

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 10, 2012

COMPETITIVE SALE - The District will receive electronic bids via IPREO's BiDCOMP®/Parity® system on December 18, 2012, until 11:00 a.m. Eastern Standard Time, for the Series 2012 Bonds as further described in the Official Notice of Sale dated December 10, 2012 attached hereto.

NEW ISSUE - BOOK ENTRY ONLY

RATINGS:
S&P: “___”

(See “MISCELLANEOUS - Ratings” herein)

In the opinion of Alston & Bird, LLP, Atlanta, Georgia, Bond Counsel, under existing law and subject to the limitations and conditions described herein and assuming continuous compliance with certain covenants described herein: (1) interest on the Series 2012 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations, and (2) interest on the Series 2012 Bonds is exempt from state income taxation within the State of Georgia. See “TAX MATTERS” herein.

COWETA COUNTY (GEORGIA) WATER AND SEWERAGE AUTHORITY
\$29,795,000* Revenue Refunding Bonds, Series 2012

Dated: Date of Issuance

Due: June 1, as shown herein

The Coweta County Water and Sewerage Authority Revenue Refunding Bonds, Series 2012 (the “Series 2012 Bonds”) are being issued in fully registered form and in denominations of \$5,000, or any integral multiple thereof, by the Coweta County Water and Sewerage Authority (the “Authority”) for the purpose of (a) refunding the Series 2001 Bonds and the Series 2007 Bonds (together, the “Refunded Bonds”), (b) funding a [debt service reserve fund] and (c) paying the costs of issuing the Series 2012 Bonds. See “APPLICATION OF FUNDS.”

The Series 2012 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2012 Bonds. Purchases will be made only in book-entry form through the Participants (as herein defined) in DTC, and no physical delivery of the Series 2012 Bonds will be made to Beneficial Owners (as herein defined). Payment of principal of and interest on the Series 2012 Bonds will be made to Beneficial Owners by DTC through its Participants. As long as Cede & Co. is the registered owner of the Series 2012 Bonds, as nominee of DTC, references herein to the holders of the Series 2012 Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2012 Bonds. See “THE SERIES 2012 BONDS — Book-Entry System.”

Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 of each year (each such date, an “Interest Payment Date”), commencing June 1, 2013, by U.S. Bank National Association, Nashville, Tennessee, as Paying Agent, to the owners thereof as shown on the registration books maintained by U.S. Bank National Association, Nashville, Tennessee, as Bond Registrar. The Series 2012 Bonds bear interest from the Interest Payment Date next preceding their date of authentication, except as provided herein. See “THE SERIES 2012 BONDS — Description.”

The Series 2012 Bonds are special limited obligations of the Authority secured by and payable solely from a lien on and pledge of the Net Revenues (defined herein) of the System, subject and subordinate to the lien on and pledge of the Net Revenues created by the Prior Resolution (defined herein) and on a parity with the Series 2010 Bonds and any additional parity bonds issued under the terms of the Bond Resolution. The Series 2012 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority. The Authority has abrogated its right to issue additional parity bonds under the terms of the Prior Resolution, and the lien of the Series 2010 Bonds and any Additional Bonds issued under the terms of the Bond Resolution, including the Series 2012 Bonds, are subordinated as to lien on the Net Revenues of the System to the Prior Bonds. See “THE SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2012 BONDS.”

The Series 2012 Bonds are subject to redemption prior to maturity, as more fully described herein. See “THE SERIES 2012 BONDS — Optional Redemption” and “— Mandatory Redemption.”

THE SERIES 2012 BONDS DO NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA IS OBLIGATED TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER FOR THE PAYMENT OF THE SERIES 2012 BONDS. THE AUTHORITY HAS NO TAXING POWER.

Kidwell & Company provides municipal investment banking services for the Authority and is acting as municipal advisor with respect to the Series 2012 Bonds.



COMPETITIVE SALE - The District will receive electronic bids via IPREO's BiDCOMP®/Parity® system on December 18, 2012, until 11:00 a.m. Eastern Standard Time, for the Series 2012 Bonds as further described in the Official Notice of Sale dated December 10, 2012 attached hereto.

The Series 2012 Bonds are offered when, as and if issued, subject to prior sale, to withdrawal or modification of the offer without notice, and subject to approval of legality by Alston & Bird LLP, Atlanta, Georgia, Bond Counsel and Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its counsel, Rosenzweig, Jones, Horne & Griffis, P.C., Newnan, Georgia. Kidwell & Company, with offices in Brentwood, Tennessee and Newnan, Georgia, is serving as municipal advisor to the Authority. The Series 2012 Bonds are expected to be delivered through DTC in New York, New York, on or about December 27, 2012.

December __, 2012

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to change, completion or amendment. The Series 2012 Bonds may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2012 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

SERIES 2012 BONDS

<u>Maturity (June 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number</u>
2013	\$ 340,000	_____	_____	_____
2014	645,000	_____	_____	_____
2015	645,000	_____	_____	_____
2016	160,000	_____	_____	_____
2017	165,000	_____	_____	_____
2018	170,000	_____	_____	_____
2019	170,000	_____	_____	_____
2020	175,000	_____	_____	_____
2021	175,000	_____	_____	_____
2022	180,000	_____	_____	_____
2023	180,000	_____	_____	_____
2024	185,000	_____	_____	_____
2025	190,000	_____	_____	_____
2026	190,000	_____	_____	_____
2027	1,920,000	_____	_____	_____
2028	2,010,000	_____	_____	_____
2029	2,090,000	_____	_____	_____
2030	2,120,000	_____	_____	_____
2031	2,150,000	_____	_____	_____
2032	2,330,000	_____	_____	_____
2033	2,400,000	_____	_____	_____
2034	2,480,000	_____	_____	_____
2035	2,545,000	_____	_____	_____
2036	2,570,000	_____	_____	_____
2037	2,500,000	_____	_____	_____
2038	360,000	_____	_____	_____
2039	370,000	_____	_____	_____
2040	380,000	_____	_____	_____

*Preliminary, subject to change.

