Payable	1,006,173.61	1,055,497.55
Net Pension Liability	25,735.00	0.00
Total Long-Term Liabilities	13,731,181.74	13,986,257.73
Deferred Inflows of Resources	47,832.90	23,785.15
Total Liabilities and Deferred Inflows of Resources	14,113,103.47	14,370,763.06
<u>Net Position</u>		
Invested in Capital Assets, Net of Related Debt	(1,333,004.06)	(915,175.49)
Restricted for Debt Service	764,988.00	708,495.92
Unrestricted Net Position	562,598.56	541,990.39
Total Net Position	(5,417.50)	335,310.82

The accompanying Notes are an integral part of this statement.

Agenda Item 7.

SINCLAIR WATER AUTHORITY  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>Operating Revenues</u>		
Water Sales	2,065,309.43	2,052,661.95
Collections and Deferrals for Sediment Removal	6,065.25	25,003.42
	<u>2,071,374.68</u>	<u>2,077,665.37</u>
<u>Operating Expenses</u>		
Personnel Services and Employee Benefits	445,284.33	419,397.90
Maintenance and Repairs	133,296.41	87,048.24
Sediment Removal	6,065.25	25,003.42
Insurance	26,572.00	25,140.50
Communications	7,790.63	6,298.12
Other Purchased Services	91,590.92	59,654.25
Supplies and Small Equipment	218,315.81	179,544.30
Utilities	203,336.40	192,225.66
Depreciation Expense	728,993.21	702,462.95
Total Operating Expenses	<u>1,861,244.96</u>	<u>1,696,775.34</u>
Operating Income (Loss)	<u>210,129.72</u>	<u>380,890.03</u>
<u>Non-Operating Revenues and (Expenses)</u>		
Interest Income	16,355.53	14,575.27
Other Income	129.82	196.00
Interest Expense	<u>(567,343.39)</u>	<u>(577,447.45)</u>
Total Non-Operating Revenues and (Expenses)	<u>(550,858.04)</u>	<u>(562,676.18)</u>
Change in Net Position	(340,728.32)	(181,786.15)
Net Position at Beginning of Period	<u>335,310.82</u>	<u>517,096.97</u>
Net Position at End of Period	<u>(5,417.50)</u>	<u>335,310.82</u>

The accompanying Notes are an integral part of this statement.

SINCLAIR WATER AUTHORITY  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
<u>Cash Flows from Operating Activities</u>		
Cash Received from Customers	2,088,194.45	2,082,471.46
Cash Payments for Personnel Services	(440,236.13)	(421,892.19)
Cash Payments for Goods and Services	<u>(699,948.81)</u>	<u>(547,803.51)</u>
Net Cash Provided (Used) by Operating Activities	<u>948,009.51</u>	<u>1,112,775.76</u>
<u>Cash Flows from Capital and Related Financing Activities</u>		
Acquisition and Construction of Capital Assets	(40,983.40)	(309,820.30)
Principal Paid on Capital Debt	(270,181.24)	(260,060.75)
Interest Paid on Capital Debt	<u>(567,308.39)</u>	<u>(577,447.45)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(878,473.03)</u>	<u>(1,147,328.50)</u>
<u>Cash Flows from Investing Activities</u>		
Acquisition of Investments	(3,122.32)	(3,977.92)
Earnings On Deposits	<u>16,355.53</u>	<u>14,575.27</u>
Net Cash Flows From Investing Activities	<u>13,233.21</u>	<u>10,597.35</u>
Net Increase (Decrease) in Cash	82,769.69	(23,955.39)
Cash at Beginning of Year	<u>776,358.41</u>	<u>800,313.80</u>
Cash at End of Year	<u><u>859,128.10</u></u>	<u><u>776,358.41</u></u>

Reconciliation of Operating Income (Loss) to  
Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	210,129.72	380,890.03
Adjustments:		
Depreciation	728,993.21	702,462.95
Other (Non-Operating) Revenue	129.82	196.00
Other (Non-Operating) Expense	(35.00)	0.00
(Increase) Decrease in Assets and Deferred Outflows of Resources:		
Accounts Receivable	16,689.95	4,610.09
Prepaid Insurance	(2,208.84)	(1,730.61)
Increase (Decrease) in Liabilities and Deferred Inflows of Resources:		
Accrued Payables	(37,072.30)	19,037.45
Wages and Benefits Payable	5,048.20	(2,494.29)
Deferred Inflows of Resources for Sediment Removal	<u>26,334.75</u>	<u>9,804.14</u>
Net Cash Provided (Used) by Operating Activities	<u><u>948,009.51</u></u>	<u><u>1,112,775.76</u></u>

The accompanying Notes are an integral part of this statement.

**Notes to the Basic Financial Statements**

Sinclair Water Authority, Georgia  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018

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*Sinclair Water Authority, Georgia  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018*

The Sinclair Water Authority, (SWA or the Authority), was formed by the State of Georgia through legislation enacted in April 2001. The Authority was created as a public corporation. The enabling legislation stated the following purposes: to acquire and develop adequate sources of water supply for Baldwin and Putnam Counties; to encourage water conservation by all water users within the area; to perform its projects in an environmentally sensitive manner; and to strictly limit interbasin transfers of water.

