



Newton County Water and Sewerage Authority FYE 2026 Budget and Financial Plan



Prepared by:

NCWSA Finance Staff
11325 Brown Bridge Road
Covington, GA 30016

TABLE OF CONTENTS

MESSAGE FROM THE EXECUTIVE DIRECTOR	6
Introduction	6
Background	6
Operating Budget	7
Operating Funds and Revenues.....	7
Operating Expenditures.....	8
Capital Improvement Projects.....	9
Conclusion	9
Acknowledgment	10
DISTINGUISHED BUDGET PRESENTATION AWARD	11
SECTION 1: INTRODUCTION AND OVERVIEW	12
HISTORY AND GOVERNANCE	13
NCWSA BOARD OF DIRECTORS	14
NCWSA SYSTEM FACTS	15
DEMOGRAPHIC AND ECONOMIC INFORMATION FOR NEWTON COUNTY	16
Water And Sewer Rate Comparison Information.....	18
NCWSA Customer Information.....	19
Top Ten Customers of the Newton County Water & Sewerage Authority	19
Water System - Recent and Projected Customer and Demand Statistics	19
Sewer System – Recent and Projected Customer and Demand Statistics	21
Newton County Water Service Area Map	23
Newton County Sewer Service Area Map	24
NEWTON COUNTY WATER AND SEWERAGE AUTHORITY STRATEGIC PLAN	25
Profile of the NCWSA	25
Mission	25
Vision.....	26
Values	26
Strategic Plan.....	26
Strategic Goal #1 - Financial Stability	28
Strategic Goal #2 – Enhanced and Effective Maintenance	28
Strategic Goal #3 – Innovative Customer Service	28

Strategic Goal #4 – Workforce Protection and Development 29

Strategic Goal #5 – Investment In Infrastructure 29

Strategic Goal #6 – Maintaining A Fiscally Responsible Level Of Debt..... 29

SECTION 2: FINANCIAL STRUCTURE, POLICY, AND BUDGET PROCESS 30

NCWSA ORGANIZATIONAL CHART 31

FUND STRUCTURE 32

BASIS OF BUDGETING..... 32

FINANCIAL PRACTICES..... 33

Operating Budget 33

Investments..... 33

Debt Management 33

Working Capital Reserve 34

Purchasing..... 34

Capital Improvement vs. Capital Outlay 34

Budget Control Guideline 34

Revenue Projection and Monitoring 34

Expenditure Control and Monitoring 35

Financial Reports 35

Capital Improvement Plan..... 35

Master Budget..... 35

Monthly Financial Reviews 35

Cash Management Practices 35

BUDGET PROCESS..... 36

The Budget as a Financial Plan 36

Rates and Fees 36

Budget Process..... 37

Budget Amendments..... 37

FYE 2026 Budget Calendar 37

SECTION 3: FINANCIAL SUMMARIES 40

OPERATING BUDGET SUMMARY – FYE 2026 41

FYE 2026 Major Operating Revenues..... 42

 Explanation of Significant Budget Variances - Revenues 43

 Discussion of Major Revenue Sources..... 43

FYE 2026 – Retail Service Rates 45

FYE 2026 – Operating Revenues Detail by Function..... 47

FYE 2026 Operating Expenditures 47

 Explanation of Significant Variances - Expenditures 48

 FYE 2026 – Operating Expenditures Detail by Function 55

Net Position 57

Working Capital 58

Long-Term Financial Plan 59

SECTION 4: CAPITAL AND DEBT 65

NCWSA CAPITAL IMPROVEMENT AND REPLACEMENT PLAN FYE 2026 - 2030..... 66

Project Descriptions and Impacts – Capital Projects – FYE 2026..... 76

 Water System..... 76

 Sewer System..... 78

 Reuse Capital Improvements..... 82

 Miscellaneous Capital Improvements 83

DEBT OBLIGATIONS 84

Description of Debt Standards 84

Summary of Debt Obligations 84

 Notes Payable 85

Summary Of Debt Service Payments..... 85

Projected Debt Service and Debt Service Coverage Ratio..... 87

SECTION 5: DEPARTMENTAL INFORMATION 91

NCWSA OPERATIONS GUIDE 92

NCWSA Senior Management..... 92

Operating Department Personnel 92

Operating Departments mission, Accomplishments, Goals and Objectives, and Key Performance Measures..... 93

 Administration Department..... 93

 Engineering Department..... 96

 Water Reclamation Department 100

 Water System Maintenance Department..... 103

 Business Operations Department..... 106

 Fleet, Facility, Inventory, And Cross Connection Department 109

 IT Department..... 113

Human Resources Department..... 116
GLOSSARY OF TERMS 121
GLOSSARY OF ACRONYMS..... 122





MESSAGE FROM THE EXECUTIVE DIRECTOR

INTRODUCTION

I am pleased to share NCWSA's proposed operating budget for the fiscal year ending June 30, 2026. This document is more than a set of numbers, it is our roadmap for advancing the Authority's core priorities - water quality, fiscal strength, resource sustainability, system reliability, and workforce growth.

Every line item reflects a simple promise to our ratepayers: dependable, high-quality water and wastewater service delivered with professionalism, courtesy, and efficiency. With your engagement and support, the FYE 2026 Budget positions us to keep that promise while continuously raising the bar for the communities we serve.

BACKGROUND

Each year brings its own challenges, and the year ahead will be no exception. As we move beyond the recent global pandemic, we now face higher-than-average inflation and elevated mortgage rates. Although inflation has averaged around 3% during the first half of 2025, persistently high mortgage rates continue to suppress single-family housing starts in the unincorporated areas of Newton County. Political and social unrest further contribute to an unpredictable economic landscape.

Despite these headwinds, we remain optimistic. Opportunities will emerge for those who stay committed and focused. Our community remains central to all that we do, and the Authority is dedicated to crafting a thoughtful and responsible budget—one that supports consistent, high-quality service and promotes the growth of our local economy.

Strategic Priorities for Fiscal Year Ending 2026

1. **Investment in Infrastructure** – Advance infrastructure investments that support system resilience and future growth.
2. **Enhanced and Effective Maintenance** – Enhance operational efficiency and ensure service reliability through proactive maintenance.
3. **Innovative Customer Service** – Embrace technology and customer feedback to continuously improve service delivery.
4. **Workforce Protection and Development** – Strengthen our team by investing in talent acquisition, training, and employee engagement.

Commitment to Financial Stability - We are committed to financial stability by building a budget grounded in realistic projections of water demand, wastewater treatment, housing development, and economic activity. This approach is guided by sound financial policies that ensure strong debt service coverage and safeguard the Authority's long-term fiscal health.

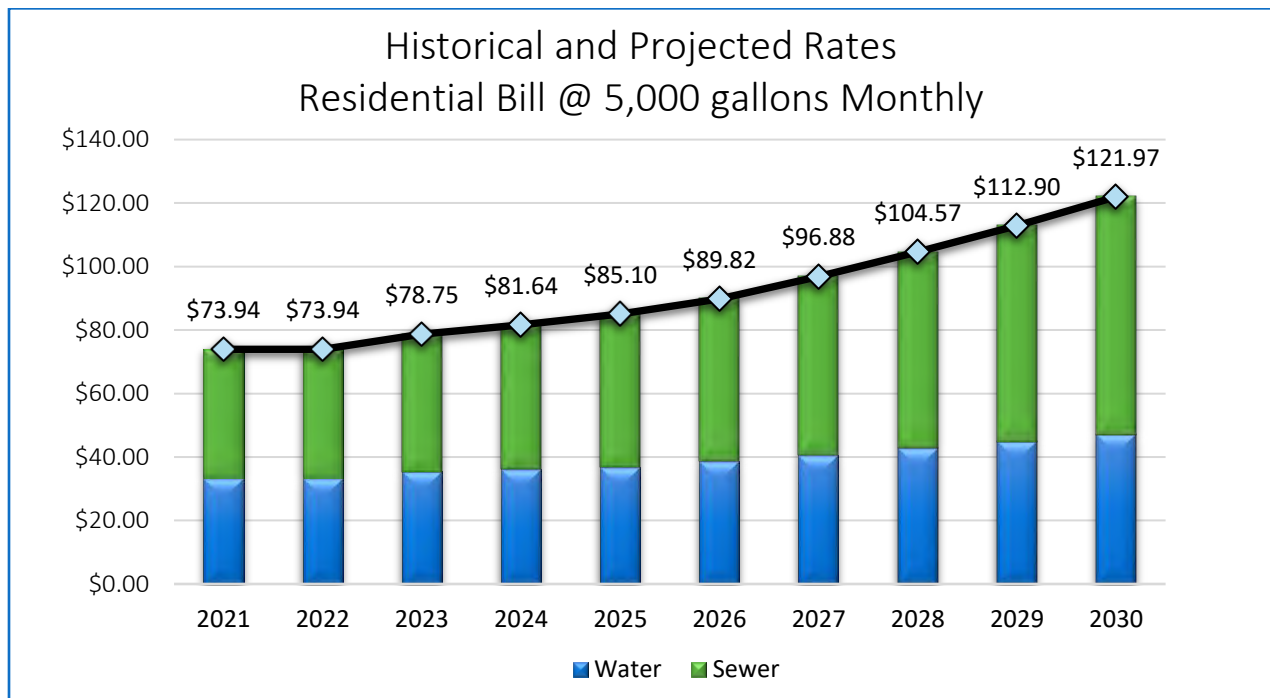
OPERATING BUDGET

The FYE 2026 Budget has been developed to accurately reflect the costs necessary to support the Authority's strategic priorities. It is structured to achieve the following key objectives:

1. **Advance Ongoing Capital Projects:** Continue work on capital initiatives currently underway, utilizing secured funding sources to ensure timely and efficient project completion.
2. **Mitigate Inflationary Impacts:** Implement proactive measures to address the effects of inflation on operational costs and material procurement, preserving financial stability.
3. **Support Sustainable Economic Growth:** Promote favorable economic development while ensuring that it does not impose additional financial strain on the existing customer base. In alignment with this principle, **"New growth should pay for new growth."**
4. **Maintain a Competitive Workforce:** Provide competitive salaries and a comprehensive employee benefits package to attract and retain a highly qualified, professional workforce.

OPERATING FUNDS AND REVENUES

The Authority operates on a self-sustaining basis, receiving no tax revenue or financial support from the local governing body. Instead, it generates revenue exclusively through fees, rates, and billings charged to its customers. These fees, known as **User Charges**, are structured to recover costs and provide services directly to those who benefit from them. The systematic process of identifying water and wastewater costs, allocating these costs to beneficiaries, and designing appropriate rate structures is referred to as the **User-Charge System**. As part of its regular budget process, the Authority sets rates and fees to cover operations and maintenance, liability expenses, and debt service obligations. Below is a graph illustrating the average monthly residential customer bill based on a consumption of 5,000 gallons.



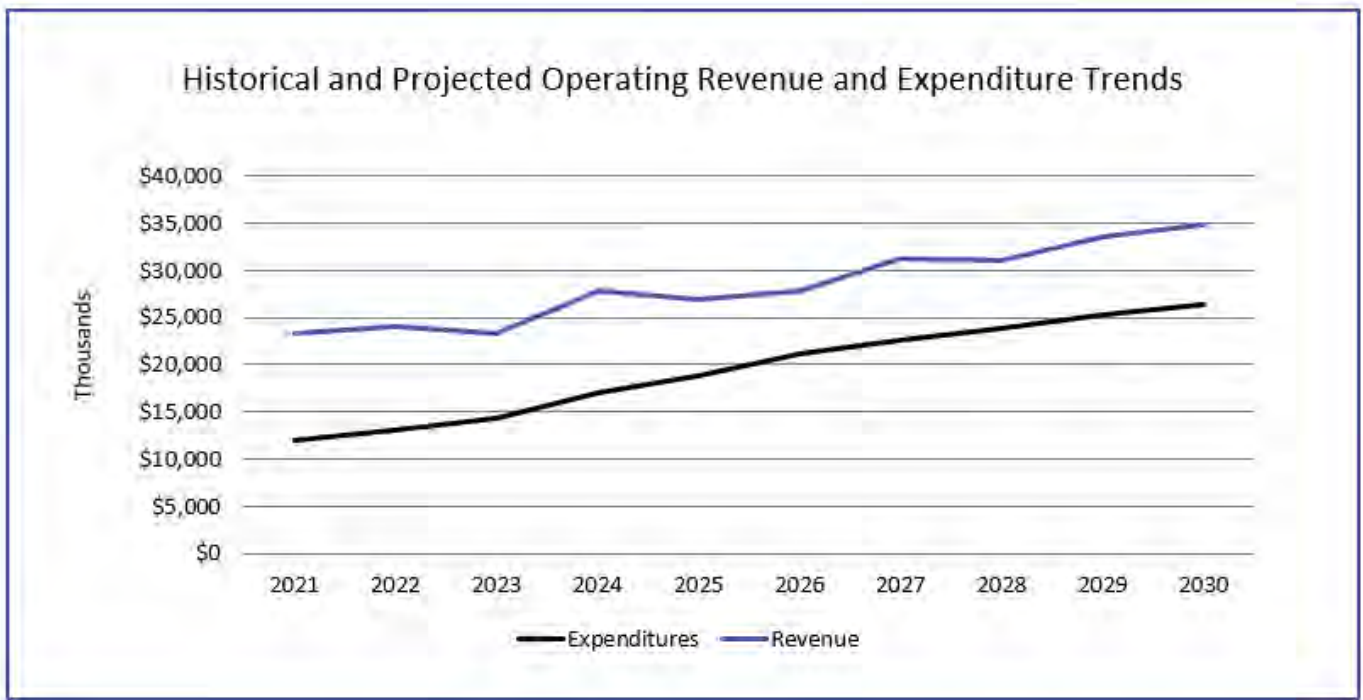
OPERATING EXPENDITURES

The Authority’s staff carefully plans expenditures to keep ratepayer costs as low as possible while maintaining high-quality service. Department directors conduct thorough reviews and adjust expenditures based on each department’s operational needs, with particular attention to the potential ongoing challenges posed by rising interest rates and economic instability in the upcoming budget cycle.

A comprehensive review of rate classes and structures has been completed, based on audited operating expenses from FYE 2024 through FYE 2025, excluding depreciation and water purchases. The Authority has faced significant impacts from housing market uncertainty and elevated inflation, which have influenced operations and material costs. Despite these challenges, staff have diligently compiled detailed expense data for each fund to ensure the continuation of exceptional service to customers.

Historically, the staff has consistently come in under budget for total expenditures in recent cycles and aims to maintain this trend in the coming year. The Authority prides itself on reducing general expenses and employing a fiscally responsible “make do with less” philosophy in recent budgets. This approach has helped preserve the Authority’s financial stability during these uncertain economic times, with daily operations and maintenance costs fully covered by water and sewer rates.

Below is a graph illustrating historical trends in operating revenue and expenses from FY 2017 through FY 2024, along with projections for FY 2025 and FY 2026.



(Remainder of page intentionally left blank)

CAPITAL IMPROVEMENT PROJECTS

NCWSA’s Capital Improvements Plan (CIP) serves as a critical roadmap for the Authority’s infrastructure development and renewal, balancing both immediate needs and long-term vision. Reviewed annually, the CIP provides a five-year short-term forecast and a comprehensive 35-year outlook, ensuring that both near-term projects and future investments are strategically planned.

Integrated seamlessly into the Authority’s overall financial model, the CIP is jointly managed by engineering and finance staff, allowing for flexibility and responsiveness as priorities evolve. This integration provides a robust economic framework, equipping leadership with the necessary data to make sound, long-term capital investment decisions and establish sustainable rate structures to fund these projects.

The Authority has demonstrated resilience through economic downturns, notably during the Great Recession of 2007 and more recently throughout the COVID-19 pandemic, by effectively managing resources to keep the CIP on track. During the pandemic, NCWSA adapted swiftly by implementing emergency operational protocols, securing critical funding, and prioritizing essential infrastructure projects to ensure uninterrupted service to the community. Building on this legacy, the NCWSA is committed to maintaining this forward momentum, strategically leveraging opportunities to enhance its infrastructure and support community growth.

CONCLUSION

This document reflects the collaborative recommendations of the Authority’s operations departments and the support of its administration. A conscientious effort has been made to thoroughly evaluate all budget requests and prioritize proposals that can realistically be undertaken within the available funding. The entire Authority staff acknowledges the challenges posed by a demanding economic environment and remains committed to achieving the goals set forth in this budget.

Compared to the fiscal year ended June 30, 2025 (“FYE 2025 Budget”), the FYE 2026 Budget marks a return to one of the most significant capital project expansions in the Authority’s fifty-five (55) year history. This growth is driven by the imperative to complete the A. Scott Emmons Water Reclamation Facility Phase II & Phase IIA (Reuse) projects and the adjacent outfall systems within the Authority’s water and sewer service area in eastern Newton County. Additionally, construction of the second Meta Data Center Campus (Baymare) within the Stanton Springs Research & Development Park (South) continues to fuel momentum in maintaining an ambitious capital improvement program.

Continuing these capital projects during these challenging times will position the Authority favorably once the current crisis subsides, unlocking even greater economic development opportunities.

While the Rivian Advanced Auto Manufacturing Plant in Stanton Springs Research & Development Park (North) temporarily halted assembly plant construction in early 2024, the company remains committed to the Georgia site. Rivian has shifted its focus to its Normal, Illinois facility, where production is underway. Despite this pause, the Georgia site has been prepared with building pads ready for vertical construction when Rivian is ready to resume. Given the scale of this industry, substantial water and wastewater infrastructure is required—work that NCWSA has been diligently advancing despite the construction pause. It remains critical for NCWSA to complete the water and wastewater infrastructure designed to serve both Stanton Springs North and South.

Since the FYE 2023 Budget, the Authority has been expanding its workforce, making significant progress in hiring quality employees despite ongoing challenges with workforce competence and recruitment. The FYE 2026

Budget includes a full review and optimization of its 75 full-time employees. As with many industries locally and nationally, attracting workers who meet the necessary qualifications will continue to be a challenge.

The proposed FYE 2026 Budget is designed to provide financial stability while delivering the highest standards of service to ratepayers and citizens of Newton County. It exemplifies our commitment to being a fiscally responsible, responsive, and proactive service provider in both prosperous and difficult times. Our primary mission is to supply a high-quality, safe, and abundant supply of potable water at the lowest reasonable cost. Concurrently, we are dedicated to collecting and treating wastewater in compliance with Environmental Protection Division standards, also at the most reasonable cost possible.

Thank you for your careful review of this working document. As you analyze the information presented, we hope you recognize the critical role that teamwork and expertise play in delivering the best possible water and sewer services to our community.

ACKNOWLEDGMENT

I want to sincerely thank the Board of Directors for their exemplary leadership and ongoing commitment to responsible fiscal management at the highest level. Your guidance and support are invaluable to the success of the Authority.

I also extend my deepest appreciation to all Authority employees and Department Managers for their continuous dedication and hard work in supporting this year's budget. Your tireless efforts are essential to enabling the Authority to fulfill its mission every day.

Most importantly, I want to thank our valued customers. It is truly a privilege to serve you, and we remain committed to providing the highest quality service in meeting your water and wastewater needs.

Respectfully submitted,



Mike Hopkins

NCWSA Executive Director

June 18, 2025

(Remainder of page intentionally left blank)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished Budget
Presentation Award*

PRESENTED TO

**Newton County Water & Sewer Authority
Georgia**

For the Fiscal Year Beginning

July 01, 2024

Executive Director

The Government Finance Officers Association of the United States and Canada ("GFOA") presented the Distinguished Budget Presentation Award to the Newton County Water & Sewerage Authority, Georgia, for its annual budget for the fiscal year beginning July 1, 2024. This is the eighth consecutive year NCWSA has submitted and received this prestigious award. To receive this award, NCWSA had to publish a budget document that satisfied nationally recognized guidelines and met program criteria, such as a policy document, an operational guide, a financial plan, and a communications device. This award is valid for one year only. Our current budget and financial plan for the fiscal year, beginning July 1, 2025, continues to conform to program requirements. Therefore, we will submit it to GFOA to determine its eligibility for another award.



SECTION 1

INTRODUCTION AND OVERVIEW



HISTORY AND GOVERNANCE



The Newton County Water and Sewerage Authority was established under House Bill Number 1662 during the 1970 State of Georgia General Assembly Session. It is a public, nonprofit corporation responsible for acquiring and distributing water supplies within its service area for industrial and domestic use. The General Assembly expanded the Authority's functions and powers through House Bill Number 1662 to include the construction of facilities for collecting, treating, and disposing of sewage in densely populated areas of Newton County. The Authority was created to provide water and sewer services in Newton County for areas not covered by municipal governments. It is governed by a board of eight members, three appointed by the City Councils of Covington, Oxford, and Porterdale, and the remaining five appointed by the Newton County Board of Commissioners.

The Newton County Water and Sewerage Authority was initially established to provide water and sewer services to the unincorporated areas of Newton County. However, the Authority also extends its

services to the citizens in the unincorporated areas of Jasper, Rockdale, and Walton Counties adjacent to Newton County because Newton County Water Resources provides wholesale services to these utilities. The Authority office is located at 11325 Brown Bridge Road, approximately five (5) miles west of Covington.

The Authority is not empowered to levy taxes. Instead, customer fees and charges cover operational and maintenance costs. Capital contributions (cash and systems) from customers, including other utilities and developers, federal and state grants, and loans fund the acquisition and construction of capital assets. The Authority provides reliable, high-quality potable water supplies for drinking, irrigation, fire protection, and other purposes. The Cornish Creek Surface Water Plant is the principal drinking water treatment facility, utilizing the Alcovy River basin as its water source. The Yellow River Water Reclamation Facility is a shared land application system between NCWSA and the City of Covington that provides tertiary wastewater treatment services.

(Remainder of page intentionally left blank)



NCWSA is governed by an eight-member Board of Directors, which includes three representatives—one from each of the Cities of Covington, Oxford, and Porterdale—and five members representing the County Commission Districts within the service area. Both the Board and management are committed to upholding NCWSA’s public responsibility to preserve regional resources and to setting industry standards for the operation and conduct of water and sewer utilities.

Covington Director: David Waller – Years of Service: 9

Executive Committee
Term Expires: June 30, 2028

Oxford Director: Mike Ready – Years of Service: 0

Term Expires: June 30, 2029

Porterdale Director: Lowell Chambers –Years of Service: 13

Term Expires: June 30, 2027

Newton County Director District 1: Leigh Anne Barrett – Years of Service: 9

Term Expires: June 30, 2026

Newton County Director District 2: Elsie Bell – Years of Service: 15

Vice-Chair / Executive Committee
Term Expires: June 30, 2025

Newton County Director District 3: Sonya Elijah –Years of Service: 4

Term Expires: June 30, 2026

Newton County Director District 4: Junior Hilliard – Years of Service: 12

Term Expires: June 30, 2028

Newton County Director District 5: Ester Fleming – Years of Service: 4

Term Expires: June 30, 2026

(Remainder of page intentionally left blank)

NCWSA SYSTEM FACTS

Water System:

Service Area	Unincorporated Newton County- 279 sq. miles
Miles of Water Mains	673 Miles – 2” to 30” Diameter Water Mains
Number of Storage Tanks	7 – Capacity 8.5 Million Gallons
Number of Pumping Stations	4
Number of Service Connections	27,497

Sewer System:

Water Reclamation Facilities	2 – Yellow River 4 MGD and A. Scott Emmons 1.25 MGD
Miles of Sewer Lines	Gravity - 127 Miles, Force Main - 23 Miles
Number of Lift Stations	8
Land Application	Covington / NCWSA 2000 ac. 9.7 MGD
Number of Service Connections	8,572

Miscellaneous Statistical Information:

Population Served	73,523
Number of Employees	75 Full-Time Positions, 66 Employees as of 8/1/2025
Annual Water Delivered	2.08 Billion Gallons
Annual Wastewater Treated	952.65 Million Gallons



Economy Overview

122,392

Population (2024)

Population grew by **10,498** over the last 5 years and is projected to grow by **11,833** over the next 5 years.

32,106

Total Regional Employment

Jobs grew by **1,837** over the last 5 years and are projected to grow by **2,637** over the next 5 years.

\$70.7K

Median Household Income (2022)

Median household income is **\$4.4K** below the national median household income of **\$75.1K**.

Takeaways

- As of 2024 the region's population increased by **9.4%** since 2019, growing by 10,498. Population is expected to increase by **9.7%** between 2024 and 2029, adding 11,833.
- From 2019 to 2024, jobs increased by **6.1%** in Newton County, GA from 30,270 to **32,106**. This change outpaced the national growth rate of **3.9%** by **2.2%**. As the number of jobs increased, the labor force participation rate decreased from **61.7%** to **58.5%** between 2019 and 2024.
- Concerning educational attainment, **14.1%** of Newton County, GA residents possess a **Bachelor's Degree** (7.4% below the national average), and **9.8%** hold an **Associate's Degree** (0.8% above the national average).
- The top three industries in 2024 are Education and Hospitals (Local Government), Restaurants and Other Eating Places, and Local Government, Excluding Education and Hospitals.

	Population (2024)	Labor Force (Dec 2024)	Jobs (2024)	Cost of Living	GRP	Imports	Exports
Region	122,392	55,896	32,106	90.4	\$4.49B	\$7.63B	\$4.81B
State	11,138,027	5,376,674	5,495,235	93.5	\$824.01B	\$613.99B	\$770.44B

Population Characteristics



Newton County, GA has 23,025 millennials (ages 25-39). The national average for an area this size is 24,409.



Retirement risk is low in Newton County, GA. The national average for an area this size is 36,266 people 55 or older, while there are 31,220 here.



Racial diversity is high in Newton County, GA. The national average for an area this size is 50,033 racially diverse people, while there are 74,313 here.



Newton County, GA has 7,175 veterans. The national average for an area this size is 6,020.



Newton County, GA has 2.94 violent crimes per 1,000 people. The national rate is 3.54 per 1,000 people.

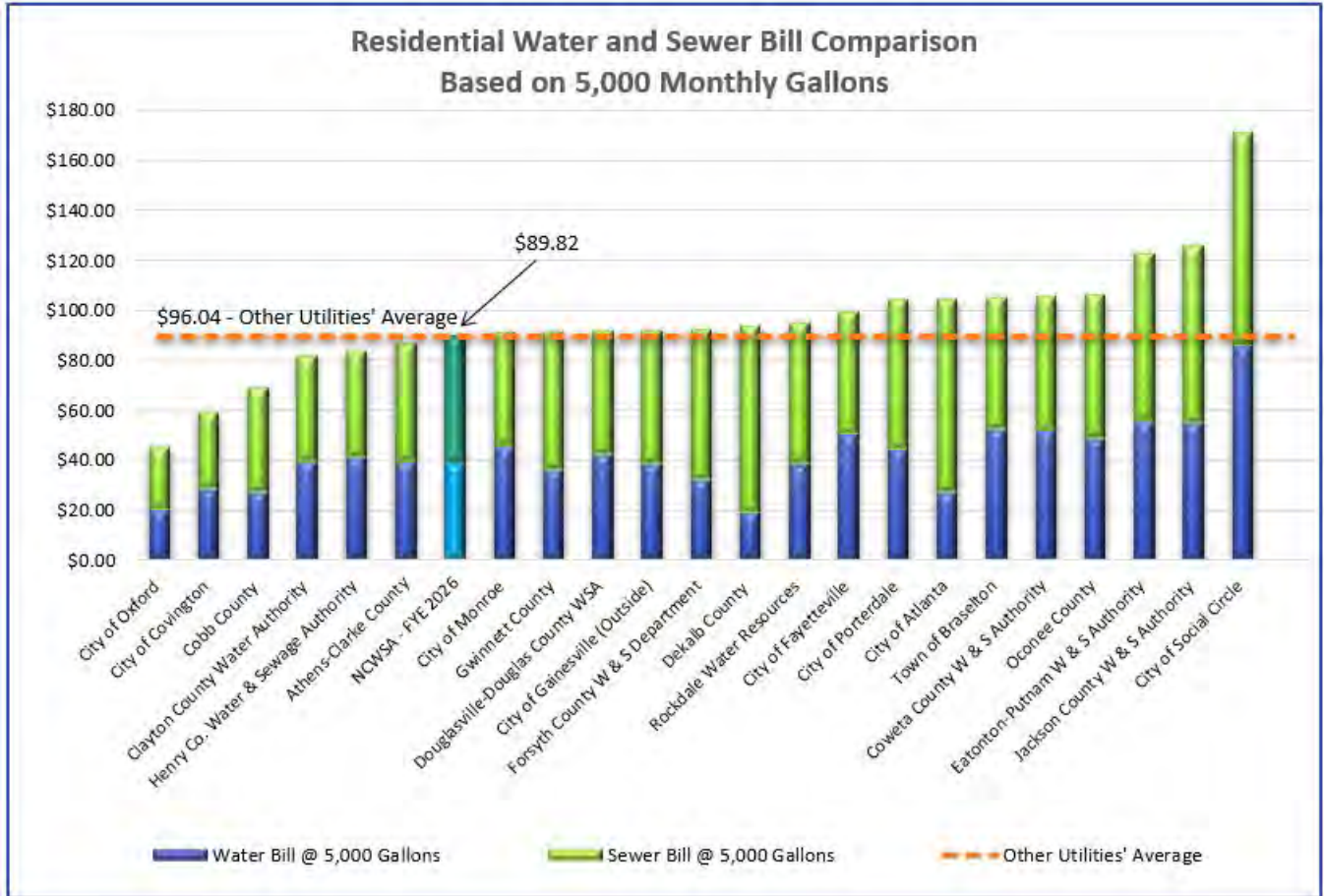


Newton County, GA has 15.47 property crimes per 1,000 people. The national rate is 18.02 per 1,000 people.

(Remainder of page intentionally left blank)

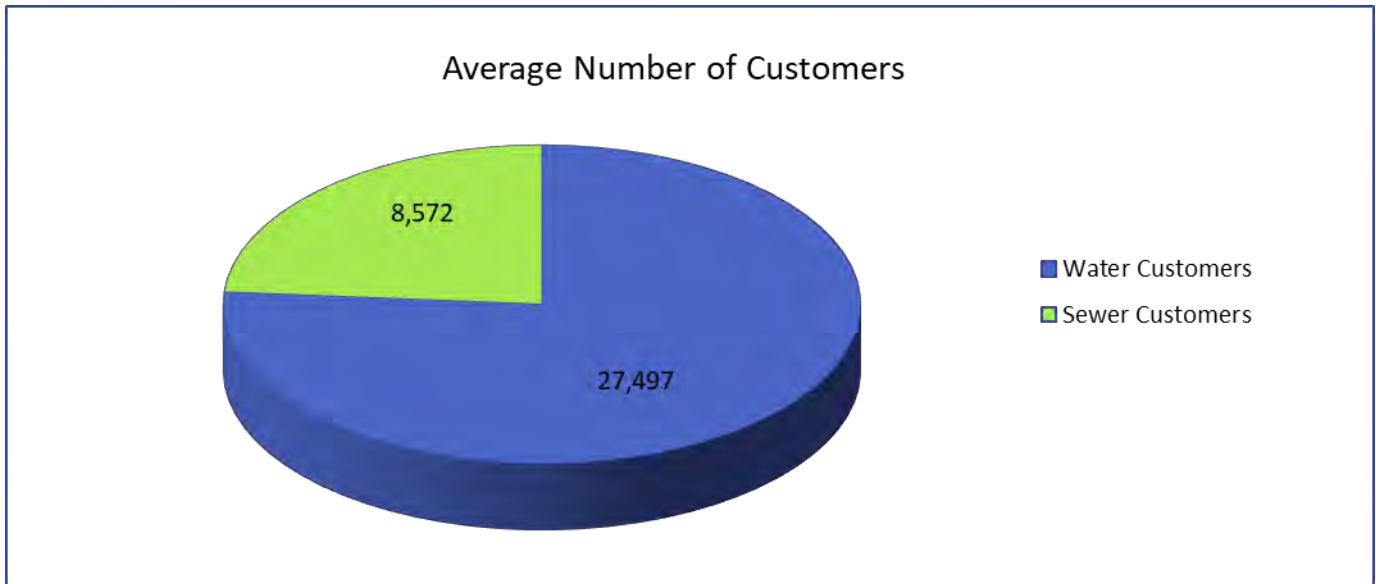
WATER AND SEWER RATE COMPARISON INFORMATION

The following table represents select peer water purveyors of the Newton County Water & Sewerage Authority (previously defined as “NCWSA”) in the Atlanta metropolitan area and beyond.



(Remainder of page intentionally left blank)

NCWSA CUSTOMER INFORMATION



TOP TEN CUSTOMERS OF THE NEWTON COUNTY WATER & SEWERAGE AUTHORITY

Account Name	Annual Usage	Month Usage	Daily Usage
Takeda Pharmaceuticals	194,442,000	16,203,500	540,117
Baymare, LLC	26,078,000	2,173,167	72,439
Washreit Oxford, LLC (Apts)	15,462,000	1,288,500	42,950
NCBOE – Alcovy High School	15,121,000	1,260,083	42,003
Morning Hornet, LLC (Pit #2)	11,000,000	916,667	30,556
Riverside MHRV, LLC	10,866,000	905,500	30,183
Fairview Owner, LLC (Apts)	7,998,000	666,500	22,217
NCBOE – Veteran’s Memorial	7,505,000	625,417	20,847
Covington LHA III, LLLP (Apts)	7,052,000	587,667	19,589
NCBOE – Newton High School	6,793,000	566,083	18,869
Combined Top Ten Users (Gallons)	302,317,000	25,193,083	839,769

WATER SYSTEM - RECENT AND PROJECTED CUSTOMER AND DEMAND STATISTICS

As shown in the table below, water sales are projected to increase primarily due to customer growth driven by ongoing development and construction within the Authority’s service area. Based on recent customer growth trends, the forecast assumes average annual increases of approximately 1.49% in residential water customer accounts and 1.61% in sales. The average monthly water use for a single-family account is expected to remain stable at around 4,790 gallons per month per Equivalent Residential Unit (ERU) throughout the forecast period. This usage trend is consistent with the decline in the average monthly water consumption reported by utilities across Georgia and the nation, largely attributable to water conservation initiatives and elevated levels of seasonal rainfall over the past three years. In the East Newton / Stanton Springs area, substantial infrastructure

construction has continued for more than twelve years, particularly within the commercial sector. The Baymare project represents a significantly larger version of the Morning Hornet Data Center Project, with nearly double the capacities for water and wastewater service agreements.