COWETA COUNTY WATER AND SEWERAGE AUTHORITY

Authority Members

J. Neal Shepard, Jr., Chairman
Eric Smith, Vice Chairman
Mary Anne Sullivan, Secretary/Treasurer

Staff

Jay Boren, Interim General Manager

AUTHORITY'S COUNSEL

Rosenzweig, Jones, Horne & Griffis, P.C.
Newnan, Georgia

AUTHORITY'S BOND COUNSEL AND DISCLOSURE COUNSEL

Alston & Bird LLP
Atlanta, Georgia

MUNICIPAL ADVISOR TO THE AUTHORITY

Kidwell & Company
Brentwood, Tennessee
Newnan, Georgia

UNDERWRITER

Winning Bidder of Competitive Sale,
as described in Notice of Sale set forth herein
("Winning Bidder")

AUTHORITY'S ACCOUNTANT

J. K. Boatwright & Co., P. C.
Newnan, Georgia

VERIFICATION AGENT

Grant Thornton LLP
Minneapolis, Minnesota

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

THE SERIES 2012 BONDS DO NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA IS OBLIGATED TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER FOR THE PAYMENT OF THE SERIES 2012 BONDS. THE AUTHORITY HAS NO TAXING POWER.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and the Appendices hereto and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority, the Municipal Advisor or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2012 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Authority and other sources which are deemed to be reliable. The Underwriter has reviewed the information in the Official Statement, as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expression of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority since the date hereof. Any statements in this Official Statement involving estimates, assumptions and matters of opinion, whether or not so expressly stated, are intended as such and not representations of fact.

The Underwriter intends to offer the Series 2012 Bonds to the public initially at the offering prices set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2012 Bonds to the public. The Underwriter may offer and sell the Series 2012 Bonds to certain dealers (including dealers depositing the Series 2012 Bonds into investment trusts) at prices lower than the public offering price.

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2012 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

No registration statement relating to the Series 2012 Bonds has been filed with the Securities and Exchange Commission or any state securities agency. The Series 2012 Bonds have not been approved or disapproved by the Securities and Exchange Commission or any state

securities agency, nor has the Securities and Exchange Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

Winning Bidder makes no representation regarding the Series 2012 Bonds or the advisability of investing in the Series 2012 Bonds. In addition, Winning Bidder has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding Winning Bidder supplied by Winning Bidder and presented herein.

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This Official Notice of Sale does not alone constitute an invitation for bids for the Series 2012 Bonds but is merely a notice of the sale for the Series 2012 Bonds described herein. The invitation for bids is being made by means of this Official Notice of Sale and the Preliminary Official Statement. Information contained in this Official Notice of Sale is qualified in its entirety by the detailed information contained in the Preliminary Official Statement.

**NOTICE OF SALE
\$29,795,000*
COWETA COUNTY (GEORGIA) WATER AND SEWERAGE AUTHORITY
REFUNDING REVENUE BONDS
SERIES 2012**

NOTICE IS HEREBY GIVEN that electronic bids only will be received by the Interim General Manager of the Coweta County Water and Sewerage Authority (the "Authority"), until 11:00 A.M., E.S.T. on December 18, 2012 (or at such later time and date announced at least forty-eight hours in advance via IPREO's BiDCOMP®/Parity® system) for the purchase of its \$29,795,000* Refunding Revenue Bonds, Series 2012 (the "Series 2012 Bonds"), all or none. Electronic bids must be submitted through BiDCOMP®/Parity® as described in this Detailed Notice of Sale and no other provider of electronic bidding services will be accepted. See "BIDDING INSTRUCTIONS" herein.

Description of the Series 2012 Bonds. The Series 2012 Bonds will be issued in fully registered, Book-Entry-Only form (except as set forth herein) without coupons and will be initially issued or reissued upon transfer in \$5,000 denominations or multiples thereof, as shall be requested by the purchaser or registered owner thereof, as applicable. Interest on the Series 2012 Bonds will be payable on June 1 and December 1 of each year, commencing June 1, 2013. The Series 2012 Bonds will be dated the date of their issuance expected to be on or about December 27, 2012*. The Series 2012 Bonds will mature and be payable on each year as outlined below:

*Preliminary, subject to change.

<u>Maturity (June 1)</u>	<u>Principal Amount*</u>
2013	\$ 340,000
2014	645,000
2015	645,000
2016	160,000
2017	165,000
2018	170,000
2019	170,000
2020	175,000
2021	175,000
2022	180,000
2023	180,000
2024	185,000
2025	190,000
2026	190,000
2027	1,920,000
2028	2,010,000
2029	2,090,000
2030	2,120,000
2031	2,150,000
2032	2,330,000
2033	2,400,000
2034	2,480,000
2035	2,545,000
2036	2,570,000
2037	2,500,000
2038	360,000
2039	370,000
2040	380,000

Registration and Depository Participation. The Series 2012 Bonds, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). When the Series 2012 Bonds are issued, ownership interests will be available to purchasers only through a book-entry system maintained by DTC (the “Book-Entry-Only System”). One or more fully-registered bond certificates will be issued for each maturity, in the entire aggregate principal amount of the Series 2012 Bonds and will be deposited with DTC. The book-entry system will evidence beneficial ownership interests of the Series 2012 Bonds in the principal amount of \$5,000 for the Series 2012 Bonds and any integral multiple of \$5,000, with transfers of beneficial ownership interest effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the Series 2012 Bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. The Series 2012 Bonds will be payable, at maturity to DTC or its nominee as registered owner of the Series 2012 Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC, and transfer of principal and interest payments (as applicable) to beneficial owners of the Series 2012 Bonds by Participants of DTC,

*Preliminary, subject to change.

will be the responsibility of such participants and of the nominees of beneficial owners. The Authority will not be responsible or liable for such transfer of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Notwithstanding the foregoing, if the winning bidder certifies that it intends to hold the Series 2012 Bonds for its own account and has no present intent to reoffer the Series 2012 Bonds, then use of the Book- Entry-Only-System is not required.

In the event that the Book-Entry-Only-System for the Series 2012 Bonds is discontinued and a successor securities depository is not appointed by the Authority, Bond Certificates in fully registered form will be delivered to, and registered in the names of, the DTC Participants or such other persons as such DTC participants may specify (which may be the indirect participants or beneficial owners), in authorized denominations of \$5,000 for the Series 2012 Bonds or integral multiples thereof. The ownership of Series 2012 Bonds so delivered shall be registered in registration books to be kept by the Registration Agent (named herein) at its principal corporate trust office, and the Authority and the Registration Agent shall be entitled to treat the registered owners of the Series 2012 Bonds, as their names appear in such registration books as of the appropriate dates, as the owners thereof for all purposes described herein and in the Resolution authorizing the Series 2012 Bonds.