SWA is governed by a five-member board of directors who reside within a member county or have a principal place of business within the boundary of a member county. Directors include the chair of each Board of Commissioners; an appointee of the governing authority of each member county; and a chairperson elected by the other members.

SWA began providing water to its member counties in September 2008. For many years preceding, Baldwin and Putnam Counties cooperated in all aspects of the formation, planning, funding, administration and construction of a water processing plant. Additionally, they worked to create the administrative structure for sustaining operations.

***Note 1 - Summary of Significant Accounting Policies***

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to special purpose governments engaged in business-type activities. Within the framework of governmental accounting, enterprise funds are used to account for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing goods or services, or in organizations where sound financial management dictates that periodic determinations of the results of operations are appropriate. The Authority’s financial statements are presented as a single enterprise fund.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The Authority also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements, as all of its activities are business-type activities.

The most significant of the Authority’s accounting policies are described below.

***1-A. Reporting Entity***

The reporting entity is a stand-alone government. It has no component units, nor is it the component unit of any other government.

***1-B. Financial Statement Presentation***

The Authority’s basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position and a statement of cash flows. Reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The statement of net position presents the financial position at year-end. As proprietary funds employ the economic resources measurement focus, all assets and all liabilities associated with operations are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in net total position. The statement of cash flows classifies the sources and uses of cash during the period of audit.

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**1-C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. In accordance with GAAP, financial statements are prepared using the accrual basis of accounting. Thus, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

- **Revenues – Exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, (e.g. sales and fees for services) is recorded when the exchange takes place.
- **Revenues - Non-exchange Transactions** - Non-exchange transactions, in which the Authority receives value without directly giving equal value in return, (e.g. grants and donations) are recognized in when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Authority must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Authority on a reimbursement basis.
- **Deferred Outflows and Inflows of Resources / Unavailable Revenue** - Deferred inflows of resources represent the uses or the acquisitions of net position that are applicable to a future reporting period(s).
- **Expenses/Expenditures** - Expenses are recognized at the time they are incurred.

**1-D. Assets, Liabilities and Net Position**

**1-D-1. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include currency on hand, amounts in demand deposits, savings accounts and short-term investments (with maturity dates less than 91 days when acquired) with banks and other financial institutions.

Investments are stated at fair value based on quoted market prices. Georgia law authorizes the Authority to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

**1-D-2. Receivables**

Trade accounts receivable consist entirely of outstanding billings for water provided to two counties.

Sinclair Water Authority, Georgia  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**1-D-3. Consumable Inventories**

Consumable inventories are recorded as expenses when acquired. Inventories of small tools and spare parts are maintained for management purposes.

**1-D-4. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond December 31, 2018, are recorded as prepaid items. The consumption method is used by recording an asset for the prepaid amount and by recording the expense in the year in which services are consumed. An equal amount of fund balance is reserved, as this amount is not available for general appropriation.

**1-D-5. Capital Assets**

All capital assets are capitalized at historical cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. All infrastructure assets are reported, regardless of when they were acquired. The Authority maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets is capitalized.

All reported capital assets are depreciated, except for land and construction in process. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	50
Buildings	50
Land Improvements	20
Mechanical and Electrical Systems	15
Machinery and equipment	3 - 8
Computers	5
Vehicles	4

**1-D-6. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned, if the employees' rights to receive compensation are attributable to services already rendered, and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means (i.e., vested). All compensated absence liabilities include salary-related payments, where applicable, and are based upon current pay rates. Sick leave benefits do not vest.

*Sinclair Water Authority, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

***1-D-7. Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the financial statements.

***1-D-8. Equity***

Equity is classified as “net position.” Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, and 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 legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Restricted resources are used first to satisfy an expense incurred for purposes for which restricted and unrestricted net position is available.

***1-D-9. Operating Revenues and Expenses***

Operating revenues are those revenues that are generated directly from the Authority’s primary activities. These are charges for water usage. Operating expenses are necessary costs incurred in processing and providing water, the Authority’s primary service. In contrast, all other revenues and expenses, which are unrelated to the primary activity, are classified as non-operating.

***1-D-10. Contributions of Capital***

Contributions of capital arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

***1-E . Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

***1-F. Budgetary Information***

An internal operations budget, for management purposes, is adopted by the Authority.

***1-G. Report Classifications***

Certain previously reported amounts have been reclassified to provide consistency with current classifications. Please see Note 3-D for more detailed information regarding a prior period restatement.

*Sinclair Water Authority, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

***Note 2 - Detailed Disclosures***

***2-A. Deposits and Investments***

The Authority does not have a policy regarding management of custodial risk for deposits or investments.

***Deposits*** - Custodial risk for deposits is the risk that, in the event of financial institution failure, a depositor will not be able to recover deposits or 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. At December 31, 2018, the bank balances of all Authority deposits were entirely insured or collateralized with securities held by SWA or by its agent in SWA's name.

***Investments*** - Custodial risk for investments is the risk that, in the event of the failure of the counterparty, an investor will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. All investments held by SWA at December 31, 2018 are in the form of bank certificates of deposit. Certificates with maturity periods greater than 90 days are classified as investments. At December 31, 2018 all SWA investments were entirely insured or collateralized with securities held by its agent in SWA's name.