Water System [1]											
	Fiscal Year End June 30,										
	Historical					Projected					Avg. Annual Growth Rate [3]
Description	2021	2022	2023	2024	2025 (Est.)	2026	2027	2028	2029	2030	
Residential & Small Commercial											
Avg. Annual Water Accounts	25,355	26,205	26,585	27,165	27,491	27,825	28,139	28,433	28,706	28,964	1.49%
Avg. Annual Water ERU's [2]	28,335	28,736	29,865	30,104	30,366	30,851	31,172	31,473	31,753	32,018	1.37%
Billed Water Sales (Kgals)	1,590,231	1,638,547	1,656,666	1,718,580	1,757,315	1,772,434	1,791,286	1,808,998	1,825,464	1,841,074	1.64%
Avg. Monthly Water Use Per ERU	4,677	4,752	4,623	4,757	4,823	4,788	4,789	4,790	4,791	4,792	0.27%
Large Commercial											
Avg. Annual Water Accounts	6	6	8	7	6	6	6	6	6	6	0.00%
Avg. Annual Water ERU's [2]	2,401	2,374	2,361	2,872	2,697	2,670	2,770	2,590	3,028	3,128	2.98%
Billed Water Sales (Kgals)	219,151	216,694	215,564	262,292	246,336	243,765	252,854	236,429	276,469	285,521	2.98%
Avg. Monthly Water Use Per ERU	7,606	7,605	7,608	7,611	7,611	7,608	7,607	7,607	7,609	7,607	0.00%
Total Water System											
Avg. Annual Water Accounts	25,361	26,211	26,593	27,172	27,497	27,831	28,145	28,439	28,712	28,970	1.49%
Avg. Annual Water ERU's [2]	30,736	31,111	32,226	32,977	33,063	33,521	33,942	34,063	34,781	35,146	1.50%
Billed Water Sales (Kgals)	1,809,382	1,855,241	1,872,230	1,980,872	2,003,651	2,016,199	2,044,140	2,045,427	2,101,933	2,126,595	1.81%
Avg. Monthly Water Use Per ERU	4,906	4,969	4,841	5,006	5,050	5,012	5,019	5,004	5,036	5,042	0.30%
Water Purchases (Kgals)	1,875,128	1,981,316	1,947,875	1,915,574	2,079,295	2,144,893	2,174,617	2,175,987	2,236,099	2,262,335	2.11%
ADF-MGD	5.14	5.43	5.34	5.25	5.70	5.88	5.96	5.96	6.13	6.20	
ADF-MGD = Average Daily Flow expressed in Million Gallons per Day											
1] Amounts shown include both residential and commercial customers.											
[2] Equivalent residential units ("ERU") are determined based on i) an application of meter equivalent factors to active accounts served for the residential and commercial class based on meter capacity information as published by the American Water Works Association, and ii) the number of units served for the multi-family class.											
[3] Reflects the average annual projected compounded growth from FYE 2021 to FYE 2030.											

SEWER SYSTEM – RECENT AND PROJECTED CUSTOMER AND DEMAND STATISTICS

The sewer system’s historical and projected customer accounts and billed flow statistics reflect trends similar to those observed in the water system. The table below provides a summary of recent historical figures and projected sewer customer billing statistics:

Sewer System [1]											
	Fiscal Year End June 30,										
	Historical					Projected					Avg. Annual Growth Rate [4]
Description	2021	2022	2023	2024	2025 (Est.)	2026	2027	2028	2029	2030	
<u>Residential & Small Commercial</u>											
Avg. Annual Sewer Accounts	7,548	7,890	8,133	8,343	8,568	8,702	8,824	8,936	9,038	9,140	2.15%
Avg. Annual Sewer ERU's [2]	8,495	8,815	9,080	9,523	9,859	10,147	10,270	10,382	10,485	10,588	2.48%
Billed Sewer Sales (Kgals)	472,433	501,564	515,925	534,010	535,009	553,900	565,195	571,062	576,413	581,761	2.34%
Avg. Monthly Sewer Use Per ERU	4,634	4,741	4,735	4,673	4,522	4,549	4,586	4,584	4,581	4,579	(0.13%)
<u>Large Commercial</u>											
Avg. Annual Sewer Accounts	4	4	4	4	4	4	7	7	7	7	6.42%
Avg. Annual Sewer ERU's [2]	2,148	2,136	2,005	2,238	2,569	2,204	1,881	1,737	1,989	1,989	(0.85%)
Billed Sewer Sales (Kgals)	196,028	194,946	182,977	204,225	234,431	201,135	171,669	158,529	181,490	181,470	(0.85%)
Avg. Monthly Sewer Use Per ERU	7,604	7,604	7,605	7,604	7,604	7,605	7,605	7,605	7,604	7,603	0.00%
<u>Total Sewer System</u>											
Avg. Annual Sewer Accounts	7,552	7,894	8,137	8,347	8,572	8,706	8,831	8,943	9,045	9,147	2.15%
Avg. Annual Sewer ERU's [2]	10,643	10,952	11,085	11,761	12,428	12,351	12,151	12,119	12,474	12,577	1.87%
Billed Sewer Sales (Kgals) [3]	668,461	696,510	698,902	738,235	769,440	755,035	736,864	729,591	757,903	763,231	1.48%

Table continued on following page.

Sewer System [1] – (continued)

Description	Fiscal Year End June 30,										Avg. Annual Growth Rate [4]
	2021	2022	2023	2024	2025 (Est.)	2026	2027	2028	2029	2030	
Avg. Monthly Sewer Use Per ERU	5,234	5,300	5,254	5,231	5,159	5,094	5,054	5,017	5,063	5,057	(0.38%)

[1] Amounts shown include both residential and commercial customers.

[2] Equivalent residential units ("ERU") are determined based on i) an application of meter equivalent factors to active accounts served for the residential and commercial class based on meter capacity information as published by the American Water Works Association, and ii) the number of units served for the multi-family class.

[3] Based on metered water consumption, which serves as the basis for billed sewer flow.

[4] Reflects the average annual projected compounded growth from FYE 2021 to FYE 2030.

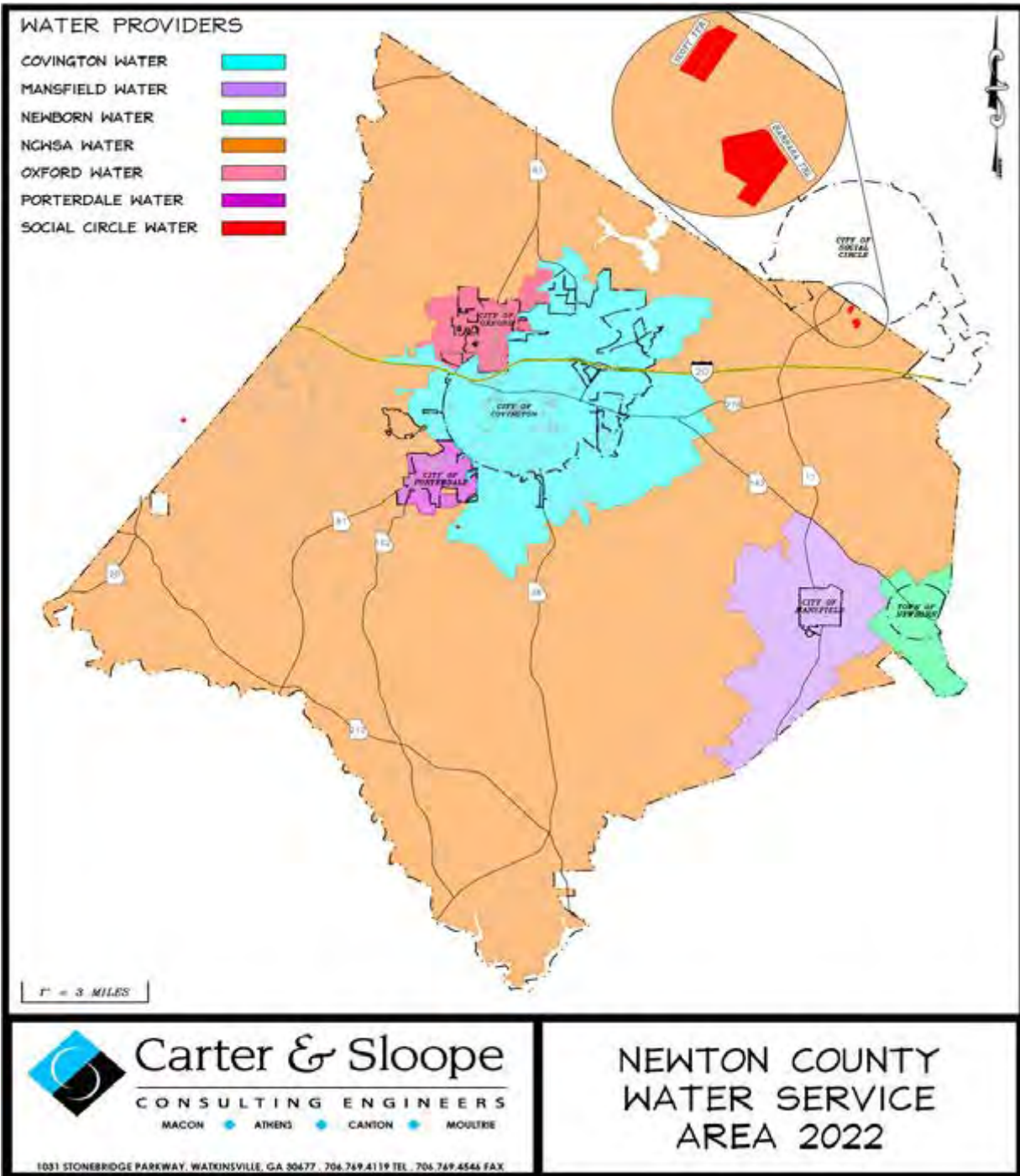
For the Fiscal Year ending 2025, the average monthly sewer flow billed per single-family account, based on metered domestic water use, remained in line with recent historical trends. The financial forecast assumes that residential and commercial customer account growth will continue to mirror the water system. While billed sales for large commercial sewer customers have remained steady at Takeda Pharmaceuticals, the forecast also reflects the anticipated increase in usage from the Morning Hornet Data Center and the planned startup of the Baymare Data Center in FYE 2026.

While the Rivian Advanced Auto Manufacturing Plant in Stanton Springs (North) temporarily halted assembly plant construction in early 2024, the company remains committed to the Georgia site. Rivian has shifted its focus to its Normal, Illinois facility, where production is underway. Despite this pause, the Georgia site has been prepared with building pads ready for vertical construction when Rivian is ready to resume. Given the scale of this industry, substantial water and wastewater infrastructure is required—work that NCWSA has been diligently advancing despite the construction pause. It remains critical for NCWSA to complete the water and wastewater infrastructure designed to serve both Stanton Springs North and South.

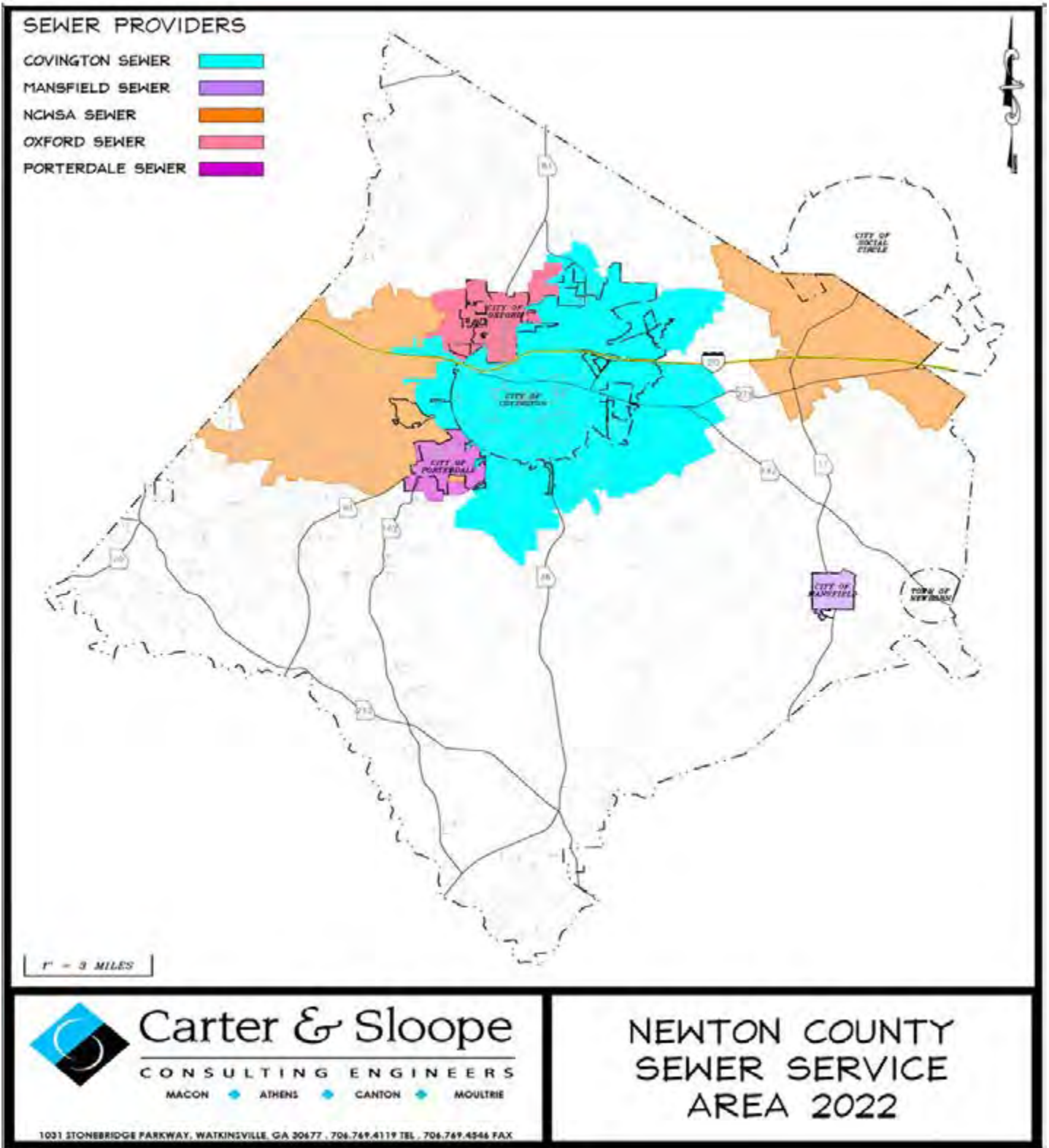
Rivian is scheduled to resume construction in the first quarter of 2026. Currently the potential impact of Rivian on water and sewer demands is not reflected in projected sales, however it is anticipated that once Rivian does resume construction, the demands from our four largest commercial customers will surpass the combined demands of all current customers.

(Remainder of page intentionally left blank)

NEWTON COUNTY WATER SERVICE AREA MAP



NEWTON COUNTY SEWER SERVICE AREA MAP



NEWTON COUNTY WATER AND SEWERAGE AUTHORITY STRATEGIC PLAN

There is no greater privilege or responsibility than delivering safe drinking water and providing responsible sewer treatment to the Newton County community. These services protect public health and sustain a strong local tax base. The Newton County Water and Sewerage Authority (“the Authority”) operates, maintains, replaces, and manages these vital services for approximately 27,497 water customers and 8,572 sewer customers across our service area.

PROFILE OF THE NCWSA

The Authority was created by the state legislature of Georgia in 1970 to manage the water distribution system for the unincorporated parts of Newton County and to build and operate the sewer treatment system for the community. The Authority is a separate agency from Newton County Water Resources under the supervision of the Newton County Board of Commissioners (NCBOC). The Authority does not receive tax dollars – its source of funds comes only from its ratepayers. Governance is by an eight-member Board of Directors. Five (5) are appointed by the commission districts representing Newton County, and one member is appointed by the cities of Covington, Oxford, and Porterdale.

Water to serve customers who live within the Authority’s service area is purchased from Newton County Water Resources and is delivered by the Authority. Likewise, the water to serve citizens who live in Walton County, the cities of Covington, Oxford, Porterdale, Mansfield, and Newborn, or areas served by the Jasper County Water and Sewer Authority, or the Alcovy Shores Water Authority is also purchased from Newton County Water Resources and delivered by the Newton County Water and Sewerage Authority. Once delivered to the master meter connection at the service delivery boundary, the Cities/Counties provide water services to their citizens through independent systems that each of these jurisdictions own and maintain.

The Water Authority owns and operates the Yellow River Water Reclamation Facility, the A. Scott Emmons Water Reclamation Facility, and the collection system within its service areas. Due to effective planning and investment, the Authority has enough sewer capacity and water delivery capability to support industrial and commercial development, which contributes to job creation and growth of the local tax base in our region. In late November of 2024, the Authority broke ground on the construction of the Stanton Springs Water Resources Facility. This project will enable the Authority to offer its largest commercial customers the option to supplement their water demands with high-quality water at an attractive rate. The Stanton Springs Water Resources Facility represents a positive and forward-looking move towards treatment methodologies that will reduce the demand for our water supply, while allowing us to be good stewards for our local environment.

MISSION

Our mission is to provide the Authority’s customers with reliable, safe drinking water and to provide sewer services in an environmentally responsible and fiscally sound manner while focusing on cost efficiency and value-oriented service. Providing the best possible services will always be the number one priority for the Newton County Water & Sewerage Authority.

(Remainder of page intentionally left blank)

VISION

The Newton County Water and Sewerage Authority is dedicated to improving the well-being and quality of life for our community's citizens and business members. We will achieve this vision by:

- Providing reliable water and sewer services using innovative technology and best management practices.
- Committing to responsible water stewardship for environmental and economic benefits.
- Being a respected member of Newton County and the surrounding communities.

VALUES

To fulfill the Authority's mission and vision, we are dedicated to:

- Providing the highest quality water and sewer services for our customers.
- Monitoring our costs closely and continually seeking opportunities to maximize efficiency and productivity.
- Exploring opportunities to restructure and leverage the technology available in the water industry as we progress into the upcoming year.
- Maintaining strong relationships with municipal, county, state, and federal government agencies, as well as our community leaders.
- Protecting environmental resources.
- Enhancing economic viability and financial stability.

STRATEGIC PLAN

The Authority's Senior Management Team, led by the Executive Director and comprised of each department head, has worked with the same professional facilitator since 2019 to develop and update its Strategic Plan using the StratOp Process. This process helps leadership gain a comprehensive perspective of all internal and external realities, develop a clear and focused strategy, and create an actionable plan that is measurable, adaptable, and responsive to change.

As illustrated below, the StratOp Process flows through six phases that form a continuous cycle of renewal. This framework has guided the Authority in clarifying our goals, strategies, and objectives, enabling us to remain focused on our mission while adapting to evolving conditions.

(Remainder of page intentionally left blank)



When the NCWSA’s Strategic Plan was initially developed in 2019, it was with the intention that the plan would be implemented, monitored, and reviewed over a five-year cycle making any necessary changes along the way. Due to rapidly changing regional conditions, the Authority has engaged with its professional facilitator on several occasions to modify its Strategic Plan with the most recent engagement in April 2025. The Authority’s Senior Management Team (“Team”) met with the facilitator to review the existing Strategic Plan and engage in discussions surrounding the six phases of the StratOps process. The Team analyzed current trends, challenges, and needs. With the facilitator’s guidance necessary changes were made to ensure alignment with NCWSA’s core values while enhancing its strategic initiatives. The facilitator has been instrumental in assisting our Team identify key initiatives and strategies that will lead NCWSA forward in our quest to be the best utility that we can be. These initiatives are routinely shared with our Board of Directors, allowing for their input and direction to help us reach our goals.

As part of the StratOps process, each department has developed key performance measures to align with NCWSA’s strategic goals and enables us to track our progress. In Section 5 – Departmental Information, starting on page 91, you can find each department’s performance measures. The listed initiatives detail how we plan to achieve results in support of the Strategic Plan or StratOps.

As we move forward, we will continue our commitment with the ongoing support of the Board, our professional staff/external consultants, and our customers to pursue a plan that enhances and fulfills our mission: delivering clean, safe water with environmentally friendly treatment of our water resources. I am confident that we will meet our community’s challenges well into the future. Our priorities, focusing on budget commitments resulting from recent departmental reviews, are summarized below.

(Remainder of page intentionally left blank)

STRATEGIC GOAL #1 - FINANCIAL STABILITY

Action Plan and Strategies:

1. Maintain financial solvency to ensure long-term sustainability.
2. Plan, develop, and adhere to a balanced budget.
3. Submit the FYE 2026 Budget to obtain the GFOA Distinguished Budget Award.
4. Conduct an annual review and update of revenue sufficiency requirements and financial model to maintain continued serve levels and affordable rates.
5. Implement small incremental rate increases annually, as recommended by the financial model, to sustain high levels of customer service.
6. Maintain unrestricted cash reserves equivalent to ninety (90) days of budgeted operating expenses.
7. Evaluate the Authority's competitive rate structure to support financial and overall economic sustainability for customers.

STRATEGIC GOAL #2 – ENHANCED AND EFFECTIVE MAINTENANCE

Action Plan and Strategies:

1. Complete the initial phase of an asset management plan for primary equipment and infrastructure to assist in assessing system needs.
2. Continue evaluating aging polyvinyl chloride (PVC) pipe for replacement.
3. Maintain the Hydraulic Water Model in collaboration with the Authority's engineering consultant.
4. Continue a proactive water tank maintenance program, managed over the next seven (7) years.
5. Perform system-wide maintenance of valves, hydrants, and meters to reduce infrastructure repairs and service interruptions.
6. Develop standard operating procedures for maintaining the entire water and wastewater system.
7. Incorporate modern technology to enhance operations.
8. Maintain and update the Emergency Response Plan to ensure continuity of operations in the event of human-made or natural disasters.

STRATEGIC GOAL #3 – INNOVATIVE CUSTOMER SERVICE

Action Plan and Strategies:

1. Pursue new processes, solutions, and technologies to improve customer service and operations.
2. Enhance customer satisfaction by providing 24/7 access to information and services through online tools.
3. Continue listening to customer needs and updating policies to improve customer experience.
4. Continue providing assistance to disadvantaged customers through the Low-Income Water Assistance Program (LIHWAP) the state and federal government provides.
5. Maximize the benefits of the Tyler Notify program as a customer service tool.

(Remainder of page intentionally left blank)

STRATEGIC GOAL #4 – WORKFORCE PROTECTION AND DEVELOPMENT

Action Plan and Strategies:

1. Invest in employee development through job skills training, succession planning, and technical knowledge transfer.
2. Broaden recruitment efforts beyond the local area to attract professional talent.
3. Integrate new professional positions into the appropriate departments within the Authority.
4. Maintain competitive compensation and benefits to recruit and retain a well-qualified, diverse workforce.

STRATEGIC GOAL #5 – INVESTMENT IN INFRASTRUCTURE

Action Plan and Strategies:

1. Continuously assess the five (5) year and ten (10) year Capital Improvement Plan to address infrastructure needs resulting from increased economic development in Newton County.
2. Identify safety concerns, legal requirements, regulatory issues, permitting needs, and critical reliability factors that will affect the future of the water and sewer utility.
3. Prioritize the rehabilitation, improvement, and replacement of existing water and sewer facilities.
4. Fully fund the Renewal and Extension Fund with planned deposits to meet the capital replacement needs of the existing infrastructure.
5. Secure adequate water resources for both current and future customers in partnership with local government entities.
6. Expand water mains in the Authority's service area to extend services to new customers and deliver hydraulic benefits to the distribution system.

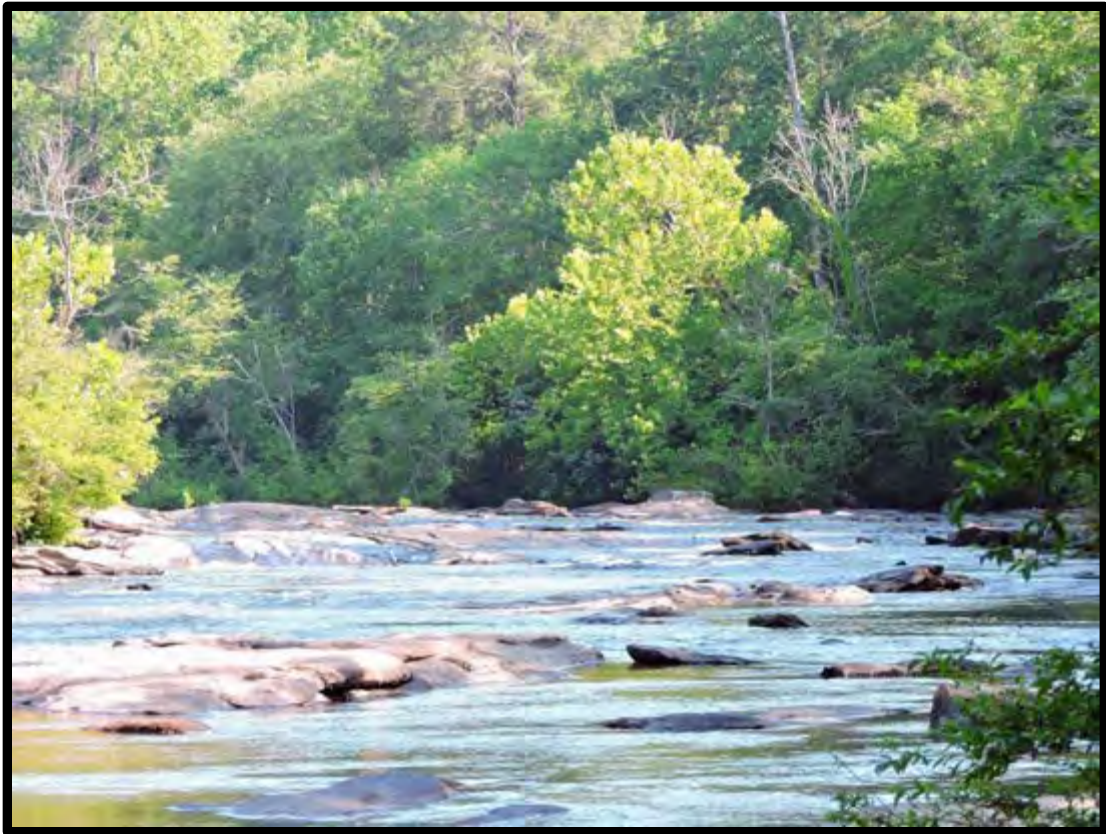
STRATEGIC GOAL #6 – MAINTAINING A FISCALLY RESPONSIBLE LEVEL OF DEBT

Action Plan and Strategies:

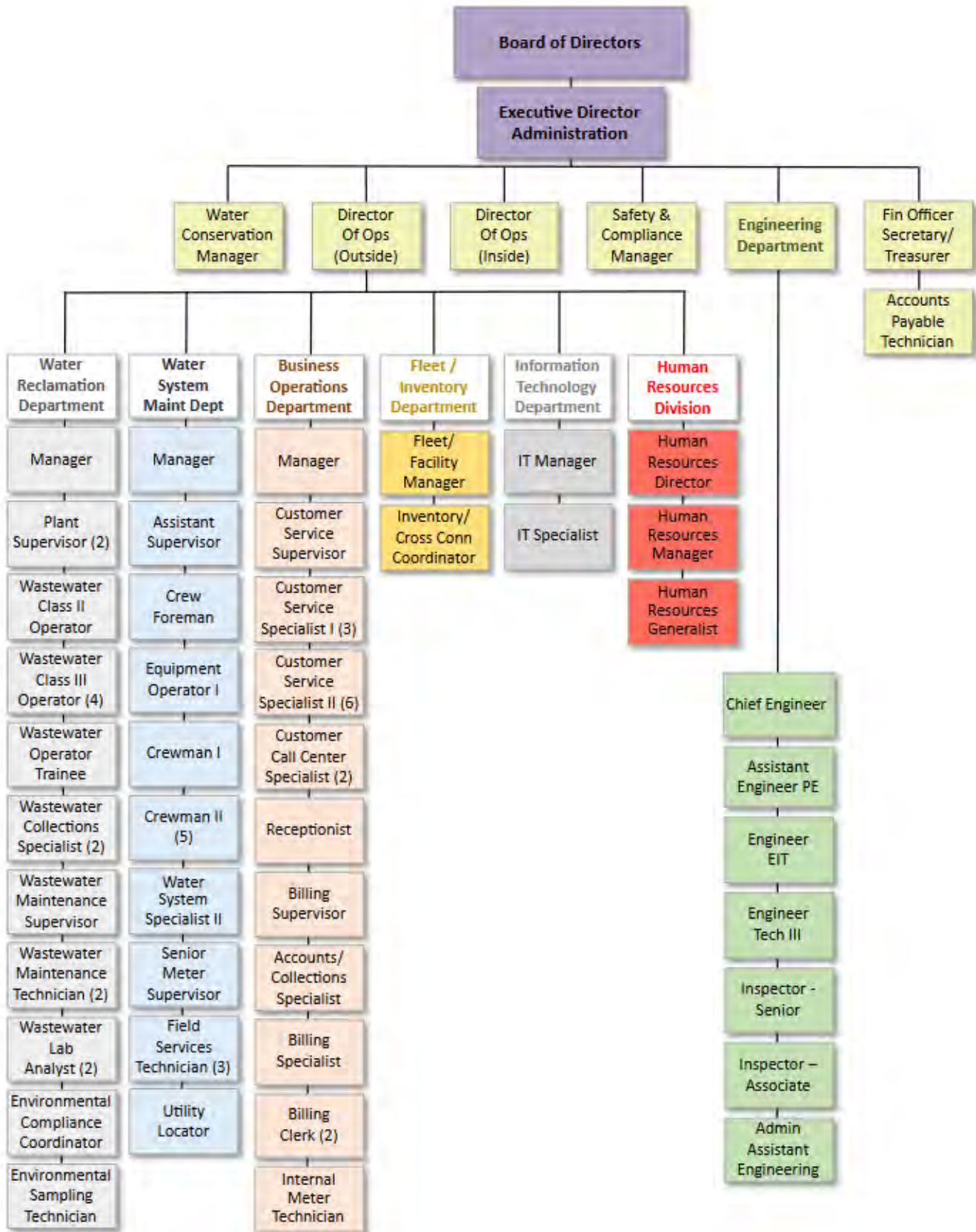
1. Continue to utilize the pay-as-you-go (PAYGO) funding philosophy when feasible.
2. Carefully evaluate the need and benefit of issuing new debt to fund new expansion infrastructure.
3. Partner with governmental agencies to secure alternate funding with grants.
4. Explore cost-sharing alternatives for constructing new infrastructure benefiting unique customer classes.
5. Maintain a debt service coverage ratio of 1.50.

(Remainder of page intentionally left blank)

SECTION 2
FINANCIAL
STRUCTURE, POLICY,
AND BUDGET
PROCESS



NCWSA ORGANIZATIONAL CHART



FUND STRUCTURE

NCWSA operates a single enterprise fund to report its financial position and operational results. This type of fund is used to account for those operations financed and operated in a manner like private business or where the board has determined that tracking revenues, expenses, and net income is essential for management and accountability. This approach enables NCWSA to clearly assess the cost-of-service delivery and the extent to which those costs are recovered through its rate and fees.

Enterprise fund accounting follows the economic resources measurement focus and utilizes the accrual basis of accounting. Under this method, revenues are recognized when earned, and expenses are recorded when liabilities are incurred, regardless of the timing of the related cash inflows and outflows.

As a single enterprise fund, the Authority segregates revenues and expenditures by water and sewer services. While personnel are organized by departments, many employees perform cross-functional duties due to the Authority's staffing size (currently 75 budgeted positions). Therefore, budgeted expenditures are not currently segregated by department.

Relationship Between Departments (Functional Units) and Major Fund

	Functional Unit (Department)							
	Administration	Engineering	Water Reclamation	Water Systems Maintenance	Business Operations	Fleet / Inventory	Information Technology	Human Resources
Water and Sewer Enterprise Fund [1]								
Major Activities:								
Operations & Maintenance	X	X	X	X				
Infrastructure Replacement & Expansion	X	X	X	X		X		
Customer Service	X	X	X	X	X		X	
Administration & Support	X				X	X	X	X

[1] NCWSA operates as a single enterprise fund providing potable water and sewage transmission and treatment services.

BASIS OF BUDGETING

The Authority's financial operations are maintained within a single enterprise fund, and accordingly, the accrual basis of accounting is used in preparing the FYE 2026 Budget. Under this method, expenditures are generally recognized when the obligations are incurred, ensuring that financial reporting reflects the true economic activity of the Authority.

An important exception to this approach involves debt service payments. Principal and interest obligations are recognized based on the required funding schedule, which includes deposits into a sinking fund to accumulate resources for future payments as they become due.

Additionally, capital improvement projects are recognized on an appropriations basis, which means existing funds must be identified and allocated before a project is initiated, even if the actual expenditures span multiple fiscal years. This approach ensures fiscal responsibility and alignment with long-term planning.

NCWSA's audited financial statements are prepared using the same basis as the budget, promoting consistency and transparency in financial reporting.

FINANCIAL PRACTICES

While the Board of the Newton County Water & Sewerage Authority has not formally adopted a comprehensive set of financial policies, the Authority has implemented well-established practices and standards that support strong internal controls and effective financial planning. These practices serve as the foundation for the preparation and management of the FYE 2026 Budget.

OPERATING BUDGET

NCWSA is committed to funding all current expenditures using current revenues and available funds. The Authority avoids budgetary practices that balance current expenditures at the expense of future years such as i) postponing expenditures; ii) underestimating expenditures; iii) overestimating revenues; or iv) utilizing short-term borrowing to balance the budget. The budget is designed to ensure adequate maintenance and repair of capital assets and their orderly replacement. Where feasible, the Authority will integrate performance measurement, service level and productivity indicators within the budget.

INVESTMENTS

Disbursement, collection, and deposit of all funds will be appropriately scheduled to ensure the timely payment of expenditures and investment of funds. It is NCWSA's policy to invest funds in a manner that prioritizes the highest level of security, meets the Authority's daily cash flow needs, and complies with all applicable state and local statutes, while also seeking to maximize returns.

Those investments consist of either shares in a U. S. treasury money market fund or deposits in interest bearing accounts at our financial institutions. The money market fund holds U. S. Treasury securities and allows for next-day access to funds upon notice to the fund manager. Interest-bearing accounts are fully collateralized by direct Federal obligations pledged to a collateral pool for public funds, which is monitored by the State of Georgia.

All receipts are deposited daily and secured through the Georgia Office of Treasury and Fiscal Services' (OTFS) Pooled Funds program. This program requires collateralization of 110% of the bank balance, with acceptable collateral levels marked to market by the State to ensure sufficient coverage of all public funds. These safeguards ensure the safety and integrity of NCWSA's financial assets.

DEBT MANAGEMENT

Due to its conservative basis of accounting for revenues, the Authority must not borrow money for operational expenses. The Authority adheres to a set of guiding objectives in managing its debt to ensure long-term financial sustainability:

- Long-term debt will be confined to capital improvements that cannot be financed through current revenues.
- The repayment period for any debt will not exceed the expected useful life of the associated asset or project.

- In evaluating financing options, the Authority considers a range of alternatives to determine the most appropriate solution for its needs. These options may include but are not limited to special assessments, self-supporting revenue bonds, or low-interest loans from GEFA.
- Long-term debt will not be used for operations.
- The Authority will maintain open and transparent communication with bond rating agencies regarding its financial condition and adheres to a full disclosure policy in all financial reports and bond prospectuses, reinforcing its commitment to fiscal integrity and accountability.

WORKING CAPITAL RESERVE

The Newton County Water and Sewerage Authority established a practice of maintaining a minimum working capital reserve equal to approximately 90 days of the annual operating and maintenance expenses. For FYE 2026, this amount is estimated to be \$5,224,878.

PURCHASING

All purchases will be made following the Authority’s procurement policy, as adopted by the Board of Directors.