Purpose. The Series 2012 Bonds are being issued for the purpose of providing the funds, together with other available funds of the Authority, to (i) refund the Coweta County Water and Sewerage Authority Revenue Bonds, Series 2001 (the “Series 2001 Bonds”) and the Coweta County Water and Sewerage Authority Revenue Bonds, Series 2007 (the “Series 2007 Bonds”) and, together with the Series 2001 Bonds, the “Refunded Bonds”), (ii) [to fund a debt service reserve fund] and (iii) to pay the costs of issuing the Series 2012 Bonds.

Security Pledged. Payment of the principal of and interest on the Series 2012 Bonds will be payable solely from a lien on and pledge of the Net Revenues of the System, subject and subordinate to the lien on and pledge of the Net Revenues created by the Prior Resolution and on a parity with the Series 2010 Bonds and any additional parity bonds issued under the terms of the Bond Resolution. See the Preliminary Official Statement – “SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2012 BONDS” and “APPENDIX C- Summary of Certain Provisions of the Bond Resolution” for defined terms and additional information.

Optional Redemption. The Series 2012 Bonds maturing on and after June 1, 2021 may be redeemed prior to their stated maturities, either in whole or in part, in any order of maturities, at the option of the Authority, on any date in any year, on and after June 1, 2020, at a redemption price of 100% of par, plus accrued interest.

Term Bond Option: Mandatory Redemption. Bidders shall have the option to designate certain consecutive serial maturities of the Series 2012 Bonds as term bonds (“Term Bonds”) bearing a single interest rate or yield. If the successful bidder for the Series 2012 Bonds designates certain consecutive serial maturities of the Series 2012 Bonds to be combined as one or more Term Bonds as allowed herein, then any such Term Bond shall be subject to mandatory sinking fund redemption by the Authority at a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bond to be redeemed. Each such mandatory sinking

fund redemption shall be made on the date on which a consecutive maturity included as part of a Term Bond is payable in accordance with the proposal of the successful bidder for the Series 2012 Bonds and in the amount of the maturing principal installment for the Series 2012 Bonds listed herein for such principal payment date. Term Bonds to be redeemed within a single maturity shall be selected in the manner provided for optional redemption of the Series 2012 Bonds within a single maturity.

Bidding Instructions. Electronic bids for the Series 2012 Bonds must be submitted through IPREO's BiDCOMP®/Parity® system and no other provider of electronic bidding services will be accepted. Subscription to IPREO's BiDCOMP®/Parity® competitive bidding system is required in order to submit an electronic bid. The Authority will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by BiDCOMP®/Parity® shall constitute the official time with respect to all bids. To the extent any instructions or directions set forth in BiDCOMP®/Parity® conflict with the terms of the Detailed Notice of Sale, such Notice shall prevail. Electronic bids made through the facilities of BiDCOMP®/Parity® shall be deemed an offer to purchase in response to the Detailed Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed, written bid delivered to the Authority. Neither the Authority, Bond Counsel nor the Municipal Advisor shall be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by IPREO. The use of the IPREO's BiDCOMP®/Parity® facilities is at the sole risk of the prospective bidders. Further information regarding BiDCOMP®/Parity® may be obtained from IPREO (<http://www.newissuehome.i-deal.com>).

Maximum Rates/Yields, Discounts and Premiums. Interest rates for the Series 2012 Bonds must be in multiples of one-eighth (0.125%) of one percent; one-twentieth (0.05%) of one percent; one-hundredth (.01%) of one percent; or (1.0%). There will be no limitation on the number of rates of interest that may be specified in each single bid for the Series 2012 Bonds, but a single rate shall apply to each single maturity of the Series 2012 Bonds. No rate or rates for the Series 2012 Bonds shall exceed five percent (5.00%) per annum. Bidders must bid not less than ninety-eight percent (98.00%) of par nor more than one hundred and ten percent (110.00%) of par for the Series 2012 Bonds (the "Purchase Price").

Award. Unless bids are rejected, the Series 2012 Bonds will be awarded on an all or none basis on the sale date to the bidder whose bid results in the lowest true interest rate for the Series 2012 Bonds to be calculated at the rate (or yield) that, when used in computing the present worth of all payments of principal and interest on the Series 2012 Bonds (compounded semi-annually from the date of the Series 2012 Bonds), produces an amount equal to the purchase price of the Series 2012 Bonds, exclusive of accrued interest. For purposes of calculating the true interest cost, the principal amount of any Term Bonds scheduled for mandatory sinking fund redemption as part of the Term Bond shall be treated as a serial maturity in such year for the Series 2012 Bonds.

The Authority reserves the right to reject any or all bids for the Series 2012 Bonds and to waive informalities in the bids accepted.

Adjustment and/or Revision. While it is the Authority's intention to sell and issue the approximate par amounts of the Series 2012 Bonds as set forth herein, there is no guarantee that adjustments and/or revisions may not be necessary in order to properly size the Series 2012

Bonds. Accordingly, the Authority reserves the right, in its sole discretion, to adjust downward the original par amount of the Series 2012 Bonds by up to fifteen percent (15.0%). Additionally, the Authority reserves the right in its sole discretion to adjust up or down the original par amount of any maturity by up to approximately \$150,000. Among other factors the Authority may (but shall be under no obligation to) consider in sizing the par amounts and individual maturities of the Series 2012 Bonds are the size of individual maturities or sinking fund installments, assuring level debt service and/or other preferences of the Authority.

In the event of any such adjustment and/or revision with respect to the Series 2012 Bonds, no rebidding will be permitted, and the portion of such premium or discount (as may have been bid on the Series 2012 Bonds) shall be adjusted in the same proportion as the amount of such revision in par amount of the Series 2012 Bonds bears to the original par amount of such Series 2012 Bonds offered for sale.

The successful bidder for Series 2012 Bonds will be notified by not later than 3:00 P.M. E.S.T., on the sale date of the exact revisions and/or adjustments required, if any.

Good Faith Deposit. Bids for the purchase of the Series 2012 Bonds must be accompanied by a good faith deposit (“Deposit”) in the form of a certified check, bank cashier’s or treasurer’s check drawn upon an incorporated bank or trust company payable unconditionally to the order of the Authority, a wire transfer or a financial surety bond in the amount of two percent (2.00%) of the par amount of Series 2012 Bonds for the approximate sum of \$595,900.00 to secure the Authority against any loss resulting from failure of the bidder to comply with the terms of the bid submitted.