***2-B. Restricted Cash***

As security for outstanding loans, the United States Department of Agriculture requires a cash reserve equaling the total of one year of scheduled loan payments; this amount is \$764,988. By setting aside monthly deposits of \$6,375, for ten years, SWA fully met the reserve requirements in 2018. Funds restricted by this requirement are held in a discrete checking account and a discrete certificate of deposit. Their respective balances are presented as restricted on the statement of net position.

***2-C. Receivables***

Receivables at December 31, 2018, consisted of customer (Baldwin County and Putnam County) accounts for water usage. Receivables and payables are recorded on the financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the ease of receivables, collectability.

For more information regarding outstanding receivables, see Note 3-C, Subsequent Events.

***2-D. Capital Assets***

The following table presents changes in capital asset activity for the year ended December 31, 2018.

**Note 2 - Detailed Disclosures (Continued)**

**Schedule of Changes in Capital Assets**

	12/31/2017	2018 Additions	2018 Deletions	12/31/2018
<b>Nondepreciable Capital Assets</b>				
Land	76,763.35	0.00	0.00	76,763.35
Construction in Process	0.00	9,645.00	0.00	9,645.00
<b>Total Nondepreciable Capital Assets</b>	<b>76,763.35</b>	<b>9,645.00</b>	<b>0.00</b>	<b>86,408.35</b>
<b>Depreciable Capital Assets</b>				
Infrastructure	233,023.74	0.00	0.00	233,023.74
Buildings	13,156,639.44	0.00	0.00	13,156,639.44
Machinery and Equipment	5,508,124.68	31,338.40	0.00	5,539,463.08
<b>Total Depreciable Capital Assets</b>	<b>18,897,787.86</b>	<b>31,338.40</b>	<b>0.00</b>	<b>18,929,126.26</b>
<b>Accumulated Depreciation</b>				
Infrastructure	43,497.91	4,660.47	0.00	48,158.38
Buildings	2,175,561.24	232,311.25	0.00	2,407,872.49
Machinery and Equipment	3,420,436.44	492,021.49	0.00	3,912,457.93
<b>Total Accumulated Depreciation</b>	<b>5,639,495.59</b>	<b>728,993.21</b>	<b>0.00</b>	<b>6,368,488.80</b>
<b>Capital Assets Net Book Value</b>	<b>13,335,055.62</b>	<b>(688,009.81)</b>	<b>0.00</b>	<b>12,647,045.81</b>

**2-E. Long-Term Debt**

**2-E-1. USDA Loans**

Permanent financing for construction of a water treatment plant, intake system and storage facility was provided by the United States Department of Agriculture Rural Development (USDA). SWA issued revenue bonds (series 2008 bonds) to secure three permanent loans payable to USDA. The loans closed in May 2008. Accrued interest was paid in May 2009, and scheduled payments of principal and interest commenced at that point. The terms of these three loans and changes in loan balances, during the period covered by this audit, are presented below.

*USDA loan number 01:* Loan date: May 15, 2008; for the initial amount of \$9,000,000.00; payable in monthly installments of \$38,790.00; over a 40 year period commencing May 14, 2009; at an interest rate of 4.125%. The final payment is scheduled for April 15, 2048.

*USDA loan number 03:* Loan date: May 15, 2008; for the initial amount of \$3,514,320.00; payable in monthly installments of \$15,147.00; over a 40 year period commencing May 14, 2009; at an interest rate of 4.125%. The final payment is scheduled for April 15, 2048.

*USDA loan number 04:* Loan date: May 15, 2008; for the initial amount of \$2,200,000.00; payable in monthly installments of \$9,812.00; over a 40 year period commencing May 14, 2009; at an interest rate of 4.375%. The final payment is scheduled for April 15, 2048.

*Sinclair Water Authority, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 2 - Detailed Disclosures (Continued)**

**Changes in USDA Loans Payable for the year ended December 31, 2018 were as follows:**

Loan Number	12/31/2017 Obligation	2018 - Reductions	=	12/31/2018 Obligation	=	12/31/2018 Current	+	12/31/2018 Long Term
USDA 01	8,032,919.49	136,698.71	=	7,896,220.78	=	141,080.32	+	7,755,140.46
USDA 03	3,136,659.80	53,383.01	=	3,083,276.79	=	55,115.08	+	3,028,161.71
USDA 04	1,976,944.88	31,890.13	=	1,945,054.75	=	33,397.88	+	1,911,656.87
Totals	<u>13,146,524.17</u>	<u>221,971.85</u>	=	<u>12,924,552.32</u>	=	<u>229,593.28</u>	+	<u>12,694,959.04</u>

**2-E-2. GEFA Loans**

The Georgia Environmental Finance Authority (GEFA) has financed two capital construction projects. The terms of these two loans and 2018 changes in the loan balances are presented below.

During 2013 GEFA provided funds to finance the installation of a new pump and related appurtenances. SWA utilizes this equipment to reduce the cost of water processing by prolonging the life of the filtration system. GEFA provided \$165,000 to cover these costs. \$30,000 of this amount was forgiven, leaving a balance of \$135,000 to be repaid. This debt agreement includes a financial covenant based on compliance with an analytical ratio. Calculation of this ratio, based on GEFA specifications and audited financial statements, indicates compliance with the covenant.