CAPITAL IMPROVEMENT VS. CAPITAL OUTLAY

The Authority’s capital budget includes equipment, land, and construction projects costing \$7,500 or more. The budget for a capital item remains in effect until the completion of the item and does not expire automatically at the end of the fiscal year. In addition, capital outlay is defined as other machinery and equipment items costing less than \$7,500 and is provided for within departmental operating budgets.

Each department is required to develop and annually update a comprehensive Capital Equipment and Facility Asset Plan. The plan provides an expenditure analysis of a department’s need for improvements to land, buildings, and machinery and equipment purchases. This allows the Authority to strategically plan for expenditures that will have a budgetary impact.

BUDGET CONTROL GUIDELINE

The budgetary level of control is maintained at the fund level, with each department responsible for managing expenditures and ensuring that funds are used exclusively for items authorized in the approved budget. The budget stipulates that expenditures shall not exceed the appropriations established therein. The Executive Director is authorized to transfer funds between budget line items within the same department (water or sewer) without adopting a new budget resolution. However, any increase to a department’s overall budget must be approved by the Authority’s Board of Directors and formally adopted through a budget amendment.

REVENUE PROJECTION AND MONITORING

The Administration Department is responsible for preparing revenue projections utilizing the Proportionate-Change Method of forecasting. This method involves analyzing prior year collections to determine an average annual rate of change, which is then applied to estimate revenues for the upcoming fiscal year.

The Administration Department is responsible for monitoring the Authority’s revenue collections on an ongoing basis. Monthly reports are generated from the Authority’s financial system, which compares actual receipts to monthly budget allotments. If the Authority does not achieve its projection, the Finance Officer will inquire about extenuating circumstances that may have affected revenue collections. If the problem is severe, the

Finance Officer collaborates with Administration to resolve the issue. The Finance Officer determines whether further action is required by the Executive Director and Authority’s Board of Directors.

EXPENDITURE CONTROL AND MONITORING

Operational control of departmental budgets is maintained by a preliminary check of funds availability on a line-item basis. The Authority’s purchasing system assures budget availability before the issuance of purchase orders. Encumbrances are established based on the issuance of purchase orders. In the event of insufficient funds within the account, purchase orders are not issued until an interdepartmental budget transfer is approved or the Authority Board of Directors makes additional funds available by a budget amendment.

FINANCIAL REPORTS

It is standard practice for NCWSA’s Finance staff to produce monthly financial reports for review by the Board of Directors and staff.

CAPITAL IMPROVEMENT PLAN

It is standard procedure for NCWSA staff to review and recommend adjustments to the long-term Capital Improvement Plan (CIP) each year. The CIP is reviewed, amended, and adopted by NCWSA’s Engineering Department and Board of Directors each year.

MASTER BUDGET

A “Balanced Budget” is defined as: “Financial planning that produces a projected and actual fiscal year budget in which revenues are equal to or greater than total expenses.” NCWSA’s staff works throughout the year to review and develop the upcoming year’s master budget. It is standard practice for Departments to submit budget requests in January / February of each year. This timeframe allows Authority management enough time to produce a balanced budget, which shows the sources and uses of all funds to be utilized during the fiscal year and presents the finalized budget to the NCWSA’s Finance Committee and adopted by NCWSA’s Board in June each year. The budget process is explained in detail below.

MONTHLY FINANCIAL REVIEWS

The Finance staff utilizes an independent CPA to evaluate managerial financial statements monthly.

CASH MANAGEMENT PRACTICES

The Authority manages its funds (cash) following the provisions of the Bond Resolution. Based on the provisions of the Bond Resolution, cash balances are designated into three (3) funds: i) the Revenue account; ii) the Sinking account; and iii) the Renewal and Extension account. The Revenue account is the Authority’s primary account. All cash receipts and payments are made from this fund. The Authority utilizes the Sinking account to make monthly deposits in an amount that will be sufficient to make the upcoming principal and interest payments on all outstanding debts of the System, which would also include maintaining and required reserves of the Authority’s outstanding debts. All monies remaining after paying all obligations (i.e., operating expenses, debt service payments) are deposited into the Renewal and Extension account. The Renewal and Extension account is the primary holding fund for the cash reserves of the Authority. Monies in the Renewal and Extension account are maintained in the form of cash reserves and investments. The Renewal and Extension account can be used to: i) pay principal and interest payments on outstanding debts if the funds are available in the Sinking account

are insufficient; ii) fund emergency events should the funds held in the Revenue account be deemed insufficient; iii) making replacements, additions, extensions, and improvements to the System; iv) payment of the charges of any depository for investment services; and v) paying the cost of acquiring its revenue bonds by redemption, payment, or otherwise following the provisions applicable to outstanding debts. As the Authority plans for capital additions, extensions, and replacements, monies held in the Renewal and Extension account are appropriated for each individual project. Appropriations are amended when project costs are revised due to changes in project scope, bids received, and other factors.

BUDGET PROCESS

THE BUDGET AS A FINANCIAL PLAN

Throughout the fiscal year, staff continuously evaluate ways to advance the Authority's mission, vision, and values to serve the community. By doing this throughout the year, in January, when the budget cycle begins, staff will be able to establish goals, establish capital improvement plans, and review the long-range financial plan to assist in the development of the budget.

While the Authority has only presented and adopted the Budget for FYE 2026, the budget development process includes a forward-looking analysis of projected operating results over a five-year period (Fiscal Years 2026 - 2030). By extending the planning horizon beyond the immediate fiscal year, staff can proactively identify and monitor potential challenges such as: i) increased cost of operations and maintenance expenses from inflation; ii) changes in customer demand (use) characteristics from the effects of conservation and customer growth; iii) changes in annual debt service requirements; and iv) changes in the Capital Improvement Plan. This long-range perspective enables the Authority to make incremental adjustments over time, reducing the need for abrupt corrective actions and supporting sustained financial health.

RATES AND FEES

As a part of the annual budget process, the Authority adopts rates and fees to provide revenue to satisfy operations, maintenance, depreciation, and liability (debt) service. Accounting for water and sewer operations is performed on an enterprise fund basis. An enterprise fund is defined as a fund established to account for operations that are financed and operated like private business enterprise and charges a fee to external users for goods or services. Any debt financing related to enterprise fund activities is securely pledged by net revenues generated from fees and charges. Likewise, appropriate business principles related to cost identification, cost-effectiveness, and financial reporting are addressed accordingly.

As indicated by the definition of an enterprise fund, appropriate fees and charges are established to ensure the Authority can operate on a self-sustaining basis. In a water and sewer utility such as the Newton County Water & Sewerage Authority, revenue is derived from user charges. User charges are defined as fees, rates, and billings that are charged to the beneficiaries of services. User charges are a way of recovering costs for providing a service from those that benefit directly from that service. The entire process of i) identifying water and sewer costs; ii) allocating costs to utility or service beneficiaries; and iii) designing rate structures to recover allocated costs.

The Newton County Water & Sewerage Authority is focused on providing high-quality, affordable potable water to its customers at the quantity required to sustain their respective communities and economies. Planning, budgeting, operational efficiency, reliability, and quality are critical to fulfilling NCWSA's mission. Because we

are a water and sewerage authority, the community drives our budget. We meet regularly with our city, county, economic development offices, and business partners to incorporate the future needs of our community into our ongoing planning and annual budget process.

BUDGET PROCESS

NCWSA's fiscal year is July 1st through June 30th. The budgeting process is a continuous cycle, with department managers encouraged to begin preparing for the upcoming fiscal year as soon as the current year begins. This proactive approach allows staff to build a strong case for funding needs and gather supporting documentation throughout the year. Budget performance is reviewed monthly by staff, management, and the Board of Directors.

In January of each fiscal year, the department directors begin compiling budget requests for submission to the Finance staff in the Administration Department. Although NCWSA has segregated departments based on water and sewer functions, the budget is compiled in aggregate for one comprehensive budget. Budget requests are compiled, reviewed, discussed with management, aligned to strategic goals, and input into NCWSA's financial model. Once a tentative master budget is developed, it is submitted to the Executive Director for review in April. The Executive Director suggests amendments to the draft budget and resubmits the budget to the administration staff to revise the draft master budget. Once this second draft of the master budget is completed, the Finance staff presents the master budget to the Executive Director. The Executive Director then presents the master budget to NCWSA's Board of Directors' Executive Committee for consideration. Recommendations of the Executive Committee are incorporated into the master budget, and the draft budget is finalized. The finalized master budget is then presented to NCWSA's Board for its consideration for adoption. The adoption of the budget typically takes place at the June Board meeting. The FYE 2026 Budget reflects a culmination of the processes and provides appropriations to meet the goals and objectives of NCWSA.

BUDGET AMENDMENTS

It is a standard practice of NCWSA to amend funds appropriated to functions and objects as needed throughout the year, except for salary and wage allocations. It is standard practice not to amend budgeted revenue figures. Contingency allocations may be utilized at the discretion of the Executive Director to cover shortages within given functions. Management desires to identify forecasting errors during the budget year to more easily assess why they occurred and prevent them from occurring in the future.

Because the budgetary level of control is at the fund level, the Executive Director may approve all amendments that transfer appropriations from one budget line item to another without preparing a budget amendment for Board approval. However, if an increase to the overall fund appropriation is needed, a budget amendment is prepared and reviewed by the Executive Committee before obtaining the Authority's Board of Directors approval.

FYE 2026 BUDGET CALENDAR

The Budget process began January 1st, with the initial work consisting of data collection and fundamental trend analysis. The budget then moves to the department level with meetings and discussions with the various departments within NCWSA. This phase concludes with preliminary meetings with the Board of Directors Executive Committee, and the "master budget" is drafted. The last step in the process is preparing and

approving the final draft budget, which is then forwarded for comment and acceptance by the entire Board of Directors. Below is the timeline used to develop the FYE 2026 Budget.



(Remainder of page intentionally left blank)

Date	Description
January 2, 2025	Begin collecting data, analyzing trends, and compiling budget information
February 2025	Conduct meetings with Finance to set goals, review capital and long-range financial strategies for budget development
March 10 - April 25, 2025	Begin with departmental budget requests and an analysis of the current progress of the FYE 2025 Budget
April 21, 2025	Draft of Department Budgets due to Administration
April 25, 2025	Departments submit draft budgets to the Executive Director for review and comment
May 2, 2025	Incorporate comments and revisions into the draft master budget
May 5, 2025	Finalize the draft for the master budget
May 6, 2025	Present draft of the master budget to the Executive Committee for review and comment
May 16, 2025	Incorporate Executive Committee recommendations into the draft of the master budget
May 21, 2025	Incorporate additional Executive Committee comments into the draft of the master budget
June 5, 2025	Executive Committee approves draft of the master budget and prepares recommendations for the Board of Directors
June 18, 2025	The Board of Directors convenes for Executive Director's presentation, discussion, and adoption of the FYE 2026 budget
July 1, 2025	Begin FYE 2026 Fiscal Year

(Remainder of page intentionally left blank)

SECTION 3

FINANCIAL SUMMARIES



OPERATING BUDGET SUMMARY – FYE 2026

The preparation of the FYE 2026 Budget was dedicated to crafting a thoughtful and responsible budget. Persistently high interest rates, the impact of inflation, and tariffs continue to suppress single-family housing in the unincorporated area of Newton County. Political and social unrest further contribute to an unpredictable economic landscape. Despite all this, the Authority remains optimistic, committed to delivering consistent, high-quality service and promoting the local economy's growth.

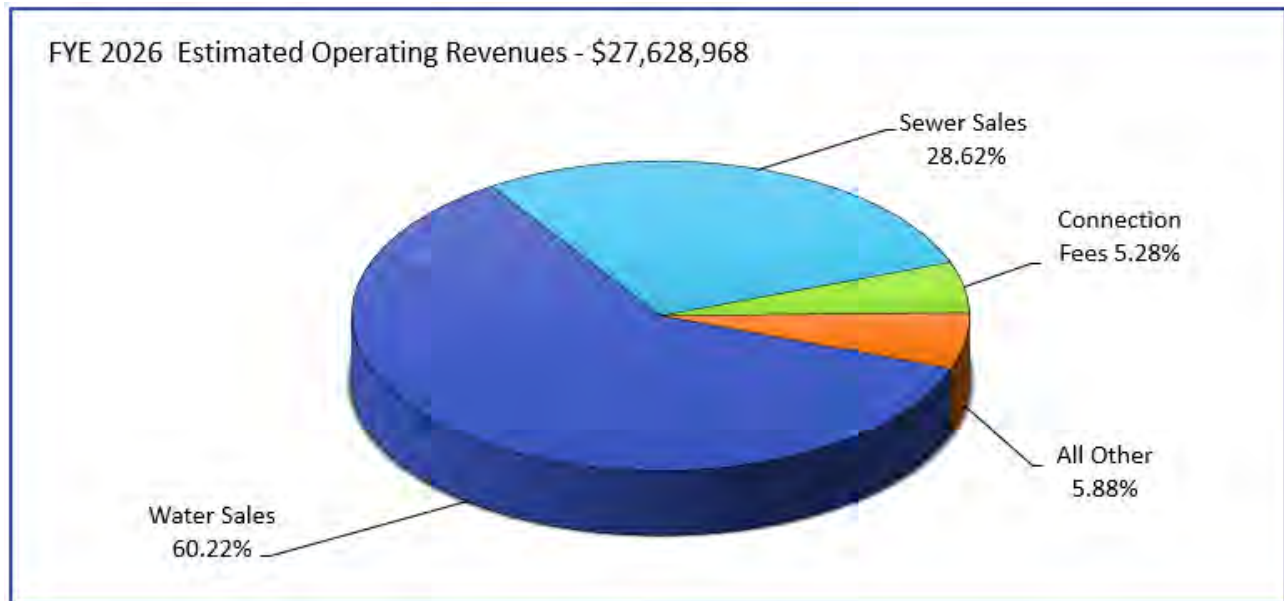
The FYE 2025 year-end financial position for the Newton County Water and Sewerage Authority is projected to result in an unaudited surplus of \$5.8 million. Total revenues are projected at \$27.1 million. Expenses are expected to total \$21.3 million. The projected surplus increases reserves to enable the Authority to help mitigate the rising costs of inflation, continue to utilize pay-as-you-go (PAYGO) funding for renewals of aging infrastructure and extensions for new service, implement mandated regulations, meet financial obligations (debt), and prepare for upcoming financial challenges.

The FYE 2026 Operating Budget reflects a balanced budget with revenues totaling \$27.8 million, expenses at \$23.6 million while maintaining deposits to reserves to pay for financial obligations such as payment of debt and PAYGO funding for infrastructure. Operating revenues by type and expenses by cost category are discussed in more detail on the following pages.

Summary of Budgeted Operating Sources and Uses					
Fiscal Year Ending June 30,					
Description	2024 Actual	2025 Budget	2025 Projected	2026 Budget	% Change 2025 v. 2026
Revenues and Sources of Funds					
Water Sales	\$14,872,112	\$14,699,540	\$15,486,509	\$16,637,791	7.4%
Sewer Sales	6,825,887	6,943,848	7,407,677	7,906,266	6.7%
Connection Fees	4,882,790	1,784,155	2,761,139	1,459,089	-47.2%
Late Fees	702,559	681,750	649,312	650,627	0.2%
Other Fees and Charges	538,445	617,145	617,701	975,195	57.9%
Interest Income / Other (Non-operating)	142,549	78,893	146,079	129,123	-11.6%
Total Revenues and Sources of Funds	\$27,964,342	\$24,805,331	\$27,068,417	\$27,758,091	2.5%
Expenditures and Uses of Funds					
Personal Services	\$5,859,555	\$6,719,263	\$5,954,829	\$6,853,719	15.1%
Operating Expenses	9,589,029	10,999,867	11,156,464	12,350,491	10.7%
Other	1,488,686	2,028,472	1,653,464	1,985,575	20.1%
Debt Service	2,491,229	2,508,644	2,502,445	2,436,259	-2.6%
Reserves	8,535,843	2,549,085	5,801,215	4,132,047	-28.8%
Total Expenditures and Uses of Funds	\$27,964,342	\$24,805,331	\$27,068,417	\$27,758,091	2.5%

(Remainder of page intentionally left blank)

FYE 2026 MAJOR OPERATING REVENUES



As a single self-supporting enterprise fund, the Authority's primary source of revenue is user charges for the provision of water and sewer services to the community. With the assistance of financial and utility consultants, an annual Financial Forecast is completed for the current and five (5) subsequent years. FYE 2026 budgeted revenues are estimated by reviewing FYE 2025 year-to-date (8, 9- and 10-month actuals), historical trends based on water billing statistics, and projected demands, as illustrated on pages 19 through 22 of this document. Overall sales revenue is expected to slightly increase due to: i) a modest projection of 1.0% to 2.0% of new retail construction and development in the Authority service area; ii) additional customer demands associated with the extension of service to developed areas to provide regional retail water and wastewater service; iii) increases in large user service to existing and new customers; iv) a slight reduction in the estimated customer usage per month (approximately 4,700 gallons monthly) based on historical trends; and v) the implementation of a 5.0% increase in water and 6.0% in sewer retail rates effective July 1, 2025. A comparison of the FYE 2025 projected actuals to the FYE 2026 revenue budget reflects an overall increase of 2.6%.

Major Operating Revenues

Description	Fiscal Year Ending June 30,					% Change 2025 v 2026
	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	
Water Sales	\$13,928,773	\$14,872,112	\$14,669,540	\$15,486,509	\$16,637,791	7.4%
Sewer Sales	6,026,535	6,825,887	6,943,848	7,407,677	7,906,266	6.7%
Connection Fees	2,284,800	4,882,790	1,784,155	2,761,139	1,459,089	-47.2%
Late Fees	622,972	702,559	681,750	649,312	650,627	0.2%
Other Fees and Charges	464,757	538,445	617,145	617,701	975,195	57.9%
Total Major Operating Revenues	\$23,327,837	\$27,821,793	\$24,726,438	\$26,922,338	\$27,628,968	2.6%

Amounts shown exclude non-operating revenues such as interest income, capital contributions, proceeds from proposed debt issuance and reserves.

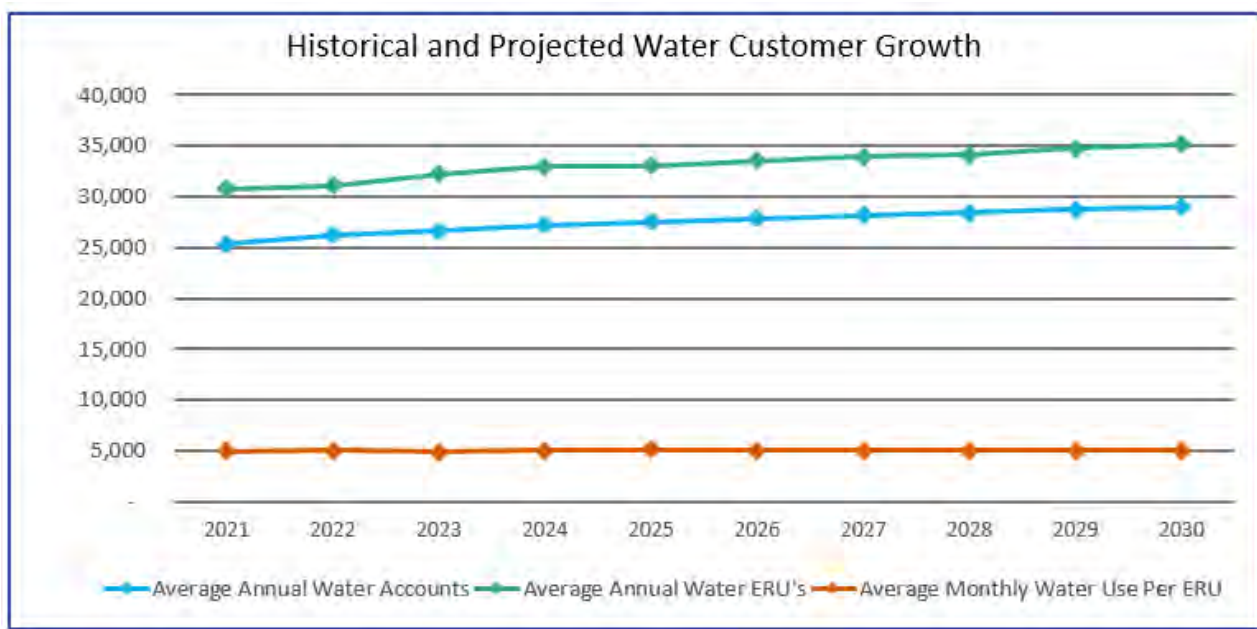
EXPLANATION OF SIGNIFICANT BUDGET VARIANCES - REVENUES

FYE 2026 BUDGET VS FYE 2025 PROJECTED ACTUALS

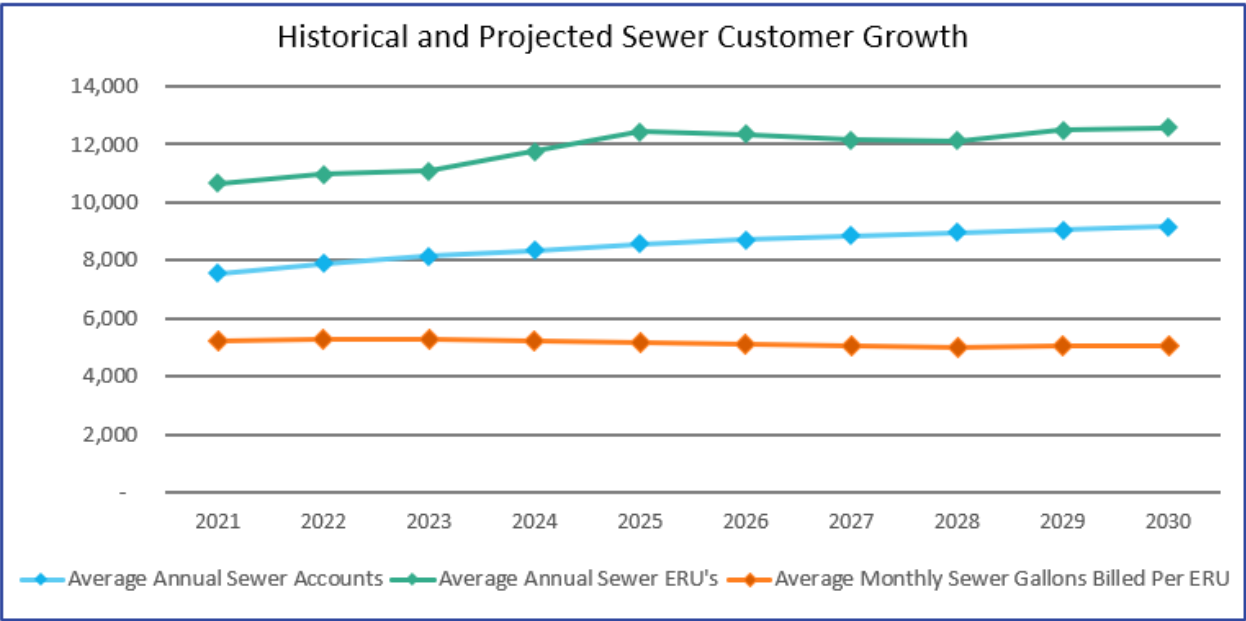
A significant factor affecting Authority revenues will be the rate adjustments adopted for FYE 2026. Coupled with the compounding effect of rate adjustments adopted in the previous year (2.0% water and 6.0% sewer), revenues from water and sewer sales are estimated to increase 7.2% or \$1.6 million. Another factor that has a significant impact on the Authority's revenues is the volatility of connection fees because they are driven by new growth in the utility system. It is not anticipated that the Authority will receive any sizable commercial connections in FYE 2026.

DISCUSSION OF MAJOR REVENUE SOURCES

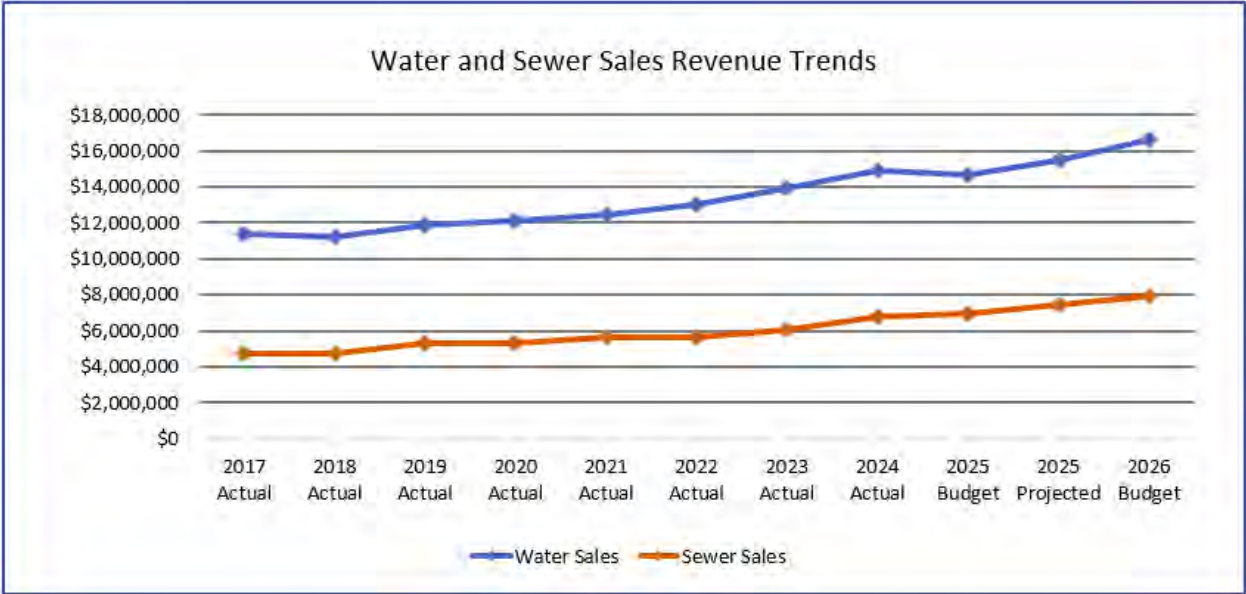
Water Sales – Revenue derived from base charges, water supply charges (pass-through for purchased water), and volumetric water sales from customers. This is the primary source of the Authority's revenue. Due to decreasing consumption, conservative growth forecast, rising operating expenditures, and economic impacts, the Board adopted a 5.0% rate adjustment on retail water sales for FYE 2026. Water sales are forecasted at \$16.6 million, of which 30% is attributable to base charges, and 70% is attributable to volumetric charges (including pass-through for water purchases). This is a 7.4% increase compared to the prior year. These sales do not include connection fees, user charges, or other fees billed by the Authority. Water sales account for 60% of total FYE 2026 budgeted operating revenues. The chart below represents the historical and projected water customer growth trends as depicted on pages 19 through 20 of this document.



Sewer Sales – Revenue derived from the base and volumetric sewer sales from customers. Sewer sales are projected at \$7.9 million, an increase of 6.7% compared to the prior year projected actuals. The FYE 2026 Budget includes a Board adopted rate adjustment of 6.0%. Base charges account for 12% of sewer sales and 88% is attributable to volumetric charges. These sales do not include connection fees, user charges, or other fees billed by the Authority. Sewer sales account for 29% of total FYE 2026 budgeted operating revenues. The chart below represents the historical and projected sewer customer growth trends as depicted on pages 21 through 22 of this document.



It should be noted that the NCWSA Board desires to remain conservative in the growth component projection of sales revenue. Historical water and sewer sales trends are depicted in the chart below.



(Remainder of page intentionally left blank)

FYE 2026 – RETAIL SERVICE RATES

Water Retail Service Rates – Effective July 1, 2025					
Description	Base Charge	Usage Charges (per 1,000 Gallons)			
		0 to 3,000	3,001 to 8,000	8,001 to 15,000	15,001 & Above
Residential Service					
Single-Family	\$13.63	\$3.34	\$7.54	\$9.16	\$10.92
Multi-Family	\$13.63	\$3.34	\$7.54	\$9.16	\$10.92
Commercial Service					
3/4 Inch Metered Service	\$13.63		\$5.87 (All Usage)		
1 Inch Metered Service	\$20.91		\$5.87 (All Usage)		
1 1/2 Inch Metered Service	\$33.14		\$5.87 (All Usage)		
2 Inch Metered Service	\$50.87		\$5.87 (All Usage)		
3 Inch Metered Service	\$94.16		\$5.87 (All Usage)		
4 Inch Metered Service	\$142.43		\$5.87 (All Usage)		
6 Inch Metered Service	\$240.82		\$5.87 (All Usage)		
8 Inch Metered Service	\$374.24		\$5.87 (All Usage)		
10 Inch Metered Service	\$664.89		\$5.87 (All Usage)		

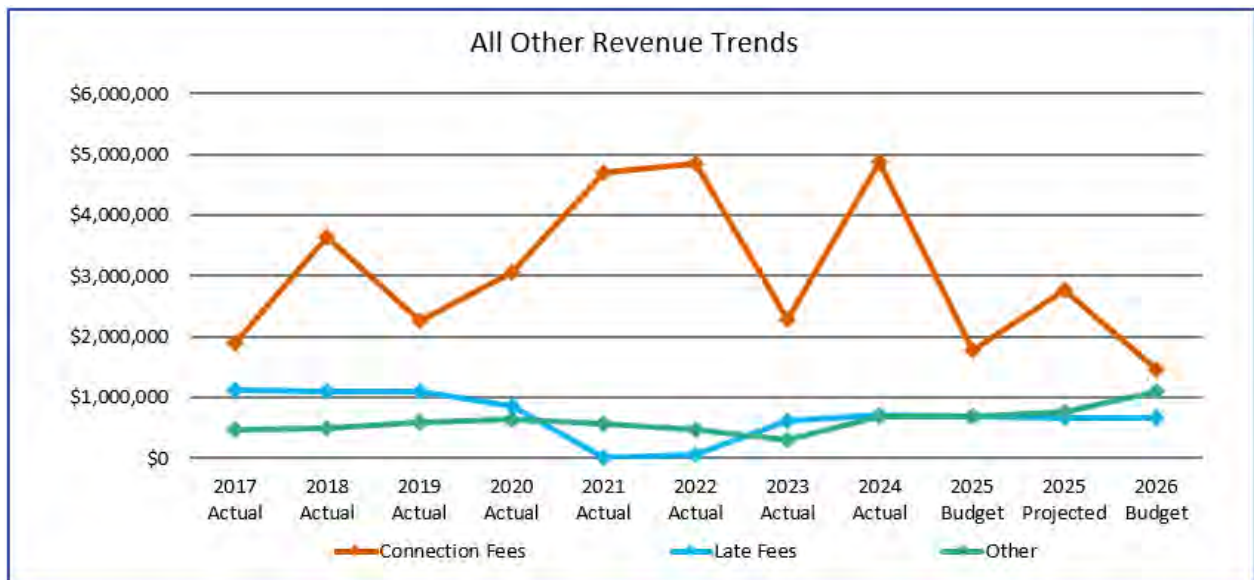
Sewer Retail Service Rates – Effective July 1, 2025		
Description	Base Charge	Usage Charges (per 1,000 Gallons)
Residential Service		
Single-Family	\$6.59	\$8.90 (All Usage Above 1,000)
Multi-Family	\$6.59	\$8.90 (All Usage Above 1,000)
Commercial Service		
3/4 Inch Metered Service	\$6.59	\$8.90 (All Usage Above 1,000)
1 Inch Metered Service	\$16.91	\$8.90 (All Usage Above 1,000)
2 Inch Metered Service	\$73.24	\$8.90 (All Usage Above 1,000)
3 Inch Metered Service	\$155.44	\$8.90 (All Usage Above 1,000)
4 Inch Metered Service	\$247.79	\$8.90 (All Usage Above 1,000)
6 Inch Metered Service	\$348.79	\$8.90 (All Usage Above 1,000)
8 Inch Metered Service	\$536.59	\$8.90 (All Usage Above 1,000)
10 Inch Metered Service	\$1,479.13	\$8.90 (All Usage Above 1,000)

Connection Fees – Water and sewer connection fees are based on new growth to the utility system and charged for all new residential and commercial development. The connection fee for a residential ¾” meter is \$2,951.00 for water and \$3,650.00 for sewer. Based on a review of the development plans, projections for FYE 2026 recognize approximately 344 water connections and 134 sewer taps. Both water and sewer connection fees account for 5.3% of operating revenues in FYE 2026.

Late Fees – Payment for services is due twenty-one (21) days from the bill date. A late fee is assessed to customers failing to pay monthly utility bills on or before the due date. On Day 28, a delinquent penalty charge of \$8.00 is added to the customer's bill. If payment is not received by or on Day 45 the customer’s meter is locked, and the customer is billed an additional \$35. When the account is paid in full, and service is reconnected. During the Pandemic, the Authority temporarily suspended the assessment of late fees. During FYE 2022, the Authority slowly returned to charging these fees. The FYE 2026 budget recognizes a full year of conservatively estimated late fee collections and accounts for approximately 2.4% of operating revenues

in FYE 2026. Late fees also include returned check fees, after hour turn on/off fees, meter tampering fees, and applicable administration fees.

Other Fees and Charges – Include water and sewer Developer fees, septage revenue and land application revenue. Water and sewer developer fees are collected for engineering and planning work on residential and commercial projects within the Authority’s service area. Septage revenue are fees charged to licensed septic tank haulers that recover waste from home septic systems and is discharged at the Yellow River Water Reclamation Facility (the “YRWRF”). Fee recovery offsets the cost of providing this service. There has been a significant decline as haulers are finding alternative methods of disposal. Land application revenues are fees charged to the City of Covington, City of Oxford, Oxford College, the Board of Education, and the City of Porterdale for effluent disposal through an interlocal agreement. Other Fees and Charges comprise about 3.5% of the total operating revenue stream for the Authority in FYE 2026.

