

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and judicial decisions, and assuming, among other matters, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation. See Appendix D herein for the form of the opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2021 Bonds. For a more complete discussion of the tax status of the Series 2021 Bonds and certain other tax consequences relating to the Series 2021 Bonds, see "TAX STATUS" herein.

\$15,815,000
BRUNSWICK-GLYNN COUNTY
WATER AND SEWER COMMISSION (GEORGIA)
Revenue Bonds, Series 2021

Dated: Date of Issuance

Due: June 1, in the years shown on the inside cover page

The BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION (GEORGIA) REVENUE BONDS, Series 2021 (the "**Series 2021 Bonds**") will be issued in registered form in the name of Cede and Co., as the nominee for The Depository Trust Company ("**DTC**"), New York, New York. Individual purchases of the Series 2021 Bonds must be made in book-entry form only in authorized denominations of \$5,000 or any integral multiple thereof. Individual purchasers ("**Beneficial Owners**") of the Series 2021 Bonds will not receive physical delivery of the Series 2021 Bonds. Transfers of the Series 2021 Bonds will be effected through a book-entry system as described herein.

Interest on the Series 2021 Bonds will be payable on June 1 and December 1 of each year, beginning June 1, 2022. So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, disbursements of payments of principal of and premium, if any, and interest on the Series 2021 Bonds to DTC is the responsibility of U.S. Bank, National Association, in the City of Atlanta, Georgia, as Paying Agent; disbursements of such payments to DTC Participants (defined herein) is the responsibility of DTC; and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants as more fully described herein. See "THE SERIES 2021 BONDS -Book-Entry Only System of Delivery of the Series 2021 Bonds" herein.

The Brunswick-Glynn County Water and Sewer Commission (the "**Commission**") is issuing the Series 2021 Bonds for the purposes of financing the costs of acquiring, constructing, and equipping certain improvements, extensions and additions to the water and sewer system of the Commission (the "**System**") and paying the costs of issuance for the Series 2021 Bonds, including capitalized interest. See "THE SERIES 2021 BONDS" herein.

Certain of the Series 2021 Bonds are subject to optional and scheduled mandatory redemption prior to maturity.

Payment of the principal of, premium, if any, and interest on the Series 2021 Bonds will be payable by a first and prior pledge of an lien on the Net Revenues (defined herein) of the System and will be issued on a parity basis with the outstanding Series 2017 Bond (defined herein). See "THE SERIES 2021 BONDS -Security and Sources of Payment for the Series 2021 Bonds" herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SERIES 2021 BONDS OR THE SECURITY THEREFOR. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

THE SERIES 2021 BONDS WILL BE LIMITED OBLIGATIONS OF THE COMMISSION PAYABLE SOLELY FROM AND SECURED BY THE NET REVENUES OF THE SYSTEM. THE SERIES 2021 BONDS AND THE INTEREST THEREON AND REDEMPTION PREMIUM, IF ANY, SHALL NOT BE DEEMED TO CONSTITUTE OR CREATE AN INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OF GEORGIA (THE "**STATE**") OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OR ANY SUCH POLITICAL SUBDIVISION OR AGENCY. THE COMMISSION HAS NO TAXING POWER.

The Series 2021 Bonds are offered when, as and if issued by the Commission, subject to the approval of legality by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, and certain other conditions, including validation of the Series 2021 Bonds and the security therefor by the Superior Court of Glynn County. Certain legal matters will be passed upon for the Commission by its counsel, Hall Booth Smith, P.C., Brunswick, Georgia. Gray Pannell & Woodward LLP is acting as Disclosure Counsel. Delivery of the Series 2021 Bonds in definitive form is expected to be made through DTC in New York, New York, on or about September 16, 2021.

\$15,815,000
BRUNSWICK-GLYNN COUNTY
WATER AND SEWER COMMISSION (GEORGIA)
REVENUE BONDS, SERIES 2021

MATURITY SCHEDULE

<u>(June 1)</u> <u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u> ¹
2024	\$55,000	5.000%	0.350%	117024AA7
2025	55,000	5.000	0.450	117024AB5
2026	55,000	5.000	0.650	117024AC3
2027	60,000	5.000	0.800	117024AD1
2028	60,000	5.000	0.900	117024AE9
2029	65,000	5.000	1.000	117024AF6
2030	65,000	5.000	1.100	117024AG4
2031	70,000	5.000	1.200	117024AH2
2032	75,000	4.000	1.350 ^C	117024AJ8
2033	75,000	3.000	1.400 ^C	117024AK5
2036	2,600,000	2.000	1.850 ^C	117024AN9
2037	2,400,000	2.000	1.920 ^C	117024AP4
2038	2,200,000	2.000	2.000	117024AQ2
2039	2,000,000	2.000	2.050	117024AR0
2040	1,800,000	2.000	2.100	117024AS8
2041	1,600,000	2.125	2.150	117024AT6
2042	1,400,000	2.125	2.200	117024AU3
2043	1,020,000	2.200	2.250	117024AV1

\$160,000 3.000% Term Bonds due June 1, 2035; yield 1.600%^C; CUSIP¹ 117024AM1

¹ CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services (CGS), operated on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. The CUSIP numbers shown above have been assigned by an independent company not affiliated with the Commission and are being provided solely for the convenience of bondholders only at the time of issuance of the Bonds, and the Commission does not any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions that are applicable to all or a portion of certain maturities of the Bonds.

^C Priced to the first call date of June 1, 2031 at 100%.

**BRUNSWICK-GLYNN COUNTY
WATER AND SEWER COMMISSION**

Commissioners

Ben Turnipseed, P.E., *Chairperson*
Bob Duncan, *Vice-Chairperson*
Charles S. “Chuck” Cook
Cornell L. Harvey
Wayne Neal
Tripp Stephens
Chad Strickland

Appointed Officials

Andrew Burroughs, P.E., *Executive Director*
LaDonnah Roberts, *Deputy Executive Director*

INDEPENDENT AUDITORS

Mauldin & Jenkins, LLC
Savannah, Georgia

COUNSEL TO THE COMMISSION

Hall Booth Smith, P.C.
Brunswick, Georgia

BOND COUNSEL & DISCLOSURE COUNSEL

Gray Pannell & Woodward, LLP
Savannah, Georgia

FINANCIAL ADVISOR

Davenport & Company LLC
Atlanta, Georgia

UNDERWRITER

FHN Financial Capital Markets

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* * * * *

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT APPROVED OR DISAPPROVED OF THE SERIES 2021 BONDS OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The information set forth herein has been furnished by the Commission and by other sources which are believed to be reliable. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or the other matters described herein since the date hereof.

This Official Statement includes descriptions and summaries of certain events, matters and documents. Such descriptions and summaries do not purport to be complete and all such descriptions, summaries and references thereto are qualified in their entirety by reference to this Official Statement in its entirety and to each such document, copies of which may be obtained from the Commission. Any statements made in this Official Statement or the appendices hereto involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement (including the Appendices attached hereto) contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement (including the Appendices attached hereto), the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward looking statements speak only as of the date of this Official Statement. The Commission disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained herein to reflect any change in the Commission’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement is delivered in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purposes.

This Official Statement does not constitute a contract between the Commission and any one or more owners of the Series 2021 Bonds, nor does this Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2021 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, salesperson or other person has been authorized by the Commission to give any information or to make any representation other than those contained herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Commission or any other person.

The Series 2021 Bonds have not been registered under the Securities Act of 1933, and the Resolution (as defined herein) has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

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OFFICIAL STATEMENT

Relating to

\$15,815,000

BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION (GEORGIA) REVENUE BONDS, SERIES 2021

INTRODUCTION

This Official Statement, including the cover page and the Appendices hereto, of the Brunswick-Glynn County Water and Sewer Commission (the “**Commission**”) sets forth information concerning the Commission and the proposed BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION (GEORGIA) REVENUE BONDS, SERIES 2021 (the “**Series 2021 Bonds**”).

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Series 2021 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. All undefined, capitalized terms used herein shall have the meaning ascribed to such terms in the Resolution (hereinafter defined) unless the context requires otherwise. For more detailed information on the terms used herein, see “Appendix C: MASTER RESOLUTION AND THIRD SUPPLEMENTAL RESOLUTION.”

The Commission

The Commission is a body corporate and politic and a public corporation, created by the “Brunswick-Glynn County Joint Water and Sewer Commission Act,” established by Ga. Laws 2006, p. 3661, as amended by Ga. Laws 2012, p. 5287 and Ga. Laws 2016, p. 3523 (collectively, the “**Act**”) which currently owns and operates a unified water and sewer system within Glynn County, Georgia (the “**System**”). The name of the Commission was changed from “Brunswick-Glynn County Joint Water and Sewer Commission” to “Brunswick-Glynn County Water and Sewer Commission” pursuant to an amendment to the Act in 2016, Ga. Laws 2016, p. 3523. The Commission is deemed a governmental body within the meaning of the Revenue Bond Law. The general purposes of the Commission are those of acquiring, constructing, equipping, maintaining, and operating adequate water supply, treatment, and distribution facilities and sewerage collection and treatment facilities and making said facilities and services available to public and private consumers and users located in the City of Brunswick, Georgia (the “**City**”) and Glynn County, Georgia (the “**County**”) and extending and improving such facilities as necessary. For more detailed information, see “THE SYSTEM” and “THE COMMISSION” herein.

Glynn County

The County is located along the Atlantic coast in the southeastern part of the State of Georgia (the “**State**”) approximately 65 miles south of Savannah, Georgia and 60 miles north of Jacksonville, Florida on Interstate 95. The County currently occupies a total area of 540 square miles. The City of Brunswick is the county seat of Glynn County. The County ranks as one of the top tourist areas of the State. The current estimated population of the County is 85,568. For more detailed information, see “GLYNN COUNTY- ECONOMIC AND DEMOGRAPHIC INFORMATION.”

Purpose of the Series 2021 Bonds

The Series 2021 Bonds are being issued for the purposes of financing the costs of acquiring, constructing, and equipping certain improvements, extensions and additions to the System (the “**Projects**”) and paying the costs of issuance for the Series 2021 Bonds, including capitalized interest. See “THE SERIES 2021 BONDS- The Projects” herein.

Terms of the Offering

Authority for Issuance. The Series 2021 Bonds are to be issued under the authority of the Constitution and general laws of the State, in particular the Act and the Revenue Bond Law of the State, codified at Official Code of Georgia Annotated (“**O.C.G.A.**”) § 36-82-60 through § 36-82-85 (the “**Revenue Bond Law**”), as amended. The Series 2021 Bonds were duly authorized by a bond resolution adopted by the Commission on June 17, 2010 (the “**Master Resolution**”), as supplemented and amended by a First Supplemental Resolution adopted by the Commission on June 24, 2010 (the “**First Supplemental Resolution**”), a Second Supplemental Resolution adopted by the Commission on November 29, 2017 (the “**Second Supplemental Resolution**”), and a Third Supplemental Resolution adopted by the Commission on August 19, 2021 (the “**Third Supplemental Resolution**”). The Master Resolution, First Supplemental Resolution, Second Supplemental Resolution, and Third Supplemental Resolution are hereinafter collectively referred to as the “**Resolution**”. See also “INTRODUCTION –Prior Resolutions.”

Offering. The Series 2021 Bonds are offered when, as, and if issued by the Commission, subject to prior sale and to withdrawal or modification of the offer without notice, to approval of legality by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, and to validation by the Superior Court of Glynn County, Georgia.

Delivery. The Series 2021 Bonds in definitive form are expected to be delivered through DTC in New York, New York on or about September 16, 2021.

Security and Sources of Payment for the Series 2021 Bonds

Lien on Net Revenues of the System. Payment of the principal of, premium, if any, and interest on the Series 2021 Bonds will be payable from and secured by a first priority pledge of and lien on the revenues and income derived by the Commission from the ownership and operation of the System, including investment income (with the exception of income earned in any construction fund established with proceeds of Bonds), and excluding any Debt Service Offset (defined in the Resolution) and any local, state or federal grants and capital improvement contract payments or other money received for capital improvements to the System, remaining after the payment of the reasonable and necessary costs of operating, maintaining, and repairing the System, including salaries, wages, payment of any contractual obligations pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property and facilities, insurance and such other charges as may properly be made for the purpose of operating, maintaining, and repairing the System in accordance with sound business practice, the payment of necessary fees and charges, if any, of the Paying Agent, Bond Registrar, and Authentication Agent, and the payment, if any, for the investment services of the custodians and depositories of the funds described in the Resolution, but not including depreciation, amortization, or bond interest expense (collectively, the “**Net Revenues**”).

Payment of the principal of and interest on the Series 2021 Bonds will be equally and ratably secured on a parity basis with the outstanding Series 2017 Bond (defined herein) and any additional revenue bonds of the Commission (“**Parity Bonds**”) issued hereafter on a parity basis with the Series 2017 Bond and the Series 2021 Bonds.

The Series 2017 Bond, the Series 2021 Bonds, and any Parity Bonds hereinafter issued are referred to collectively herein as the “**Bonds**.”

No Debt Service Reserve. There is no Debt Service Reserve Requirement for the Series 2021 Bonds and no deposits will be made to the Debt Service Reserve Account created by the Resolution for the Series 2021 Bonds. Furthermore, no deposits will be made to the Composite Reserve Account within the Debt Service Reserve Account.

For more detailed information, see “SERIES 2021 BONDS -Security and Sources of Payment for the Series 2021 Bonds” and “Appendix C: MASTER RESOLUTION AND THIRD SUPPLEMENTAL RESOLUTION.”

Bond Registrar and Paying Agent

U.S. Bank National Association, Atlanta, Georgia, will act as Bond Registrar (“**Bond Registrar**”) and Paying Agent (“**Paying Agent**”) for the Series 2021 Bonds.

Description of the Series 2021 Bonds

Redemption. Certain of the Series 2021 Bonds are subject to optional and scheduled mandatory redemption prior to maturity.

Denominations. Individual purchases of the Series 2021 Bonds may be made in book-entry form only in denominations of \$5,000 or any higher integral multiple thereof.

Registration and Transfer. The Series 2021 Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will serve as securities depository for the Series 2021 Bonds and the Series 2021 Bonds may be registered, transferred, or exchanged in accordance with the rules of DTC.

Manner of Making Payment. Interest on the Series 2021 Bonds is payable on June 1 and December 1 (each an “**Interest Payment Date**”) in each year, commencing June 1, 2022. The Series 2021 Bonds bear interest at the rates per annum, and mature on June 1 in the years and principal amounts, as set forth on the inside of the front cover page hereof. The interest so payable on any such Interest Payment Date will be paid to the person in whose name the Series 2021 Bonds are registered at the close of business on the 15th day of the calendar month preceding each Interest Payment Date (the “**Record Date**”); provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holders of the Series 2021 Bonds not less than 30 days preceding such subsequent date of record. The Series 2021 Bonds bear interest at the rates per annum, and mature in the years and amounts, as set forth on the inside cover page hereof.

So long as DTC or its nominee is the registered owner of the Series 2021 Bonds, the payments of principal of and interest on the Series 2021 Bonds are payable by wire transfer by the Paying Agent to Cede & Co., as nominee for DTC which, in turn, will remit such amounts to DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners (as defined herein). For more detailed information on the Series 2021 Bonds, see “THE SERIES 2021 BONDS.”

Parity Bonds

Subject to certain conditions as set forth in the Resolution, the Commission may issue Parity Bonds on a parity with the first and prior lien of the Series 2021 Bonds and the Series 2017 Bond on the Net Revenues of the System. See “THE SERIES 2021 BONDS -Parity Bonds.” In addition, from time to time, the Commission may issue additional bonds or obligations payable from the Net Revenues of the System and secured by a lien on said Net Revenues that is junior and subordinate to the lien of the Series 2021 Bonds and the Series 2017 Bond on the Net Revenues.

Tax Status

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and is not a specific preference item for purposes of the federal alternative minimum tax. In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds. See Appendix D herein for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2021 Bonds. For a more complete discussion of the tax status of

the Series 2021 Bonds and certain other tax consequences relating to the Series 2021 Bonds, see “TAX STATUS” herein.

Professionals Involved in the Offering

Certain legal matters pertaining to the Commission and its authorization and issuance of the Series 2021 Bonds are subject to the approving opinion of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2021 Bonds, and a copy of the proposed form of such opinion is attached hereto as Appendix D. Certain other legal matters will be passed on for the Commission by its counsel, Hall Booth Smith, P.C., Brunswick, Georgia. Gray Pannell & Woodward LLP, Savannah, Georgia, is acting as Disclosure Counsel. Davenport & Company LLC, Atlanta, Georgia, is serving as financial advisor to the Commission.

The financial statements of the Commission for the fiscal year ended June 30, 2020, attached hereto as Appendix A, have been audited by Mauldin & Jenkins LLC, Savannah, Georgia, to the extent and for the period indicated in their report thereon.

Continuing Disclosure

Pursuant to Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “**Rule**”), the Commission will sign, as of the date of the issuance and delivery of the Series 2021 Bonds, a Continuing Disclosure Certificate which will allow the Underwriter of the Series 2021 Bonds to comply with the Rule. See “MISCELLANEOUS, -Continuing Disclosure” and “Appendix E: THE CONTINUING DISCLOSURE CERTIFICATE.”

Additional Information

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward-looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Commission disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Commission’s expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

This Official Statement and the Appendices hereto contain descriptions of, among other matters, the Series 2021 Bonds, the Commission, the Resolution and the security and sources of payment for the Series 2021 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to, or summaries of, the Resolution or any other document or constitutional provision or statute are qualified in their entirety by the exact terms of such documents or constitutional provision or statute. All references herein to the Series 2021 Bonds are qualified in their entirety to the form thereof and the provisions with respect thereto included in the Resolution. Copies of the Resolution and other documents and information are available upon request and payment to the Commission of a charge for copying, mailing and handling, 1703 Gloucester St., Brunswick, Georgia 31520, Attention: Executive Director.

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THE SERIES 2021 BONDS

General Description

The Series 2021 Bonds, dated as of the date of issuance and delivery thereof, will bear interest at the rates per annum, calculated on the basis of a 360-day year consisting of twelve 30-day months, and mature on June 1 in the years and principal amounts, set forth on the inside cover page hereof. Interest shall be payable on June 1 and December 1 of each year, beginning June 1, 2022.

Redemption

Optional Redemption of the Series 2021 Bonds. The Series 2021 Bonds maturing on June 1, 2032, and thereafter may be redeemed prior to their respective maturities at the option of the Commission, in whole or in part, at any time, beginning June 1, 2031, (if less than all of the Series 2021 Bonds of a maturity are to be redeemed, the actual Series 2021 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2021 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2021 Bonds are no longer held as book-entry bonds), in such order as may be designated by the Commission, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Scheduled Mandatory Redemption. The Series 2021 Bonds maturing on June 1, 2035, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the June 1, 2035, amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>
2034	\$80,000
2035	80,000

The *pro rata* redemption provided for shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Series 2021 Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Series 2021 Bond at any time.

Notice of Redemption. Notice of any optional redemption of Series 2021 Bonds shall be given by the Commission to the Bond Registrar and Paying Agent at least 35 days prior to the date fixed for redemption. The Bond Registrar shall give notice of redemption pursuant to the Resolution one time not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Holders of each of the Series 2021 Bonds being called for redemption by first class mail (electronically while the Series 2021 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice may be a conditional notice under such terms as specified in the notice and shall contain the complete official name of the Series 2021 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2021 Bonds, interest rate, and maturity date. Said notice shall also be given not less than 30 days nor more than 60 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system ("EMMA") operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities

and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Bond so called for redemption shall be allowed. If any Holder of any Bond being redeemed pursuant to the provisions of the Resolution shall fail to present for redemption any such Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within 90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Bond as to which no such failure occurred. Any notice mailed or delivered as provided in the Resolution shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

Manner of Redemption. Series 2021 Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Series 2021 Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the Owner of such Series 2021 Bond shall forthwith surrender such Series 2021 Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the Holder thereof, without charge therefor, fully registered Series 2021 Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the Owner of any such Series 2021 Bond of a denomination greater than \$5,000 shall fail to present such Series 2021 Bond to the Paying Agent for payment in exchange as aforesaid, such Series 2021 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Series 2021 Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Series 2021 Bond shall not be entitled to the benefit and security of the Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

Effect of Redemption Call. Notice having been given in the manner and under the conditions prescribed herein, and money for the payment of the redemption price being held by the Paying Agent, all as provided in the Resolution, the Series 2021 Bonds or the portion thereof so called for redemption shall become and be due and payable on the redemption date designated in such notice at the redemption price provided for redemption of such Series 2021 Bonds on such date. Interest on the Series 2021 Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless there shall be a failure to make payment of the redemption price thereof upon presentation and surrender thereof. Such Series 2021 Bonds shall cease to be entitled to any lien, benefit or security under the Resolution and the Owners of such Series 2021 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Series 2021 Bond or the portion thereof so called shall not be considered to be outstanding. Upon surrender of such Series 2021 Bond paid or redeemed in part only, the Commission shall execute and the Bond Registrar shall deliver to the Owner thereof, at the expense of the Commission, a new Series 2021 Bond or Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Bond.

Book-Entry Only System of Delivery of Series 2021 Bonds

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2021 Bonds, in the principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of § 17A of the

Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, defaults, and proposed amendments to the documents pertaining to the Series 2021 Bonds. For example, Beneficial Owners of bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2021 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the

Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Commission or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Series 2021 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent or the Commission, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Commission or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

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

The foregoing information concerning DTC and its book-entry system has been obtained from DTC. The Commission and the Underwriter do not make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

SO LONG AS CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE COMMISSION AND THE BOND REGISTRAR WILL TREAT CEDE & CO. OR SUCH OTHER NOMINEE AS THE ONLY OWNER OF THE SERIES 2021 BONDS FOR ALL PURPOSES UNDER THE ORDINANCE, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE COMMISSION OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE ORDINANCE. THE COMMISSION HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT OR INDIRECT PARTICIPANT; (B) THE PAYMENT OR ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2021 BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS OWNER.

Beneficial Owners of the Series 2021 Bonds may experience some delay in their receipt of distributions of principal and interest on the Series 2021 Bonds since such distributions will be forwarded by the Paying Agent to DTC, and DTC will credit such distributions to the accounts of Direct Participants which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants.

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

Payment of principal, premium, if any, and interest on Series 2021 Bonds not existing in Book-Entry Form shall be made as provided in such Series 2021 Bonds.

Authority for Issuance of the Series 2021 Bonds

The Series 2021 Bonds will be issued pursuant to the authority of the Constitution of the State, the general laws of the State, in particular, the Revenue Bond Law, and pursuant to the Act and the Resolution. The Act authorizes the Commission to borrow money for the purpose of paying all or any part of the costs of the acquisition, construction and equipping of the System and to provide by resolution for the issuance of revenue bonds and for the refunding of bonds previously issued. The Act also authorizes the Commission to make contracts and to execute all instruments necessary or convenient, including contracts for construction of projects and leases of projects or contracts with respect to the use of projects which it causes to be constructed, erected, or acquired, and all persons, firms and corporations and any and all political subdivisions, departments, institutions or agencies of the State are authorized to enter into contracts, leases or agreements with the Commission upon such terms and for such purposes as they deem advisable. The Commission is further authorized to prescribe, fix and collect rates, fees, tolls, and other charges for the services furnished by the System and to provide capital to expand facilities and to maintain, replace or expand existing facilities.

Validation of the Series 2021 Bonds

As required by the Revenue Bond Law, the Commission will cause proceedings to be initiated in the Superior Court of Glynn County, Georgia to validate the Series 2021 Bonds and the security therefor. Final judgment confirming and validating the Series 2021 Bonds and the security therefor will be entered prior to the issuance and delivery of the Series 2021 Bonds.

Estimated Sources and Uses of Funds

Series 2021 Bonds

Sources of Funds:

Proceeds from the sale of the Series 2021 Bonds	\$15,815,000.00
Original Issue Net Premium	<u>\$146,860.15</u>
Total Sources of Funds	<u>\$15,961,860.15</u>

Uses of Funds:

Capitalized Interest	\$581,670.42
Deposit to Construction Fund ¹	\$15,000,000.00
Costs of Issuance ²	<u>\$380,189.73</u>
Total Uses of Funds:	<u>\$15,961,860.15</u>

¹ See "THE SERIES 2021 BONDS – The Projects."

² Includes estimated fees of attorneys, accountants, and financial advisors, Underwriter's Discount and expenses, cost of printing, bond validation fees, rating agency's fee, initial fee of Bond Registrar and Paying Agent, and other miscellaneous fees and expenses.

The Projects

Proceeds from the sale of the Series 2021 Bonds, together with other funds of the Commission, will be used to finance of costs of acquiring, constructing, and equipping certain improvements, extensions and additions to the System, including the following: (i) sewer projects to repair gravity sewers and rehab wastewater treatment processes; (ii) water rehabilitation projects to water mains; (iii) water and sewer extensions to unserved areas of Glynn County; and (iv) the installation of increased water storage capacity. The estimated aggregate cost for the Projects is approximately \$15,000,000.

Investment of Money

Construction Fund Money. The money in the Construction Fund which consists of bond proceeds may be invested, upon direction to the Construction Fund Custodian from the Commission, in any of the following investments allowed by O.C.G.A. § 36-82-7, if and to the extent the same are at the time legal for investment of bond proceeds:

- (i) the local government investment pool created in O.C.G.A. § 36-83-8; or

(ii) the following securities and no others:

(A) bonds or other obligations of the Commission, or bonds or obligations of the State or other states or of counties, municipal corporations and political subdivisions of the State;

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

(C) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives, and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such obligations shall have a current credit rating from nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

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

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

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

(1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraph (B) and (C) above and repurchase agreements fully collateralized by any such obligations;

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

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

(4) securities of or other interests in such investment company or investment

trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State.

Revenue Fund, Sinking, and Renewal and Extension Fund Money. Money in the Revenue Fund, Sinking Fund, and the Renewal and Extension Fund not required to pay current obligations of the Commission may be invested in the following investments, if and to the extent the same are at the time legal for investment of such money:

- (i) any of the following investments (presently authorized by O.C.G.A. § 36-80-3 and O.C.G.A. § 36-83-4), if and to the extent the same are at the time legal for investment of such money:
 - (A) obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies.
 - (B) obligations of any corporation of the United States government.
 - (C) bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states.
 - (D) obligations of other political subdivisions of the State.
 - (E) Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured.
 - (F) prime bankers' acceptances.
 - (G) repurchase agreements.
 - (H) the local government investment pool established by O.C.G.A. § 36-83-8; and
- (ii) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds.

Prior Bonds and Resolutions

On June 17, 2010, the Commission adopted the Master Resolution, as supplemented and amended by the First Supplemental Resolution on June 24, 2010, for the purpose of authorizing the issuance of its BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2010C (the "**Series 2010C Bonds**"), dated June 30, 2010 in the original aggregate principal amount of \$50,125,000, to provide funds needed to pay the cost, *inter alia*, of (i) currently refunding outstanding revenue bonds of the Commission, (ii) acquiring the water and sewer systems of the City and County, (iii) constructing additions and improvements to the System, and (iv) paying expenses incurred in connection with the issuance of the Series 2010C Bonds.

On November 29, 2017, the Commission adopted the Second Supplemental Resolution for the purpose of authorizing the issuance of its BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REFUNDING REVENUE BOND, SERIES 2017 (the "**Series 2017 Bond**") dated December 27, 2017, to provide funds needed to pay the cost, *inter alia*, of advance refunding in full and defeasing the Series 2010C Bonds, and paying expenses incurred in connection with the issuance of the Series 2017 Bond. The Series 2010C Bonds were redeemed in full on June 1, 2020.

The Series 2017 Bond is currently outstanding in the principal amount of \$29,825,000, and is the only outstanding debt of the Commission that has a first and prior pledge of and lien on the Net Revenues of the System. For more detailed information on the Series 2017 Bond, see "DEBT STRUCTURE OF THE SYSTEM."

Security and Sources of Payment for the Series 2021 Bonds

Pledge of Net Revenues of the System. The Series 2021 Bonds will be payable from and secured by a first and prior pledge of and lien on the Net Revenues of the System on a parity basis with the first and

prior charge or lien thereon of the Series 2017 Bond. The Net Revenues so pledged shall immediately be subject to the charge or lien of said pledge without any physical delivery thereof or other act, and the charge or lien of said pledge shall be valid and binding against the Commission and against all parties having claims of any kind against the Commission whether such claims shall have arisen from a tort, contract or otherwise and irrespective of whether such parties have notice of such pledge. The lien created on the Net Revenues of the System by the Resolution to secure payment of the Series 2017 Bond, the Series 2021 Bonds and any Parity Bonds hereafter issued shall be prior and superior to any lien or pledge that may be created hereafter to secure any obligations having as their security a lien on the Net Revenues of the System.

Limited Obligations. The Series 2021 Bonds are limited obligations of the Commission. The principal of and redemption premium, if any, and interest on the Series 2021 Bonds are not payable from, and are not a charge upon, any funds of the Commission other than the Net Revenues of the System. The Series 2021 Bonds do not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Commission, other than the Net Revenues of the System. The Series 2021 Bonds do not constitute a debt of the State, City or the County within the meaning of any constitutional or statutory limitation or provision nor a pledge of the faith and credit of State, City or County. The Series 2021 Bonds shall be payable solely from the funds provided for in the Resolution, and the issuance of the Series 2021 Bonds shall not directly, indirectly, or contingently obligate the State, City or County to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment. The Commission has no taxing power.

Revenues and Flow of Funds

Under the terms of the Resolution, the Commission has established the following funds: the *Revenue Fund*, the *Sinking Fund* and the *Renewal and Extension Fund*. Within the Sinking Fund, the Commission has established the *Debt Service Account* and the *Debt Service Reserve Account*, and within the Debt Service Reserve Account, a *Composite Reserve Account*.

There is no Debt Service Reserve Requirement for the Series 2021 Bonds and no deposits will be made to the Debt Service Reserve Account for the Series 2021 Bonds. There is no Composite Reserve Requirement for the Series 2021 Bonds and no deposits will be made to the Composite Reserve Account within the Debt Service Reserve Account.

All revenues arising from the ownership or operation of the System as it now exists and as it may hereafter be added to, extended or improved will be collected by the Commission and deposited promptly with the depository to the credit of the Revenue Fund. There will first be paid from the Revenue Fund the Operating Expenses (as defined in the Resolution) of the System. There will next be paid from the Revenue Fund into the Debt Service Account, on or before the last business day of each month, for the purpose of paying the Debt Service Requirement on the Bonds and the amounts described in Section 503(b) of the Master Resolution. After there have been paid from the Revenue Fund in each month the sums required or permitted to be paid under the provisions of Section 503 (a) through (c) of the Master Resolution, and after leaving in the Revenue Fund an amount equal to one month's Operating Expenses as estimated by the chief financial officer of the Commission, there will next be paid from the Revenue Fund into the Renewal and Extension Fund all of the revenues then remaining in the Revenue Fund. Moneys in the Renewal and Extension Fund shall be held and used by the Commission: (i) for the purpose of providing funds for (A) emergencies, (B) current or future use in the making of replacements, extensions, improvements and additions to the System, (C) providing new and additional facilities, utilities and services of a permanent nature for the System, (D) the acquisition of vehicles and equipment, including without limitation service vehicles and office equipment, and (E) repairing, altering, improving, enlarging and making additions to any and all facilities or utilities which may now or hereafter be operated as a part of the System, or (ii) to the extent revenues are otherwise unavailable, for the purpose of making payments required under this Resolution or any other resolution authorizing and securing Outstanding Bonds.

More detailed information on the flow of funds is set forth in the Master Resolution included in Appendix C attached to this Official Statement.

Rate Covenant

Pursuant to the Resolution, the Commission covenants that at all times, and from time to time, it will prescribe and place into effect a schedule of rates, tolls, fees, and charges for the services, facilities, and commodities furnished by the System and as often as it shall appear necessary it shall revise and adjust such schedule of rates, tolls, fees, and charges for services and facilities to the extent necessary to produce funds sufficient to:

- (a) pay the Operating Expenses of the System;
- (b) pay into the Debt Service Account an amount not less than the amount required to pay the Debt Service Requirement on the Bonds as the same become due and payable in the then current Sinking Fund Year;
- (c) create and maintain a reserve in the Composite Reserve Account and any separate account in the Debt Service Reserve Account in the amount as required in the Resolution or such larger amount as may be required in any proceedings authorizing any such issue or issues of Parity Bonds, including the amount necessary to make any payments required to be made to the issuer of a Debt Service Reserve Credit Instrument;
- (d) provide Net Revenues, which are at least equal to 1.10 times Debt Service in the then current Sinking Fund Year;
- (e) repay any amounts drawn directly from a sub-account or sub-account in the Debt Service Reserve Account or drawn on any Debt Service Reserve Credit Instrument within 12 months of any such draw; and
- (f) pay the principal of and interest on any bonds or other obligations of the Commission payable from the revenues of the System and secured by a charge or lien on such revenues which is junior and subordinate to the charge or lien created for the Bonds pursuant to the Resolution.

If the Commission shall fail to adopt a schedule or schedules of rates, fees, tolls, and charges or to revise the same as necessary in accordance with the Resolution, the Owner of any Bond, without regard to whether any default, as defined in the Resolution, shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the Commission to adopt such schedule or schedules or to revise such schedule or schedules so that funds will be received sufficient in amount to maintain at all times funds for which provisions are made in the Resolution, and to pay the Operating Expenses of the System.

Such rates, fees, tolls, and charges will be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that, as nearly as practicable, such rates, fees, tolls, and charges will be uniform in application to all users falling within any reasonable class.

Parity Bonds

The Commission may issue Parity Bonds which, if issued in accordance with the provisions of the Resolution, will rank *pari passu* with the Series 2017 Bond and Series 2021 Bonds with respect to the pledge of and the charge or lien on the Net Revenues of the System provided certain conditions are met. In addition, from time to time the Commission may issue additional bonds or obligations payable from the Net Revenues of the System and secured by a lien on said Net Revenues which is junior and subordinate to the lien of the Bonds on the Net Revenues of the System.

The Resolution sets forth the following conditions that must be met for Parity Bonds to be issued:

- (a) An independent certified public accountant (or firm thereof) shall issue its report to the Commission that the payments covenanted to be made into the Sinking Fund, as the same may have been enlarged in any proceeding theretofore taken authorizing the issuance of Parity Bonds, are being timely made in the full amounts required; the Debt Service Account and the Debt Service Reserve Account are at their proper balances; and the Commission is otherwise in compliance with all the other terms and

conditions contained in the Resolution and any supplements thereto pursuant to which Parity Bonds shall have been issued.

(b) An independent certified public accountant (or firm thereof) shall issue its report to the Commission:

(i) that the Net Revenues of the System for a period of 12 consecutive months out of the 24 months immediately preceding the month of adoption of proceedings authorizing the issuance of such proposed Parity Bonds have been equal to at least 1.20 times the highest annual Debt Service in any succeeding Sinking Fund Year on all Bonds then outstanding and on the Parity Bonds proposed to be issued (excluding for calculation of the Debt Service any Bonds which are to be refunded and defeased by the proposed Parity Bonds); or

(ii) if a new schedule of rates, fees, and charges for the services, facilities, and commodities furnished by the System shall have been adopted, that had such new rate schedule been in effect during the period of 12 consecutive months out of the 24 months immediately preceding the month of adoption of proceedings authorizing the issuance of such proposed Parity Bonds, the Net Revenues of the System would have at least equaled 1.20 times the highest annual Debt Service in any succeeding Sinking Fund Year on all Bonds then outstanding and on the Parity Bonds proposed to be issued (excluding for calculation of the Debt Service any Bonds which are to be refunded and defeased by the proposed Parity Bonds).

An adjustment may be made to the definition of Net Revenues in computing the aforesaid coverage test by adding an amount to such definition (i) equal to 80% of additional, new net revenues of the System estimated to be received from connections to the System in the third fiscal year after delivery of the Parity Bonds proposed to be issued, certified in writing by the Commission's consulting engineers to the extent that such new net revenues of the System are not otherwise taken into account, or (ii) equal to 100% of the estimated net revenues, as certified by the independent certified public accountant or consulting engineers, to be received from a system to be acquired with the proceeds of such Parity Bonds.

(c) Except where Parity Bonds are to be issued solely for the purpose of refunding other Bonds, an independent and recognized firm of consulting engineers employed by the Commission shall prepare an engineering report recommending the additions, extensions, and improvements to be made to the System, designating in reasonable detail the work and installations proposed to be done and the estimated cost of accomplishing such undertaking. Such engineering report shall set forth the projected Net Revenues for each succeeding Sinking Fund Year after such additions, extensions, and improvements have been completed, and shall show the coverage of annual Debt Service Requirements for the Bonds then outstanding and the Parity Bonds proposed to be issued for each such succeeding Sinking Fund Year.

(d) The Commission shall pass proper proceedings reciting that all of the above requirements have been met and authorizing the issuance of such Parity Bonds, which proceedings shall provide, among other provisions, for the date, the rate or rates of interest, maturity dates, and redemption provisions of such Parity Bonds, and the interest on such Parity Bonds, if fixed, shall fall due on June 1 and December 1 of each year, and the principal of such Parity Bonds shall mature on the date or dates specified in the supplemental resolution authorizing such Parity Bonds, and provided further, that any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions, and provisions of the Resolution. Any such proceeding or proceedings shall require (i) an increase in the monthly payments then being made into the Debt Service Account to the extent necessary to pay the Debt Service and any Debt Service Offset on all Bonds then outstanding and on the Parity Bonds proposed to be issued and (ii) the funding of the Debt Service Reserve Requirement for the Bonds then outstanding and such Parity Bonds as set forth in Section 503(c) of the Resolution.

(e) The proceeds of any Parity Bonds authorized to be issued must be used only for the purpose of adding to, extending, and improving the System and its related properties (including, but not limited to, the acquisition, construction, and equipping of such building or buildings and structures and appurtenances pertaining thereto as may be deemed necessary to afford more adequate, useful and convenient facilities for the proper control and administration of the functions of the System) and/or to redeem or refund any one

or more series of Bonds previously issued under the Resolution, or other obligations relating to the System, and paying the usual and necessary expenses incurred and to be incurred incident to accomplishing any of the foregoing, including, without limitation, the costs of lands, rights-of-way, contract rights, franchises and easements.

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

Parity Bonds in an amount not to exceed 10% of the aggregate principal amount of any series of Bonds issued to finance the costs of any capital project may be issued to provide funds to complete the construction of such capital project, without regard to the requirements of subparagraph (b) above. Parity Bonds may be issued to refund Outstanding Bonds without regard to the requirements of subparagraph (b) above, if the Debt Service Requirement on all Outstanding Bonds immediately following such refunding, for any Sinking Fund Year to and including the Sinking Fund Year of the final maturity of Outstanding Bonds prior to such refunding, will not, as a result of such refunding, exceed the Debt Service Requirement for any such Sinking Fund Year had such refunding not occurred. In the alternative, the requirements of subparagraph (b) above shall be applied to the Parity Bonds to be issued to refund Outstanding Bonds, in lieu of the application thereof to the Outstanding Bonds proposed to be refunded.

Waiver of Certain Parity Bond Conditions By Registered Owner of the Series 2017 Bond

On August 6, 2021, Sterling National Bank, as the Registered Owner of the Series 2017 Bond, and as the only Owner of Outstanding Bonds under the provisions of the Resolution, provided the Commission with a written certificate waiving all conditions, limitations, and requirements relating to the issuance of Parity Bonds set forth in of Section 509(c) of the Master Resolution, regarding the preparation of an engineering report recommending the additions, extensions, and improvements to be made to the System. This waiver only applies to the issuance of the Series 2021 Bonds.

Remedies

The Revenue Bond Law provides that the provisions of the Revenue Bond Law and the Resolution constitute a contract between the Commission and the owners of the Series 2021 Bonds. The Resolution sets forth a description of the remedies available to owners of the Series 2021 Bonds upon the occurrence of an Event of Default thereunder. For a description of the remedies available to owners of the Series 2021 Bonds under the terms of the Resolution upon the occurrence of an Event of Default thereunder, see “Appendix C: MASTER RESOLUTION AND THIRD SUPPLEMENTAL RESOLUTION”. In addition to the remedies set forth in the Resolution, the Revenue Bond Law provides that the duties of Commission, and the officers of the Commission under the Revenue Bond Law and the Resolution are enforceable by any owner of the Series 2021 Bonds by mandamus or other appropriate action or proceeding at law or in equity.

The Revenue Bond Law also provides that in the event the Commission defaults in the payment of the principal or interest on any of the Series 2021 Bonds after the same becomes due, whether at maturity or upon call for redemption, and such default continues for a period of 30 days, or in the event the Commission or the officers, agents, or employees of the Commission fail or refuse to comply with the essential provisions of the Revenue Bond Law or default in any material respect in the Resolution, any holders of the Series 2021 Bonds shall have the right to apply in an appropriate judicial proceeding to the Superior Court of Glynn County or to any court of competent jurisdiction for the appointment of a receiver of the System, whether or not all Series 2021 Bonds have been declared due and payable and whether or not such holder is seeking or has sought to enforce any other right or to exercise any remedy in connection with the Series 2021 Bonds. Upon such application, the Superior Court, if it deems such action necessary for the protection of the bondholders, may appoint and, if the application is made by the holders of 25 percent in principal amount of the Series 2021 Bonds then outstanding, shall appoint a receiver of the System.

The receiver so appointed under the Revenue Bond Law, directly or by his agents and attorneys, is required under the Revenue Bond Law to forthwith enter into and upon and take possession of the System. If the court so directs, the receiver may exclude the Commission and the Commission’s officers, agents,

and employees, and all persons claiming under them, wholly from the System. Under the Revenue Bond Law, the receiver will have, hold, use, operate, manage, and control the System, in the name of the Commission or otherwise, as the receiver may deem best. Under the Revenue Bond Law, the receiver will exercise all the rights and powers of the Commission with respect to the System as the Commission itself might do. The receiver will maintain, restore, insure, and keep insured the System and from time to time will make all such necessary or proper repairs as the receiver may deem expedient. Under the Revenue Bond Law, the receiver will establish, levy, maintain, and collect such fees, tolls, rentals, and other charges in connection with the System as he deems necessary or proper and reasonable. Under the Revenue Bond Law, the receiver will collect and receive all revenues and will deposit the same in a separate account and apply the revenues so collected and received in such manner as the court shall direct.

Notwithstanding the provisions of the Revenue Bond Law described above, the receiver has no power to sell, assign, mortgage, or otherwise dispose of any assets of whatever kind or character belonging to the Commission and useful for the System. The authority of any such receiver is limited to the operation and maintenance of the System. No court may have jurisdiction to enter any order or decree requiring or permitting the receiver to sell, assign, mortgage, or otherwise dispose of any such assets.

The receiver must, in the performance of the powers conferred upon him, act under the direction and supervision of the court making such appointment and will at all times be subject to the orders and decrees of such court and may be removed by such court.

Under the terms of the Revenue Bond Law, whenever all that is due upon the Series 2021 Bonds and interest thereon and upon any other notes, bonds, or other obligations and interest thereon having a charge, lien, or encumbrance on the revenues of the System and under any of the terms of the Resolution has been paid or deposited as provided therein and whenever all defaults have been cured and made good and it appears to the court that no default is imminent, the court must direct the receiver to surrender possession of the System to the Commission. The same right of the holders of the Bonds to secure the appointment of a receiver exists upon any subsequent default as is provided in the Revenue Bond Law.

If the Commission were to default on the Series 2021 Bonds, the realization of value from the pledge of the Net Revenues to secure the payment of the Bonds would depend upon the exercise of various remedies specified by the Resolution and Georgia law (including the Revenue Bond Law). These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2021 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

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THE COMMISSION

History of the Commission

For many years, the City and County recognized the need to provide services to the region covered by both entities through a coordinated, planned and unified potable water and wastewater system. This effort first began with an intergovernmental agreement to provide wastewater treatment to the Glynn County north mainland system in 1988. In the autumn of 2004 the two governments began meeting to discuss the renewal process for the 1988 agreement. It was in these meetings and the ensuing discussions relating to efficiency in service delivery, avoiding duplication of resources and preparing for growth, that each government realized the community would best be served by continuing their efforts in unifying the systems. The City and the County entered into a formational agreement on June 13, 2005 to combine the independently owned and operated water and sewer systems under a separate entity. The local legislative delegation introduced legislation in the Georgia General Assembly in 2006 to create the Commission which was signed into law by the Governor on April 19, 2006. The legislation contained two conditions that would have to be met prior to the formation of the Commission. First, the citizens of the County and the City would have to affirm their desire to go forward with the formation through a public referendum. On July 18, 2006 the referendum passed with majority votes of 74% in the County and 57% in the City.

After citizen approval, the two governments and the Commission began work on the second condition of creating the Commission, an operational agreement which set forth the terms and conditions under which the Commission would operate and maintain the unified system (the “**Operational Agreement**”). In July of 2007 the Operational Agreement was approved.

Pursuant to a lease and transfer agreement dated as of October 17, 2007 between the City and the Commission and a lease and transfer agreement dated as of October 18, 2007 between the County and the Commission (together, the “**Lease and Transfer Agreements**”), the City and County leased to the Commission the assets of, and transferred the possession and control, but not the legal title to, the City’s water and sewer system and the County’s water and sewer system, respectively.

The Commission began operating and maintaining the System on January 1, 2008. The City and County each retained sufficient cash to satisfy their respective accounts payable on December 31, 2007 and to complete any capital projects in process at that date. The remaining operating cash, investments accounts and restricted reserves were transferred to the Commission. The City and County also transferred their respective customer accounts, receivables, unbilled revenues, allowances for uncollectable accounts and liabilities for customer deposits held. All debt including revenue bonds remain in the name of the respective governments. The Commission remitted funds to the governments on a regular basis in amounts sufficient to satisfy all debt service requirements. Former employees of the City and County water and sewer enterprise funds, or employees whose salaries were paid by the enterprise funds, became employees of the Commission as of January 1, 2008. The Commission assumed the liability for accrued compensated absences of these employees.