If a check or wire transfer is used, it must be received by the Authority prior to the latest date and time that bids will be received. The Authority shall not be responsible for any failure of a check or wire transfer to be delivered or checks or wire transfers that are delivered in an untimely manner. All checks should be delivered to:

Contact: Mr. Jay Boren,
Interim General Manager
Address: 545 Corinth Road
Newnan, Georgia 30263
Telephone No: 770-254-3710

If a financial surety bond is used, it must be from an insurance company acceptable to the Authority and licensed to issue such a bond in the State of Georgia and such financial surety bond must be submitted to the Authority prior to the opening of bids and must be in form and substance acceptable to the Authority. The financial surety bond must identify each bidder whose Deposit is guaranteed by such financial surety bond. If the Series 2012 Bonds are awarded to a bidder utilizing a financial surety bond, then such successful bidder is required to transfer to the Authority in the amount of two percent (2.00%) of the par amount of the Series 2012 Bonds for the approximate sum of \$595,900.00 by wire transfer not later than 10:00 A.M. E.S.T. on the next business day following the award. If such wire transfer is not received by that time, the financial surety bond may be drawn by the Authority to satisfy the Deposit requirement. The check for the deposit of the successful bidder or the Deposit of the financial surety bond for the Series 2012 Bonds will be deposited by the Authority and the proceeds thereof credited with no interest allowed thereon against the total purchase price to be paid for the respective Series 2012

Bonds upon their delivery or retained as and for full liquidated damages if the successful bidder fails to accept delivery of and pay for the respective Series 2012 Bonds. Checks, surety bonds and wire transfers of unsuccessful bidders will be returned promptly upon the award of the Series 2012 Bonds. All wire transfers shall be directed as follows:

Wire to:	BB&T
ABA Routing:	061113415
Contact Person:	Jill Babb
Telephone No.:	(770) 252-5267
Account No.:	0005148292193
Account Name:	Project Escrow Account

Reoffering Prices; Other Information. The successful bidder must furnish the following information to the Authority to complete the Official Statement in final form within two (2) hours after receipt and award of the Series 2012 Bonds:

1. The offering prices or yields for the Series 2012 Bonds (expressed as a price or yield per maturity, exclusive of any accrued interest, if applicable);
2. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Series 2012 Bonds are sold at the prices or yields as provided above);
3. The identity of the underwriters if the successful bidder is part of a group or syndicate; and
4. Any other material information necessary to complete the Official Statement in final form but not known to the Authority.

In addition, within two (2) hours of the award of the Series 2012 Bonds, the successful bidder shall furnish to the Authority a certificate acceptable to Bond Counsel stating: (i) the reoffering prices (as shown in the bidder's winning bid); (ii) that the successful bidder will make a bona fide public offering of all of the Series 2012 Bonds at such reoffering prices; and (iii) that such successful bidder reasonably expects that the Series 2012 Bonds (or at least 10% of each maturity of the Series 2012 Bonds) will be sold to the public (excluding bond houses, brokers and other intermediaries) at or below those reoffering prices.

As a condition to the delivery of the Series 2012 Bonds, the successful bidder will be required to deliver a certificate to the Authority confirming that nothing has come to the bidder's attention that would lead it to believe that its certification with respect to the reoffering prices of the Series 2012 Bonds given in connection with the award of the Series 2012 Bonds is inaccurate, and addressing such other matters as to the reoffering prices of the Series 2012 Bonds as Bond Counsel may request.

Legal Opinion. The unqualified approving opinion of Alston & Bird LLP, Atlanta, Georgia, Bond Counsel to the Authority along with other certificates including, but not limited to, a tax certificate and a continuing disclosure certificate dated as of the date of delivery of the Series 2012 Bonds will be furnished to the purchaser at the expense of the Authority. As set forth in the Preliminary Official Statement, Bond Counsel's opinion with respect to the Series 2012 Bonds will state that (1) interest on the Series 2012 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum

tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations, and (2) interest on the Series 2012 Bonds is exempt from state income taxation within the State of Georgia. See the Preliminary Official Statement - "APPENDIX B- Form of Bond Counsel Opinion" for additional information.

Continuing Disclosure. At the time the Series 2012 Bonds are delivered, the Authority will execute a Continuing Disclosure Agreement in which it will covenant for the benefit of holders and beneficial owners of the Series 2012 Bonds to provide certain financial information relating to the Authority by not later than twelve months after each of the Authority's fiscal years, (the "Annual Report"), and to provide notice of the occurrence of certain material events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board ("MSRB") through the operation of the Electronic Municipal Market Access system ("EMMA") and any State Information Depository established in the State of Georgia (the "SID"). If the Authority is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of certain enumerated events will be filed by the Authority with the MSRB and the SID. The specific nature of the information to be contained in the Annual Report or the Material Event Notices will be summarized in the Authority's Official Statement to be prepared and distributed in connection with the sale of the Series 2012 Bonds. Within the last five years, the Authority has failed to submit certain annual reports with respect to its continuing disclosure undertakings. The Authority established policies and procedures to insure compliance with these obligations and is now in full compliance with all continuing disclosure agreements to which it is a party. See the Preliminary Official Statement - "APPENDIX D- Form of the Continuing Disclosure Certificate" for additional information.

Delivery of Series 2012 Bonds. Delivery of the Series 2012 Bonds is expected on or about December 27, 2012* although that date is subject to change and will be finalized when the Series 2012 Bonds are awarded. At least five (5) days' notice will be given the successful bidder. Delivery will be made in Book-Entry-Only form through the facilities of The Depository Trust Company, New York, New York. Payment for the Series 2012 Bonds must be made in federal funds or other immediately available funds.

CUSIP Numbers. The winning bidder shall apply for the assignment of CUSIP identification numbers for all maturities of the Series 2012 Bonds and pay the associated expenses. The Authority assumes no obligation for the assignment or correctness of such numbers. Neither the failure to print CUSIP identification numbers on any Bond nor any error with respect thereto shall constitute a cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2012 Bonds in accordance with this Detailed Notice of Sale.

Official Statements; Other. The Authority has deemed the *Preliminary Official Statement* to be final as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission except for the omission of certain pricing and other information. The Authority will furnish to the successful bidder at the expense of the Authority a reasonable number of copies of the Official Statement in final form, containing the pricing and other information supplied by the successful bidder which will be dated the date of the sale. The Official Statement, together with the foregoing information will be delivered by such successful bidder and to the persons to whom such bidder and members of each bidding group initially sell

the Series 2012 Bonds. Acceptance of the bids for the Series 2012 Bonds will constitute a contract between the Authority and the successful bidder for the provision of such copies within seven (7) business days of the sale date.