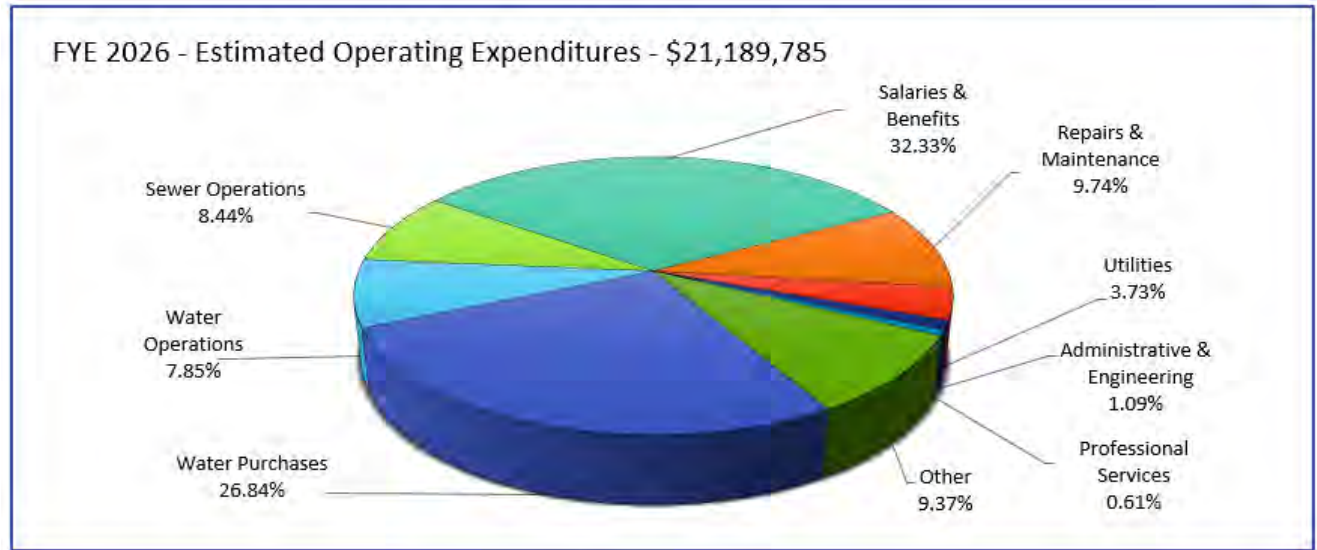


(Remainder of page intentionally left blank)

FYE 2026 – OPERATING REVENUES DETAIL BY FUNCTION

Operating Revenue Detail by Function						
Fiscal Year Ending June 30,						
Description	2024 Actual	2025 Budget	2025 Projected	2026 Budget	Variance (Amount)	Variance (Percentage)
Water Operating Revenues						
Water Sales Revenue	\$14,872,112	\$14,699,540	\$15,486,509	\$16,637,791	1,151,282	7.4%
Water Connection and Tap Fees	1,575,950	1,344,987	1,138,390	954,306	(184,084)	-16.2%
Late Charge / Other Revenue	683,380	690,906	653,955	650,627	(3,328)	-0.5%
Total Water Operating Revenue	\$17,131,442	\$16,735,433	\$17,278,854	\$18,242,724	963,870	5.6%
Sewer Operating Revenues						
Sewer Sales Revenue	\$6,825,887	\$6,943,848	\$7,407,677	\$7,906,266	\$498,589	6.7%
Sewer Connection Fees	3,306,840	439,168	1,622,749	504,783	(1,117,966)	-68.9%
Developer Fees / Other	24,450	\$7,859	26,567	27,147	580	2.2%
Land Application Revenue	533,174	600,130	586,491	948,048	361,557	61.6%
Total Sewer Operating Revenue	\$10,690,351	\$7,991,005	\$9,643,484	\$9,386,244	(\$257,240)	-2.7%
Total Operating Revenue	\$27,821,793	\$24,726,438	\$26,922,338	\$27,628,968	\$706,630	2.6%

FYE 2026 OPERATING EXPENDITURES



With the assistance of a financial and utility consultant, an annual financial forecast is completed, depicting the current and five (5) subsequent year projections. These projections take into consideration historical results, the projected needs of the Authority, and the application of a series of inflation and escalation factors. More specifically the FYE 2026 projected expenses are estimated by reviewing FYE 2025 year-to-date (8, 9- and 10-month actuals), historical trends, known operating impacts of infrastructure additions / retirements, and identified departmental needs. The Authority is committed to controlling expenses through effective fiscal management and sound policy practices. The combined operating expenditures in the FYE 2026 Budget are projected to increase 17.3% compared to the FYE 2025 projected actuals.

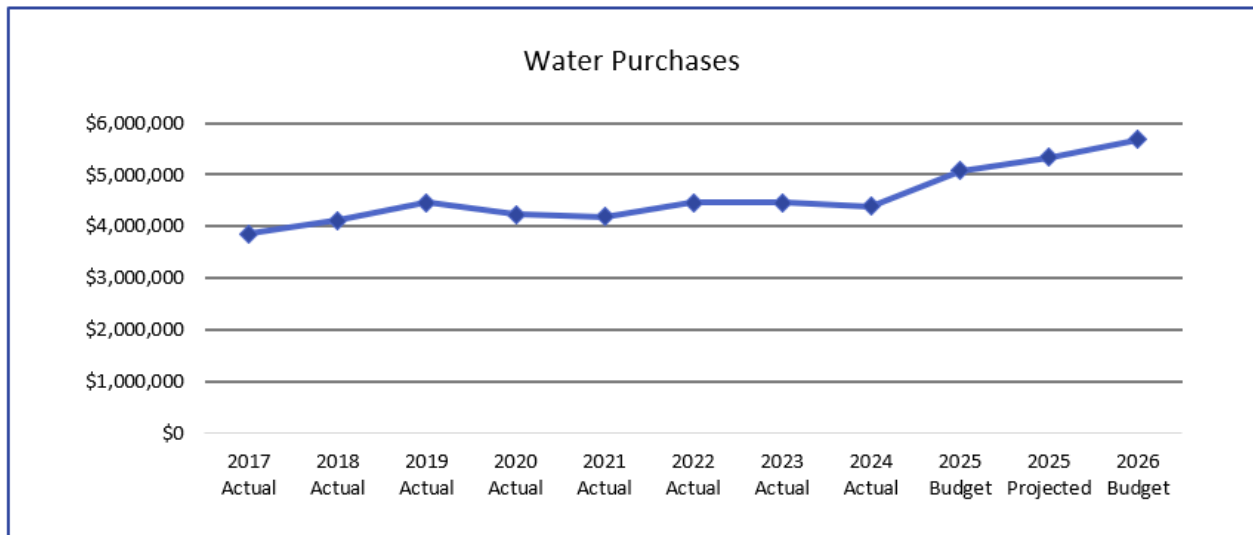
Operating Expenses						
Description	Fiscal Year Ending June 30,					
	2023 Actual	2024 Actual	2025 Budget	2025 Projected	2026 Budget	% Change 2025 v. 2026
Water Purchases	\$4,460,635	\$4,386,666	\$5,077,438	\$5,332,689	\$5,686,730	6.6%
Water Operations	1,391,562	1,602,205	1,514,478	1,784,633	1,663,013	-6.8%
Sewer Operations	1,030,642	1,030,642	1,349,918	1,208,080	1,787,657	48.0%
Salaries & Benefits	4,193,638	5,859,555	6,719,263	5,954,829	6,853,719	15.1%
Repairs & Maintenance	1,288,179	1,593,172	1,919,173	1,732,962	2,063,557	19.1%
Utilities	666,336	749,638	828,839	717,610	790,155	10.1%
Administrative & Engineering	119,011	135,414	143,328	285,221	230,650	-19.1%
Professional Services	87,605	91,292	166,693	95,269	128,729	35.1%
Other	1,150,400	1,488,686	2,028,472	1,653,464	1,985,575	20.1%
Total Operating Expenses	\$14,388,008	\$16,937,270	\$19,747,602	\$18,764,757	\$21,189,785	12.9%

Amounts shown exclude depreciation expense, interest expense on outstanding debt, and capital improvement projects.

EXPLANATION OF SIGNIFICANT VARIANCES - EXPENDITURES

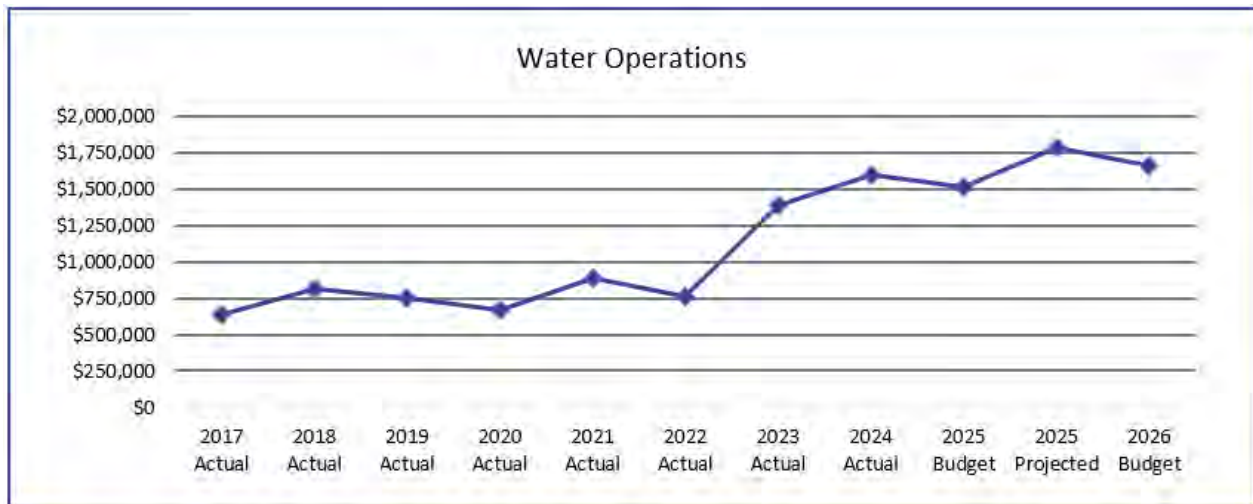
FYE 2026 BUDGET VS FYE 2025 PROJECTED ACTUALS

Water Purchases – The Authority purchases wholesale water from Newton County Water Resources (NCWR) through a Consecutive Water System Intergovernmental Agreement for distribution to its customers and is the Authority’s sole source of water. For FYE 2026, NCWR increased the cost to purchase water from \$2.34 per 1,000 gallons to \$2.64 per 1,000 gallons resulting in an increase of \$0.30 per 1,000 gallons or 12.82%. For the past 4 years water purchases have averaged approximately 5.5 million gallons per day (mgd). Other factors that are considered when determining the budget for water purchases include: i) customer growth projections; ii) historical consumption per ERU; and iii) projected non-revenue water. The budget for FYE 2026 is \$5,686,730 and is projected to increase 6.6% or \$354,041 compared to projected actuals for FYE 2025 and are 26.8% of total operating expenses.



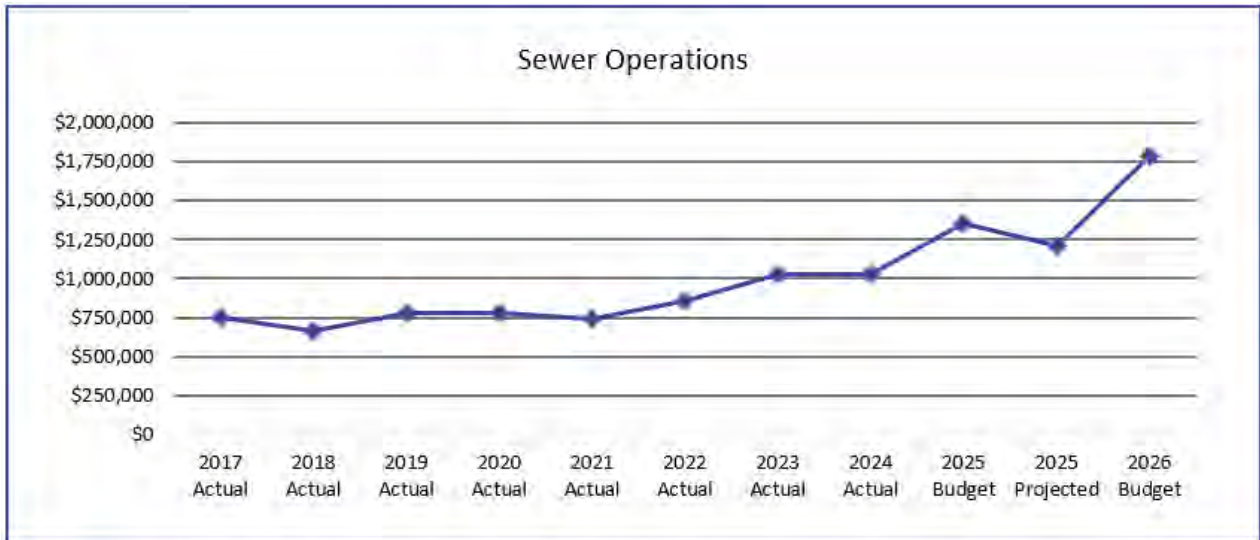
Water Operations – Water Operations include expenses for engineering services, water conservation, GIS and mapping, fuel, tools and equipment, electricity for pumping stations, water system materials, computer services, and uniforms. The largest cost items are water system materials at \$1,033,976 and electricity for

pumping stations at \$234,820. The FYE 2026 Water Operations budget is \$1,663,013 and projected to decrease \$121,620 or 6.8% over the FYE 2025 projected actuals. Due to the long lead times and expense of certain materials such as meters, pumps, and other parts, additional purchases were made in the prior year which will carry over into FYE 2026 resulting in a reduction to the budget.



Sewer Operations – Sewer Operations include expenses for GIS and mapping, fuel, tools and equipment, electricity for lift stations, easement clearing, operating supplies, plant chemicals, solids disposal, industrial pretreatment, land application expense, and uniforms. Land application expense is the largest expense in this category at \$948,048 and represents the cost to provide effluent disposal for the City of Covington, City of Oxford, Oxford College, the Board of Education, and the City of Porterdale. In the FYE 2026 budget, the City of Covington increased land application expenses by \$347,918—a 60% increase—due to extraordinary infrastructure issues, specifically stream culvert failures and necessary replacements along key service roads. These expenses are offset with fees that are recovered through an interlocal agreement and are included as other fees and charges in the operating revenue budget. Other large expenses in this category include plant chemicals at \$210,470, electricity for lift stations at \$106,901, and solids disposal at \$118,620. These are costs that are driven by higher inflation and increasing energy costs as well as the ramping up of the A. Scott Emmons Water Reclamation Facility which began operations in FYE 2024. The FYE 2025 Budget totals \$1,787,657, an increase of 48.0% when compared to last fiscal year’s projected actuals.

(Remainder of page intentionally left blank)



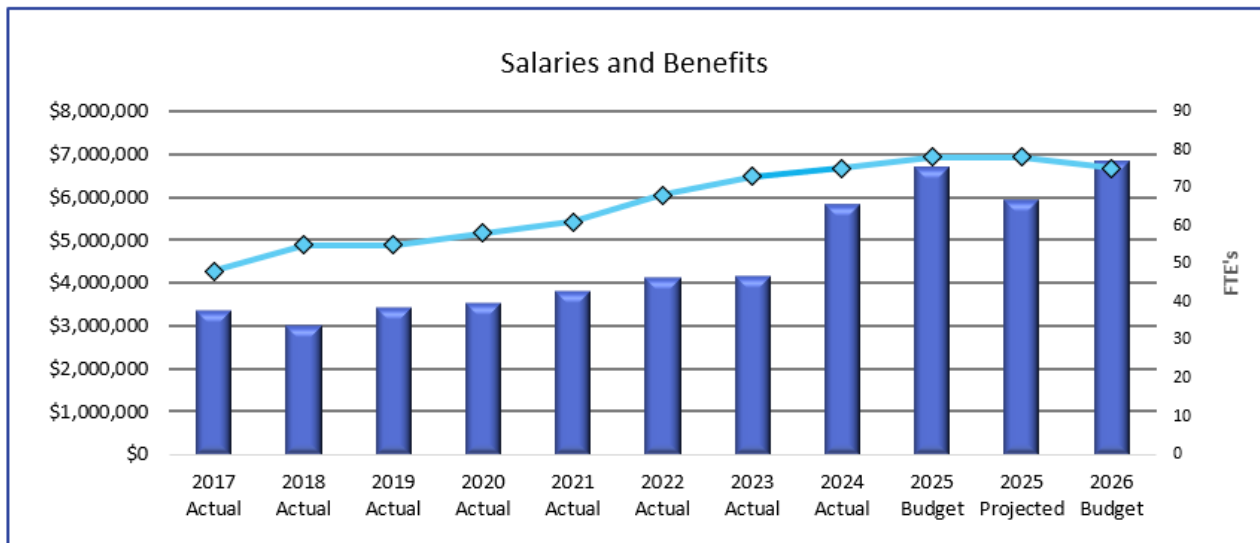
(Remainder of page intentionally left blank)

Salaries & Benefits – NCWSA’s most valuable investment continues to be its workforce, making employee support a cornerstone of strategic planning. The FYE 2026 budget reflects this priority with a 5% cost-of-living adjustment and a comprehensive benefits package. However, the rising cost of healthcare remains a significant challenge. With the transition to a new healthcare provider, premiums have increased by 19%, contributing to the overall growth in personnel-related expenses.

The total personnel budget for FYE 2026 is \$6,853,719, representing a 15.1% increase over the projected results for FYE 2025. This category remains the Authority’s largest operating expense, accounting for 32.3% of total expenditures. The year-over-year variance is primarily driven by previously vacant budgeted positions now being filled and the escalating cost of health insurance.

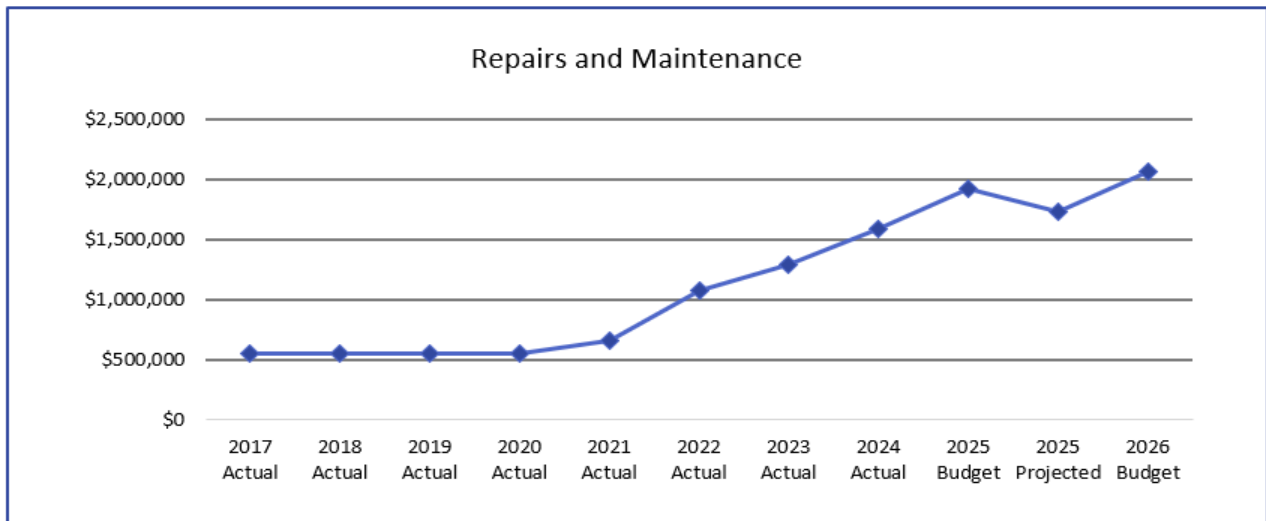
From 2019 to 2022, NCWSA faced significant staffing challenges, particularly in recruiting qualified personnel. However, notable progress was made over the past two years, with vacancies peaking at 15 in 2023. Despite this progress, six key positions have been defunded but remain on the organizational chart. These include the Directors of Operations (Both Internal and External), IT Director, Wastewater Lab Analyst, Assistant Water Reclamation Manager, and Community Affairs Manager. These roles require advanced education and specialized experience, making them difficult to fill due to the limited talent pool that our area, just outside of Metro Atlanta, is experiencing.

Given the niche market for such expertise, NCWSA’s strategic focus for FYE 2026 is to develop targeted approaches to package, market, and advertise these critical roles—aiming to attract, interview, and onboard the professionals essential to our continued success. Once the job packages are ready, our goal is to begin advertising in late spring of 2026.

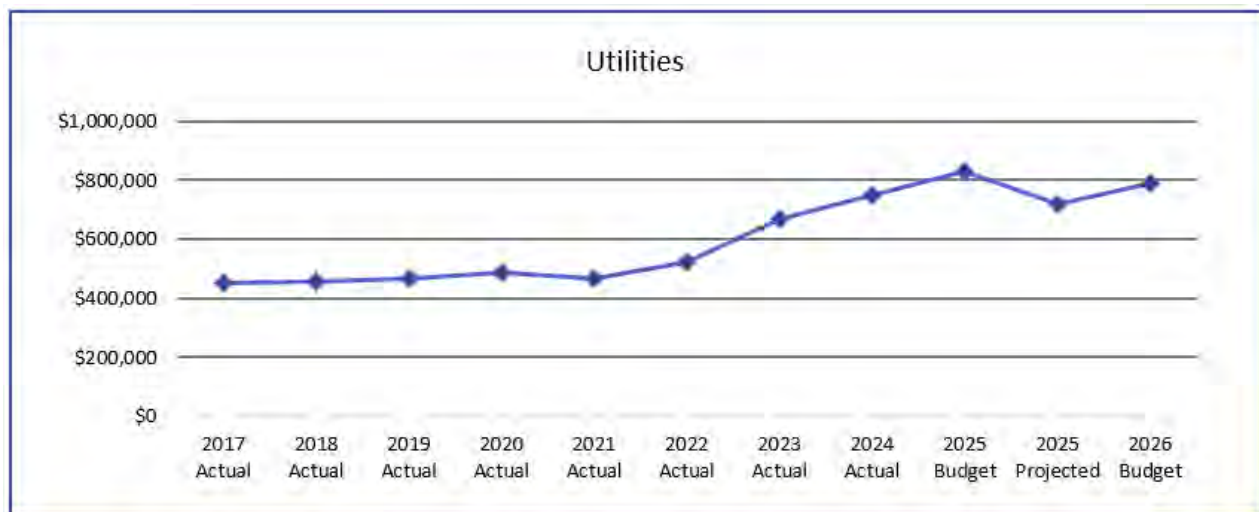


(Remainder of page intentionally left blank)

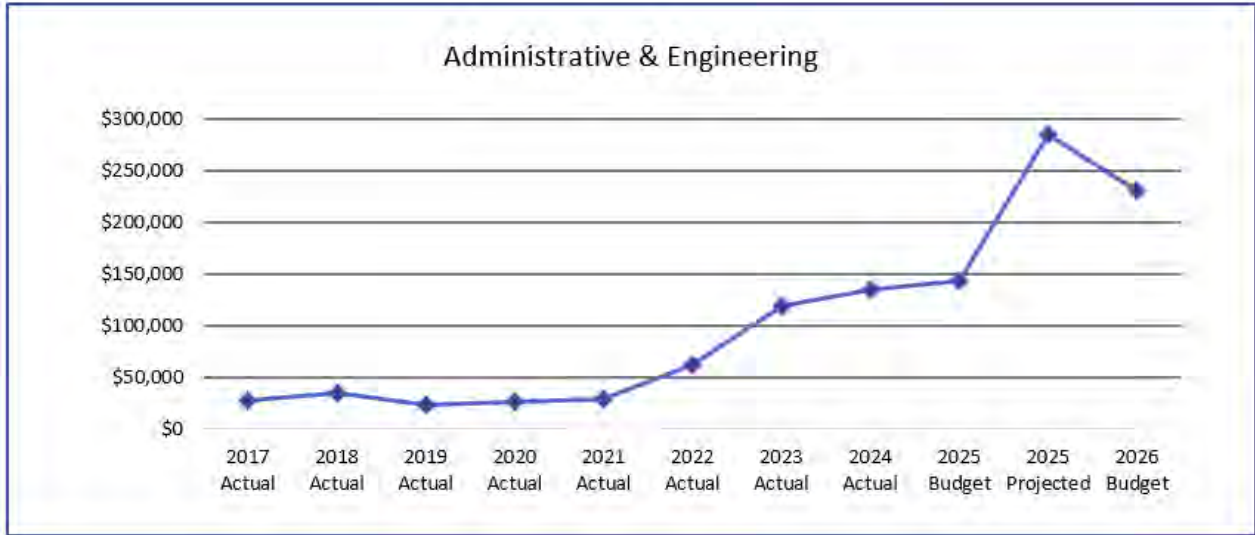
Repairs & Maintenance – This category includes repairs and maintenance to the Authority’s trucks, equipment, facilities and grounds, maintenance agreements, water and sewer system, water tank maintenance, and sewer plant maintenance. The FYE 2026 Budget is \$2,063,557 and is a 19.1% increase from the projected FYE 2025 results. The variance is primarily attributed to the aging infrastructure of the Yellow River Water Reclamation Facility and its associated collection system. As these systems continue to deteriorate, maintenance and repair demands have increased significantly. Additionally, rising costs for essential materials and supplies—such as piping, treatment chemicals, and mechanical components—have further contributed to the budget impact. Contractual service agreements, including specialized labor and equipment rentals, have also seen cost escalations due to inflationary pressures and limited vendor availability. Together, these factors have created a notable financial strain, necessitating adjustments in the budget to ensure continued operational reliability and regulatory compliance.



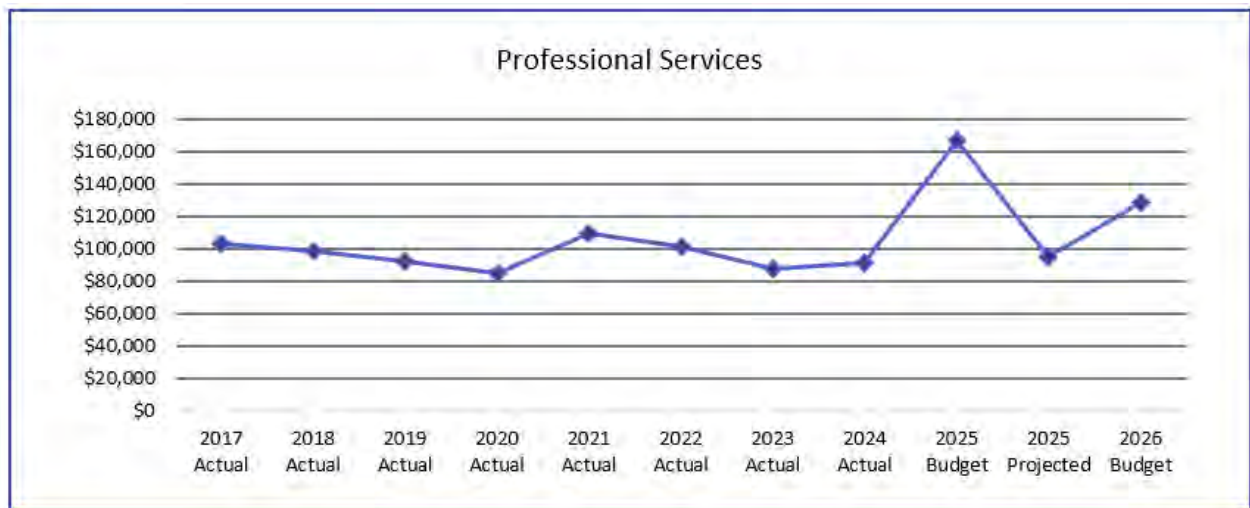
Utilities – The FYE 2026 Budget for this line item includes the cost for electric, natural gas, propane, fiber optic, internet, garbage, telephone service, and water service from other providers. The FYE 2026 Budget is \$790,155 and represents a 10.1% increase when compared to FYE 2025 projected actual expenses.



Administrative & Engineering – Budgeted \$230,650, this line item is primarily for sewer engineering services and represents a decrease of \$72,545 or 19.1% to the projected FYE 2025 expenses. Engineering costs have decreased in recent periods due to the completion of a slate of major projects and the successful recovery of expenses through federal funding. However, this reduction is expected to be temporary. As the federal spending deadline approaches in October 2026, we anticipate a resurgence in engineering activity and associated costs. Consequently, engineering expenses are projected to increase—or at minimum return to typical levels—in FYE 2027.

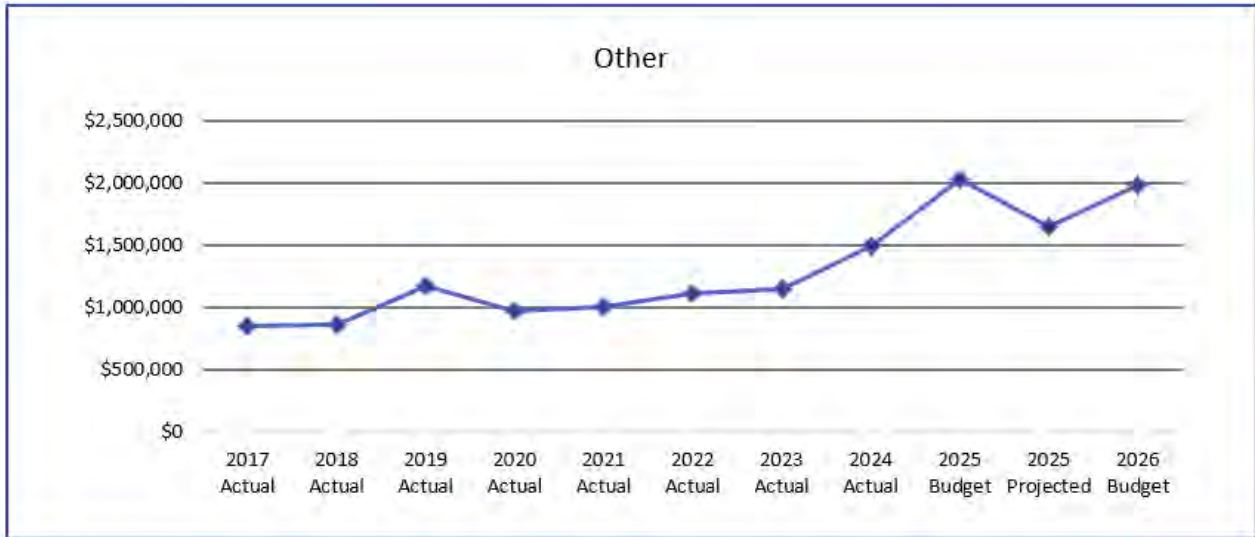


Professional Services – This line item includes external resources needed by the Authority for legal and auditing service. The FYE 2026 Budget is \$128,729 and is an increase 35.1% from the FYE 2025 projected actuals. The increase in this line item is primarily attributed to service provision and the requirement for an independent audit of federal funds received through the “American Rescue Plan Act State Fiscal Recovery Drinking Water Projects to Support Increased Population Award.” At the close of FYE 2025 we received notice that NCWSA would be required to perform a single audit of the projects that received the federal funding.



(Remainder of page intentionally left blank)

Other – The FYE 2026 Budget has earmarked \$1,985,575 for other expenses. This is a 20.1% increase from FYE 2025 projected actuals. Other expenses include: \$180,8445 for utility billing services; \$375,550 for banking and merchant fees; \$361,763 for general liability, property, and automobile insurance; \$375,540 for planning which includes financial and utility consultants, leadership collaborative with various partners, and strategic planning; estimated bad debt expense of \$215,776; and various other miscellaneous expenses.



FYE 2026 – OPERATING EXPENDITURES DETAIL BY FUNCTION

Water Operating Expenditure Detail by Function						
Description	Fiscal Year Ending June 30,					
	2024 Actual	2025 Budget	2025 Projected	2026 Budget	Variance (Amount)	Variance (Percentage)
Water Operating Fund Expenditures						
Salaries & Wages	\$1,949,944	\$2,368,244	\$2,350,057	\$2,344,561	(\$5,496)	-0.2%
Payroll Taxes	147,044	163,625	174,104	183,260	9,156	5.3%
Overtime	26,053	34,388	34,261	37,827	3,566	10.4%
Uniforms	30,473	20,853	45,007	26,067	(18,940)	-42.1%
Insurance – Health	402,143	706,605	420,608	840,860	420,252	99.9%
Retirement Plan	160,345	191,449	171,636	181,876	10,240	6.0%
Pension Expense	767,073	---	---	---	---	0.0%
Employee Education Reimbursement	2,777	17,334	---	17,334	17,334	0.0%
Travel & Training	74,004	86,853	102,219	95,538	(6,681)	-6.5%
Safety / Wellness	10,532	13,350	6,958	10,012	3,054	43.9%
Administrative	14,236	17,850	15,065	16,958	1,893	12.6%
Engineering Tech Services (External)	69,716	110,922	86,272	88,738	2,466	2.9%
Planning	190,612	248,491	170,709	248,491	77,782	45.6%
Bank / Merchant Fees	237,391	297,176	267,610	297,176	29,566	11.0%
UPC Contributions	16,496	18,465	17,952	20,312	2,360	13.1%
EPD Fees	---	18,459	---	---	---	0.0%
Sewer Expense Salem Village	57,165	56,405	61,647	59,225	(2,422)	-3.9%
Social Circle / GDOT Exit #52	19,421	9,154	---	---	---	0.0%
Office Supplies	26,446	36,300	28,009	27,225	(784)	-2.8%
Customer Billing Services	190,818	193,378	197,630	154,702	(42,928)	-21.7%
Communications	51,687	63,995	53,383	51,196	(2,187)	-4.1%
Security	---	1,579	---	---	---	0.0%
Water Conservation	25,428	32,358	40,420	33,976	(6,444)	-15.9%
Miscellaneous	22,978	27,196	30,409	29,916	(493)	-1.6%
Contingency	---	58,088	---	58,088	58,088	0.0%
Bad Debts	---	129,716	76,235	152,416	76,181	99.9%
Legal	13,494	42,776	18,102	27,804	9,702	53.6%
Auditing	44,373	63,344	52,590	63,344	10,754	20.4%
Computer	45,232	49,220	32,821	49,220	16,399	50.0%
GIS / Mapping	31,775	50,000	46,765	50,000	3,235	6.9%
Truck Maintenance	34,434	35,975	33,220	37,774	4,554	13.7%
Equipment Maintenance	25,771	27,151	14,241	21,721	7,480	52.5%
Tools / Equipment	(3,655)	23,175	23,360	23,175	(185)	-0.8%
Facility / Grounds Maintenance	53,727	96,851	97,427	106,536	9,109	9.3%
Insurance – Liability P/C	141,354	160,995	147,150	185,144	37,994	25.8%
Fuel	77,188	75,078	67,425	63,816	(3,609)	-5.4%
Utilities	43,595	55,165	43,753	55,165	11,412	26.1%
Maintenance Agreements	158,754	179,691	188,306	233,598	45,292	24.1%
Dues and Assessments	16,117	21,867	21,772	24,054	2,282	10.5%
Utilities – Pumping Station	232,188	234,820	234,140	234,820	680	0.3%
System Material	877,868	861,647	1,146,776	1,033,976	(112,800)	-9.8%
System Maintenance	387,571	289,006	306,227	278,891	(27,336)	-8.9%
Water Tank Maintenance	412,783	629,173	239,425	359,887	120,462	50.3%
Purchased Water	4,386,666	5,077,438	5,332,689	5,686,730	354,041	6.6%
Total Water Operating Fund Expenditures	\$11,472,016	\$12,895,605	\$12,396,380	\$13,511,409	\$1,115,029	9.0%

FYE 2026 – OPERATING EXPENDITURES DETAIL BY FUNCTION (Continued)

Sewer Operating Expenditure Detail by Function						
Description	Fiscal Year Ending June 30,					
	2024 Actual	2025 Budget	2025 Projected	2026 Budget	Variance (Amount)	Variance (Percentage)
Sewer Operating Fund Expenditures						
Salaries & Wages	\$1,725,619	\$2,460,707	\$1,998,790	\$2,362,279	\$363,489	18.2%
Payroll Taxes	130,397	165,976	157,092	185,893	28,801	18.3%
Overtime	40,086	44,350	51,320	49,672	(1,648)	-3.2%
Uniforms	9,668	15,399	14,392	16,938	2,546	17.7%
Insurance – Health	356,246	394,499	418,162	469,453	51,291	12.3%
Retirement Plan	154,605	172,372	178,799	180,990	2,191	1.2%
Employee Education Reimbursement	---	17,048	---	17,048	17,048	0.0%
Travel & Training	38,841	41,871	45,644	45,011	(633)	-1.4%
Safety / Wellness	2,839	3,261	4,025	4,240	215	5.3%
Dues and Assessments	11,225	18,297	16,523	18,297	1,774	10.7%
Insurance – Liability P/C	141,334	153,581	147,145	176,619	29,474	20.0%
Administrative	11,900	14,752	12,407	13,277	870	7.0%
Bank / Merchant Fees	126,359	110,387	157,855	78,374	(79,481)	-50.4%
Office Supplies	13,274	14,881	12,277	11,160	(1,117)	-9.1%
Customer Billing Services	180	32,677	1,357	26,142	24,785	1826.5%
Communications	17,784	30,213	17,799	22,660	4,861	27.3%
Planning	125,436	127,049	81,807	127,049	45,242	55.3%
Miscellaneous	10,782	14,793	9,725	14,793	5,068	52.1%
Bad Debts	---	52,800	39,271	63,360	24,089	61.3%
Contingency	---	26,266	---	26,266	26,266	0.0%
Legal	15,425	29,180	15,202	21,885	6,683	44.0%
Auditing	18,000	31,393	9,375	15,696	6,321	67.4%
Maintenance Agreements	57,978	62,458	68,052	93,687	25,635	37.7%
Computer	12,355	18,240	15,968	56,544	40,576	254.1%
GIS / Mapping	31,774	37,500	38,918	41,250	2,332	6.0%
Engineering Tech Services (External)	109,278	110,726	257,749	200,415	(57,334)	-22.2%
Easement Clearing	68,770	94,253	61,020	80,115	19,095	31.3%
Truck Maintenance	12,353	14,683	12,983	16,152	3,169	24.4%
Plant Maintenance	229,242	253,596	371,478	405,754	34,276	9.2%
System Maintenance	86,583	210,793	226,209	337,269	111,060	49.1%
Equipment Maintenance	12,996	21,157	21,751	24,330	2,579	11.9%
Tools / Equipment	10,370	12,606	13,916	25,212	11,296	81.2%
Facility / Grounds	120,980	98,639	153,643	147,958	(5,685)	-3.7%
Fuel	25,704	43,338	27,152	20,802	(6,350)	-23.4%
Utilities	706,043	773,674	673,857	734,990	61,133	9.1%
Operating Supplies	30,006	42,932	53,507	75,131	21,624	40.4%
Plant Chemicals	192,102	191,337	217,776	210,470	(7,306)	-3.4%
Utilities – Lift Stations	126,220	142,534	115,593	106,901	(8,692)	-7.5%
Solids Disposal	120,351	107,836	113,447	118,620	5,173	4.6%
Industrial Pretreatment Program	16,917	43,813	25,615	87,626	62,011	242.1%
Land Application	545,232	600,130	510,776	948,048	437,272	85.6%
Total Sewer Operating Fund Expenditures	\$5,465,254	\$6,851,997	\$6,368,377	\$ 7,678,376	\$1,309,999	20.6%

NET POSITION

The Authority reviews the existing and projected net position as a component of the budget process. Net position is defined as the total of assets and deferred outflows of resources less the total of liabilities and deferred inflows of resources.