Formal financial acquisition of the City and County water and sewer system assets occurred during Fiscal Years 2009 through 2010 pursuant to the terms of the Operational Agreement. On June 16, 2010, the Commission of the City of Brunswick adopted a resolution authorizing the acquisition of its water and sewer system by the Commission. On June 17, 2010, the Board of Commissioners of Glynn County adopted a resolution authorizing the acquisition of its water and sewer system by the Commission. On June 30, 2010, the Commission issued its Series 2010C Bonds in the original aggregate principal amount of \$50,125,000, to provide funds needed to pay the cost, *inter alia*, of (i) currently refunding outstanding revenue bonds of the Commission, (ii) acquiring the water and sewer systems of the City and County, (iii) constructing additions and improvements to the System, and (iv) paying expenses incurred in connection with the issuance of the Series 2010C Bonds. Concurrently with the issuance and delivery of the Series 2010C Bonds, the Commission acquired legal title to the System, the Lease and Transfer Agreements was terminated, all debt of the City and the County with respect to their respective systems were defeased, redeemed or prepaid and the County, City and Commission entered into an addendum to the Operational Agreement providing for the ownership and operation of the System by the Commission.

General Information

The Commission was created by the Act as a body corporate and politic. The name of the Commission was changed from “Brunswick-Glynn County Joint Water and Sewer Commission” to “Brunswick-Glynn County Water and Sewer Commission” pursuant to an amendment to the Act in 2016, Ga. Laws 2016, p. 3523. The Commission is deemed a governmental body within the meaning of the Revenue Bond Law.

The general purposes of the Commission are those of acquiring, constructing, equipping, maintaining, and operating adequate water supply, treatment, and distribution facilities and sewerage collection and treatment facilities and making said facilities and services available to public and private consumers and users located in the City and the County and extending and improving such facilities as necessary.

The Commission is empowered by the Act to operate the System and to do all things necessary or convenient to carry out the powers and duties expressly given by the Act, including constructing, erecting, acquiring, owning, repairing, remodeling, maintaining, adding to, extending, improving, equipping, operating, and managing projects, as defined in the Act and paying the cost of the projects in whole or in part from the proceeds of revenue bonds of the Commission or from such proceeds and any grant or contribution from the United States of America or any agency or instrumentality thereof or from the State of Georgia or any political subdivision, agency, or instrumentality thereof.

The Act further authorizes the Commission to prescribe, fix, and collect rates, fees, tolls, charges, or penalties, and to revise from time to time and collect such rates, fees, tolls, charges, or penalties provided that such rates, fees, tolls, charges, or penalties shall be calculated to cover only the cost of providing services; to provide capital to expand facilities; to maintain, replace, or expand existing facilities; to provide a reasonable reserve for operations; to fund bond sinking funds; or to fund sinking funds for other debt of the County or the City incurred to provide capital portions of their water or sewer system; to enforce the City of Brunswick Water and Sewer Ordinances and Glynn County Water and Sewer Ordinances as outlined in such ordinances. The Act expressly provides that the Commission shall not operate the System at a profit.

Power of Eminent Domain

The Act specifically provides that the Commission shall not have or exercise the power of eminent domain. The City, County and Commission recognize that it may be necessary to exercise the power of eminent domain to facilitate the operation, maintenance and growth of the System. Therefore, the Operational Agreement, as amended, provides that the City or County may act on behalf of the Commission in exercising such power. In accordance with the Operational Agreement, the Commission, by resolution, shall determine the necessity to acquire property for utilization in the System by eminent domain and present the Commission’s request to either the City or the County, as appropriate, to act on the Commission’s behalf in acquiring such property. The City or the County, in their sole discretion, may place conditions on such request or reject it in its entirety. All costs associated with acquiring property by eminent domain shall be borne by the Commission including, but not limited to, litigation costs and the amount of the judgment in favor of the condemnee, plus interest, if any. In the event the Act is amended to provide the Commission with the authority to exercise the power of eminent domain, then upon the effective date thereof, the provisions regarding eminent domain in the Operational Agreement will become void and nonbinding on the parties thereto.

Governing Body

The governing body of the Commission consists of seven members. The governing bodies of the County and the City each appoint one of their members to the Commission for terms of two years, provided, however, that no member appointed to one of these two positions shall serve beyond their term in office as a member of the respective appointing body. Five citizen members also serve on the Commission, three of which are appointed by the grand jury of Glynn County and two of which are elected in county-wide general elections. Each citizen member must have been a resident of the County for at least 12 months, be 21 years of age or older, and be registered to vote in the State. Any person desiring to serve in a position on the

Commission shall either become a candidate for election or an applicant for appointment by the grand jury of Glynn County, but not both, during any year in which a vacancy or vacancies are to be filled. Three citizens are appointed to serve on the Commission for four year terms by a grand jury of Glynn County. The grand jury seeks applications from residents of the City and County, conducts interviews of the applicants, receives public comments, and select the citizen members from the pool of applicants possessing specialized engineering, finance, or related business education or experience, including, but not limited to, accounting, public relations, or other experience or education relating to the operation of a water and sewer authority, industrial management, or related business. The two additional citizen members are elected by the qualified electors of Glynn County and serve four year terms. The elections are held at the general primary election next preceding the expiration of the term of office for such member position. There is no limit to the number of terms a person may serve as a member of the Commission. In the event of a vacancy, with the exception of those appointed by the governing bodies of the County and City, a member's successor shall be appointed by the grand jury of the County.

The Commission elects a chairperson from its members to serve a one-year term. There is no limit to the number of terms, consecutive or otherwise, that the chairperson may serve. A quorum of the members of the Commission is required to transact any business. Five members of the commission constitutes a quorum. Meetings of the Commission are conducted in accordance with Robert's Rules of Order.

Information about the current members of the Commission is set forth below:

<u>Name</u>	<u>Where Elected or Appointed</u>	<u>Expiration of Term</u>	<u>Principal Occupation</u>
Ben Turnipseed, <i>Chairperson</i>	Grand Jury Appointment	12/31/2023	Engineering
Bob Duncan, <i>Vice-Chairperson</i>	Elected – Post 2	12/31/2023	Construction/Developer
Charles S. Cook	Grand Jury Appointment	12/31/2024	I.T. - Retired
Cornell L. Harvey	City Appointment	12/31/2021	City Mayor
Wayne Neal	County Appointment	12/31/2022	Construction/Developer
Tripp Stephens	Grand Jury Appointment	12/31/2021	Southeast Georgia Health System – Vice President
Chad Strickland	Elected – Post 1	12/31/2024	Law Enforcement

Management

The Commission is managed by an Executive Director who serves under contract and reports to the Commission. The Deputy Executive Director has direct authority over all staff in the absence of the Executive Director. The Commission's senior management team is divided into multiple departments with leadership teams managing the staff of each department and reporting to the Executive Director and Deputy Executive Director. The departments include a Finance Division, Procurement Division, Administrative Services Division, Planning and Construction Division, Water Production Section, System Pumping & Maintenance Section, Wastewater Treatment Section, and Water Distribution Section. The senior management team also consists of an Asset Management Manager and SCADA Systems Administrator.

Executive Director. Andrew Burroughs, P.E., has served as the Commission's Executive Director since November, 2019. Mr. Burroughs initially relocated to Glynn County in September 2017 to serve as the Deputy Executive Director for the Commission. In that role, Mr. Burroughs focused his efforts on improving operational efficiency through the implementation of strategic asset management. Having previously served as the Process Assets Manager for the City of Tuscaloosa, Alabama, where he was in charge of wastewater operations, his training and experience in that utility had him well prepared to develop systematic approaches to resolving operational needs of the Commission. Mr. Burroughs is a graduate of the University of Alabama where he acquired a Bachelor's Degree in Chemical Engineering, and is a registered Professional Engineer in the states of Georgia and Alabama. In 2021, Mr. Burroughs earned a Master of Business Administration from Washington State University.

Deputy Executive Director. LaDonnah Roberts has served as the Commission's Deputy Executive Director since April, 2020. Mrs. Roberts initially joined the Commission in 2018 serving as the Senior Financial Analyst. In that role, Mrs. Roberts helped streamline the annual budget review, development and approval process. She also helped to prioritize capital reserve allocation to support future needs while aiming to reduce operating expenses with the goal of maintaining rate stability. Prior to joining the

Commission in 2018, Mrs. Roberts served the City of Tuscaloosa, Alabama in various roles where she oversaw customer service, water and sewer utility billing, managed divisional budgets, wrote and instituted standard operating procedures, and developed relationships with other local agencies and community groups.

Employees, Employee Relations, and Employee Benefits

As of July 1, 2021, the Commission had 156 full-time employees. Management believes that it enjoys an excellent relationship with its employees. The Commission has never experienced a major disruption of services due to a strike or employee action. No employees belong to labor unions or other collective bargaining groups and the Commission has no knowledge of any union organizing efforts.

The Commission provides eligible employees with health insurance, on a participatory basis, long-term disability insurance and a defined benefit retirement plan administered by the Georgia Municipal Association.

Salaries and wages increased for the fiscal year 2020 as the result of the implementation of a Cost-of-living adjustment (“COLA”). All Commission employees received a minimum salary increase of 1.79% in July 2021. The implementation of an annual COLA is designed to make the Commission competitive in attracting and retaining employees. A COLA will be implemented for the first full pay period of July annually in an amount equal to the CPI-U. The pay scale of the Commission will be adjusted by an equal percentage.

The Commission permits employees to accumulate earned but unused vacation and sick pay benefits. Employees may carry over a maximum of 160 hours of vacation time from year to year. Accumulated vacation benefits will be liquidated in future years as employees elect to use them or will be paid upon termination of employment. Accumulated sick pay benefits are not payable upon termination of employment. In the normal course of business, all payments of accumulated benefits will be funded by revenues of the year in which the benefits are paid. All compensated absences are accrued when earned by employees. An employee may accrue an unlimited amount of sick leave. Sick leave may be taken only for personal illness or illness of an immediate family member.

Defined Benefit Pension Plan

The Commission has established a non-contributory defined benefit pension plan, the Brunswick-Glynn County Joint Water & Sewer Commission Retirement Plan (the “**Plan**”), covering substantially all of the Commission’s employees. The Commission’s pension plan is administered through the Georgia Municipal Employee Benefit System (“**GMEBS**”), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The Board of Commissioners, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the Commission and its employees.

For a more detailed discussion of the Commission’s defined benefit pension plan, see Note 7 of the Commission’s financial statements included as Appendix A to this Official Statement.

Governmental Immunity and Insurance Coverage

Governmental Immunity. The Act provides that the Commission and its officers, agents, and employees when in the performance of their public duties or work of the Commission, shall in no event be liable for any torts or negligent acts and shall have the same immunity and exemption from liability for torts and negligence as Glynn County and its County Commissioners, nor shall the Commission be vicariously liable for any torts committed by its officers, agents, and employees.

Under Georgia law, the defense of sovereign immunity is available to the Commission, as a political subdivision of the State of Georgia, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which liability insurance protection has been provided, but only

to the extent of the liability insurance provided. The Commission, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983, alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anti-competitive practices and violations of the federal antitrust laws by the Commission in the exercise of its delegated powers.

Insurance Coverage. The Commission is exposed to various risks of loss related to: torts; theft of assets; damage to and destruction of assets; errors and omissions; and natural disasters. The Commission carries commercial insurance for these risks of loss, as well as other risks of loss such as workers' compensation insurance and general property and liability insurance. The Commission is fully insured for workers compensation and is self-insured for unemployment insurance. The Commission has covenanted in the Resolution to procure fire and extended coverage insurance on the insurable portions of the System and public liability insurance relating to the operation of the System and relating to any vehicle owned or operated for the benefit of the System. For information regarding the insurance coverage covenants see "RISK FACTORS - Risk of Loss, Damage or Destruction" herein.

There have been no significant reductions of insurance coverage and settlement amounts have not exceeded insurance coverage for the prior five fiscal years.

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THE SYSTEM

Service Areas

The overall service area of the System incorporates four separate areas of the County: the North Mainland, the City of Brunswick, the South Mainland, and St. Simons Island. Jekyll Island is served by the Jekyll Island Authority for water and sewer service. Sea Island is generally evaluated in the Commission's capital improvement master plan to assess future demands, but is currently served by a privately owned, operated and maintained water and sewer system. However, there are no water pollution control facilities on Sea Island and all centrally collected sewer on Sea Island is sent to the Commission's Dunbar Creek Water Pollution Control Plant for treatment and disposal.

There are industrial and commercial facilities within the Commission's service areas that own, operate, and maintain private wells and water systems. These include the Georgia Port Authority Colonel's Island International Auto Processing facility, Pinova, Inc., and SeaPak/Farm Rich. Additionally, there are numerous small housing areas that are served by localized private water systems which own and operate the systems. A majority of such systems are owned and operated by Woodrow Sapp. These systems are outside of the Commission's water distribution system networks. There are also numerous areas, primarily residential, throughout the Commission's sewer system service areas which are served by on-site septic systems that are under the jurisdiction of the Glynn County Health Department.

The Commission estimates the current base population for the sewer systems service areas to be approximately 56,608, and the current base population for the water systems service areas to be approximately 65,025.

Water Systems

The Commission maintains three water systems. The City of Brunswick and the North Mainland System services a customer base within the city limits of Brunswick up to the Interstate 95 interchange at Exit 42 and is comprised of 9 water production facilities, 7 elevated storage tanks which provide 4.05 million gallons of storage, and 352 miles of water mains ranging from 2 to 16 inches in size. The South Mainland System services a customer base around the Interstate 95 interchange at Exit 29 and six miles to the west and is comprised of 3 water production facilities, 1 elevated storage tank which provide 0.5 million gallons of storage, and 42 miles of water mains ranging from 2 to 16 inches in size. The St. Simons Island System services all of St. Simons Island and is comprised of 4 water production facilities, 2 elevated storage tanks which provide 1.0 million gallons of storage, and 168 miles of water mains ranging from 2 to 16 inches in size.

The water production facilities all vary in components but typically have wells, finished water storage, high service pumps, gas chlorination, emergency power generation facilities and phosphate (PO₄) addition to inhibit corrosion and leaching of lead and copper from household plumbing and service lines. Some facilities are operated manually and are used primarily to boost chlorine residual and for fire protection, as necessary.

All of the water production facilities utilize groundwater for source water. The aquifer source of water varies by well but is predominantly from the Floridan and Upper Floridan with the more recently constructed wells providing water from the Miocene Aquifer. The quality of the water is such that typically only cascade aeration and chlorination are required for treatment. Many of the facilities serving the City of Brunswick and North Mainland and St. Simons Island water systems also inject phosphates (PO₄) into the water to improve water quality. Not all of the facilities provide aeration treatment but at a minimum chlorination is provided at each facility.

The elevated storage tanks "float" on the system, filling during periods of low water demand providing storage for operational equalization and fire protection. The tank water levels are monitored with telemetry and used to control high service pump operation at the water production facilities. Each of the elevated storage tanks' sites is secured.

Sewer Systems

The Commission maintains three separate sewer systems, the Academy Creek WPCP (“**Academy Creek**”) system which serves the North Mainland and the City of Brunswick, the Exit 29 WPCP (“**Exit 29**”) which serves the South Mainland, and the St. Simons Island Dunbar Creek WPCP (“**Dunbar Creek**”) which serves St. Simons Island and sewer pumped from the private Sea Island sewer system. Each system has one water pollution control plant (“**WPCP**”) for the treatment and disposal of the collected sewage.

The Academy Creek system consists of 85 pump stations, 3,895 manholes, 69 miles of force main pipelines ranging from 2 to 24 inches in length, and 211 miles of gravity mains ranging from 6 to 52 inches in size. The Exit 29 system consists of 9 pump stations, 343 manholes, 16 miles of force main pipelines ranging from 2 to 16 inches in size, and 18 miles of gravity mains ranging from 6 to 22 inches in size. The Dunbar Creek system consists of 63 pump stations, 2,626 manholes, 63 miles of force main pipelines ranging from 2 to 18 inches in size, and 109 miles of gravity mains ranging from 6 to 30 inches in size.

The Academy Creek WPCP is a 13.5 MGD secondary treatment facility which discharges to Academy Creek. The Academy Creek WPCP treatment processes include primary screening, grit removal, pure oxygen aeration basins, clarification, gas chlorination, dechlorination, and cascade reaeration prior to discharge through an outfall into Academy Creek. Residuals are treated in aerobic digesters and dewatered in the belt filter press.

The Exit 29 WPCP is a 1.5 MGD treatment facility which discharges to the Little Satilla River. The Exit 29 WPCP treatment processes include primary screening and grit removal, an oxidation ditch system which provides for oxic and anoxic treatment for the removal of nitrogen, clarification, filtration, and ultraviolet disinfection prior to discharging through an effluent pipeline and diffuser to the Little Satilla River. Residuals are treated in aerobic digesters and dewatered in the belt filter press. An additional 0.5 MGD of capacity can be treated with a WPCP expansion, however based on the EPD permit it is required that it is discharged to a reuse system for disposal. There are currently limited available locations for reuse water discharge.

The Dunbar Creek WPCP utilizes a flow through activated sludge process with a 4.0 MGD capacity and was expanded from a 3.0 MGD facility in approximately 2007. The WPCP utilizes influent screening, grit removal, aeration, clarification, filtration via disk filters, UV disinfection, and post aeration. The effluent is discharged to Dunbar Creek. Residuals are treated in aerobic digesters and dewatered in the belt filter press.

Governmental Approvals and Environmental Regulation

State Requirements. The Georgia Water Quality Control Act authorizes the State of Georgia Department of Natural Resources, Environmental Protection Division (“**EPD**”), to regulate the withdrawal of groundwater and water from rivers, lakes, and streams in Georgia. The EPD also regulates wastewater treatment systems in Georgia pursuant to the Georgia Water Quality Control Act. The Commission is continually upgrading and modifying the System to maintain compliance, ensure quality service delivery and be good stewards of the environment.

Federal Requirements. The Commission’s wastewater operations are subject to the regulatory requirements imposed by the Federal Water Pollution Control Act, as amended (the “**Clean Water Act**”). The regulatory requirements are administered by the Federal Environmental Protection Agency (“**EPA**”) through the EPD. Regulations of these agencies deal primarily with the quality of effluent which may be discharged from the Commission’s wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, and the nature of waste material (particularly industrial waste) discharged into the collection system. Additionally, any planned expansions of water and sewer facilities must be reviewed and permitted by EPD. To comply with federal regulations concerning the industrial discharge of waste materials into the sewer system, the Commission must administer and enforce industrial pretreatment limitation standards upon users of the sewer system. As a condition of having received federal EPA grant funds under the Clean Water Act for planning, design, and construction of various wastewater projects, the Commission is subject to additional regulatory requirements. Among the grant-related requirements are

guidelines which must be followed concerning planning methodologies, design criteria, construction activities, and the operation, maintenance, and financing of facilities.

To comply with federally mandated effluent quality and disposal criteria, wastewater operations must comply with discharge limitations and reporting requirements set forth in National Pollutant Discharge Elimination System (“NPDES”) discharge permits. The Commission’s management has concluded that the three (3) water pollution control plants, Academy Creek, Dunbar Creek and Exit 29, have been and remain compliant with their NPDES permits.

According to the Commission’s management, the System facilities are operating under valid permits and are consistently meeting the requirements of said permits. There are no active regulatory actions or consent orders directly related to the water and sewer operations of the System.

Set forth below is summary of the EPD permits relating to the System. Renewal of permits will be sought prior to expiration dates as provided for in each individual permit. The Commission does not anticipate any problems receiving permit renewals.

Water System Permits

Each of the three water systems is permitted for consumptive water use under separate EPD permits. The City of Brunswick and North Mainland water system has two permits, the South Mainland water system has two permits, and the St. Simons Island water system has one permit. The table below provides information on the permits.

City of Brunswick and North Mainland Water System					
<u>Groundwater Consumptive Use Permit No.</u>	<u>No. of Wells Permitted</u>	<u>Total Permitted Allowed Monthly ADF (MGD)</u>	<u>Total permitted Allowed Annual ADF (MGD)</u>	<u>Aquifer Withdrawal</u>	<u>Expiration Date</u>
063-0038 ¹	2	2.000	2.000	Miocene	12/21/2027
063-0011 ²	13	9.450	8.790	Floridan	12/31/2027
South Mainland Water System					
<u>Groundwater Consumptive Use Permit No.</u>	<u>No. of Wells Permitted</u>	<u>Total Permitted Allowed Monthly ADF (MGD)</u>	<u>Total permitted Allowed Annual ADF (MGD)</u>	<u>Aquifer Withdrawal</u>	<u>Expiration Date</u>
063-0025 ³	1	1.300	1.300	Floridan	12/31/2027
063-0045 ⁴	1	1.000	1.000	Miocene	12/31/2027
St. Simons Island Water System					
<u>Groundwater Consumptive Use Permit No.</u>	<u>No. of Wells Permitted</u>	<u>Total Permitted Allowed Monthly ADF (MGD)</u>	<u>Total permitted Allowed Annual ADF (MGD)</u>	<u>Aquifer Withdrawal</u>	<u>Expiration Date</u>
063-0010 ⁵	6	5.950	4.520	Floridan	12/31/2027

1. Water Production Facilities Served include: Golden Isles I WPF and Golden Isles II WPF.

2. Water Production Facilities Served include: Canal Road WPF, Ridgewood Rd WPF, I-95 WPF, FLETC WPF, Brunswick Villas WPF, Goodyear WPF, Howard Coffin WPF, and Perry Park WPF.

3. Water Production Facilities Served include: Exit 29 WPF and Old Brookman WPF.

4. Water Production Facilities Served include: Fancy Bluff WPF

5. Water Production Facilities Served include: McKinnon Airport WPF, Mallory Street WPF, Harrington WPF, and Hampton Plantation WPF.

Sewer System Permits

Each of the sewer system water pollution control plants is permitted under separate EPD permits which are described in the table below.

Academy Creek WPCP

<u>Permit No.</u>	<u>Discharge Method</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Monthly Average_ Flow Permit Limits</u>
GA 0025313	Surface Water Discharge to Academy Creek	7/1/2020	6/30/2025	13.5 MGD

Exit 29 WPCP

<u>Permit No.</u>	<u>Discharge Method</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Monthly Average_ Flow Permit Limits</u>
GA 0038939	Surface Water Discharge to Little Satilla River	5/1/2018	5/30/23	1.5MGD

SSI Dunbar Creek WPCP

<u>Permit No.</u>	<u>Discharge Method</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Monthly Average_ Flow Permit Limits</u>
GA 0021521	Surface Water Discharge to Dunbar Creek	11/1/2016	10/31/2021	4.0 MGD

Capital Improvements Plan

The Commission has a five-year capital improvement plan that is updated annually. The capital improvement plan assists in the planning, acquisition, and financing of major capital projects. During the annual budget process, each department submits its budget request for capital needs to the Executive Director. Upon review of the requests, major capital projects and other capital outlays are placed in the capital improvement plan and are assessed and prioritized based on the Commission's objectives and goals.

The Commission also has a twenty-year capital improvements master plan that focuses on both near-term and long-term capital improvement projects. The master plan is updated every five years to gauge the then current condition of the System and the level of maintenance and deterioration which has occurred and the impacts to equipment and systems life cycles. The five-year update is also used to properly assess and plan for development and associated increases in water demand and sewer generation rates, especially in the event of the occurrence of any significant economic shifts, large land zoning changes and/or modifications to the City and County Comprehensive Plans. The capital improvement master plan is financed with proceeds from the sale of the Commission's water and sewer revenue bonds and investment earnings thereon, internally generated funds, proceeds of loans obtained from the Georgia Environmental Finance Authority and other federal and State sources.

Capital projects are planned, or underway, to increase capacity in areas identified to have the greatest growth potential. Other areas may have incremental increases in capacity through such methods as increasing pump sizes or adding additional pumping capacity. The Commission's implementation of a formal asset management program for all divisions continues to move forward and is gaining momentum toward full implementation. Once fully implemented, this program will facilitate greater operational efficiencies, provide clear asset condition tracking and therefore greater understanding of proactive maintenance and reinvestment needs to allow the Commission to set priorities and allocate resources more effectively.

In September 2019 the Commission was notified it had been approved for a \$15,000,000 loan through the GEFA for capital projects at its wastewater treatment plants and trenchless rehabilitation of sanitary sewer lines. In June 2019, an application for 67 lift station transfer switches was approved. In September 2019 an application to Georgia Emergency Management Agency for the installation of 22 additional lift station transfer switches was approved.

The following table shows the amounts spent on capital improvements to the System during the fiscal years 2016 through 2021.

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Capital</u> <u>Improvements</u>
2016	\$8,946,830.31
2017	6,770,091.71
2018	7,178,814.43
2019	4,422,607.76
2020	5,757,828.60
2021	<u>17,281,066.45</u>
Total	<u>\$50,357,239.26</u>

Billing and Collection Policy

The Commission bills all water and sewer customers on a monthly basis. All meters are read electronically (radio read) each month and customers receive a monthly statement based on that reading. With respect to debt recovery charges, customers are billed based on the infrastructure they utilize for provision of water and/or sewer service. Administrative and usage charges are standardized throughout the service area. Customers have the option to enroll in paperless billing, receive paper statements, or choose to receive both an email and a paper bill. Customers may also enroll in text message alerts for past due service charges. Bills are due within 20 days after billing.

Customer who do not pay their bills by the due date shown on the bill are assessed a 1.5% late fee which is added to their balance for each month they are past due. The Commission disconnects services for nonpayment. Customers must pay the balance owed for delinquent bills or enter into a payment plan with the Commission to have service restored. A turn off fee also is charged to the customer's account and customers may be required to pay an additional deposit to restore service. Once the delinquent bills have been paid, service is restored the same day if payment is made before 2:00 p.m. After 2:00 p.m., service will be restored the next business day. If payment is made after 2:00 p.m., service may be restored the same day for an additional fee. Customers leaving the System receive a final bill and for those who fail to pay are referred to a collection agency.

As of June 30, 2021 the Commission has 30,955 billable service addresses: 15,138 in Brunswick, 10,931 on Saint Simons Island, 3,859 in the North Mainland and 1,027 in the South Mainland.

Rate Setting Process

The Commission establishes and revises rates, charges and fees for water and sewer services through the adoption of rate resolutions. In connection with developing an annual balanced budget based on a set rate structure, the Commission annually reviews the sufficiency of the water and sewer revenues to meet all current and projected financial requirements of the System over a multi-year projection period. This review process determines the level of rate or user fee revenue increases necessary in each year to provide sufficient revenues to fund all of the financial requirements associated with the System. The annual rate setting process allows for the incorporation of current budgetary data, customer and demand statistics, regulatory requirements, and reserve policies into the development and update of multi-year financial management plans and corresponding rate revenue adjustment plans for the System. The Act expressly provides that the Commission shall not operate the System at a profit.

Current Water and Sewer Rates

Fees charged for water and sewer service to residential and non-residential customers are based on water and sewer volume usage, in addition to a fixed monthly charge per unit served. The Commission also establishes schedules for other fees and charges related to the System, including, without limitation, capital improvement fees, installation fees, and administrative and operating fees. No users are provided with free service. The Commission's current water and sewer rate structure is set forth in the Commission's rate resolution adopted by the Commission on June 17, 2021, a copy of which is included in Appendix B to this

Official Statement. For more detailed information about the Commission’s current water and sewer rates and other fees and charges see “Appendix B – RATE RESOLUTION.”

Historical Numbers of Water and Sewer Customers

The following table shows historical data of water and sewer users for the last five fiscal years.

<u>Fiscal Year Ended June 30</u>	<u>Number of Customers</u>	<u>Annual Water Sold (In Millions of Gallons)¹</u>	<u>Annual Sewage Treated (In Millions of Gallons)</u>
2017	29,341	2,150.46	3,766.68
2018	30,022	2,297.45	4,152.70
2019	30,155	2,456.79	4,012.26
2020	30,487	2,404.11	4,102.86
2021	30,955	2,450.49	3,705.81

1. Data for 2017 and 2018 is based on calendar years. Data based on fiscal years 2017 and 2018 was unavailable due to a software migration.

Historical Water and Sewer Usage

Water Demand. The tables below show historical data of daily water demand production for the City of Brunswick and the North Mainland System, the South Mainland System, and the St. Simons Island System for the last five fiscal years.

City of Brunswick and the North Mainland System

<u>Fiscal Year</u>	<u>Average MGD¹</u>	<u>Peak MGD²</u>
2017	4.86	8.25
2018	4.87	6.73
2019	4.81	8.47
2020	4.66	6.80
2021	4.80	8.09

South Mainland System

<u>Fiscal Year</u>	<u>Average MGD¹</u>	<u>Peak MGD²</u>
2017	0.31	0.98
2018	0.35	1.04
2019	2.29	0.93
2020	0.23	1.05
2021	0.28	1.35

St. Simons Island System

<u>Fiscal Year</u>	<u>Average MGD¹</u>	<u>Peak MGD²</u>
2017	2.84	5.25
2018	2.62	3.93
2019	2.63	3.99
2020	2.33	3.97
2021	2.65	3.96

1. Represents the average daily production for fiscal year ending June 30.

2. Represents the peak maximum day production for fiscal year ending June 30.

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Sewer Demand. The following tables show historical data of daily wastewater demand and treatment for Academy Creek, Exit 29, and Dunbar Creek water pollution control plants for the last five fiscal years.

Academy Creek WPCP

<u>Fiscal Year</u>	<u>Average MGD¹</u>	<u>Peak MGD²</u>
2017	7.3	15.4
2018	7.9	16.0
2019	7.8	24.0
2020	7.7	18.9
2021	6.6	22.2

Exit 29 WPCP

<u>Fiscal Year</u>	<u>Average MGD¹</u>	<u>Peak MGD²</u>
2017	0.370	0.735
2018	0.398	0.721
2019	0.385	0.956
2020	0.446	0.757
2021	0.567	0.970

SSI Dunbar Creek WPCP

<u>Fiscal Year</u>	<u>Average MGD¹</u>	<u>Peak MGD²</u>
2017	2.6	4.7
2018	3.0	4.8
2019	2.8	5.4
2020	3.1	7.1
2021	3.0	6.0

1. Represents the average daily production for fiscal year ending June 30.

2. Represents the peak maximum day production for fiscal year ending June 30.

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Ten Largest Water and Sewer Customers

The following table shows the ten largest customers of the water system and the sewer system for the fiscal year ended June 30, 2021.

Ten Largest Water Customers

<u>Customer</u>	<u>Annual Water Revenue</u>	<u>Revenue as a Percent of Total Water Sales¹</u>
FLETC	\$297,398.61	4.5%
SGHS	156,165.97	2.4
Sea Island	102,684.90	1.6
GC Board of Comm	76,201.83	1.2
Board of Education	73,665.04	1.1
Marine Ports Auth	70,367.01	1.1
Blue Beacon	53,597.68	0.8
Pinova	52,319.48	0.8
Strata/The Retreat	35,580.70	0.5
Golden Isles Laundry	35,358.64	0.5

¹ Based on billings for consumption of approximately \$6,602,496.17 for the fiscal year ended June 30, 2021.

Ten Largest Sewer Customers

<u>Customer</u>	<u>Annual Sewer Revenue</u>	<u>Revenue as a Percent of Total Sewer Sales¹</u>
Pinova	\$743,501.66	5.3%
Sea Island	501,689.72	3.6
SGHS	396,494.30	2.8
FLETC	377,938.20	2.7
Rich Products	370,173.45	2.6
King & Prince Seafood	188,217.08	1.3
GC Board of Comm	138,396.50	1.0
Board of Education	133,353.44	1.0
Blue Beacon	96,303.40	0.7
Epworth	75,970.94	0.5

¹ Based on billings for consumption of approximately \$13,997,689.95 for the fiscal year ended June 30, 2021.

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DEBT STRUCTURE OF THE SYSTEM

Debt Administration

As an entity created by an act of the General Assembly of the State of Georgia, long-term borrowing by the Commission is primarily provided through the issuance of revenue bonds and loans from the Georgia Environmental Finance Authority (“GEFA”).

Outstanding Revenue Bonds

In December 2017, the Commission issued its Series 2017 Bond in the principal amount of \$36,364,000 bearing interest at a rate of 2.904% per annum. The Series 2017 Bond was issued to provide funds to advance refund and redeem all of the Commission’s Series 2010C Bonds. Principal payments on the Series 2017 Bond are due each year on June 1. Interest payments are due each December 1 and June 1. The Series 2017 Bond is currently outstanding in the principal amount of \$29,825,000.

Outstanding GEFA Loans

As of June 30, 2021, the Commission has two outstanding loans with GEFA the proceeds of which are being used to finance improvements to the System. Each of the Commission’s GEFA loans (the “**GEFA Loans**”) is secured by a promissory note payable to GEFA and is based upon a contract which requires that the Commission establish and collect rents, rates, fees, charges, or sources of revenue from taxes or other sources sufficient to pay the principal and interest on the loans as they became due and payable. The GEFA loans do not hold a lien on the revenues of the System, but are paid from revenues of the System after payment of debt service for the Commission’s water and sewer revenue bonds and any other senior lien obligations of the System.

On June 12, 2020, the Commission executed a Loan Agreement evidenced by a promissory note for GEFA Loan/Project No. CW2019008, in the principal amount of up to \$15,000,000 from the Clean Water State Revolving Fund, administered by GEFA, the proceeds of which are being used to rehabilitate the Academy Creek and Dunbar Creek wastewater treatment plants, the sewer collection system, and related appurtenances. Construction of the projects is anticipated to be completed in October 2021. GEFA Loan CW2019008 bears interest at a rate of 2.38% per annum. During the construction phase of the projects, accrued interest is payable monthly. Upon the occurrence of the earlier of: (i) the completion date of the projects, (ii) February 1, 2022, or (iii) the date that the principal amount of the loan is fully disbursed, payments of principal and interest will be payable in monthly installments for a period of 30 years until maturity (on or before February 1, 2052). As of June 30, 2021, the current outstanding principal balance of GEFA Loan CW2019008 is \$2,211,705.49.

On January 5, 2021, the Commission executed a Loan Agreement evidenced by a promissory note for GEFA Loan/Project No. DW20200040, in the principal amount of up to \$7,500,000 from the Drinking Water State Revolving Fund, administered by GEFA, the proceeds of which are being used to replace manual read water meters with an advance metering infrastructure (AMI) system and related appurtenances. The construction of the project is anticipated to be completed by January 2023. GEFA Loan DW20200040 bears interest at a rate of 0.07% per annum. During the construction phase of the project, accrued interest is payable monthly. Upon the occurrence of the earlier of: (i) the completion date of the project, (ii) May 1, 2023, or (iii) the date that the principal amount of the loan is fully disbursed, payments of principal and interest will be payable in monthly installments for a period of 15 years until maturity (on or before May 1, 2038). As of June 30, 2021, the current outstanding balance of GEFA Loan DW20200040 is \$3,404,522.95.

The Commission has submitted a preliminary application for an additional GEFA Loan for up to \$7,500,000 the proceeds of which will be used to complete phase 2 of its meter replacement project.

Long-Term Debt

A discussion of the long-term debt and related activities of the Commission as of the end of fiscal year 2020 is set forth in Note 5 of the audited financial statements for the Commission attached as Appendix A to this Official Statement. See “Appendix A – ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2020” herein.

Debt Service Schedule

The principal and interest payment requirements of the Commission with respect to the Series 2017 Bond and the Series 2021 Bonds are as follows:

Bond Year (June 1)	Series 2017 Bond Debt Service			Series 2021 Bonds Debt Service			Aggregate First Lien Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2021	\$2,031,000	\$925,098	\$2,956,098	-	-	-	\$2,956,098.00
2022	2,087,000	866,118	2,953,118	-	\$241,180.42	\$241,180.42	3,194,298.42
2023	2,145,000	805,512	2,950,512	-	340,490.00	340,490.00	3,291,002.00
2024	1,811,000	743,221	2,554,221	\$ 55,000	340,490.00	395,490.00	2,949,711.00
2025	1,868,000	690,629	2,558,629	55,000	337,740.00	392,740.00	2,951,369.00
2026	1,921,000	636,383	2,557,383	55,000	334,990.00	389,990.00	2,947,373.00
2027	1,975,000	580,597	2,555,597	60,000	332,240.00	392,240.00	2,947,837.00
2028	2,035,000	523,243	2,558,243	60,000	329,240.00	389,240.00	2,947,483.00
2029	2,091,000	464,146	2,555,146	65,000	326,240.00	391,240.00	2,946,386.00
2030	2,154,000	403,424	2,557,424	65,000	322,990.00	387,990.00	2,945,414.00
2031	2,215,000	340,872	2,555,872	70,000	319,740.00	389,740.00	2,945,612.00
2032	2,278,000	276,548	2,554,548	75,000	316,240.00	391,240.00	2,945,788.00
2033	2,347,000	210,395	2,557,395	75,000	313,240.00	388,240.00	2,945,635.00
2034	2,412,000	142,238	2,554,238	80,000	310,990.00	390,990.00	2,945,228.00
2035	2,486,000	72,193	2,558,193	80,000	308,590.00	388,590.00	2,946,783.00
2036	-	-	-	2,600,000	306,190.00	2,906,190.00	2,906,190.00
2037	-	-	-	2,400,000	254,190.00	2,654,190.00	2,654,190.00
2038	-	-	-	2,200,000	206,190.00	2,406,190.00	2,406,190.00
2039	-	-	-	2,000,000	162,190.00	2,162,190.00	2,162,190.00
2040	-	-	-	1,800,000	122,190.00	1,922,190.00	1,922,190.00
2041	-	-	-	1,600,000	86,190.00	1,686,190.00	1,686,190.00
2042	-	-	-	1,400,000	52,190.00	1,452,190.00	1,452,190.00
2043	-	-	-	1,020,000	22,440.00	1,042,440.00	1,042,440.00
Total:	\$31,856,000	\$7,680,615	\$39,536,615	\$15,815,000	\$5,686,170.42	\$21,501,170.42	\$61,037,787.42

Historical Debt Service Coverage Ratios

Set forth below are the System's historical debt service coverage ratios of Net Revenues available for debt service on the Commission's water and sewer revenue bonds which were outstanding during the past six fiscal years.

	Revenue Bonds Historical Debt Service Coverage					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Historical Net Revenues Available for Debt Service	\$7,241,556	\$11,099,576	\$11,157,496	\$12,920,923	\$14,520,243	\$16,791,834
Historical Debt Service	\$3,797,069	\$3,799,469	\$1,301,072	\$3,036,011	\$3,526,511	\$2,956,098
Historical Total Debt Service Coverage Ratio	1.91x	2.92x	8.58x	4.26x	4.12x	5.68x

Projected Debt Service Coverage Ratios

Set forth below are the System's projected debt service coverage ratios of Net Revenues available for debt service on the Series 2017 Bond, the Series 2021 Bonds, and subordinate GEFA Loans for fiscal years 2022 through 2026 based upon forecasts of the System's future Net Revenues.

	2022	2023	2024	2025	2026
System Rate Revenue					
Water Revenue	\$10,846,300	\$11,262,200	\$11,694,000	\$12,142,300	\$12,607,700
Sewer Revenue	<u>20,951,000</u>	<u>21,798,500</u>	<u>22,680,200</u>	<u>23,597,600</u>	<u>24,552,100</u>
Total Rate Revenue	\$31,797,300	\$30,060,700	\$34,374,200	\$35,739,900	\$37,159,800
Plus: Other Income					
Interest Income	\$286,000	\$286,000	\$286,000	\$286,000	\$286,000
Other Operating Revenue	<u>1,782,700</u>	<u>1,791,600</u>	<u>1,800,700</u>	<u>1,809,800</u>	<u>1,819,000</u>
Total Other Income	\$2,068,700	\$2,077,600	\$2,086,700	\$2,095,800	\$2,105,000
Less: Operating Expenses					
Water O&M Expenses	\$8,122,657	\$8,364,762	\$8,615,711	\$8,874,706	\$9,143,153
Sewer O&M Expenses	<u>14,722,243</u>	<u>15,215,038</u>	<u>15,725,789</u>	<u>16,253,894</u>	<u>16,802,847</u>
Total Operating Expenses	\$22,844,900	\$23,579,800	\$24,341,500	\$25,128,600	\$25,946,000
Net Operating Revenue	\$11,021,100	\$11,558,500	\$12,119,400	\$12,707,100	\$13,318,800
Less: Parity Debt Service					
Series 2017 Bonds	\$2,953,118	\$2,950,512	\$2,554,221	\$2,558,629	\$2,557,383
Series 2021 Bonds	<u>0</u>	<u>0</u>	<u>395,490</u>	<u>392,740</u>	<u>389,990</u>
Total Parity Debt Service	\$2,953,118	\$2,950,512	\$2,949,711	\$2,951,369	\$2,947,373
Parity Debt Service Coverage	3.73x	3.92x	4.11x	4.31x	4.52x
Less: Subordinate Debt Service					
CW2019008 – GEFA Loan ¹	\$286,452	\$692,099	\$692,099	\$692,099	\$692,099
DW2020040 – GEFA Loan ¹	0	81,487	497,210	497,210	497,210
Phase 2 Meters – GEFA Loan ²	<u>0</u>	<u>25,000</u>	<u>50,000</u>	<u>353,800</u>	<u>530,700</u>
Total Subordinate Debt Service	\$286,452	\$798,587	\$1,239,310	\$1,543,110	\$1,720,010
Total Debt Service Coverage	3.40x	3.08x	2.89x	2.83x	2.85x

1. GEFA Loan project amortization schedules start in with GEFA Loan Agreements.

2. Phase 2 Meters – GEFA Loan has not yet been approved and is projected to total \$7,500,000 over 15 years

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FINANCIAL INFORMATION CONCERNING THE SYSTEM

Six-Year Operating History of the System.

The table below sets forth a historical, comparative summary of revenues and expenses of the System for the past six fiscal years. Information in the table for fiscal years 2016 to 2020 has been extracted from audited financial statements of the Commission for the fiscal years ended June 30. Although taken from audited financial statements no representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the financial condition of the System for the fiscal years shown. Information in the table for fiscal year 2021 has been prepared without audit and represents revenues and expenses for 12 months ended June 30, 2021. For more complete information, reference is made to the audited financial statements of the Commission for fiscal year 2020 which are included in this Official Statement as Appendix A and to the audited financial statements of the Commission for fiscal years 2016 to 2019, copies of which are available from the Commission upon request.

	<u>Fiscal Year Ending June 30</u>					2021 (unaudited) ¹
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	
System Operating Revenues						
Charges for Services:						
Water Sales	\$7,719,678	\$9,136,689	\$9,921,120	\$10,372,218	\$10,219,101	\$10,469,086
Sewer Sales	14,690,939	17,243,678	20,101,648	20,606,760	20,706,800	20,882,381
Connection Fees	1,201,888	3,706,279	1,316,712	1,488,009	1,326,598	1,962,860
Other Fees and Charges	<u>2,190,134</u>	<u>3,148,852</u>	<u>2,817,584</u>	<u>3,000,894</u>	<u>2,387,816</u>	<u>2,343,168</u>
Total Operating Revenues	25,802,639	33,235,498	34,157,064	35,467,881	34,640,315	35,657,495
System Operating Expenses						
Personal Services	\$8,676,668	\$9,865,925	\$11,210,033	\$11,466,070	\$11,574,841	\$10,893,713
Contractual Services	3,747,643	4,392,850	5,175,843	5,289,604	3,836,089	3,383,437
Supplies	3,851,412	5,058,560	3,817,760	2,834,091	3,251,122	2,682,237
Electricity, Natural Gas and Other						
Fuel	1,646,917	1,725,352	1,729,116	1,837,108	1,829,530	1,839,211
Other Expenses	658,071	1,179,038	1,195,739	1,667,994	385,834	599,537
Depreciation Expense	<u>5,790,125</u>	<u>5,825,561</u>	<u>6,867,572</u>	<u>5,939,275</u>	<u>6,156,882</u>	<u>6,031,584</u>
Total Operating Expenses	24,370,836	28,047,286	29,996,063	29,034,142	27,034,298	25,429,719
System Operating Income (Loss)	<u>1,431,803</u>	<u>5,188,212</u>	<u>4,161,001</u>	<u>6,433,739</u>	<u>7,606,017</u>	<u>10,227,776</u>
Non-operating Revenues						
(Expenses)						
Interest Income	\$7,777	\$24,188	\$36,574	\$533,740	\$1,182,943	\$494,643
Other Income (Loss)	11,851	61,615	92,349	14,169	(425,599)	37,831
Intergovernmental Revenue	-	1,126,447	4,532,439	6,947,661	4,596,554	-
Interest Expense and Fiscal						
Charges	<u>(1,740,022)</u>	<u>(1,688,246)</u>	<u>(1,308,540)</u>	<u>(1,264,914)</u>	<u>(1,225,513)</u>	<u>-</u>
Total Non-Operating Revenues						
(Expenses), Net	<u>(1,720,374)</u>	<u>(475,996)</u>	<u>3,352,822</u>	<u>6,230,656</u>	<u>4,128,385</u>	<u>532,474</u>
Income Before Contributions	(288,571)	4,712,216	7,513,823	12,664,395	11,734,402	10,760,250
Capital Contributions	<u>\$121,053</u>	<u>-</u>	<u>-</u>	<u>\$1,609,968</u>	<u>\$832,248</u>	<u>\$658,457</u>
Change in Net Position	(167,518)	4,712,216	7,513,823	14,274,363	12,566,650	11,418,707
Total Net Position, Beginning of Year	<u>112,855,518</u>	<u>112,718,000</u>	<u>117,430,216</u>	<u>124,944,039</u>	<u>139,218,402</u>	<u>151,785,052</u>
Total Net Position, End of Year	<u>\$112,718,000</u>	<u>\$117,430,216</u>	<u>\$124,944,039</u>	<u>\$139,218,402</u>	<u>\$151,785,052</u>	<u>\$163,203,759</u>

¹ Information in the table for fiscal year 2021 has been prepared without audit and represents revenues and expenditures for fiscal year ended June 30, 2021.