Further Information. Additional information, including the *Preliminary Official Statement* and the Detailed Notice of Sale may be obtained from iProspectus at (<http://www.i-dealprospectus.com>) or the Georgia office of the Authority's Municipal Advisor, Kidwell & Company Inc.; 30 Island Point, Newnan, Georgia 30263; Telephone: 770.252.7998. Further information regarding BiDCOMP®/Parity® may be obtained from IPREO (<http://www.newissuehome.ideal.com>).

/s/ Jay Boren
Interim General Manager

Coweta County (Georgia) Water and Sewerage Authority
\$29,795,000* Refunding Revenue Bonds, Series 2012

INTRODUCTION

General

This Official Statement sets forth certain information concerning the Coweta County Water and Sewerage Authority (the “Authority”) and its water and sewerage system (the “System”) in connection with the issuance of \$29,795,000* in aggregate principal amount of Coweta County Water and Sewerage Authority Refunding Revenue Bonds, Series 2012 (the “Series 2012 Bonds”). Capitalized terms used but not defined herein shall have the meanings assigned to them in APPENDIX C.

The Authority has issued and delivered (i) \$44,065,000 in aggregate principal amount of Coweta County Water and Sewerage Authority Revenue Bonds, (the “Series 2001 Bonds”) pursuant to a resolution adopted by the Authority on May 8, 2001, as supplemented on May 24, 2001 (the “2001 Resolution”), (ii) \$16,905,000 in aggregate principal amount of Coweta County Water and Sewerage Authority Revenue Bonds, Series 2005 (the “New Money Series 2005 Bonds”) pursuant to the 2001 Resolution and a resolution adopted on April 1, 2005 (the “New Money 2005 Resolution”), (iii) \$29,365,000 in aggregate principal amount of Coweta County Water and Sewerage Authority Refunding Revenue Bonds, Series 2005 (the “Refunding Series 2005 Bonds” and together with the New Money Series 2005 Bonds, the “Series 2005 Bonds”) pursuant to the 2001 Resolution and a resolution adopted on June 8, 2005 (together with the 2001 Resolution and the New Money 2005 Resolution, the “Original Resolution”), and (iv) \$27,060,000 in aggregate principal amount of Coweta County Water and Sewerage Authority Revenue Bonds, Series 2007 (the “Series 2007 Bonds”) pursuant to an amended and restated resolution adopted by the Authority on November 7, 2007, as supplemented on December 20, 2007 (the “Prior Resolution”). The Prior Resolution amended, restated and replaced the Original Resolution in its entirety. The Prior Resolution created a first lien on the Net Revenues of the System. Pursuant to a resolution adopted on July 14, 2010, as supplemented on September 29, 2010 (the “Bond Resolution”), the Authority issued and delivered \$40,245,000 in aggregate principal amount of Coweta County Water and Sewerage Authority Revenue Bonds, Tax-Exempt Series 2010A (the “Series 2010A Bonds”) and the Authority issued and delivered \$6,715,000 in aggregate principal amount of Coweta County Water and Sewerage Revenue Bonds, Taxable Series 2010C (the “Series 2010C Bonds” and together with the Series 2010A Bonds, the “Series 2010 Bonds”), which Series 2010A Bonds are currently outstanding in the aggregate principal amount of \$40,245,000 and which Series 2010C Bonds are currently outstanding in the aggregate principal amount of \$6,715,000). Pursuant to the terms of the Bond Resolution, the Authority abrogated its right to issue additional parity bonds under the terms of the Prior Resolution, and the lien of the Series 2010 Bonds and any Additional Bonds issued under the terms of the Bond Resolution, including the Series 2012 Bonds, are subordinated as to the lien on the Net Revenues of the System to the Prior Bonds.

*Preliminary, subject to change.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, more complete and detailed information contained in the entire Official Statement, including the cover page and the Appendices, and the documents summarized or described herein. Investors should fully review the entire Official Statement. The offering of the Series 2012 Bonds to potential investors is made only by means of the entire Official Statement, including the Appendices hereto. No person is authorized to detach this Introduction from the Official Statement or otherwise to use it without the entire Official Statement.

The Authority

The Authority is a public body corporate and politic and was established in 2001 to acquire, construct, add to, extend, improve, equip, operate and maintain systems, plants, works, instrumentalities, and properties used or useful in connection with the obtaining of a water supply and the conservation, treatment, distribution, disposal, and sale of water for public and private uses or used or useful in connection with the collection, treatment, and disposal of sewage, waste and storm water. The Authority owns and operates the System. For more complete information, see “THE AUTHORITY.”

The County

The Authority serves the unincorporated areas of Coweta County, Georgia (the “County”). The County is located in the west-central portion of the State of Georgia, approximately 40 miles southwest of the City of Atlanta. For more complete information, see “THE COUNTY.”

Purpose of the Series 2012 Bonds

The proceeds derived from the sale of the Series 2012 Bonds will be used by the Authority for the purpose of providing funds to (i) refund the Series 2001 Bonds and the Series 2007 Bonds (together, the “Refunded Bonds”), (ii) [fund a debt service reserve fund] and (iii) pay the costs of issuing the Series 2012 Bonds. See “APPLICATION OF FUNDS.”

Security and Sources of Payment

The Series 2012 Bonds are special limited obligations of the Authority secured by and payable solely from a lien on and pledge of the Net Revenues of the System, subject and subordinate to the lien on and pledge of the Net Revenues created by the Prior Resolution. The Series 2012 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority.

Pursuant to the Bond Resolution, the Authority has abrogated its right to issue revenue bonds and other obligations under the Prior Resolution. After the refunding of the Refunded Bonds, the Refunding Series 2005 Bonds will be the only obligations outstanding under the Prior Resolution.

THE SERIES 2012 BONDS DO NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA IS OBLIGATED TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER

FOR THE PAYMENT OF THE SERIES 2012 BONDS. THE AUTHORITY HAS NO TAXING POWER.