As reported in NCWSA's financial statements as of FYE 2024, the net position was \$187,576,713 and comprised of the following components:

- Net investments in Capital Assets: This component 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 = \$153,519,912 or 81.85%.
- Restricted Net Position: This component consists of assets that are subject to limitations on their use by external parties such as creditors, grantors, contributors, laws, or regulations, or by law through constitutional provisions = \$80,381 or 0.04%.
- Unrestricted Net Position: This component consists of the residual amount of net position not included in the definition of net investment in capital assets or the restricted net position = \$ 33,976,420 or 18.11%.

As shown in the table below, the comparison of the FYE 2025 projected actuals to the FYE 2026 Budget reflects an increase of 20.75%. The factors that are driving the change in Net Position include:

- User rate adjustments of 5.0% for water and 6.0% for effective July 1, 2025.
- Estimates of connection fee collection are estimated to be lower.
- Increases in operating costs to provide water and sewer services to the community.
- The impact of funds received through "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award" funds from the State of Georgia. These funds are received on a reimbursement basis and used to fund capital projects in Stanton Springs to build the Stanton Springs Water Resources Facility which will collect pretreated industrial wastewater that will then be treated, distributed, and used for non-drinking purposes and will serve the needs of the Rivian Advanced Auto Manufacturing Plant and other industries scheduled for completion by December 2026.

(Remainder of page intentionally left blank)

Net Position					
Fiscal Year Ending June 30,					
Description	2023 Actual [1]	2024 Actual [1]	2025 Projected	2026 Budget	% Change 2025 v. 2026
Total Net Position – Beginning	\$148,178,279	\$162,250,471	\$187,576,713	\$226,493,040	20.8%
Operating Revenues	\$23,327,837	\$27,821,793	\$26,922,338	\$27,628,968	2.6%
Non-Operating Revenues					
Interest Income	\$73,571	\$142,549	\$146,079	\$129,123	-11.6%
Intergovernmental Revenue [2]	9,297,376	13,942,419	29,500,630	56,193,070	90.5%
Capital Contributions	1,131,272	5,795,913	1,858,912	-	0.0%
Total Revenues	\$33,830,056	\$47,702,674	\$58,427,959	\$83,951,161	43.7%
Operating Expenditures	\$14,388,008	\$16,937,270	\$18,764,757	\$21,189,785	12.9%
Non-Operating Expenditures [3]	5,369,856	5,439,162	746,875	768,066	2.8%
Total Expenditures	\$19,757,864	\$22,376,432	\$19,511,632	\$21,957,851	12.5%
Increase (Decrease)	\$14,072,192	\$25,326,242	\$38,916,327	\$61,993,310	59.3%
Total Net Position – Ending	\$162,250,471	\$187,576,713	\$226,493,040	\$288,486,350	27.4%
[1] Actual data is derived from the Annual Financial Statements.					
[2] Amounts shown represent funds awarded from the State of Georgia from the “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award”.					
[3] Actual amounts shown include depreciation expense, interest expense, and other fiscal charges. Budget amounts include interest expense and other fiscal charges.					

WORKING CAPITAL

Working Capital is defined as the difference between current assets and current liabilities. Adequate levels of working capital are essential to mitigate current and future risks (e.g., revenue shortfall and unanticipated expenses) and to ensure stable services and fees. Therefore, working capital is crucial in long-term financial planning, and credit rating agencies consider the availability of working capital in their evaluation of continued creditworthiness. It also represents the liquid portion of an enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

As described on page 34, the Authority has established a practice of maintaining a minimum working capital reserve equal to approximately ninety (90) days of annual operating and maintenance expense (not including depreciation). The table below represents the calculation of working capital and supports the financial stability of the Authority and its ability to continue its operations. The number of days of working capital is projected to decline primarily due to the extensive investment in the expansion of existing facilities and construction of new facilities over the forecast period as described in the Capital Improvement Plan.

However, the Authority has planned for this and has developed strategies such as implementing retail rate increases of 2% for water and 5% for sewer in FYE 2023, 2% for water and 5% for sewer in FYE 2024, and 2% for water and 6% for sewer in FYE 2025, and 5% for water and 6% for sewer to help mitigate the increased costs to operate the expanded facilities and keep the utility financially healthy. It should also be noted that in addition to the working capital reserve, the Authority’s Rate Sufficiency and Financial Model estimates a deposit for the benefit of renewal and extension annually, which is equivalent to approximately 80% of depreciation.

Working Capital					
Description	Fiscal Year Ending June 30,				
	2023 Actual	2024 Actual	2025 Projected	2026 Budget	% Change 2025 v. 2026
Working Capital	\$32,384,953	\$32,014,702	\$46,724,896	\$30,698,877	-34.3%
Target – 90 Days of Operating Expenses	\$3,547,728	\$4,164,902	\$4,626,926	\$5,224,878	12.9%
Number of Days Working Capital	822	692	909	529	-41.9%
Working Capital Net of O&M Reserve [1]	\$28,837,225	\$27,849,800	\$42,097,970	\$25,473,999	-39.5%

LONG-TERM FINANCIAL PLAN

NCWSA’s Five-Year Strategic Plan (discussion beginning on page 25) was created in 2019 and was reviewed in April 2025. The Senior Management Team used a professional facilitator to review the plan and make appropriate changes to ensure we are concentrating on the core values of NCWSA and enhancing its strategic initiatives. This process will aid in developing the Long-Term Financial Plan and provide future guidance in budget development.

With the development of the annual budget, NCWSA updates its five-year financial forecast. With the assistance of a financial and utility consultant, the Authority’s rate sufficiency and financial model are updated annually. The model is designed to forecast revenue requirements for ten (10) years. This has proven to be a very effective tool used to i) forecast both operating and capital needs; ii) evaluate funding sources including PAYGO, rate revenues, use of reserves, and financing scenarios; iii) calculation debt service coverage and manage debt load and future debt capacity; and iv) set utility rates and structures and miscellaneous charges. In addition, in tandem with its engineering consultant, the Authority has developed and maintains a thirty-five (35) year capital improvement plan. This plan reviews the condition of existing infrastructure to aid in determining maintenance, repair, and replacement needs as well as new infrastructure needs and is used in developing the ten (10) year financial forecast.

As discussed throughout this document, rates for water and sewer services are / will be designed:

- Recover the cost of doing business.
- Fund annual debt service and debt service coverage.
- Fund capital projects (PAYGO).
- Contribute to working capital reserves.

The most significant challenge by far that the Authority currently faces is balancing the needs of our retail customers and the demand of existing and potential large industrial users. The Stanton Springs Research & Development Park (Stanton Springs), located in the eastern section of Newton County, has been successfully marketed by local and state economic development offices. The Stanton Springs Parkway extension was completed in early 2020, including all utilities, which places the park high on the State of Georgia's list of shovel-ready mega-sites in the Metro Atlanta area. The Authority’s largest customer, Takeda Pharmaceuticals, located in Stanton Springs, is currently discussing with the Authority to expand its operations, and find alternative solutions for water supply, such as reclaimed water. In December of 2022, Governor Brian Kemp announced that Rivian, an electric truck manufacturing plant, would be located across the interstate (I-20) within the boundaries of Stanton Springs North. Rivian began planning and has broken ground on one of the most significant economic development projects in the state's history. The \$5 billion manufacturing facility is set to bring 7,500 jobs east of Atlanta along the I-20 corridor. Once completed, the facility is scheduled to produce 400,000 vehicles per year. The facility will span about 2,000 acres Stanton Springs Park which is owned by the

Joint Development Authority (JDA) of Jasper, Morgan, Newton, and Walton counties. This project has the potential to become the Authority's largest commercial customer. An industry of this size has enormous water and wastewater demands, requiring the NCWSA to design and build infrastructure out of the "norm" from its typical pipe and process infrastructure. In December 2022, the Authority (through Newton County) was awarded the "American Rescue Plan Act State Fiscal Recovery Fund for Drinking Water Projects to Support Increased Population Grant" (ARPA). This grant was the combined efforts of our water partners, the City of Covington, Newton County Water Resources, and the Authority. The total award for the grant was approximately \$232,000,000, with the Authority receiving approximately \$98,000,000 to fund the infrastructure that will be necessary to expand its facilities to provide service to Rivian. Included in the Capital Improvement Program (Section 4) is the addition of infrastructure that will include the Stanton Springs Water Resources Facility (a reclaimed water system), the expansion of the A. Scott Emmons Water Reclamation Facility, and improvements to the hydraulic water transmission and storage facilities to meet the potential demands.

A significant ongoing challenge the Authority faces is the ability to balance timing and identify the financial resources needed to complete the infrastructure projects identified in the CIP. The Rivian Advanced Auto Manufacturing Plant in Stanton Springs (North) temporarily stopped its assembly plant construction in early 2024. However, the company remains committed to the Georgia site. They have shifted their focus to the Normal, Illinois site, where production is underway. Despite the pause in construction, the Georgia site has been prepared with building pads ready for vertical construction when Rivian is ready to return. The size of this industry requires significant water and wastewater infrastructure, which the NCWSA has been working on despite the pause in Rivian's construction. It is crucial that NCWSA continues to complete the water/wastewater infrastructure it has designed to be ready to serve both Stanton Springs North and South. It should be noted that because Rivian the development of Rivian has been recently pause, the financial forecast does not include the operating impacts infrastructure that is currently under construction. The Authority continues to assess its financial strength and reserve balances to mitigate the unexpected and stabilize rates.

Other factors that remain a priority and support the Authority's vision and Long-Term Financial plan include:

- Addressing inflation and economic uncertainty due to imposing trade tariffs, political and social unrest.
- Maintaining and strengthening the Authority's organizational culture and team capabilities.
- Managing the balance of replacing aging infrastructure and construction of new facilities.
- Continuously improve service delivery.

(Remainder of page intentionally left blank)

The table below represents a five (5) year forecast of sources and uses based on the Authority's current and projected needs.

Forecast of Budgeted Operating Sources and Uses					
Fiscal Year Ending June 30,					
Description	2026 Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget	2030 Projected Budget
Revenues and Sources of Funds					
Water Sales	\$16,637,791	\$17,690,912	\$18,632,398	\$19,995,315	\$20,613,726
Sewer Sales	7,906,266	8,516,008	9,280,066	10,540,643	11,345,578
Connection Fees	1,459,089	3,222,277	1,277,106	1,178,635	1,134,370
Late Fees	650,627	655,000	655,000	655,000	655,000
Other Fees and Charges	975,195	991,593	1,018,882	1,046,935	1,075,773
Interest Income / Other (Non-operating)	129,123	126,715	92,544	106,547	84,624
Total Revenues and Sources of Funds	\$27,758,091	\$31,202,505	\$30,955,996	\$33,523,075	\$34,909,071
Expenditures and Uses of Funds					
Personal Services	\$6,853,719	\$7,249,912	\$7,671,307	\$8,102,971	\$8,586,110
Operating Expenses	12,350,491	13,325,998	13,964,313	14,894,327	15,405,602
Other	1,985,575	2,074,856	2,146,097	2,227,985	2,298,961
Debt Service	2,436,259	3,334,179	3,334,179	5,738,679	5,738,679
Reserves	4,132,047	5,217,560	3,840,100	2,559,113	2,879,719
Total Expenditures and Uses of Funds	\$27,758,091	\$31,202,505	\$30,955,996	\$33,523,075	\$34,909,071

Summarized in the table below are the year-over-year changes expressed in dollars.

Forecast of Budgeted Operating Sources and Uses - Year-Over-Year Amount Change					
Fiscal Year Ending June 30,					
Description	Year 1 \$\$ Change 2025 v. 2026	Year 2 \$\$ Change 2026 v. 2027	Year 3 \$\$ Change 2027 v. 2028	Year 4 \$\$ Change 2028 v. 2029	Year 5 \$\$ Change 2029 v. 2030
Revenues and Sources of Funds					
Water Sales	\$1,151,282	\$1,053,121	\$941,486	\$1,362,917	\$618,411
Sewer Sales	498,589	609,742	764,058	1,260,577	\$804,935
Connection Fees	(1,302,050)	1,763,188	(1,945,171)	(98,471)	(44,265)
Late Fees	1,315	4,373	---	---	---
Other Fees and Charges	357,494	16,398	27,289	28,053	28,838
Interest Income / Other (Non-operating)	(16,956)	(2,408)	(34,171)	14,003	(21,923)
Total Revenues and Sources of Funds	\$689,674	\$3,444,414	(\$246,509)	\$2,567,079	\$1,385,996
Expenditures and Uses of Funds					
Personal Services	\$898,890	\$396,193	\$421,395	\$431,664	\$483,139
Operating Expenses	1,194,027	975,507	638,315	930,014	511,275
Other	332,111	89,281	71,241	81,888	70,976
Debt Service	(66,186)	897,920	---	2,404,500	---
Reserves	(\$1,669,168)	1,085,513	(1,377,460)	(1,280,987)	320,606
Total Expenditures and Uses of Funds	\$689,674	\$3,444,414	(\$246,509)	\$2,567,079	\$1,385,996

Variances are attributable to:

- The forecast assumes additional retail rate adjustments to meet the need for increasing operating expenses and the need to issue additional debt for capital expenditures.
- The GEFA Loan for the East Newton Water Transmission Improvements Project is expected to transition from interest only to principal and interest payments in Year 2. Additional debt is forecasted to be issued in FYE 2028 to fund the FYE 2026 – FYE 30 Capital Improvement Plan. The Authority has earmarked connection fee revenues to help reduce the amount of additional debt.
- Connection fees are based on customer growth. The forecast assumes there are no large commercial connections.
- Interest income is being conservatively budgeted based on current economic conditions.
- Operating expenses are expected to increase and have been escalated based on the table below.

Operating Revenue and Expense Escalation Factor Assumptions					
Fiscal Year Ending June 30,					
Description	2026 Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget	2030 Projected Budget
Customer Growth					
Residential and Small Commercial Customers					
Average Annual Water Accounts	1.79%	1.49%	1.34%	1.19%	1.05%
Average Annual Water ERU's	1.63%	1.36%	1.21%	1.09%	0.97%
Billed Water Sales (000s of Gallons)	0.25%	1.91%	1.24%	1.11%	0.98%
Average Monthly Water Use Per ERU	-1.36%	0.55%	0.02%	0.02%	0.02%
Large Commercial Customers					
Average Annual Water Accounts	0.00%	0.00%	0.00%	0.00%	0.00%
Average Annual Water ERU's	-0.99%	-5.31%	4.07%	-6.95%	6.80%
Billed Water Sales (000s of Gallons)	-0.94%	-5.34%	4.06%	-6.96%	6.81%
Average Monthly Water Use Per ERU	0.05%	-0.04%	0.00%	-0.01%	0.01%
Constant	0.00%	0.00%	0.00%	0.00%	0.00%
Marginal	1.00%	1.00%	1.00%	1.00%	1.00%
Labor	6.00%	5.75%	5.50%	5.25%	5.00%
Health Insurance	17.00%	7.50%	7.50%	7.50%	7.50%
General Inflation	2.50%	2.20%	2.20%	2.20%	2.20%
Chemicals	5.83%	6.59%	5.26%	7.96%	6.37%
Property Insurance	7.00%	7.00%	7.00%	7.00%	7.00%
Repair & Maintenance	4.01%	3.93%	3.84%	3.76%	3.70%
Fuel	2.77%	2.77%	2.77%	2.77%	2.77%
Customer Account Growth + Inflation - Water	4.01%	3.93%	3.84%	3.76%	3.70%
Customer Account Growth + Inflation - Sewer	2.80%	4.36%	4.24%	4.07%	3.94%
Engineering News Record (ENR)	3.87%	3.87%	3.87%	3.87%	3.87%

- The Authority was notified in FYE 2024 that the construction of the Rivian Advanced Auto Manufacturing Plant was paused. Due to the uncertainty of service demands at this time, the forecast does not recognize the potential operating impacts of the Stanton Springs Water Resources Facility.
- Vacant positions are expected to be fully staffed in FYE 2026.
- Reserves are decreasing to fund future capital improvement needs (PAYGO).

The Authority's Capital Improvement Plan, as discussed in Section 4, has also proven to be a challenge when looking forward. For the past several years, we have been planning for the potential growth of our water and

sewer system by increasing our reserves and building financial viability. The growth of our system will increase operating expenses, and the need to issue additional debt is probable. Capital costs needed to serve Rivian will be funded with the capital contributions through the “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award” funds from the State of Georgia. We plan to mitigate the need for additional debt by seeking available grant funding and cost sharing. Anticipating the need for additional sources to fund the Capital Improvement Program, this forecast does assume the issuance of additional debt to fully fund all capital projects shown in Section 4. We continually review our user rates and the design of our utility rate structures to ensure full cost recovery.

As we plan for the future, we are consistently serving our community by finding ways to provide reliable, safe drinking water and to provide sewer services in an environmentally responsible and fiscally sound manner while focusing on cost efficiency and value-oriented service.

The table below represents the forecast of the Authority’s net position for the next five (5) fiscal years. Net position is estimated to increase by \$109.8 million to \$302,868,534 by the fiscal year ending June 30, 2029. This is due to the accumulated increases primarily in capital assets, less annual depreciation, and cash generated through operations over the forecast period.

Net Position - Forecast					
	Fiscal Year Ending June 30,				
Description	2026	2027	2028	2029	2030
	Budget	Projected Budget	Projected Budget	Projected Budget	Projected Budget
Total Net Position - Beginning	\$226,493,040	\$288,486,350	\$296,283,080	\$302,736,246	\$310,347,368
Operating Revenues	\$27,628,968	\$31,075,790	\$30,863,452	\$33,416,528	\$34,824,447
Non-Operating Revenues	56,322,193	126,715	92,544	106,547	84,624
Total Revenues	\$83,951,161	\$31,202,505	\$30,955,996	\$33,523,075	\$34,909,071
Operating Expenditures	\$21,189,785	\$22,650,766	\$23,781,717	\$25,225,283	\$26,290,673
Non-Operating Expenditures	768,066	755,009	721,113	686,670	651,670
Total Expenditures	\$21,957,851	\$23,405,775	\$24,502,830	\$25,911,953	\$26,942,343
Increase (Decrease)	61,993,310	7,796,730	6,453,166	7,611,122	7,966,728
Total Net Position - Ending	<u>\$288,486,350</u>	<u>\$296,283,080</u>	<u>\$302,736,246</u>	<u>\$310,347,368</u>	<u>\$318,314,096</u>

Below is a projection of the Authority's working capital. Funding capital improvements has a direct impact on available working capital. As explained above, because the timing of our CIP is continually changing, we are evaluating the best way to fund these projects. Incremental rate increases have been forecasted; however, we will annually review our user rates and structures to make appropriate adjustments. The working capital forecast reflects how we have planned for future investments and will continue to guide our decision-making in the future to meet our working capital target of 90 days.

(Remainder of page intentionally left blank)

Working Capital - Forecast					
Description	Fiscal Year Ending June 30,				
	2026 Budget	2027 Projected Budget	2028 Projected Budget	2029 Projected Budget	2030 Projected Budget
Working Capital	\$30,698,877	\$14,560,586	\$12,283,606	\$10,660,479	\$6,759,292
Target 90 Days of Operating Expenses	5,224,878	5,585,120	5,847,963	6,202,938	6,464,920
Number of Days of Working Capital	529	235	189	154	94
Available Working Capital	\$25,473,999	\$8,975,466	\$6,435,643	\$4,457,541	\$294,372

The FYE 2026 to FYE 2030 forecast represents the Authority’s commitment to its strategic plan. The assumptions below will help us align with NCWSA’s strategic goals.

1. Planning for the increasing cost of inflation and rising interest rates, the volatility in the supply and demand chain, workforce shortages, and the challenges of finding good, quality employees.
2. Planning for potential growth within the planned mega-sites of Stanton Springs Research & Development Park, East Atlanta, and Historic Heartlands.
3. Meeting the needs of our community while remaining fiscally sustainable.
4. Recognizing the potential need for incremental rate adjustments during the forecast period and performing an annual review of user rates for sufficiency.
5. Reviewing our current user rate structure to align with the demands of our system.





SECTION 4 - CAPITAL AND DEBT



NCWSA CAPITAL IMPROVEMENT AND REPLACEMENT PLAN FYE 2026 - 2030

The Newton County Water & Sewerage Authority’s Board of Directors has adopted a capitalization policy that defines NCWSA’s capital assets and provides guidance on their acquisition, valuation, and compliance with Governmental Accounting Standards Board (GASB) Statement No. 34.

Capital assets are defined as items with an initial individual cost of \$7,500 or more and an estimated useful life exceeding one year. Purchases below the applicable class threshold are expensed in the current period. The table below outlines asset classes and estimated useful lives.

Capital Assets	
Asset Type	Estimated Useful Life
Land improvements	10 – 25 Years
Buildings	25 Years
Machinery and equipment	5 Years
Furniture and fixtures	5 -7 Years
Improvements other than buildings	5 – 40 Years

The Capital Improvement Plan (CIP) consists of two (2) components. The first addresses project-oriented capital assets and improvements which are capitalized as projects are constructed. The second covers capital purchases that are non-recurring operating expenses exceeding \$7,500 each, with an estimated useful life of more than one year. Capital items are tentatively approved for further consideration through the annual operating budget. Each purchase must adhere to the Authority’s procurement policy and is presented to the Board for discussion and final approval before acquisition.

Capital asset purchases may include vehicles, shop and field equipment, water transmission equipment, sewer/collection equipment, office equipment and furniture, and computer equipment. Justifications for purchases are based on whether the items are required due to growth, improvements, upgrades, or replacement of existing assets. As these assets are placed into service, potential impacts on the operating budget are outlined in each project description beginning on page 75.

NCWSA maintains a thirty-five-year master capital improvement plan which is reviewed annually. For budgeting purposes, the overall CIP is broken down into five-year increments. The CIP budget for FYE 2026 – 2030 represents the most extensive program in the Authority’s fifty-five (55) year history.

Each year, the Authority develops its CIP based on projected growth, regulatory requirements, planning documents, asset management needs for timely replacement, rehabilitation, and improvements of its assets. A key driver for the FYE 2026-2030 CIP includes expansion of the Authority’s facilities. The State of Georgia and local economic development officials continue to promote the Stanton Springs Research & Development Park, Historic Heartlands, and Stanton Springs North as “shovel-ready” mega-sites in the Metro Atlanta area and has provided funding for the Authority to expand its facilities. While the focus of the 5-year CIP is in Stanton Springs, located in eastern Newton County, several projects requiring attention in western Newton County must be addressed due to the age and condition of the existing infrastructure.

During the year, the Authority’s engineering staff along with their engineering consultant identifies replacement, rehabilitation, and improvement projects that are based on operating needs. The projects are

discussed at monthly Authority Board meetings, prioritized, and compiled for the current year budget. Early in the calendar year, the Authority’s financial consultant prepares the annual financial model update, a rate sufficiency analysis, and the five (5) year forecast of revenue requirements. This forecast assists the Authority to determine funding sources for all capital projects, whether it is PAYGO, use of reserves, rate revenues, grants, or intergovernmental revenues, or looking at financing scenarios. The CIP Budget for FYE 2026-2030 is approved by the Authority Board and totals approximately \$164 million. The Authority continues to face significant ongoing challenges in its pursuit of providing services to the community as many of the Authority’s projects are contingent on if and when new industries come to Newton County. For the purposes of the five (5) year CIP, all projects are considered funded.

Originally, the Stanton Springs Research & Development Park, comprised of +/- 1600 acres, is the home of Takeda Pharmaceuticals and the two Meta Data Centers (Morning Hornet and Baymare). In 2022, the Joint Development Authority acquired the East Atlanta Mega-site, located directly across I-20 from Stanton Springs South. This acquisition adds two thousand acres to the Stanton Springs Research & Development Park and brings the total acreage for Stanton Springs to approximately 3,600 acres, with three large commercial customers located within the park.

Continued infrastructure investment is necessary to meet residential and commercial growth. A second Meta Data Center Campus (Baymare) within the Stanton Springs Research & Development Park (South) continues to give impetus to maintaining the capital improvement program in high gear. In 2022, Governor Brian Kemp confirmed that Rivian, an electric truck manufacturing facility, would be located across the interstate within the boundaries of Stanton Springs North. This is one of the most significant economic development projects in the State’s history. The \$5 billion manufacturing facility is expected to bring 7,500 jobs east of Atlanta along the I-20 corridor and produce 400,000 vehicles per year. The facility will span about 2,000 acres at the Stanton Springs Research & Development Park which is currently owned by the Joint Development Authority of Jasper, Morgan, Newton, and Walton Counties. To serve the needs of a facility this large, the Authority will be required to design and build infrastructure out of the “norm” from its typical pipe and process. The Rivian Advanced Auto Manufacturing Plant (“Rivian”) will require the Authority to build the Stanton Springs Water Resources Facility (formerly referred to as the A. Scott Emmons WRF Phase IIA project) which will collect pretreated industrial wastewater that will then be treated, distributed, and used for non-drinking purposes. The Reuse Facility will use two treatment methodologies (ultra-filtration, and reverse osmosis) that will produce and thus provide water quality that can be used for non-potable uses. For the customer, the reuse water will provide a less expensive water source and for the Authority, it will relieve some of the demand for the overall water supply within Newton County. The reuse facility will treat up to 5.5 million gallons per day (MGD) of additional reuse water at full build out.

In December 2022, the Governor’s Office of Planning and Budget (“OPB”) on behalf of the State of Georgia and the Newton County Board of Commissioners (“County”), entered into a grant agreement referred to as the “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award”. As part of the Regional Infrastructure Resiliency Initiative for Newton County, the grant was awarded for the construction of specific water and related infrastructure development and/or improvement projects to be completed by Newton County, Georgia; the City of Covington, Georgia; and the Newton County Water and Sewerage Authority. The allocated amount of this award is \$234,062,160 of which 42% or approximately \$98 million is allocated to NCWSA to build the needed infrastructure to serve the Stanton Springs area.

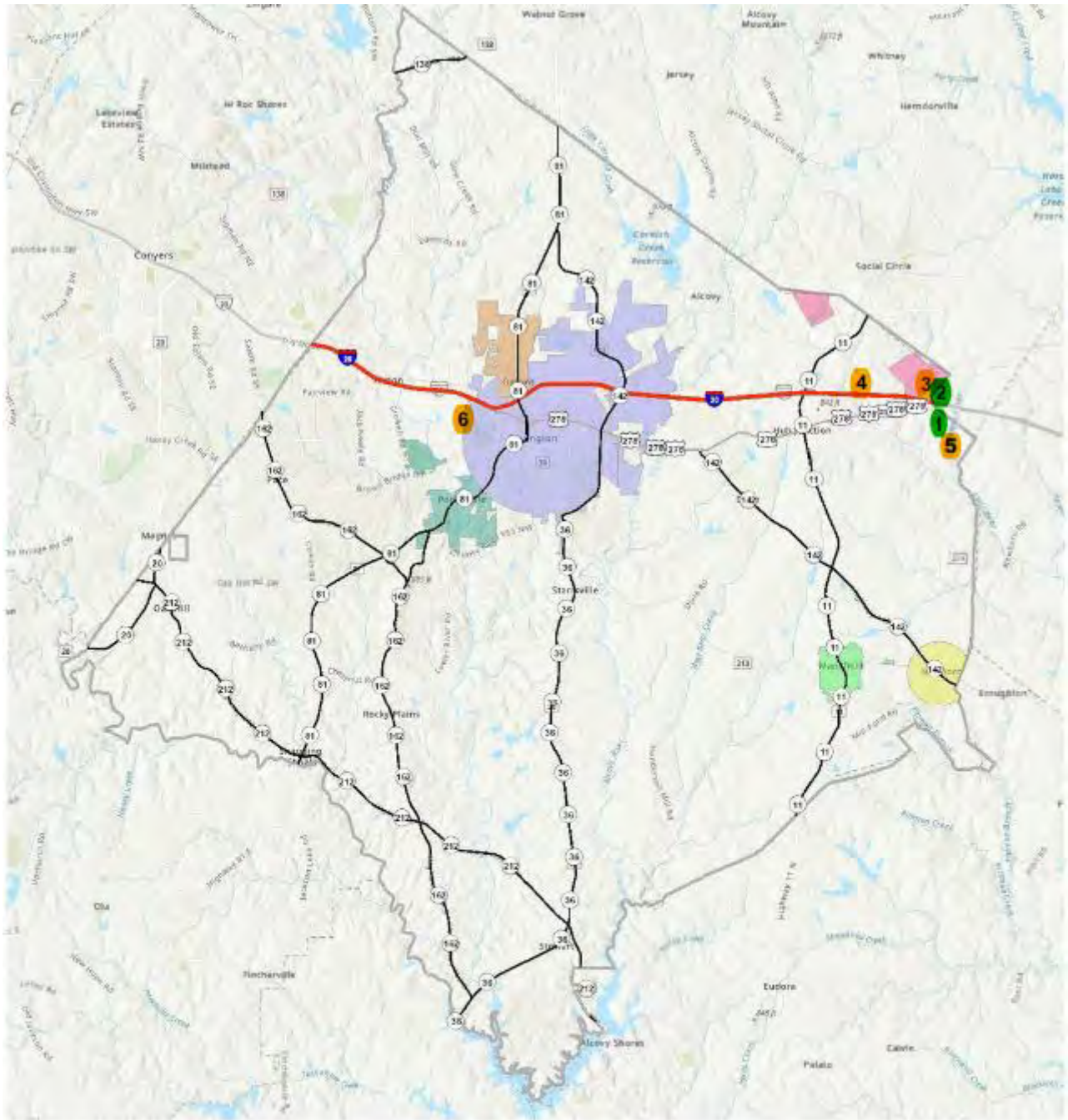
The following maps outline the current private and public capital projects. They also categorize these projects as residential, industrial/commercial, or related to Georgia Department of Transportation roadworks (utility relocations such as roundabouts, bridge replacement and lane expansions). These maps are maintained by the engineering staff of NCWSA and are reviewed during the monthly meetings of the Board of Directors.

The map on page 69 indicates the major projects that are in the FYE 2026-2030 CIP Budget. The map on page 70 represents all private development that the Authority has been involved with and uses to assist in the development of capital projects. The map on page 73 is a listing of all Georgia Department of Transportation projects that will be necessary for the Authority to relocate utility lines.



(Remainder of page intentionally left blank)

NCWSA MAJOR CAPITAL IMPROVEMENT PROJECTS



Capital Projects

May 2025

Legend

Capital Projects Reference No.

0 = Design

1 = Construction

Map Item No.