Management Comments Concerning Material Trends in Revenues and Expenditures

According to the Commission's management, growth in net operating income for the System for the past five fiscal years remains steady year-over-year. Although customer rates have remained consistent since fiscal year 2019, operating expenses have decreased due to implemented operational improvements. Rates are reviewed regularly and adjusted, if necessary, to ensure rate sufficiency for coverage of the necessary operating expenses and system maintenance. The debt service associated with the Series 2021 Bonds is structured around the existing debt to reduce any potential debt service spikes and minimize the impact to the overall debt service budget. As a result, the Commission is projected to have sufficient revenues from water and sewer operations to meet the debt service requirements associated with the issuance of the Series 2021 Bonds.

Impact of COVID-19 on the System

Due to the COVID-19 pandemic, the Commission suspended service shut-offs and late fees for delinquent bills from March 2020 through July 2020 resulting in the reduction in cash flow during the suspension period. In July of 2020, after a period of customer notifications, the Commission resumed shutoffs for delinquent bills. Customers who were unable to pay their total outstanding balance owed on delinquent bills were given an option to enter into a payment plan. Under the payment plan, customers were required to pay their current bills in full and make installment payments on the amount owed under delinquent bills from the suspension period and pay same in full within six months or the service would be shutoff. Both delinquencies and shutoffs have returned to normal levels. The Commission did not experience a material impact on the financial condition of the System. There was a shift in service area demand when members of the community were working remotely from home.

Accounting Policies

The Commission uses one fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions and activities. A fund is a separate accounting entity with a self-balancing set of accounts. The fund presented in the audited financial statements for the Commission attached to this Official Statement as Appendix A is a Proprietary Fund Type - Enterprise Fund. Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Commission exclusively follows the standards set forth by the GASB for its proprietary operations. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Significant Accounting Policies of the Commission are set forth in Note 1 to the audited financial statements for the Commission attached as Appendix A to this Official Statement. See "Appendix A – ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2020" herein.

Independent Auditors' Reports

The auditor reports on the financial statements of the Commission for the fiscal years ended June 30, 2016 through June 30, 2020 state that said financial statements present fairly, in all material respects, the financial position of the Commission as of each respective fiscal year, and the results of its operations and cash flows for each respective fiscal year in conformity with accounting principles generally accepted in the United States.

Operating Budget of the Commission

The staff of the Commission prepares an annual operating budget for the System for management control purposes. The operating budget is a balanced budget with anticipated revenues equal to the total of proposed expenditures, reserve requirements and debt coverage ratios. The Commission utilizes a decentralized budgeting process where all departments are given an opportunity to participate in the budget process and submit funding requests. The annual operating budget is submitted to the City and to the County for comment on or before May 1 of each year. Prior to the first day of the fiscal year the operating budget is adopted by the approval of a budget resolution by the Commission that specifies the anticipated revenues by appropriate categories, the proposed expenditure totals for each department and non-departmental expenses. Each department head is responsible for ensuring that their respective department expenditures do not exceed budgeted funds. Amendments to the budget must be approved by the Commission.

Set forth on the following page is a summary of the Commission's budget for the fiscal year ending June 30, 2022. This operating budget is based upon certain assumptions and estimates by the staff of the Commission regarding future events, transactions, and circumstances. There can be no assurance that actual events will correspond with such assumptions, that uncontrollable factors will not affect such assumptions, or that the projected results will be achieved. Accordingly, the actual results achieved could materially vary from those projected in the budget set forth on the following page.

[OPERATING BUDGET CONTAINED ON FOLLOWING PAGE]

Operating Budget of the Commission
Fiscal Year 2022

REVENUES:

Usage Charges - Water	\$6,400,000
Usage Charges - Sewer	14,225,000
Debt Charges - Water	1,270,000
Debt Charges – Sewer	3,100,000
Admin. Fee - Water	2,550,000
Admin. Fee - Sewer	3,750,000
Fire Protection Fees	130,000
Industrial Surcharges	150,000
Leak Adjustments	(250,000)
Septic Hauler Fees	150,000
Operational Tap Fees	275,000
Other Revenues	5,000
Service Fees	600,000
Late Payment Fees	180,000
Operating Interest and Investment Income	100,000
Reserve Interest and Investment Income	200,000
Bad Debt Recovery	120,000
Tower Rental	310,000
Plan Review/Unsolicited Proposal Fees	<u>35,000</u>
Total Revenues	<u>\$33,300,000</u>

EXPENSES:

Governing Body/Commissioners	\$299,150
Office of the Director	848,645
Administrative Services	1,613,900
Finance	3,663,950
Planning and Construction	1,398,800
Procurement	897,825
Systems Pumping and Maintenance	5,862,150
Wastewater Treatment	4,801,900
Pretreatment	23,600
Water Production	1,291,550
Water Distribution	1,913,910
Property and Casualty Insurance	342,200
Repair and Replacement Reserves	7,089,300
Capital Reserves	300,000
Debt Principal and Interest Expenses	<u>2,953,120</u>
Total Expenses	<u>\$33,300,000</u>

GLYNN COUNTY - ECONOMIC AND DEMOGRAPHIC INFORMATION

Introduction

The County is located along the Atlantic coast in the southeastern part of the State approximately 65 miles south of Savannah, Georgia and 60 miles north of Jacksonville, Florida on Interstate 95. The County currently occupies a total area of 540 square miles. The City of Brunswick is the county seat of Glynn County. The County was chartered by an Act of the Georgia General Assembly on February 5, 1777 and ranks as one of the top tourist areas of Georgia.

The County is a political subdivision of the State of Georgia and is governed by a seven member Board of Commissioners. The Commissioners serve staggered four year terms and five are elected by districts and two are elected by at large posts. The chairman is elected by the Board of Commissioners on an annual basis.

The County provides a full range of services including public safety (police and fire protection, emergency management and emergency medical services, animal control, and jail operation); the construction and maintenance of highways, streets and infrastructure; zoning and code enforcement; court-related functions; recreational activities and cultural events; tax appraisal and administration; solid waste collection; general administrative services; and outside agency support.

The population of the County grew 21.5% during the 20 year period from 1990 to 2010, from 62,496 residents in 1990 to 79,626 residents in 2010. This compares with the State's total population growth of 27.4% percent during the same 20 year period. The population of the County as of July 1, 2020 is estimated to be 85,568 according to U.S. Census Bureau estimates.

Set forth below are the percentages of land use for various categories within the territorial limits of the County, computed based upon the acres of land for the various categories set forth in the tax digest for each respective year.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Agricultural	1.1%	1.1%	1.1%	1.1%	1.0%
Commercial	7.3	7.5	8.3	8.2	7.4
Industrial	0.7	0.7	0.8	0.8	0.6
Forest Land Conservation Use	13.6	14.1	13.0	12.6	13.4
Residential	55.3	54.4	57.2	55.1	55.1
Conservation Use	12.5	13.4	13.9	13.8	12.6
Timber	9.5	8.8	5.6	8.5	9.8
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Source: State of Georgia Department of Revenue, Local Government Services Division, County Digest Section.

Local Economy

According to the County management, the County's economy has seen steady growth in construction and property values with growth in the property tax digest as a result of new construction. The Golden Isles Convention and Visitors Bureau has stated that approximately 3.275 million visitors annually spend over an estimated \$1.5 billion in Glynn County on transportation, lodging, food, entertainment and recreation, and incidentals. The port facilities operated by the Georgia Ports Authority have and will continue to significantly increase capacity, driving expansion in the Port of Brunswick's auto-machinery and biomass fuel trades. The Coronavirus pandemic did have an impact on the local tourism industry, however home values remained strong and continue to rise.

Source: Glynn County Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2020.

Population Information

The following table sets forth the population, including percentage of annual increase, of the County, the State, and the United States. The estimated population for the County as of July 1, 2020 was 85,568 according to U.S. Census Bureau estimates.

<u>Year</u>	<u>Glynn County</u>	<u>Percentage Change</u>	<u>Georgia</u>	<u>Percentage Change</u>	<u>United States</u>	<u>Percentage Change</u>
1970	50,528	--	4,589,575	--	203,211,926	--
1980	54,981	8.81%	5,463,105	19.00%	226,545,805	11.50%
1990	62,496	13.70	6,478,216	18.60	248,709,873	9.78
2000	67,568	8.11	8,186,453	26.40	281,421,906	13.20
2010	79,626	17.80	9,687,653	18.30	308,745,538	9.71

Source: U.S. Department of Commerce, Bureau of the Census.

Per Capita Personal Income

The following table sets forth the per capita personal income in Glynn County, the State of Georgia, and the United States for the years 2016 through 2020. Information for the County is not yet available for year 2020.

<u>Year</u>	<u>Glynn County</u>	<u>Georgia</u>	<u>United States</u>
2016	\$41,914	\$42,896	\$50,015
2017	44,342	44,894	52,118
2018	47,211	46,957	54,606
2019	48,170	48,236	56,490
2020*	-	51,165	59,729

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Accounts Data (counties last updated November 17, 2020, State and Country last updated March 24, 2021). Data for year 2020 is preliminary. Data for the County is not yet available for year 2020. Per capita personal income for the County was computed using Census Bureau midyear population estimates. Estimates reflect county population estimates available as of March 2020.

Median Home Values

The following table sets forth the median home values for the County, the State, and the United States for the years 2015 through 2019 (latest data available).

<u>Year</u>	<u>Glynn County</u>	<u>Georgia</u>	<u>United States</u>
2015	\$159,200	\$148,100	\$178,600
2016	161,800	152,400	184,700
2017	161,200	158,400	193,500
2018	168,700	166,800	204,900
2019	179,000	176,000	217,500

Source: U.S. Department of Commerce, Bureau of the Census, American Community Survey, Data Profiles-Housing Characteristics

Bank Deposits

As of June 30, 2020 (the latest data available), 13 financial institutions with a total of 32 branch offices provided banking services within the County. The following are the total deposits in the County's financial institutions as of June 30 in each of the years 2016 through 2020.

<u>Year</u>	<u>Amount</u>	<u>Percentage Change</u>
2016	\$1,679,990,000	--
2017	1,811,652,000	7.8%
2018	1,915,162,000	5.7
2019	1,986,667,000	3.7
2020	2,379,808,000	19.7

Source: Federal Deposit Insurance Corporation, Summary of Deposits Institution Branch Report

Building Permits

The following table shows a summary of family residential, new construction building permits in the County for the last five years.

<u>Year</u>	<u>Permits</u>	<u>Value</u>
2016	483	\$145,811,907
2017	539	157,496,249
2018	568	167,306,908
2019	368	118,459,373
2020	354	116,694,242

Source: United States Census Bureau; Terry College of Business - University of Georgia Selig Center for Economic Growth.

Industry and Employment

Employment Statistics of Glynn County. Employment includes nonagricultural wage and salary employment, self-employed, unpaid family and private household workers, and agricultural workers. Persons in labor disputes are counted as employed. The use of rounded data does not imply that the numbers are exact.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Employment	37,071	38,265	38,531	37,478	35,610
Unemployment	<u>2,106</u>	<u>1,919</u>	<u>1,503</u>	<u>1,350</u>	<u>2,605</u>
Total Labor Force	39,177	40,184	40,034	38,828	38,215
County Unemployment Rate	5.4%	4.8%	3.8%	3.5%	6.8%
State Unemployment Rate	5.4%	4.7%	3.9%	3.4%	6.5%
U.S. Unemployment Rate	4.9%	4.7%	3.9%	3.7%	8.1%

Source: Georgia Department of Labor, Yearly Labor Force Estimates.

As of June 2021, the unemployment rate for the United States was 5.9%, the State of Georgia unemployment rate was 4.4%, and the Glynn County unemployment rate was 4.1%. The increase in the unemployment rate in 2020 throughout all regions of the United States was primarily attributable the government mandated temporary shut-downs of many private-sector businesses arising from the public health emergency posed by COVID-19 commencing in March 2020.

Source: Georgia Department of Labor, Workforce Statistics & Economic Research

Principal Employers. Set forth below are the ten largest principal employers located in the County as of June 30, 2020. There can be no assurance that any employer listed below will continue to be located in the County or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed.

<u>Employer</u>	<u>Number of Employees</u>
Southeast Georgia Health System	2,691
Glynn County Board of Education	1,941
Sea Island Acquisition (Formerly Sea Island Co.)	1,762
Federal Law Enforcement Training Center	1,051
Glynn County Government	900
Brunswick Cellulose, LLC (Formerly Georgia Pacific)	550
Radial (Call Center)	400
Wal-Mart Superstore	400
Rich Products Corporations (formerly Rich-Sea)	350
Jekyll Island Authority	350
Total	<u>10,395</u>

Source: Glynn County Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2020.

Economic Sector Distribution. The following table shows the average percentage of persons who worked in each major sector of the local economy in Glynn County in the years 2016 through 2020. Data are annual averages for each respective year. Figures are based on employees covered under the State unemployment insurance program.

<u>Industry</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Agriculture, Forestry, Fishing & Hunting	0.1%	0.1%	0.1%	0.1%	0.2%
Mining	*	*	*	*	*
Construction	3.4	3.5	3.8	3.7	4.1
Manufacturing	5.2	5.2	5.2	4.8	4.9
Utilities	0.3	*	*	*	*
Wholesale Trade	3.3	3.4	3.8	4.1	2.2
Retail Trade	13.5	13.7	13.4	12.9	13.6
Transportation and Warehousing	3.7	3.5	3.2	2.9	3.4
Information	1.0	0.9	0.8	0.8	0.6
Finance and Insurance	1.8	1.7	1.9	2.0	2.1
Real Estate and Rental and Leasing	1.2	1.1	1.1	1.3	1.6
Professional Scientific & Technical Svc	2.6	2.7	2.6	2.8	2.8
Management of Companies and Enterprises	0.2	*	*	*	*
Admin., Support, Waste Mgmt., Remediation	5.6	5.7	5.6	5.7	5.6
Education Services	0.6	0.6	1.0	1.1	1.1
Health Care and Social Assistance	12.9	13.1	13.3	13.6	14.5
Arts, Entertainment, and Recreation	3.4	3.1	3.1	3.0	2.5
Accommodation and Food Services	19.7	19.8	19.6	19.1	17.4
Other Services (except Public Admin.)	3.0	3.0	3.1	3.1	3.3
Unclassified - industry not assigned	0.4	0.2	0.2	0.2	0.2
Federal, State, and Local Government	<u>18.0</u>	<u>18.0</u>	<u>17.8</u>	<u>18.4</u>	<u>19.4</u>
Totals	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

* Denotes confidential data relating to individual employers and cannot be released. These data use the North American Industrial Classification System (NAICS) categories. Average weekly wage is derived by dividing gross payroll dollars paid to all employees - both hourly and salaried - by the average number of employees who had earnings; average earnings are then divided by the number of weeks in a reporting period to obtain weekly figures. Figures in other columns may not sum accurately due to rounding.

Source: State of Georgia Department of Labor, Labor Information Systems

LEGAL MATTERS

Litigation

The Commission, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of the affairs of the System. The Commission, after reviewing the current status of all pending and threatened litigation relating to the System with its counsel, Hall Booth Smith, P.C., Brunswick, Georgia, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Commission relating to the System or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the System.

There is no litigation now pending or, to the knowledge of the Commission, threatened against the Commission which restrains or enjoins the issuance or delivery of the Series 2021 Bonds, the provision for the security for the payment of the Series 2021 Bonds, the use of the proceeds of the Series 2021 Bonds, or which questions or contests the validity of the Series 2021 Bonds or the proceedings and authority under which they are to be issued. Neither the creation, organization, or existence of the Commission nor the title of the present members or other officials of the Commission to their respective offices is being contested or questioned.

Legal Proceedings

Validation of Series 2021 Bonds. As required by the Revenue Bond Law, the Commission will cause proceedings to be initiated in the Superior Court of Glynn County, Georgia to validate the Series 2021 Bonds and the security therefor. Final judgment confirming and validating the Series 2021 Bonds and the security therefor will be entered prior to the issuance of the Series 2021 Bonds. Under Georgia law, the judgment of validation is forever conclusive against the Commission with respect to such validation of the Series 2021 Bonds and the security therefor.

Opinions of Counsel. All legal matters incidental to authorization and issuance of the Series 2021 Bonds are subject to the approval of Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel. It is anticipated that the approving opinion of Bond Counsel will be in substantially the form included in Appendix D. Certain legal matters will be passed upon for the Commission by its counsel, Hall Booth Smith, P.C., Brunswick, Georgia. Gray Pannell & Woodward LLP, Savannah, Georgia, is acting as Disclosure Counsel.

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys or law firms rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion the attorney or law firm does not become an insurer or guarantor of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

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TAX STATUS

The Series 2021 Bonds

Federal Tax Exemption. In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings, and judicial decisions, and assuming, among other things, the accuracy of certain representations and the continued compliance with certain covenants and tax law requirements, interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under § 103 of the Code and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds.

State Tax Exemption. In the opinion of Bond Counsel, interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation.

Maintenance of Tax Status. The Code and the regulations promulgated thereunder contain a number of restrictions, conditions and requirements that must be satisfied subsequent to the issuance of the Series 2021 Bonds in order for the interest thereon to be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Series 2021 Bonds in the gross income of the holders thereof for federal income tax purposes retroactively to the date of issuance of the Series 2021 Bonds. The Commission has covenanted to comply with each such requirement of the Code that must be satisfied subsequent to the issuance of the Series 2021 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is subject to the condition that the Commission complies with all such requirements. Bond Counsel has not been retained to monitor compliance with the described post-issuance tax requirements subsequent to the issuance of the Series 2021 Bonds. Bond Counsel has not undertaken to determine or to inform any person whether any action taken or not taken or any event occurring or not occurring after the date of issuance of the Series 2021 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2021 Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Code by the Treasury Department or the Internal Revenue Service, or future court decisions may cause interest on the Series 2021 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or otherwise prevent owners of the Series 2021 Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for or marketability of the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds are encouraged to consult their own tax advisors regarding any pending or proposed federal legislation, regulatory initiatives or litigation.

The opinion expressed by Bond Counsel is based upon existing law, legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2021 Bonds, cover certain matters not directly addressed by such authorities, and represent Bond Counsel's judgment as to the treatment of the Series 2021 Bonds for federal income tax purposes. Such opinions are not binding on the Internal Revenue Service (the "IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Commission or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Commission has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2021 Bonds ends with the issuance of the Series 2021 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Commission or the beneficial owners of the Series 2021 Bonds regarding the tax-exempt status of the Series 2021 Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the beneficial owners) other than the Commission and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of Series 2021 Bonds is difficult, obtaining an independent review of IRS positions with which the Commission legitimately disagrees may not be practicable. Any action of the IRS,

including but not limited to selection of the Series 2021 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2021 Bonds, and may cause the Commission or the beneficial owners of the Series 2021 Bonds to incur significant expense.

As to certain questions of fact material to the opinion of Bond Counsel, Bond Counsel has relied upon representations and covenants made on behalf of the Commission and certificates of appropriate officers and public officials (including certifications as to the use of proceeds of the Series 2021 Bonds and of the property financed or refinanced thereby).

Reference is made to the proposed form of opinions of Bond Counsel relating to the Series 2021 Bonds attached hereto in Appendix D for the complete text thereof. See also “LEGAL MATTERS” herein.

Premium Bonds. Certain of the Series 2021 Bonds have been sold to the public at an original issue premium. The Series 2021 Bonds which have been purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the “**Premium Bonds**”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. However, the purchaser’s basis in a Premium Bond will be reduced by the amount of the amortizable bond premium properly allocable to such purchaser during each year. Proceeds received from the sale, exchange, redemption, or payment of a Premium Bond in excess of the owner’s adjusted basis (as reduced pursuant to § 1016(a)(5) of the Code) will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.

The federal income tax treatment of bond premium under the Code, including the determination of the amount of amortizable bond premium that is allocable to each year, is complicated and holders of Premium Bonds should consult an independent tax advisor in order to determine the federal income tax consequences to such holders of purchasing, holding, selling, or surrendering a Premium Bond at its maturity.

Original Issue Discount Bonds. Certain of the Series 2021 Bonds have been sold to the public at an original issue discount (the “**Discount Bonds**”). Generally, original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under § 1288 of the Code, original issue discount on Series 2021 Bonds accrues on a compounded basis. The amount of original issue discount that accrues to an owner of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in such Discount Bond. Proceeds received from the sale, exchange, redemption, or payment of a Discount Bond in excess of the owner’s adjusted basis (as increased by the amount of original issue discount that has accrued and has been treated as tax-exempt interest in such owner’s hands), will be treated as a gain from the sale or exchange of such Discount Bond and not as interest.

The federal income tax consequences from the purchase, ownership and redemption, sale, or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of Discount Bonds should consult their own tax advisors with respect to the consequences of owning Discount Bonds, including the effect of such ownership under applicable state and local laws.

Other Tax Consequences. Prospective purchasers of the Series 2021 Bonds should be aware that ownership of the Series 2021 Bonds may result in collateral federal income tax consequences to certain taxpayers depending on their status and income. Prospective purchasers of the Series 2021 Bonds should consult independent advisors as to the consequences of owning the Series 2021 Bonds, including the effect of such ownership under applicable state and local laws and any collateral federal income tax and state tax consequences.

Information Reporting and Backup Withholding. Interest paid on the Series 2021 Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2021 Bonds from gross income for federal income tax purposes, however, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2021 Bonds, under certain circumstances, to “backup withholding” at the fourth lowest rate applicable to unmarried individuals with respect to payments on the Series 2021 Bonds and proceeds from the sale of the Series 2021 Bonds. Any amounts so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2021 Bonds. This backup withholding generally applies if the owner of Series 2021 Bonds (i) fails to furnish the paying agent (or other person who otherwise would be required to withhold tax from such interest payments) such owner’s social security number or other taxpayer identification number (“TIN”), (ii) furnishes the paying agent an incorrect TIN, (iii) fails to properly report interest, dividends, or other “reportable payments” as defined in the Code, or (iv) under certain circumstances fails to provide the paying agent or such owner’s securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2021 Bonds also may wish to consult with independent tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding and the procedures for obtaining exemptions from backup withholding.

Disposition of the Series 2021 Bonds. Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement, reissuance or other disposition of a Series 2021 Bond may result in a taxable event for federal income tax purposes.

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RISK FACTORS

The following section is intended only as a summary of certain pertinent risk factors relating to an investment in the Series 2021 Bonds. This summary is not intended to be an exclusive summary of factors to be considered in connection with making an investment in the Series 2021 Bonds. *In order for potential investors to identify risk factors and make an informed investment decision, they should thoroughly review this entire Official Statement and the appendices hereto and confer with their own tax and financial advisors when considering a purchase of the Series 2021 Bonds.*

General

The Series 2021 Bonds are payable from and secured by a pledge of the Net Revenues of the System. Future revenues and expenses of the System are subject to conditions which may change in the future to an extent that cannot be predicted or determined at this time. No representation can be made, or assurance given, that the System will realize Net Revenues in amounts sufficient to allow the Commission to make payments of principal, interest and premium, if any, on the Series 2021 Bonds. Future revenues and expenses of the System are subject to a variety of economic and other factors and conditions, including without limitation (a) the inability of the Commission's facilities to meet demands on the System, (b) downturns in local, regional, national and international economies or decreases in economic development at the local or state level, (c) unanticipated increases in operating or administrative expenses, (d) potential closure, or restrictions on the use, of the Commission's facilities due to unforeseen events or occurrences, acts of war, terrorism, epidemic or disease in foreign countries or in domestic locations, (e) potential work stoppages due to labor disputes or other causes, (f) the effects of global economic cycles, and (g) other possible general, national or local political or economic conditions, including inflation, deflation, general cost increases, international trade embargoes, international trade deficits or imbalances, deterioration of international trade relations, calls for a global reserve currency as an alternative to the United States dollar, among other factors. The occurrence of any one or more of the foregoing adverse events, and the other events described below, including events not enumerated in other sections of this Official Statement, may materially adversely affect the System's results of operations, cash flow and financial condition.

Operational Agreement

The Operational Agreement among the City, County and Commission, dated as of June 5, 2007, as amended by an addendums thereto, sets forth the terms and conditions upon which the Commission is to operate the System. The initial term of the Operational Agreement is for 50 years and is set to expire on June 5, 2057. Pursuant to Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, the State, or any institution, department, or other agency thereof, and any county, municipality, school district, or other political subdivision of the State may contract for any period not exceeding 50 years with any public authority for joint services, for the provision of services or for the joint or separate use of facilities and equipment, provided such contracts deal with activities, services or facilities which the contracting parties are authorized by law to undertake or provide. The City, County and Commission may, from time to time, if they agree, by resolution, extend the term of the Operational Agreement, which may include further amendments to the Operational Agreement, but under no circumstances shall the full term of the Operational Agreement be extended beyond 50 years in accordance with the State Constitution.

The Operational Agreement provides that the City and County, by resolution of their respective governing bodies, may jointly terminate the Operational Agreement upon a determination the Commission has breached its duty under the Operational Agreement or violated the Act, provided such determination is based, at least in part, on the evidence and findings provided in the procedures set forth in Operational Agreement. Further, the resolution shall stipulate that the City and County shall enter into a Separation Agreement intended, in part, to provide uninterrupted water and sewer service to customers of the System, and state that the Separation Agreement will include an effective date of termination of the Operational Agreement.

In the event of termination of the Operational Agreement, the Commission must reconvey its assets and liabilities to the City and County, without compensation, based upon which governing authority made the original transfer to the Commission. Assets and liabilities acquired by the Commission after it started

operating the System will be conveyed to the City and County on a jurisdictional basis unless the majority of the users are located in another jurisdiction, in which case the asset(s) or liability(ies) will be conveyed to and assumed by the governing authority in which the subject matter of the transfer is allocated or located.

The Operational Agreement expressly provides that prior to termination of the Operational Agreement and in accord with the distribution of assets and liabilities, the City and County shall refund or defease any outstanding revenue bonds, certificates and other obligations of the Commission, and pay off or assume any loans or other debts of the Commission then outstanding. In addition, prior to or simultaneously with the termination of the Operational Agreement all such bonds, certificates, obligations, loans and debts of the Commission (the “**Obligations**”) shall be refunded or defeased, and the Commission shall have received an opinion of nationally recognized bond counsel that such refunding or defeasance and distribution of assets to the City and the County will not adversely affect the exclusion of interest from federal income taxation (or cause the loss of any interest rate subsidy in the case of a defeasance of Build America Bonds or similar interest rate subsidy obligations) on the Obligations.

The Operational Agreement also expressly notes that the City and County, absent legislative authority and referendum, cannot jointly terminate the Operational Agreement by joint resolution because it would be contravention of O.C.G.A. § 1-3-11, titled No office to be abolished nor term shortened or lengthened by local Act during term to which person has been elected, as amended from time to time.

The Commission believes it enjoys a good relationship with the County and the City and their citizens, but the renewal or extension of the Operational Agreement at the end of its term cannot be predicted or determined at this time. The effect, if any, on the System’s results of operations, cash flow and financial condition arising from the termination of the Operational Agreement by the City and County are unknown and cannot be predicted.

Coronavirus (COVID-19)

In late 2019, a novel strain of coronavirus emerged in Wuhan, Hubei Province, China, which can cause the disease known as COVID-19 (“**COVID-19**”). COVID-19 is highly infectious, with high rates of morbidity and mortality, and has spread throughout the world, including the United States and the State. The World Health Organization declared COVID-19 to be a global pandemic on March 11, 2020 and a national emergency was declared in the United States on March 13, 2020. COVID-19 has significantly impacted State, national and global economic activity, as well as stock, bond, and labor markets. COVID-19 also has had a volatile impact on the revenues and expenses of governments and businesses. All such impacts are expected to continue for an extended time at unknown and varying degrees of severity.

In response to the spread of COVID-19, the United States government, state governments, local governments, school districts, and private industries throughout the country began implementing measures in March 2020 to limit social and work interactions to minimize the spread of the disease. On February 28, 2020, Governor Kemp established a Coronavirus Task Force to assess Georgia’s preparations and procedures for preventing, identifying, and addressing cases of COVID-19. The Task Force coordinated efforts between multiple State agencies along with federal and local partners to attempt to identify and mitigate spread within the State and private institutions, including nursing homes, to establish alternate or surge medical facility capacity, and to rapidly expand community testing. On March 14, 2020, Governor Kemp issued Executive Order No. 03.14.20.01, declaring that a “Public Health State of Emergency” existed in the State due to the spread of COVID-19. On March 16, 2020, the State’s General Assembly concurred with Governor Kemp’s Executive Order by joint resolution of both the State House and State Senate, vesting Governor Kemp with certain emergency powers prescribed by Georgia law for management of a state of emergency. After his initial Executive Order establishing the Public Health State of Emergency, which was terminated on July 1, 2021, Governor Kemp issued numerous, additional Executive Orders to continue to address the State’s response to COVID-19, and for gradually and safely reopening the State’s economy.

Mass vaccination efforts are underway in the State through the State of Georgia’s Mass Vaccination Distribution and Administration Plan. This statewide Mass Vaccination Distribution and Administration Plan is being used as a state protocol for distributing COVID-19 vaccines to public health districts and other

enrolled COVID-19 pandemic vaccine providers, and overseeing their administration of the vaccines to intended recipients. Initially, critical segments of the population were prioritized for vaccination using a phased approach based on assessed level of risk for exposure to or complications from the virus. On March 23, 2021, Governor Kemp announced that starting March 25, 2021 all Georgians 16 years of age and older would be eligible to receive vaccines. As of August 11, 2021, over 9,028,596 vaccines have been administered in the State (approximately 4,937,833 residents have received at least one dose and approximately 4,261,292 residents are fully vaccinated). Additional public health data and other information related to the State's response to COVID-19 is available on the following website: <https://dph.georgia.gov>. This website is provided for convenience only and is not incorporated by reference into this Official Statement.

Various actions have been taken by the State, as well as federal and local governments and agencies, to provide relief to negatively impacted residents and businesses, including expanded availability of unemployment benefits, business loan programs, eviction moratoria, and tax payment deadline extensions, among others. To attempt to alleviate the deleterious economic impacts of the disease, Congress has passed several relief packages, including the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), the Families First Coronavirus Response Act and, most recently, the American Rescue Plan of 2021 (the "ARP Act"). During FY 2020, the State received approximately \$3.5 billion in direct aid under Title V of the CARES Act, which established the Coronavirus Relief Fund ("CRF"). To date, the State has allocated the funds as follows:

- \$1.5 billion to repay borrowing for the Unemployment Compensation Fund,
- \$371 million of CRF funds to local governments for COVID-19 relief,
- \$335 for surge medical staff augmentation for nursing homes and hospitals,
- \$120 million for personal protective equipment, testing initiatives, and alternative care and quarantine sites,
- \$470 million for other state agency response costs,
- \$105 million for public safety payroll expenses; and,
- \$78 million for nursing homes and long-term care facilities for COVID-19 testing.
-

The remaining balance of approximately \$520 million of CRF funds currently has yet to be obligated.

The State also has received funding through the Federal Medical Assistance Percentage ("FMAP") first authorized by the Families First Coronavirus Relief Act, which temporarily increased the Medicaid reimbursement rate to the State by 6.2% to 73.5% for any quarter in which there is a federally dedicated public health emergency. To date, the State has received the enhanced reimbursement rate for six quarters. In addition, approximately \$457 million was received from the Elementary and Secondary School Emergency Relief (ESSER) Fund, and approximately \$406 million was received from the Higher Education Emergency Relief (HEER) Fund. The State also estimates it is eligible to receive up to \$15.9 billion in assistance under the ARP Act, including \$4.8 billion through the State Fiscal Recovery Fund, \$3.5 billion for the Local Fiscal Recovery Fund, \$4.2 billion in additional ESSER funds, and \$1.2 billion in additional HEER funds. On May 20, 2021 the State received its first tranche of State Fiscal Recovery Funds totaling \$2.4 billion. The federal government still is in the process of finalizing rules governing the expenditure and reporting requirements associated with these funds.

Impact of COVID-19 on the Commission and System

Developments relating to COVID-19 continue to occur rapidly. The duration and severity of COVID-19, and its ongoing impact on the State, County and Commission is unknown and will continue to evolve. The State, the County and the Commission's finances are likely to be adversely affected by the continued spread of COVID-19 variants. The Commission cannot predict what effect the spread of COVID-19 or the various governmental and private actions taken in response thereto will have on the finances or operations of the System. Epidemiology experts predict possible multiple "waves" of infections from COVID-19, which may result in disruptions in local labor markets, private businesses, and school and local government operations.

The economic consequences and the risk of declines in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments could have a material impact on the investments in employee pension plans. The continued spread of COVID-19 and its related impact on the Commission could include, but are not limited to, disruption of the regional and local economy with corresponding decreases in State revenues, tax revenues, including property tax revenue, sales tax revenue and other revenues, increases in tax delinquencies, potential declines in property values, and decreases in new home sales and real estate development. If there is a negative impact on the revenues of the System the Commission's ability to pay debt service on the Series 2021 Bonds may be adversely impacted.

Climate Change

Planning for climate change in the State and its impact on the Commission's operation of the System is an unknown challenge. The State's climate is exceedingly variable and projections of future conditions range significantly. While projections in the State indicate rising average temperatures, precipitation projections are much less clear and often contradictory. Other potential impacts include changes in the length, intensity, and frequency of droughts and floods. The financial impact of the climate change is not yet known and therefore its future impact on the System cannot be quantified reliably at this time.

The Commission has not experienced any climate change events in the last five years that impacted System costs or required remediation efforts. The Commission does take into consideration the potential impact of climate change, on reservoir safe yields and stream flow impacts, in its long-range water supply resource planning activities.

Cyber-Security

Computer networks and data transmission and collection are vital to the efficient operations of the Commission and the System. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in operations and the services provided by the Commission, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties and the services provided, and cause a loss of confidence in the commercial operations, which could materially adversely affect the operations of the Commission. The Commission has not experienced any cybersecurity related incidents within the last 5 years.

Risk of Loss, Damage or Destruction

The Commission has covenanted in the Resolution that it will, to the extent economically feasible, carry adequate fire and extended coverage insurance on the components of the System that are subject to loss, adequate public liability insurance, and other insurance of the kinds and amounts normally carried in the operation of similar facilities and properties in Georgia. The Commission has further covenanted that the proceeds of such insurance shall be applied to repair or replace the damaged or destroyed property. There can be no assurance that the proceeds of insurance or other sources of funds available to the Commission for purposes of replacing, repairing, rebuilding, or restoring all or any portion of the System facilities that may be damaged or destroyed will be sufficient for such replacement, repair, rebuilding or restoration. See "Appendix C: MASTER RESOLUTION AND THIRD SUPPLEMENTAL RESOLUTION" for a description of the Commission's covenants regarding insurance for the System.

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MISCELLANEOUS

Ratings

Moody's Investor Service ("**Moody's**") has assigned a rating of "Aa3" to the Series 2021 Bonds. The rating reflects only the views of the rating agency, and an explanation of the significance of such rating may be obtained from the rating agency furnishing such rating. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that the rating will remain unchanged for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the liquidity and market price of the Series 2021 Bonds.

The rating agency may be contacted as follows: Moody's Investors Service, Public Finance Department, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, telephone (212) 553-1362.

Financial Advisor

Davenport & Company LLC, Atlanta, Georgia, has been employed by the Commission as its financial advisor for the offering. The financial advisor will not engage in any underwriting activities with regard to the issuance and sale of the Series 2021 Bonds. The financial advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the Commission to provide continuing secondary market disclosure.

Underwriting

The Series 2021 Bonds were purchased at a competitive sale on August 19, 2021, by FHN Financial Capital Markets (the "**Underwriter**"). The Underwriter has agreed to purchase the Series 2021 Bonds at a price of \$15,854,822.49, which represents the par amount of the Series 2021 Bonds, \$15,815,000, less underwriter's discount of \$107,037.66, and plus net original issue premium in the amount of \$146,860.15. The Underwriter may offer and sell the Series 2021 Bonds to certain dealers and others at prices lower than the public offering price stated on the inside cover page hereof. The initial public offering price may be changed from time to time by the Underwriter.

Financial Statements

The financial statements of the Commission for the fiscal year ended June 30, 2020, and for the year then ended, attached hereto as Appendix A, have been audited by Mauldin & Jenkins, LLC, Savannah, Georgia, to the extent and for the periods indicated in their report thereon which appears in such appendix. Such financial statements have been included herein in reliance upon the report of Mauldin & Jenkins, LLC.

Continuing Disclosure

Securities and Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**") under the Securities Exchange Act of 1934 imposes continuing disclosure obligations on the issuers of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. In order to assist the Underwriter of the Series 2021 Bonds in complying with the Rule, the Commission will sign a Continuing Disclosure Certificate on the date of issuance and delivery of the Series 2021 Bonds, under the provisions of which it shall covenant for the benefit of the beneficial owners of the Series 2021 Bonds to provide (i) certain financial information and/or operating data relating to the Commission (the "**Annual Report**") and (ii) notices of the occurrence of certain enumerated events, if material. The Annual Report and the notices of material events will be filed electronically with the Electronic Municipal Market Access website ("**EMMA**"), an Internet-based electronic filing system supported by the Municipal Securities Rulemaking Board ("**MSRB**").

The Annual Report shall contain or incorporate by reference, among other items, the general purpose financial statements of the Commission for the prior Fiscal Year. The Commission's current fiscal

year began on July 1, 2021, and will end on June 30, 2022. The specific nature of the information to be contained in the Annual Report or in the notices of material events is in “Appendix E: FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

In the last five years, the Commission has been responsible for continuing disclosure for its Series 2010C Bonds pursuant to a continuing disclosure certificate executed by the Commission at the closing of the Series 2010C Bonds. On December 27, 2017, the net proceeds of the Series 2017 Bond were deposited in an irrevocable escrow trust account with an escrow agent to provide funds for the future debt service payment on the Series 2010C Bonds, and the Series 2010C Bonds were considered defeased. During the period when the Commission was responsible for continuing disclosures for the Series 2010C Bonds, the Commission timely filed its general purpose annual audited financial statements but failed to file Annual Reports for such fiscal years and the Commission did not file a notice of failure to file. The Commission will ensure future filings are complete and filed in a timely manner.

Miscellaneous

The references, excerpts, and summaries of all documents, statutes, and information concerning the Commission and certain reports and statistical data referred to herein do not purport to be complete, comprehensive and definitive and each such summary and reference is qualified in its entirety by reference to each such document for full and complete statements of all matters of fact relating to the Series 2021 Bonds, the security for the payment of the Series 2021 Bonds and the rights and obligations of the owners thereof and to each such statute, report or instrument.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made orally or in writing is to be construed as a contract with the owners of the Series 2021 Bonds.

The appendices attached hereto are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

This Official Statement contains certain “forward looking statements” concerning the Commission’s operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Commission. The words “may,” “would,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate” and similar expressions are meant to identify these forward looking statements. Actual results may differ materially from those expressed or implied by these forward looking statements.

Forward-Looking Statements

Any statements made in this Official Statement, including in the Appendices, involving estimates or matters of opinion, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or matters of opinion will be realized.

The statements contained in this Official Statement, including in the Appendices, that are not purely historical, are forward-looking statements. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof and the Commission does not assume any obligation to update any such forward-looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements. The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities

and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Commission. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including in the appendices, would prove to be accurate.

Certification

The execution and delivery of this Official Statement, and its distribution and use by the Underwriter, have been duly authorized and approved by the Commission.

BRUNSWICK-GLYNN COUNTY WATER
AND SEWER COMMISSION

By: /s/ Ben Turnipseed
Chairperson

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APPENDIX A

BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2020

The financial statements as of and for the year ended June 30, 2020, included as part of this Appendix A, have been audited by Mauldin & Jenkins, LLC, Savannah, Georgia, independent Certified Public Accountants, to the extent and for the period indicated in their report thereon which also appears in this Appendix A. Such financial statements have been included herein in reliance upon the report of Mauldin & Jenkins, LLC.

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**BRUNSWICK-GLYNN COUNTY JOINT
WATER & SEWER COMMISSION**

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

**BRUNSWICK-GLYNN COUNTY JOINT
WATER & SEWER COMMISSION**

**FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of the
Brunswick-Glynn County Joint Water & Sewer Commission
Brunswick, Georgia

Report on the Financial Statements

We have audited the accompanying basic financial statements of the **Brunswick-Glynn County Joint Water & Sewer Commission** (the "Commission"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2020, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 10), the Schedule of Changes in the Commission's Net Pension Liability and Related Ratios (on page 33), and the Schedule of Commission Contributions (on page 34) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2020, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Savannah, Georgia
October 6, 2020

BRUNSWICK-GLYNN COUNTY JOINT WATER & SEWER COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2020

As management of the Brunswick-Glynn County Joint Water & Sewer Commission (the "Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements and notes to the financial statements.

Proprietary Fund Accounting and Reporting

The Commission operates as a single fund in a business-like manner. Thus, the Commission uses the accrual approach to account for and report financial transactions. This means that revenues are recognized as they are earned and expenses are recognized as the liability is incurred, regardless of the timing of related cash inflows and outflows. All assets and liabilities that are measurable and probable are included in the financial statements. The full acquisition costs of all fixed assets are included in the Statement of Net Position and are depreciated over their estimated useful life. Consequently, the Commission's accounting practices generally resemble a commercial entity's approach.

Overview of the Financial Statements

Net Position: The following table reflects the overall financial condition of the Commission as of the last two fiscal years:

	2020	2019
Current assets	\$ 9,440,733	\$ 8,915,699
Restricted assets	50,628,008	40,874,945
Capital assets	130,475,102	131,058,682
Total assets	190,543,843	180,849,326
Deferred outflows of resources	2,595,524	2,485,763
Current liabilities	7,449,024	8,130,618
Long-term liabilities	33,892,311	35,728,157
Total liabilities	41,341,335	43,858,775
Deferred inflows of resources	12,980	257,912
Net investment in capital assets	98,723,930	96,517,125
Restricted for Debt Service	636,335	720,880
Restricted for Capital Projects	1,095,602	1,359,660
Unrestricted	51,329,185	40,620,737
Total net position	\$ 151,785,052	\$ 139,218,402

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table reflects the balances of current and restricted assets for the last two fiscal years.

	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash	\$ 4,294,095	\$ 2,526,092
Accounts receivable, net of allowance for uncollectibles	3,249,909	3,913,717
Intergovernmental receivable	397,696	915,232
Inventory	1,125,565	1,231,863
Prepaid expenses	373,468	328,795
	<u>\$ 9,440,733</u>	<u>\$ 8,915,699</u>
Restricted Assets:		
Customer Deposits	\$ 3,117,039	\$ 3,192,360
Bond Funds:		
Bond Construction Fund	-	446
Cost of Issuance Fund	11,121	117,777
Sinking Fund	625,214	603,103
Debt Service Reserve Fund	-	6,038
Capital Tap Fee Reserves:		
City of Brunswick	-	357,875
Saint Simons Island	1,095,602	325,278
North Mainland	-	431,999
South Mainland	-	244,508
Operating, Repair and Replacement and Capital Reserves	45,779,032	35,595,561
	<u>\$ 50,628,008</u>	<u>\$ 40,874,945</u>

The increase in Restricted Assets is largely due to the collection of SPLOST funds and Repair and Replacement Reserve transfers in advance of the completion of intended capital expenditures.

The Commission paid \$992,394 in interest expense on its Series 2017 Revenue Bond, during the fiscal year ended June 30, 2020. \$25,176 in interest was paid on two capital leases.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues, Expenses and Changes in Net Position: The following table illustrates the history of revenues, expenses, and changes in net position for the past two years.

	<u>2020</u>	<u>2019</u>
Operating revenues		
Charges for services:		
Water sales	\$ 10,219,101	\$ 10,372,218
Sewer sales	20,706,800	20,606,760
Connection fees	1,326,598	1,488,009
Other fees and charges	2,387,816	3,000,894
Total operating revenues	<u>34,640,315</u>	<u>35,467,881</u>
Operating expenses:		
Personnel services	11,574,841	11,466,070
Contractual services	3,836,089	5,289,604
Supplies	3,251,122	2,834,091
Electricity, natural gas and other fuel	1,829,530	1,837,108
Other costs	385,834	1,667,994
Depreciation expense	6,156,882	5,939,275
Total operating expenses	<u>27,034,298</u>	<u>29,034,142</u>
Operating income	<u>7,606,017</u>	<u>6,433,739</u>
Non-operating revenues (expenses)		
Interest income	1,182,943	533,740
Other income (loss)	(425,599)	14,169
Intergovernmental revenue - SPLOST	4,596,554	6,947,661
Interest expense and fiscal charges	(1,225,513)	(1,264,914)
Total non-operating revenues (expenses), net	<u>4,128,385</u>	<u>6,230,656</u>
Change in net position	12,566,650	14,274,363
Total net position, beginning	<u>139,218,402</u>	<u>124,944,039</u>
Total net position ending	<u><u>\$ 151,785,052</u></u>	<u><u>\$ 139,218,402</u></u>

Water and Sewer Revenues – As of June 30, 2020 the Commission utilized a standardized billing structure and rates for all districts. Customers are billed based on the infrastructure they utilize for provision of water and/or sewer service for Debt Recovery Charges. Administrative and usage charges are standardized throughout the service area. All meters are read electronically (radio read) each month and customers receive a monthly statement based on that reading. As of June 30, 2020 the Commission has 30,487 (30,155 on 6/30/19) billable service addresses: 14,800 in Brunswick, 10,972 on Saint Simons Island, 3,718 in the North Mainland and 997 in the South Mainland.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Commission previously increased user rates effective July 1, 2018. Fees for services provided beyond providing basic water and sewer use have been revised to more fully recapture the cost of those services. Additionally, the Commission's rate structure includes a base amount of water and sewer use as a fixed monthly charge.