The Series 2012 Bonds will also be secured by a Reserve Account to be held in trust for the owners of the Series 2012 Bonds under the terms of the Bond Resolution. [The Reserve Account will be funded with the Surety Bond] upon the issuance of the Series 2012 Bonds in an amount equal to the Debt Service Reserve Requirement, which is an amount equal to the least of (a) 10% of the original principal amount of Bonds, (b) the maximum annual debt service on the Bonds payable in any Sinking Fund Year, or (c) 125% of average annual debt service on the Bonds payable in any Sinking Fund Year.

For more complete information see “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2012 BONDS” and APPENDIX C.

Description of the Series 2012 Bonds

Redemption. The Series 2012 Bonds are subject to redemption prior to maturity, as more fully described herein. See “THE SERIES 2012 BONDS — Optional Redemption” and “— Mandatory Redemption.”

Denominations. The Series 2012 Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Book-Entry Bonds. The Series 2012 Bonds will be issued in the denomination of one bond per aggregate principal amount of the stated maturity thereof, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York, an automated depository for securities and clearing house for securities transactions, which will act as securities depository for the Series 2012 Bonds. Actual purchasers (“Beneficial Owners”) will not receive certificates representing their ownership interest in the Series 2012 Bonds purchased. Purchases of beneficial interests in the Series 2012 Bonds will be made in book-entry only form (without certificates). See “THE SERIES 2012 BONDS — Book-Entry System.”

Registration, Transfers and Exchanges. The Series 2012 Bonds will be issued in fully registered form. When in book-entry form, ownership of Series 2012 Bonds held by DTC or its nominee, Cede & Co., on behalf of the Beneficial Owners, may be transferred or exchanged in accordance with the rules and procedures of DTC. When not in book-entry form and subject to the conditions hereinafter described, ownership of any Series 2012 Bond may be transferred upon surrender of such Series 2012 Bond to U.S. Bank National Association, as Bond Registrar, together with an assignment duly executed by the registered owner or his attorney. When not in book-entry form and subject to the conditions hereinafter described, the Series 2012 Bonds are exchangeable for a like aggregate principal amount of Series 2012 Bonds of authorized denominations and of the same maturity. See “THE SERIES 2012 BONDS — Registration Provisions; Transfer and Exchange.”

Payments. Interest on the Series 2012 Bonds will be payable initially on June 1, 2013, and semiannually thereafter on December 1 and June 1 of each year until maturity (each an “Interest Payment Date”). Principal of the Series 2012 Bonds will be payable at the times and in the amounts shown on the front cover of this Official Statement. When in book-entry form, payment of the principal of and interest on the Series 2012 Bonds will be made by U.S. Bank

National Association, as Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Participants and thereafter to Beneficial Owners of the Series 2012 Bonds. See “THE SERIES 2012 BONDS — Book-Entry System.”

When not in book-entry form, interest on the Series 2012 Bonds is payable by check or draft mailed to the registered owners thereof at the addresses which appear on the bond registration books of the Bond Registrar as of the close of business on the fifteenth calendar day of the month preceding each Interest Payment Date (the “Record Date”). When not in book-entry form, the principal of and premium, if any, on the Series 2012 Bonds are payable at the corporate trust office of the Paying Agent. See “THE SERIES 2012 BONDS — Description.”

For a more complete description of the Series 2012 Bonds, see “THE SERIES 2012 BONDS” and APPENDIX C.

Tax Matters

In the opinion of Bond Counsel, under existing law and subject to the limitations and conditions described herein and assuming continuous compliance with certain covenants described herein: (1) interest on the Series 2012 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations, and (2) interest on the Series 2012 Bonds is exempt from state income taxation within the State of Georgia. See “TAX MATTERS” herein. See Appendix B—“FORM OF BOND COUNSEL OPINION” for the form of opinion Bond Counsel proposes to deliver in connection with the issuance of the Series 2012 Bonds.

Professionals Involved in the Offering

The Series 2012 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Alston & Bird LLP, Atlanta, Georgia, Bond Counsel and Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Authority by its counsel, Rosenzweig, Jones, Horne & Griffis, P.C., Newnan, Georgia.

The financial statements of the Authority for the fiscal year ended June 30, 2011 included as APPENDIX A hereto have been audited by J. K. Boatwright & Co., P. C., Newnan, Georgia.

Kidwell & Company, with offices in Newnan, Georgia and Brentwood, Tennessee, is serving as Municipal Advisor to the Authority.

Grant Thornton LLP, Minneapolis, Minnesota is serving as Verification Agent.

Winning Bidder is serving as Underwriter.

Bond Registrar, Paying Agent, Custodian, and Depository

U.S. Bank National Association, Nashville, Tennessee will act as Bond Registrar and as Paying Agent for the Series 2012 Bonds and will also act as custodian of the Closing Fund account. The address of the principal office of the Paying Agent is 150 Fourth Avenue North, 2nd Floor, Nashville, Tennessee 37219. Branch Banking and Trust Company, Newnan, Georgia, will act as depository of the Revenue Fund and Renewal and Extension Fund.

Legal Authority

The Series 2012 Bonds are to be issued pursuant to the Constitution of the State of Georgia and the laws of the State of Georgia including particularly the Revenue Bond Law, as amended (O.C.G.A. § 36-82-60 *et seq.*) and the Coweta County Water and Sewerage Authority Act (2001 Ga. Laws p. 3539 *et seq.*) (the “Act”). The Series 2012 Bonds will be issued under and secured pursuant to the terms and conditions of a resolution adopted by the Authority on March 21, 2012, as amended and restated on December 18, 2012 (the “Supplemental Bond Resolution”).

Offering and Delivery of the Series 2012 Bonds

The Series 2012 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to prior sale and subject to withdrawal or modification of the offer without notice. The Series 2012 Bonds in definitive form are expected to be delivered through DTC in New York, New York, on or about December 27, 2012.

Continuing Disclosure

The Authority has covenanted for the benefit of the owners of the Series 2012 Bonds in a Continuing Disclosure Certificate (the “Disclosure Certificate”) to provide (a) certain financial information and operating data relating to the System (the “Operating and Financial Data”) annually to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) and (b) notices of the occurrence of certain events, if deemed by the Authority to be material (the “Material Events Notices”), to EMMA. The undertaking to provide Operating and Financial Data and Material Events Notices is described in the Disclosure Certificate, a form of which is attached in APPENDIX D hereto. The covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”). The Authority executed continuing Disclosure Certificates (the “Prior Disclosure Certificates”) in connection with the issuance of the Series 2001 Bonds, the Series 2005 Bonds and the Series 2007 Bonds. The Authority also prepared audited financial statements each year, and copies of those audited financial statements have been filed with EMMA. See “CONTINUING DISCLOSURE” herein.