1

2

3

4

5

6

Capital Project

1. South Newton Water Treatment Plant

2. East Newton Water Treatment Plant

3. Newton Chase Sewer

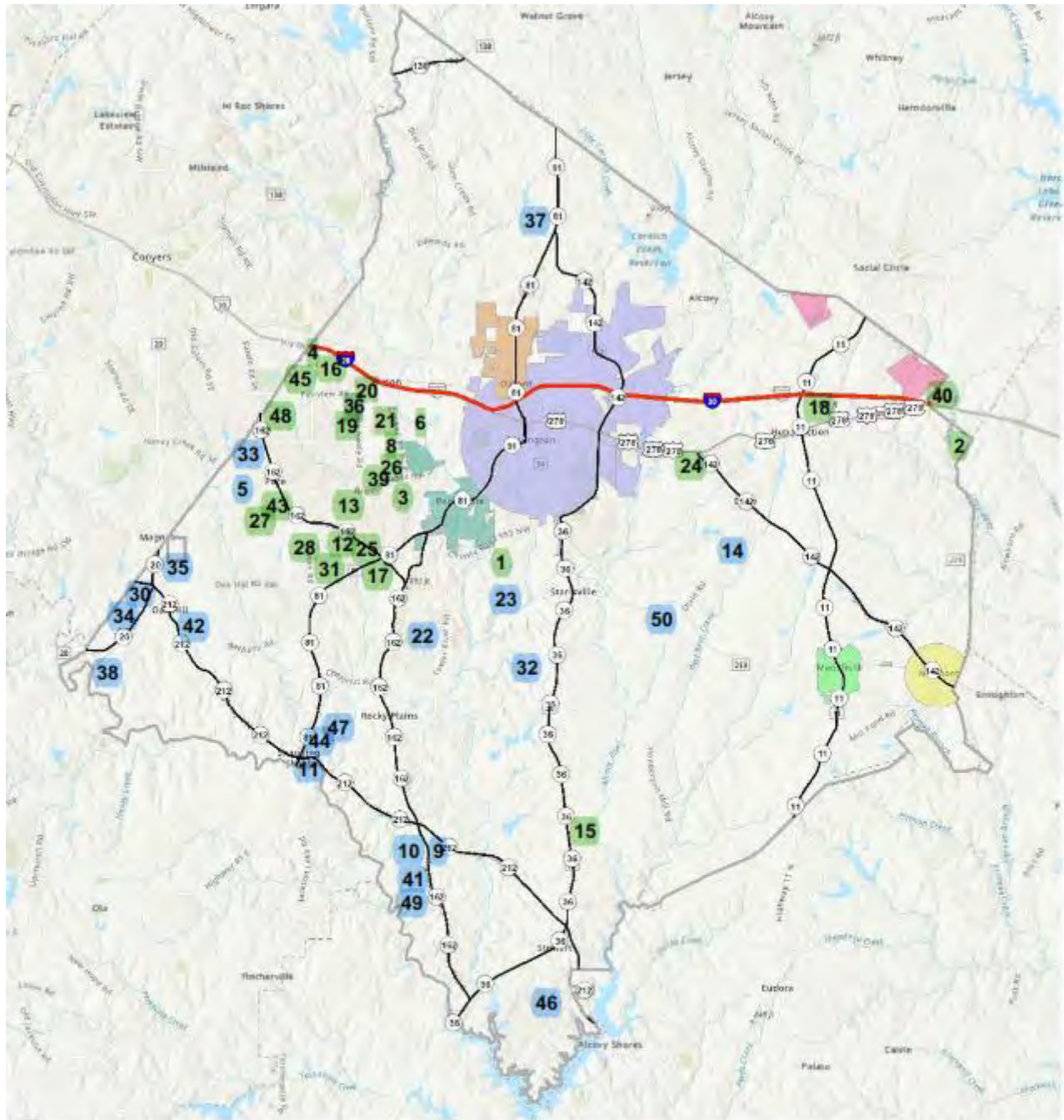
4. East Newton Water Treatment Plant

5. Improvements Phase II

6. Industrial Water Reuse Facility LAS

7. Turkey Creek Outfall

NCWSA PRIVATE DEVELOPMENT MAP



**Private Development
May 2025
(Chart Following on next page)**

Legend

- 0 **Water - Private Development Reference Number**
- 0 **Water & Sewer - Private Development Reference Number**

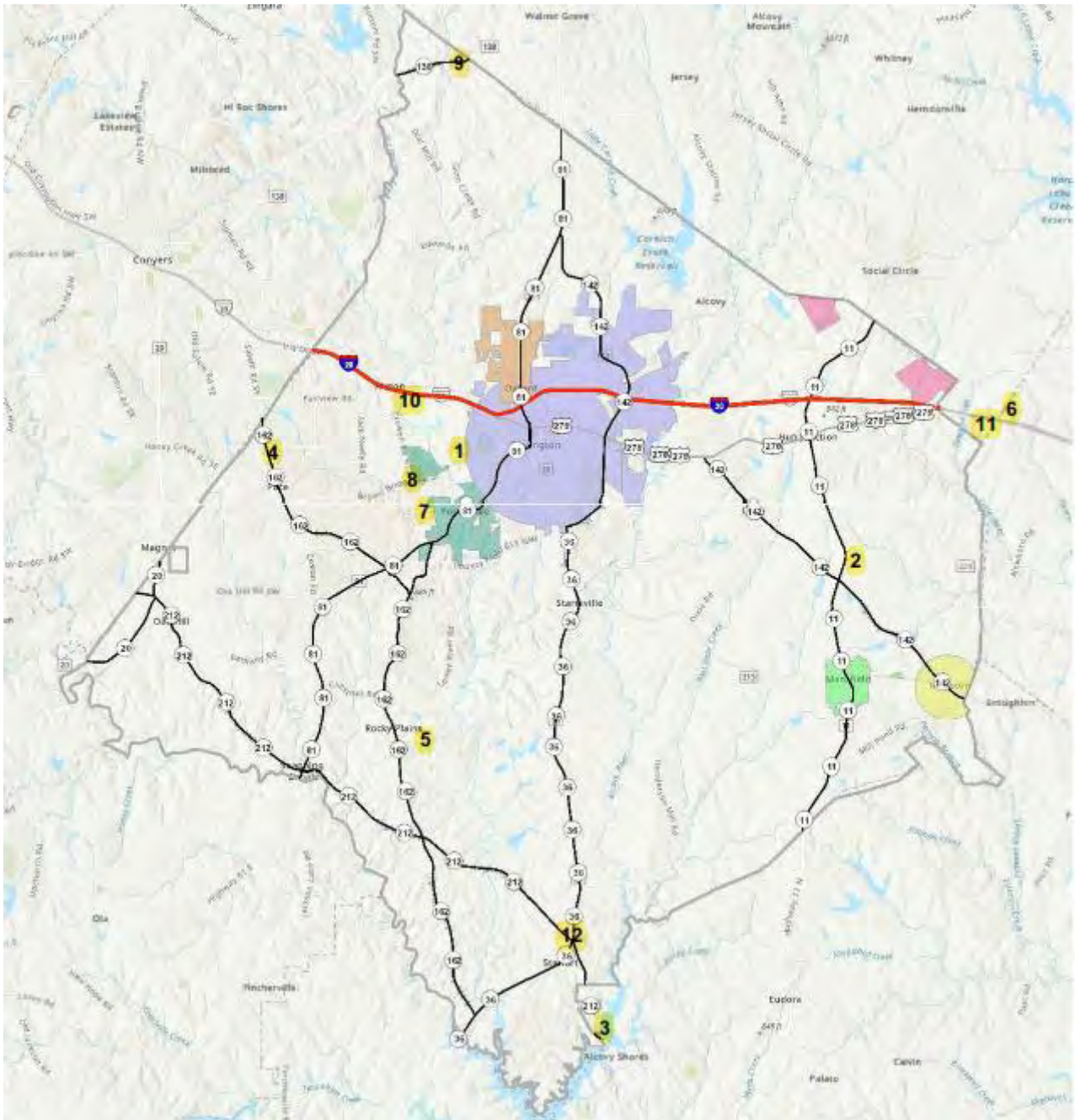
Map No.	Private Development	No. Units	Type	Status
1	Cedar Shoals/White Horse (Porterdale)	348	Apartment & Townhomes	Construction
2	Baymare	---	Industrial	Construction
3	Villages on Ram	36	Multi-Family	Awaiting Precon
4	Lidl	1	Industrial	Closeout
5	Lyndhurst Phase 2	62	SFR	Construction
6	Towns at Yellow River	486	SFR	Awaiting Precon
8	Point Grand	216	Multi-Family (Apartments)	Maintenance Period
9	Green's Heating & Air	1	Commercial	Awaiting Precon
10	Twin Rivers Manor Phase I	118	SFR	Maintenance Period
11	Dump & Delivery	1	Commercial	Awaiting Precon
12	Salem Townhomes & Retail	20	Townhomes/Commercial	Plan Review
13	Bailey Glynn Phase II	78	SFR	Construction
14	Rosedown Phase III	104	SFR	Awaiting Precon
15	Alcoby HS New Athletic Facilities	1	Newton County BOE	Awaiting Precon.
16	Distinguished Transportation	1	Commercial	Awaiting Precon
17	Bailey Station	128	SFR	Construction
18	Jones Petroleum Travel Ctr	1	Commercial	Awaiting Precon
19	Clements MS New Concessions Building	1	Newton County BOE	Awaiting Precon.
20	Covington Creek Springs	52	SFR	Construction
21	Dobbs Landing	388	SFR/Multi-Family	Awaiting Precon
22	Estates at Mote Road	89	SFR	Awaiting Precon
23	Springhill Neighborhood Park	1	Newton County Parks & Rec	Maintenance Period
24	Eastside HS New Athletic Facilities	1	Newton County BOE	Awaiting Precon.
25	Liberty MS New Concessions Bldg	1	Newton County BOE	Awaiting Precon.
26	Newton HS New Athletic Facilities	1	Newton County BOE	Awaiting Precon.
27	Veterans Memorial MS New Concessions Bldg	1	Newton County BOE	Awaiting Precon.
28	Arbor fka Crescent Place	81	SFR	Maintenance Period
30	Covington Car Wash	1	Commercial	Awaiting Precon
31	Westminster Phase 5B	71	SFR	Maintenance Period
32	92 Moores Farm Rd	1	Commercial	Maintenance Period
33	Underwood Crossing Phase 3	21	SFR	Maintenance Period
34	Grand Horizon Estates	27	SFR	Construction
35	Hwy 20 Auto Parts Retail	1	Commercial	Construction
36	Harold Dobbs Rd	222	SFR	Development App
37	Tomlo Farms	96	SFR	Awaiting Precon
38	Church of Jesus Latter Day Saints Campground	---	Campground	Closeout
39	1138 Brown Bridge C-Store	1	Commercial	Awaiting Precon
40	Quick Start Training Ctr	1	Commercial	On Hold
41	Twin Rivers Valley Phase IV	97	SFR	Maintenance Period
42	Newton County Sr. Enrichment Ctr	1	Commercial	Construction
43	Burger King	1	Commercial	Awaiting Precon
44	Pam Storage Solutions	1	Commercial	Awaiting Precon
45	The Walk at Fairview formerly Enclave @ Fairview		SFR	Awaiting Precon
46	Campbell Ridge	19	SFR	Awaiting Precon
47	A & E Landscaping LLC	1	Commercial	Awaiting Precon

48	3207 Salen Rd C-Store	1	Commercial	Awaiting Precon
49	Jack Creek Phs 2	56	SFR	Plan Review
50	East Newton Elementary School	1	Newton County BOE	Awaiting Precon



(Remainder of page intentionally left blank)

NCWSA GEORGIA DEPARTMENT OF TRANSPORTATION PROJECTS (GDOT)



RELOCATION PROJECTS

May 2025

Legend

0 Project Reference Number

Item No	Project Name	Location	Type	Est. Start	Estimate
1	CR 511 @ Yellow River	Brown Bridge at Yellow River	Bridge Replacement	3/1/2023	\$ 583,730.00
2	SR 11 @ SR 142	Pony Express Intersection	Roundabout	4/1/2025	\$ 359,418.00
3	SR 212 @ Lake Jackson	13.9 miles S. of Covington	Bridge Replacement	-	No Conflict
4	SR 162 from CR 511 to CR 34	Salem Widening-Brown Bridge to Old Salem	Widening	7/19/2024	\$ 8,990,767.82
5	SR 162 @ CR 228	SR 162 @ Rocky Plains Road	Roundabout	1/19/2025	\$ 257,127.00
6	Old Mill Interchange @ I-20	I-20/CR 249/Old Mill Rd	New Interchange & new ramp connections	10/20/2023	No Cost
7	SR 81 @ Yellow River in Porterdale	SR 81/Porterdale	Bridge Replacement	7/15/2027	No Conflict
8	NC DOT Brown Bridge & Crowell	Brown Bridge Rd & Crowell Rd	Intersection Improvements	-	
9	SR 138 & Gum Creek Rd	SR 138 & Gum Creek Rd	Construction of Turn Lanes	-	No Conflict
10	I-20 @ Yellow River	I-20 @ Yellow River	Bridge Improvements	-	
11	Morgan- Truck Parking Rest Area 52 @ I-20	Morgan @ I-20	Rear Parking Lot	-	No Conflict
12	SR 36 & SR 212 - Existing Roudabout	SR 36 & SR 212 Roundabout	Roundabout Improvements	-	No Conflict
TOTAL					\$ 10,191,042.82

Capital Improvement Plan (CIP) Summary (\$000s)

Description	FYE 2026 Budget	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected	FYE 2030 Projected	Total
Capital Projects						
Water System	\$29,173	\$3,606	\$5,247	\$13,241	\$1,614	\$52,881
Sewer System	7,068	7,602	13,993	11,794	11,300	51,757
Reuse System	42,791	8,513	---	---	---	51,304
Miscellaneous	6,959	175	175	175	175	7,659
Total Capital Projects	\$85,991	\$19,896	\$19,415	\$25,210	\$13,089	\$163,601
Estimated Funding Sources						
Renewal & Extension / Reserves	\$16,350	\$7,542	\$2,649	\$2,029	\$2,102	\$30,672
Connection Fees	1,121	3,854	---	---	375	5,350
Reimbursements	1,914	---	---	---	---	1,914
Intergovernmental	62,311	8,500	3,180	---	---	73,991
GEFA 2021 Loan GF2021013	4,295	---	---	---	---	4,295
Proposed 2028 Bonds	---	---	13,586	23,181	10,612	47,379
Total Estimated Funding Sources	\$85,991	\$19,896	\$19,415	\$25,210	\$13,089	\$163,601



(Remainder of page intentionally left blank)

List of Capital Improvement Projects FYE 2026 – FYE 2030 (\$000s)

Description	Total Project Budget	Estimated Prior Project Spend	Total Project Carry-Forward	FYE 2026 New Money	Projected				
					FYE 2026 Budget	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected	FYE 2030 Projected
Water System Capital Improvements									
East Newton Water Transmission System Projects	\$24,632	\$20,337	\$4,295	\$---	\$4,295	\$---	\$---	\$---	\$---
East Newton Water Transmission Improvements Phase II	13,997	475	13,522	---	13,522	---	---	---	---
R&E and GDOT Relocations	23,787	5,401	9,657	1,250	10,907	2,959	1,450	1,506	1,564
Stanton Springs Surge Control	602	---	---	---	---	602	---	---	---
Service Area Exchanges with the City of Covington	669	280	389	---	389	---	---	---	---
Beacon Cellular Meter Reading Program	15,458	---	---	20	20	---	3,751	11,687	---
NCFS – Hydrant Renewal	268	39	---	40	40	45	46	48	50
Total Water System Capital Improvements	\$79,413	\$26,532	\$27,863	\$1,310	\$29,173	\$3,606	\$5,247	\$13,241	\$1,614
Sewer System Capital Improvements									
R&E and GDOT Relocations	\$2,607	\$402	\$102	\$250	\$352	\$949	\$290	\$301	\$313
Wastewater Flow Measurement Stations	462	33	---	---	---	---	429	---	---
Hub Junction Gravity Sewer Outfall	3,543	79	125	---	125	3,339	---	---	---
Stanton Grove Sewer	2,272	243	2,029	---	2,029	---	---	---	---
Yellow River Outfall	32,041	---	---	100	100	---	9,836	11,493	10,612
Turkey Creek Interceptor Sanitary Sewer Flow	10,920	118	1,082	2,968	4,050	3,314	3,438	---	---
YR Gum Creek Trunk Sewer	48	23	25	---	25	---	---	---	---
Yellow River WRF Expansion for 4 to 6.2 MGD	375	---	---	---	---	---	---	---	375
WRF Improvements	370	---	---	370	370	---	---	---	---
Little River Recreational Area	72	55	---	17	17	---	---	---	---
Total Sewer System Capital Improvements	\$52,710	\$953	\$3,363	\$3,705	\$7,068	\$7,602	\$13,993	\$11,794	\$11,300
Reuse System Capital Improvements									
Stanton Springs Water Resources Facility	\$67,369	24,882	\$42,487	\$---	\$42,487	\$---	\$---	\$---	\$---
Land Application Sprayfield	17,674	8,857	304	---	304	8,513	---	---	---
Total Reuse System Capital Improvements	\$85,043	\$33,739	\$42,791	\$---	\$42,791	\$8,513	\$---	\$---	\$---
Miscellaneous Capital Improvement									
Fleet / Capital Equipment / Other	\$897	\$197	\$---	\$---	\$---	\$175	\$175	\$175	\$175
NCWSA HQ Expansion	7,010	51	6,954	5	6,959	---	---	---	---
Total Miscellaneous Capital Improvements	\$7,907	\$248	\$6,954	\$5	\$6,959	\$175	\$175	\$175	\$175
Total Capital Improvement Projects	\$225,073	\$61,472	\$80,971	\$5,020	\$85,991	\$19,896	\$19,415	\$25,210	\$13,089

(Remainder of page intentionally left blank)

WATER SYSTEM

1. **East Newton Water Transmission System Projects** - With the development of the Stanton Springs Research & Development Park, it will be necessary for the Authority to design and construct transmission water mains and a 1.5 MG elevated water tank that will support the daily demands and necessary fire flows to support the types of industries that have been and will be established within the Authority's service territory. The transmission mains are complete and in service and the construction of the tank is currently in progress.

Estimated Probable Project Cost: \$24,632,000

Funding: GEFA Loan DW2021013

Estimated Completion: FYE 2026

Operating Budget Impact: This interconnect will have no operating impact on the water system and the elevated water tank will be added to the tank maintenance program in the future. Tank maintenance is performed on a rotating schedule with visual inspection performed yearly. It is expected that end-user sales will increase from the Stanton Springs Research & Development Park as it is developed. This is where the future home to the Rivian Advanced Auto Manufacturing Plant will be located and once Rivian begins to continue construction, revenue projections will be included in the five-year forecast. The annual operating budget for tank maintenance for FYE 2026 is \$359,887.

2. **East Newton Water Transmission Improvements Phase II** – With the development of the Stanton Spring Research & Development Park, the Authority must design and constructer water transmission mains to meet daily demands and provide necessary fire flows for the industries established within the Authority's service area. NCWSA is expanding its water distribution infrastructure to support planned growth in east Newton County. The East Newton Water Transmission Improvement (ENWTI) Phase II includes the construction of a 24" potable water transmission main between GA Hwy 11 and US 278. The proposed water main will be approximately 22,000 linear feet long. It will begin at the on-ramp from US 278 to I20 westbound, then follow the off-ramp to GA 11. The line will then continue to head north, eventually connecting to an existing line near Hollis Road. This project will include expanded ROW to install a water line dedicated to reuse water distribution.

Estimated Probable Project Cost: \$13,997,000

Funding: "American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award" from the State of Georgia and connection fees.

Estimated Completion: FYE 2027

Operating Budget Impact: No additional operating impacts are currently estimated for the newly constructed buried infrastructure. As the certainty and timing of the Rivian Advance Auto Manufacturing Plant is known and any other large commercial customers move to Stanton Springs, estimates for operating impacts will be developed.

3. **R&E and GDOT Utility Relocations** – Various sized utility relocation projects due to GDOT/Newton County projects (road widening, intersection improvements, bridge replacements) within state-owned county

roadways. Included in this project is funding for renewal and extension projects that may have or may not have been identified.

Estimated Probable Project Cost: \$23,787,000

Funding: Funding for this project includes connection fees, renewal and extension reserves, and a \$950,000 reimbursement from Newton County. Additionally, in late June 2025, Congressman David Scott secured a \$850,000 federal allocation to support utility relocation efforts in the Salem Road Corridor which will be reflected in the FYE 2027 Budget.

Estimated Completion: Ongoing Probable Project Cost is through 2030

Operating Budget Impact: No additional operating impacts are currently estimated for the buried infrastructure. However, it is important to note that this project involves relocating fully functional infrastructure solely to accommodate Georgia Department of Transportation (GDOT) roadway expansions. NCWSA does not receive reimbursement for replacement costs from GDOT, which places a financial burden on the Authority despite the infrastructure being in good working condition. This underscores the importance of strategic planning and reserve funding to absorb costs associated with externally driven infrastructure adjustments.

- 4. Stanton Springs Surge Control** – This project focuses on installing surge control infrastructure to mitigate pressure spikes (also known as water hammers) that occur within Stanton Springs. The NCWSA is waiting to assess the Stanton Springs water distribution system following the completion of the water transmission system and the 1.5-million-gallon elevated water tank before proceeding with additional work.

Estimated Probable Project Cost: 602,000

Funding: Renewal and extension reserves.

Estimated Completion Date: FYE 2027

Operating Budget Impact: The surge devices will require annual maintenance which will be included in the system maintenance operating expense once the assessment has been completed.

- 5. Service Area Exchanges with the City of Covington** – NCWSA and the City Covington have reached an agreement to exchange water and wastewater service areas to operate the water and wastewater system more efficiently. This agreement includes swapping of customers, allowing one utility to provide both water and wastewater services. This project eliminates master water meters and involves the exchange of buried infrastructure (such as pipes) and an elevated storage tank.

Estimated Probable Project Cost: 669,000

Funding: Water connection fees and reimbursement from the City of Covington.

Estimated Completion Date: FYE 2027

Operating Budget Impact: No additional operating impacts are currently estimated for the buried infrastructure. The elevated storage tank will require cleaning and interior and exterior cleaning and will be added to the Tank Maintenance Program and will cost approximately \$87,000 for two years and then approximately \$37,000 per year for the next 7 years. This has been included in the projection of operation expenses for the forecast period.

6. **Beacon Cellular Meter Reading Program** – This project would replace the existing AMR (drive by) meter data collection system with the Beacon Cellular system. The reliability of cellular data is a stable infrastructure for reading meters. Project benefits are improved customer service, better utilization of human resources, and almost real time data analytics that can assist in water system optimization.

Estimated Probable Cost: \$15,548,000

Funding: Renewal & extension reserves and proposed bond proceeds.

Estimated Completion Date: FYE 2029

Operating Budget Impact: Monthly fees will be required for the use of the cellular network. Routine maintenance costs of the new cellular system will be offset by the savings recognized by the elimination of monthly visits to each meter. Additionally, the base charge of the water and sewer rate structures will be reviewed and adjusted for any remaining costs of the operations and maintenance of the Beacon System.

Current Beacon Current Costs: \$6,600

Monthly Beacon Charges 7,400 meters @ \$.89 per month - \$6,600

7. **NCFS Hydrant Renewal** – Fire hydrants represent a critical, though often underappreciated, component of public safety infrastructure. Their readiness during emergencies – particularly fires – carries immeasurable value, making proactive maintenance essential to protecting lives and property. This initiative marks the second phase of a comprehensive fire hydrant inspection, maintenance, and flushing program. The first phase focused on standardizing hydrant color coding across the system to ensure consistency and improve operational efficiency. Phase two will build upon that foundation by conducting a full system review, performing necessary maintenance, and continuing the flushing program to maintain optimal performance and water quality.

Estimated Probable Cost: \$268,000 for the next five (5) years

Funding: Renewal & extension reserves.

Estimated Completion Date: Ongoing Probable Project Cost is through 2030

Operating Budget Impact: There is no impact on the operating budget.

SEWER SYSTEM

1. **R&E and GDOT Utility Relocations** – Various sized utility relocation projects due to GDOT/Newton County projects (road widening, intersection improvements, bridge replacements) within state-owned county roadways. Included in this project is funding for renewal and extension projects that may have or may not have been identified.

Estimated Probable Project Cost: \$2,607,000

Funding: Renewal & extension reserves and a reimbursement from the City of Covington.

Estimated Completion Date: Ongoing Probable Project Cost is through 2030

Operating Budget Impact: No additional operating impacts for the buried infrastructure are currently estimated. However, it is important to note that this project involves relocating fully functional

infrastructure solely to accommodate Georgia Department of Transportation (GDOT) roadway expansions. NCWSA does not receive reimbursement for replacement costs from GDOT, which places a financial burden on the Authority despite the infrastructure being in good working condition. This underscores the importance of strategic planning and reserve funding to absorb costs associated with externally driven infrastructure adjustments.

2. **Wastewater Flow Measurements Stations** – The NCWSA receives wastewater from Covington, Oxford, Porterdale, and Emory College, located along the Turkey Creek Outfall. Conveyance costs are calculated through monthly water meter readings provided by four (4) entities. This project will replace the remaining three (3) of seven (7) flow meters that accurately register wastewater flows at a single connection point, thus providing flow readings to both parties.

Estimated Probable Project Cost: \$462,000

Funding: Renewal & extension reserves

Estimated Completion Date: FYE 2029

Operating Budget Impact: There is no impact to the operating budget.

3. **Hub Junction Gravity Sewer Outfall** – The Hub Junction gravity sewer main will serve the areas of the Brickstore Overlay within the Hwy 11 corridor. The design is currently complete and is awaiting the developer/owner to proceed with the proposed project and capital contributions to NCWSA.

Estimated Probable Project Cost: \$3,543,000

Funding: Sewer connection fees and renewal & extension reserves

Estimated Completion Date: FYE 2027

Operating Budget Impact: Sewer Outfalls have minimal operating impacts on the sewer system completion of the project is expected to increase end users' sales as a new travel center will be located at Exit 98 on I-20. This outfall will also serve a small development node (Mt. Pleasant) on its western boundary.

4. **Stanton Grove Sewer** – NCWSA plans to provide sewer service to a mixed-use development, referred to as Stanton Grove, in their northeast service area. The proposed development includes an area of approximately 300+ acres, located on the north side of I-20 on US Highway 278 (US 278) in Newton County. NCWSA's Little River Sewer Interceptor (LRSI) Phase II gravity main terminates on the north side of the Interstate 20 (I-20) right of way (ROW). This main is a southern, downstream terminus and connects to the existing Little River Sewer Interceptor at US 278, which flows to the A. Scott Emmons Water Reclamation Facility (ASEWRF).

Estimated Probable Project Cost: \$2,272,000

Funding: This project is jointly funded with the Newton County Industrial Development Authority contributing \$1.5 million and the rest to be funded with renewal and extension reserves

Estimated Completion Date: FYE 2026

Operating Budget Impact: Sewer outfalls have minimal operating impacts on the sewer system, approximately \$7,000 per year. However, completion of the project is expected to increase end users' sales from the three (3) mega-sites industrial parks currently under development and home to Takeda

Pharmaceuticals, Morning Hornet and Baymare Data Centers. Therefore, these revenue projections have been included in the five-year forecast.

5. **Yellow River Outfall** - The Yellow River Trunk Sewer is the oldest sewer in the System, serving the western portion of Newton County, Covington, Oxford College, and the City of Oxford. A condition assessment is underway to determine the most critical areas that require rehabilitation.

Estimated Probable Project Cost: \$32,041,000

Funding: Renewal & extension reserves and proposed bond proceeds.

Estimated Completion Date: FYE 2031

Operating Budget Impact: This project will have no impact on operating costs.

6. **Turkey Creek Interceptor Sanitary Sewer Flow** – The Turkey Creek Outfall was installed by the Newton County Water and Sewerage Authority in the early 1970s. NCWSA has identified this project as a high priority in its capital improvement plan, especially in light of work completed in 2024. The Authority is now beginning the design work and securing funding for the project. Preliminary discussions have occurred with our two partner customers, the City of Covington and the City of Porterdale, regarding this initiative.

The Turkey Creek Outfall is responsible for transporting wastewater from customers in the City of Oxford, Oxford College of Emory University, and the City of Covington to the Yellow River Water Reclamation Facility, owned and operated by NCWSA. The Authority has noted that the outfall has limited capacity, particularly during wet weather events. In response, NCWSA authorized the installation of eight flow monitors at various points along the Turkey Creek Outfall from January to March 2024. These monitors recorded both dry and wet weather flows. The results of this flow monitoring confirmed that a significant portion of the existing 15-inch sewer main has reached its wet weather capacity limits.

The proposed construction includes the installation of approximately 7,200 linear feet (LF) of 21-inch sewer main, 3,500 LF of 18-inch sewer main, 1,00 LF of 15-inch sewer main, and 5,300 LF of 12-inch sewer main.

Estimated Probable Project Cost: \$10,920,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2029

Operating Budget Impact: Once design of this project is complete, the impact on operating expenses will be determined and added to the budget.

7. **Yellow River Gum Creek Trunk Sewer** – The Yellow River Trunk Sewer extends the sewer trunk into the Gum Creek area between Almon and West Oxford area. The project is currently in the study/feasibility stage and is developer driven.

Estimated Probable Project Cost: \$48,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2026

Operating Budget Impact: There is no impact on operating costs.

8. **Yellow River WRF Expansion from 4 to 6.2 MGD** – The Yellow River Water Reclamation Facility (YRWRF) in Porterdale, GA, will need to be expanded to a hybrid land application and stream discharge facility. The YRWRF's current capacity is 4 MGD with limited spray field capacity remaining in the land application system. Going to the stream will require tertiary treatment infrastructure with similar discharge limits to the A. Scott Emmons Water Reclamation Facility (ASEWRF) located at Stanton Springs. This will provide 2.2 million gallons per day of additional wastewater treatment capacity.

Estimated Probable Project Cost: \$36,902,832

Funding: Sewer connection fees to start design and remaining cost with proposed bond proceeds.

Estimated Construction Dates: FYE 2029-2033

Operating Budget Impact: The Yellow River WRF is an incremental capacity addition and will result in immediate fixed and increased variable operating costs as the facility is placed and will be reflected in the annual operating budget when known.

9. **A. Scott Emmons WRF Expansion from 1.25 to 2.1 MGD** – Due to the rapid growth of the industrial base at Stanton Springs, the recently completed A. Scott Emmons Water Reclamation Facility will be expanded from 1.5 MGD to 2.5 MGD. The expansion is to provide additional treatment capacity as well as redundancy for the Stanton Springs Water Resources Facility that is currently under construction.

Estimated Probable Project Cost: \$24,232,897

Funding: Renewal & extension reserves will be used to start design and remaining costs with proposed bond proceeds.

Estimated Construction Dates: FYE 2029-2032

Operating Budget Impact: Upon commencement of operations, the facility will result in immediate fixed and increased variable operating costs as the facility is placed in service and will be reflected in the annual operating budget when known.

10. **Water Reclamation Facility (WRF) Improvements** – This project includes the addition of a bar screening system at the Yellow River Water Reclamation Facility (YRWRF) and access road paving at the A. Scott Emmons Water Reclamation Facility (ASEWRF).

A bar screening system is proposed for installation at the headworks of the YRWRF to provide finer screening of incoming wastewater and introduce redundancy to the preliminary treatment process. This upgrade will enhance the facility's ability to remove debris and protect downstream equipment, reducing maintenance needs and improving overall operational reliability. The addition of a secondary screening system ensures continuous operation during maintenance or unexpected equipment failure, aligning with best practices for resilient wastewater treatment infrastructure.

The two-mile-long entrance road leading to the ASEWRF is now ready for paving. This improvement will significantly reduce erosion, enhance stormwater management, and provide a smoother, safer route for staff, contractors, and service vehicles accessing the facility. Paving the road also supports long-term infrastructure integrity by minimizing sediment runoff and wear on vehicles, contributing to more efficient operations and reduced maintenance costs.

Estimated Probable Project Cost: \$280,000 Bar Screen Improvements, Paving costs are currently being estimated at \$90,000

Funding: Renewal & extension reserves

Estimated Completion Date: FYE 2026

Operating Budget Impact: The installation of a bar screening system at the YRWRF will introduce modest recurring costs related to routine maintenance, power consumption, and occasional parts replacement. However, these costs are expected to be offset by reduced wear and tear on downstream equipment, fewer emergency repairs, and improved operational reliability. Overall, the system enhances efficiency and long-term cost control within the facility’s preliminary treatment process. There are no operational impacts on road paving until after the forecast period.

11. **Little River Recreational Area** – The Authority now owns 4,456 acres surrounding the A. Scott Emmons WRF and has hired a consultant to help develop an educational/recreational master plan. Nearby industry would like to partner with the Authority in developing this plan.

Estimated Probable Project Cost: \$72,000

Funding: Intergovernmental grants partnerships

Estimated Completion Date: Ongoing

Operating Budget Impact: Upon completion of the master plan and partnership resources are determined, the impact, if any, to the operating plan will be known and included in the development of the budget.

REUSE CAPITAL IMPROVEMENTS

1. **Stanton Springs Water Resources Facility** – We have assessed the impact of such concentrated demands on long-term water supply and infrastructure for water security, drought management, and public welfare in our community. After completing a business case evaluation, we identified a strong financial and public interest justification for implementing a reclaimed water system for our large commercial users. Consequently, NCWSA will construct a reclaimed system that includes core processes such as ultrafiltration (UF), reverse osmosis (RO), and reserve storage. The resulting reclaimed water supply will serve the industries Stanton Springs for process use and fire suppression systems. Furthermore, the UF and RO system will remove significant by-products including total dissolved solids (TDS) from colling water blowdown and constituents contributing to increased conductivity.

Estimated Probable Project Cost: \$67,369,000

Funding: “American Rescue Plan Act State Fiscal Recovery Fund Drinking Water Projects to Support Increased Population Award” from the State of Georgia.

Estimated Completion Date: FYE 2027

Operating Budget Impact: The project will have operational and maintenance costs upon completion and start-up, which will be incorporated into the projected annual operating budget when known. A new reclaimed water rate will also be established for cost recovery.

2. **Land Application Sprayfield** – The Newton County Water and Sewer Authority (“NCWSA”) is proposing construction of an approximately 300-acre Land Application System (“LAS”) in Newton County adjacent to

its existing A. Scott Emmons Water Reclamation Facility (“ASEWRF”). The proposed LAS would process reject water from an Industrial Wastewater Reclamation Facility (“IWRf”). Reject water would flow from the IWRf to the LAS via a 12” PVC industrial wastewater gravity sewer. Associated infrastructure includes a storage pond, a pump/controls building, and a pump station to pump reject water to the storage pond. A spray system distribution main will run along the access road to the ASEWRF. Phase 1 of the LAS would process approximately 260,000 gallons per day on an initial 78.1 acres. The LAS would be expanded as needed to a maximum capacity of 1.1 MGD on 300 acres. The proposed development would occupy property totaling approximately 300 acres on both sides of Baxalta Parkway in unincorporated Newton County, just north of the existing ASEWRF. The site plan includes a 300-foot buffer around each resource.

Estimated Probable Project Cost: \$17,674,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2026 and Phase 2 in FYE 2027

Operating Budget Impact: This project will be added to the ASEWRF operating budget. Ongoing maintenance costs are currently being developed and are currently not available.

MISCELLANEOUS CAPITAL IMPROVEMENTS

1. **Fleet / Capital Equipment / Other** – New additions and replacement of capital equipment purchases.

Estimated Probable Cost: \$175,000 is budgeted annually.

Funding: Renewal & extension reserves.

Estimated Completion Date: Ongoing

Operating Budget Impact: Anticipated fuel, insurance, and maintenance costs will be added annually during budget development and determination of equipment to be purchased.

2. **NCWSA HQ Expansion** – Due to the increased staff and the excessive cost of constructing a new standalone office complex, the NCWSA team has initiated the expansion of the current office space at the main office headquarters at Brown Bridge Road. The current building was built in 1998. NCWSA plans to design and construct a Headquarters Expansion Project to improve accessibility, increase meeting space, and expand workspace to accommodate approximately 60 employees, as well as space for public meetings and Board of Directors meetings.

Estimated Probable Project Cost: \$7,010,000

Funding: Renewal & extension reserves.

Estimated Completion Date: FYE 2027

Operating Budget Impact: The operating expense impact will be developed along with the design for the expansion.