Base Fee – Includes Administrative Fees and 1,000 Gallons Usage Per Service

Administrative Base Charge (Water) - \$7.60 per customer

Administrative Base Charge (Sewer) - \$13.06 per customer

Debt Recovery Charges

Debt Recovery Charge (Water) – \$2.27 per Residential Equivalent Unit (REU)

Debt Recovery Charge (Sewer) – \$5.57 per Residential Equivalent Unit (REU)

Usage Fees

Water revenues - All water is metered and sold at a usage rate per gallon on an increasing step rate. The rates in place, stated in 1,000 increments, for the year ended June 30, 2020 were:

Water Usage Charges:

\$.00 for the first 1,000 gallons

\$2.16 per thousand gallons for 1,000 to 3,000 gallons

\$2.89 per thousand gallons for 3,001 to 6,000 gallons

\$3.61 per thousand gallons for 6,001 to 20,000 gallons

\$4.32 per thousand gallons for 20,001 or more total gallons

Sewer charges are based on metered water usage at the rate of \$7.73 per thousand gallons for usage over 1,001 gallons. The rate resolution also includes a sewer only flat rate based on 7,000 gallons per REU.

Connection fees (Capital tap fees) - A connection fee is required for all new connections onto the system. The fees are charged on the basis of meter size. In addition, if the Commission is required to tap into the water or sewer main and run the service line to the customer's property, the Commission charges a fee to recover the cost for doing so. The fees as of June 30, 2020 were:

<u>Meter Size</u>	<u>Gallons Per Minute (GPM)</u>	<u>Water</u>	<u>Sewer</u>
5/8"	20	\$ 920.00	\$ 1,800.00
1"	50	2,300.00	4,500.00
1.5"	100	4,600.00	9,000.00
2"	160	7,360.00	14,400.00
3"	350	16,100.00	31,500.00
4"	600	27,600.00	54,000.00
6"	1350	62,100.00	121,500.00
8"	1600	73,600.00	144,000.00
10" or Larger - To be calculated on individual basis.			

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other fees and charges – The Commission charges 1.5% of arrears per month for late payments. Additionally, as in past years, the Commission maintains various fees for services and actions taken in collection efforts. Other revenues such as tower rentals and inspection fees are also included in this line item.

Personnel Services – This is the cost of the Commission for the salaries and wages of personnel and the related payroll taxes and benefits provided. The Commission employs 162 full-time employees in ten departments and divisions. Administration and management includes the Office of the Director, Planning and Construction, Purchasing and the Finance departments with 60 employees. Facilities maintenance employs 5 positions. Wastewater operations includes the Systems Pumping and Maintenance, and Wastewater Treatment divisions with 72 employees. The Water Production and Water Distribution divisions employs 25 people. The Commission provides eligible employees with health insurance, on a participatory basis, long-term disability insurance and a defined benefit retirement plan administered by the Georgia Municipal Association. The Commission is fully insured for workers compensation and is self-insured for unemployment insurance. Salaries and wages increased for the fiscal year as the result of the implementation of a Cost-of-living adjustment ("COLA"). All Commission employees received a minimum salary increase of 1.52% in July 2019. The implementation of an annual COLA is designed to make the Commission competitive in attracting and retaining employees. A COLA will be implemented for the first full pay period of July annually in an amount equal to the CPI-U. The pay scale of the Commission will be adjusted by an equal percentage.

Personnel Services Costs consist of the following:

	2020	2019
Salaries, wages, and overtime	\$ 7,877,077	\$ 7,866,222
Group insurance	1,837,049	1,915,468
Pension	826,049	594,181
FICA and medicare	564,485	561,470
Workers compensation insurance	269,126	295,721
Personnel administration	143,192	143,923
Temporary services	11,176	44,338
Commissioner stipends	30,000	30,000
Other employee benefits	16,687	14,747
	<u>\$ 11,574,841</u>	<u>\$ 11,466,070</u>

As stated in Note 7 – Defined Pension Plan, "calculations are based on the substantive plan in effect as of September 30, 2019". The timing differences between the actuarial valuation and the fiscal year of the Commission results in a difference between salaries, wages and overtime in the financial statements and covered payroll as stated in the Schedule of Commission's Contributions of \$310,168 and \$71,321 for 2020 and 2019, respectively. Employee turnover, retirements, merit based wage adjustments and changes in accruals for wages and compensated absences between the plan date and the fiscal year date also contribute to the differences.

Contractual Services – This cost consists of services that are required for the functions and operations of the Commission which are necessary to purchase from outside sources, such as legal, auditing and insurance services. Purchasing other types of services, such as personnel administration and printing, inserting and mailing of bills has been found to be the most cost effective by the Commission.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Supplies – These costs consist of the following:

	2020	2019
Chemicals, including Oxygen	\$ 1,186,778	\$ 423,310
Infrastructure and Pump Maintenance	1,433,734	1,836,347
Office, Computer, Lab and General Supplies	292,712	201,344
Small Equipment	92,400	138,728
Uniforms	124,939	114,078
Hurricane Preparedness	120,559	120,284
	<u>\$ 3,251,122</u>	<u>\$ 2,834,091</u>

Depreciation – This is the Commission's second largest expense line item. It continues to grow each year as the Commission continues to complete construction projects and bring them on line. Capital Assets, before depreciation, increased by \$5.117 million from June 30, 2019 to June 30, 2020.

Interest Income – Funds are invested as permitted in accordance with Chapter 83 of Title 36 of the Official Code of Georgia Annotated ("O.C.G.A."), which establishes guidelines for local government investment procedures. Interest receivable of \$139,867 and a market adjustment of \$370,654 are included in the earnings amount.

Interest Expense – Interest expense consists of the interest on the Commission Series 2017 Revenue Bond and two capital leases. Fiscal charges for the year ended June 30, 2020 were paid in the amount of \$500.

Capital Contributions – Capital contributions are received by the dedication of privately constructed infrastructure to the Commission and the Commission's acceptance of that infrastructure. Contributions for the year ended June 30, 2020, were \$832,248. In all cases, the assets are recorded at their acquisition value and are capitalized by the Commission.

Capital Asset and Debt Administration

Capital Assets:

The Commission's investment in capital assets as of June 30, 2019 amounts to \$130,475,102 (net of accumulated depreciation). This investment in capital assets includes land and easements, buildings, water wells, elevated storage tanks, wastewater treatment plants, system improvements, vehicles and equipment. A summary of the major infrastructure is as follows:

	Brunswick District	Glynn District	Total
Wastewater treatment facilities	1	2	3
Miles of gravity sewer lines	160	179	339
Miles of forced main sewer lines	38	116	154
Sewer manholes	3,460	4,757	8,217
Sewer lift stations	60	97	157

MANAGEMENT'S DISCUSSION AND ANALYSIS

	Brunswick District	Glynn District	Total
Water wells	11	9	20
Elevated water storage towers	7	3	10
Water pumping facilities	7	6	13
Miles of water lines	167	445	612
Fire hydrants	760	3,919	4,679

Debt Administration:

As an entity created by an act of the General Assembly of the State of Georgia, long-term borrowing by the Commission is provided through Revenue Bonds issued by the Commission and loans from the Georgia Environmental Finance Authority ("GEFA").

On December 27, 2017, the Commission issued \$36,364,000 of Revenue Bonds at an average yield of 2.904% and a final maturity of June 1, 2035. The proceeds from these bonds were used to defease Series 2010C Revenue Bonds of the Commission and to pay the related costs of issuance associated with the 2017 Bond. No additional funds were borrowed in this issue.

The ratings for the 2017 issue were AAA from Standard & Poor's and Aa3 from Moody's. These ratings were unchanged from the issuance of the 2010C Revenue Bonds.

The 2017 Revenue Bonds include a Rate Covenant containing the requirement that Net Revenues are at least equal to 1.10 times Debt Service in the then current Sinking Fund Year. For the current fiscal year, this debt coverage ratio has been computed to be 4.10 based on total revenues and 3.72 on revenues net of connection fees as follows:

Income Before Contributions	\$ 11,734,402	\$ 11,734,402
Add: Depreciation Expense	6,156,882	6,156,882
Amortization of Bond Issuance	158,616	158,616
Bond Interest (before amortization of premium)	992,394	992,394
	19,042,294	19,042,294
Less: Intergovernmental revenue - SPLOST	(4,596,554)	(4,596,554)
Connection fees	-	(1,326,598)
	\$ 14,445,740	\$ 13,119,142
Debt Service	\$ 3,526,511	\$ 3,526,511
Debt Coverage Ratio	4.10	3.72

MANAGEMENT'S DISCUSSION AND ANALYSIS

Currently Known Conditions Affecting Future Operations

Capital projects are planned, or underway, to increase capacity in areas identified to have the greatest growth potential. Other areas may have incremental increases in capacity through such methods as increasing pump sizes or adding additional pumping capacity.

The implementation of formal asset management program for all divisions continues to move forward and is gaining momentum toward full implementation. This program will facilitate greater operational efficiencies, provide clear asset condition tracking and therefore greater understanding of proactive maintenance and reinvestment needs to allow the Commission to set priorities and allocate resources more effectively.

The Commission has projects included in the Glynn County SPLOST in the amount of \$15,000,000. The remainder of the funding for the necessary improvements will be obtained through a combination of debt financing and developer/builder contributions. As of June 30, 2020, with a receivable recorded for \$397,696 of monies received in July 2020, the Commission has received the full \$15,000,000 from SPLOST. The balance of the SPLOST funds will be expended over the upcoming months as projects are progressing and completed.

In September 2019 the Commission was notified it had been approved for a \$15,000,000 loan through the GEFA for capital projects at its wastewater treatment plants and trenchless rehabilitation of sanitary sewer lines. In June 2019, an application for 67 lift station transfer switches was approved. In September 2019 an application to Georgia Emergency Management Agency for the installation of 22 additional lift station transfer switches was approved.

Further Information

This financial overview is designed to provide readers with a general overview of the Commission's finances, and to show accountability. If you have questions or would like further information about this financial report, you may contact officials at the Brunswick-Glynn Joint Water and Sewer Commission located at 1703 Gloucester St., Brunswick, Georgia 31520.

**BRUNSWICK-GLYNN COUNTY JOINT
WATER & SEWER COMMISSION**

**STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS

Current assets

Cash	\$ 4,294,095
Accounts receivable	3,249,909
Intergovernmental receivable	397,696
Inventory	1,125,565
Prepaid expenses	373,468
Restricted cash	17,268,189
Restricted investments	<u>33,359,819</u>
Total current assets	<u>60,068,741</u>

Non-current assets

Capital assets:	
Nondepreciable assets	10,276,333
Depreciable assets	250,982,117
Less accumulated depreciation	<u>(130,783,348)</u>
Total capital assets, net	<u>130,475,102</u>

Total assets	<u><u>\$ 190,543,843</u></u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources

Deferred charges on refunding	\$ 1,221,055
Pension	<u>1,374,469</u>
Total deferred outflows of resources	<u><u>\$ 2,595,524</u></u>

(Continued)

LIABILITIES

Current liabilities

Payable from current assets:

Accounts payable	\$ 928,152
Retainage payable	299,595
Compensated absences payable	223,653
Accrued expenses and other liabilities	432,502
Current portion of capital leases payable	434,022
Total current liabilities payable from current assets	<u>2,317,924</u>

Payable from restricted assets:

Accrued interest payable	82,844
Customer deposits payable	3,017,256
Current portion of revenue bonds payable	2,031,000
Total current liabilities payable from restricted assets	<u>5,131,100</u>

Total current liabilities	<u>7,449,024</u>
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Long-term liabilities

Revenue bonds payable, net	29,825,000
Capital leases payable	682,205
Compensated absences payable	143,655
Net pension liability	3,241,451
Total long-term liabilities	<u>33,892,311</u>

Total liabilities	<u>\$ 41,341,335</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources

Pension	<u>\$ 12,980</u>
Total deferred inflows of resources	<u>\$ 12,980</u>

NET POSITION

Net investment in capital assets	\$ 98,723,930
Restricted for debt service	636,335
Restricted for capital projects	1,095,602
Unrestricted	<u>51,329,185</u>
Total net position	<u>\$ 151,785,052</u>

See Notes to Financial Statements.

BRUNSWICK-GLYNN COUNTY JOINT WATER & SEWER COMMISSION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Operating revenues

Charges for services:

Water sales	\$ 10,219,101
Sewer sales	20,706,800
Connection fees	1,326,598
Other fees and charges	2,387,816
Total operating revenues	<u>34,640,315</u>

Operating expenses

Personnel services	11,574,841
Contractual services	3,836,089
Supplies	3,251,122
Electricity, natural gas, and other fuel	1,829,530
Other costs	385,834
Depreciation expense	6,156,882
Total operating expenses	<u>27,034,298</u>

Operating income	<u>7,606,017</u>
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Non-operating revenues (expenses)

Interest income	1,182,943
Other non-operating expense	(425,599)
Intergovernmental revenue	4,596,554
Interest expense and fiscal charges	(1,225,513)
Total non-operating revenues, net	<u>4,128,385</u>

Income before contributions	11,734,402
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Capital contributions

832,248

Change in net position	12,566,650
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Total net position, beginning of year	<u>139,218,402</u>
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Total net position, end of year	<u><u>\$ 151,785,052</u></u>
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See Notes to Financial Statements.

BRUNSWICK-GLYNN COUNTY JOINT WATER & SEWER COMMISSION

STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 35,304,123
Payments to suppliers	(9,153,794)
Payments to employees	(11,571,050)
Net cash provided by operating activities	<u>14,579,279</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	(5,596,562)
Proceeds from sale of capital assets	429,909
Principal payments on long-term borrowings	(2,954,381)
Interest paid on long-term borrowings	(1,234,212)
Intergovernmental receipts	5,114,090
Net cash used in capital and related financing activities	<u>(4,241,156)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(10,537,274)
Interest received	1,182,943
Net cash used in investing activities	<u>(9,354,331)</u>

Net increase in cash	983,792
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Cash and cash equivalents, beginning of year	<u>20,578,492</u>
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Cash and cash equivalents, end of year	<u><u>\$ 21,562,284</u></u>
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Classified as:

Cash	\$ 4,294,095
Restricted assets, cash	17,268,189
	<u><u>\$ 21,562,284</u></u>

(Continued)

**BRUNSWICK-GLYNN COUNTY JOINT
WATER & SEWER COMMISSION**

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED
BY OPERATING ACTIVITIES**

Operating income	\$ 7,606,017
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	6,156,882
Changes in assets and liabilities:	
Decrease in accounts receivable	663,808
Decrease in inventory	106,298
Increase in prepaid expenses	(44,673)
Increase in deferred outflows of resources	(109,761)
Decrease in accounts payable and accrued expenses	(330,544)
Increase in retainage payable	253,004
Decrease in customer deposits payable	(104,636)
Decrease in accrued compensated absences	(52,967)
Increase in net pension liability	680,783
Decrease in deferred inflows of resources	(244,932)
	<hr/>
Net cash provided by operating activities	<u><u>\$ 14,579,279</u></u>

**SUPPLEMENTARY SCHEDULE OF NON-CASH INVESTING AND
CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital contributions - capital assets	<u><u>\$ 832,248</u></u>
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See Notes to Financial Statements.

BRUNSWICK-GLYNN COUNTY JOINT WATER & SEWER COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Brunswick-Glynn County Joint Water & Sewer Commission (the “Commission”) was established by an act of the Georgia State Assembly in 2006 and approved by referendum on July 18, 2006. The Commission is governed by a seven-member board of Commissioners. The Act creating the Commission was amended in 2012 to change the structure of the governing body. As of January 1, 2013, the governing body consists of: one member appointed by the City of Brunswick and one member appointed by Glynn County from their respective Boards of Commissioners; three members selected by the Grand Jury of Glynn County, and two members elected in the county-wide general election. The Commission provides and accounts for the provision of water and sewer services to the residents of Glynn County and the City of Brunswick.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (“GASB”) Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement 61, *The Financial Reporting Entity: Omnibus*, which defines a primary government as an entity with a governing body elected in a general election, and which is legally separate and fiscally independent. Any entity that does not meet the above criteria is potentially a component unit of a primary government.

A component unit is a legally separate entity for which a primary government is financially accountable by virtue of the fact that it both appoints the governing board and is able to impose its will on the component unit, or the fact that it provides financial benefits or imposes a financial burden on the primary government.

Based on the above requirements, there are no entities which meet the criteria detailed above for inclusion with the Commission's financial statements as component units, nor is the Commission considered a component unit.

Fund Accounting

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

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

Measurement Focus

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission are charges for goods and services provided. Operating expenses of the Commission include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Basis of Accounting

The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Commission exclusively follows the standards set forth by the GASB for its proprietary operations.

Management Estimates

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

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

For purposes of the Statement of Cash Flows, the Commission considers all highly liquid investments (including restricted assets) with an original maturity date of three months or less, and customer deposits to be cash equivalents.

Customer Accounts Receivable

Customer accounts receivable include billed, but uncollected amounts and unbilled receivables based upon a pro rata amount of subsequent monthly billings. Allowances for doubtful accounts are maintained based on historical results adjusted to reflect current conditions.

Inventories

Inventories of materials and supplies are stated at cost, which approximates market, using the first-in/first-out ("FIFO") method. The Commission uses the consumption method of accounting for inventory, in that as materials are purchased, they are coded to inventory and then as subsequently used, they are expensed.

Restricted Assets

Restricted cash and cash equivalents consist of three restricted fund types. Amounts recorded in this category include funds received in payment of customer deposits and refunds of customer deposits, funds received in payment of capital tap fees, and certain proceeds from the issuance of the Commission's revenue bonds, as well as certain resources set aside for their repayment, and are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Capital Assets

Capital assets are carried at cost. Donated capital assets are recorded at their acquisition value. These assets are depreciated over the estimated useful life using the straight-line method. The Commission defines its capitalization policy as assets costing \$5,000 and having an estimated useful life of greater than three years.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset Classification</u>	<u>Years</u>
Buildings	10 – 50
Infrastructure	5 – 50
Machinery and equipment	2 – 25
Vehicles	5

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Commission had four items that qualify for reporting in this category. Three items relate to the pension as deferred outflows of resources during the year ended June 30, 2020, under the heading “pension.” Experience losses result from periodic studies by the Commission’s actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. Changes in actuarial assumptions, which adjust the net pension liability, are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Additionally, any contributions made by the Commission to the pension plan before year-end, but subsequent to the measurement date of the Commission’s net pension liability are reported as deferred outflows of resources. The fourth item relates to the deferred charge on refunding. This results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission reported two items related to their pension as deferred inflows of resources during the year ended June 30, 2020, under the heading "pension." Changes in actuarial assumptions which adjust the net pension liability are recorded as deferred outflows of resources or deferred inflows of resources and are amortized against pension expense over a five-year period. In addition, the difference between projected and actual earnings on pension plan investments is deferred and amortized against pension expense over a five-year period, resulting in recognition as a deferred inflow of resources.

Compensated Absences

The liability for compensated absences has been accrued and reported in the Statement of Net Position. The Commission permits employees to accumulate earned but unused vacation and sick pay benefits. Employees may carry over a maximum of 160 hours of vacation time from year to year. Accumulated vacation benefits will be liquidated in future years as employees elect to use them or will be paid upon termination of employment. Accumulated sick pay benefits are not payable upon termination of employment. In the normal course of business, all payments of accumulated benefits will be funded by revenues of the year in which the benefits are paid. All compensated absences are accrued when earned by employees. An employee may accrue an unlimited amount of sick leave. Sick leave may be taken only for personal illness or illness of an immediate family member.

Long-Term Obligations

Long-term debt and other obligations financed by the Commission are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as deferred refunding costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed in the year incurred.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position is classified and displayed in three components within the Statements of Net Position. These three classifications are as follows:

- a) Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b) Restricted net position consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

NOTE 2. CASH AND INVESTMENTS

Total deposits and investments as of June 30, 2020, are summarized as follows:

Amounts as presented on the entity-wide Statement of Net Position:

Cash	\$ 4,294,095
Investments	33,359,819
Restricted cash	17,268,189
Total	<u><u>\$ 54,922,103</u></u>

Cash deposited with financial institutions	\$ 21,562,284
Investments held at financial institutions	33,359,819
	<u><u>\$ 54,922,103</u></u>

As of June 30, 2020, the Commission held the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating</u>
		<u>Less than 1</u>	<u>1 - 5</u>	
U.S. treasury notes	\$ 20,959,136	\$ 9,179,633	\$ 11,779,503	N/A
Government sponsored enterprise securities	12,400,683	5,265,671	7,135,012	AA+
Total fair value	<u><u>\$ 33,359,819</u></u>	<u><u>\$ 14,445,304</u></u>	<u><u>\$ 18,914,515</u></u>	

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS (CONTINUED)

Credit Risk

State statutes authorize the Commission to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

Interest Rate Risk

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

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All of the Commission's investments are Level 1 investments.

The Commission's investment in U.S. treasury notes and government sponsored enterprise securities, classified in Level 1 of the fair value hierarchy, are valued using prices quoted in active markets for those investments.

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2020, the Commission did not have any deposits which were uninsured or under collateralized as defined by GASB pronouncements.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. RECEIVABLES

Receivables, including the applicable allowances for uncollectible accounts, consisted of the following at June 30, 2020:

Receivables	\$ 3,593,574
Less allowance for uncollectible accounts	(343,665)
Net receivables	<u>\$ 3,249,909</u>

NOTE 4. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020, is as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 1,909,037	\$ -	\$ -	\$ (844,765)	\$ 1,064,272
Construction in progress	8,842,199	4,925,580	(4,555,718)	-	9,212,061
Total	<u>10,751,236</u>	<u>4,925,580</u>	<u>(4,555,718)</u>	<u>(844,765)</u>	<u>10,276,333</u>
Capital assets, being depreciated:					
Buildings	4,159,433	-	-	-	4,159,433
Site improvements	92,792	-	-	-	92,792
Infrastructure	224,476,914	832,249	4,555,718	-	229,864,881
Machinery and equipment	10,098,303	247,899	-	(42,975)	10,303,227
Office furniture and equipment	3,546,619	20,850	-	-	3,567,469
Vehicles	2,645,483	402,232	-	(53,400)	2,994,315
Total	<u>245,019,544</u>	<u>1,503,230</u>	<u>4,555,718</u>	<u>(96,375)</u>	<u>250,982,117</u>
Less accumulated depreciation for:					
Buildings	(581,792)	(113,184)	-	-	(694,976)
Site improvements	(6,662)	(1,454)	-	-	(8,116)
Infrastructure	(111,436,892)	(4,699,027)	-	-	(116,135,919)
Machinery and equipment	(7,961,912)	(751,040)	-	32,232	(8,680,720)
Office furniture and equipment	(2,861,646)	(308,024)	-	-	(3,169,670)
Vehicles	(1,863,194)	(284,153)	-	53,400	(2,093,947)
Total	<u>(124,712,098)</u>	<u>(6,156,882)</u>	<u>-</u>	<u>85,632</u>	<u>(130,783,348)</u>
Total capital assets, being depreciated, net	<u>120,307,446</u>	<u>(4,653,652)</u>	<u>4,555,718</u>	<u>(10,743)</u>	<u>120,198,769</u>
Total capital assets, net	<u>\$ 131,058,682</u>	<u>\$ 271,928</u>	<u>\$ -</u>	<u>\$ (855,508)</u>	<u>\$ 130,475,102</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt activity for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable	\$ 34,384,000	\$ -	\$ (2,528,000)	\$ 31,856,000	\$ 2,031,000
Capital leases payable	1,542,608	-	(426,381)	1,116,227	434,022
Compensated absences	420,275	82,338	(135,305)	367,308	223,653
Net pension liability	2,560,668	1,447,044	(766,261)	3,241,451	-
Total long-term liabilities	<u>\$ 38,907,551</u>	<u>\$ 1,529,382</u>	<u>\$ (3,855,947)</u>	<u>\$ 36,580,986</u>	<u>\$ 2,688,675</u>

Revenue Bonds

In December 2017, the Commission issued Refunding Revenue Bonds, Series 2017 in the amount of \$36,364,000. The Series 2017 bonds were issued to provide funds to refund (advance refunding) all of the Commission's 2010C Revenues Bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2010C bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The advance refunding of the Series 2010C bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$1,618,208. The difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to expense through the year 2035 using the effective interest method. The refunding decreased the total debt service payments over the next 18 years by \$6,492,690 and produced an economic gain of \$2,659,689. Principal payments are due each year on June 1, beginning June 1, 2019. Interest payments are due each December 1 and June 1, beginning June 1, 2018. The bonds are secured by a pledge and lien on revenues of the water and sewer systems and yield 2.904% interest.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Bonds (Continued)

Debt service requirements to maturity on the revenue bonds are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,031,000	\$ 925,098	\$ 2,956,098
2022	2,087,000	866,118	2,953,118
2023	2,145,000	805,512	2,950,512
2024	1,811,000	743,221	2,950,512
2025	1,868,000	690,629	2,558,629
2026 – 2030	10,176,000	2,607,792	12,783,792
2031 – 2035	11,738,000	1,042,246	12,780,246
Total	<u>\$ 31,856,000</u>	<u>\$ 7,680,616</u>	<u>\$ 39,932,907</u>

Capital Leases

The Commission has entered into lease agreements as lessee for financing the acquisition of certain assets. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of machinery and equipment under capital leases as of June 30, 2020:

Machinery and equipment	\$ 2,402,884
Less: accumulated depreciation	<u>(1,516,402)</u>
	<u>\$ 886,482</u>

The Commission reported \$400,301 of depreciation expense in assets under capital leases as of June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LONG-TERM OBLIGATIONS (CONTINUED)

Capital Leases (Continued)

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020:

Fiscal Year Ending June 30,	
<u>2021</u>	454,136
2022	454,136
2023	140,575
2024	<u>105,430</u>
Total minimum lease payments	1,154,277
Less: Amount representing interest	<u>(38,050)</u>
	<u><u>\$ 1,116,227</u></u>

NOTE 6. NET INVESTMENT IN CAPITAL ASSETS AND RESTRICTED NET POSITION

Net Investment in Capital Assets – The balances that make up the Commission's net investment in capital assets at June 30, 2020, are as follows:

Net capital assets	\$ 130,475,102
Deferred charges on refunding	1,221,055
Less: Capital related debt	<u>(32,972,227)</u>
Net investment in capital assets	<u><u>\$ 98,723,930</u></u>

Restricted for Debt Service – These funds are set aside by the Commission for the retirement of future debt payments in accordance with bond requirements.

Restricted for Capital Projects – These funds are capital tap fees collected by the Commission for the improvement of the water and sewer system infrastructure.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN

Plan Description

The Commission, as authorized by the Board of Commissioners, has established a non-contributory defined benefit pension plan, the Brunswick-Glynn County Joint Water & Sewer Commission Retirement Plan (the "Plan"), covering substantially all of the Commission's employees. The Commission's pension plan is administered through the Georgia Municipal Employee Benefit System ("GMEBS"), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The Board of Commissioners, in its role as the Plan sponsor, has the governing authority to establish and amend from time to time, the benefits provided and the contribution rates of the Commission and its employees. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained at www.gmanet.com or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Plan Membership. As of January 1, 2020, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not receiving benefits	35
Active plan members	151
Total	<u>205</u>

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the Commission's Board, is to contribute an amount equal to the actuarially recommended contribution rate. This rate 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. For the year ended June 30, 2020, the Commission's contribution rate was 7.73% of annual payroll. Commission contributions to the Plan were \$584,691 for the year ended June 30, 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Commission

The Commission's net pension liability was measured as of September 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% – 8.50%, including inflation
Investment rate of return	7.375%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with gender-distinct rates, set forward two years for males and one year for females.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2014.

Salary increase adjustments were assumed to be 3.00% although the Plan allowance for annual cost of living adjustment is variable, as established by the Commission Board, in an amount not to exceed 8.50%.

Discount Rate. The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Commission (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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 and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity	45%	6.41%
International equity	20%	6.96%
Domestic fixed income	20%	1.96%
Real estate	10%	4.76%
Global fixed income	5%	3.06%
Cash	-%	
	<u>100%</u>	

* Rates shown are net of the 2.25% assumed rate of inflation.

Changes in the Net Pension Liability of the Commission. The changes in the components of the net pension liability of the Commission for the year ended June 30, 2020, were as follows:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at June 30, 2019	\$ 7,862,550	\$ 5,301,882	\$ 2,560,668
Changes for the year:			
Service Cost	415,887	-	415,887
Interest	615,911	-	615,911
Differences between expected and actual experience	206,543	-	206,543
Contributions - employer	-	584,691	(584,691)
Net investment income	-	181,570	(181,570)
Benefit payments, including refunds of employee contributions	(132,569)	(132,569)	-
Administrative expense	-	(23,216)	23,216
Other changes	185,487	-	185,487
Net Changes	<u>1,291,259</u>	<u>610,476</u>	<u>680,783</u>
Balances at June 30, 2020	<u>\$ 9,153,809</u>	<u>\$ 5,912,358</u>	<u>\$ 3,241,451</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the Commission (Continued)

The required schedule of changes in the Commission's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Commission, calculated using the discount rate of 7.375%, as well as what the Commission's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.375%) or 1-percentage-point higher (8.375%) than the current rate:

	1% Decrease (6.375%)	Current Discount Rate (7.375%)	1% Increase (8.375%)
Commission's net pension liability	\$ 4,598,351	\$ 3,241,451	\$ 2,120,375

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and 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. Calculations are based on the substantive plan in effect as of September 30, 2019, and the current sharing pattern of costs between employer and employee.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Commission recognized a pension expense of \$826,049. At June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 675,767	\$ -
Changes in assumptions	205,500	6,012
Difference between projected and actual earnings on pension plan investments	-	6,968
Commission contributions subsequent to the measurement date	493,202	-
Total	<u>\$ 1,374,469</u>	<u>\$ 12,980</u>

Commission contributions subsequent to the measurement date of \$493,202 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ 145,083
2022	165,554
2023	219,968
2024	186,144
2025	95,534
Thereafter	56,004
Total	<u>\$ 868,287</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to: torts; theft of assets; damage to and destruction of assets; errors and omissions; and natural disasters. The Commission carries commercial insurance for these risks of loss, as well as other risks of loss such as workers' compensation insurance and general property and liability insurance.

NOTE 9. COMMITMENTS AND CONTINGENCIES

At June 30, 2020, in addition to the liabilities enumerated on the balance sheet, the Commission also had contractual commitments on uncompleted construction contracts in the amount of \$4,085,558 for the completion of various projects.

REQUIRED SUPPLEMENTARY INFORMATION

BRUNSWICK-GLYNN COUNTY JOINT WATER & SEWER COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	\$ 415,887	\$ 318,851	\$ 290,707	\$ 293,353	\$ 245,679	\$ 244,062
Interest on total pension liability	615,911	533,380	452,681	399,112	335,690	298,149
Differences between expected and actual experience	206,543	276,712	227,855	96,885	331,132	20,708
Changes of assumptions	-	-	81,397	-	-	(24,046)
Benefit payments, including refunds of employee contributions	(132,569)	(118,545)	(83,071)	(113,206)	(75,099)	(33,844)
Other	185,487	-	-	-	-	-
Net change in total pension liability	1,291,259	1,010,398	969,569	676,144	837,402	505,029
Total pension liability - beginning	7,862,550	6,852,152	5,882,583	5,206,439	4,369,037	3,864,008
Total pension liability - ending (a)	\$ 9,153,809	\$ 7,862,550	\$ 6,852,152	\$ 5,882,583	\$ 5,206,439	\$ 4,369,037
Plan fiduciary net position						
Contributions - employer	\$ 584,691	\$ 509,910	\$ 466,145	\$ 387,759	\$ 365,501	\$ 381,081
Net investment income	181,570	456,652	559,750	341,613	18,511	246,730
Benefit payments, including refunds of employee contributions	(132,569)	(118,545)	(83,071)	(113,206)	(75,099)	(33,844)
Administrative expenses	(23,216)	(23,796)	(25,025)	(12,450)	(12,226)	(9,731)
Net change in plan fiduciary net position	610,476	824,221	917,799	603,716	296,687	584,236
Plan fiduciary net position - beginning	5,301,882	4,477,661	3,559,862	2,956,146	2,659,459	2,075,223
Plan fiduciary net position - ending (b)	\$ 5,912,358	\$ 5,301,882	\$ 4,477,661	\$ 3,559,862	\$ 2,956,146	\$ 2,659,459
Commission's net pension liability - ending (a) - (b)	\$ 3,241,451	\$ 2,560,668	\$ 2,374,491	\$ 2,322,721	\$ 2,250,293	\$ 1,709,578
Plan fiduciary net position as a percentage of the total pension liability	64.59%	67.43%	65.35%	60.52%	56.78%	60.87%
Covered payroll	\$ 7,566,909	\$ 7,554,006	\$ 6,156,245	\$ 5,362,432	\$ 5,174,265	\$ 4,621,888
Commission's net pension liability as a percentage of covered payroll	42.84%	33.90%	38.57%	43.31%	43.49%	36.99%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

BRUNSWICK-GLYNN COUNTY JOINT WATER & SEWER COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COMMISSION'S CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30,

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 584,691	\$ 560,387	\$ 493,084	\$ 457,166	\$ 364,624	\$ 365,794
Contributions in relation to the actuarially determined contribution	<u>584,691</u>	<u>560,387</u>	<u>493,084</u>	<u>457,166</u>	<u>364,624</u>	<u>365,794</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,877,077	\$ 7,794,901	\$ 7,554,006	\$ 6,156,245	\$ 5,362,432	\$ 5,174,265
Contributions as a percentage of covered payroll	7.42%	7.19%	6.53%	7.43%	6.80%	7.07%

Notes to the Schedule:

Valuation Date	January 1, 2020
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 14 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.38%
Projected Salary Increases	2.25% plus service based merit increases
Cost of Living Adjustments	0.00%

The schedule will present 10 years of information once it is accumulated.



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

**To the Board of Commissioners of the
Brunswick-Glynn County Joint Water & Sewer Commission
Brunswick, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Brunswick-Glynn County Joint Water & Sewer Commission** (the "Commission") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

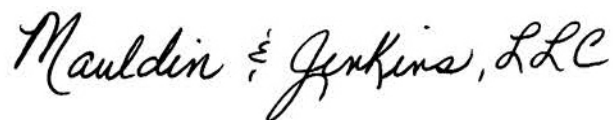
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the ampersand being a simple cross.

Savannah, Georgia
October 6, 2020

**BRUNSWICK-GLYNN COUNTY JOINT
WATER & SEWER COMMISSION**

**SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**SECTION I
SUMMARY OF AUDIT RESULTS**

Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified not considered
to be material weaknesses?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Not applicable as a single audit was not performed for the year ended June 30, 2020, due to the Commission not expending \$750,000 or more of federal funds.

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

Not applicable.

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

Not applicable.

**SECTION IV
PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

None noted.

APPENDIX B

RATE RESOLUTION

The Rate Resolution included in this Appendix B was adopted by the Commission on June 17, 2021, and has not been amended as of the date of this Official Statement.

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WATER AND WASTEWATER RATES AND CHARGES

July 1, 2021 to June 30, 2022

WHEREAS, the Brunswick-Glynn County Joint Water and Sewer Commission, acting by and through its Commissioners, is established as a water and wastewater utility to provide for the production and distribution of potable water and to provide for sewage collection, treatment and disposal in the community; and

WHEREAS, the Commission of the City of Brunswick and the Glynn County Board of Commissioners has adopted a Water and Sewer Ordinance, Chapter 22 of the Municipal Code and Chapter 2-16 of the Code of Ordinances, respectively, which provides for the establishment and revision of charges for water and sewer services to be accomplished by resolution of the Brunswick-Glynn County Joint Water and Sewer Commission (hereinafter referred to as the "Utility").

NOW THEREFORE, BE IT HEREBY RESOLVED that the scheduled rates for water and sewer service as set forth in Chapter 22 of the Municipal Code and Chapter 2-16 of the Glynn County Code of Ordinances shall be as follows:

Monthly Billing Rates and Charges

	<u>Water</u>	<u>Sewer</u>
Base Charge	\$7.60	\$13.06
Residential Equivalent Unit ("REU") Fee (Per REU)	\$2.27	\$5.57

Volume Charges (per 1,000 gal.)

Potable Water:

First 1,000 gal.	\$0.00
1,001 to 3,000 gal.	2.16
3,001 to 6,000 gal.	2.89
6,001 to 20,000 gal.	3.61
20,001 gal. and over	4.32

Sewer:

First 1,000 gal.	\$0.00
1,001 gal. and over	7.73

Irrigation:

First 1,000 gal.	\$0.00
1,001 to 12,000 gal.	2.89
12,001 to 20,000 gal.	3.61
20,001 gal. and over	4.32

Sewer Only Flat Rate Calculated Based on 4,200 gal. per REU

I. Industrial Users

- (a) The wastewater operation and maintenance charge shall be calculated as 50% for wastewater collection system operation and maintenance cost and 50% as wastewater treatment operation and maintenance cost for purposes of billing users discharging directly to the wastewater treatment facility without use of the Utility's wastewater collection system.

- (b) Biochemical Oxygen Demand (BOD₅) and/or Total Suspended Solids (TSS) concentrations above 200 milligrams per liter (mg/L) shall be subject to the following additional surcharges:

BOD ₅ per pound	\$0.54
TSS per pound	\$0.50

- (c) After a violation, the Industrial Permit holder will be responsible for reimbursement of the cost of subsequent testing performed by the Utility until the cause of such violation is identified and corrected by the permit holder.

II. Septage Discharges

- (a) All septic tank contents discharged to the Academy Creek Water Pollution Control Plant shall be subject to payment of a fee of \$15.00 per discharge and a rate of \$0.08 per gallon discharged. This fee shall be based on the actual discharge into the plant.
- (b) All septic tank contents discharged to the Dunbar and Southport Water Pollution Control Plants shall be subject to payment of a fee of \$0.08 per gallon of truck capacity with no allowance for partial loads.

III. Fire Protection Charges

- (a) The charge for any overhead fire suppression/sprinkler system installed in any facility other than single family residences shall be as follows:

1 to 2 inch Fire Suppression System	\$ 3.50	per month
3 inch Fire Suppression System	\$ 7.00	per month
4 inch Fire Suppression System	\$ 13.00	per month
6 inch Fire Suppression System	\$ 34.00	per month
8 inch Fire Suppression System	\$ 75.00	per month
10 inch Fire Suppression System	\$ 129.00	per month
12 inch Fire Suppression System	\$ 206.00	per month

IV. Administrative and Operating Fees

- (a) The Utility will charge fees for various administrative and operational services as set forth in Appendix A.

V. Planning and Construction Fees

- (a) The Utility will charge fees for services provided by the Planning and Construction Division as set forth in Appendix B.

VI. Capital Improvement Fees

- (a) Capital improvement fees are intended to cover the cost of water production and distribution and wastewater collection and treatment infrastructure. The capital tap fee shall be calculated and charged on the basis of meter size. Meter sizes should be specified using sound engineering practices in accordance with AWWA Manual M22. Capital improvement fees may be used by the Utility to pay for debt incurred to fund this type of infrastructure.

<u>Meter Size</u>	<u>Gallons Per Minute (GPM)</u>	<u>Water</u>	<u>Sewer</u>
5/8"	20	\$920.00	\$1,800.00
1"	50	2,300.00	4,500.00
1.5"	100	4,600.00	9,000.00
2"	160	7,360.00	14,400.00
3"	350	16,100.00	31,500.00
4"	600	27,600.00	54,000.00
6"	1350	62,100.00	121,500.00
8"	1600	73,600.00	144,000.00

10" or Larger to be calculated by Utility staff on individual basis.

- (b) The fire protection capital fees shall be as follows:

1" Connection	\$ 600.00
2" Connection	\$ 1,000.00
3" Connection	\$ 1,300.00
4" Connection	\$ 1,600.00
6" Connection	\$ 1,900.00
8" Connection	\$ 2,200.00
10" Connection	\$ 2,500.00
12" Connection	\$ 2,800.00

- (c) Capital improvement fees shall cover only connection to existing mains that are adjacent to location to be served; any water and/or sewer extensions necessary shall be the responsibility of the customer. All fees and charges shall be paid by the customer or customers at whose request the connection is made.
- (d) In the case of lot splits, credit will be given for previous number of REUs. Capital fees must be paid on the newly created lots.
- (e) Capital improvement fees shall be paid concurrent with the Utility's approval of construction plans for the capacity required. The requested capacity will be reserved for that property upon payment, acceptance and approval of capital improvement fees.

The Utility will not approve construction plans when availability and/or capacity of water or sewer service is not available or is insufficient to support the building plans unless a comprehensive agreement or funded project for system upgrade is in place.

Additional capacity may be reserved based on new or amended construction plans for the property, subject to the capacity available and at the rates in effect at the time of the new or amended construction plan approval.

- (f) Upon setting of the meter the customer paying the capital improvement fees will be responsible for the monthly billed amount for base charges and REU fees. Certificate of Occupancy will be approved upon payment of all fees and all other requirements of the Utility. There will be no capital improvement fee refunds or transfers to other accounts or addresses without approval by the Executive Director.
- (g) Customers upgrading the size of their meter will be responsible for the incremental cost difference for both capital and operational fees.

For properties with previous service capacity, credit will be given toward new development or change of use for that property.

The criteria used to confirm previous services will be established by the Executive Director or his designee.

VII. Operational/Installation Fees

- (a) Water and sewer installation fees for making taps into the Utility water mains or water lines and installing water meters shall be in accordance with the applicable fee schedule.
- (b) Actual cost charges for water and/or sewer service installations or work otherwise performed not covered in standard pricing shall be calculated in accordance with the schedule included in the applicable fee schedule.
- (c) All hourly charges shall include travel time to and from the job location. Work performed outside regular business hours at request of customer shall be charged at 150% of the rates in the schedule. Miscellaneous charges shall include actual charges for equipment rented to perform the work.
- (d) Upon request, connections to the system for water will be made as soon as practical after a building permit is posted at the property location. The customer will be responsible for the Operational/Installation Fees.

VIII. Meter Replacement Costs

- (a) Meters serving vacant locations shall remain in place with the valve locked. Any metered usage will result in progressive actions to lead to the creation of an active account and related fees billed on the initial statement sent to the next account holder.
- (b) In the case of demolitions, a property owner (or designee) is responsible to complete a JWSC Demolition Application after filing a Demolition Permit with Glynn County or the City of Brunswick. The JWSC Demolition process allows for different scenarios in terms of the meter, some of which are assessed a fee including (without limitation): meter re-installation, meter

locate, and Sewer Lateral Inspection (refer to Appendices A and B).

- (c) Following acceptance of a Demolition Application by JWSC, the meter can be pulled but base rate services will be billed until a final inspection has been completed by staff.
- (d) Meters that are proven to have been damaged will be replaced at cost of the meter, labor and other installation material cost, which shall be billed and paid in order to reestablish or continue service.

IX. Residential Equivalent Units (REUs)

- (a) The determination of a nonresidential facility's REU shall be based on estimated water consumption as shown in guidelines below or on square footage. Peak water consumption of three hundred (300) gallons per day shall be the equivalent of one (1) REU. If the table (Appendix C) does not provide information for a particular application, the estimated water consumption shall be as calculated by the Executive Director or his designee in accordance with sound engineering practices using information available from Georgia EPD, USEPA, AWWA or standard reference materials commonly used for estimating flows.
- (b) In the event a facility is made up of more than one smaller component facility, the determination of REU shall be calculated as the sum of the REU for all components.
- (c) A single family residence with a meter size greater than one inch will be considered multiple residential equivalent units.

X. Hydrant Meter Rentals

- (a) Hydrant meters are available for rent for purposes where water is drawn from fire hydrants.
- (b) Rental of a fire hydrant meter requires a refundable, non-interest bearing deposit of \$2,000.00 per meter.
- (c) Hydrant meter rental shall consist of a monthly rental fee of \$45.00 plus water administrative, debt and usage charges based the current potable water rates.
- (d) Meters must be returned to the Utility annually, or as directed by the Utility, for testing of accuracy and backflow.

XI. Payment of Fees

All fees, other than monthly bills, must be paid in advance of services unless other payment arrangements are approved by the Executive Director or his designee.

XII. Deposits

Deposits shall be two and one-half (2½) times the monthly bill for all services, as estimated by the Executive Director or his designee using whatever data may be available, with a minimum deposit of one hundred dollars (\$100.00) per REU for residential and one hundred fifty dollars (\$150.00) per REU for commercial, and shall be non-interest bearing.

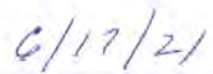
Residential customers who believe they qualify to have their deposit applied to their account by having an account in good standing and thirty-six months of consecutive timely payments may notify the Utility in writing to request this deposit application.

XIII. Penalty

Payment of these rates, fees and charges shall not exempt any user from any civil or criminal action resulting from violations of the City of Brunswick or Glynn County Water and Sewer Ordinance.



G. Ben Turnipseed, Chairman



Date

APPENDIX A

Brunswick-Glynn County Joint Water and Sewer Commission Schedule of Administrative and Operational Fees and Charges

Account and Meter Service Fees:

Account Establishment Fee	\$55.00
After Hours Turn On (Requests received after 4:00 pm)	\$70.00
Locating Customer Meter	\$50.00
First Turn-On/Turn-off at Customer Request (each 12 months)	\$0.00
Second and Subsequent Turn-On/Turn-Off at Customer Request	\$90.00
Emergency Call Out for Turn-Off / Turn-On (Outside Business Hours)	\$125.00
First Reread (each 12 months)	\$0.00
Second and Subsequent Rereads (within 12 months)	\$50.00
Return Trip Fee for Turn-On	\$55.00

Delinquent Account Fees:

Turn-Off and Lock for Delinquency (or Vacant)	\$75.00
Lock Cut Fee/Relock Fee	\$225.00
Remove Meter For Delinquency	\$275.00
Cut-Off at Main	\$330.00
Returned payment (NSF) Fee	\$35.00
Late Fee on Balances in Arrears (per month)*	1.5%

*Late fees will not be charged while an account has active payment arrangements.