*GEFA loan number 1, DW 10-022:* The loan for \$135,000 closed in January 2014. Monthly payments of \$691.29 commenced February 1, 2014. Payments will extend for 20 years; the final payment is scheduled for January 1, 2034. The annual interest rate is 2.13%.

In 2014, SWA received approval of financing for improvements to filter tanks and membrane replacements. GEFA originally committed to providing up to \$1,173,000 for improving infrastructure. In a modification approved in 2016, additional funding in the amount of \$103,101 was approved, bringing the total amount of approved proceeds to \$1,276,101. Ultimately, \$1,265,520.25 was drawn down. In accordance with the original loan agreement, GEFA forgave \$230,000 of loan proceeds.

*GEFA loan number 2, DW 14-003:* The outstanding balance of \$1,035,520.25 converted from construction status to a fixed loan on November 1, 2016. Monthly payments of \$5,391.91 commenced December 1, 2016. The loan term will be 20 years; the final payment is scheduled for November 1, 2036. The annual interest rate will be 2.31%.

**Changes in GEFA Loans Payable for the year ended December 31, 2018 were as follows:**

Loan Number	12/31/2017 Obligation	2018 - Reductions	=	12/31/2018 Obligation	=	12/31/2018 Current	+	12/31/2018 Long Term
DW10-022	112,881.53	5,948.97	=	106,932.56	=	6,076.90	+	100,855.66
DW14-003	990,825.41	42,260.42	=	948,564.99	=	43,247.04	+	905,317.95
Totals	<u>1,103,706.94</u>	<u>48,209.39</u>	=	<u>1,055,497.55</u>	=	<u>49,323.94</u>	+	<u>1,006,173.61</u>

At December 31, 2018, SWA's fixed charges coverage ratio was 1.12. This ratio is in compliance with GEFA guidelines.

*Sinclair Water Authority, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 2 - Detailed Disclosures (Continued)**

**2-E-3. Interest Costs**

In 2018, interest expense of \$567,308.39, was generated by the USDA and GEFA loans. An additional \$35.00 was paid for credit card charges.

**2-E-4. Debt Service Requirements to Maturity.**

The following table presents all scheduled requirements to retire GEFA and USDA loans.

	<b>Scheduled Debt Service</b>				
	<b>GEFA Loans Payable</b>		<b>USDA Loans Payable</b>		<b>Total</b>
	principal	interest	principal	interest	
2019	49,323.94	23,674.46	229,593.28	535,394.72	837,986.40
2020	50,464.29	22,534.11	239,365.91	525,622.09	837,986.40
2021	51,631.08	21,367.32	249,554.49	515,433.51	837,986.40
2022	52,824.79	20,173.61	260,176.72	504,811.28	837,986.40
2023	54,046.16	18,952.24	271,251.11	493,736.89	837,986.40
2024 - 2028	289,563.38	75,428.62	1,539,590.22	2,285,349.78	4,189,932.00
2029 - 2033	324,625.71	40,366.29	1,896,359.07	1,928,580.93	4,189,932.00
2034 - 2038	183,018.20	6,387.78	2,335,801.91	1,489,138.09	4,014,345.98
2039 - 2043	0.00	0.00	2,877,076.68	947,863.32	3,824,940.00
2044 - 2048	0.00	0.00	3,025,782.93	287,413.64	3,313,196.57
	<u>1,055,497.55</u>	<u>228,884.43</u>	<u>12,924,552.32</u>	<u>9,513,344.25</u>	<u>23,722,278.55</u>

**2-E-5. Compensated Absences Payable**

Full-time employees may carry forward up to forty hours of unused vacation annually. The estimated amount of this benefit is accrued as a liability. The compensated absence liability includes salary-related payments and is based upon year end pay rates. The following table presents summarized changes in estimated compensated absences payable.

<b>Changes in Compensated Absences Payable for the Year Ended December 31, 2018</b>					
12/31/2017	2018	2018	12/31/2018	12/31/2018	12/31/2018
Obligation	+ Additions	- Reductions	= Obligation	= Current	+ Long Term
<u>5,940.92</u>	<u>384.88</u>	<u>573.68</u>	<u>5,752.12</u>	<u>1,438.03</u>	<u>4,314.09</u>

**2-F. Deferred Outflows of Resources**

Following the presentation of assets, the *statement of financial position* reports a separate section for *deferred outflows of resources*. This deferral represents a consumption of net position that applies to future periods. The reported amount, \$30,269, is derived from changes in projected assets and changes in actuarial assumptions that are used in the calculation of net pension liability. This amount will be subsequently recognized as an outflow of resources (expense). As a matter of actuarial practice, this amount will be amortized over future periods.

**Note 2 - Detailed Disclosures (Continued)**

**2-G. Deferred Inflows of Resources**

Conversely, the *statement of financial position* reports a separate section for *deferred inflows of resources* following the presentation of liabilities. This represents an acquisition of net position that applies to future periods. The total, \$47,832.90, is derived from two sources.

\$6,705.00 is the amount of variance in the projected liability, used in the calculation of net pension liability. As a matter of actuarial practice, this amount will be amortized and recognized as an inflow of resources (revenue) in future periods.