(Remainder of page intentionally left blank)

DEBT OBLIGATIONS

DESCRIPTION OF DEBT STANDARDS

The Newton County Water & Sewerage Authority Board has not formally adopted a debt policy; however, the Authority does utilize the following standards when considering the use of debt as a funding source:

- The Authority does not have debt limits per its enabling legislation; however, per Georgia Code: Article 9, Section 5, Paragraph I of the Georgia Constitution establishes the maximum debt limits for counties and other political sub- departments of the State. Under the Constitution, certain types of debt issued by a political sub-department, including counties, cannot exceed an amount that is equal to 10 percent (10%) of the assessed value of all taxable property located within that particular entity.
- Debt should be utilized only to construct new capital assets that benefit future generations of the Authority’s customers.
- The Authority strives to maintain a favorable financial margin, which results in a favorable bond rating, to obtain the lowest possible rate when issuing debt.
- The Authority will consider the expected useful life of any capital project financed through debt issuance. It will not secure debt with a longer term than the expected useful life of the capital project.
- In addition to the issuance of revenue bonds, the Authority considers using loans through the Georgia Environmental Finance Authority (GEFA) when considering sources for financing capital projects through debt issuance.
- When fiscally responsible, the Authority will consider financing capital projects with cash and avoid debt issuance.
- Bond premiums, discounts, and issuance costs are deferred and amortized over the term of issued bonds using the effective interest method.
- Deferred charges on refunding are amortized over the shorter life of the refunded bonds or the refunding bonds using the effective interest method.
- Bond premiums, discounts, and deferred charges on refunding are presented as additions and reductions to the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

SUMMARY OF DEBT OBLIGATIONS

The Authority has issued debt to support the growing capital needs of the water and wastewater system. Current outstanding debt is in the form of multiple low-interest loans obtained through the GEFA loan program. Because the Authority does not have outstanding revenue bonds (senior lien debt), the Authority does not currently have bond ratings. The Authority pledges its revenue-raising power to secure the required payments and covenants to make funds available to satisfy such required payments. There is also a provision that the Authority shall not permit the Fixed Charges Coverage Ratio (“coverage”) for any fiscal year to be less than 1.05 (as delineated in the GEFA Loan Agreements). The Authority currently maintains a coverage ratio of 1.50.

(Remainder of page intentionally left blank)

The table below summarizes the total estimated amount of current outstanding debt on June 30, 2025.

Summary of Current Debt Obligations (Principal)	
Description	Fiscal Year Ended June 30, 2025
GEFA Loan 2012L22WQ	\$10,351,276
GEFA Loan CW2019003	23,423,831
GEFA Loan 2021013 [1]	<u>18,302,572</u>
Total	\$52,077,679

1] Amount shown is estimated at June 30, 2025. The debt incurred in the form of a construction line of credit (loan) in the amount of \$25M. The last draw for Fiscal Year 2025 was requested in May 2025 and received in June 2025. The Amortization Commencement date is currently anticipated to be in April of 2026, when the first principal payment becomes due.

NOTES PAYABLE

GEFA Loan 2012L22WQ – The Authority has incurred debt in the amount of \$15,163,127 for various water and sewer projects. The outstanding principal amount is \$10,351,276. The interest rate is 1.82% with a 20-year term, maturing in FYE 2038. FYE 2026 principal and interest payments are \$722,677 and \$182,385, respectively.

GEFA Loan CW2019003 – The Authority has incurred debt in the amount of \$25,000,000 for the A. Scott Emmons Water Reclamation Facility. The outstanding principal amount is \$23,423,831. The interest rate is 1.93% with a 30-year term, maturing in FYE 2053. FYE 2026 principal and interest payments are \$652,054 and \$446,333, respectively.

GEFA Loan GF2021013 – In November 2021, the Georgia Environmental Finance Authority (GEFA) approved a loan for a Georgia Fund loan in the amount of \$25,000,000. The loan agreement was executed in FYE 2023. It will be used to finance the construction of a new transmission water main, a water storage reservoir, provide upgrades to the water reclamation facility, and related appurtenances. The interest rate is .63% with a 20-year term. Accrued interest is to be paid monthly until the Amortization Commencement date, which is currently anticipated to be in April of 2026, when the first principal payment becomes due.

SUMMARY OF DEBT SERVICE PAYMENTS

The remainder of the Authority’s current outstanding debt reflects essentially level debt service payments (i.e., regular annual payments) through the Fiscal Year 2053 when the CW2019003 GEFA Loan matures.

The FYE 2026 – 2030 Capital Improvement Program shows a need for estimated additional funding. Several large projects including the Yellow River Trunk Sewer System Rehabilitation, the Yellow River WRF Expansion, and the A. Scott Emmons WRF Expansion may require the Authority to issue additional debt. The current forecast assumes the issuance of Revenue Bonds of \$48,090,000 in Fiscal Year 2028. As the Authority makes decisions related to the Capital Improvement Plan, both the timing and amounts of the future funding needs will likely change. The Capital Improvement Plan is under ongoing review and as decisions are made, the CIP will be updated to reflect the timing of projects, along with the amounts and funding sources.

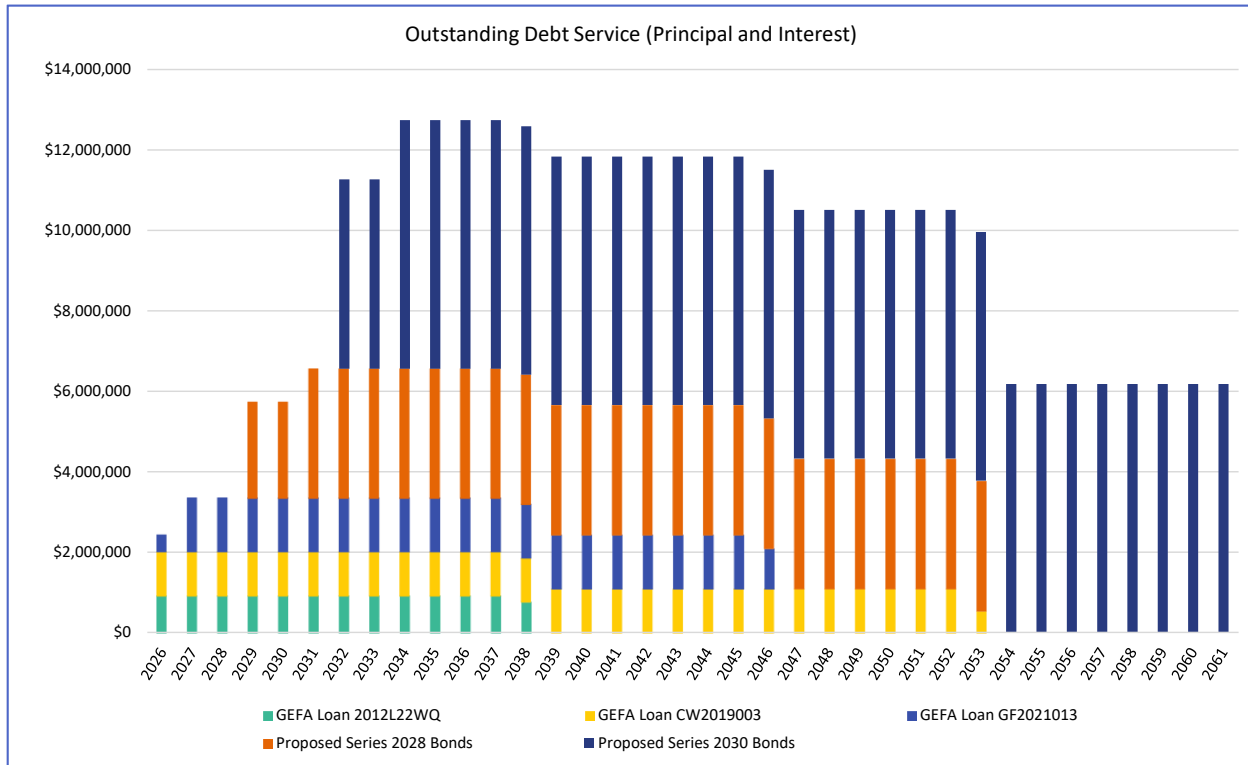
As stated in Section 2 – Cash Management Practices on page 35 of this document, the Authority makes monthly deposits in an amount that will be enough to make the upcoming principal and interest payments on all outstanding debts of the System. The table below summarizes the debt obligations for the forecast period.

Summary of Existing & Projected Debt Service Payments					
Description	Fiscal Year Ending June 30,				
	FYE 2026 Budget	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected	FYE 2030 Projected
GEFA Loan 2012L22WQ					
Principal	\$722,677	\$735,940	\$749,447	\$763,201	\$777,208
Interest	182,385	169,122	155,615	141,861	127,854
Total	\$905,062	\$905,062	\$905,062	\$905,062	\$905,062
GEFA Loan CW2019003					
Principal	\$652,054	\$664,751	\$677,695	\$690,891	\$704,343
Interest	446,333	433,636	420,692	407,496	394,044
Total	\$1,098,387	\$1,098,387	\$1,098,387	\$1,098,387	\$1,098,387
GEFA Loan GF2021013 – Estimated [1]					
Principal	\$293,462	\$1,178,479	\$1,185,925	\$1,193,418	\$1,200,958
Interest	139,349	152,252	144,806	137,313	129,773
Total	\$432,811	\$1,330,731	\$1,330,731	\$1,330,731	\$1,330,731
Proposed Series 2028 Revenue Bonds - Estimated					
Principal	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Interest	---	---	---	2,404,500	2,404,500
Total	\$ ---	\$ ---	\$ ---	\$2,404,500	\$2,404,500
Total Existing & Projected Debt Service Outstanding	\$2,436,260	\$3,334,180	\$3,334,180	\$5,738,680	\$5,738,680

[1] Amounts shown are estimated. The debt incurred in the form of a construction line of credit (loan) in the amount of \$25M. Accrued interest is to be paid monthly until the Amortization Commencement date which is anticipated to be in April of 2026 when the first principal payment becomes due.



The graph below shows the Newton County Water and Sewerage Authority's current committed long-term Debt Service obligations.



PROJECTED DEBT SERVICE AND DEBT SERVICE COVERAGE RATIO

The projected debt service and debt service coverage ratio for the forecast period is shown below. For FYE 2025, the calculated debt service coverage is slightly below the Authority's established target of 1.50, however is well above the GEFA Fixed Charges Coverage Ratio of 1.05. For the remainder of the financial forecast, all targets are met.

(Remainder of page intentionally left blank)

Projected Debt Service Coverage Ratio					
Description	FYE 2026 Budget	FYE 2027 Projected	FYE 2028 Projected	FYE 2029 Projected	FYE 2030 Projected
Total Gross Revenues (including connection fees)	\$27,758,091	\$31,202,505	\$30,955,996	\$33,523,075	\$34,909,071
Less: Total Operating & Maintenance Expenses	21,189,785	22,650,766	23,781,717	25,225,283	26,290,673
Net Revenue	<u>\$6,568,306</u>	<u>\$8,551,739</u>	<u>\$7,174,279</u>	<u>\$8,297,792</u>	<u>\$8,618,398</u>
Total Debt Service (Cash Basis)	\$2,436,259	\$3,334,179	\$3,334,179	\$5,738,689	\$5,738,679
All-In Coverage Test					
Calculated Ratio	2.70	2.56	2.15	1.45	1.50
Target Ratio	1.50	1.50	1.50	1.50	1.50
Target Met?	Yes	Yes	Yes	No	Yes
GEFA Fixed Charges Coverage Ratio					
GEFA Fixed Charges Coverage Ratio	1.05	1.05	1.05	1.05	1.05
Target Met?	Yes	Yes	Yes	Yes	Yes

LEGAL DEBT MARGIN

As a Component Unit of Newton County, the Authority does not have debt limits per its enabling legislation; however, per Georgia Code: Article 9, Section 5, Paragraph I of the Georgia Constitution establishes the maximum debt limits for counties and other political sub-departments of the State. Under the Constitution, certain types of debt issued by a political sub- department, including counties, cannot exceed an amount that is equal to 10 percent (10%) of the assessed value of all taxable property located within that particular entity.

NCWSA provides water and wastewater service to unincorporated Newton County, Georgia. Below is the legal debt margin as reported by the County for the Fiscal Year 2024.

Legal Debt Margin – Newton County, Georgia	
(Amount Expressed in Thousands)	Fiscal Year Ended June 30, 2024
Assessed Value	\$5,299,921
Debt limit (10% of assessed value)	529,992
Debt applicable to limit:	
General obligation (GO) bonds	27,501
Less: Amount set aside for repayment of GO debt	--
Total net debt applicable to limit	27,501
Legal debt margin	\$502,491

(Remainder of page intentionally left blank)

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY (GEFA) AMORTIZATION SCHEDULES

GEFA - 2012L22WQ

Note Amount: \$15,163,127

Interest Rate: 1.82%

First Principal Date: May 1, 2018

Maturity Date: April 1, 2038

Purpose: This note constitutes a Promissory Note and was issued for the construction of various water and sewer system projects.

2012L22WD – Amortization Schedule			
Fiscal Year	Principal	Interest	Total Payment
2018	\$104,928	\$45,915	\$150,844
2019	636,293	268,769	905,062
2020	647,971	257,091	905,062
2021	659,863	245,199	905,062
2022	671,973	233,089	905,062
2023	684,305	220,757	905,062
2024	696,864	208,198	905,062
2025	709,653	195,409	905,062
2026	722,677	182,385	905,062
2027	735,940	169,122	905,062
2028	749,447	155,615	905,062
2029	763,201	141,861	905,062
2030	777,208	127,854	905,062
2031	791,471	113,591	905,062
2032	805,997	99,065	905,062
2033	820,789	84,273	905,062
2034	835,853	69,209	905,062
2035	851,193	53,869	905,062
2036	866,814	38,248	905,062
2037	882,723	22,339	905,062
2038	747,963	6,253	754,217
	<u>\$15,163,127</u>	<u>\$2,938,111</u>	<u>\$18,101,238</u>

(Remainder of page intentionally left blank)

GEFA – CW2019003

Note Amount: \$22,964,077.60

Interest Rate: 1.93%

First Principal Date: September 1, 2022

Maturity Date: August 1, 2052

Purpose: This note constitutes a Promissory Note and was issued for the construction of the A. Scott Emmons Water Reclamation Facility.

2019003– Amortization Schedule			
Fiscal Year	Principal	Interest	Total Payment
2020	-	16,191	16,191
2021	-	96,084	96,084
2022	-	375,120	375,120
2023	309,184	462,866	772,050
2024	627,384	471,002	1,098,387
2025	639,600	458,786	1,098,387
2026	652,054	446,332	1,098,387
2027	664,751	433,636	1,098,387
2028	677,695	420,692	1,098,387
2029	690,891	407,496	1,098,387
2030	704,343	394,043	1,098,387
2031	718,058	380,328	1,098,387
2032	732,040	366,347	1,098,387
2033	746,294	352,093	1,098,387
2034	760,826	337,561	1,098,387
2035	775,640	322,746	1,098,387
2036	790,743	307,644	1,098,387
2037	806,140	292,246	1,098,387
2038	821,837	276,550	1,098,387
2039	837,839	260,547	1,098,387
2040	854,154	244,233	1,098,387
2041	870,785	227,601	1,098,387
2042	887,741	210,646	1,098,387
2043	905,027	193,360	1,098,387
2044	922,649	175,737	1,098,387
2045	940,615	157,772	1,098,387
2046	958,930	139,457	1,098,387
2047	977,602	120,785	1,098,387
2048	996,637	101,749	1,098,387
2049	1,016,044	82,343	1,098,387
2050	1,035,828	62,559	1,098,387
2051	1,055,997	42,390	1,098,387
2052	1,076,559	21,828	1,098,387
2053	546,113	3,078	549,191
	<u>\$25,000,000</u>	<u>\$8,661,844</u>	<u>\$33,661,844</u>



SECTION 5

DEPARTMENTAL INFORMATION



NCWSA OPERATIONS GUIDE

NCWSA SENIOR MANAGEMENT

The Authority is led by the Executive Director, who oversees the senior staff, including the heads of various departments. The senior management team plays an active role in the daily supervision, strategic planning, and administrative functions necessary to support the Authority’s mission and operational goals. Additionally, the Authority’s Board of Directors appoints the Secretary / Treasurer on an annual basis.

Senior Management Team One		Years of Service
Mike Hopkins	Executive Director	28
Tim McCart	Director of Operations	15
Laurie Ashmore	Chief Engineer	2
Emily Mills	Board Secretary/Treasurer & Finance Officer	27
Tracey Clark	Human Resources Director	31
Krista Waits	Business Operations Manager	23
Matthew Green	Water Reclamation Manager	2
JD Reid	Water System Maintenance Manager	12
Carl Rider	Fleet/Inventory Manager	15
Sally Anne Short	Water Conservation Manager	0

OPERATING DEPARTMENT PERSONNEL

The Newton County Water & Sewerage Authority comprises eight operating departments, each responsible for specific duties that support the Authority’s mission. The increase in staffing from FYE 2022 through FYE 2025 reflects a response to a historically lean workforce and the demands of the most extensive capital expansion program in the Authority's history. Although total staffing decreased slightly from 78 positions in FYE 2025 to 75 in FYE 2026, this adjustment represents a targeted realignment rather than a reduction in service capacity. Detailed staffing information for each department is provided in the following sections.

Department	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Administration	5	8	8	8	7
Engineering	7	7	7	7	7
Water Reclamation	16	17	17	19	18
Water System Maintenance	14	14	16	16	16
Business Operations	19	20	20	20	20
Fleet/Inventory	3	3	3	2	2
Information Technology	2	2	2	3	2
Human Resources	2	2	2	3	3
Total	68	73	75	78	75

(Remainder of page intentionally left blank)

OPERATING DEPARTMENTS MISSION, ACCOMPLISHMENTS, GOALS AND OBJECTIVES, AND KEY PERFORMANCE MEASURES

ADMINISTRATION DEPARTMENT

MISSION STATEMENT

To provide exceptional, prompt, and professional administrative support in alignment with the Authority's mission, vision, and values. Core responsibilities include rate setting, treasury and financial management, audit coordination, budget preparation, Board administration, general administrative services, strategic planning (short-term and long-term), and legal support.

SUMMARY OF SERVICES

The Executive Director serves as the liaison between the Board of Directors and is responsible for managing the day-to-day operations of the Authority. This role provides leadership and drives strategic planning to achieve the goals and vision established by the Board. The Executive Director also leverages the talent and expertise of the entire staff to fulfill the organizational objectives.

Under the direction of the Executive Director, the Finance Team is committed to promoting sound fiscal practices that guarantee the long-term financial stability of the Authority. The team oversees a broad range of financial services, including general ledger functions, investment tracking, debt management, accounts payable and receivable, bank reconciliations, maintenance of the Authority's cash flow model, monthly financial reporting, annual budget preparation, rate analysis and updates, State of Georgia reporting, Capital Improvement Program reporting, and coordination of the annual financial audit. All financial activities are conducted in compliance with applicable regulations, including Generally Accepted Accounting Principles (GAAP) and standards set by the Governmental Accounting Standards Board (GASB).

In addition to financial operations, the department proudly provides essential administrative support to the Board of Directors and appointed legal counsel. Staff takes great care in preparing and distributing Board and Committee meeting materials in a timely and organized manner, maintaining all official documents, and ensuring full compliance with the State of Georgia's Open Meetings laws. These responsibilities are carried out with a strong sense of dedication and attention to detail, reflecting the department's commitment to excellence and transparency in public service.

POSITION SUMMARY

In FYE 2026, the Administration Department is budgeted for seven (7) full-time staff members. This reflects the planned transition of certain roles into other departments or sub-departments, following their initial placement in Administration during FYE 2025. The department will maintain five core positions: Executive Director, Director of Operations – Maintenance, Director of Operations – Business, Finance Officer, and Accounts Payable Technician. Two additional roles—Water Conservation Manager and Safety/Compliance Manager—remain within the department for this fiscal year. The Finance Officer continues to serve a dual role as Secretary/Treasurer, elected by the Board of Directors. The current summary of positions is listed below.

(Remainder of page intentionally left blank)

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Executive Director	1	1	1	1	1
Director of Operations - Maintenance	-	1	1	1	1
Director of Operations – Business**	-	-	-	1	1
Water Conservation Manager	-	1	1	1	1
Safety/Compliance Manager**	1	1	1	1	1
Community Affairs Manager	1	1	1	1	-
Planning Performance Advisor	-	1	1	-	-
Finance Subgroup					
Finance Officer *	1	1	1	1	1
Accounts Payable Technician	1	1	1	1	1
Total	5	8	8	8	7

*The Finance Officer position currently serves a dual role as Secretary/Treasurer elected by the Board of Directors.
**These positions have been delayed until the FYE 2027 Budget.

FYE 2025 ACCOMPLISHMENTS

During Fiscal Year 2025, the Finance leadership team demonstrated exceptional commitment to operational integrity, regulatory compliance, and strategic advancement. Key achievements include:

- **Regulatory Compliance:** Ensured full adherence to Georgia’s Open Meetings Act through the meticulous preparation and finalization of all Board and Committee meeting minutes, as well as comprehensive meeting packages for the Board, Administration, Finance, and Audit functions.
- **Audit and Financial Stewardship:** Successfully managed the organization’s financial systems and directed the annual audit process, resulting in the sixteenth consecutive year of an unmodified (clean) audit opinion. The board-approved audit was completed within the first quarter of the new fiscal year, reflecting a disciplined and efficient approach to financial governance.
- **Financial Analysis and Sustainability:** Conducted a rigorous review of the organization’s financial model utilizing current-year data to ensure fiscal sustainability and informed decision-making.
- **Digital Transformation:** Transitioned all internal and external financial documentation to secure digital storage, enhancing accessibility, efficiency, and long-term record integrity.
- **Leadership Continuity:** Developed and implemented a comprehensive senior management succession plan to strengthen organizational resilience and leadership continuity.
- **Recognition of Excellence:** Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the eighth consecutive year, underscoring the team’s commitment to transparency and best practices in public financial management.
- **Strategic Planning:** Successfully completed StratOps 1.0 and 2.0, establishing a robust framework for long-term strategic and operational planning. Implementation of these frameworks is currently underway across the organization to drive performance and operational excellence.

(Remainder of page intentionally left blank)



DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Financial Stability	Provide ongoing administrative support to the Executive Director, Department Directors, and the Board of Directors	Ongoing
Financial Stability / Enhanced and Effective Maintenance	Ensure technical support and compliance solutions that protect the Authority from legal, financial, and safety exposures	Ongoing
Innovative Customer Service	Provide responsive and effective administrative support in addressing customer inquiries and concerns	Ongoing
Financial Stability / Maintaining a Fiscally Responsible Level of Debt	Collaborate with established financial consultants to maintain, refine, and apply the comprehensive financial model that has served as a cornerstone of the Authority's fiscal strategy since 2008	April 2026
Workforce Protection and Development	<p>No new positions were requested for FYE 2026. However, staff are currently in the process of developing two new positions and reconfiguring the existing Director of Operations role to be included in the FYE 2027 budget. This planned restructuring is designed to enhance the senior-level hierarchy, improve operational efficiency, and foster continuity between executive and senior management levels.</p> <p>The roles of Community Affairs Manager and Planning Performance Advisor have been removed from the short-term staffing plan. This decision was based on an internal assessment, which determined that the responsibilities of these positions are currently being effectively managed through shared duties between the Water Conservation Manager and the Senior Leadership team.</p>	Ongoing

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Provide ongoing administrative support to the Executive Director, Department Directors, and the Board of Directors	Timely preparation of Monthly Board Meeting documents	Yes	Yes	Yes
	Maintain unmodified opinion from the external auditors for the fiscal year	Yes	Yes	Yes
	Obtain Government Finance Officers Association (GFOA) Distinguished Budget Award	Yes	Yes	Yes
Collaborate with established financial consultants to maintain, refine, and apply the comprehensive financial model	Maintain Financial Model with rate sufficiency review	Yes Rate Increase: Water 2% Sewer 5%	Yes Rate Increase: Water 2% Sewer 6%	Yes Rate Increase: Water 5% Sewer 6%

ENGINEERING DEPARTMENT

MISSION STATEMENT

Deliver planning for future needs, capital projects, support to administration and operating departments and review of proposed new developments based on sound engineering analysis and principles to ensure that NCWSA has sound infrastructure supporting the current and future needs of NCWSA.

SUMMARY OF SERVICES



The Engineering Department plans, coordinates, and implements capital and other projects for NCWSA. In addition, the Engineering Department assists in planning non-routine capital projects and provides engineering, construction coordination, and management once projects move into construction. Recommendations from the Engineering Department drive the strategic position of NCWSA concerning capital improvement projects. The Engineering Department is also responsible for reviewing plans and inspecting development related infrastructure, developing, and maintaining the NCWSA's geographical information system ("GIS") and provides strategic and regulatory guidance for NCWSA operations.

POSITION SUMMARY

The Engineering Department has continued to be challenged in hiring a mid-career engineer in FYE 2025. This challenge is consistent with that faced by other water/wastewater systems in the local area. We have revised the Assistant Engineer job description. We will continue to utilize a group of contracted third-party technical consultants to augment the existing staff and complete critical engineering projects. GIS services are provided under contract with SAM.

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Chief Engineer	1	1	1	1	1
Assistant Engineer PE	1	1	1	1	1
Engineer EIT	1	1	1	1	1
Engineer Technician III	1	1	1	1	1
Inspector – Senior	1	1	1	1	1
Inspector - Associate	1	1	1	1	1
Administrative Assistant Engineering	1	1	1	1	1
Total	7	7	7	7	7

FYE 2025 ACCOMPLISHMENTS

NCWSA’s implementation of an Asset Management System was initiated in FYE 2024. In FYE 2025, the system is being populated and utilized in Wastewater Maintenance, and implementation is underway at the wastewater reclamation facilities. Additional small group just-in-time training has been conducted as the departments utilize the system. The Engineering Department began using the workflow elements of Asset Management system to track plan review and developer construction.

The federal Revised Lead and Copper Rule required water utilities to submit service line inventories by October 16, 2024. Initiated in FYE 2023, NCWSA completed and submitted its service line inventory by the October 2024 deadline. The inventory demonstrated that NCWSA does not have any lead service lines, galvanized service lines requiring replacement, or service lines that the material is unknown. The State of Georgia has reviewed and accepted NCWSA’s inventory.

In FYE 2025, NCWSA staff developed and submitted a Water Loss Control Program in compliance with Georgia Rule 391-3-33-.05. This program outlines the Authority’s actions to improve water supply efficiency including annual water audits, public education and addressing both real and apparent water losses.

Flow monitoring was completed in the Turkey Creek basin in FYE 2025. Monitoring showed that during rainfall events sewage surcharged into manholes. Future flow forecasting was developed to determine whether the existing pipe sizing was adequate to transport future flows. It was determined that larger pipe sizes would be required to convey future flows, and the decision was made to replace the Turkey Creek Outfall. Design is currently underway on the Turkey Creek Outfall improvements.

In FYE 2025, NCWSA along with its partners Newton County and the City of Covington completed an initial “road map” for capacity and capital improvement needs through 2075 which culminated with meetings to present it to local governments and the NCWSA Board. Reuse is a key element of this road map for the benefits to both water supply and wastewater management.

The NCWSA Board approved an additional \$16 million for capital projects to advance into construction during FYE 2025. These projects include distribution system modifications and metering to effectuate service area swaps, a 24” transmission main to support water demands in the eastern area of the distribution system, a new gravity sewer that will provide industrial pretreated flows for source water at the reuse treatment facility, an extension of the Little River Interceptor which will also serve the Stanton Grove Industrial Park. The Little River Interceptor is being undertaken in cooperation with the Industrial Development Authority.

As Newton County continues to grow, the Newton County and Georgia Department of Transportation are

designing and constructing projects to improve traffic flow and increase capacity of the road network in our service area. Most of these projects require relocation of some or all of the water/sewer infrastructure. Within FYE 2025 NCWSA completed relocations for four projects including intersection improvements, and an interchange improvement and converted to roundabouts and one bridge replacement project. The Board approved \$9.6 million for utility relocation projects in FYE 2025 for the widening of a heavily traveled state highway, and for an intersection which is being converted to a roundabout.



(Remainder of page intentionally left blank)

DEPARTMENTAL GOALS AND OBJECTIVES

STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
<p>Financial Stability/Investment in Infrastructure/Enhanced and Effective Maintenance</p>	<p>The Engineering Department prioritizes and establishes schedules and methods to design and construct NCWSA capital improvement projects. Critical success factors include delivering projects within budget, on schedule that meets the quality objectives determined for the project.</p> <p>In FYE 2026 we will initiate construction of extensions of our water and wastewater infrastructure to serve additional development on the east side of the system. We will complete initiate construction to further extend our East Newton Water Transmission Improvements to the east and connect to an elevated storage tank under construction, looping the system in that area and strengthening supply. These improvements will support both current and new development in the corridor. We will complete construction of an extension of our Little River Interceptor into the Stanton Grove area to serve additional development north of I-20.</p> <p>NCWSA will also focus on the needs of our existing wastewater infrastructure on the west side of the County. Following wastewater flow measurement in the system we determined that the Turkey Creek Outfall is at capacity and must be replaced to serve projected flows. Design of the 17,000 ft replacement sewer will be completed in FYE 2026. The construction is anticipated to be completed in phases and partially funded by development in the basin. A measurement station will be installed on the line that connects the City of Oxford’s sewer collection system to NCWSA’s system. This will allow us to monitor flow into our system and bill based on actual flows. The Turkey Creek Interceptor will be evaluated for its ability to transport projected flows and to improve the integrity of the existing infrastructure through implementation of the capital improvement program. We will also pilot flow measurement equipment on another municipal discharge into our collection system to implement measurement stations at other points where municipal flows enter the NCWSA system. Planning for additional sewer rehabilitation/replacement will be extended to other parts of the existing wastewater infrastructure.</p>	<p>Ongoing</p>
<p>Enhanced and Effective Maintenance</p>	<p>Support and develop Asset Management utilization across the Authority</p>	<p>Ongoing</p>
<p>Enhanced and Effective Maintenance</p>	<p>Continue to work with Newton County Water Resources to gain access to SCADA data on the NCWSA distribution system</p>	<p>Ongoing</p>
<p>Enhanced and Effective Maintenance</p>	<p>Complete construction of improvements to fully implement the revised Service Delivery Strategy</p>	<p>January 2026</p>

Financial Stability	Improve accuracy, water audit validity, and revenue accountability	Ongoing
Investment in Infrastructure	Continue advancing planning/design/construction of Capital Improvement Plan projects which include rehabilitation, extension, and expansion of water, wastewater, and reuse infrastructure	Ongoing
Investment in Infrastructure	Work cooperatively with Newton County and the City of Covington to develop a reuse system serving industrial customers and providing an additional water source to supply the water needs of Newton County	January 2027
Workforce Protection and Development	Develop training list for each engineering position	Ongoing
Workforce Protection and Development	<ol style="list-style-type: none"> 1. Train staff using internal methods such as targeted project involvement, site visits, and other internal opportunities. Provide available external training appropriate for the development of each staff member and to earn and/or renew certifications and licenses. 2. Develop Standard Operating Procedures (SOP) for undocumented tasks 	Ongoing
Enhanced and Effective maintenance	Identify technology to produce digital files from brittle paper drawings	Ongoing

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Continue advancing planning/design/construction of Capital Improvement Plan projects which include rehabilitation, extension, and expansion of infrastructure	CIP Plan Review/Update	Achieved	Achieved	Maintain
	Developer Plan Review	18	16	20
	Capital Projects – In House	1 Completed	0 Completed	1 Completed
	Yearly Project Inspections, including tap inspections	622	450	750
Fully Staffed Department	Fill Vacant Positions within the Department	1 Positions Filled	2 Positions Filled	2 Positions Filled

WATER RECLAMATION DEPARTMENT

MISSION STATEMENT

Our mission is to provide the Authority’s customers with reliable and sustainable sewer services and water treatment in an environmentally responsible and fiscally sound manner while focusing on cost efficiency and value-oriented service.

SUMMARY OF SERVICES

Plant Operations is responsible for the safe, legal, economical, and environmentally acceptable treatment and reclaiming of all sanitary sewer flows from the unincorporated areas of Newton County within its service delivery area.

This department's responsibilities include maintaining and repairing the Authority's sewer collection system infrastructure, including sewer mains, laterals, and lift stations. The department consists of eight lift stations, and two water reclamation facilities. Our Yellow River facility is located in the county's heart within the City of Porterdale, and our A. Scott Emmons facility is located south of the Stanton Springs Research & Development Park on the back side of Social Circle. This task also provides preventative maintenance programs to monitor flows and clean the system. The department's mission is to ensure the entire collection system is clean and free flowing while protecting the environment and public health. In addition, the division provides 24-hour emergency responses to sewer emergency calls.

This department ensures compliance with commercial and industrial customers with the Authority's pretreatment/ source control program to protect the sewer collection system. Additionally, this division achieves its purpose through inspection, issuance, and renewal of permits for non-domestic wastewater discharge.

POSITION SUMMARY

To facilitate cross-training and build operational flexibility, current staffing will be split and rotated between the Yellow River and Emmons Water Reclamation Facilities. This approach will provide staff with experience at both a land application facility and a stream discharge facility, while also creating staffing redundancies that strengthen organizational resilience.

The Water Reclamation Department is staffed with a diverse and skilled team including management personnel, licensed operators, maintenance technicians, laboratory analysts, and compliance specialists. This structure enables efficient operation of both facilities and ensures continuity in essential functions such as plant operations, system maintenance, laboratory testing, and regulatory compliance. The department continues to actively recruit qualified candidates and invest in high-quality training to maintain long-term operational stability and readiness.

The total number of Water Reclamation positions decreased from 19 in FYE 2025 to 18 in FYE 2026, reflecting a strategic reallocation of staffing resources. Key additions include two Water Reclamation Plant Supervisor positions, introduced to strengthen operational oversight and leadership within plant operations, and one Water Reclamation Maintenance Supervisor position to support improved maintenance coordination and infrastructure reliability. These additions were offset by the elimination of the Water Reclamation Assistant Manager, Class I Operator, and Water/Wastewater Pump Equipment Technician roles, as well as reductions in the Operator Trainee and Lab Analyst positions. The adjustments align with the Authority's ongoing efforts to optimize workforce structure and support evolving operational needs.

(Remainder of page intentionally left blank)

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Water Reclamation Manager	1	1	1	1	1
Water Reclamation Assistant Manager	1	1	1	1	-
Water Reclamation Plant Supervisor	-	-	-	-	2
Class I Operator	-	1	1	2	-
Class II Operator	1	1	1	-	1
Class III Operator	4	4	4	1	4
Water Reclamation Operator Trainee	-	-	-	4	1
Water Reclamation Collections Specialist	1	1	1	2	2
Water Reclamation Maintenance Supervisor	-	-	-	-	1
Water Reclamation Maintenance Technician	2	2	2	2	2
W/WW Pump Equipment Technician	1	1	1	1	-
Water Reclamation Lab Analyst	3	3	3	3	2
Environmental Compliance Coordinator	1	1	1	1	1
Environmental Sampling Technician	1	1	1	1	1
Total	16	17	17	19	18

FYE 2025 ACCOMPLISHMENTS

The Authority has had a wonderful year of accomplishments for FYE 2025. One of the most important ones is that there were zero permit violations at the facilities. The Yellow River Water Reclamation Facility received the Georgia Association of Water Professionals (GAWP) Platinum Award which is for having zero permit violations for six years in a row. The Yellow River Water Reclamation Facility also received the National Association of Clean Water Agencies (NACWA) Platinum Peak Performance Award for having zero permit violations for six years in a row. The Authority has been working diligently to acquire staff and retain them and were able to hire three new positions in FYE 2025. Training has continued to be a focus in FYE 2025, having two employees receive their Wastewater Operator Class III certifications from the state and one receiving their Wastewater Operator Class I certification. Maintenance training has also continued to be a major focus and there were two employees that received their GAWP Maintenance Technologist Class II, and one that received their GAWP Maintenance Technologist I certification. The Authority is focused on building a sustainable future.

DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Enhanced and Effective Maintenance	<ul style="list-style-type: none"> Maintain regulatory compliance and complete all required reporting to the Georgia Environmental Protection Division (GA EPD). Expand collection system responsibilities and assess infrastructure through the Collection Maintenance Specialist role, with data tracked in the Computerized Maintenance Management System (CMMS). Purchase necessary equipment to support collection system operations and implement a Capacity, Management, Operation, and Maintenance (CMOM) program to enhance preventative maintenance and ensure reliable sewer service. 	Ongoing

	<ul style="list-style-type: none"> Monitor and manage equipment lifecycle tracking within CMMS. 	
Enhanced and Effective Maintenance/Financial Stability	Monitor system performance to identify and implement efficiencies, ensuring the delivery of cost-effective and reliable service.	Ongoing
Innovative Customer Service	Continue delivering high-quality service and ensuring prompt response to sewer customer needs.	Ongoing
Workforce Protection and Development	<ul style="list-style-type: none"> Enhance training programs and systematically track certification and renewal requirements to ensure that Licensed Operators, Maintenance Technicians, and Laboratory Analysts remain compliant and up to date with current technologies and best practices. Promote a stable and safe work environment for the Water Reclamation Department through regular weekly safety meetings and a continued focus on workplace safety. 	Ongoing

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Maintain regulatory compliance	Maintain TSS/BOD Levels	Achieved	Achieved	Maintain
Maintain regulatory compliance	Obtain GAWP Award	Platinum 5 th year	Platinum 6 th year	Platinum 7 th year
Maintain regulatory compliance	Obtain NACWA Award	Platinum	Platinum	Platinum
Enhance training programs and systematically track certifications	Percentage of Licensed Operators	85%	83%	100%
Preventative maintenance activities to ensure reliable sewer service	Feet of Collection System Inspected	60,500	75,500	110,000
Maintain regulatory compliance	Georgia Environmental Protection Division Violation	0	0	0
Promote a stable and safe work environment	Fill Vacant Positions	2	2	2

WATER SYSTEM MAINTENANCE DEPARTMENT

MISSION STATEMENT

The Water System Maintenance Department’s mission is to operate and maintain the facilities and systems required to reliably deliver uninterrupted water services to the Authority’s customers prudently and sustainably.

SUMMARY OF SERVICES

The Water System Maintenance Department is composed of two key teams: the Maintenance Team and Field Services Team.

The Maintenance Team is responsible for maintaining and improving the Authority’s water and sewer infrastructure to ensure reliable services for our customers. This includes heavy repair, replacement, and

installation of NCWSA valves, hydrants meters, and water mains. The team also manages full-service meter installations and establishes new water service connections for customers.

The Field Services Team supports daily operations in coordination with all departments, helping to fulfill essential business operations and customer service needs. Their responsibilities include performing general maintenance and repairs to devices, collecting raw data from NCWSA meters for billing purposes, and providing on-site assistance to customers regarding water-related issues.

The Water System Maintenance Department supports Customer Service, Billing and Collections, Water Conservation and Environmental Compliance, Engineering, Wastewater, and other initiatives directed by management.

POSITION SUMMARY

For the Fiscal Year Ending (FYE) 2026, the Water System Maintenance Department is fully staffed, ensuring adequate resources to support system maintenance, respond to service requests in a timely manner, and maintain overall operational efficiency. Full staffing levels also provide capacity for proactive system monitoring, preventive maintenance, and rapid response to unforeseen issues, all of which contribute to the department’s ability to deliver reliable service and safeguard infrastructure.

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Water System Maintenance Manager	1	1	1	1	1
Water System Maintenance Assistant Supervisor	1	1	1	1	1
Water Maintenance Crew Foreman	1	1	1	1	1
Equipment Operator I	1	1	1	1	1
Crewman I	1	1	1	1	1
Crewman II	3	3	5	4	5
Water System Specialist II	1	1	1	1	1
Senior Meter Supervisor	1	1	1	1	1
Field Services Technician	3	3	3	4	3
Utility Locator	1	1	1	1	1
Total	14	14	16	16	16

FYE 2025 ACCOMPLISHMENTS

The Water System Maintenance Department spearheaded critical initiatives that significantly strengthened infrastructure integrity and enhanced operational efficiency across the water system. The department successfully led the replacement of deteriorating service lines and main lines, effectively mitigating water loss and improving system reliability. Additionally, it ensured the prompt repair and replacement of damaged fire hydrants, which are vital for maintaining firefighting capabilities throughout the service area.

Comprehensive metering system improvements were also undertaken. The department oversaw the installation of new meters and the repair of existing ones, enhancing both accuracy in water measurement and the efficiency of billing operations. Proactive management was extended to the operation of water tanks and booster pumping stations—critical assets for maintaining consistent water pressure across the distribution network.

A structured valve maintenance program was implemented, including regular exercising and maintenance of main line valves to ensure system readiness. Leveraging GIS technology, the department integrated advanced equipment to streamline valve and hydrant management, significantly improving monitoring capabilities and response times to operational challenges.

The department also played a pivotal role in optimizing customer service through the maintenance and enhancement of the Electronic Radio Transmitter (ERT) system. This technology enables real-time monitoring and allows for rapid resolution of customer usage inquiries. The deployment of handheld meter reading devices and secondary tablets in the field further improved data collection and operational workflows.

In addition to operational improvements, the Water System Maintenance Department contributed to system-wide water audits aimed at reducing residential water loss and supported initiatives to calibrate large revenue meters, safeguarding revenue accuracy and integrity.

Employee development remained a priority, with training opportunities provided to support licensing renewals and maintain a knowledgeable, certified workforce. The department also demonstrated its commitment to public engagement through the management of the meter maintenance program and the coordination of informative customer relations videos, enhancing community awareness and transparency.

DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Workforce Protection and Development	Sharpening crew skills through intensified training and comprehensive safety protocols not only enhances workforce versatility but also promotes operational efficiency and strengthens the department’s ability to respond effectively across a wide range of scenarios.	June 2026
Workforce Protection and Development	To improve efficiency, the department has implemented measures to produce more accurate and reliable field notes and observations. This detailed documentation supports informed decision-making and enhances communication across departments.	June 2026
Enhanced and Effective Maintenance	Planning initiatives ensure that personnel are well-prepared to respond promptly and effectively to unforeseen events, protecting both community welfare and infrastructure integrity. Through strategic planning and continuous improvement, the department remains committed to high standards of service delivery while promoting sustainable water resource management and long-term infrastructure resilience.	June 2026

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Planning initiatives ensure that personnel are well-prepared to respond promptly and effectively to unforeseen events, protecting both community welfare and	Number of New Meters Installed in System Annually	493	452	300
	Meters Replaced Annually (Aged/Defective)	1,000	3,000	1,500

infrastructure integrity. Through strategic planning and continuous improvement, the department remains committed to high standards of service delivery while promoting sustainable water resource management and long-term infrastructure resilience.	Number of Main Line Breaks Annually	7	10	5
	Miles of Pipe Maintained by Department	645	645	645
	Number of Valves Exercised Annually	100	100	150
	Fill Vacant Positions	4	1	0

BUSINESS OPERATIONS DEPARTMENT

MISSION STATEMENT

Business Operations consist of billing and customer services, focusing on the customer. All activities within Business Operations are performed, emphasizing a "customer comes first" philosophy.

SUMMARY OF SERVICES

Customer Service is responsible for updating and maintaining customer information within the utility billing system. They provide prompt responses to customer requests concerning both meter services and billing needs. Providing first-class customer service over the phone, in person at our Main Office, and through online services.

Billing is responsible for collecting meter reading data to help ensure that all customers are billed accurately and on time. The department also maintains and operates an efficient utility billing system that supports the timely collection of the Authority's water and sewer service revenues.

POSITION SUMMARY

The Business Operation Department has twenty (20) team members in billing and customer.

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Business Operations Manager	1	1	1	1	1
Customer Service Supervisor	1	1	1	1	1
Customer Service Specialist I	3	3	3	3	3
Customer Service Specialist II	4	4	4	3	6
Customer Service Specialist III	3	3	3	3	-
Customer Call Center Specialist	2	2	2	2	2
Receptionist	1	1	1	1	1
Billing Supervisor	1	1	1	1	1
Accounts/Collections Specialist	1	1	1	1	1
Billing Specialist	1	1	1	1	1
Billing Clerk	1	1	1	2	2
Internal Meter Tech	-	1	1	1	1
Total	19	20	20	20	20

FYE 2025 ACCOMPLISHMENTS

In the past year, our team has successfully processed over 2,000 service orders per month, demonstrating our commitment to efficiency and customer satisfaction. Additionally, we have processed an average of 27,130 bills per month and over 18,000 monthly online payments, displaying our dedication to providing convenient payment options for our customers. We have also assisted over 2,096 customers with extension or payment plans, further highlighting our focus on customer service. Our efforts to improve service interruption for non-payment have been successful, thanks to the implementation of Tyler notify, which has also enhanced security measures for our employees. Furthermore, we have implemented a Lock Task Force Team to evaluate our lock process and continued to train employees in customer service and billing. Our dedication to excellence is evident in the positive feedback we have received regarding our late fee and disconnection policy, as well as the well-received Tyler notification system. We have also revised and implemented new standards for our Leak Adjustment Policy and completed Utility Billing System updates. We completed the City of Covington area swap in a timely manner. We continued to finalize the transition of our online payment portal from Paymentus to Tyler Payments, providing customer assistance to set up their personal portal, and re-establish auto pay. Additionally, one of our employees completed a Newton County Leadership Program, and two employees attended the yearly GAWP conference in Savannah, GA. To further demonstrate our commitment to professional development every employee attended personal development training this year.



(Remainder of page intentionally left blank)

DEPARTMENTAL GOALS AND OBEJECTIVES

STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Innovative Customer Service	<p>The Business Operations Department is the first point of contact for over 27,130 customers. NCWSA strives to achieve a high degree of customer satisfaction through the following key actions:</p> <p>As customer service and billing representatives, it is essential to engage customers in effective communication to ensure their needs are met. By understanding their needs, problem-solving, and providing solutions, we can create a positive experience for our customers. Implementation and follow-up are key steps in ensuring that the solutions provided are effective and that the customer is satisfied with the outcome. By following these steps, we can build strong relationships with our customers and ensure their continued satisfaction with our services.</p> <p>We must prioritize the timely billing of customer accounts and increase user participation with Tyler Payments and electronic payment features. It is essential to ensure a minimum level of customer engagement in the available electronic options to optimize processes.</p>	Ongoing
Innovative Customer Service	Ensure the timely completion of delinquent notices and shutoffs while implementing a new water/sewer rate structure as recommended by the Finance Department.	June 2026
Workforce Protection and Development	Update the Standard Operating Procedure (SOP) manuals for Business Operations to ensure consistency and accuracy across all processes.	June 2026
Financial Stability	Evaluate bill printing companies to ensure our current company is comparable to others.	April 2026
Innovative Customer Service	Enhance the security of the application process for customers by utilizing Tyler’s Utilities Access.	August 2026

(Remainder of page intentionally left blank)

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Engage customers in effective communication to ensure their needs are met to create a positive experience for our customers.	Number of Customer Calls (Annually)	134,000	126,800	85,000
Increase user participation with Tyler Payments and electronic payment features. It is essential to ensure a minimum level of customer engagement in the available electronic options to optimize processes.	Number of Online Transactions (Monthly)	20,000	18,000	20,000
Ensure the timely completion of delinquent notices and shutoffs.	Number of Extensions and Payment Arrangements (Monthly Average)	180	164	150

FLEET, FACILITY, INVENTORY, AND CROSS CONNECTION DEPARTMENT

MISSION STATEMENT

The Fleet, Facility, Inventory, and Cross Connection Department plays a vital role in ensuring the smooth operation and safety of our infrastructure. By providing essential services, we strengthen the foundation that supports all aspects of our operations.

SUMMARY OF SERVICES

Fleet, Facility, and Inventory Management

Our department is responsible for essential operational services that support the efficiency and effectiveness of the organization. Key services include:

Purchasing Services: We manage the procurement of materials and supplies, ensuring timely and cost-effective acquisitions. This service provides vital support to both internal teams and external partners, ensuring that the organization is consistently equipped with the necessary resources to operate effectively in a dynamic environment.

Warehouse Operations: Our team manages inventory flow with precision, maintaining a safe and responsive warehouse environment. By ensuring supplies are consistently available, we minimize delays and ensure that Authority personnel have timely access to the resources required for mission-critical tasks.

Fleet Services: We manage and maintain our fleet of vehicles and equipment to ensure their reliability and safe operation. Through regular maintenance and oversight, we protect the integrity of our assets, contributing to the efficiency and effectiveness of transportation and operational functions.

Facilities Maintenance: We oversee the upkeep of essential infrastructure systems, including fire safety, elevators, alarms, and HVAC units. By ensuring these systems operate seamlessly, we provide the foundation for the organization's continued functionality and safety.

Together, these services form the cornerstone of the Fleet, Facility, and Inventory Department, reflecting our commitment to operational excellence. Through continuous improvement, we ensure the efficiency, safety, and reliability of our resources. Our team actively reviews and streamlines purchasing practices to enhance performance, while maintaining current industry standards through ongoing education and training in inventory management systems.

Inventory Management: We ensure timely procurement and receipt of inventory for scheduled projects and emergency needs, maintaining optimal stock levels. Through a network of local vendors, we facilitate rapid procurement of RFPO materials and services, processing RFPOs within 48 hours of receipt.

Inventory Optimization: We actively manage inventory through regular follow-up on late deliveries and the disposal of surplus equipment. By reviewing minimum and maximum stock levels and adjusting reordering points, we maintain balanced and efficient inventory levels.

Fleet & Equipment Maintenance: We prioritize fleet and equipment upkeep through ongoing management and evaluation of preventative maintenance plans. By reviewing maintenance work orders, evaluating stock levels, and removing surplus or obsolete items, we ensure optimal fleet availability and operational efficiency.

Inventory Management & Accuracy: We ensure prompt processing of inventory deliverables, with items received and accounted for within 24 hours. Monthly cycle counts are completed by the last Tuesday of each month to maintain accuracy. Direct charge materials are processed and delivered or staged within 24 hours of dock arrival, ensuring continuous availability.

Fleet & Equipment Services: We strategically manage fleet repairs and services, ensuring optimal fuel levels at all locations. The Verizon Connect GPS system is consistently updated and integrated with Wex fueling for enhanced fleet management. Additionally, our team completes OSHA Certification courses to uphold safety standards and ensure compliance.

Operational Efficiency: Through these comprehensive efforts, The Authority maintains efficient, responsive, and effective inventory and fleet management, ensuring seamless operations and optimized resource utilization.

Cross Connection Control

The Authority continues to sustain its backflow prevention program, safeguarding against water contamination. We maintain the Munis Program to improve communication with customer service, manage compliance for all non-residential customers, and provide ongoing education on backflow regulations and guidelines.

Backflow Prevention Coordination: Our team collaborates daily with independent backflow testers and participates in pre-construction meetings to assess potential hazards with newly purchased meters. We conduct thorough inspections of new construction backflow prevention devices to ensure proper installation and work closely with the Engineering Department to provide accurate site plan drawings for new projects.

Tester Education & Compliance: We ensured all backflow testers completed the required continuing education units to maintain their licenses, keeping their credentials current. This approach reinforces the integrity and safety of our water supply.

(Remainder of page intentionally left blank)

POSITION SUMMARY

The Fleet, Facility, Inventory, and Cross Connection Department is staffed by two dedicated team members.

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Fleet/Facility Manager	1	1	1	1	1
Inventory/Cross Connection Coordinator	1	1	1	1	1
Landscaper	1	1	1	-	-
Total	3	3	3	2	2

FYE 2025 ACCOMPLISHMENTS

In the past fiscal year, the Fleet, Facility, Inventory, and Cross Connection Department has made significant strides in sustaining and upgrading both our fleet and facilities:

- **Fleet and Equipment Maintenance:** We have successfully maintained our fleet of vehicles and equipment, ensuring safe and reliable operations throughout the year.
- **Facilities Maintenance:** Essential maintenance was performed on critical systems, including fire safety, elevators, alarms, HVAC units, and other infrastructure, ensuring their continued functionality and safety.
- **Compliance with Regulations:** We have consistently operated in compliance with the Federal Safe Drinking Water Act of 1974 and the State of Georgia's Safe Drinking Water statutes, ensuring the protection of public health.
- **Professional Development:** Our team successfully obtained the state-required continuing education units to maintain backflow testing licenses, ensuring that all staff are current with industry standards.
- **Cross-Connection Control Program:** We have effectively maintained a robust Cross-Connection Control (Backflow Prevention) Program, safeguarding the public potable water supply with no violations.

DEPARTMENTAL GOALS AND OBJECTIVES

STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Enhanced and Effective Maintenance /Financial Stability	<ul style="list-style-type: none"> • Streamline maintenance schedules to maximize technician productivity and minimize operational disruptions. • Enhance the preventative maintenance program to reduce fleet downtime and ensure continuous, reliable operations. • Develop strong partnerships with maintenance contractors to ensure quick turnarounds and minimize downtime. • Implement purposeful accident management strategies to prioritize safety and minimize downtime effectively. • Continue to provide regular testing for all backflow prevention devices to ensure compliance and safety. 	Ongoing

	<ul style="list-style-type: none"> • Maintain optimal inventory levels and provide non-inventory resources to ensure readiness for planned and emergency needs. • Conduct a stock level assessment and surplus inventory removal. • Expand the main office to improve how we use our space and make our facility more efficient. • Proactive facility <i>maintenance</i> is a key strategy for cost control, as it minimizes unexpected breakdowns and eliminates costly emergency repairs. 	
Enhanced and Effective Maintenance	<ul style="list-style-type: none"> • Direct charge materials will be received, processed, and either delivered or staged within 24 hours of dock delivery. • Continue to use Aqua Resource for mailing backflow letters to enhance operational efficiency and create opportunities for future growth. • Ensure all backflow testers currently working with NCWSA are thoroughly educated on NCWSA's backflow prevention policies to ensure compliance and proper procedures. • Attending pre-construction meetings to ensure the proper degree of hazard assessments on newly purchased meters. 	Ongoing

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Prioritizing the operational efficiency, safety, and reliability of our vehicle fleet through diligent maintenance, cost-effective repairs, optimized fuel management, and continuous compliance with regulations.	Vehicles Maintained in Fleet	46	46	47
Strengthen spending control through documented purchase request, approval, and denial processes, and monitor budgets to prevent overspending.	Goods and Services Requisition to Purchase Order Process within Five Days of Receipt	98%	98%	98%
Consistently monitoring progress, addressing issues promptly and making necessary adjustments to keep everything on track.	Number of Commercial & Industrial Backflow Devices (% within System)	100%	100%	100%
Maintaining clear and consistent communication with backflow testers is essential to ensure the timely completion of testing, the accuracy of reporting, and the immediate resolution of any issues, thereby	Number of Backflow Tests Received from Third-Party Testers (% Required Annually)	100%	100%	100%

safeguarding the integrity of our water systems.				
Safeguarding public health and ensuring compliance with safety standards.	Number of Cross-Connection Violations within the Water System	0	0	0

IT DEPARTMENT

MISSION STATEMENT

To provide comprehensive technology planning, development, integration, operation, maintenance, and support to all areas of the Authority to maximize efficiency.

SUMMARY OF SERVICES

The Information Technology Department (IT) department at NCWSA is at the heart of all our technological operations. We are responsible for everything from computer systems and communication networks to metering systems, GPS, safety, and security systems. One of our primary roles is to keep our local area network (LAN) running smoothly, which is crucial for integrating technology into our daily business activities efficiently.

Our team plans, organizes, and manages all the computer and peripheral systems within the Authority. We work behind the scenes making sure all the data and telecommunication systems run smoothly without downtime. We also conduct thorough systems analysis for all departments, offering recommendations for innovative technology implementations that fit seamlessly into our existing infrastructure.

We oversee a variety of tasks to keep things running smoothly. This includes performing regular operations on a daily, weekly, and monthly basis, as well as providing network and database administration. We are responsible for installing and maintaining servers, printers, workstations, and all peripherals, and we make sure backups are scheduled, performed, and completed without fail.

Routine analysis of logs and alarms, as well as report management, helps ensure operational order and efficiency. We provide support for Munis by managing security, performing updates, and general assistance. We also maintain our Office 365 system, which includes email and cloud-based services. Our team also oversees network storage, ensuring everything is stored safely and efficiently.

We keep the website content up-to-date and manage all RingCentral communications, including voice over internet protocol (VOIP), cellular, and wireless systems. Support for tablet computers and administration of Active Directory and Azure are also under our purview. Moreover, we provide and support comprehensive security and camera systems to keep everything secure.

In short, our job in the IT department is to ensure that all our technology runs smoothly and securely, supporting the day-to-day operations of NCWSA. We are dedicated to maintaining a reliable, efficient, and secure technological environment for everyone at the Authority.

POSITION SUMMARY

The Information Technology Department, established in 2006, is currently staffed by one employee. In FYE 2025, an additional position was added as part of succession planning efforts, increasing the total number of budgeted positions to three. However, the IT Director position has been removed for FYE 2026, reducing the number of budgeted employees to two.

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
IT Director	1	1	1	1	-
IT Manager	-	-	-	1	1
IT Specialist	1	1	1	1	1
Total	2	2	2	3	2

FYE 2025 ACCOMPLISHMENTS

Over the past fiscal year, the IT Department at NCWSA has made significant improvements and upgrades. Key achievements include:

Workstation Upgrades: We have replaced our aged five-year-old workstations with modern, high-performance equipment to enhance employee productivity and system reliability.

Cashiering System Enhancement: Our cashiering system underwent a major update to Version 2024, delivering improved functionality and enhanced data management capabilities. Tyler Content Manager (TCM) was also successfully upgraded and migrated.

Network Protection: Our LAN is now better protected than ever against spam, viruses, malware, spyware, intrusions, bots, and peer-to-peer software. We are committed to keeping our network safe and secure.

Virtual Server Infrastructure Maintenance: We have maintained our redundant virtual server infrastructure to ensure system resilience and uninterrupted operations in the event of hardware or software failures.

Cybersecurity Training: We have continued our quarterly cybersecurity training for all staff, reinforcing awareness of potential threats and supporting a strong organizational security posture.

Biometric Hand Scanners: Our time and attendance biometric hand scanners have been reliably maintained, ensuring accurate time tracking for all employees.

Office 365 Maintenance: We have ensured the reliable performance of our Office 365 system, maintaining continuous access to email, calendaring, and collaboration tools. Office 365 licensing was also upgraded to enhance security features and enable mobile device management.

Cloud-Based Backup Enhancements: Backup systems are now fully replicated and encrypted in the cloud, enhancing data security and disaster recovery capabilities.

Time & Attendance Software Replacement: The time and attendance software were upgraded to replace an end-of-life system, ensuring continued support, reliability, and functionality.

Cybersecurity Assessments: Completion of Environmental Protection Agency (EPA) and the University of Georgia (UGA) cybersecurity posture assessments.

Ongoing Vulnerability Scanning: Continued regular vulnerability scans in collaboration with the Cybersecurity and Infrastructure Security Agency (CISA) through EPA coordination.

These accomplishments show our dedication to maintaining a secure, efficient, and reliable technology environment at NCWSA. Our team has worked hard to support the Authority's operations and drive technological innovation, and we are proud of the progress we have made this year.

DEPARTMENTAL GOALS AND OBJECTIVES

STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Enhanced and Effective Maintenance	<p>System uptime and reliability remain a top priority, supported by the following actions:</p> <ul style="list-style-type: none"> • Safeguarding Critical Information: Protect all critical and confidential customer data—this is foundational to our operations. • Efficient and Reliable Support: Ensure consistent uptime and reliable support for all hardware and software. • Network Stability and Security: Maintain a secure and stable network environment to prevent disruptions. • Computer Replacement Program: Sustain a 20% annual computer replacement cycle to ensure up-to-date, reliable technology. • Timely User Support: Prioritize rapid resolution of user-reported issues to minimize downtime. • Reliable Network Performance: Continually monitor and improve network performance to ensure optimal service levels. • Cybersecurity Training: Continue regular cybersecurity training to promote awareness and best practices across all staff. 	Ongoing
Innovative Customer Service	<ul style="list-style-type: none"> • Customer Information Systems (CIS) Expertise: Maintain deep knowledge of our CIS platforms to better serve customers. • Field Device Evaluation & Deployment: Expand field technology to improve mobile operations and customer responsiveness. 	Ongoing
Enhanced and Effective Maintenance	<ul style="list-style-type: none"> • Ongoing Vulnerability Scanning: Continue scanning in partnership with CISA and EPA to proactively identify and address security risks. • Hands-Free Mobile Devices: Deploy hands-free mobile devices to support safety and improve operational mobility. • Firewall Assessment: Conduct an internal review of firewall configurations to enhance internal cybersecurity defenses. • External Penetration Test & Security Audit: Complete a third-party assessment to identify vulnerabilities and reinforce our security posture. • Phish Alert Button Deployment: Implemented a Phish Alert button in Outlook to empower staff to report suspicious emails quickly and easily. 	January 2026

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Efficient and Reliable Support	Network systems uptime during normal business hours	>99%	>99%	>99%
	Telephone system uptime during normal business hours	>99%	>99%	>99%
	Third-party payment systems uptime (24/7/365)	>99%	>99%	>99%
Timely User Support	Response time to help desk calls – within one (1) business day	>99%	>99%	>99%
Cybersecurity Training	Cybersecurity training (minimum of 2 hours annually for all employees)	All Employees	All Employees	All Employees

HUMAN RESOURCES DEPARTMENT

MISSION STATEMENT

Our mission is to maximize the potential of NCWSA’s greatest assets – its employees. We are committed to recruiting, developing, rewarding, retaining, and protecting the physical and human assets of NCWSA. Our vision as human resource and safety / risk management professionals is to embrace change and its opportunity. We will accomplish this by providing services that promote a work environment characterized by fair staff treatment, open communication, personal accountability, trust, and mutual respect.

SUMMARY OF SERVICES

Human Resources (HR) ensures NCWSA initiates and facilitates strategies for building a workforce supporting and enhancing the organization’s objectives and values. The department also oversees employee benefits, classification and compensation, policies and procedures, employee relations, administrative support, and employee development.

POSITION SUMMARY

The Human Resources Department was established in 2004 with one employee to support personnel administration. To strengthen succession planning, an additional position was added in 2023, enhancing the department’s capacity to address evolving organizational needs. For the Fiscal Year Ending (FYE) 2026, an HR Manager position has been added, further expanding the department’s ability to provide strategic leadership in talent management, employee development, and organizational support.

Position	FYE 2022	FYE 2023	FYE 2024	FYE 2025	FYE 2026
Human Resources Director	1	1	1	1	1
Human Resources Manager	-	-	-	1	1
Human Resources Generalist	1	1	1	1	1
Total	2	2	2	3	3

FYE 2025 ACCOMPLISHMENTS

Human Resources continues to serve both employees and the community by coordinating blood drives every eight weeks. The department also leads the Community Volunteer Committee, scheduling staff participation in numerous Newton County community events including the Fuzz Run, Change the World, Family Fun Day, Oxford July 4th Parade, Special Olympics, Chairman’s Senior Walk, Resilient Women’s Mental Health Walk, Cheerio Challenge, Twilights & Fairies at Chimney Park, and Field Day at East Newton Elementary. In addition, HR partners with other departments to represent the Authority at local career fairs, highlighting it as a great workplace.

Human Resources leads the Employee Benevolent Committee, encouraging participation to provide assistance to employees in need and support community initiatives such as donations to a local family at Christmas, Newton County Miracle League, Alcovy CASA, Willing Helpers Clinic, Mental Health Awareness and Toys for Tots. The department coordinates all employee training, including Employee Assistance Program classes, retirement and insurance planning, and Social Security/Medicare sessions for employees over 55. HR also organizes team-building activities within work groups, conducts weekly orientation and onboarding for new hires, and serves on the Employee Event Committee to support monthly appreciation events. In addition, the department schedules annual flu shots and cardiovascular screenings to promote employee health and wellness.

The Human Resources Director is a member of the Georgia Local Government Personnel Association (GLGPA), the Board of Covington Rotary Club, the Diversity Committee for Georgia Association of Water Professionals (GAWP), and the Ambassador Committee of Newton County Chamber. The department participates in two GLGPA conferences annually to support continued education and professional development.

HR also manages payroll internally, ensuring timely filing of all state and federal reports. Maintained certification as a Drug-Free Workplace through monthly training for employees and supervisors.

DEPARTMENTAL GOALS AND OBJECTIVES		
STRATEGIC GOAL	GOALS AND OBJECTIVES	TIMEFRAME
Workforce Protection and Development	HR is focused on succession planning through career paths for all employees, nine-box assessments, and updated Standard Operating Procedures (SOP). Priorities include retaining staff while attracting new talent, with only five vacancies aside from new positions, and continuing job description updates with managers.	Ongoing
Financial Stability / Workforce Protection and Development	Reviews healthcare and retirement programs annually and hosts open enrollment meetings for all insurance plans. The department maintains a safe working environment, monitors employee health and wellness with attention to mental health and continues to track COVID-19 trends affecting both the community and staff.	Ongoing
Workforce Protection and Development	Conducts monthly random drug testing in compliance with the certified Drug-Free Workplace program and provides monthly training in partnership with the local Chamber.	Ongoing

Workforce Protection and Development	Continue to fill open positions to reach the goal of 72 employees by the end of FYE 2026. In FYE 2025, 10 employees were hired and 7 left (including one retirement), and in FYE 2024, 12 were hired with 6 departures (including one retirement). As of June, the department had 69 employees.	Ongoing
Workforce Protection and Development	Continue to develop SOP's and succession plans, including hiring an HR Manager to ensure smooth leadership transition when the HR Director retires.	October 2025
Workforce Protection and Development	Reactivate the Wellness Program and host a wellness and health fair to promote employee health and well-being.	Ongoing
Workforce Protection and Development	Instructing Employee's Self Service with Munis	December 2025

KEY PERFORMANCE MEASURES

DEPARTMENT GOAL	MEASURE DESCRIPTION	FYE 2024 ACTUAL	FYE 2025 ACTUAL	FYE 2026 GOAL
Continue to fill open positions to reach the goal of 72 employees by the end of FYE 2026. In FYE 2025, 10 employees were hired and 7 left (including one retirement), and in FYE 2024, 12 were hired with 6 departures (including one retirement). As of June, the department had 69 employees.	Employee Retention	87%	90%	95%
	Obtain unmodified opinion from the external auditors for the fiscal year for payroll	Yes	Yes	Yes
	Average Total Training Hours Per Employee Per Year	20	20	20
	New FTE's Positions Added Annually	2	4	0
	Interviews Conducted (Annually)	40	55	40

(Remainder of page intentionally left blank)



(Remainder of page intentionally left blank)

GLOSSARIES



GLOSSARY OF TERMS

Asset Management – A management paradigm and a body of management practices that is applied to the entire portfolio of assets at all levels of the organization, seeking to minimize the total cost of acquiring, operating, maintaining, and renewing the assets within an environment of limited resources; while continuously delivering the service level customers desire and regulators require, at an acceptable level of business risk to the organization.

Balanced Budget – A budget’s total revenues equal its total expenditures, resulting in neither a deficit nor a surplus.

Business Continuity Plan is the creation of a strategy through the recognition of threats and risks facing a company, with an eye to ensure that personnel and assets are protected and able to function in the event of a disaster. Business continuity planning (“BCP”) involves defining potential risks, determining how those risks will affect operations, implementing safeguards and procedures designed to mitigate those risks, testing those procedures to ensure that they work, and periodically reviewing the process to make sure that it is up to date.

Capital Expenditure – Money spent by a business or organization on acquiring or maintaining fixed assets, such as land, buildings, and equipment.

Depreciation – Loss in the monetary value of an asset over time due to its age and use.

Disinfection Byproduct Rule – The United States Environmental Protection Agency promulgated to regulate water contaminants produced when water is disinfected.

Department – A primary operating unit of NCWSA.

Employee Benefits - Include health, life, and dental insurance paid as an employee benefit.

ERT – A packet radio protocol developed by Itron for automatic meter reading. The technology is used to transmit data from utility meters over a short range so a utility vehicle can collect meter data without a worker physically inspecting each meter.

Master Budget – NCWSA’s capital and operating budgets for all Departments / Entity-wide compiled into a single budget document.

MVRS – A PC-based meter reading software solution for data collection and route management for Itron handheld computers, mobile collection systems, optical and touch probes.

Net Position – The difference between an entity’s total assets and total liabilities.

Other Expense – Income from activities other than normal business operations.

Other Income – Expenses from activities other than normal business operations.

PAYGO – Method of paying for capital projects with cash on hand.

Raw Water – Also referred to as source water is untreated, surface water.

Residuals Management – Treatment and land application of sludge produced in the course of treating wastewater.

Right of Way – Areas (easement) where NCWSA has water and/or wastewater pipelines underground.

Source Water – Also referred to as raw water is untreated surface water.

Surcharge – An additional charge for elements within the customer’s wastewater above the allowable limits within NCWSA’s Industrial Pretreatment Program.

Transmission System – Network of pipelines and water tanks whereby potable water is distributed to NCWSA’s customers.

WRF – Water Reclamation Facility. Plant where wastewater is treated through various processes to quality standards and pumped into NCWSA’s land application system.

GLOSSARY OF ACRONYMS

AMR – Automated Meter Reading

ASCE – American Society of Civil Engineers

BCP – Business Continuity Plan

CCR – Consumer Confidence Report

CIP – Capital Improvement Plan

CMMS – Computerized Maintenance Management System

CMOM – Capacity, Management, Operation, and Maintenance

EIT – Engineer in Training

FTE – Full-Time Equivalent Employee(s)

GDOT – Georgia Department of Transportation

GA EPD – Georgia Environmental Protection Division

GAAP – Generally Accepted Accounting Principles

GASB – Governmental Accounting Standards Board

GAWP – Georgia Association of Water Professionals

GEFA – Georgia Environmental Finance Authority

GIS – Geographic Information System

GPD – Gallons per Day

I&I – Inflow and Infiltration of Non-wastewater into the Sanitary Sewer Collection System

MG – Million Gallons

MGD – Million Gallons per Day

NCWSA – Newton County Water & Sewerage Authority

RO – Reverse Osmosis

R&R/R&E – Renewal and Replacement / Renewal and Extension

SCADA – Supervisory Control and Data Acquisition

SOP – Standard Operating Procedure

TDS – Total Dissolved Solids

UGA – University of Georgia

WRF – Water Reclamation Facility