Testing Fees:

Water Bacteriological Sampling (Monday through Friday)	\$80.00
Water Bacteriological Sampling (Weekends and Holidays)	\$95.00
Chlorine Testing (Monday through Friday)	\$75.00
Chlorine Testing (Weekends and Holidays)	\$95.00
24-Hour Pressure Testing	\$135.00
New Line Pressure Test (Water & Sewer)	\$135.00
Fire Flow Testing	\$165.00
Pull and Test Meter (if meter reads less than 103% over actual)	\$240.00

Water Meter/Sewer Installation Fees:

Water Operational / Installation Fees – 5/8 inch	\$625.00
Water Operational / Installation Fees - 1 inch	\$695.00
Water Operational / Installation Fees - 1.5 inch	\$1,790.00
Water Operational / Installation Fees - 2 inch	\$2,630.00
Water Operational / Installation Fees - 3 inch or larger	At Cost
Irrigation Operational / Installation Fees – 5/8 inch	\$625.00
Irrigation Operational / Installation Fees - 1 inch	\$695.00
Irrigation Operational / Installation Fees – 1.5 inch	\$1,605.00
Irrigation Operational / Installation Fees - 2 inch	\$1,885.00

Sewer Operational / Installation Fees - Up to 6 inch Gravity (Plus actual costs of installation)	\$580.00
Sewer Operational / Installation Fees - 2 inch Low Pressure System (Plus actual costs of installation)	\$325.00
Backflow Installation On Pre-Existing Residential Irrigation Meters	At Cost
Fire Hydrant Relocation	At Cost
Replacement of removed meter	\$500.00
Verify meter connections for multi-unit commercial or residential installations	\$750.00

Inspection Fees:

Backflow Installation Inspection Fees - Initial Inspection	\$110.00
Backflow Installation Inspection Fees - Second and Subsequent Trips	\$195.00
Pretreatment/FOG Compliance - Initial Inspection	\$110.00
Pretreatment/FOG Compliance Re-inspection/Second and Subsequent Trips to Inspect - per trip	\$195.00
Backflow Test Submittal Late over 30 Calendar Days	\$12.00
Backflow Test Submittal Late over 45 Calendar Days	\$22.00
Backflow Test Submittal Late over 50 Calendar Days	\$110.00
Department of Public Health Complaint	\$50.00
Overdue Pump Out Schedule (Grease Traps, Oil/Water Separators, Solid Separators) per Inspection	\$100.00
Unauthorized Discharge from Lint or Hair Traps per Inspection	\$100.00
Camera Inspections*	\$150.00
Private Sewer Lateral Cleaning*	\$175.00
Truck Inspections (first truck)	\$250.00
Each additional truck	\$100.00

* Fees apply when utility crews have responded, are working in the area and customer requests service.

Permitting Fees:

Initial Pretreatment Application Fee (Plus additional out-of-pocket costs)	\$1,100.00
Pretreatment Permit Renewal Fee (Plus additional out-of-pocket costs)	\$550.00
Pretreatment Modification Fee	\$550.00

On-site sanitary sewer systems:**

Tank Pump-Out Charge	\$2,500.00
Sewer Pump Repair/Replacement	\$10,000.00
Any other maintenance not addressed	As Per Executive Director

** Whether the Utility may legally service any on-site sewer system will be determined on a case-by-case basis

**Emergency Response to Private Systems (Collection, Lift Stations, Water
Mains) - MINIMUM**

Sanitary Spill Cleanup at Private Facilities – First Trip within a 12 Month Period	\$5,500.00 At cost
Sanitary Spill Cleanup at Private Facilities – Second Trip within a 12 Month Period	Cost + \$500
Sanitary Spill Cleanup at Private Facilities – Third and Subsequent Trip within a 12 Month Period	Cost + \$1,000

Unauthorized Use and Damage Fees:

First Unauthorized Turn-On (unauthorized use of water/sewer) - Residential	\$110.00
Second and Subsequent Unauthorized Turn-On (unauthorized use) - Residential	\$550.00
First Unauthorized Turn-On (unauthorized use of water/sewer) - Commercial	\$330.00
Second and Subsequent Unauthorized Turn-On (unauthorized use) - Commercial	\$1,100.00
Remove Jumper	\$275.00
Damage to meter box, cover, meter and/or curbstop	\$110.00
Obstructing, covering or blocking access to a water meter or fire hydrant	\$110.00

Labor and Equipment Rates:

Mobilize	\$850.00
Labor (per hour)	\$110.00
Crew Truck - Half Ton(per hour)	\$55.00
Crew Truck - 3/4 Ton(per hour)	\$80.00
Crew Truck - One Ton or larger (per hour)	\$110.00
Vacuum Truck (per hour)	\$280.00
Backhoe (per hour)	\$225.00
Mini-Excavator (per hour)	\$170.00
Trencher (per hour)	\$90.00
Camera Truck (per hour)	\$285.00
Dewatering Pump (per hour)	\$90.00
Air Compressor (per hour)	\$60.00
Portable Generator	\$60.00
Tap Water Main (per inch of tap diameter)	\$115.00
Road Boring Equipment (per foot bored)	\$30.00
Road Repair (per square yard)	\$80.00

APPENDIX B
Brunswick-Glynn County Joint Water and Sewer Commission
Planning and Construction Fee Schedule

PLAN REVIEWS		FEE
Commercial Building Permit (CBUI)		\$250
Commercial Shell Permit (CSHL)		\$250
Construction Plan Review (CP)	\$.10 per linear foot of Water and Sewer Minimum of \$250	\$250
Easement Abandonment		\$100
Final Plat		\$250
Preliminary Plat Review		\$100
Record Drawings/Easement Review		\$100
Site Plan		\$250
Zoning		\$100
PERMITTING		
EPD Water & Sewer Extension Approval	Per Submittal	\$100
Georgia Department of Transportation	GUPS Permit Per Submittal	\$250
Georgia Utility Permitting System (GUPS)	Traffic Interruption Per Occurrence	\$100
INSPECTIONS		
Dedication Inspection	Per Pump Station Public Commercial Utilities	\$500 At Cost
Dedication Inspection – Infrastructure		At Cost
Demolition Inspection	1st Inspection Re-inspection	\$75 \$50
Locate Services	Lateral & Taps for Contractors	At Cost
Sewer Lateral Inspection	2-Step Inspection (Connection and Clean Out)	\$165
Re-Inspection	Re-inspections	\$75
Site or Construction Inspection		\$250
RECORD DRAWING OR MAP REQUESTS		
Professional Services Map Development (includes developing digital files)	Per hour - 1 hour minimum	\$75
Record Drawing or Map Hard Copy	8.5 x 11	\$9
	11 x 17	\$10
	24 x 36	\$15
	36 x 44	\$25
	Extra Large	\$33
CD/DVD		\$5
Shipping		At Cost
Expedited Requests	Within 24 Hours Within 48 Hours	Add 40% Add 20%
UNSOLICITED PROPOSALS		
Projects Estimated up to \$250,000		\$5,000
Projects Estimated \$250,001-\$500,000		\$7,500
Projects Estimated Over \$500,001	TBD by JWSC at the time of Proposal	TBD

APPENDIX C

Brunswick-Glynn County Joint Water and Sewer Commission Residential Equivalent Units (REUs)

(Cumulative Gallons Per day/300 = 1 REU)

Calculation: (The facility gallons per day X the unit of measure X GPD) / 300

150 Seat Assembly Hall: (150 seats x 5) / 300 = 2.5 Rounded up to the next whole number = 3 REU

FACILITY	UNIT OF MEASURE
Apartment/Condo/Duplex (1 bedroom)	200 per day
Apartment/Condo/Duplex (2 bedrooms)	250 per day
Apartment/Condo/Duplex (3 or more bedrooms)	300 per day
Assembly Hall	5 per seat
Barber Shop/Beauty Parlor	125 per chair
Barber Shop Only	50 per chair
Beauty Shops	125 per booth or bowl
Bathhouse	10 per stall
Boarding House*	100 per room
Bowling Alley	75 per lane
Church w/o Day Care	5 per sanctuary seat
Car Wash	
Manual, Do-It-Yourself-Wand Wash	200 per bay
Semi-Automatic (Mechanical without Conveyor)	1,200 per bay
Automated	3,500 per site
Hand Wash	700 per location
Commercial Truck Washing Station	250,000 gpd/bay
Correctional Institution/Prison	250 per inmate
Country Club, Recreation Facilities Only	25 per member
Day Care Center	15 per person
Dealerships-Auto, Boat, Recreational, Vehicle Dealerships/	
Showrooms w/restrooms	125 per Plumbing Fixture
Dental Office	100 per chair
Department Store	10 per 100 SF
Dry Cleaners	
Cleaners (Pick Up Only)	.048 per employee-unit factor**
Cleaners (Pressing Facilities)	1.25 per press-unit factor**
Factory	
Without Showers	25 per FTE employee***
With Showers	35 per FTE employee***
Food Service Establishments*	
Restaurants (Up to 12 hours per day)	35 per seat
Restaurants (12 hours per day to 18 hours per day)	50 per seat
Restaurants (Above 18 hours per day)	75 per seat
Restaurants (Bar and Cocktail Lounge)	30 per seat
Restaurants (Drive-In)	50 per space
Restaurants (Carry-Out Only)	50 per 100 SF

Restaurants (Use Paper Products Only)	10 per seat
Banquet/Dining Hall	30 per seat
Institutions, Dining Halls	5 per meal
Caterers	50 per 100 SF
Deli	40 per 100 SF
Bakery	10 per 100 SF
Meat Department, Butcher Shop or Fish Market	75 per 100 SF
Specialty Food Stand or Kiosk	50 per 100 SF
Fitness, Exercise, Karate or Dance Center	50 per 100 SF
Funeral Home	10 per 100 SF
Hospital	
Inpatient	300 per bed
Outpatient	275 per bed
Hotel*	
Hotel (Without Kitchen)	100 per room
Hotel (With Kitchen or Food Service)	120 per room
Ice House	300 per location
Laundry, Commercial	1,000 per machine
Laundry, Coin	150 per machine
Lodges*	100 per room
Marinas	
Marinas Without Bathhouse	10 per slip
Marinas With Bathhouse	30 per slip
Mobile Home Park	300 per site
Motel*	
Motel (Without Kitchen)	100 per room
Motel (With Kitchen or Food Service)	120 per room
Multiple Family Residence	120 per habitable room
Nail Salon	50 per pedicure station
Nursing Home*	150 per bed
Office	10 per 100 SF
Parks with Restroom Facilities	250 per Plumbing Fixture
Physician's Office	200 per exam room
Public Access Restrooms	325 per Plumbing Fixture
Schools (Including Kindergarten)*	
Boarding	100 per person
Day, Restrooms Only	12 per person
Day, Restrooms and Cafeteria	16 per person
Day, Restrooms, Gym and Cafeteria	20 per person
Service Stations	
Service Stations, Interstate Locations	425 + 150 per pump
Service Stations, Other Locations	300 + 100 per pump
Service Station Car Wash	500 per stall
Shopping Center (Not including food service or laundry)	10 per 100 SF
Stadium	5 per seat
Self Storage Facilities	25 per FTE employee***
Supermarket/Grocery Store	20 per 100 SF

Swimming Pool	
With Bathhouses and Spas (Maximum Occupancy)	10 per person of permitted occupancy
Theater	
Theater (Indoor)	5 per seat
Theater (Outdoor)	1 per seat
Transportation Terminals-Air, Bus, Train, Ferry, Port and Dock	5 gpd/Passenger
Travel Trailer Park*	
With Independent Water & Sewer Connection	175 per site
Without Independent Water & Sewer Connection	35 per site
Veterinary Offices	
Veterinary-Not Including Boarding	250 gpd/Practitioner/Shift
Veterinary-Hospital, Kennels, Animal Boarding Facilities	20 gpd/Pen, Cage, Kennel or Stall
Warehouse	25 per FTE employee***

* Add 300 gallons per commercial use machine if laundry or dishwashing.

** Unit Factor not GPD

***Full Time Equivalent (FTE) Employee = Cumulative of 40 hours per week
(e.g. 2 employees at 20 hours per week = 1 FTE)

The number of REUs for facilities not included above may be calculated based on average use.

APPENDIX C

MASTER RESOLUTION AND
THIRD SUPPLEMENTAL RESOLUTION

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BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION

BOND RESOLUTION

Adopted June 17, 2010

PROVIDING FOR ISSUANCE OF BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2010C IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$55,000,000

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Bond Resolution, a Third Supplemental Bond Resolution and a Fourth Supplemental Bond Resolution (collectively the "Interim Bond Resolution") the Commission issued several series of bonds for the purpose of financing and refinancing on an interim basis the acquisition, expansion, construction and equipping of a wastewater treatment facility in the County as part of the County owned water and sewer system, of which there remains currently outstanding the Commission's Refunding Revenue Bond (GLYNN COUNTY WASTEWATER IMPROVEMENT PROJECT), SERIES 2010B (the "Series 2010B Bond"), in the principal amount of \$13,000,000.

6. The Commission has determined that it is now necessary and desirable (i) to acquire the respective water and sewer systems of the City and the County, and thereby create a unified water and sewer system owned by the Commission (the "System"), which will include payment of the costs of the defeasance, redemption and/or prepayment of the City and County Outstanding Bonds and the Prepaid GEFA Loans and Capital Leases, (ii) to refund and redeem the outstanding Series 2010B Bond, and (iii) to acquire, construct and equip System improvements and administrative offices for the use of the Commission (collectively, the "Project"), all substantially in accordance with an engineering report which describes the System, and which report was considered and approved by the Commission both prior to and simultaneously with the adoption of this Resolution and which is, by this reference, incorporated herein and made a part hereof as fully as if physically attached hereto.

7. In order to accomplish the foregoing, the Commission proposes to issue its BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2010C in an aggregate principal amount not to exceed \$55,000,000 (the "Series 2010C Bonds"). The proceeds of the Series 2010C Bonds will be used to pay the costs of (i) acquiring the respective City and County water and sewer systems, (ii) currently refunding, by payment and redemption the outstanding Series 2010B Bond, (iii) acquiring, constructing and equipping the Project, (iv) providing funds, or purchasing a Debt Service Reserve Credit Instrument, sufficient to satisfy the Debt Service Reserve Requirement on the Series 2010C Bonds, (v) paying capitalized interest on the Series 2010C Bonds, and (vi) the fees and expenses to be incurred in connection with the issuance of the Series 2010C Bonds.

8. In order to enhance the marketability of the Series 2010C Bonds and provide increased security for the holders thereof, the Commission may determine in a supplemental resolution that it is in its best interests to purchase a Financial Guaranty Insurance Policy from a Bond Insurer and to authorize the acceptance of a commitment for a Financial Guaranty Insurance Policy.

9. The Series 2010C Bonds now proposed to be issued and any Parity Bonds hereafter issued and the interest thereon shall be secured by a first and prior pledge of and charge or lien on the Net Revenues of the System superior to any other charge or lien now existing or which may hereafter be created thereon.

NOW, THEREFORE, BE IT RESOLVED by the Brunswick-Glynn County Joint Water and Sewer Commission and it is hereby resolved by authority of the same, that the Interim Resolution shall be repealed in its entirety upon the refunding and redemption of the Series 2010B Bonds as provided for herein, and shall be of no further force and effect; and

THIS BOND RESOLUTION (this "Resolution"), adopted June 17, 2010, by the Brunswick-Glynn County Joint Water and Sewer Commission (the "Issuer" or the "Commission");

PREAMBLE

1. The Commission is a body corporate and politic and a public corporation, created by the "Brunswick-Glynn County Joint Water and Sewer Commission Act," established by Ga. L. 2006, p. 3661 (the "Act"). The Commission has been duly organized and its members are performing their duties and are serving in the furtherance of the purpose for which the Commission was created. Capitalized terms used and not otherwise defined in this Preamble shall have the meaning given such terms in Article I of this Resolution.

2. Under the Act, the Commission is authorized to acquire, own, repair, remodel, construct, equip, maintain, add to, extend, improve and operate adequate water supply, treatment and distribution facilities and sewerage collection, treatment and distribution facilities, and to operate a water and sewer system or systems including the existing water and sewer systems of Glynn County (the "County") and City of Brunswick (the "City"), and to provide water and sewer services to all citizens and customers in the County and the City and to citizens and customers in either political subdivision; and

3. The Commission, the County and the City entered into an Operational Agreement as of June 5, 2007, as amended by an Addendum thereto, dated as of July 6, 2007 and will enter into a Second Addendum thereto, as of the date of issuance and delivery of the hereinafter described Series 2010C Bonds (collectively, the "Operational Agreement"), pursuant to which the County and the City entrusted the Commission with the operation and maintenance of the respective water and sewer systems of the County and the City, provided for the acquisition of the assets of said water and sewer systems by the Commission upon issuance and delivery of the Series 2010C Bonds and provided for other operational matters and procedures.

4. Pursuant to conveyance, deed, transfer and grant of easement rights agreements (the "Conveyance Documents") to be executed by the City and the County, the Commission will acquire the respective water and sewer systems of the City and the County by paying the costs of the defeasance, redemption and/or prepayment of outstanding bonds and other obligations of the County and the City, including the outstanding Glynn County Water and Sewer Revenue Refunding and Improvement Bonds, Series 1992; City of Brunswick Water and Sewerage Revenue Refunding and Improvement Bonds, Series 2003; City of Brunswick Water and Sewerage Revenue Refunding Bonds, Series 2001, (collectively the "City and County Outstanding Bonds"), certain loans (the "Prepaid GEFA Loans") made to the County by the Georgia Environmental Facilities Authority ("GEFA") used to finance improvements of the County's water and sewer system and certain tax exempt leases (the "Capital Leases") entered into by the County relating to the County's water and sewer system.

5. Pursuant to a Master Bond Resolution adopted on December 17, 2008 as supplemented and amended by a First Supplemental Bond Resolution, a Second Supplemental

BE IT FURTHER RESOLVED by the Brunswick-Glynn County Joint Water and Sewer Commission in public meeting properly and lawfully called and assembled, and it is hereby resolved by authority of the same, as follows:

**ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION**

Section 101. Definitions of Certain Terms. In addition to the words and phrases elsewhere defined in this Resolution, the following words and phrases used herein shall have the following meanings:

"Authentication Agent" means the Paying Agent, or with respect to any Series of Bonds, may have the meaning specified by a supplemental resolution authorizing such Series of Bonds.

"Authorized Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a custodian or depository, which is authorized under State law to be a custodian or depository of bond proceeds and other funds of the Issuer.

"Bond Counsel" means an attorney at law or a firm of attorneys, designated by the Governing Body, of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Bond Date" means the date a series of Bonds is dated, and with respect to the Series 2010C Bonds, the term means the date of issuance and delivery.

"Bondholder," "Holder," or "Owner" means the registered owner of any Bond.

"Bond Insurer" means, with respect to any Series of Bonds, the issuer of a Financial Guaranty Insurance Policy insuring all or a portion of the payment, when due, of the principal of and interest on such Series of Bonds.

"Bond Registrar" means U.S. Bank National Association, in the City of Atlanta, Georgia, with respect to the Series 2010C Bonds, and with respect to any future Series of Bonds, shall have the meaning specified by a supplemental resolution authorizing such Series of Bonds.

"Bonds" means the outstanding Series 2010C Bonds and, from and after the issuance of any Parity Bonds, unless the context clearly indicates otherwise, such Parity Bonds.

"Build America Bonds" means Bonds which are issued as permitted by the American Recovery and Reinvestment Act of 2010, as the same may be amended from time to time, and any other similar Bonds hereinafter authorized.

"Capital Leases" shall have the meaning given such term in the Preamble to this Resolution.

"Cede & Co." means Cede & Co., the nominee of DTC or any successor nominee of DTC.

"City" means the City of Brunswick, a municipal corporation and a political subdivision of the State of Georgia.

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(or comparable publication or such other similar index selected by the Issuer) and published within ten days prior to the date of calculation, and (3) to provide for essentially level debt service of principal and interest over such period. Debt Service shall be net of any interest funded out of Bond proceeds and net of any Debt Service Offset.

"Debt Service Account" means the account of such name created within the Sinking Fund.

"Debt Service Offset" means the receipts of the Issuer that are not included in Gross Revenues and are legally available to pay interest on Bonds, including without limitation, subsidy payments on Build America Bonds and/or any other federal interest subsidy payments. Any Debt Service Offset shall be deposited directly to the Debt Service Account upon receipt by the Issuer.

"Debt Service Requirement" means the amount required in a Sinking Fund Year to pay the Debt Service plus any Debt Service Offset on the Bonds as the same becomes due and payable.

"Debt Service Reserve Account" means the account of such name created within the Sinking Fund.

"Debt Service Reserve Credit Instrument" means a debt service reserve insurance policy or surety bond or letter of credit or a combination thereof deposited in the Debt Service Reserve Account in accordance with Section 503(c) in lieu of or in partial substitution for cash on deposit therein.

"Debt Service Reserve Requirement" means, with respect to the Composite Reserve Account, the Composite Reserve Requirement, and, with respect to each Series of Bonds issued hereunder that is not secured by the Composite Reserve Account, the amount of money, if any, or available amount of Debt Service Reserve Credit Instrument, if any, or any combination thereof, required by subsequent resolution adopted or enacted prior to the issuance of such Series of Bonds to be deposited in the separate account in the Debt Service Reserve Account with respect to such Series of Bonds pursuant to Section 503, if the reserve established with respect to such Series of Bonds is available for use only with respect to such Series of Bonds.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or its nominee, or any other person, firm, association or corporation designated in any resolution of the Issuer supplemental hereto to serve as securities depository for a series of Bonds.

"DTC Participant" means securities brokers and dealers, banks, trust companies, clearing corporation, and certain other corporations which have access to the DTC system.

"Engineering Report" means the Engineering Report, including any amendments thereto, prepared by Applied Technology and Management, Inc., a copy of which report is in the offices of the Issuer and is attached to the Official Statement for the Series 2010C Bonds.

"Financial Guaranty Insurance Policy" means a financial guaranty insurance policy issued by a Bond Insurer guaranteeing the payment when due of the principal of and interest on any Series of Bonds.

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"City and County Outstanding Bonds" shall have the meaning given such term in the Preamble to this Resolution.

"Code" means the Internal Revenue Code of 1986, as amended.

"Composite Reserve Account" means the sub-account of such name created within the Debt Service Reserve Account.

"Composite Reserve Requirement" means an amount equal to the least of (i) the maximum Debt Service Requirement calculated with respect to all Series of Bonds Outstanding that are secured by the Composite Reserve Account, (ii) 125% of average Debt Service Requirement calculated with respect to all Series of Bonds Outstanding that are secured by the Composite Reserve Account, or (iii) 10% of the aggregate stated original principal amount of all Series of Bonds Outstanding that are secured by the Composite Reserve Account, provided, however, that in determining the aggregate stated original principal amount of Bonds Outstanding for the purposes of this clause (iii), the issue price of Bonds (net of pre-issuance accrued interest, if any) shall be substituted for the original stated principal amount of those Bonds if such Bonds were sold at either an original issue discount or premium exceeding two percent (2%) of the stated redemption price at maturity. The amount of the Composite Reserve Requirement shall be calculated at the time of issuance of Bonds secured by the Composite Reserve Account and on the last day of each Sinking Fund Year.

"Construction Fund" means the fund established pursuant to Section 404.

"Construction Fund Custodian" means the Authorized Depository of such Fund so designated from time to time by resolution of the Governing Body.

"Conveyance Documents" shall have the meaning given such term in the Preamble to this Resolution.

"Costs of Issuance" means the reasonable and necessary costs and expenses incurred by the Issuer with respect to the issuance of a series of Bonds, the Resolution, and any transaction or event contemplated by the Resolution, including fees and expenses of engineers, accountants, attorneys, placement agents, underwriters, financial advisors, and financial fees and expenses, advertising, recording, validation and printing expenses, premiums for municipal bond insurance and Debt Service Reserve Credit Instruments, and all other expenses incurred in connection with the issuance of a series of Bonds.

"Costs of Issuance Account" means an account, authorized to be created pursuant to Section 402 of this Resolution for the exclusive purpose of paying Costs of Issuance incurred in connection with the issuance of a series of Bonds.

"Debt Service" means, for any period of time, (a) with respect to Bonds issued as Fixed Rate Bonds, the principal of and interest due on the Bonds, (b) with respect to Bonds bearing variable rates of interest, an amount for any period equal to the amount which would have been payable for principal and interest on such Bonds during such period computed on the assumption that the amount of Bonds as of the date of such computation would be amortized (1) in accordance with the mandatory redemption provisions, if any, set forth in the resolution authorizing the issuance of such Bonds, or if mandatory redemption provisions are not provided, during a period commencing on the date of computation and ending on the earlier of (i) the date 30 years after the date of issuance or (ii) the final date of maturity, (2) at an interest rate equal to the yield to maturity set forth in the 40-Bond Index published in the edition of *The Bond Buyer*

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"Fitch" means Fitch, Inc., or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the Issuer.

"Fixed Rate Bonds" means Bonds issued in which the rate of interest is fixed and determinable through final maturity or for a specified period of time.

"GEFA" shall have the meaning given such term in the Preamble to this Resolution.

"Governing Body" means the Brunswick-Glynn County Joint Water and Sewer Commission.

"Government Obligations" means bonds or other obligations of the United States of America or obligations representing an interest therein which as to principal and interest constitute direct obligations of the United States of America or are fully guaranteed as to payment by the United States of America.

"Gross Revenues" means all income and revenues derived from the ownership and operation of the System, including investment income (with the exception of income earned in any construction fund established with proceeds of Bonds), and excluding any Debt Service Offset and any local, state or federal grants and capital improvement contract payments or other moneys received for capital improvements to the System.

"Interest Payment Date" with respect to the Series 2010C Bonds, shall have the meaning given such term in Section 202(a), and with respect to any Parity Bonds shall have the meaning specified by the supplemental resolution authorizing such Parity Bonds.

"Issuer" or "Commission" means the Brunswick-Glynn County Joint Water and Sewer Commission.

"Moody's" means Moody's Investors Service, Inc. or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the Issuer.

"Net Revenues" means the Gross Revenues of the System less the Operating Expenses of the System.

"O.C.G.A." means Official Code of Georgia Annotated.

"Operating Expenses" means the reasonable and necessary costs of operating, maintaining, and repairing the System, including salaries, wages, payment of any contractual obligations pertaining to the operation of the System, the cost of materials and supplies, including the direct cost of gas and materials resold by the System to its customers, rentals of leased property and facilities, insurance and such other charges as may properly be made for the purpose of operating, maintaining, and repairing the System in accordance with sound business practice, the payment of necessary fees and charges, if any, of the Paying Agent, Bond Registrar, and Authentication Agent, and the payment, if any, for the investment services of the custodians and depositories of the funds described in this Resolution, but shall not include depreciation, amortization, or bond interest expense.

"Outstanding" or "Outstanding Bonds" means all Bonds which have been executed and delivered pursuant to this Resolution except:

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(a) Bonds cancelled because of payment at maturity, redemption prior to maturity or purchase in the open market;

(b) Bonds for the payment or redemption of which funds or securities or Government Obligations, or a combination thereof, in which such funds are invested shall have been theretofore deposited with a duly designated Paying Agent or Authorized Depository acting as an escrow agent for such Bonds pursuant to and in compliance with the provisions of this Resolution (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with the interest earnings thereon, will be sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds at maturity or upon their earlier redemption; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the provisions of this Resolution, or provision satisfactory to such Paying Agent shall have been made therefor, or a waiver of such notice, satisfactory in form to such Paying Agent, shall have been filed with such Paying Agent; and

(c) Bonds in lieu of which other Bonds have been executed and delivered under Section 205 of this Resolution.

"Parity Bonds" means any water and sewer revenue bonds of the Issuer which may be issued hereafter on a parity with the Series 2010C Bonds in accordance with the terms of this Resolution.

"Paying Agent" means U.S. Bank National Association, in the City of Atlanta, Georgia, with respect to the Series 2010C Bonds, and with respect to any future Series of Bonds, shall have the meaning specified by a supplemental resolution authorizing such Series of Bonds.

"Prepaid GEFA Loans" shall have the meaning given such term in the Preamble to this Resolution.

"Principal Payment Date" means with respect to the Series 2010C Bonds, June 1, and with respect to any Parity Bonds shall have the meaning specified by the supplemental resolution authorizing such Series of Bonds.

"Project" shall have the meaning given such term in the Preamble to this Resolution.

"Project Superintendent" means the person designated by the Governing Body to have responsibility to supervise the acquisition, construction and equipping of the Project and any successor to such person.

"Rating" means a rating in one of the categories by a Rating Agency, disregarding pluses, minuses, and numerical gradations.

"Rating Agencies" or **"Rating Agency"** means Fitch, Moody's, and Standard & Poor's or any successors thereto and any other nationally recognized credit rating agency then maintaining a rating on any Bonds at the request of the Issuer. If at any time a particular Rating Agency does not have a rating outstanding with respect to the relevant Bonds, then a reference to Rating Agency or Rating Agencies shall not include such Rating Agency.

"Record Date" shall have the meaning given such term in Section 202(b).

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(b) any pronoun used herein shall be deemed to cover all genders;

(c) all references herein to particular Articles or Sections are references to Articles or Sections of this Resolution; and

(d) the titles preceding each Section of this Resolution are for convenience of reference only and are not intended to define, limit or describe the scope or intent of any provisions of this Resolution.

[END OF ARTICLE I]

"Renewal and Extension Fund" means the fund described in Section 502(c).

"Renewal and Extension Fund Custodian" means the Authorized Depository of such Fund so designated from time to time by resolution of the Governing Body.

"Resolution" means this bond resolution adopted by the Governing Body, including any supplements or amendments hereto, which authorizes the issuance of the Series 2010C Bonds and the future issuance, subject to certain conditions, of Parity Bonds.

"Revenue Bond Law" means the Revenue Bond Law of the State of Georgia, codified in O.C.G.A. § 36-82-60 through § 36-82-85, as amended.

"Revenue Fund" means the fund described in Section 502(a).

"Revenue Fund Depository" means the Authorized Depository of such Fund so designated from time to time by resolution of the Governing Body.

"Series" means any portion of the Bonds of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to the supplemental resolution authorizing such Bonds as a separate Series of Bonds, regardless of variations in maturity, interest rate, or other provisions, and any Bonds thereafter authenticated and delivered in lieu of or in substitution of a Series of Bonds issued pursuant to this Resolution.

"Series 2010B Bond" shall have the meaning given such term in the Preamble to this Resolution.

"Series 2010C Bonds" means the Series 2010C Bonds authorized to be issued pursuant to the terms of this Resolution.

"Sinking Fund" means the fund described in Section 502(b).

"Sinking Fund Custodian" means the Authorized Depository so designated from time to time by resolution of the Governing Body.

"Sinking Fund Year" means the period commencing on June 2 in a year and ending on June 1 in the next ensuing year.

"Standard and Poor's" or **"S&P"** means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or, if such corporation is dissolved or liquidated or otherwise ceases to perform securities rating services, such other nationally recognized securities rating agency as may be designated in writing by the Issuer.

"State" means the State of Georgia.

"System" shall have the meaning given such term in the Preamble to this Resolution.

Section 102. Rules of Construction. Unless the context clearly indicates to the contrary:

(a) "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter," and other equivalent words refer to this Resolution and not solely to the particular portion thereof in which any such word is used;

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ARTICLE II AUTHORIZATION, TERMS AND FORM OF SERIES 2010C BONDS

Section 201. Authorization of Series 2010C Bonds. The Series 2010C Bonds are hereby authorized to be issued for the purposes aforesaid pursuant to the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, et seq., the Constitution of the State of Georgia, the general laws of the State of Georgia, the laws of the State of Georgia relating to the Issuer and pursuant to this Resolution, and all the covenants, agreements and provisions of this Resolution shall be for the equal and proportionate benefit and security of all owners of the Bonds without preference, priority or distinction as to the charge, lien or otherwise of any one Bond over any other Bond.

Section 202. Designations, Date, Denominations, Maturity, Interest Payment Dates and Other Particulars of the Series 2010C Bonds.

(a) The Series 2010C Bonds shall be designated **BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2010C**. The Series 2010C Bonds shall be issued in the maximum aggregate principal amount of \$55,000,000, shall bear interest at a rate or rates not to exceed six percent per annum, calculated on the basis of a 360-day year of twelve 30-day months, payable on June 1 and December 1 (each an **"Interest Payment Date"**) in each year (the first Interest Payment Date and the actual interest rate or rates to be set forth in a supplemental resolution to be adopted by the Issuer), shall be issued in the actual aggregate principal amount and shall mature or be subject to optional and/or mandatory sinking fund redemption on June 1 in the years and principal amounts to be set forth in a supplemental resolution to be adopted by the Issuer, provided that the final maturity date of the Bonds shall be not later than June 1, 2035, and the maximum annual amount of principal and interest to be paid on the bonds shall be \$5,000,000.

The Series 2010C Bonds as originally issued shall be lettered and numbered from R - 1 upward in order of maturity according to the records maintained by the Bond Registrar, and shall be dated as of their date of issuance and delivery.

(b) Each Series 2010C Bond shall, except as provided in this Section, bear interest from the Interest Payment Date next preceding the date of authentication of such Series 2010C Bond to which interest on such Series 2010C Bond has been paid, unless (i) such date of authentication is an Interest Payment Date to which interest has been paid, in which case from such Interest Payment Date, (ii) such date of authentication of such Series 2010C Bond is after the Record Date with respect to an Interest Payment Date and prior to such Interest Payment Date, in which case from such Interest Payment Date, or (iii) no interest has been paid on such Series 2010C Bond, in which case from its date of issuance and delivery.

The person in whose name any Series 2010C Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date. The term **"Record Date"** as used in this Section with respect to any Interest Payment Date shall mean the fifteenth day of the calendar month next preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name Outstanding Series 2010C Bonds are registered on a subsequent date of record established by

notice given by mail by the Bond Registrar to the holders of the Series 2010C Bonds not less than thirty days preceding such subsequent date of record.

(c) The principal of and interest and redemption premium, if any, on the Series 2010C Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The principal of the Series 2010C Bonds shall be payable upon the presentation and surrender of the Series 2010C Bonds at the principal corporate trust office of the Paying Agent. The interest on the Series 2010C Bonds shall be paid by check or draft mailed by the Paying Agent by first class mail to the respective owners of the Series 2010C Bonds at their addresses as they appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of Series 2010C Bonds in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date, which wire instructions shall remain in effect until the Paying Agent is notified to the contrary).

(d) The Series 2010C Bonds shall be issued as fully registered bonds in the denomination of \$5,000 in principal amount or any integral multiple thereof and substantially in the form hereinafter set forth, with such variations, omissions, substitutions and insertions as are therein required or permitted.

Section 203. Execution of Bonds. The Bonds will be executed on behalf of the Issuer with the manual or facsimile signature of the Chairman of the Issuer and the seal of the Issuer will be impressed, imprinted or otherwise reproduced thereon and attested by the manual or facsimile signature of the Executive Director or other officer or employee of the Issuer who may be so authorized by resolution of the Issuer.

In case any officer whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before delivery of the Bonds, such signature, nevertheless, shall be valid and sufficient for all purposes the same as if such officer had remained in office until delivery, and the Bonds, nevertheless, may be issued and delivered as though the person whose signature appears on the Bonds had not ceased to be such officer. Any of the Bonds may be executed and sealed on behalf of the Issuer by the manual or facsimile signatures of such officers who, at the time of the execution of the Bonds, may hold the proper offices of the Issuer although on the date of the Bonds or on the date of any lawful proceedings taken in connection therewith such persons may not have held such offices.

Section 204. Authentication of Bonds. Each Bond shall bear thereon a certificate of authentication substantially in the form hereinafter prescribed, executed by the Authentication Agent with a manually executed signature. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Authentication Agent and such certificate of the Authentication Agent shall be conclusive evidence that the Bond so authenticated has been duly authenticated, registered, and delivered under this Resolution and that the Owner thereof is entitled to the benefits of this Resolution. The Authentication Agent's certificate of authentication on any Bond shall be deemed to have been executed by the Authentication Agent if signed manually by an authorized officer of the Authentication Agent or its authorized representative, but it shall not

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Section 209. Limited Obligation. The Bonds do not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation or provision nor a pledge of the faith and credit of the Issuer nor shall the Issuer be subject to any pecuniary liability thereon, either as to principal or interest. The Bonds shall not be payable from nor a charge upon any funds other than the funds pledged to the payment thereof and are payable solely from the funds provided therefor including the Net Revenues of the System, including all future additions thereto. No Owners of the Bonds shall ever have the right to enforce payment thereof against any property of the Issuer nor shall the Bonds or any interest payment thereon constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer other than said funds and Net Revenues.

Section 210. Records Maintenance. In every case of an exchange of Bonds and of the registration of transfer of any Bonds, the surrendered Bonds shall be held by the Bond Registrar. All Bonds surrendered for exchange or registration of transfer shall be cancelled by the Bond Registrar.

Section 211. Destruction of Cancelled Bonds. All Bonds paid, purchased or redeemed, either at or before maturity, shall be cancelled and delivered to the Bond Registrar when such payment or redemption is made. All Bonds so cancelled shall be destroyed upon their delivery to the Bond Registrar and record of such destruction shall be furnished to the Issuer and preserved in the permanent records of the Issuer.

Section 212. Book-Entry Only System. Each Series of Bonds is hereby authorized to be issued in book-entry only form, with no physical distribution of Bonds made to the public. The Series 2010C Bonds will be initially issued as book-entry bonds. If Bonds are issued as book-entry bonds, the following procedures shall apply thereto:

The Bonds will be issued as fully-registered securities registered in the name of Code & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each Bond maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC.

Purchases of Bonds under the DTC system must be made by or through "Direct Participants" (which include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations), which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the records of the Direct Participants and others such as U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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be necessary that the same officer or authorized representative sign the certificate of authentication on all the Bonds.

Section 205. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Issuer may, in its discretion, execute and deliver a new Bond of like tenor as that mutilated, lost, stolen or destroyed, provided that, in the case of any such mutilated Bond, such Bond is first surrendered to the Bond Registrar and, in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Bond Registrar, together with indemnity satisfactory to the Bond Registrar and complying with such other reasonable regulations and conditions as the Bond Registrar may prescribe. No service charge shall be made for any such transaction, but a charge may be made to cover any actual expense incurred. If any such Bond shall have matured or become due, in lieu of issuing a duplicate Bond the Issuer may pay such Bond without surrender thereof. All Bonds so surrendered or otherwise substituted shall be cancelled by the Bond Registrar.

Section 206. Persons Treated as Owners of Bonds. The Issuer and its agents, including the Paying Agent and Bond Registrar, may deem and treat the Holder of any Bond as the absolute Owner of such Bond for the purpose of receiving payment of the principal thereof and the interest thereon and for all other purposes whatever. All such payments of principal, premium, if any, and interest made to any such Owner or upon such Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor any such agent shall be affected by any notice to the contrary.

Section 207. Validation Certificate. A validation certificate of the Clerk of the Superior Court of Glynn County, State of Georgia, bearing the manual or facsimile signature of such Clerk will be endorsed on each Bond and will be essential to its validity.

Section 208. Registration; Transfer and Exchange of Bonds. The Bond Registrar is hereby designated as Authentication Agent for purposes of authenticating any Bonds issued hereunder or issued in exchange or in replacement for Bonds previously issued. The Bonds may be transferred only on the bond register of the Bond Registrar with respect to the Bonds. No transfer of any Bond shall be permitted except upon presentation and surrender of such Bond at the principal corporate trust office of the Bond Registrar with a written assignment signed by the Holder of such Bond in person or by such Owner's duly authorized attorney in form and with guaranty of signature satisfactory to the Bond Registrar.

Upon surrender for registration of transfer of any Bond at the principal corporate trust office of the Bond Registrar, the Issuer shall execute and the Authentication Agent shall authenticate and deliver to the transferee or transferees a new Bond or Bonds for a like aggregate principal amount and maturity. Bonds may be exchanged at the principal office of the Bond Registrar for a like aggregate principal amount of Bonds of authorized denominations and of like maturity. The execution by the Issuer of any Bond in any authorized denomination shall constitute full and due authorization of such denomination and the Bond Registrar shall thereby be authorized to authenticate and deliver such Bond. No charge shall be made to any Bondholder for the privilege of registration of transfer or exchange, but any Bondholder requesting any such registration of transfer or exchange shall pay any tax or other governmental charge required to be paid with respect thereto.

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

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

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Issuer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the Issuer or the Beneficial Owners of the Bonds, the Issuer shall discontinue the book-entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause the Paying Agent to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

If a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of this Section, the Bonds shall be delivered solely as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple thereof, shall be lettered "R" and numbered separately from 1 upward, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions of Article II hereof. In addition, the Issuer will pay all costs and fees associated with the printing of the Bonds and issuance of the same in certificated form.

SO LONG AS CODE & CO. OR SUCH OTHER DTC NOMINEE, AS NOMINEE FOR DTC, IS THE SOLE BONDHOLDER, THE ISSUER AND THE BOND REGISTRAR WILL TREAT CODE & CO. OR SUCH OTHER NOMINEE AS THE ONLY OWNER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING, AND REQUESTING OR DIRECTING THE ISSUER OR THE PAYING AGENT TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE RESOLUTION. THE ISSUER HAS NO RESPONSIBILITY OR OBLIGATION TO THE DIRECT OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY

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DIRECT OR INDIRECT PARTICIPANT; (II) THE PAYMENT TO ANY DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY ANY DIRECT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO BONDHOLDERS; OR (D) OTHER ACTION TAKEN BY DTC OR CEDE & CO. OR SUCH OTHER DTC NOMINEE, AS OWNER.

If Bonds are issued as book-entry bonds, the form of said Bonds shall contain the following text:

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Issuer has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.

Section 213. Form of Series 2010C Bonds. The Series 2010C Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the following terms and forms, with such variations, omissions and insertions as may be required to complete properly each respective Series 2010C Bond and as may be approved by the officer or officers executing each Series 2010C Bond by manual or facsimile signature, which approval shall be conclusively evidenced by such execution:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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notified to the contrary), interest on such principal sum, at the interest rate per annum specified above, payable on December 1, 2010 and semi-annually thereafter on the first day of June and the first day of December of each year, from the Bond Date specified above or from the most recent Interest Payment Date to which interest has been paid until payment is made of such principal sum in full.

The Interest so payable on any such June 1 or December 1 (each an "Interest Payment Date") will be paid to the person in whose name this Bond is registered at the close of business on the fifteenth day of the calendar month preceding such Interest Payment Date; provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holders of the Bonds not less than thirty days preceding such subsequent date of record. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of a duly authorized series of Bonds designated Brunswick-Glynn County Joint Water and Sewer Commission Revenue Bonds, Series 2010C (the "Series 2010C Bonds"), issued in the aggregate principal amount of \$_____ to provide funds needed to pay the cost, *inter alia*, of currently refunding the Issuer's Revenue Bonds, Series 2010B, acquiring the water and sewer systems of the City of Brunswick and Glynn County, constructing additions and improvements to the acquired and unified Water and Sewer System (the "Water and Sewer System"), and paying expenses incurred in connection with the issuance of the Series 2010C Bonds. This Bond is issued pursuant to authority of and in accordance with the provisions of the Constitution of the State of Georgia, the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, et seq., the general laws of the State of Georgia, and the laws of the State of Georgia relating to the Issuer, and was duly authorized by a resolution adopted by the governing body of the Issuer on _____, 2010 (the "Bond Resolution").

The Series 2010C Bonds are secured by, and shall have equal rank with respect to, a first and prior pledge of and lien on the Net Revenues (as such term is defined in the Bond Resolution) of the Water and Sewer System, including all future additions thereto.

The Issuer may, under certain conditions as provided in the Bond Resolution, issue additional water and sewer revenue bonds ("Parity Bonds") which, if issued in accordance with such provisions, will rank *pari passu* with the Series 2010C Bonds with respect to the pledge of and the charge or lien on the revenue pledged to the payment thereof.

Reference to the Bond Resolution is hereby made for a complete description of the funds charged with and pledged to the payment of the principal of and interest on the 2010C Bonds, a complete description of the nature and extent of the security provided for the payment of the 2010C Bonds, a statement of the rights, duties and obligations of the Issuer, the rights of the owners of the 2010C Bonds, and the terms and conditions under which Parity Bonds may be issued, to all the provisions of which the owner hereof, by the acceptance of this Bond, assents.

The Bond Resolution provides, *inter alia*, for prescribing, establishing and revising rates and collecting fees, tolls and charges for the services, facilities and commodities furnished by the Water and Sewer System as the same now exists and as it may be hereafter extended, improved

[Form of Series 2010C Bond]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

The Issuer has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.