SWA also records deferred inflows of resources that are unrelated to pension reporting. These report the balance of revenues which will be recognized and utilized in future periods. Specific revenues are collected to provide for removal of wastes resulting from water processing. Based on current usage, it is expected that removal will be necessary at, approximately, three year intervals. At December 31, 2018, the unexpended balance, collected for this purpose, was \$41,127.90. As related expenditures are incurred, these deferred inflows will be recognized as current revenues, offsetting those expenses.

**2-H. Pensions**

**2-H-1. Defined Benefit Plan**

**Plan Description:** SWA contributes to the Association of County Commissioners (ACCG) of Georgia Sinclair Water Authority Defined Benefit Plan (the Plan). This is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The trustees for the ACCG Pension Plan and Trust oversee the administration, investment and funding of the Retirement Program for member employees. The effective date of SWA's plan is May 19, 2015. In previous years SWA participated in Putnam County, Georgia's plan. The previous contributions made to that shared plan along with the share of obligations for SWA employees were separated and brought into this (specific to SWA) plan.

The Plan's benefit provisions were established by an adoption agreement executed by the Authority's board of directors. This board has the sole authority to amend the provisions of the Plan. The Plan provides for benefits upon retirement, disability, termination of employment or death, when certain eligibility conditions are met.

**Significant Accounting Policies:** The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan. Member contributions are recognized when due. Benefits and refunds are recognized when due and payable. Member governments make a formal commitment to provide the contributions.

ACCG acts as Trustee of the Plan and Trust established by each employer in accordance with and subject to the terms, conditions and provisions set forth in the Plan and Trust, including the adoption agreement executed by each separate employer. The plan is managed by a board of trustees appointed by the ACCG Board of Managers. The pension plan's fiduciary net position has been determined on the same basis used by the pension plan. Investments in securities are valued at current market prices. The trust fund investment guidelines provide asset allocation ranges of 65% - 75% equities and 25% - 35% fixed income securities, on a cost basis. A copy of the plan's financial report may be obtained from: GEBCorp, 191 Peachtree Street, NE, Suite 700, Atlanta, Georgia 30303.

*Sinclair Water Authority, Georgia  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018*

**Note 2 - Detailed Disclosures (Continued)**

**Eligibility and Benefits:** Full time employees are eligible January 1 coincident with or following completion of three years of service. Participation is closed to employees hired on or after May 19, 2015.

Retirement benefits are calculated based on average annual compensation. Earnings and the number of years of employment determine the benefit amount. The base of that calculation is an employee’s highest average annual compensation over five consecutive plan years, during the ten plan years preceding retirement or other termination. A tiered benefit formula consisting of 1% for compensation of \$6,600, plus 1.5 percent of compensation in excess of \$6,600, plus \$36 for each year of service, is applied to the average annual compensation. Post retirement increases are not applicable to this plan.

Participant counts as of January 1, 2018 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below.

<b>Plan Participation at December 31, 2018:</b>	
Active Employees	2
Retirees, Beneficiaries and Disabled receiving benefits	1
Terminated plan participants entitled to but not yet receiving benefits	0
	3
Covered compensation for active participants	129,652

**Contributions:** SWA’s annual contribution to the Plan is determined using the actuarial basis described in the annual valuation report. The amount of the contribution is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Further, the rate provides that the annual contribution meets or exceeds the minimum funding requirements of Georgia statute 47-20. Administrative expenses are based on total covered compensation of active plan participants and are added to the annual state funding requirement.

The Georgia Constitution enables the governing authority, SWA’s board of directors, to establish and amend, from time-to-time, the contribution rates for SWA and its plan participants. Because the Sinclair Water Authority contributes the entire cost of the plan, SWA employees are not required or permitted to contribute.

The required employer contribution for 2018 was \$6,055. This is 4.6% of covered compensation for active participants. For the same period, the Plan invoiced SWA and recognized contributions for the amount of \$6,195, or 4.8% of covered compensation for active participants.

**Net Pension Liability:** SWA’s net pension liability was measured as of December 31, 2018, and the total pension liability, used in that calculation, was determined by an actuarial valuation as of that date. The following actuarial assumptions were applied to all periods included in the measurement.

**Projected Cash Flows:** Retirement plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. Retirement plan assets change as a result of the net impact of these income and expense components.

**Actuarial Assumptions and Methods.** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Thus, actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

*Sinclair Water Authority, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 2 - Detailed Disclosures (Continued)**

**Significant actuarial assumptions** are used to compute the annual recommended contribution and the net pension liability. The following assumptions and/or the tables were used for the current valuation.