No. R-

UNITED STATES OF AMERICA
STATE OF GEORGIA

BRUNSWICK-GLYNN COUNTY
JOINT WATER AND SEWER COMMISSION
REVENUE BOND,
SERIES 2010C

Maturity Date:
Principal Amount:
Interest Rate:
Bond Date:
Registered Owner:

CUSIP:

The Brunswick-Glynn County Joint Water and Sewer Commission, a body corporate and politic and a public corporation of the State of Georgia (the "Issuer"), in Glynn County, for value received hereby promises to pay or cause to be paid to the registered owner named above, or registered assigns, the principal amount specified above, solely from the special fund provided therefor as hereinafter set forth, upon presentation and surrender of this bond (this "Bond") at the principal corporate trust office of _____, in the City of _____, as Paying Agent and Bond Registrar, in lawful money of the United States of America, and to pay to the registered owner hereof solely from said special fund, by check or draft mailed by first class mail to such owner at his address as it shall appear on the bond register kept by the Bond Registrar (or by wire transfer to the registered owner of this Bond in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five days prior to an Interest Payment Date (hereinafter defined), which wire instructions shall remain in effect until the Paying Agent is

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and equipped, sufficient in amount to provide funds to pay into a special fund (the "Sinking Fund"), an amount sufficient, together with the investment income thereon, if any, to pay the principal of and the interest on the Series 2010C Bonds and any Parity Bonds hereafter issued pursuant to the provisions of the Bond Resolution, as such principal and interest shall become due and be payable, and to create and maintain a reserve for that purpose. The Sinking Fund, by the provisions of the Bond Resolution, is pledged to and charged with the payment of the principal of the Series 2010C Bonds and the interest thereon.

The pledge of and charge or lien on the Net Revenues of the Water and Sewer System securing the payment of the Series 2010C Bonds is a first and prior pledge of and charge or lien on such revenues.

The Series 2010C Bonds do not constitute a debt of the Issuer within the meaning of any constitutional or statutory limitation or provision nor a pledge of the faith and credit of the Issuer nor shall the Issuer be subject to any pecuniary liability thereon. The Series 2010C Bonds shall not be payable from nor a charge upon any funds other than the funds pledged to the payment thereof and are payable solely from the funds provided therefor including the Net Revenues to be derived from the operation of the Water and Sewer System of the Issuer. No owner of the Series 2010C Bonds shall ever have the right to enforce payment thereof against any property of the Issuer nor shall the Series 2010C Bonds or any interest payment thereon constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer other than said funds and Net Revenues. The Issuer has no taxing power.

The Series 2010C Bonds maturing on June 1, 20____ and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, either in whole or in part (maturities to be designated by the Issuer) at any time, beginning June 1, 20____ (if less than all of the Series 2010C Bonds of any maturity are to be redeemed, the actual Series 2010C Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Bond Registrar may determine), from any moneys available for such purpose as provided in the Bond Resolution. Such redemption shall be made at a redemption price equal to 100% of the principal amount of each such Series 2010C Bond to be redeemed plus accrued interest to the date of redemption.

[The Series 2010C Bonds maturing on June 1, 20____ are subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2010C Bonds to be redeemed to be selected by lot in such manner as the Bond Registrar may determine) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, on June 1 in the years, and in the principal amounts set forth below (the _____ amount to be paid at maturity rather than redeemed):

YEAR PRINCIPAL
AMOUNT

Any such redemption, either in whole or in part, shall be made following notice to the owners of the affected Series 2010C Bonds given not less than 30 days nor more than 60 days prior to the date fixed for redemption in the manner and upon the terms and conditions provided in the Bond Resolution. If this Bond or any portion hereof shall be called for redemption,

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interest shall cease to accrue on this Bond or such portion hereof from and after the date fixed for redemption unless default shall be made in payment of the redemption price hereof upon presentation and surrender hereof; and, except as otherwise provided in the Bond Resolution, the owner of this Bond shall not be entitled to any rights under the Bond Resolution except the right to receive payment, and this Bond or the portion hereof so called shall not be considered to be outstanding. Upon surrender of this Bond paid or redeemed in part only, the Issuer shall execute and the Bond Registrar shall deliver to the owner hereof, at the expense of the Issuer, a new Series 2010C Bond or Series 2010C Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of this Bond.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid. This Bond is registrable as transferred by the owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar, all subject to the terms and conditions of the Bond Resolution.

The Series 2010C Bonds are issuable as fully registered bonds in the principal denomination of \$5,000 or any integral multiple thereof. Subject to the limitations provided in the Bond Resolution, Series 2010C Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like principal amount of Series 2010C Bonds of the same maturity and of other authorized denominations.

To the extent and in the manner permitted by the Bond Resolution, modifications or alterations of the provisions thereof or of any supplement thereto or of the Bonds may be made without necessity for notation hereon or reference thereto.

This Bond shall not be entitled to any right or benefit under the Bond Resolution and shall not be valid or obligatory for any purpose until the certificate of authentication printed on the face hereof shall have been manually executed by an authorized signatory of the Authentication Agent.

This Bond shall not be entitled to any benefit under the Bond Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Authentication Agent of the certificate of authentication hereon.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction, and, in case of default, the owner hereof shall be entitled to the remedies provided by the Bond Resolution and by all applicable laws.

It is hereby recited and certified that all acts, conditions and things required to exist, happen or be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due and legal time, form and manner as required by law and that provision has been made for the allocation of the anticipated revenue and receipts to be derived from the ownership and operation of the Water and Sewer System in amounts sufficient to pay the principal of and interest on all Series 2010C Bonds and any Parity Bonds as the same shall mature and become due and to maintain a reserve for that purpose and that said funds are

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the Brunswick-Glynn County Joint Water and Sewer Commission Revenue Bonds, Series 2010C, described in the within-mentioned Bond Resolution.

Date of Authentication: _____

Authentication Agent

By: _____
Authorized Signatory

STATE OF GEORGIA)
GLYNN COUNTY) VALIDATION CERTIFICATE

I, the undersigned Clerk of the Superior Court of Glynn County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Glynn County, Georgia, on _____, 2010.

IN WITNESS WHEREOF, I have hereunto set my hand or caused my official signature and the seal of the Superior Court of Glynn County, Georgia, to be reproduced hereon in facsimile.

CLERK, SUPERIOR COURT
GLYNN COUNTY, GEORGIA

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irrevocably allocated and pledged to the payment of all of the Series 2010C Bonds and any Parity Bonds and the interest thereon.

IN WITNESS WHEREOF, the Brunswick-Glynn County Joint Water and Sewer Commission has caused this Bond to be executed by the manual or facsimile signature of its Chairman and its corporate seal to be hereunto reproduced and attested by the manual or facsimile signature of its Executive Director, as of the day first above written.

BRUNSWICK-GLYNN COUNTY JOINT
WATER AND SEWER COMMISSION

(S E A L)

By: _____
Chairman

Attest: _____
Executive Director

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE

Please print or typewrite name and address, including postal zip code of transferee.

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Date: _____

Signature Guaranteed: _____

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guarantee mediation programs.

[END OF SERIES 2010C BOND FORM]

[END OF ARTICLE II]

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ARTICLE III
REDEMPTION OF SERIES 2010C BONDS BEFORE MATURITY

Section 301. Optional Redemption of the Series 2010C Bonds. The Series 2010C Bonds may be redeemed prior to their respective maturities at the option of the Issuer, in whole or in part (maturities to be designated by the Issuer) at any time, on the dates and at the redemption prices to be set forth in a supplemental resolution to be adopted by the Issuer.

If less than all of the Series 2010C Bonds of a maturity are to be redeemed, the actual Series 2010C Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Bond Registrar may determine.

Section 302. Scheduled Mandatory Redemption.

Certain of Series 2010C Bonds may be subject to scheduled mandatory redemption prior to maturity in part (the actual Series 2010C Bonds to be redeemed to be selected by lot in such manner as the Bond Registrar may determine) at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the years and amounts to be set forth in a supplemental resolution to be adopted by the Issuer.

Section 303. [Reserved].

Section 304. Manner of Redemption. Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. In the case of Bonds of denominations greater than \$5,000, if less than all of such Bonds of a single maturity then outstanding are to be called for redemption then for all purposes in connection with redemption, each \$5,000 of face value shall be treated as though it were a separate Bond in the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond are to be called for redemption, then upon notice of the intention to redeem such \$5,000 unit or units, the Owner of such Bond shall forthwith surrender such Bond to the Paying Agent for payment of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption and there shall be issued to the Holder thereof, without charge therefor, fully registered Bonds for the unredeemed balance of the principal amount thereof, in any of the authorized denominations. If the Owner of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Paying Agent for payment in exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent and being available for the redemption) such Bond shall not be entitled to the benefit and security of this Resolution to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units.

Section 305. Notice of Redemption. Notice of any optional redemption of Series 2010C Bonds pursuant to this Article shall be given by the Issuer to the Bond Registrar and Paying Agent at least 35 days prior to the date fixed for redemption and notice of any redemption of Series 2010C Bonds pursuant to this Article shall be given by the Bond Registrar and Paying

Agent one time not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Holders of each of the Series 2010C Bonds being called for redemption by first class or registered or certified mail as the Paying Agent shall determine is necessary at the address shown on the register of the Bond Registrar as of 45 days prior to the date fixed for redemption. Said notice shall contain the complete official name of the Series 2010C Bonds, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2010C Bonds, interest rate and maturity date. Said notice shall also be given by certified mail, return receipt requested, not less than 30 days nor more than 60 days prior to the date fixed for redemption, to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System or as may be required by applicable law or regulation at the time of giving such notice; provided however, failure to give such notice shall not affect the validity of the proceedings for redemption. No transfer or exchange of any Series 2010C Bonds so called for redemption shall be allowed. In the event any Holder of any Series 2010C Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Series 2010C Bond within sixty days after the date fixed for redemption, a second notice of the redemption of such Bond shall be given to said owner at the address of said owner as shown on the bond register of the Bond Registrar within ninety days after the date fixed for redemption. The failure of the Paying Agent to give such notice shall not affect the validity of the proceedings for the redemption of any Series 2010C Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice.

Section 306. Effect of Redemption Call. Notice having been given in the manner and under the conditions prescribed herein, and moneys for the payment of the redemption price being held by the Paying Agent, all as provided in this Resolution, the Bonds or the portion thereof so called for redemption shall become and be due and payable on the redemption date designated in such notice at the redemption price provided for redemption of such Bonds on such date. Interest on the Bonds or the portion thereof so called for redemption shall cease to accrue from and after the date fixed for redemption unless there shall be a failure to make payment of the redemption price thereof upon presentation and surrender thereof. Such Bonds shall cease to be entitled to any lien, benefit or security under this Resolution and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bond or the portion thereof so called shall not be considered to be Outstanding. Upon surrender of such Bond paid or redeemed in part only, the Issuer shall execute and the Bond Registrar shall deliver to the Owner thereof, at the expense of the Issuer, a new Bond or Bonds of the same type, of authorized denominations in the aggregate principal amount equal to the unpaid or unredeemed portion of the Bond.

Section 307. Redemption of Parity Bonds. Parity Bonds may be made subject to redemption either mandatorily or at the option of the Issuer prior to maturity at the times and upon such terms and conditions as may be prescribed in the respective resolutions of the Issuer supplemental to this Resolution relating to such Parity Bonds. If Parity Bonds are issued hereafter, such Parity Bonds of any such future issue or issues may be redeemed in whole or in part before the maturity of any other series of Bonds, subject to the Sinking Fund requirements herein prescribed, and subject to the call provisions of such future issue of Parity Bonds.

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Section 308. Purchase of Bonds in Market. Nothing herein contained shall be construed to limit the right of the Issuer to purchase Bonds in the open market, at a price not exceeding the then applicable redemption price of the Bonds to be acquired, or at a price not exceeding par and accrued interest for Bonds not then subject to redemption, from funds in the Sinking Fund, subject to the Sinking Fund requirements herein prescribed or from any moneys which may be available for such purpose. Any such Bonds so purchased shall not be reissued and shall be cancelled.

[END OF ARTICLE III]

ARTICLE IV
APPLICATION OF SERIES 2010C BOND PROCEEDS

Section 401. Application of Series 2010C Bond Proceeds.

(a) Except as may be provided by supplemental resolution to be adopted by the Issuer, proceeds from the sale of the Series 2010C Bonds, together with other available funds of the Issuer, shall be applied as follows:

(i) for deposit with an escrow agent or escrow agents amounts sufficient to defease the City and County Outstanding Bonds and to redeem those City and County Outstanding Bonds which are subject to redemption prior to maturity; and

(ii) for delivery to GEFA, an amount sufficient to pay in full the aggregate principal amount of the Prepaid GEFA Loans, together with accrued interest thereon; and

(iii) for delivery to the holders of the respective Capital Leases amounts sufficient to pay the same in full; and

(iv) for deposit with the paying agent for the Series 2010B Bond, an amount which shall be sufficient to pay in full the principal of and interest on the Series 2010B Bond on the date of redemption of the Series 2010B Bond; and

(v) for deposit to the Debt Service Account, as capitalized interest, an amount to be set forth in a supplemental resolution to be adopted by the Issuer; and

(vi) for deposit to the Composite Reserve Account in the Debt Service Reserve Account a Debt Service Reserve Credit Instrument and/or cash in an amount sufficient to satisfy the Composite Reserve Requirement for the Series 2010C Bonds; and

(vii) proceeds sufficient to pay the Costs of Issuance of the Series 2010C Bonds (a) may be deposited in a Costs of Issuance Account to be disbursed in accordance with Section 402 hereof, (b) may be deposited in the Construction Fund to be disbursed in accordance with Section 407, or (c) may be retained by the original purchaser of the Series 2010C Bonds and applied, on behalf of the Issuer, to the payment of Costs of Issuance of the Series 2010C Bonds. At such time as all Costs of Issuance of the Series 2010C Bonds have been paid, and in any event, not more than fifteen months following issuance and delivery of the Series 2010C Bonds, any moneys remaining with the original purchaser for purposes of paying said Costs of Issuance or in the Costs of Issuance Account or in the Construction Fund, shall be deposited to the Construction Fund or remain in the Construction Fund, as the case may be; and

(viii) the balance of the proceeds of the Series 2010C Bonds shall be deposited in the Construction Fund.

Section 402. Costs of Issuance Account. A special account is hereby authorized to be created and established by the Issuer prior to the issuance and delivery of the Series 2010C Bonds, said account to be designated the "BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION COSTS OF ISSUANCE ACCOUNT, SERIES 2010C" (the "Costs of Issuance

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Account"). If created, said account shall be held separate and apart from all other deposits or funds, and moneys, if any, deposited into a Costs of Issuance Account upon the issuance of the Series 2010C Bonds shall be disbursed to pay, or reimburse the Issuer for, all or a portion of the Costs of Issuance of the Series 2010C Bonds. The Issuer shall keep and maintain adequate records pertaining to the Costs of Issuance Account and all disbursements therefrom. Moneys on deposit in the Costs of Issuance Account may be invested, pending disbursement or use, in accordance with Section 605(a).

Section 403. Construction of Project. The Issuer will proceed with the acquisition, construction and equipping of the Project substantially in accordance with the Engineering Report.

Section 404. Construction Fund. A construction fund is hereby authorized to be created prior to or concurrently with the issuance and delivery of the Series 2010C Bonds, said fund to be designated the BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION CONSTRUCTION FUND 2010 (the "Construction Fund"). The Construction Fund shall be maintained by the Issuer until completion of the Project with the Construction Fund Custodian. There shall be deposited to the credit of the Construction Fund proceeds of the sale of the Series 2010C Bonds as set forth in Section 401 and any other funds received by grant, donation or otherwise to finance the Project shall be deposited in the Construction Fund, or the Issuer shall cause such funds to be deposited in a separate account in the Construction Fund and used for the purposes herein provided. Such moneys as are deposited in the Construction Fund shall be held by the Construction Fund Custodian and withdrawn only in accordance with the provisions and restrictions set forth in this Resolution, and the Issuer will not cause or permit to be paid therefrom any sums except in accordance herewith; provided, however, that any moneys in the Construction Fund not needed at the time for the payment of current obligations during the course of the acquisition and construction of the Project, may be invested and reinvested by the Construction Fund Custodian, upon direction of the Issuer, in such investments as are set forth in Section 605(a) of this Resolution. Any such investments shall mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from the Construction Fund, and shall be held by the Construction Fund Custodian for the account of the Construction Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including accrued interest and premium, if any, shall be immediately deposited by the Construction Fund Custodian in the Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided.

Section 405. Lien on Construction Fund for Series 2010C Bondholders. All moneys in and securities held for the Construction Fund shall be subject to a lien and charge in favor of the Holders of the Series 2010C Bonds and shall be held for the security of such Holders until paid out as hereinafter provided.

Section 406. Authorized Construction Fund Disbursements. Withdrawals from the Construction Fund may be made for the purpose of paying the cost of acquiring, constructing, and equipping the Project, including reimbursing the Issuer for advances from its other funds to accomplish the purposes hereinafter described and including the purchase of such property and equipment as may be useful in connection therewith, and, without intending thereby to limit or to restrict or to extend any proper definition of such cost contained in the Revenue Bond Law, as it has been amended and as it hereafter may be amended, shall include:

(v) that insofar as such obligation was incurred for work, material, supplies or equipment in connection with the Project, such work was actually performed, or such material, supplies or equipment was actually installed in or about the construction or delivered at the site of the work for that purpose.

Section 408. Other Disbursements from the Construction Fund.

(a) If the United States of America or the State, or any department, agency or instrumentality of either, agrees to allocate moneys to be used to defray any part of the cost of acquiring, constructing and equipping the Project upon the condition that the Issuer appropriate a designated amount of money for said specified purpose or purposes, and it is required to withdraw any sum so required from the Construction Fund and to deposit the same in a special account, the Issuer shall have the right to withdraw any sum so required from the Construction Fund by appropriate transfer and deposit the same in a special account for that particular purpose; provided, however, that all payments thereafter made from said special account may only be made in accordance with the requirements set forth in this Article.

(b) Withdrawals for investment purposes only (including authorized deposits with other banks) may be made by the Construction Fund Custodian to comply with written directions from an officer of the Issuer without any requisition other than said direction.

Section 409. Other Construction Covenants. The Issuer shall do all things, and take all reasonable and prudent measures necessary to continue construction with due diligence and to expend the moneys deposited in the Construction Fund as expeditiously as possible in order to assure the completion of the Project on the earliest practicable date.

Section 410. Insurance During Construction. Any contract relating to construction of the Project shall provide that:

(a) The contractor shall procure and shall maintain during the life of his contract Workers' Compensation Insurance as required by applicable state law for all of his employees to be engaged in work at the site of the Project under his contract and, in case of any such work subcontract, the contractor shall require the subcontractor similarly to provide Workers' Compensation Insurance for all of the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by the contractor's Workers' Compensation Insurance. In case any class of employees is engaged in hazardous work on the Project under such contract is not protected under the Workers' Compensation Statute, the contractor shall provide or shall cause such subcontractor to provide adequate employer's liability insurance for the protection of such of his employees as are not otherwise protected.

(b) The contractor shall procure and shall maintain during the life of his contract adequate contractor's public liability insurance, adequate vehicle liability insurance, and adequate contractor's property damage insurance.

(c) The contractor shall either require each of his subcontractors to procure and to maintain during the life of his subcontract, Subcontractor's Public Liability and Property Damage Insurance of the type and in the same amounts as specified in the contractor's policy, or insure the activities of his subcontractors in his own policy.

(a) The cost of indemnity and fidelity bonds either to secure deposits in the Construction Fund or to insure the faithful completion of any contract pertaining to the Project;

(b) Any taxes or other charges lawfully levied or assessed against the Project;

(c) Fees and expenses of architects, engineers for engineering studies, surveys and estimates, and the preparation of plans and supervising the acquisition, construction and equipping of the Project;

(d) All other items or expenses not elsewhere in this Section specified incident to the Project;

(e) Payments made for labor, contractors, builders and materialmen in connection with the Project and payment for machinery and equipment and for the restoration of property damaged or destroyed in connection therewith and the repayment of advances made to it for the purpose of paying any of the aforementioned costs;

(f) The cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, lands and rights-of-way necessary for the Project and appurtenances in connection therewith, and options and payments thereon, and any easements or rights-of-way or any damages incident to or resulting from the acquisition, construction and equipping of the Project; and

(g) Costs of Issuance.

Section 407. Requisition Procedure. All payments from the Construction Fund shall be made upon checks signed by an officer of the Issuer properly authorized to sign on its behalf, but before such officer shall sign any such checks (other than checks issued in payment for the Costs of Issuance which shall not require the hereinafter described requisition and certificate but shall require an invoice for such payment) there shall be on file with the Issuer:

A requisition and certificate signed by the Project Superintendent certifying:

(i) each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due;

(ii) that an obligation in the stated amount has been incurred by the Issuer, that the same is a proper charge against the Construction Fund and has not been paid, and stating that the bill, invoice or statement of account for such obligation, or a copy thereof, is on file in the office of the Project Superintendent;

(iii) that the Project Superintendent has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages or conditional sales contracts which should be satisfied or discharged before such payment is made;

(iv) that such requisition contains no item representing payment on account or any retained percentages (other than any percentages required by the State to be retained) which the Issuer is, at the date of such certificate, entitled to retain; and

(d) The insurance required under subparagraphs (b) and (c) hereof shall provide adequate protection for the contractor and his subcontractors, respectively, against damage claims which may arise from operations under the contract, whether such operations be by the insured or by anyone directly or indirectly employed by him.

(e) The contractor shall procure and shall maintain during the life of its contract, Builder's Risk Insurance (Fire and Extended Coverage) on a 100% completed value basis on the insurable portions of the Project. The Issuer, the contractor and subcontractors, as their interests may appear, shall be named as the insured.

(f) The contractor shall furnish the Issuer with certificates showing the type, amount, class of operations covered, effective date and dates of expiration of all policies. Such certificates shall also provide that the insurance covered by the certificate will not be cancelled or materially altered, except after ten days written notice has been received by the Issuer.

Section 411. Performance and Payment Bonds. The Issuer shall require the contractor to furnish a performance bond in an amount at least equal to 100% of the contract price as security for the faithful performance of his contract and also a payment bond in an amount not less than 100% of the contract price as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract.

Section 412. Completion of the Project. When the acquisition, construction, and equipping of the Project has been completed, said fact shall be evidenced by a certificate to the Issuer and the Construction Fund Custodian from the Project Superintendent to such effect specifying the date of completion. Should there be any balance in the Construction Fund which is not needed to defray proper charges against said fund which have not been paid, such balance shall be transferred to the Debt Service Account, and used to the extent available for payment of interest on the Series 2010C Bonds on the next Interest Payment Date or Interest Payment Dates or for any other lawful purpose if there is received by the Issuer an opinion of Bond Counsel that such application will not cause the interest on the Series 2010C Bonds to be included in a Bondholder's income for federal income tax purposes.

[END OF ARTICLE IV]

**ARTICLE V
REVENUES AND FUNDS; PARITY BONDS**

Section 501. Fiscal Year; Annual Budget. The Issuer is now operating and will continue to operate the System on a fiscal year basis beginning on July 1 of each year and ending June 30 of the following calendar year, but should it desire to change its fiscal year it may do so by proper resolution. The Issuer covenants that a budget of revenues and expenses for the System for its current fiscal year has been adopted, that in connection with the issuance hereafter of any series of Bonds said budget will be revised to the extent necessary, and that on or before the first day of each subsequent fiscal year during which any Bonds are outstanding, there will be adopted an annual budget of revenues and expenses for the System for the ensuing fiscal year, and a copy of such budgets or amendments thereto will be furnished, upon request, to any Bondholder and to the original purchaser of a Series of Bonds.

Section 502. Funds and Accounts of the System

(a) **Revenue Fund.** The Issuer has heretofore established and will continue to maintain for so long as Bonds are outstanding a special fund designated BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION REVENUE FUND (the "Revenue Fund"). The Issuer will maintain the Revenue Fund for so long as Bonds are outstanding and unpaid, and it will continue to deposit the Gross Revenues to the Revenue Fund, promptly as received, and such revenue will be disbursed in the manner and order set forth in this Article V. The Revenue Fund will be kept separate and apart from other funds of the Issuer so long as any Bonds are outstanding and unpaid or until provision shall have been duly made for the payment thereof. The Issuer is authorized to establish within the Revenue Fund such subaccounts as may be necessary to properly account for the revenues from the System.

(b) **Sinking Fund.** There is hereby established a special fund designated BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION REVENUE BOND SINKING FUND (the "Sinking Fund"). The Issuer will maintain the Sinking Fund for so long as Bonds are Outstanding as a trust account with the Sinking Fund Custodian, separate and apart from other funds of the Issuer. The Sinking Fund consists of a Debt Service Account and a Debt Service Reserve Account, and within the Debt Service Reserve Account, as sub-accounts, the Composite Reserve Account and any separate account created therein for a Series of Bonds issued that is not secured by the Composite Reserve Account to the extent provided by subsequent resolution adopted prior to issuance of such Series of Bonds. The Debt Service Reserve Account and the sub-accounts therein shall be maintained for the purpose of paying, and shall be used at any time to pay, the Debt Service on the Series of Bonds to which each such sub-account is applicable coming due in any year as to which there otherwise would be a default.

The Issuer will make the monthly payments to the Sinking Fund hereinafter prescribed in this Section until sufficient funds are on hand to pay all Outstanding Bonds and the interest thereon, or until provisions for the payment thereof shall have been made in accordance with the provisions of this Resolution and, if, in any month, for any reason, the Issuer shall fail to pay all or any part of the money it has herein agreed to pay into the Sinking Fund, the amount of any such deficiency will be added to and will become a part of the amount due and payable into the Sinking Fund in the next succeeding month, and if, on the date of delivery of a series of Bonds, any of the Sinking Fund payments provided for herein shall be due and shall have not been made, such payments will be made to the Sinking Fund concurrently with such delivery.

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Notwithstanding the foregoing, any Series of Bonds which pays principal other than annually may establish a different method of accumulating money in the Debt Service Account to pay principal on such Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay principal on such Bonds when due.

Funds on deposit in the Debt Service Account in excess of the amount required to make the above described installments shall be credited against the monthly installments next payable to the Debt Service Account until said excess funds are depleted.

On June 2 in each year, all cash and investments in the Debt Service Account shall be transferred therefrom to the Revenue Fund prior to deposit into the Debt Service Account of the amounts required to be deposited therein for the month of June in such year.

(c) If the amount on deposit in the Composite Reserve Account or any other special reserve account in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement for such account or accounts, there will next be paid from the Revenue Fund and deposited pro rata (such pro rata to be done on the basis of the amount of the Debt Service Reserve Requirement for each applicable account in the Debt Service Reserve Account) into the Composite Reserve Account and any other special reserve account in the Debt Service Reserve Account created for a separate Series of Bonds, on or before the last business day of each month, for the purpose of maintaining a reserve equal to the Debt Service Reserve Requirement for each such account, substantially equal monthly payments as shall be sufficient to restore the Debt Service Reserve Requirement for each Series of Bonds within 12 months; provided that there shall be on deposit in the Composite Reserve Account on the date on which the Series 2010C Bonds are issued an amount of money and/or a Debt Service Reserve Credit Instrument equal to the Composite Reserve Requirement and, provided further, that no payments shall be required to be made into the Composite Reserve Account whenever and as long as the amount of money and/or a Debt Service Reserve Credit Instrument deposited therein equal the Composite Reserve Requirement.

Upon the issuance of Parity Bonds which provide for a reserve equal to the Composite Reserve Requirement, the Issuer may fund the Composite Reserve Requirement thereby required (i) with proceeds from the sale of such Parity Bonds, (ii) by making equal monthly installments to the Composite Reserve Account over a period no longer than five years from the date of issuance of such Parity Bonds, (iii) with the deposit of a Debt Service Reserve Credit Instrument to the Composite Reserve Account, or (iv) any combination of the procedures described in (i) through (iii).

Any Debt Service Reserve Credit Instrument deposited in the Composite Reserve Account or separate account in the Debt Service Reserve Account for a Series of Bonds issued that is not secured by the Composite Reserve Account must (i) have a credit rating issued by a Rating Agency upon issuance not less than its second highest Rating, (ii) have a term not less than the final maturity date of the applicable Series of Bonds (or may be drawn upon in full upon its expiration or termination date in the event it expires or terminates for any reason prior to the final maturity of the applicable Series of Bonds if a substitute Debt Service Reserve Credit Instrument is not in place prior to its expiration or termination date), and (iii) be given to secure, and be payable on any Interest Payment Date in an amount equal to, any portion of the balance then required to be maintained within the Composite Reserve Account or separate account in the

(c) **Renewal and Extension Fund.** There is hereby established a special fund designated BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION RENEWAL AND EXTENSION FUND (the "Renewal and Extension Fund"). The Renewal and Extension Fund will be maintained by the Issuer for so long as Bonds are Outstanding, as a trust account with the Renewal and Extension Fund Custodian, separate and apart from other funds of the Issuer. Moneys in the Renewal and Extension Fund shall be held and used by the Issuer:

(i) for the purpose of providing funds for (A) emergencies, (B) current or future use in the making of replacements, extensions, improvements and additions to the System, (C) providing new and additional facilities, utilities and services of a permanent nature for the System, (D) the acquisition of vehicles and equipment, including without limitation service vehicles and office equipment, and (E) repairing, altering, improving, enlarging and making additions to any and all facilities or utilities which may now or hereafter be operated as a part of the System, or

(ii) to the extent revenues are otherwise unavailable, for the purpose of making payments required under this Resolution or any other resolution authorizing and securing Outstanding Bonds.

Section 503. Flow of Funds. The Gross Revenues of the System shall be disbursed from the Revenue Fund in the following order:

(a) First, there will be paid from the Revenue Fund the Operating Expenses of the System.

(b) There will next be paid from the Revenue Fund into the Debt Service Account, on or before the last business day of each month, for the purpose of paying the Debt Service Requirement (net of any Debt Service Offset which shall be deposited upon receipt by the Issuer directly to the Debt Service Account and applied to pay debt service on the Bonds to which such Debt Service Offset is applicable) on Bonds, the following amounts:

(i) an installment equal to 1/6 of the amount of interest falling due and payable on all Outstanding Bonds on the next Interest Payment Date, adjusted to give credit for any other available moneys then in the Debt Service Account, and further adjusted if necessary to assure the timely accumulation of the required amount in approximately equal installments. Notwithstanding the foregoing, any Series of Bonds which pays interest other than semiannually may establish a different method of accumulating money in the Debt Service Account to pay interest on such Bonds, so long as such method provides for the accumulation, in equal installments of no greater frequency than monthly, of sufficient funds to pay interest due on such Bonds;

(ii) an installment equal to 1/12 of the principal amount falling due and payable on all Outstanding Bonds on the next Principal Payment Date plus whatever additional amounts may be necessary in equal monthly installments to accumulate in the Debt Service Account the full principal amount coming due in such Sinking Fund Year. For purposes of this requirement, the amount of principal coming due in any Sinking Fund Year shall include all amounts of principal maturing during the Sinking Fund Year and all amounts of principal that are subject to mandatory redemption during the Sinking Fund Year.

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Debt Service Reserve Account. Before any such Debt Service Reserve Credit Instrument is substituted for cash or deposited in lieu of cash in the Composite Reserve Account or separate account in the Debt Service Reserve Account, there shall be filed with the Sinking Fund Custodian (A) an opinion of Bond Counsel to the effect that such substitution or deposit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Outstanding Bond; (B) a certificate evidencing that at least 30 days prior notice of the proposed substitution or deposit of such Debt Service Reserve Credit Instrument was given to each Rating Agency, including a description of such Debt Service Reserve Credit Instrument and the proposed date of substitution or deposit; and (C) the Debt Service Reserve Credit Instrument, together with an opinion of counsel to the issuer of the Debt Service Reserve Credit Instrument to the effect that the Debt Service Reserve Credit Instrument is valid and enforceable in accordance with its terms. Notwithstanding anything to the contrary contained in this Resolution, this Resolution may be amended without notice to or the consent of the owners of the Bonds to provide for any additional provisions required by the issuer(s) of such Debt Service Reserve Credit Instrument; provided, however, that there shall be first delivered an opinion of Bond Counsel to the effect that such additional provisions are not materially adverse to the rights or security of the owners of the Bonds provided by this Resolution.

To the extent the Issuer causes to be deposited into the Composite Reserve Account or a separate account in the Debt Service Reserve Account, a Debt Service Reserve Credit Instrument, such Debt Service Reserve Credit Instrument shall be payable (upon the giving of notice as required thereunder) on any Interest or Principal Payment Date on which a deficiency exists; provided, that prior to drawing on such Debt Service Reserve Credit Instrument, the Issuer shall first satisfy any such deficiency from any moneys in the Composite Reserve Account or such other separate account available for such purpose. If a draw is made on any Debt Service Reserve Credit Instrument, the Issuer shall be obligated to reinstate the maximum limits of such Debt Service Reserve Credit Instrument from the first moneys in the Revenue Fund thereafter available and not required to be used to make the monthly payments to the Debt Service Account. If there is a draw on any Debt Service Reserve Credit Instrument, (A) the Issuer shall make, on a pro rata basis, all payments to issuers of any Debt Service Reserve Credit Instrument as a repayment of such draw (if there is more than one Debt Service Reserve Credit Instrument issuer, such payments shall be made on a pro rata basis to each Debt Service Reserve Credit Instrument issuer based upon the amount drawn and not reimbursed under each Debt Service Reserve Credit Instrument), and (B) upon making full repayment to all issuers of Debt Service Reserve Credit Instruments, the Issuer thereafter shall make payments into the Composite Reserve Account or other separate account, on a pro rata basis, to the extent that the then required balance of the Composite Reserve Account or other separate account, exceeds the aggregate of the amount available to be drawn on all Debt Service Reserve Credit Instruments and any moneys then on deposit in the Composite Reserve Account or other separate account, from the first moneys in the Revenue Fund thereafter available and not required to be used to make monthly payments to the Debt Service Account. If moneys are taken from the Composite Reserve Account or other separate account for the payment of Debt Service on the Bonds, the moneys so taken shall be replaced in the Composite Reserve Account or other separate account on a pro rata basis from the first moneys in the Revenue Fund thereafter available and not required to be used to make the monthly payments to the Debt Service Account or to reinstate the maximum limits of the Debt Service Reserve Credit Instrument so that such moneys, together with the Debt Service Reserve Credit Instrument, shall equal the Debt Service Reserve Requirement.

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At any time when the balance of the Composite Reserve Account or other separate account, including any amounts available under a Debt Service Reserve Credit Instrument, is less than the Debt Service Reserve Requirement, all interest income derived from investment of funds in the Composite Reserve Account or other separate account shall be retained in such account until the balance in said account equals the Debt Service Reserve Requirement applicable to such Series of Bonds. Otherwise, said interest income shall be transferred to the Debt Service Account upon receipt thereof and credited against the next succeeding monthly payment to be made into the Debt Service Account with respect to Debt Service on the applicable Series of Bonds.

(d) After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the provisions of paragraphs (a) through (c) above, and after leaving in the Revenue Fund an amount equal to one month's Operating Expenses as estimated by the chief financial officer of the Issuer, there shall next be paid from the Revenue Fund into the Renewal and Extension Fund all revenues remaining in the Revenue Fund; provided, however, that should bonds or other obligations be issued hereafter ranking as to lien on the Net Revenues of the System junior and subordinate to the lien securing the payment of the Bonds, or related to the System, then payment into the Renewal and Extension Fund as provided in this subsection (d) may be suspended and such moneys shall be available to the extent necessary to pay the principal of and interest on such or other obligations (and redemption premium, if any), and the funding and maintaining of a debt service reserve, if any, in connection with such obligations. Thereafter, payments will again be made into the Renewal and Extension Fund.

Section 504. Net Revenues Pledged to Bonds. The Net Revenues will be held by the Issuer in trust under the terms and conditions hereof, and, to the extent herein provided, all such funds are hereby pledged to secure the payment of the amounts herein agreed to be paid for the payment of Debt Service and any Debt Service Offset on the Bonds, and the Issuer hereby pledges such revenue to secure the payment of such amounts. The revenues so pledged shall be immediately subject to the charge or lien of this pledge without any physical delivery thereof or other act, and the charge or lien of this pledge shall be valid and binding against the Issuer and against all parties having claims of any kind against the Issuer whether such claims shall have arisen from a tort, contract, or otherwise and irrespective of whether such parties have notice of such pledge.

Section 505. Method of Transfer from the Revenue Fund. All transfers from the Revenue Fund, and all payments from the Revenue Fund, shall be made by checks or other instruments or by wire transfers authorized by an officer of the Issuer duly authorized for such purpose.

Section 506. Additional Deposits to Sinking Fund. Nothing contained herein shall be construed to prohibit the Issuer, at its option, from making additional deposits or payments into the Sinking Fund from any funds which may be made available for such purpose, including any Debt Service Offsets.

Section 507. Disbursements from Sinking Fund.

(a) Subject to the terms and conditions set forth in this Resolution, moneys in the Sinking Fund shall be disbursed for:

(ii) if a new schedule of rates, fees, and charges for the services, facilities, and commodities furnished by the System shall have been adopted, that had such new rate schedule been in effect during the period of 12 consecutive months out of the 24 months immediately preceding the month of adoption of proceedings authorizing the issuance of such proposed Parity Bonds, the Net Revenues of the System would have at least equaled 1.20 times the highest annual Debt Service in any succeeding Sinking Fund Year on all Bonds then outstanding and on the Parity Bonds proposed to be issued (excluding for calculation of the Debt Service any Bonds which are to be refunded and defeased by the proposed Parity Bonds).

An adjustment may be made to the definition of Net Revenues in computing the aforesaid coverage test by adding an amount to such definition (i) equal to 80% of additional, new net revenues of the System estimated to be received from connections to the System in the third fiscal year after delivery of the Parity Bonds proposed to be issued, certified in writing by the Issuer's consulting engineers to the extent that such new net revenues of the System are not otherwise taken into account, or (ii) equal to 100% of the estimated net revenues, as certified by the independent certified public accountant or consulting engineers, to be received from a system to be acquired with the proceeds of such Parity Bonds.

(c) Except where Parity Bonds are to be issued solely for the purpose of refunding other Bonds, an independent and recognized firm of consulting engineers employed by the Issuer shall prepare an engineering report recommending the additions, extensions, and improvements to be made to the System, designating in reasonable detail the work and installations proposed to be done and the estimated cost of accomplishing such undertaking. Such engineering report shall set forth the projected Net Revenues for each succeeding Sinking Fund Year after such additions, extensions, and improvements have been completed, and shall show the coverage of annual Debt Service Requirements for the Bonds then outstanding and the Parity Bonds proposed to be issued for each such succeeding Sinking Fund Year.

(d) The Governing Body shall pass proper proceedings reciting that all of the above requirements have been met and authorizing the issuance of such Parity Bonds, which proceedings shall provide, among other provisions, for the date, the rate or rates of interest, maturity dates, and redemption provisions of such Parity Bonds, and the interest on such Parity Bonds, if fixed, shall fall due on June 1 and December 1 of each year, and the principal of such Parity Bonds shall mature on the date or dates specified by the supplemental resolution authorizing such Parity Bonds, and provided further, that any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions, and provisions of this Resolution. Any such proceeding or proceedings shall require (i) an increase in the monthly payments then being made into the Debt Service Account to the extent necessary to pay the Debt Service and any Debt Service Offset on all Bonds then outstanding and on the Parity Bonds proposed to be issued and (ii) the funding of the Debt Service Reserve Requirement for the Bonds then outstanding and such Parity Bonds in the manner set forth in Section 503(c).

(e) The proceeds of any Parity Bonds authorized to be issued must be used only for the purpose of adding to, extending, and improving the System and its related properties (including, but not limited to, the acquisition, construction, and equipping of such building or buildings and structures and appurtenances pertaining thereto as may be deemed necessary to afford more adequate, useful and convenient facilities for the proper control and administration of the functions of the System) and/or to redeem or refund any one or more series of Bonds previously

(i) the payment of the interest on Bonds as such interest becomes due and payable;

(ii) the payment of the principal of Bonds as the same becomes due and payable, either at maturity or by proceedings for scheduled mandatory redemption;

(iii) the redemption of Bonds before maturity at the price and under the conditions provided therefor in Article III hereof;

(iv) the purchase in the open market, at prices not to exceed the then applicable redemption price or par plus accrued interest on Bonds not then subject to redemption; and

(v) the transfer of moneys to the Revenue Fund as provided in the last paragraph of Section 503(b).

(b) On or prior to each Interest Payment Date, the Issuer shall pay or cause to be paid to the Paying Agent for the Bonds, from moneys on deposit in the Sinking Fund, such sums as are required to pay the Debt Service Requirement coming due on the Bonds on such date.

Section 508. Priority of Bonds Preserved. The Issuer will not issue hereafter any other bonds or obligations of any kind or nature payable from or enjoying a charge or lien on the revenues of the System prior to the charge or lien herein created for the payment of the Bonds. Nothing contained herein, however, shall restrict the issuance of additional bonds or obligations from time to time payable from the revenues of the System and secured by a charge or lien on such revenues junior and subordinate to the charge or lien herein created.

Section 509. Parity Bonds. Parity Bonds may be issued from time to time payable from the Sinking Fund and ranking as to lien on the revenues of the System *pari passu* with the Bonds then outstanding, provided all the following conditions are met:

(a) An independent certified public accountant (or firm thereof) shall issue its report to the Issuer that the payments covenanted to be made into the Sinking Fund, as the same may have been enlarged in any proceeding theretofore taken authorizing the issuance of Parity Bonds, are being timely made in the full amounts required; the Debt Service Account and the Debt Service Reserve Account are at their proper balances; and the Issuer is otherwise in compliance with all the other terms and conditions contained in this Resolution and any supplements thereto pursuant to which Parity Bonds shall have been issued.

(b) An independent certified public accountant (or firm thereof) shall issue its report to the Issuer:

(i) that the Net Revenues of the System for a period of 12 consecutive months out of the 24 months immediately preceding the month of adoption of proceedings authorizing the issuance of such proposed Parity Bonds have been equal to at least 1.20 times the highest annual Debt Service in any succeeding Sinking Fund Year on all Bonds then outstanding and on the Parity Bonds proposed to be issued (excluding for calculation of the Debt Service any Bonds which are to be refunded and defeased by the proposed Parity Bonds); or

issued under this Resolution, or other obligations relating to the System, and paying the usual and necessary expenses incurred and to be incurred incident to accomplishing any of the foregoing, including, without limitation, the costs of lands, rights-of-way, contract rights, franchises and easements.

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

Parity Bonds in an amount not to exceed ten percent (10%) of the aggregate principal amount of any series of Bonds issued to finance the costs of any capital project may be issued to provide funds to complete the construction of such capital project, without regard to the requirements of subparagraph (b) of this Section 509. Parity Bonds may be issued to refund Outstanding Bonds without regard to the requirements of subparagraph (b) of this Section 509, if the Debt Service Requirement on all Outstanding Bonds immediately following such refunding, for any Sinking Fund Year to and including the Sinking Fund Year of the final maturity of Outstanding Bonds prior to such refunding, will not, as a result of such refunding, exceed the Debt Service Requirement for any such Sinking Fund Year had such refunding not occurred. In the alternative, the requirements of subparagraph (b) of this Section 509 shall be applied to the Parity Bonds to be issued to refund Outstanding Bonds, in lieu of the application thereof to the Outstanding Bonds proposed to be refunded.

Section 510. Defeasance.

(a) Bonds shall be deemed to have been paid in full and the lien of this Resolution shall be discharged as to such Bonds,

(i) after there shall have been deposited in an irrevocable trust fund created for that purpose,

(A) sufficient moneys, and/or

(B) Government Obligations which shall not contain provisions permitting the redemption thereof prior to their stated maturity,

the principal of and the interest on which moneys and/or Government Obligations when due, will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon (said earnings to be held in trust also), for the payment of the principal of and premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein or in the resolution authorizing such series of Bonds);

(ii) after there shall have been paid, or satisfactory provision shall have been made for payment, to the Bond Registrar and Paying Agent all fees and expenses due or to become due in connection with the payment of such Bonds or there shall be sufficient moneys deposited with the Bond Registrar and Paying Agent to make said payments; and

(iii) unless all Bonds being defeased pursuant to this Section 510 are to mature or be redeemed within the next 60 days, the Issuer shall have given the Bond Registrar and Paying Agent irrevocable instructions to give notice, as soon as practicable, to the

Owners of such Bonds, by first class mail, postage prepaid, at their last addresses appearing upon the books of registration, that the deposit required by subsection (a)(i) of this Section 510 has been made and that such Bonds are deemed to have been paid to accordance with this Section 510.

(b) In addition to the foregoing provisions of this Section 510, the lien of this Resolution as to all Bonds which are being defeased shall only be discharged pursuant to this Section 510 if the Issuer delivers an opinion of Bond Counsel providing that all conditions precedent to the discharge of the lien of this Resolution pursuant to this Section 510 have been satisfied and such deposit and discharge will not adversely affect the exclusion of the interest on such Bonds from federal income taxation.

(c) It is contemplated that any Bonds issued and secured pursuant to this Resolution may be paid, or deemed to be paid in full as aforesaid, and any other Bonds not paid, or not deemed to be paid in full as aforesaid, shall remain Outstanding hereunder. Upon payment in full of any Bonds as provided in this Section 510, the Owners of such Bonds shall no longer be entitled to the benefits of the security afforded by this Resolution and, except for the purposes of registration, exchange, and transfer, shall no longer be deemed outstanding hereunder.

[END OF ARTICLE V]

ARTICLE VI DEPOSITORIES OF FUNDS; SECURITY FOR DEPOSITS; AUTHORIZED INVESTMENTS

Section 601. Funds Constitute Trust Funds.

(a) Except as otherwise provided in this Resolution, all moneys received by the Issuer under the terms hereof, subject to the giving of security as hereinafter provided, shall be deposited with the proper depository or custodian in the name of the Issuer. All moneys deposited under the provisions hereof shall constitute trust funds and shall be deposited in banks insured by the Federal Deposit Insurance Corporation, or any successor thereto, and such moneys shall be applied in accordance with the terms and for the purposes set forth in this Resolution and shall not be subject to lien or attachment or any type of security interest by any creditor of the Issuer.

(b) If the Sinking Fund Custodian and the Paying Agent for all Outstanding Bonds is the same bank acting in both capacities, then the Sinking Fund Custodian, without any further direction on the part of or any further authorization from the Issuer, shall use and disburse the moneys in the Sinking Fund as provided in this Resolution; except that, if, as provided under Article III of this Resolution, it redeems or buys any Bonds with moneys in the Sinking Fund, then proper authorization and direction from the Issuer shall be furnished for such use and disbursement.

Section 602. Security for Deposits. No moneys belonging to any of the funds created hereunder shall be deposited or remain on deposit and uninvested with any depository or custodian in an amount in excess of the amount guaranteed by the Federal Deposit Insurance Corporation, or any successor thereto, unless such institution shall have pledged for the benefit of the Issuer and the Owners of the Bonds as collateral security for the moneys deposited direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States of America, or other marketable securities eligible as security for the deposit of public trust funds under regulations of the Board of Governors of the Federal Reserve System and under applicable State law and having a market value (exclusive of accrued interest) at least equal to the amount of such deposits and having a face or par value at least equal to the amount prescribed by applicable State law.

Section 603. Bond Registrar, Paying Agent, Depositories and Custodians.

The Governing Body, from time to time, may designate, by supplemental resolution, a successor Paying Agent, Bond Registrar and Authentication Agent and may appoint a successor depository or custodian of any fund or account described herein; provided such successor agrees to comply with the relevant provisions of this Resolution.

Section 604. Investment of Funds.

(a) Any investments authorized herein shall be held in the respective fund until paid at maturity, redeemed or sold, and the proceeds thereof, including interest, principal, and premium, if any, shall be immediately deposited to the credit of such fund. When a fixed amount is required to be maintained in any fund, the investments for such fund shall be valued in terms of current market value as of the last day of the fiscal year next preceding the determination of

value. Moneys in each respective fund and all authorized investments held in and for such fund, and the income therefrom, are hereby pledged to and charged with the payments required by this Resolution to be made from such fund.

(b) Moneys in the Revenue Fund, Sinking Fund and Renewal and Extension Fund not required to pay current obligations may be invested as set forth in Section 605(b). Any such investments shall mature no later than such times as shall be necessary to provide moneys when needed for payments to be made from the pertinent fund or account. Notwithstanding the foregoing, moneys in any account in the Debt Service Reserve Account may only be invested in authorized investments with maturities or options to redeem at par not exceeding five years from the date of purchase of such investment.

Section 605. Authorized Investments.

(a) **Construction Fund and Debt Service Reserve Account Moneys.** The Issuer may invest and reinvest moneys in the Construction Fund and the Debt Service Reserve Account which consist of bond proceeds in any of the following investments (presently authorized by O.C.G.A. § 36-82-7), if and to the extent the same are at the time legal for investment of bond proceeds:

1. The local government investment pool created in O.C.G.A. § 36-83-8; or
2. The following securities and no others:
 - A. Bonds or other obligations of the Issuer, or bonds or obligations of the State or of counties and municipal corporations of the State;
 - B. Bonds or other obligations of the United States or of subsidiary corporations of the United States government, which are fully guaranteed by such government;
 - C. Obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives;
 - D. Bonds or other obligations issued by any public housing agency or municipal corporation in the United States, which such bonds or obligations are fully secured as to payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States government, or project notes issued by any public housing agency, urban renewal agency or municipal corporation in the United States which are fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;
 - E. Certificates of deposit of national or state banks located within the State which have deposits insured by the Federal Deposit Insurance Corporation and certificates of deposit of federal savings and loan associations and state building and loan or savings and loan associations located within the State which have deposits insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation or the Georgia Credit Union Deposit Insurance Corporation, including the certificates of deposit of any bank, savings and loan association, or building and loan association acting as depository, custodian or trustee for any proceeds of the Bonds; provided, however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation, the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation, or the Georgia Credit Union Deposit Insurance Corporation, if

any, shall be secured by deposit with the Federal Reserve Bank of Atlanta, Georgia, or with any national or state bank or federal savings and loan association or state building and loan or savings and loan association located within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or any Issuer or municipal corporation in the State, obligations of the United States or subsidiary corporations included in subparagraph (B) above, obligations of the agencies of the United States government included in subparagraph (C) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities included in subparagraph (D) above; and

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

- (1) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referenced in subparagraph (B) above and repurchase agreements fully collateralized by any such obligations;
- (2) such investment company or investment trust or common trust fund takes delivery of such collateral either directly or through an authorized custodian;
- (3) such investment company or investment trust or common trust fund is managed so as to maintain its shares at a constant net asset value; and
- (4) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State.

(b) **Revenue Fund, Debt Service Account and Renewal and Extension Fund Moneys.** The Issuer may invest and reinvest moneys in the Revenue Fund, Debt Service Account and Renewal and Extension Fund in:

- (i) any of the following investments (presently authorized by O.C.G.A. § 36-80-1 and O.C.G.A. § 36-83-4), if and to the extent the same are at the time legal for investment of such moneys:
 - A. Obligations of the United States and of its agencies and instrumentalities, or obligations fully insured or guaranteed by the United States government or by one of its agencies.
 - B. Obligations of any corporation of the United States government.
 - C. Bonds or certificates of indebtedness of the State and of its agencies and instrumentalities, or of other states.
 - D. Obligations of other political subdivisions of the State.
 - E. Certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however, that portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State or the United States

which are of a par value equal to that portion of such certificates of deposit which would be uninsured.

F. Prime bankers' acceptances.

G. Repurchase agreements.

H. The local government investment pool established by O.C.G.A. § 36-83-8; and

(ii) any other investments to the extent at the time hereafter permitted by the applicable law of the State for the investment of public funds.

Section 606. Authorization for Investments by Depositories. The Issuer, at any time and from time to time, may direct any depository or custodian for any fund to make specific investments of moneys on deposit in such fund in accordance with Section 605 or may provide any such depository or custodian with general and continuing authorization to invest moneys in any such fund in accordance with the provisions of Section 605.

Section 607. Bank or Trust Company as Bond Registrar and Paying Agent. During such time as the Bond Registrar and Paying Agent is a bank or trust company, any corporation into which the Bond Registrar and Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bond Registrar and Paying Agent shall be a party, or any corporation to which substantially all the corporate trust business of the Bond Registrar and Paying Agent may be transferred, subject to the terms of this Resolution, shall be Bond Registrar and Paying Agent under this Resolution without further act.

Section 608. Limitation on Liability from Funds on Deposit with the Paying Agent. Should any Bonds not be presented for payment when due, the Paying Agent shall retain, for the benefit of the Owners of such Bonds, a sum of money sufficient to pay such Bonds when the same are presented by the Owners thereof for payment. All liability of the Issuer to the Owners of such Bonds and all rights of such Owners against the Issuer under the Bonds or under this Resolution shall thereupon terminate, and the sole right of such Owners thereafter shall be against such funds on deposit with the Paying Agent. The Paying Agent shall hold such funds without any responsibility for payment to such Owners of additional interest beyond the date when payment was due.

If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, the Paying Agent, at the written request of the Issuer, shall transfer to the Issuer's Revenue Fund all funds theretofore held by it for payment of such Bond. The Paying Agent thereupon shall be released and discharged with respect to such Bonds, and such Bond, subject to the defense of any applicable statute of limitations, thereafter shall be an unsecured obligation of the Issuer.

[END OF ARTICLE VI]

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now or hereafter established, including services furnished to any political subdivision or other public body. No customer will be connected to the System or be served from the System without a proper meter having been first installed, and the Issuer will undertake, to the extent authorized by law, to require the owners of all improved property abutting any sewer line constituting a part of the System to connect thereto.

Section 705. Payment of Bonds. The Issuer will promptly collect or cause to be collected all service charges and other obligations arising out of the operation of the System as such obligations become due, and it will apply all collections and all revenues and income from the System, as collected, as provided in this Resolution and not otherwise. It will promptly pay the principal of and interest on every Bond payable from the revenues of the System at the place, on the dates, and in the manner herein and in the Bonds, and any premium required upon redemption of Bonds, according to the true intent and meaning thereof. The principal of and interest on all Bonds and premium, if any, and the charges of the Bond Registrar and Paying Agent are payable solely out of the revenues of the System, which revenues are hereby pledged to the payment of such obligations in the manner and to the extent herein particularly specified, and nothing herein contained or in the Bonds shall be construed as an obligation of the Issuer to make any appropriation for their payment, except from revenues or other receipts derived from the ownership and operation of the System as provided herein, and no Bondholder shall have any recourse to the power of taxation nor shall any Bond constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer other than such revenues.

Section 706. Operation of System. The Issuer will continuously maintain the System in good order and repair and will enforce reasonable rules and regulations governing the System and the operation thereof. All compensation, salaries, fees, and wages paid in connection with the maintenance, repair, and operation of the System will be reasonable, and no more persons will be employed than are necessary. The Issuer will operate the System in an efficient and economical manner, will at all times maintain the same in sound operating condition, will make all necessary repairs, renewals, and replacements, and will comply with all valid acts, rules, regulations, orders, and directions of any legislative, executive, administrative or judicial body applicable to such undertaking.

Section 707. System Free From Liens. The Issuer will not create or permit to be created in the operation and maintenance of the System any lien, charge or encumbrance thereon or on any part thereof or upon the revenues derived therefrom ranking equally with, except as herein provided, or prior to the lien or charge herein created upon such revenues, and it will pay or cause to be discharged or will make adequate provisions to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or on any part thereof or the revenue therefrom; provided, however, that nothing contained in this Section shall require the Issuer to pay, or cause to be discharged, or make provisions for the discharge of any lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings unless, by such action, the lien or charge created hereby on any part of the System or the revenues therefrom shall be materially endangered or any part thereof will be subject to loss or forfeiture, in which event, any such lien shall be promptly satisfied or discharged by the filing of a bond or taking other action as prescribed by law to effect such discharge.

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ARTICLE VII PARTICULAR COVENANTS OF THE ISSUER

Section 701. Maintenance of Rates. At all times, and from time to time, the Issuer will prescribe and place into effect a schedule of rates, tolls, fees, and charges for the services, facilities, and commodities furnished by the System and as often as it shall appear necessary it shall revise and adjust such schedule of rates, tolls, fees, and charges for services and facilities to the extent necessary to produce funds sufficient to:

(i) pay the Operating Expenses of the System;

(ii) pay into the Debt Service Account an amount not less than the amount required to pay the Debt Service Requirement on the Bonds as the same becomes due and payable in the then current Sinking Fund Year;

(iii) create and maintain a reserve in the Composite Reserve Account and any separate account in the Debt Service Reserve Account in the amounts as required herein or such larger amounts as may be required in any proceedings authorizing any such issue or issues of Parity Bonds, including the amount necessary to make any payments required to be made to the issuer of a Debt Service Reserve Credit Instrument;

(iv) provide Net Revenues which are at least equal to 1.10 times Debt Service in the then current Sinking Fund Year;

(v) repay any amount drawn directly from a sub-account or sub-accounts in the Debt Service Reserve Account or under any Debt Service Reserve Credit Instrument within 12 months of any such draw; and

(vi) pay the principal of and interest on any bonds or other obligations of the Issuer payable from the revenues of the System and secured by a charge or lien on such revenues which is junior and subordinate to the charge or lien herein created for the Bonds.

Section 702. Failure to Adopt Rates and Charges. If the Issuer shall fail to adopt a schedule or schedules of rates, fees, tolls, and charges or to revise the same as necessary in accordance with the provisions of this Article, the Owner of any Bond, without regard to whether any default, as defined in Section 801, shall have occurred, may institute and prosecute in any court of competent jurisdiction an appropriate action to compel the Issuer to adopt such schedule or schedules or to revise such schedule or schedules so that funds will be received sufficient in amount to maintain at all times funds for which provisions are made in this Resolution, and to pay the Operating Expenses of the System.

Section 703. Uniform Rates. Such rates, fees, tolls, and charges will be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that, as nearly as practicable, such rates, fees, tolls, and charges will be uniform in application to all users falling within any reasonable class.

Section 704. No Free Service; Meters; Sewer Connections. No free service will at any time be furnished from the System. All services will be furnished in accordance with rates

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Section 708. Enforcement of Collections. The Issuer will diligently enforce its right to receive the Gross Revenues and will diligently enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the System. The Issuer will not take any action that will impair or adversely affect its rights to levy, collect and receive the Gross Revenues, or impair or adversely affect in any manner the pledge of the Net Revenues, made herein or the rights of the Bondholders. The Issuer shall be unconditionally and irrevocably obligated, so long as any of the Bonds are outstanding and unpaid, to take all lawful action necessary or required to continue to entitle the Issuer to receive the Gross Revenues in at least the amounts required by this Resolution.

Section 709. Insurance Provisions.

(a) **Fire and Extended Coverage.** If the System or other facilities, the revenues of which are pledged, includes structures which are above ground, the Issuer, if such insurance is not already in force, will procure fire and extended coverage insurance on the insurable portions of the System, the revenues of which are pledged to the security of the Bonds. The foregoing fire and extended coverage insurance will be maintained so long as the Bonds are outstanding and will be in the amount of the full insurable value of the property. If there is any damage to or destruction of any of the System or any part thereof, the Issuer will promptly arrange for the application of the insurance proceeds for the repair, reconstruction or replacement of the damaged or destroyed portion unless the Issuer, with the concurrence of its consulting engineers, shall determine that:

(i) such repair, reconstruction or replacement is not economically feasible because the revenues of the System would not be increased sufficiently thereby to justify, in good business practice, the expenditure therefor of such insurance proceeds;

(ii) the efficient utilization of the System is not impaired by such damage; and

(iii) such damage will not result in the loss of a significant amount of revenue from the System.

(b) **Public Liability and Property Damage.** The Issuer, if such insurance is not already in force, will procure and maintain, for so long as any Bonds are outstanding, public liability insurance relating to the operation of the System and relating to any vehicle owned or operated for the benefit of the System in such amount as may be determined by the Governing Body upon recommendation of counsel to the Issuer, in order to protect the Issuer from claims for bodily injury and for death and from claims for damage to property of others which may arise from the operation of the System or any other facilities the revenues of which are pledged.

(c) **Fidelity Bonds.** The Issuer will carry, at all times, fidelity bonds on all of its officers and employees who may handle funds derived from the System, and such bonds shall be in such amounts as are at least equal to the total funds in the custody of such officer or employee at any one time.

(d) **From Whom Purchased.** The Issuer shall obtain all such insurance from a responsible insurance company or companies, authorized and qualified under the laws of the State to assume the risks thereof against loss or damage. All such policies shall be for the benefit of and made payable to the issuer and shall be on deposit therewith; provided, however, the

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Issuer may elect to be a self-insurer with respect to property loss for any mobile equipment used in connection with the operation and maintenance of the System.

The Issuer may participate as a member of the Georgia Interlocal Risk Management Agency ("GIRMA") created in 1987 pursuant to the authority of Title 37, Chapter 85 of O.C.G.A., or any successor agency or locally authorized joint liability pool created for municipalities or other governmental entities under the laws of the State. The minimum limits and terms of coverage provided to the Issuer through GIRMA shall be in such amounts and on such terms as reasonably required for or subscribed to by cities of comparable size and with comparable proprietary services of those offered by the Issuer.

(e) **Pledge of Insurance Proceeds.** The proceeds of all such insurance policies and the proceeds from any coverage provided through GIRMA or any successor agency or locally authorized joint liability pool, except the general liability policies or coverage, are pledged as security for the payment of the Bonds, but shall be available for and shall be applied, to the extent necessary and desirable, to the repair and replacement of the damaged or destroyed property, provided that any portion of such proceeds remaining after payment in full of such costs shall be paid into the Sinking Fund, or, if the property is not repaired or replaced, the proceeds shall be placed in the Sinking Fund.

(f) **General.** All insurance policies and other coverage documents shall be open to the inspection of the Bondholders and their representatives and to the designated representative of the original purchasers of each series of Bonds issued hereunder at all reasonable times.

The provisions of this Section 709 are subject to the availability of insurance at commercially reasonable rates to the Issuer due to market conditions which may adversely affect such availability to public bodies of the State generally.

Section 710. Condemnation. If the System or any part thereof or any portion of the premises upon which any part of the System is constructed shall be taken by the exercise of the power of eminent domain, the whole compensation therefor shall be paid directly to the Issuer and applied by the Issuer as follows:

(a) **Condemnation of all or substantially all of the System.** Condemnation proceeds referable to a taking of all or substantially all the System or such premises will be paid into the Sinking Fund, or if all Bonds payable from the Sinking Fund and the interest thereon shall have been paid or if sufficient funds will be placed in the Sinking Fund for the payment or call and redemption of all Bonds payable from the Sinking Fund by the payment therein of a portion of such condemnation proceeds, then the excess, if any, of such proceeds over the amount required for such payment or call and redemption shall be paid to the Issuer.

(b) **Condemnation of less than substantially all of the System.** All condemnation proceeds received by the Issuer referable to a taking of less than substantially all the System will be applied as follows:

(i) If no part of the improvements constituting the System or of the premises upon which the same is located is taken or damaged or if the Issuer, with the concurrence of its consulting engineers, shall determine that the efficient utilization of the System is not

impaired by such taking and there will be no loss of revenue by reason thereof, the net condemnation award shall be paid to the Sinking Fund.

(ii) If any part of the improvements or premises is taken or if no such determination is made with the concurrence of such consulting engineers, then, the net condemnation award will be applied to the repair, rebuilding, and restoration of the System or to the rearrangement of the System, insofar as may be possible, so as to make the System suitable for the use intended and to prevent a loss of revenue therefrom, and any balance of the net condemnation award will be paid into the Sinking Fund unless the Issuer, with the concurrence of its consulting engineers, shall determine that the efficient utilization of the System is not impaired by such taking and that such repair, rebuilding, or restoration is not economically feasible for the reason that the revenue of the System would not be increased thereby sufficiently to justify, in good business practice, the expenditure of such condemnation award therefor, and, if such repair, rebuilding, restoration, or rearrangement is not possible or is not undertaken so as to make sure the System is suitable for the use intended, all the net condemnation award will be paid into the Sinking Fund.

(iii) If all Bonds payable from the Sinking Fund and the interest thereon shall have been paid or if sufficient funds will be placed in the Sinking Fund for the payment or call and redemption of all Bonds payable from the Sinking Fund by the payment therein of a portion of such condemnation proceeds, then the excess, if any, of such proceeds over the amount required for such payment or call and redemption, shall be paid to the Issuer.

Section 711. Meaning of Efficient Utilization. Whenever reference is made herein to impairment of the efficient utilization of the System, such reference shall mean that the System, following damage or the exercise of the power of eminent domain, will be of such a character as to be capable or as not to be capable, as the case may be, of rendering service substantially of quantity and quality comparable to that being rendered by the System immediately prior to such damage or the exercise of the power of eminent domain.

Section 712. Construction Fund After Loss. If, in accordance with any of the foregoing provisions of this Article, any property is to be repaired, renewed, rebuilt, restored, or rearranged after such damage, destruction, or taking, all proceeds from such insurance or compensation for such taking will be paid into a special trust fund to be then created and designated as the construction fund. Such trust will be administered by the Issuer during such repairing, renewing, rebuilding, restoring, or rearranging, in accordance with sound business practices, and the Issuer will disburse the moneys held in such construction fund only for the purposes thereof.

Section 713. Funds and Accounts to be Maintained Separately. Funds and accounts of the System will be kept separate from all other funds and accounts of the Issuer, or any of its instrumentalities or departments, and accurate records and accounts of all items of cost and all expenditures relating to the System, and of the revenues collected and the application thereof, and of the number of customers will be kept, and said records and accounts will be kept with respect to the Issuer's physical properties of the System in such manner that it will be possible at all times to identify both the amounts and the items of all additions and retirements. Such records and accounts shall be open to the inspection of all interested persons.

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Section 714. Audit of System. In the month immediately following the end of each fiscal year, or as soon thereafter as practicable, an audit will be made of all books and accounts pertaining to the System by an independent certified public accountant or firm of certified public accountants of suitable experience and responsibility, to be chosen by the Issuer.

The annual audit shall include, among other items, a statement of income and expenses and a balance sheet relating to the System, both in reasonable detail, a list of insurance policies paid for and in force respecting the System and its operations, comments by the auditor respecting the compliance by the Issuer with the provisions of this Resolution, and that the Issuer is complying therewith or point out where, in any instance, the Issuer is not in compliance therewith.

Section 715. Inspection of Records of System. The Holder of any Bond issued hereunder, or such Holder's agent or attorney will be permitted to examine and inspect the System and all papers, books, records, accounts, and data relating thereto at all reasonable times and will be permitted to make copies or transcripts of any such records, accounts, and data so long as it can be done without unreasonable interference with the operation of the System.

Section 716. Encumbrance or Sale of System. So long as any of the Bonds shall be outstanding and unpaid neither the System nor any part thereof shall be encumbered, sold or otherwise disposed of, except that the System as a whole, or substantially as a whole, may be sold if the proceeds of such sale are at least sufficient to provide for the defeasance or payment and redemption of all Bonds and any interest accrued or to accrue thereon. The proceeds of any such sale to the extent necessary shall be deposited with the Sinking Fund Custodian in trust and applied to defease, purchase or redeem such Outstanding Bonds. Nothing contained in this Section, however, shall preclude sale of a part of the System where the sale would not, in the opinion of a recognized firm of consulting engineers hired by the Issuer, adversely affect the revenues of the System, and provided, further, that the proceeds from such sale are used for additions, extensions or improvements to the System or to retire Bonds issued hereunder.

Section 717. Issuer in Control Operation of System. So long as any Bonds shall remain outstanding and unpaid, the System shall continue to be operated as a water and sewer system in order that the revenues from the System shall be, and remain, pledged for the purpose of paying the principal of, redemption premium, if any, and interest on the Bonds, the finding and maintaining of the reserve in connection therewith, and the payment of Operating Expenses.

[END OF ARTICLE VII]

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ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 801. Events of Default. Each of the following events is hereby declared an "event of default," that is to say if:

(a) Payment of the principal of any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption; or

(b) Payment of any installment of interest shall not be made when the same shall become due and payable; or

(c) The Issuer, for any reason, shall be rendered incapable of fulfilling its obligations hereunder; or

(d) An order or decree shall be entered with the consent or acquiescence of the Issuer appointing a receiver or receivers of the System or of the revenues therefrom or any proceedings shall be instituted with the consent of acquiescence of the Issuer for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting claims of such creditors pursuant to any federal or state statute now or hereafter enacted if the claims of such creditors are, under any circumstances, payable out of the revenues of the System, or if such order or decree, having been entered without the consent and acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within 60 days after entry thereof or if such proceeding, having been instituted without such consent or acquiescence, shall not be withdrawn or any orders entered shall not be vacated, discharged or stayed on appeal, within 60 days after the institution of such proceedings or the entry of such orders; or

(e) The Issuer shall fail to duly and punctually perform any of the other covenants, conditions, agreements or provisions contained in the Bonds or in this Resolution on its part to be performed, and such failure shall continue for 30 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer by the Owner of any Bond unless action to remedy such failure shall have been undertaken and more than 30 days is reasonably required for its completion, in which event the Issuer may permit such failure to remain unremedied during the lesser of 180 days or the time required for the completion of such action and any appeal therefrom, irrespective of whether such period extends beyond the 30 day period after the giving of notice, unless by such action the lien or charge hereof on any part of the revenues of the System shall be materially endangered or the System or the revenues therefrom or any part thereof shall be subject to loss or forfeiture, in which event, such failure shall be promptly remedied.

Section 802. Actions by Bondholders; Receiver. Upon the happening and continuance of any event of default as provided in Section 801, then and in every such case any Bondholder may proceed, subject to the provisions of Section 804, to protect and enforce the rights of the Bondholders hereunder by a suit, action or special proceeding in equity, or at law, either for the appointment of a receiver of the System as authorized by the Revenue Bond Law, or for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted, or for the enforcement of any proper legal or equitable remedy as such Bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

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ARTICLE IX
SUPPLEMENTAL PROCEEDINGS

Section 803. Proceedings, Discontinued, Abandoned or Adversely Determined. In case any proceeding taken by any Bondholder on account of any event of default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Bondholder, then and in every such case the Issuer and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Bondholders shall continue as though no such proceedings had been taken.

Section 804. Limitation of Actions. No one or more Holders of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Holders of such Outstanding Bonds.

Section 805. No Remedy Exclusive. No remedy herein conferred upon the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute.

Section 806. Delay or Omission to Exercise Right or Power. No delay or omission of any Bondholder to exercise any right or power accruing upon any event of default occurring and continuing, as aforesaid, shall impair any such event of default or be construed as an acquiescence therein; and every power and remedy given by this Article to the Bondholders may be exercised from time to time and as often as may be deemed expedient.

Section 807. Rights to Enforce Payment. Nothing in this Resolution or in the Bonds shall affect or impair the right of action of the Owner of any Bond, which is absolute and unconditional, to enforce payment of such Bond in accordance with the provisions of this Resolution.

[END OF ARTICLE VIII]

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Section 903. Effect of Supplemental Proceeding. Any supplemental resolution adopted and becoming effective in accordance with the provisions of this Article thereafter shall form a part of this Resolution, and all the terms and conditions contained in any such supplemental resolution as to any provision authorized to be contained therein shall be a part of the terms and conditions of this Resolution and shall be effective as to all Owners of the then Outstanding Bonds and of any Parity Bonds, and no notation or legend of such modifications and amendments shall be required to be made on any such outstanding Bonds.

Section 904. Resolution Constitutes Contract. The provisions, terms, and conditions of this Resolution shall constitute a contract by and between the Issuer and the Owners of Outstanding Bonds, and, after the issuance of Bonds, this Resolution shall not be repealed or amended in any respect which will adversely affect the rights and interest of the Owners of the Bonds nor shall the Issuer adopt any resolution or ordinance in any way ever adversely affecting the rights of such Owners so long as any of the Bonds or the interest thereon shall remain unpaid; provided, however, that the provisions of this Section shall not be construed to restrict or impair any rights reserved to the Issuer by the provisions of this Article IX.

Section 905. Subsequent Proceedings Consistent with Resolution. Any subsequent proceeding or proceedings authorizing the issuance of Parity Bonds as permitted under the provisions of this Resolution shall in nowise conflict with the terms and conditions of this Resolution, but, for all legal purposes, shall contain all the covenants, agreements, and provisions of this Resolution for the equal protection and benefit of all Owners of Bonds.

[END OF ARTICLE IX]

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Section 901. Supplemental Proceedings Not Requiring Consent of Bondholders. This Resolution may be modified, altered, amended or expanded by the Issuer without the consent of, or notice to, any of the Bondholders for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission or inconsistent provision in this Resolution;
- (b) to grant to or confer any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders;
- (c) to subject to the lien and pledge of this Resolution additional rents, revenues, receipts, properties or other collateral;
- (d) to evidence the appointment of successors to any depositories, custodian, Paying Agent or Bond Registrar hereunder; and
- (e) to provide for the issuance of Parity Bonds in accordance with the provisions of this Resolution.

Section 902. Supplemental Proceedings Requiring Consent of Bondholders. This Resolution, from time to time, may be modified, altered and amended by adding to or rescinding in any particular any terms or provisions contained herein. Such modifications, alterations and amendments shall be made by a supplemental resolution. Except as provided in Section 901, no such proceedings shall become effective unless the Holders of at least fifty-five percent (55%) of the aggregate principal amount of the affected Bonds then outstanding shall have filed with the Sinking Fund Custodian, within 60 days after the adoption of such resolution, written consent to approval thereof. If the approval as herein required is received by the Sinking Fund Custodian, then the supplemental resolution shall thereafter form a part of this Resolution for any and all purposes.

Notwithstanding the preceding paragraph, without the written consent of the Holders of one hundred percent (100%) of the affected Bonds then outstanding, nothing contained herein shall permit or be construed as permitting:

- (a) the extension of the maturity or redemption date of any Bonds issued hereunder;
- (b) the reduction in or alteration of the principal of or interest on the Bonds or any modification of the terms of payment of principal and interest thereon; or
- (c) the reduction of the percentage of the principal amount of Bonds required for consent to such modification, alteration or amendment.

A modification or amendment of the provisions with respect to increasing payments required to be made to the Sinking Fund shall not be deemed a change in the terms of payment.

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ARTICLE X
MISCELLANEOUS PROVISIONS

Section 1001. [Reserved].

Section 1002. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 1003. Partial Invalidity. In case any one or more of the provisions of this Resolution or of the Bonds shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, such illegality or invalidity shall not affect any other provisions hereof or of the Bonds unless expressly so held, but this Resolution and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein, and this Resolution shall be construed to adopt, but not to enlarge upon, all the applicable provisions of the Revenue Bond Law, and, if any provisions hereof conflict with any applicable provisions of said law, the latter as adopted by the legislature and as interpreted by the courts of this state shall prevail and shall be substituted for any provisions hereof in conflict or not in harmony therewith.

Section 1004. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of payment of the principal of or interest on the Bonds or the date fixed for redemption of any Bonds shall be in the Issuer of payment a Saturday, Sunday or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of such principal or interest need not be made on such date but may be made on the next succeeding business date with the same force and effect as if made on the Interest Payment Date or on the date of stated maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1005. Captions. The captions or headings in this Resolution are for convenience only and in no way limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 1006. Repealer. Any and all resolutions or parts of resolutions of the Issuer in conflict with this Resolution shall be and the same hereby are repealed, and this Resolution shall be in full force and effect from and after its adoption.

Section 1007. Validation. The Series 2010C Bonds shall be validated in the manner provided in the Revenue Bond Law, as amended, and to that end notice of the adoption of this Resolution and a certified copy thereof shall be served immediately on the District Attorney of the Brunswick Judicial Circuit in order that proceedings for the confirmation and validation of the Series 2010C Bonds by the Superior Court of Glynn County may be instituted by said District Attorney.

Section 1008. Continuing Disclosure. The Issuer will undertake all responsibility for compliance with the continuing disclosure requirements contained in Securities and Exchange Commission Rule 15c2-12(b)(5) pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"). The execution and delivery of the Continuing Disclosure Certificate by the Chairman of the Issuer is hereby authorized. Notwithstanding any other provision of this Resolution, failure of the Issuer to comply with the Continuing Disclosure Certificate shall not be considered a default hereunder, and under no circumstances shall such

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failure affect the validity or the security for the payment of the Bonds. It is expressly provided, however, that any Holder or Beneficial Owner of Bonds may take such action, to the extent and in such manner as may be allowed by applicable law, as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Resolution and the Bonds. For purposes of this Section, "Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the Owner of any Bonds for federal income tax purposes.

Section 1009. Official Statement. The Issuer has caused to be prepared and distributed a Preliminary Official Statement with respect to the Series 2010C Bonds and the Issuer shall execute and deliver an Official Statement in final form and the execution and delivery of the Official Statement in final form be and the same is hereby authorized and approved. The use and distribution of a Preliminary Official Statement with respect to the Series 2010C Bonds and the execution by the Chairman or Executive Director of the Issuer of a certificate which "deemed final" the Preliminary Official Statement within the meaning of Securities Exchange Act Rule 15c2-12 be and the same are hereby ratified and confirmed. The Chairman of the Issuer is hereby authorized to execute and deliver the Official Statement for and on behalf of the Issuer, and the Official Statement shall be in substantially the form of the Preliminary Official Statement as presented to the Issuer on the date hereof and filed with the Issuer, subject to such minor changes, insertions or omissions as may be approved by the Chairman of the Issuer and the execution of said Official Statement by the Chairman of the Issuer as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the Issuer is hereby authorized and approved.

Section 1010. Authorization of Bond Purchase Agreement. Sterne Agee & Leach, Inc., as underwriter for the Series 2010C Bonds, is hereby authorized to market the Series 2010C Bonds to the public by means of the use and distribution of the Preliminary Official Statement relating to the Series 2010C Bonds. Following the marketing and sale of the Series 2010C Bonds, the execution, delivery, and performance of a Bond Purchase Agreement, to be dated the date of adoption of a supplemental resolution by the Issuer, providing for the sale of the Series 2010C Bonds, by and between the Issuer and Sterne Agee & Leach, Inc., will be presented to the Governing Body and considered for approval by the Issuer.

Section 1011. Authorization of Bond Insurer Commitment. The acceptance of the commitment for a Financial Guaranty Insurance Policy, if any, issued by a Bond Insurer may be authorized by supplemental resolution to be adopted by the Issuer.

Section 1012. Authorization of Execution of Various Documents and General Authorization. Any officer of the Issuer is hereby authorized and to execute and direct the filing with the Internal Revenue Service a form 8038-G upon closing of the Series 2010C Bonds. The proper officers and agents of the Issuer are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Resolution and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2010C Bonds, including, but not limited to, execution of the Second Addendum to Operational Agreement described in the Preamble to this Resolution, and certain escrow deposit agreements to be entered into with U.S. Bank National Association, as escrow

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agent, relating to the defeasance and/or redemption of the City and County Outstanding Bonds, copies of the forms of which documents have been presented to the Issuer at this meeting. By the adoption of this Resolution, the Issuer approves and accepts the conveyance of the respective water and sewer systems of the City and the County pursuant to the Conveyance Documents described in the Preamble to this Resolution. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2010C Bonds are ratified and approved.

Section 1013. Waiver of Performance Audit. The Issuer hereby specifically waives the requirements of O.C.G.A. § 36-82-100 that the expenditure of the proceeds of the Series 2010C Bonds be subject to an ongoing performance audit or performance review, and authorizes such waiver to be published in the notice of hearing relating to the validation of the Series 2010C Bonds.

[END OF ARTICLE X]

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ARTICLE XI BOND INSURER PROVISIONS

Section 1101. Bond Insurer Provisions. The requirements relating to a Financial Guaranty Insurance Policy to be issued by a Bond Insurer, if any, will be provided by a supplemental resolution to be adopted by the Issuer.

APPROVED AND ADOPTED this June 17, 2010.

BRUNSWICK-GLYNN COUNTY JOINT
WATER AND SEWER COMMISSION

By:

Chairman

Tony Jammon

EXECUTIVE DIRECTOR'S CERTIFICATE

I, the undersigned Executive Director of the Brunswick-Glynn County Joint Water and Sewer Commission (the "Commission"), keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a bond resolution adopted by the Commission in public meeting properly and lawfully assembled on June 17, 2010, the original of which resolution has been entered in the official records of the Issuer under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(SEAL)

Heidi G. Morgan
Executive Director

THIRD SUPPLEMENTAL RESOLUTION

BRUNSWICK-GLYNN COUNTY
WATER AND SEWER COMMISSION

THIRD SUPPLEMENTAL
BOND RESOLUTION

ADOPTED AUGUST 19, 2021

PROVIDING FOR THE ISSUANCE OF
BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION
REVENUE BONDS, SERIES 2021,
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$15,815,000

This Third Supplemental Resolution of the Brunswick-Glynn County Water and Sewer Commission (the “**Commission**” or the “**Issuer**”) is adopted this August 19, 2021, for the purpose of supplementing a Bond Resolution adopted by the Commission on June 17, 2010 (the “**Master Resolution**”), as supplemented and amended by the First Supplemental Resolution adopted by the Commission on June 24, 2010 (the “**First Supplemental Resolution**”), and further supplemented and amended by the Second Supplemental Resolution adopted by the Commission on November 29, 2017 (the “**Second Supplemental Resolution**”). Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Master Resolution, as supplemented and amended. The Master Resolution, the First Supplemental Resolution, the Second Supplemental Resolution, and this Third Supplemental Resolution are hereinafter collectively referred to as the “**Resolution**”.

WHEREAS, the Commission is a body corporate and politic and a public corporation, created by the “Brunswick-Glynn County Joint Water and Sewer Commission Act,” established by Ga. Laws 2006, p. 3661, as amended by Ga. Laws 2012, p. 5287 and Ga. Laws 2016, p. 3523 (collectively, the “**Act**”) which currently owns and operates a unified water and sewer system within Glynn County, Georgia (the “**System**”); and

WHEREAS, on June 30, 2010, the Commission issued its BRUNSWICK-GLYNN COUNTY JOINT WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2010C (the “**Series 2010C Bonds**”), in the original aggregate principal amount of \$50,125,000, pursuant to the provisions of the Master Resolution and the First Supplemental Resolution, to provide funds needed to pay the cost, *inter alia*, of (i) currently refunding outstanding revenue bonds of the Commission, (ii) acquiring the water and sewer systems of the City of Brunswick and Glynn County, (iii) constructing additions and improvements to the System, and (iv) paying expenses incurred in connection with the issuance of the Series 2010C Bonds; and

WHEREAS, on December 27, 2017, the Commission issued its BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REFUNDING REVENUE BOND, SERIES 2017 (the “**Series 2017 Bond**”) in the original principal amount of \$36,364,000, pursuant to the provisions of the Second Supplemental Resolution, to provide funds needed to pay the cost, *inter alia*, of advance refunding in full and defeasing all of the Series 2010C Bonds, and paying expenses incurred in connection with the issuance of the Series 2017 Bond; and

WHEREAS, the Series 2010C Bonds were redeemed in full on June 1, 2020; and

WHEREAS, the Series 2017 Bond is currently outstanding in the principal amount of \$29,825,000, and is the only outstanding debt of the Commission that has a first and prior pledge of and lien on the Net Revenues of the System; and

WHEREAS, the Commission has determined that it is necessary and desirable for the benefit of the residents of Glynn County, Georgia, and for the efficient operation of the System, for the Commission to issue its BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2021 (the “**Series 2021 Bonds**”), in the aggregate principal amount of

Third Supplemental Bond Resolution

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\$15,815,000, for the purpose of acquiring, constructing, and equipping certain improvements, extensions and additions to the System consisting of (i) sewer projects to repair gravity sewers and rehab wastewater treatment processes; (ii) water rehabilitation projects to water mains; (iii) water and sewer extensions to unserved areas of Glynn County, and (iv) the installation of increased water storage capacity (collectively, the “**2021 Projects**”); and

WHEREAS, the Commission has determined that it is in its best interests to issue the Series 2021 Bonds on a parity basis with the Series 2017 Bond to finance the acquisition, construction and equipping of the 2021 Projects; and

WHEREAS, Section 509 of the Master Resolution provides that Parity Bonds may be issued from time to time payable from the Sinking Fund and ranking as to lien on the revenues of the System *pari passu* with the Bonds then outstanding, provided all the following conditions are met:

(a) An independent certified public accountant (or firm thereof) shall issue its report to the Issuer that the payments covenanted to be made into the Sinking Fund, as the same may have been enlarged in any proceeding theretofore taken authorizing the issuance of Parity Bonds, are being timely made in the full amounts required; the Debt Service Account and the Debt Service Reserve Account are at their proper balances; and the Issuer is otherwise in compliance with all the other terms and conditions contained in the Resolution and any supplements thereto pursuant to which Parity Bonds shall have been issued.

(b) An independent certified public accountant (or firm thereof) shall issue its report to the Issuer: (i) that the Net Revenues of the System for a period of 12 consecutive months out of the 24 months immediately preceding the month of adoption of proceedings authorizing the issuance of such proposed Parity Bonds have been equal to at least 1.20 times the highest annual Debt Service in any succeeding Sinking Fund Year on all Bonds then outstanding and on the Parity Bonds proposed to be issued (excluding for calculation of the Debt Service any Bonds which are to be refunded and defeased by the proposed Parity Bonds); or (ii) if a new schedule of rates, fees, and charges for the services, facilities, and commodities furnished by the System shall have been adopted, that had such new rate schedule been in effect during the period of 12 consecutive months out of the 24 months immediately preceding the month of adoption of proceedings authorizing the issuance of such proposed Parity Bonds, the Net Revenues of the System would have at least equalled 1.20 times the highest annual Debt Service in any succeeding Sinking Fund Year on all Bonds then outstanding and on the Parity Bonds proposed to be issued (excluding for calculation of the Debt Service any Bonds which are to be refunded and defeased by the proposed Parity Bonds).

An adjustment may be made to the definition of Net Revenues in computing the aforesaid coverage test by adding an amount to such definition (i) equal to 80% of additional, new net revenues of the System estimated to be received from connections to the System in the third fiscal year after delivery of the Parity Bonds proposed to be issued, certified in writing by the Issuer's consulting engineers to the extent that such new net revenues of the System are

not otherwise taken into account, or (ii) equal to 100% of the estimated net revenues, as certified by the independent certified public accountant or consulting engineers, to be received from a system to be acquired with the proceeds of such Parity Bonds.

(c) Except where Parity Bonds are to be issued solely for the purpose of refunding other Bonds, an independent and recognized firm of consulting engineers employed by the Issuer shall prepare an engineering report recommending the additions, extensions, and improvements to be made to the System, designating in reasonable detail the work and installations proposed to be done and the estimated cost of accomplishing such undertaking. Such engineering report shall set forth the projected Net Revenues for each succeeding Sinking Fund Year after such additions, extensions, and improvements have been completed, and shall show the coverage of annual Debt Service Requirements for the Bonds then outstanding and the Parity Bonds proposed to be issued for each such succeeding Sinking Fund Year.

(d) The Governing Body shall pass proper proceedings reciting that all of the above requirements have been met and authorizing the issuance of such Parity Bonds, which proceedings shall provide, among other provisions, for the date, the rate or rates of interest, maturity dates, and redemption provisions of such Parity Bonds, and the interest on such Parity Bonds, if fixed, shall fall due on June 1 and December 1 of each year, and the principal of such Parity Bonds shall mature on the date or dates specified by the supplemental resolution authorizing such Parity Bonds, and provided further, that any such proceeding or proceedings shall restate and reaffirm by reference all of the applicable terms, conditions, and provisions of the Resolution. Any such proceeding or proceedings shall require (i) an increase in the monthly payments then being made into the Debt Service Account to the extent necessary to pay the Debt Service and any Debt Service Offset on all Bonds then outstanding and on the Parity Bonds proposed to be issued and (ii) the funding of the Debt Service Reserve Requirement for the Bonds then outstanding and such Parity Bonds in the manner set forth in Section 503(c) of the Master Resolution.

(e) The proceeds of any Parity Bonds authorized to be issued must be used only for the purpose of adding to, extending, and improving the System and its related properties (including, but not limited to, the acquisition, construction, and equipping of such building or buildings and structures and appurtenances pertaining thereto as may be deemed necessary to afford more adequate, useful and convenient facilities for the proper control and administration of the functions of the System) and/or to redeem or refund any one or more series of Bonds previously issued under the Resolution, or other obligations relating to the System, and paying the usual and necessary expenses incurred and to be incurred incident to accomplishing any of the foregoing, including, without limitation, the costs of lands, rights-of-way, contract rights, franchises and easements.

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

Parity Bonds in an amount not to exceed ten percent (10%) of the aggregate principal amount of any series of Bonds issued to finance the costs of any capital project may be issued to provide funds to complete the construction of such capital project, without regard to the requirements of subparagraph (b) of Section 509 of the Master Resolution. Parity Bonds may be issued to refund Outstanding Bonds without regard to the requirements of subparagraph (b) of Section 509 of the Master Resolution, if the Debt Service Requirement on all Outstanding Bonds immediately following such refunding, for any Sinking Fund Year to and including the Sinking Fund Year of the final maturity of Outstanding Bonds prior to such refunding, will not, as a result of such refunding, exceed the Debt Service Requirement for any such Sinking Fund Year had such refunding not occurred. In the alternative, the requirements of subparagraph (b) of Section 509 of the Master Resolution shall be applied to the Parity Bonds to be issued to refund Outstanding Bonds, in lieu of the application thereof to the Outstanding Bonds proposed to be refunded.

WHEREAS, as provided by the terms of the Master Resolution, the Commission is required to pass proper proceedings that all of the requirements of Section 509 of the Master Resolution have been met when authorizing Parity Bonds, and Mauldin & Jenkins, LLC, Savannah, Georgia, as the independent and recognized firm of certified public accountants for the Commission, has certified to the governing body of the Commission that the Commission has complied and is complying with the requirements of Sections 509 (a) and (b) of the Master Resolution;

WHEREAS, on August 6, 2021, Sterling National Bank, as the Registered Owner of the Series 2017 Bond, and as the only Owner of Outstanding Bonds under the provisions of the Resolution, provided the Commission with a written certificate waiving all conditions, limitations, and requirements relating to the issuance of Parity Bonds set forth in of Section 509(c) of the Master Resolution, a copy of such waiver is attached hereto as Exhibit B, and made a part hereof; and

WHEREAS, in accordance with an Official Notice of Sale dated August 12, 2021, the Commission received electronic bids for the purchase of the Series 2021 Bonds on August 19, 2021 at 10:00 a.m., and the Executive Director, with the assistance of Davenport & Company LLC, Roswell, Georgia, as Financial Advisor to the Commission, reviewed the bids and determined that the best bid for the Series 2021 Bonds was submitted by FHN Financial Capital Markets.

WHEREAS, it is necessary that the Commission supplement and amend the Resolution by the adoption of this Third Supplemental Resolution to authorize the issuance and delivery of the Series 2021 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Brunswick-Glynn County Water and Sewer Commission, in public meeting lawfully called and assembled, and it is hereby resolved by authority of the same that:

Third Supplemental Bond Resolution

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(d) The Series 2021 Bonds maturing on June 1, 2035, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the June 1, 2035, amount to be paid at maturity rather than redeemed):

Year	Principal Amount
2034	\$80,000
2035	80,000

(e) The *pro rata* redemption provided for in this Section 2(d) shall be made by redeeming from each Bondholder of the maturity to be redeemed that principal amount which bears the same proportion to the principal amount of such stated maturity registered in the name of such Bondholder as the total principal amount of such stated maturity to be redeemed on any date of scheduled mandatory redemption bears to the aggregate principal amount of such stated maturity Outstanding prior to redemption. If the Paying Agent cannot make a strict *pro rata* redemption among the Bondholders of a stated maturity, the Paying Agent will redeem more or less than a *pro rata* portion from one or more Bondholders of such stated maturity in such manner as the Paying Agent deems fair and reasonable. In connection with any such redemption prior to maturity, the Paying Agent will make appropriate entries in the Bond Register to reflect a portion of any Series 2021 Bond so redeemed and the amount of the principal remaining outstanding. The Paying Agent's notation in the Bond Register shall be conclusive as to the principal amount of any Outstanding Series 2021 Bond at any time.