**Actuarial Methods and Assumptions:**

Actuarial Valuation Date	December 31, 2018
Net Investment Rate of Return	7.0% annually, based on analysis performed by the Board of Trustees in 2019.
Projected Salary Increases	3.0% per year with an age based scale ranging from plus 1.0% to less 1.0%, based on results of a February 2019 experience study.
Mortality	RP-2000 projected with Scale AA to 2018.
Termination	Vaughn Select and Ultimate Table. Age and service based, from a February 2019 experience study.
Disability	Male and female rates derived from the 1985 CIDA Table Class 1, based on results of February 2019 experience study.
Retirement	Age (55 - 70) adjusted, from a February 2019 experience study.
Administrative Expenses	Administrative fees, set by contract between ACCG and GEBCorp, are included in the annual required contribution.
Value of Assets	Market value as of measurement date.
Actuarial Cost Method	Entry Age Normal.
Beneficiary	Assumed to be the opposite gender with females three years younger than males.
Cost of Living Adjustment	N/A

Changes in the components of the net pension liability for the year ended December 31, 2018, are presented as follows:

<b>Changes in the Net Pension Liability</b>			
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	100,985	106,655	(5,670)
Changes for the Year:			
Service Cost	3,627	0	3,627
Interest	7,134	0	7,134
Liability Experience (Gain)/Loss	14,254	0	14,254
Assumption Change	3,913	0	3,913
Employer Contributions	0	6,195	(6,195)
Employee Contributions	0	0	0
Net Investment Income	0	(5,058)	5,058
Benefit Payments	(5,169)	(5,169)	0
Administrative Expense	0	(3,141)	3,141
Investment Expense	0	(473)	473
Net changes	23,759	(7,646)	31,405
Balances at December 31, 2018	124,744	99,009	25,735

**Discount Rate.** The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows, used to determine the discount rate, assumed that SWA's contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was

*Sinclair Water Authority, Georgia*  
*Notes to the Basic Financial Statements*  
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**Note 2 - Detailed Disclosures (Continued)**

projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**The long term expected rate of return** is determined through a blend using a building blocks approach based on 20 year benchmarks (33.33%), and 30 year benchmarks (33.33%), as well as the forward looking capital market assumptions for a moderate asset allocation (33.34%) as determined by UBS. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage.

Summaries of the weighted asset allocations are as follows:

	Target Allocation	Weighted 20 Year Return	Weighted 30 Year Return
S&P 500	30%	2.37%	3.07%
Barlay's Agg.	30%	1.68%	1.97%
MSCI EAFE	15%	0.64%	0.86%
Citi Non US Webi	5%	0.23%	0.30%
NA REIT Equity	5%	0.54%	0.52%
Russell 2000	5%	0.40%	0.47%
Russell 3000	5%	0.40%	0.51%
S&P Mid Cap	5%	0.56%	0.58%
	<u>100%</u>	<u>6.82%</u>	<u>8.28%</u>

**Possible variations in the net pension liability** when calculated with 1% variations in the discount rate are presented in the following table:

	1% Decrease 6.00%	1% Increase 8.00%
Total Pension Liability	138,487	113,001
Fiduciary Net Position	99,009	99,009
Net Pension Liability	<u>39,478</u>	<u>13,992</u>

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** are derived from the following sources:

	Net Deferred Outflows of Resources	Net Deferred Inflows of Resources
Asset (Gain) / Loss	10,945	(4,196)
Liability (Gain) / Loss	11,513	(2,509)
Assumption Change (Gain) / Loss	7,811	0
Total	<u>30,269</u>	<u>(6,705)</u>

*Sinclair Water Authority, Georgia*  
*Notes to the Basic Financial Statements*  
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**Note 2 - Detailed Disclosures (Continued)**

Annual changes in deferrals is presented as follows:

**2018 Recognition of Deferrals of Resources Related to Pensions - Outflows/(Inflows)**

Year Established	Outstanding Balance at 12/31/17	Initial Accrual 2018	Amortization		Outstanding Balance at 12/31/18
			Recognized During 2018		
<b>Deferred Outflows</b>					
2015	3,637	0	527		3,110
2016	1,981	0	521		1,460
2016	669	0	223		446
2017	101	0	20		81
2018	0	13,124	2,625		10,499
2018	0	14,254	2,741		11,513
2018	0	3,913	753		3,160
<b>Total Deferred Outflows</b>	<b>6,388</b>	<b>31,291</b>	<b>7,410</b>		<b>30,269</b>
<b>Deferred Inflows</b>					
2016	(3,296)	0	(868)		(2,428)
2017	(5,595)	0	(1,399)		(4,196)
2017	(101)	0	(20)		(81)
<b>Total Deferred Inflows</b>	<b>(8,992)</b>	<b>0</b>	<b>(2,287)</b>		<b>(6,705)</b>
<b>Total 2018 Deferrals</b>	<b>(2,604)</b>	<b>31,291</b>	<b>5,123</b>		<b>23,564</b>

Amounts reported as deferred outflows and deferred inflows of resources will be recognized into pension expense as follows in ensuing years.

**Projected Recognition of Deferred Outflows/(Inflows)**

Year Established	for years ended December 31,					
	2019	2020	2021	2022	2023	2024
<b>Deferred Outflows</b>						
2015	527	527	527	527	527	475
2016	521	521	418	0	0	0
2016	223	223	0	0	0	0
2017	20	20	20	20	1	0
2018	2,625	2,625	2,625	2,624	0	0
2018	2,741	2,741	2,741	2,741	549	0
2018	753	753	753	753	148	0
<b>Total Deferred Outflows</b>	<b>7,410</b>	<b>7,410</b>	<b>7,084</b>	<b>6,665</b>	<b>1,225</b>	<b>475</b>
<b>Deferred Inflows</b>						
2016	(868)	(868)	(692)	0	0	0
2017	(1,399)	(1,399)	(1,398)		0	0
2017	(20)	(20)	(20)	(20)	(1)	
<b>Total Deferred Inflows</b>	<b>(2,287)</b>	<b>(2,287)</b>	<b>(2,110)</b>	<b>(20)</b>	<b>(1)</b>	<b>0</b>
<b>Total Projected Deferrals</b>	<b>5,123</b>	<b>5,123</b>	<b>4,974</b>	<b>6,645</b>	<b>1,224</b>	<b>475</b>