(f) Notice of any optional redemption of Series 2021 Bonds pursuant to this Section shall be given by the Issuer to the Bond Registrar and Paying Agent at least 35 days prior to the date fixed for redemption. The Bond Registrar shall give notice of redemption pursuant to Section 3 one time not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Holders of each of the Series 2021 Bonds being called for redemption by first class mail (electronically while the Series 2021 Bonds are held as book-entry bonds) at the address shown on the register of the Bond Registrar. Said notice may be a conditional notice under such terms as specified in the notice and shall contain the complete official name of the Series 2021 Bonds being redeemed, CUSIP number, certificate numbers, amounts called of each certificate (for partial calls), redemption date, redemption price, the Paying Agent's name and address (with contact person and phone number), date of issue of the Series 2021 Bonds, interest rate, and maturity date. Said notice shall also be given not less than 30 days nor more than 60 days prior to the date fixed for redemption, to the Electronic Municipal Market Access system ("EMMA") operated by the Municipal Securities Rulemaking Board or such other securities depository registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, which disseminate redemption notices. No transfer or exchange of any Series 2021 Bond so called for redemption shall be allowed. If any Holder of any Series 2021 Bond being redeemed pursuant to the provisions of this Article shall fail to present for redemption any such Series 2021 Bond within 60 days after the date fixed for redemption, a second notice of the redemption of such Series 2021 Bond shall be given to said Owner at the address of said Owner as shown on the bond register of the Bond Registrar within

Third Supplemental Bond Resolution

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Section 1. Authorization, Description and Terms of the Series 2021 Bonds; Redemption Provisions.

(a) The Series 2021 Bonds shall be issued in the aggregate principal amount of \$15,815,000. The Series 2021 Bonds shall bear interest at the rates set out below, payable semi-annually on the first days of June and December in each year, beginning June 1, 2022, and shall mature on June 1 in the years and in the amounts as follows:

Year	Principal Amount	Interest Rate
2024	\$55,000	5.000%
2025	55,000	5.000
2026	55,000	5.000
2027	60,000	5.000
2028	60,000	5.000
2029	65,000	5.000
2030	65,000	5.000
2031	70,000	5.000
2032	75,000	4.000
2033	75,000	3.000
2035	160,000	3.000
2036	2,600,000	2.000
2037	2,400,000	2.000
2038	2,200,000	2.000
2039	2,000,000	2.000
2040	1,800,000	2.000
2041	1,600,000	2.125
2042	1,400,000	2.125
2043	1,020,000	2.200

(b) The Series 2021 Bonds will be dated the date of their issuance and delivery (the "Bond Date") and the Series 2021 Bonds as originally issued shall be lettered and numbered from R-1 upward in order of maturity, or in such other manner as may be directed by the Issuer, according to the records maintained by the Bond Registrar. The Series 2021 Bonds are issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof.

(c) The Series 2021 Bonds maturing on June 1, 2032, and thereafter may be redeemed prior to their respective maturities at the option of the Commission, in whole or in part, at any time, beginning June 1, 2031, (if less than all of the Series 2021 Bonds of a maturity are to be redeemed, the actual Series 2021 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2021 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2021 Bonds are no longer held as book-entry bonds), in such order as may be designated by the Issuer, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

Third Supplemental Bond Resolution

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90 days after the date fixed for redemption. The failure of the Bond Registrar to give such notice shall not affect the validity of the proceedings for the redemption of any Series 2021 Bond as to which no such failure occurred. Any notice mailed or delivered as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holder receives the notice.

Section 2. Book-Entry Bonds. As provided by Section 212 of the Master Resolution, the Series 2021 Bonds shall be issued in book-entry only form, as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee), or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity, in the aggregate principal amount of such maturity, and will be deposited with DTC as the Depository.

Section 3. Form of the Series 2021 Bonds. The Series 2021 Bonds and the certificate of validation and certificate of authentication to be endorsed thereon will be in substantially the form set forth in Exhibit A attached hereto and made a part hereof.

Section 4. Application of Bond Proceeds.

The proceeds from the sale of the Series 2021 Bonds, together with other funds of the Issuer, shall be applied as follows:

(a) all costs and expenses in connection with the issuance and sale of the Series 2021 Bonds, including, without limitation, fees and expenses of engineers, accountants, attorneys, underwriters, financial advisors, and financial fees and expenses, advertising, recording, validation and printing expenses, and all other expenses incurred in connection with the issuance of the Series 2021 Bonds, shall be paid by the Issuer to those persons who shall be entitled to receive the same; and

(b) for deposit to the Debt Service Account, an amount to be used to pay capitalized interest on the Series 2021 Bonds; and

(c) the balance of the proceeds of the Series 2021 Bonds shall be deposited into the Construction Fund for use in payment of the costs of the 2021 Projects.

Section 5. No Debt Service Reserve Requirement. There is no Debt Service Reserve Requirement for the Series 2021 Bonds and no deposits will be made to the Debt Service Reserve Account for the Series 2021 Bonds. There is no Composite Reserve Requirement for the Series 2021 Bonds and no deposits will be made to the Composite Reserve Account within the Debt Service Reserve Account.

Section 6. Costs of Issuance Account. In accordance with Section 402 of the Master Resolution, a special account is hereby authorized to be created and established by the Issuer prior to the issuance and delivery of the Series 2021 Bonds, said account to be designated the "BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION COSTS OF ISSUANCE ACCOUNT, SERIES 2021" (the "**Costs of Issuance Account**"), to be held separate and apart from all other deposits or funds of the Issuer.

Third Supplemental Bond Resolution

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Section 7. Construction Fund. In accordance with Section 404 of the Maser Resolution, a construction fund is hereby authorized to be created prior to or concurrently with the issuance and delivery of the Series 2021 Bonds, said fund to be designated the BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION CONSTRUCTION FUND 2021 (the "Construction Fund"). The Construction Fund shall be maintained by the Issuer until completion of the 2021 Projects with the Construction Fund Custodian. There shall be deposited to the credit of the Construction Fund proceeds of the sale of the Series 2021 Bonds as set forth in Section 5 of this Third Supplemental Resolution and any other funds received by grant, donation or otherwise to finance the 2021 Projects shall be deposited in the Construction Fund, or the Issuer shall cause such funds to be deposited in a separate account in the Construction Fund and used for the purposes herein provided. Such money as are deposited in the Construction Fund shall be held by the Construction Fund Custodian and withdrawn only in accordance with the provisions and restrictions set forth in the Resolution, and the Issuer will not cause or permit to be paid therefrom any sums except in accordance herewith; provided, however, that any money in the Construction Fund not needed at the time for the payment of current obligations during the course of the acquisition and construction of the 2021 Projects, may be invested and reinvested by the Construction Fund Custodian, upon direction of the Issuer, in such investments as are set forth in Section 605(a) of the Master Resolution. Any such investments shall mature not later than such times as shall be necessary to provide money when needed for payments to be made from the Construction Fund, and shall be held by the Construction Fund Custodian for the account of the Construction Fund until maturity or until sold, and at maturity or upon such sale, the proceeds received therefrom, including accrued interest and premium, if any, shall be immediately deposited by the Construction Fund Custodian in the Construction Fund and shall be disposed of in the manner and for the purposes hereinafter provided.

Section 8. Lien on Construction Fund for Series 2021 Bondholders. All money in and securities held for the Construction Fund shall be subject to a lien and charge in favor of the Holders of the Series 2021 Bonds and shall be held for the security of such Holders until paid out as provided in the Resolution.

Section 9. Construction of 2021 Projects. The Issuer will proceed with the acquisition, construction and equipping of the 2021 Projects substantially in accordance with the plans and specifications on file with the Commission. Withdrawals from the Construction Fund will be made in accordance with the provisions of Section 406 and 407 of the Master Resolution.

Section 10. Completion of the 2021 Projects. In accordance with Section 412 of the master Resolution, when the acquisition, construction, and equipping of the 2021 Projects have been completed, said fact shall be evidenced by a certificate to the Issuer and the Construction Fund Custodian from the Project Superintendent to such effect specifying the date of completion. Should there be any balance in the Construction Fund which is not needed to defray proper charges against said fund which have not been paid, such balance shall be transferred to the Debt Service Account, and used to the extent available for payment of interest on the Series 2021 Bonds on the next Interest Payment Date or Interest Payment Dates or for any other lawful purpose if there is received by the Issuer an opinion of Bond Counsel that such application will not cause the interest on the Series 2021 Bonds to be included in a Bondholder's income for federal income tax purposes.

Third Supplemental Bond Resolution
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(b) The Issuer hereby specifically waives the requirements of O.C.G.A. § 36-82-100 that the expenditure of the proceeds of the Series 2021 Bonds be subject to an ongoing performance audit or performance review, and authorizes such waiver to be published in the notice of hearing relating to the validation of the Series 2021 Bonds.

Section 16. General Authorization. The proper officers and agents of the Issuer are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Master Resolution, as supplemented and amended, and this Third Supplemental Resolution, and are further authorized to take any and all further actions and execute and deliver any and all other documents as may be necessary in the issuance of the Series 2021 Bonds. All actions heretofore taken and all documents heretofore executed in connection with the issuance of the Series 2021 Bonds are ratified and approved.

Section 17. Reaffirmation of Master Resolution.

(a) The provisions of Section 8 of the First Supplemental Resolution providing for the Financial Guaranty Insurance Policy with Assured Guaranty Municipal Corp. insuring the payment of the Series 2010C Bonds will not apply to the Series 2017 Bond or the Series 2021 Bonds. Such policy expired upon the redemption of the Series 2010C Bonds on June 1, 2020.

(b) Except as supplemented by the provisions of this Third Supplemental Resolution, the Master Resolution, as supplemented and amended by the First Supplemental Resolution and the Second Supplemental Resolution, are hereby reaffirmed and shall continue in full force and effect, and the terms and provisions shall be applicable to the Series 2021 Bonds.

Third Supplemental Bond Resolution
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Section 11. Designation Project Superintendent. On or prior to the date of the issuance and delivery of the Series 2021 Bonds, the Chairman shall execute a certificate designating one or more persons to serve as Project Superintendent to have responsibility to supervise the acquisition and construction of the 2021 Projects. The Chairman may, by execution of a proper certificate, designate any one or more other persons as Project Superintendent at any time.

Section 12. Bond Registrar, Paying Agent, and Authentication Agent; Authorized Depository.

(a) U.S. Bank National Association, Atlanta, Georgia, is hereby designated as Paying Agent, Bond Registrar and Authenticating Agent for the Series 2021 Bonds.

(b) U.S. Bank National Association, Atlanta, Georgia is hereby redesignated as Sinking Fund Custodian and Renewal and Extension Fund Custodian established pursuant to the Master Resolution.

(c) U.S. Bank National Association, Atlanta, Georgia, is hereby designated as the Construction Fund Custodian.

Section 13. Acceptance and Award of Bid. The bid for the purchase of the Series 2021 Bonds described in the Preamble is hereby accepted and awarded by the Issuer to FHN Financial Capital Markets. A copy of said winning bid is attached hereto as Exhibit C and incorporated herein by reference.

Section 14. Authorization of Final Official Statement. The Issuer has caused to be distributed a Preliminary Official Statement and an Official Notice of Sale with respect to the Series 2021 Bonds and the Issuer shall execute and deliver an Official Statement in final form and the execution and delivery of the Official Statement in final form is hereby authorized and approved. The Chairman of the Commission is hereby authorized to execute and deliver the final Official Statement for and on behalf of the Issuer, and the Official Statement shall be in substantially the form of the Preliminary Official Statement, subject to such changes, insertions or omissions as may be approved by the Chairman and the execution of said Official Statement by the Chairman as hereby authorized shall be conclusive evidence of any such approval. The distribution of the Official Statement for and on behalf of the Issuer is hereby authorized and approved.

Section 15. Validation; Performance Audit.

(a) In accordance with Section 1007 of the Master Resolution, the Series 2021 Bonds shall be validated in the manner provided in the Revenue Bond Law, as amended, and to that end notice of the adoption of this Resolution and a certified copy thereof shall be served immediately on the District Attorney of the Brunswick Judicial Circuit in order that proceedings for the confirmation and validation of the Series 2021 Bonds by the Superior Court of Glynn County may be instituted by said District Attorney.

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APPROVED AND ADOPTED this August 19, 2021.

BRUNSWICK-GLYNN COUNTY
WATER AND SEWER COMMISSION

By: /s/ Ben Turnipseed
Chairman

(S E A L)

Attest: /s/ Andrew Burroughs
Executive Director

Third Supplemental Bond Resolution
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Exhibit A

[FORM OF SERIES 2021 BOND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Brunswick-Glynn County Water and Sewer Commission or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R—

UNITED STATES OF AMERICA
STATE OF GEORGIA

BRUNSWICK-GLYNN COUNTY
WATER AND SEWER COMMISSION
REVENUE BONDS, SERIES 2021

Maturity Date: _____, 20____
Interest Rate: _____ %
Principal Amount: \$ _____
Bond Date: [Date of Issuance and Delivery]
Registered Owner: Cede & Co.

CUSIP:

The Brunswick-Glynn County Water and Sewer Commission (the "Issuer"), a body corporate and politic and a public corporation, created by the "Brunswick-Glynn County Joint Water and Sewer Commission Act," established by Ga. Laws 2006, p. 3661, as amended (the "Act"), for value received hereby promises to pay or cause to be paid to the registered owner named above or its registered assigns, the principal amount specified above, solely from the special fund provided therefor as hereinafter set forth, on the maturity date specified above, upon presentation and surrender of this Series 2021 Bond ("this Bond") at the designated corporate trust office of U.S. Bank National Association, Atlanta, Georgia, as Paying Agent and Bond Registrar, in lawful money of the United States of America, and to pay to the registered owner hereof solely from said special fund, by check or draft mailed by first class mail (or by wire transfer to the registered owner of this Bond in the minimum aggregate principal amount of \$1,000,000 at a wire transfer address which said registered owner has provided to the Paying Agent not less than five business days prior to an Interest Payment Date (hereinafter defined), which wire instructions shall remain in effect until five business days after the Paying Agent is notified to the contrary), to such owner at such owner's address as it shall appear on the bond

Third Supplemental Bond Resolution
Exhibit A - 1

as may be designated by the Issuer, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

The Series 2021 Bonds maturing on June 1, 2035, are subject to scheduled mandatory redemption prior to maturity in part *pro rata* among the Bondholders of the mandatory Series 2021 Bonds to be redeemed (rounded to the nearest \$5,000 of the principal amount of each Series 2021 Bond) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of such redemption, in the following principal amounts and on the dates set forth below (the June 1, 2035, amount to be paid at maturity rather than redeemed):

<u>Year</u>	<u>Principal Amount</u>
2034	\$80,000
2035	80,000

Any such redemption, either in whole or in part, shall be made following notice to the owners of the affected Series 2021 Bonds as set forth in the Resolution.

Payment of the Series 2021 Bonds is secured by a first and prior pledge of and lien on the Net Revenues (as such term is defined in the Resolution) derived by the Issuer from the ownership and operation of the System, including all future additions thereto. Said first and prior lien or pledge on the Net Revenues of the System is on a parity with the first and prior charge or lien thereon of the BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REFUNDING REVENUE BOND, SERIES 2017 (the "Series 2017 Bond"). In addition to the Series 2017 Bond and the Series 2021 Bonds, the Issuer, under certain conditions as provided in the Resolution, may issue additional water and sewer revenue bonds which, if issued in accordance with such provisions will rank on a parity with the Series 2017 Bond and the Series 2021 Bonds with respect to the pledge of and the charge or lien on the Net Revenues of the System ("Parity Bonds"). The Series 2017 Bond, the Series 2021 Bonds, and any Parity Bonds hereafter issued are referred to collectively as the "Bonds."

Reference to the Resolution is hereby made for a complete description of the funds charged with and pledged to the payment of the principal of and interest on the Series 2021 Bonds, a complete description of the nature and extent of the security provided for the payment of the Series 2021 Bonds, a statement of the rights, duties and obligations of the Issuer, the rights of the owners of the Series 2021 Bonds, and the terms and conditions under which Parity Bonds may be issued, to all the provisions of which the owner hereof, by the acceptance of this Bond, assents.

The Resolution provides, *inter alia*, for prescribing, establishing and revising rates and collecting fees, tolls and charges for the services, facilities and commodities furnished by the System as the same now exists and as it may be hereafter extended, improved and equipped, sufficient in amount to provide funds to pay into a special fund (the "Sinking Fund"), an amount sufficient, together with the investment income thereon, if any, to pay the principal of and the interest on the Bonds, as such principal and interest shall become due and be payable, and to create and maintain a reserve for that purpose. The Sinking Fund, by the provisions of the Resolution, is pledged to and charged with the payment of the principal of the Bonds and the interest thereon.

Third Supplemental Bond Resolution
Exhibit A - 3

register kept by the Bond Registrar, interest on such principal sum, at the interest rate per annum specified above, payable on June 1 and December 1 (each an "Interest Payment Date") of each year, commencing June 1, 2022, from the Bond Date or from the most recent Interest Payment Date to which interest has been paid until payment is made of such principal sum in full.

The interest so payable on any Interest Payment Date will be paid to the person in whose name this Bond is registered at the close of business on the 15th day of the calendar month preceding such Interest Payment Date (the "Record Date"); provided, however, that if and to the extent a default shall occur in the payment of interest due on said Interest Payment Date, such past due interest shall be paid to the persons in whose names outstanding Series 2021 Bonds are registered on a subsequent date of record established by notice given by mail by the Paying Agent to the holders of the Series 2021 Bonds not less than 30 days preceding such subsequent date of record. Both the principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Issuer has established a Book Entry system of registration for this Bond. Except as specifically provided otherwise in the hereinafter defined Resolution, Cede & Co., as nominee of The Depository Trust Company, will be the registered owner and will hold this Bond on behalf of each beneficial owner hereof. By acceptance of a confirmation of purchase, delivery or transfer, each beneficial owner of this Bond shall be deemed to have agreed to such arrangement. Cede & Co., as registered owner of this Bond, will be treated as the owner of this Bond for all purposes.

This Bond is one of the duly authorized series of bonds designated the BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2021 (the "Series 2021 Bonds"), of like date and tenor, except as to numbers, maturities, interest rates, and redemption provisions, issued in the aggregate principal amount of \$15,815,000 to provide funds needed to pay the cost, in whole or in part, to acquire, construct, and equip certain improvements, extension and additions to the water and sewer system of the Commission (the "System"), and pay expenses incurred in connection with the issuance of the Series 2021 Bonds.

The Series 2021 Bonds are issued pursuant to authority of and in accordance with the provisions of the Constitution of the State of Georgia, the Revenue Bond Law of Georgia, codified in O.C.G.A. § 36-82-60, *et seq.*, the general laws of the State of Georgia relating to the Issuer, and the Act, and was duly authorized by a Master Resolution adopted by the governing body of the Issuer on June 17, 2010, as supplemented and amended by the First Supplemental Resolution adopted by the Commission on June 24, 2010, a Second Supplemental Resolution adopted on November 29, 2017, and a Third Supplemental Resolution adopted on August 19, 2021 (collectively, the "Resolution").

The Series 2021 Bonds maturing on June 1, 2032, and thereafter may be redeemed prior to their respective maturities at the option of the Issuer, in whole or in part, at any time, beginning June 1, 2031, (if less than all of the Series 2021 Bonds of a maturity are to be redeemed, the actual Series 2021 Bonds of such maturity shall be selected by lot in such manner as may be designated by DTC while the Series 2021 Bonds are held as book-entry bonds and by the Paying Agent if the Series 2021 Bonds are no longer held as book-entry bonds), in such order

Third Supplemental Bond Resolution
Exhibit A - 2

There is no Debt Service Reserve Requirement for this Bond and no deposits will be made to the Debt Service Reserve Account (as such terms are defined in the Resolution).

THIS BOND SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE STATE OF GEORGIA (THE "STATE"), CITY OF BRUNSWICK (THE "CITY"), OR GLYNN COUNTY (THE "COUNTY") NOR A PLEDGE OF THE FAITH AND CREDIT OF SAID STATE, CITY OR COUNTY, NOR SHALL THE STATE, CITY OR COUNTY BE SUBJECT TO ANY PECUNIARY LIABILITY HEREON. THIS BOND SHALL NOT BE PAYABLE FROM, NOR A CHARGE UPON, ANY FUNDS OTHER THAN THE REVENUES PLEDGED TO THE PAYMENT HEREOF, AND IS PAYABLE SOLELY FROM THE SPECIAL FUND PROVIDED THEREFOR FROM THE NET REVENUES OF THE SYSTEM, INCLUDING ALL FUTURE ADDITIONS THERETO AND ANY OTHER MONEY DEPOSITED THEREIN. NO OWNER OF THIS BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER OF THE STATE, CITY OR COUNTY TO PAY THE SAME, OR THE INTEREST HEREON, OR TO ENFORCE PAYMENT HEREOF AGAINST ANY OTHER PROPERTY OF THE ISSUER, NOR SHALL THIS BOND CONSTITUTE A CHARGE, LIEN OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON ANY OTHER PROPERTY OF THE ISSUER OTHER THAN THE REVENUES PLEDGED TO THE PAYMENT HEREOF. THE ISSUER HAS NO TAXING POWER.

The person in whose name this Bond is registered shall be deemed and regarded as the absolute owner hereof for all purposes, and payment of or on account of either principal or interest made to such registered owner shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid. This Bond is registrable as transferred by the owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar, all subject to the terms and conditions of the Resolution.

The Series 2021 Bonds are issuable as fully registered bonds in the principal denomination of \$5,000 or any integral multiple thereof. Subject to the limitations provided in the Resolution, Series 2021 Bonds may be exchanged at the designated corporate trust office of the Bond Registrar for a like principal amount of Series 2021 Bonds of the same maturity and of other authorized denominations.

To the extent and in the manner permitted by the Resolution, modifications or alterations of the provisions thereof or of any supplement thereto or of the Series 2021 Bonds may be made without necessity for notation hereon or reference thereto.

This Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Bond shall have been authenticated by the execution by the Authentication Agent of the certificate of authentication hereon.

This Bond is issued with the intent that the laws of the State of Georgia shall govern its construction, and, in case of default, the owner hereof shall be entitled to the remedies provided by the Resolution and by all applicable laws.

Third Supplemental Bond Resolution
Exhibit A - 4

It is hereby recited and certified that all acts, conditions, and things required to exist, happen, or be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due and legal time, form, and manner as required by law, and that provision has been made for the allocation of the anticipated revenue and receipts to be derived from the ownership and operation of the System in amounts sufficient to pay the principal of and interest on all Series 2021 Bonds and any parity bonds as the same shall mature and become due and that said funds are irrevocably allocated and pledged to the payment of all of the Series 2021 Bonds and any parity bonds and the interest thereon.

IN WITNESS WHEREOF, the Brunswick-Glynn County Water and Sewer Commission has caused this Bond to be executed by the manual or facsimile signature of its Chairman and its corporate seal to be hereunto reproduced and attested by the manual or facsimile signature of its Executive Director, as of the day first above written.

BRUNSWICK-GLYNN COUNTY
WATER AND SEWER COMMISSION

(S E A L)

By: _____ (FORM)
Chairman

Attest: _____ (FORM)
Executive Director

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2021 Bonds described in the within-mentioned Resolution.

Date of Authentication: [Date of Issuance and Delivery]

U.S. BANK NATIONAL ASSOCIATION,
as Authentication Agent

By: _____ (FORM)
Authorized Signatory

* * * * *

STATE OF GEORGIA)
)
GLYNN COUNTY) VALIDATION CERTIFICATE

I, the undersigned Clerk of Superior Court of Glynn County, State of Georgia, keeper of the records and seal thereof, hereby certify that this Bond was validated and confirmed by judgment of the Superior Court of Glynn County, Georgia, on _____, 2021.

IN WITNESS WHEREOF, I have hereunto set my hand or caused my official signature and the seal of the Superior Court of Glynn County, Georgia, to be reproduced hereon in facsimile.

(S E A L) _____ (FORM)
Clerk of Superior Court
Glynn County, Georgia

Third Supplemental Bond Resolution
Exhibit A - 5

Third Supplemental Bond Resolution
Exhibit A - 6

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto

Social Security Number or
Other Identifying Number of Assignee:

Please print or type name and address
(including postal zip code) of Assignee:

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ as Agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

(FORM)
Assignor

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Series 2021 Bond in every particular, without alteration or enlargement or any change whatever.

Date: _____, 20__

Signature Guaranteed:

(FORM)

NOTICE: Signature(s) must be guaranteed by a member firm of the STAMP, SEMP or MSP signature guarantee mediation programs.

Exhibit B

CERTIFICATE OF WAIVER OF PARITY CONDITIONS

Before the undersigned attesting officer, duly authorized by law to administer oaths, personally appeared, KEVIN KING, who, being duly sworn, on oath states as follows:

1. I am duly authorized officer of Sterling National Bank (the "Bank"), a national banking company organized and existing under the laws of the United States of America, and by virtue of holding such position, I have knowledge of the facts herein stated.

2. The Bank is the Registered Owner of the outstanding BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REFUNDING REVENUE BOND, SERIES 2017 (the "Series 2017 Bond") issued pursuant to a Master Resolution adopted by the governing body of the Brunswick-Glynn County Water and Sewer Commission (the "Commission") on June 17, 2010, as supplemented and amended by the First Supplemental Resolution adopted by the Commission on June 24, 2010 and a Second Supplemental Resolution adopted on November 29, 2017 (collectively, the "Resolution"). All capitalized terms used herein and not defined are as defined in the Resolution.

3. The Bank has been informed that the Commission desires to issue its BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2021 (the "Series 2021 Bonds"), in the maximum aggregate principal amount of \$17,000,000, ranking as to the first and prior pledge of and lien on the Net Revenues of the water and sewer system of the Commission *pari passu* with the Series 2017 Bond. The Commission has requested the Bank to waive one of the conditions required under the Resolution for the issuance of the Series 2021 Bonds as Parity Bonds.

4. By virtue of holding said position as aforesaid, I am authorized, on behalf of and in the name of the Bank, to hereby waive all of the limitations and conditions set forth in Section 509(c) of the Resolution relating to the issuance of additional Parity Bonds, provided that all other conditions in Section 509 of the Resolution are satisfied, and provided further that this waiver shall apply only to the issuance of the Series 2021 Bonds.

IN WITNESS WHEREOF, the affixed has hereunto set his hand, this 08/06, 2021.

By: Kevin C King
Kevin King
Senior Managing Director

Paul S Brown
Notary Public



PAUL S BROWN
Notary Public
State of Ohio
My Comm. Expires
October 12, 2025

[NOTARIAL SEAL]

Third Supplemental Bond Resolution
Exhibit A - 7

Exhibit C

Awarded Bid for Series 2021 Bonds

Upcoming Calendar	Overview	Result	Excel
-------------------	----------	--------	-------

FHN Financial Capital Markets - New York , NY's Bid

**Brunswick-Glynn Co Wtr & Swr
\$15,795,000 Revenue Bonds, Series 2021**

For the aggregate principal amount of \$15,795,000.00, we will pay you \$15,816,736.60, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount \$	Coupon %	Yield %	Dollar Price
06/01/2024	45M	5.0000	0.3500	112.522
06/01/2025	45M	5.0000	0.4500	116.713
06/01/2026	50M	5.0000	0.6500	120.137
06/01/2027	55M	5.0000	0.8000	123.388
06/01/2028	55M	5.0000	0.9000	126.630
06/01/2029	60M	5.0000	1.0000	129.602
06/01/2030	60M	5.0000	1.1000	132.300
06/01/2031	65M	5.0000	1.2000	134.723
06/01/2032	65M	4.0000	1.3500	124.034
06/01/2033	65M	3.0000	1.4000	114.475
06/01/2034				
06/01/2035	140M	3.0000	1.6000	112.540
06/01/2036	2,600M	2.0000	1.8500	101.326
06/01/2037	2,400M	2.0000	1.9200	100.764
06/01/2038	2,200M	2.0000	2.0000	100.000
06/01/2039	2,000M	2.0000	2.0500	99.259
06/01/2040	1,800M	2.0000	2.1000	98.458
06/01/2041	1,600M	2.1250	2.1500	99.598
06/01/2042	1,400M	2.1250	2.2000	98.756
06/01/2043	1,090M	2.2000	2.2500	99.143
Total Interest Cost:				\$5,689,859.58
Premium:				\$21,736.60
Net Interest Cost:				\$5,668,122.98
TIC:				2.064110
Time Last Bid Received On:08/19/2021 9:59:52 EDT				

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: FHN Financial Capital Markets, New York , NY
Contact: Vincent Pietarza
Title:
Telephone:212-418-5005
Fax:

EXECUTIVE DIRECTOR'S CERTIFICATE

I, the undersigned Executive Director of the Brunswick-Glynn County Water and Sewer Commission (the "Commission"), keeper of the records and seal thereof, hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Commission in public meeting properly and lawfully assembled on August 19, 2021, the original of which resolution has been entered in the official records of the Commission under my supervision and is in my official possession, custody and control.

I further certify that the meeting was held in conformity with the requirements of Title 50, Chapter 14 of the Official Code of Georgia Annotated.

(SEAL)

/s/ Andrew Burroughs
Executive Director

Issuer: Brunswick-Glynn County Water and Sewer Commission
Company Name:

APPENDIX D

PROPOSED FORM OF LEGAL OPINION OF BOND COUNSEL

The form of the legal opinion included in this Appendix D has been prepared by Gray Pannell & Woodward LLP, Savannah, Georgia, Bond Counsel, and is substantially the form to be given in connection with the delivery of the Series 2021 Bonds.

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[Date of Closing]

Brunswick-Glynn County Water and Sewer Commission
Brunswick, Georgia

Re: \$15,815,000 BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION
REVENUE BONDS, SERIES 2021

To the Addressees:

We have acted as bond counsel in connection with the issuance of the BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2021 (the “Series 2021 Bonds”), in the aggregate principal amount of \$15,815,000. In this capacity we have examined the following:

(i) the Constitution and laws of the State of Georgia, including specifically the laws of the State of Georgia relating to the Brunswick-Glynn County Water and Sewer Commission (the “Commission”) and the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60, et seq.), as amended;

(ii) certified copies of proceedings of the Commission preliminary to and in connection with the execution, issuance and delivery by the Commission of the Series 2021 Bonds, including a bond resolution of the Commission adopted on June 17, 2010, as supplemented and amended by a first supplemental resolution adopted on June 24, 2010, a second supplemental resolution adopted on November 29, 2017, and a third supplemental resolution adopted on August 19, 2021 (collectively, the “Bond Resolution”);

(iii) the opinion of Hall Booth Smith, P.C., Brunswick, Georgia, counsel for the Commission; and

(iv) other proofs authorizing and relating to the issuance of the Series 2021 Bonds, including a certified copy of the proceedings in and judgment of the Superior Court of Glynn County, Georgia, by which the Series 2021 Bonds were validated.

As to questions of fact material to our opinion, we have relied upon representations of the Commission contained in the Bond Resolution and in the certified proceedings and other

certifications of public officials furnished to us, without undertaking to verify the same by independent investigation.

The Series 2021 Bonds are subject to transfer and exchange at the times, in the manner and on the terms specified in the Bond Resolution. The Series 2021 Bonds are being issued by means of a book-entry system, and interest is payable thereon semi-annually on June 1 and December 1 of each year, beginning June 1, 2022. Certain of the Series 2021 Bonds are subject to optional redemption and scheduled mandatory redemption prior to maturity.

The Series 2021 Bonds are being issued by the Commission for the purposes of providing funds needed to pay the costs of (i) acquiring, constructing and equipping certain improvements, extensions and additions to the water and sewer system of the Commission (the “System”), (ii) paying capitalized interest on the Series 2021 Bonds, and (iii) the fees and expenses to be incurred in connection with the issuance of the Series 2021 Bonds.

Payment of the Series 2021 Bonds is secured by a first and prior pledge of and lien on the Net Revenues (as defined in the Bond Resolution) of the System, as the same now exists and as it may be hereafter extended and enlarged. Said first and prior lien or pledge on the Net Revenues of the System is on a parity with the outstanding BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REFUNDING REVENUE BOND, SERIES 2017 (the “Series 2017 Bond”), and any additional revenue bonds of the Commission hereafter issued on a parity basis with the Series 2017 Bond and the Series 2021 Bonds, in accordance with the terms of the Bond Resolution.

The Series 2021 Bonds do not constitute a general obligation debt of the Commission, nor a debt or obligation of the State of Georgia or any political subdivision thereof, nor a pledge of the faith and credit of the Commission, the State of Georgia or any political subdivision thereof, nor shall the Commission, the State of Georgia or any political subdivision thereof be subject to any pecuniary liability thereon. The Series 2021 Bonds shall not be payable from nor a charge upon any funds other than the funds pledged to the payment thereof and are payable solely from the funds provided therefor including the Net Revenues of the System and all future additions thereto. No holder of any of the Series 2021 Bonds shall ever have the right to enforce payment thereof against any other property of the Commission, nor shall the Series 2021 Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any other property of the Commission.

The legal opinions expressed herein are based upon existing law, are subject to judicial discretion regarding usual equity principles and do not relate to compliance by the Commission, the initial purchasers of the Series 2021 Bonds, or any other party with any statute, regulation or ruling of the State of Georgia or the United States of America with respect to the sale (other than the initial sale by the Commission) or distribution of the Series 2021 Bonds except as specifically set forth in this opinion.

The Internal Revenue Code of 1986, as amended (the “Code”), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Series 2021 Bonds for interest thereon to be and remain excludable from gross income for purposes of federal income taxation. Non-compliance with such requirements may cause interest on the Series 2021 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance

of the Series 2021 Bonds. The Commission has covenanted in the Bond Resolution to comply with the requirements of the Code in order to maintain the exclusion from federal gross income of the interest on the Series 2021 Bonds.

Based on the examinations and representations referred to above, we are of the opinion that as of the date hereof and under existing law:

1. The Commission is a body corporate and politic and a public corporation, created and validly existing under the laws of the State of Georgia and had and has the right and lawful authority to authorize and issue the Series 2021 Bonds and to carry out the transactions contemplated by the Bond Resolution.

2. The Bond Resolution has been duly adopted by the Commission and constitutes a legal, valid and binding obligation of the Commission enforceable in accordance with its terms.

3. The Series 2021 Bonds have been properly authorized by the Bond Resolution, have been validated, executed and issued in accordance with the Constitution and laws of the State of Georgia, and particularly, in accordance with the provisions of the Revenue Bond Law and are the legal, valid and binding special obligations of the Commission enforceable in accordance with their terms and the terms of the Bond Resolution.

4. The Series 2021 Bonds are payable and secured in accordance with their tenor from certain funds created for that purpose under the Bond Resolution, and the Commission has covenanted to pay into such funds, from revenues to be derived from the operation of the System, sums sufficient to pay the principal of and interest on the Series 2021 Bonds.

5. The payment of the principal of and the interest on the Series 2021 Bonds is secured by a first and prior pledge of and charge or lien on the Net Revenues of the System. The Commission has reserved the right to issue additional bonds on a parity with the Series 2021 Bonds and the Series 2017 Bond as to the lien on the Net Revenues of the System.

6. The Series 2021 Bonds have been duly confirmed and validated by judgment of the Superior Court of Glynn County, Georgia, and no valid appeal may be taken from said judgment of validation.

7. Interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes and is not an item of preference for purposes of the federal alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the Commission comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2021 Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The interest on the Series 2021 Bonds is exempt from present State of Georgia income taxation.

Although we have rendered an opinion that interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes, a Bondowner's federal tax liability may otherwise be affected by the ownership or disposition of the Series 2021 Bonds. The nature and

extent of these other tax consequences will depend upon the Bondowner's other items of income or deduction. We express no opinion regarding any such other tax consequences.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Yours very truly,

GRAY PANNELL & WOODWARD LLP

By: _____
A Partner

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (“Disclosure Certificate”) is executed and delivered by the Brunswick-Glynn County Water and Sewer Commission (the “Commission”), in connection with the issuance of its BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION REVENUE BONDS, SERIES 2021, in the aggregate principal amount of \$15,815,000 (the “Series 2021 Bonds”). The Series 2021 Bonds are being issued pursuant to a bond resolution of the Commission adopted on June 17, 2010, as supplemented and amended by a first supplemental resolution adopted on June 24, 2010, a second supplemental resolution adopted on November 29, 2017, and a third supplemental resolution adopted on August 19, 2021 (collectively, the “Resolution”);

The Commission covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Commission for the benefit of the Holders and Beneficial Owners of the Series 2021 Bonds (together, the “Bondholders”) and in order to assist the Participating Underwriter (defined below) in complying with the continuing disclosure requirements of U.S. Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Commission pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Commission” means the Brunswick-Glynn County Water and Sewer Commission, a body corporate and politic and a public corporation, created by the “Brunswick-Glynn County Joint Water and Sewer Commission Act,” established by Ga. Laws 2006, p. 3661, as amended by Ga. Laws 2012, p. 5287 and Ga. Laws 2016, p. 3523 (collectively, the “Act”).

“Beneficial Owner” means any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2021 Bonds (including persons holding Series 2021 Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Series 2021 Bonds for federal income tax purposes.

“Dissemination Agent” means the Commission, or any successor Dissemination Agent designated in writing by the Commission and which has filed with the Commission a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Market Access System which became effective July 1, 2009, and receives electronic submissions of the Annual Report on the EMMA website at <http://www.emma.msrb.org>.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means any period of 12 consecutive months adopted by the governing body of the Commission as the Commission’s fiscal year for financial reporting purposes. The Commission’s current fiscal year began on July 1, 2021, and will end on June 30, 2022.

“Listed Events” means any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board.

“Obligated Person” has the meaning set forth in the Rule.

“Participating Underwriter” means FHN Financial Capital Markets, New York, New York, the original underwriter of the Series 2021 Bonds required to comply with the Rule in connection with the offering of the Series 2021 Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Commission will provide, or cause the Dissemination Agent (if other than the Commission) to provide electronically, to EMMA, not later than 9 months after the end of the Commission’s Fiscal Year, commencing with the report for the 2021 Fiscal Year, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report will be made to EMMA as PDF files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Commission may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. In such event, the audited financial statements will be submitted promptly upon their availability. If the Commission’s fiscal year changes, the Commission shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) business days prior to the date specified in paragraph (a) of this Section 3 for providing the Annual Report to EMMA, the Commission shall provide the Annual Report to the Dissemination Agent (if other than the Commission). If the Commission is unable to provide an Annual Report by the date required in paragraph (a), the Dissemination Agent shall send in a timely manner a notice to EMMA in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year, prior to the date for providing the Annual Report, the manner of filing with EMMA; and

(ii) (if the Dissemination Agent is other than the Commission) file a report with the Commission certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to EMMA.

SECTION 4. Content of Annual Reports.

(a) The Commission’s Annual Report shall contain or incorporate by reference:

(i) The general purpose financial statements of the Commission for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as applicable to governmental entities from time to time by the Governmental Accounting Standards Board except for (i) the variances, and omissions disclosed in the Official Statement relating to the Series 2021 Bonds and (ii) such other minor deviations or omissions which do not materially misstate the financial position of the Commission. Such general purpose financial statements shall be accompanied by an audit report, if available at the time of providing the Annual Report as provided in Section 3(a) hereof, resulting from an audit conducted by an independent certified public accountant or a firm of independent certified public accountants in conformity with generally

accepted auditing standards. If such audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Disclosure Certificate, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement for the Series 2021 Bonds, and the audited financial statements, together with the audit report thereon, will be provided in the same manner as the Annual Report when they become available.

(ii) Tabular information for the preceding Fiscal Year regarding the following categories of financial information and operating data which shall be consistent with the information contained in the tables of the Official Statement relating to the Series 2021 Bonds under the headings “THE SYSTEM, -Historical Numbers of Water and Sewer Customers; - Historical Water and Sewer Usage; -Ten Largest Water and Sewer Customers;” “DEBT STRUCTURE OF SYSTEM, - Historical Debt Service Coverage Ratios.”

(iii) If generally accepted accounting principles have changed since the last Annual Report was submitted pursuant to Section 3(a) hereof and if such changes are material to the Commission, a narrative explanation describing the impact of such changes on the Commission.

(b) Any or all of the items listed above may be incorporated by specific reference to other documents, including official statements of debt issues with respect to which the Commission is an “obligated person” (as defined by the Rule), which have been submitted to EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Commission shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) The Commission shall provide or cause to be provided through the Dissemination Agent to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2021 Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the Series 2021 Bonds.
7. Modifications to rights of Bondholders, if material.
8. Bond calls, if material, and tender offers.
9. Defeasances.
10. Release, substitution, or sale of property securing repayment of the Series 2021 Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership, or similar event of the Commission. This event is considered to have occurred when any of the following have occurred: (i) appointment of receiver, fiscal agent, or similar officer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Commission, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court of governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Commission.

13. The consummation of a merger, consolidation, or acquisition involving the Commission or the sale of all or substantially all of the assets of the Commission, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a Financial Obligation of the Commission, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Commission, any of which affect security holders, if material.

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Commission, any of which reflect financial difficulties.

(b) Notwithstanding the foregoing, notice of Listed Events described in paragraph (a)(8) and (a)(9) above need not be given under this Section 5 any earlier than the notice (if any) of the underlying event is given to Bondholders of affected Series 2021 Bonds pursuant to the Resolution.

(c) The content of any notice of the occurrence of a Listed Event shall be determined by the Commission and shall be in substantially the form attached as Exhibit B.

SECTION 6. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Commission from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Commission chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Commission shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 7. Termination of Reporting Obligation. The Commission reserves the right to terminate its obligations under this Disclosure Certificate if and when the Commission no longer remains an Obligated Person with respect to the Series 2021 Bonds within the meaning of the Rule; in particular upon the occurrence of the legal defeasance, prior redemption, or payment in full of all of the Series 2021 Bonds. If such termination or substitution occurs prior to the final maturity of the Bonds, the Commission will provide notice of such termination or substitution to EMMA.

SECTION 8. Dissemination Agent. The Commission, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. A Dissemination Agent other than the Commission shall not be responsible in any manner for the content of any notice or report prepared by the Commission pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Commission.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Certificate, the Commission may amend this Disclosure Certificate if:

(a) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person on the Series 2021 Bonds, or type of business conducted;

(b) such amendment is supported by an opinion of counsel expert in federal securities laws, to the effect that the undertakings contained herein, as amended, would have complied with the requirements of the Rule on the date hereof, after taking into account any amendments or official interpretations of the Rule, as well as any change in circumstances; and

(c) such amendment does not materially impair the interests of the Bondholders, as determined either by an unqualified opinion of nationally recognized bond counsel filed with the Commission, or by the approving vote of the Bondholders pursuant to the terms of the Resolution at the time of such amendment.

If any provision of this Disclosure Certificate is amended, the first release of the Annual Report containing any amended financial information or operating data shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being provided. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5 and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Default. If the Commission fails to comply with any provision of this Disclosure Certificate, any Bondholder's right to enforce the provisions of this undertaking shall be limited to a right to obtain mandamus or specific performance by court order of the Commission's obligations pursuant to this Disclosure Certificate. Any failure by the Commission to comply with the provisions of this Disclosure Certificate shall not be an event of default with respect to the Series 2021 Bonds under the Resolution.

SECTION 11. Duties, Immunities, and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the Commission) shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent allowed by applicable law, the Commission agrees to indemnify and save the Dissemination Agent (if other than itself), its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Commission under this Section 11 shall survive resignation or removal of the Dissemination Agent (if other than itself) and payment of the Series 2021 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Commission, the Dissemination Agent (if other than the Commission), the Participating Underwriter, and Bondholders, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

SECTION 15. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Date: [Date of Issuance]

BRUNSWICK-GLYNN COUNTY WATER
AND SEWER COMMISSION

(S E A L)

By: _____
Chairperson

Attest: _____
Executive Director

Exhibit A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Brunswick-Glynn County Water and Sewer Commission

Name of Bond Issue: \$15,815,000 BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION
REVENUE BONDS, SERIES 2021

Date of Issuance: [_____, 2021]

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named bonds as required by the Continuing Disclosure Certificate executed by the Issuer on [_____, 2021]. The Issuer anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

[Name of Dissemination Agent]

By: _____

Exhibit B

NOTICE OF THE OCCURRENCE OF
[INSERT THE LISTED EVENT]

Relating to

\$15,815,000

BRUNSWICK-GLYNN COUNTY WATER AND SEWER COMMISSION
REVENUE BONDS, SERIES 2021

CUSIP NUMBERS¹:

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken, and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of a Listed Event constituting defeasance shall include the following:

The Brunswick-Glynn County Water and Sewer Commission hereby expressly reserves the right to redeem such refunded or defeased Series 2021 Bonds prior to their stated maturity date in accordance with the optional redemption provisions of said defeased Series 2021 Bonds.

OR

The Brunswick-Glynn County Water and Sewer Commission hereby covenants not to exercise any optional or extraordinary redemption provisions under the Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Series 2021 Bonds have been defeased to [maturity/the first call date, which is ____]. This notice does not constitute a notice of redemption and no Series 2021 Bonds should be delivered to the Brunswick-Glynn County Water and Sewer Commission or the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your Series 2021 Bonds for payment will be mailed ____ to ____ days prior to the redemption date.]

Dated: ____, 20__

BRUNSWICK-GLYNN COUNTY WATER
AND SEWER COMMISSION

By: _____
Executive Director

¹ No representation is made as to the correctness of the CUSIP number either as printed on the Series 2021 Bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.