Sinclair Water Authority, Georgia  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2018

**Note 2 - Detailed Disclosures (Continued)**

**2-H-2. Defined Contribution Plan**

Effective October 1, 2015, the Sinclair Water Authority adopted the Master Trust and the Association of County Commissioners of Georgia 401(a) Defined Contribution Plan for Sinclair Water Authority Employees (the Plan). Through those agreements, the authority to amend the plan is granted to the Defined Contribution Plan Program Board of Trustees (the DC Board).

Full time employees who have completed one year of service may participate in this plan. Employee contributions are not required. SWA provides a basic contribution of an amount equal to 2% of each participant’s compensation. In addition, SWA provides matching contributions equal to 100% of the first 3% contributed by employees. During 2018 SWA contributed \$15,053; employees contributed \$11,406.

**2-I. Equity**

The component of net position, *invested in capital assets* on the statement of net position as of December 31, 2018, is determined as follows:

Cost of capital assets	19,015,534.61
Less accumulated depreciation	(6,368,488.80)
Less related debt	<u>(13,980,049.87)</u>
Net investments in capital assets	<u><u>(1,333,004.06)</u></u>

**2-J. Negative Net Position**

SWA reported a deficit *net position* at December 31, 2018. This deficit occurred for the first time following years of declines in net position. The greatest contributing factor to the declines in net position has been the declining amount of *net investments in capital assets*. (This component of net position is detailed in Note 2-I, above). In 2014, the value of net capital assets first declined into a deficit amount. Since then that deficit increased annually. This has occurred because recognition of depreciation has reduced the value of capital assets more rapidly than the debt for these assets has been retired. As net capital assets declined, total net position declined commensurately.

**Note 3 - Other Notes**

**3-A. Risk Management**

Predominant exposure for losses lies in the areas of liability and property damage or theft. These risks are mitigated through participation with other Georgia governments, in a risk sharing arrangement. The Authority is a member of the Association of County Commissioners of Georgia (ACCG) Interlocal Risk Management Agency. This is a public entity risk pool, currently operating as a common risk management and insurance program for member local governments. Through its participation in this group, the Authority addresses potential losses resulting from torts, theft, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

As a member, 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 pool; and

**Note 3 – Other Notes (Continued)**

to report, promptly and in accordance with coverage descriptions, all incidents which could result in the funds being required to pay any claim of loss. The member is also to allow the pool's agents and attorneys to represent it in investigation, settlement discussions and all levels of litigation arising out of any claim made against the member which falls within the scope of loss protection furnished by the pool.

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

During the year ended December 31, 2018, there were no significant reductions in coverage. During the three previous years, there have been no settlements which exceeded coverage limits.

Additionally, SWA employees are covered by worker's compensation insurance. Coverage is obtained through membership in the Georgia Municipal Association Worker's Compensation Self Insurance Fund. Benefits provided for employees, pursuant to this agreement, are specifically limited to obligations imposed by Georgia law against the employer for worker's compensation and/or employer's liability.

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

As a member of these risk pools, SWA is obligated to pay all contributions and assessments as prescribed by the pools; to cooperate with pool agents and attorneys; to follow loss reduction procedures established by the funds; and to report, as promptly as possible and in accordance with coverage descriptions issued, all incidents which could result in fund payments for claims of loss. Further, SWA is to allow the pool's agents and attorneys to represent SWA in investigations, settlement discussions and all levels of litigation arising out of any claim which falls within the scope of loss protection furnished by the funds.

Through an unrelated agreement, health care and life coverage are offered to employees strictly as a benefit. As such, the Authority assumes no risk for the payment of claims.

**3-B. Contingent Liabilities**

**Grants.**

The Authority has received a federal grant for a specific purpose that is subject to review and audit by the grantor agency or its designee. Such an audit could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. The Authority believes such disallowances, if any, are unlikely and will be immaterial.

**Litigation.**

In the opinion of the Authority attorney and Authority management, there are no pending cases which will have a material effect on the financial position of the Sinclair Water Authority.

**Note 3 – Other Notes (Continued)**

**3-C. Subsequent Events**

**Accounts Receivable.**

A dispute over Putnam County water billings neared resolution at December 31, 2018. On that date the outstanding disputed balance had been reduced from \$20,975 to \$4,360. This amount was fully collected in January 2019.

**Debt Defeasance.**

As of the date of this report, the Board of Directors had initiated the process of refinancing outstanding USDA loans. In so doing they hope to receive more favorable interest rates.

**3-D. Prior Period Restatement**

The comparative financial statements for 2017 have been restated. A miscalculation of 2017 deferred revenue was discovered in the course of conducting the 2018 audit. The net effect of this error was an overstatement of net position in the amount of \$5,771.51. Deferred revenue was understated by the same amount. In accordance with generally accepted accounting practices, the 2017 financial statements are herein presented as they would have been had the error not occurred.

**3-E. Other Matters**

**Board Meetings.** Due to lack of a quorum of the board of directors, no official actions could be taken for the greater part of 2018. SWA by-laws, article 3.1 reads as follows: “Regular meetings of the SWA Board shall be held on at least a quarterly basis.” Further, article 3.5 states that “A majority of the members of the SWA Board shall constitute the quorum necessary for a meeting of the SWA Board, provided that no quorum shall be present unless there is present a SWA Board member resident in and selected by the governing authority of each member county.”

A quorum could not be reached because the Putnam County members did not attend any duly advertised, regular meetings of the SWA Board of Directors between November 20, 2017 and October 1, 2018. In the absence of the Putnam County members the two Baldwin County members and the chair met as a committee.

**Required Supplementary Information**

SINCLAIR WATER AUTHORITY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2018

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

	2018	2017	2016	2015
<b>Total Pension Liability</b>				
Total Pension Liability at Beginning of Year	100,985	96,331	90,477	114,216
Service Cost	3,627	3,026	2,822	4,790
Interest on the Total Pension Liability	7,134	6,984	6,764	5,231
Plan Change	0	0	0	(38,978)
Assumption Change	3,913	121	3,023	5,218
Benefit Payments (Adjusted for Interest)	(5,169)	(5,356)	(1,723)	0
Experience (Gain)/Loss	14,254	(121)	(5,032)	0
Actuarial Present Value of Accumulated Plan Benefits at End of Year (a)	<u>124,744</u>	<u>100,985</u>	<u>96,331</u>	<u>90,477</u>
<b>Plan Fiduciary Net Position</b>				
Fiduciary Net Position at Beginning of Year	106,655	95,023	80,534	0
Employer Contributions	6,195	4,339	11,309	24,629
Transfer from Putnam County Defined Benefit Plan	0	0	0	55,905
Net Investment Income	(5,058)	14,189	5,004	0
Benefit Payments	(5,169)	(5,169)	(1,723)	0
Administrative Expense	(3,141)	(1,272)	0	0
Other	(473)	(455)	(101)	0
Fiduciary Net Position at End of Year (b)	<u>99,009</u>	<u>106,655</u>	<u>95,023</u>	<u>80,534</u>
<b>Net Pension Liability at End of Year (a) - (b)</b>	<u>25,735</u>	<u>(5,670)</u>	<u>1,308</u>	<u>9,943</u>
Fiduciary Net Position as a Percentage of the Total Pension Liability	79.4%	105.6%	98.6%	89.0%
Annual Covered Employee Payroll (Prior Year)	129,652	120,704	120,704	195,675
Net Pension (Surplus) Liability as a Percentage of Covered Employee Payroll	19.8	(4.7%)	1.1%	5.1%

**NOTES TO THE SCHEDULE**

Expressing the Fiduciary Net Position as a percentage of the Total Pension Liability provides one indication of funded status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

Trends in Net Pension Liability and annual covered payroll are both affected by inflation. Expressing the Net Pension Liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the plan.

This schedule will present 10 years of information as it accumulates.

SINCLAIR WATER AUTHORITY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2018

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	2018	2017	2016	2015
Annual Required Contribution	6,055	4,328	3,898	21,657
Recognized Contributions	<u>(6,195)</u>	<u>(4,339)</u>	<u>(11,309)</u>	<u>(24,629)</u>
Contribution Deficiency (Excess)	<u>(140)</u>	<u>(11)</u>	<u>(7,411)</u>	<u>(2,972)</u>
Covered Employee Payroll (prior year)	129,652	120,704	120,704	195,675
Annual Required Contribution Percentage Contributed	102.3%	100.2%	290.1%	113.7%

This schedule will present 10 years of information as it accumulates.

**NOTES TO THE SCHEDULE**

Valuation Date	January 1, 2018
Actuarial Cost Method	Entry age normal
Actuarial Value of Assets	Market value as of measurement date
Projected Salary Increases	3% annually with age based scale
Future Payroll Growth	Closed to employees hired or rehired after May 19, 2015
Cost of Living Adjustment	Not Applicable
Investment Rate of Return	7.0% annually
Retirement Age	55 - 70
Mortality	RP 2000 projected with scale AA to 2018

## **Special Reports**

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**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***

The Honorable Members of the Authority Board of Directors  
Sinclair Water Authority, Georgia

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, we have audited the financial statements of the business-type activities of the Sinclair Water Authority, Georgia (SWA) as of and for the year ended December 31, 2018. Along with the related notes to the financial statements, these collectively comprise the Authority's basic financial statements. We have issued our report thereon, dated July 11, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SWA's internal control over financial reporting to determine the audit procedures that are appropriate, in the circumstances, for the purpose of expressing our opinion on the financial statements. However, expressing an opinion on the effectiveness of SWA's internal control over financial reporting is not our objective. Accordingly, we do not express an opinion on the effectiveness of the SWA's internal control over financial reporting.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these

limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above, during our audit.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether SWA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, as providing an opinion on compliance with those provisions was not an objective of our audit, 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. It was not to provide an opinion on the effectiveness of the SWA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



David Giddens  
Certified Public Accountant

July 11, 2019