Other Information

The information contained in this Official Statement does not purport to be comprehensive or definitive. All references herein to, or summaries of, the Bond Resolution, the Series 2012 Bonds or any other document are qualified in their entirety by reference to the definitive forms thereof and the provisions with respect thereto included in the Bond Resolution, the Series 2012 Bonds or such other document. Copies of the Bond Resolution and Disclosure Certificate and other documents and information are available, upon request and upon payment to the Authority of a charge for copying, mailing and handling, from Jay Boren, Coweta County

Water and Sewerage Authority, 545 Corinth Road, Newnan, Georgia 30263; telephone: (770) 683-0605. During the period of the offering of the Series 2012 Bonds copies of the documents are available, upon request and payment to the Municipal Advisor of a charge for copying, mailing and handling, from Kidwell & Company's Tennessee office, located at 1755 Charity Drive, Brentwood, Tennessee 37027; telephone: (615) 373-3325.

THE SERIES 2012 BONDS

Description

The Series 2012 Bonds will be dated as of their date of issuance and will bear interest at the rates specified on the cover page of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months) from the Interest Payment Date next preceding their date of authentication to which interest has been paid (unless their date of authentication is an Interest Payment Date, in which case from such Interest Payment Date, unless their date of authentication is after a Record Date but before an Interest Payment Date, in which case from the next Interest Payment Date, or unless their date of authentication is before the first Interest Payment Date, in which case from their date of issuance). Interest will be payable semiannually on each Interest Payment Date, commencing June 1, 2013. The principal amount of the Series 2012 Bonds is payable at the times and in the amounts set forth on the cover page of this Official Statement. Both the principal of and interest on the Series 2012 Bonds shall be payable in lawful money of the United States of America.

When in book-entry form, payment of the principal of and interest on the Series 2012 Bonds will be made by the Paying Agent directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to Participants and thereafter to Beneficial Owners of the Series 2012 Bonds. See "THE SERIES 2012 BONDS — Book-Entry System."

When not in book-entry form, the principal amount of the Series 2012 Bonds shall be payable at maturity upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent. Payments of interest on the Series 2012 Bonds shall be made by check or draft payable to the registered owner as shown on the bond registration book kept by the Bond Registrar at the close of business on each Record Date and such payments of interest shall be mailed to the registered owner at the address shown on the bond registration book. If the registered owner of Series 2012 Bonds in the aggregate principal amount of at least \$1,000,000 shall supply wire instructions to the Paying Agent on or prior to the Record Date, then interest due on the Interest Payment Date succeeding the Record Date shall be payable by wire transfer in accordance with such instructions.

Registration Provisions; Transfer and Exchange

The Series 2012 Bonds will be issued only as fully registered bonds in denominations of \$5,000 and integral multiples thereof. The Authority, the Bond Registrar and the Paying Agent may deem and treat the registered owner as shown on the registration books maintained by the Bond Registrar as the absolute owner of such Series 2012 Bond for all purposes, including receiving payment of or on account of principal and interest payable thereon, and for all notices, and the Authority, the Bond Registrar and the Paying Agent will not be affected by any actual or constructive notice to the contrary.

When in book-entry form, Series 2012 Bonds will be registered to DTC or Cede & Co., as its nominee, on behalf of the Beneficial Owners thereof. When in book-entry form, ownership of the Series 2012 Bonds held by DTC or Cede & Co., as its nominee, on behalf of the Beneficial Owners thereof, may be transferred or exchanged in accordance with the rules of DTC. See “THE SERIES 2012 BONDS — Book-Entry System.”

When not in Book-Entry Form, transfer of ownership of any Series 2012 Bond may be registered upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney, in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer of ownership, the Bond Registrar will cause to be authenticated and delivered a new Series 2012 Bond or Series 2012 Bonds registered in the name of the transferee in the Authorized Denominations in the same aggregate principal amount, maturity and interest rate as the Series 2012 Bonds surrendered for such registration of transfer. When not in book-entry form, the Series 2012 Bonds may be exchanged for a like principal amount of Series 2012 Bonds of the same maturity and interest rate and of other Authorized Denominations. For every exchange or registration of transfer, the Bond Registrar may charge an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2012 Bonds.

Book-Entry System

DTC will act as securities depository for the Series 2012 Bonds. The Series 2012 Bonds will be issued as fully-registered Series 2012 Bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2012 Bond certificate will be issued for each maturity of the Series 2012 Bonds and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating of AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2012 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2012 Bonds on DTC's records. The ownership interest of each actual purchaser of the Series 2012 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2012 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2012 Bonds, except in the event that use of the book-entry system for the Series 2012 Bonds is discontinued.

To facilitate subsequent transfers, all the Series 2012 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2012 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. BENEFICIAL OWNERS OF THE SERIES 2012 BONDS MAY WISH TO TAKE CERTAIN STEPS TO AUGMENT THE TRANSMISSION TO THEM OF NOTICES OF SIGNIFICANT EVENTS WITH RESPECT TO THE SERIES 2012 BONDS, SUCH AS REDEMPTIONS, DEFAULTS AND PROPOSED AMENDMENTS TO THE SERIES 2012 BOND DOCUMENTS. FOR EXAMPLE, BENEFICIAL OWNERS OF THE SERIES 2012 BONDS MAY WISH TO ASCERTAIN THAT THE NOMINEE HOLDING THE SERIES 2012 BONDS FOR THEIR BENEFIT HAS AGREED TO OBTAIN AND TRANSMIT NOTICES TO BENEFICIAL OWNERS. IN THE ALTERNATIVE, BENEFICIAL OWNERS MAY WISH TO PROVIDE THEIR NAMES AND ADDRESSES TO THE REGISTRAR AND REQUEST THAT COPIES OF NOTICES BE PROVIDED DIRECTLY TO THEM.

Redemption notices (if any) shall be sent to DTC. If less than all of the Series 2012 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2012 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2012 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds (if any) and principal and interest payments on Series 2012 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to Series 2012 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2012 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2012 Bonds will be printed and delivered to DTC.

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

NEITHER THE AUTHORITY NOR THE PAYING AGENT NOR THE UNDERWRITER (OTHER THAN IN THEIR CAPACITY, IF ANY, AS A DIRECT PARTICIPANT OR AN INDIRECT PARTICIPANT) WILL HAVE ANY OBLIGATION TO THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO DTC'S PROCEDURES OR ANY PROCEDURES OR ARRANGEMENTS BETWEEN DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS AND BENEFICIAL OWNERS.

NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR (1) SENDING TRANSACTION STATEMENTS; (2) MAINTAINING, SUPERVISING OR REVIEWING, THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (3) PAYMENT OR THE TIMELINESS OF PAYMENT BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON SERIES 2012 BONDS; (4) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY PARTICIPANT, OR BY ANY PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE (INCLUDING NOTICE OF REDEMPTION) OR

OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE SUPPLEMENTAL BOND RESOLUTION TO BE GIVEN TO HOLDERS OR OWNERS OF SERIES 2012 BONDS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2012 BONDS; OR (6) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE SERIES 2012 BONDS.

Optional Redemption*

The Series 2012 Bonds maturing through June 1, 2020 are not subject to redemption. The Series 2012 Bonds maturing on and after June 1, 2021 may be redeemed prior to their stated maturities, either in whole or in part, in any order of maturities, at the option of the Authority (“Optional Redemption”), on any date in any year, on and after June 1, 2020, at a redemption price of 100% of par, plus accrued interest. Winning Bidder shall not be authorized to change the Optional Redemption provisions described herein.

Mandatory Redemption*

The Series 2012 Bonds maturing on June 1, 20__ are subject to mandatory sinking fund redemption prior to their maturity at a redemption price equal to 100% of the principal amount thereof being redeemed, plus accrued interest, on June 1 of the following years and in the following amounts (the June 1, 20__ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
	\$

The Series 2012 Bonds maturing on June 1, 20__ are subject to mandatory sinking fund redemption prior to their maturity at a redemption price equal to 100% of the principal amount thereof being redeemed, plus accrued interest, on June 1 of the following years and in the following amounts (the June 1, 20__ amount to be paid rather than redeemed):

<u>Year</u>	<u>Amount</u>
	\$

*Preliminary, subject to change.

At its option, to be exercised on or before the 45th day next preceding such scheduled maturity redemption date, the Authority, may (a) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2012 Bonds subject to scheduled mandatory redemption which are delivered to the Paying Agent for cancellation and not theretofore applied as a credit against a scheduled mandatory redemption obligation or (b) receive a credit with respect to its scheduled mandatory redemption obligation for any Series 2012 Bonds which prior to said date have been redeemed (otherwise than through scheduled mandatory redemption) and canceled by the Paying Agent and not theretofore applied as a credit against said scheduled mandatory redemption obligation. Each Series 2012 Bond so delivered or previously redeemed shall be credited by the Paying Agent, at the principal amount thereof to the obligation of the Authority on such scheduled mandatory redemption date and the principal amount of the Series 2012 Bonds to be redeemed by operation of such scheduled mandatory redemption on such date shall be accordingly reduced.

Redemption Procedures and Redemption Notice

Not more than 60 days and not less than 30 days before any date upon which any such redemption is to be made a notice of redemption designating the Series 2012 Bonds to be redeemed shall be mailed, postage prepaid, to all registered owners of the Series 2012 Bonds to be redeemed at addresses which appear upon the bond registration book as of the date of giving such notice. It is expressly provided, however, that the failure to receive any such notice or any defect therein shall not affect the validity of the proceedings for such redemption or cause the interest to continue to accrue on the principal amount of the Series 2012 Bonds so designated for redemption.

The Series 2012 Bonds designated for redemption as described above shall be payable at the redemption price specified above and interest will cease to accrue on the principal amount of such Series 2012 Bonds from and after the date of redemption unless there is a default in the payment of such Series 2012 Bonds.

SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2012 BONDS

General

The Series 2012 Bonds are special limited obligations of the Authority secured by and payable solely from a lien on and pledge of the Net Revenues of the System, subject and subordinate to the lien on and pledge of the Net Revenues created by the Prior Resolution. The Series 2012 Bonds do not constitute a charge, lien or encumbrance, legal or equitable, on any other property of the Authority.

THE SERIES 2012 BONDS DO NOT CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA. NEITHER THE STATE OF GEORGIA NOR ANY POLITICAL SUBDIVISION OF THE STATE OF GEORGIA IS OBLIGATED TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER FOR THE PAYMENT OF THE SERIES 2012 BONDS. THE AUTHORITY HAS NO TAXING POWER.

Funds and Accounts; Flow of Funds

Funds and Accounts. The following funds and accounts have been created in the Bond Resolution: the Closing Fund, the Sinking Fund and the Renewal and Extension Fund. The Sinking Fund consists of four accounts: the “Debt Service Account,” the “Reserve Account,” the “Swap Payments Account” and the “Contract Payments Account.”

Flow of Funds. All revenues arising from the operation of the System will be collected by the Authority or by its agents or employees and deposited promptly into the Revenue Fund. The Authority will pay from the Revenue Fund the reasonable and necessary costs of operating, maintaining and repairing the System, including salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, real or personal, insurance premiums, audit fees and such other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization. The Net Revenues remaining in the Revenue Fund after the payment of such operating expenses have been pledged by the Authority first as security for the Prior Bonds second as security for the Bonds and the other obligations of the Authority under the Bond Resolution.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding two paragraphs, the Authority will pay from the Revenue Fund into the Debt Service Account substantially equal monthly deposits sufficient to pay debt service on the Series 2010 Bonds and the Series 2012 Bonds on the next Interest Payment Date.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding three paragraphs, the Authority will pay from the Revenue Fund into the Reserve Account substantially equal monthly payments sufficient to maintain the Reserve Account in an amount equal to the Debt Service Reserve Requirement.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding four paragraphs, the Authority will pay from the Revenue Fund amounts as are needed to pay any Subordinate Debt.

After there have been paid from the Revenue Fund the sums required or permitted to be paid pursuant to the preceding five paragraphs, the Authority will pay from the Revenue Fund into the Renewal and Extension Fund, at least annually and prior to the end of each Fiscal Year, the moneys remaining in the Revenue Fund (except for a working capital reserve in an amount to be determined by the Authority in its sole discretion).

See APPENDIX C for more information on the funds and accounts created in the Bond Resolution.

Additional Bonds

Pursuant to the terms of the Bond Resolution, the Authority abrogated its right to issue additional parity bonds under the terms of the Prior Resolution, and the lien of the Series 2010 Bonds and any Additional Bonds issued under the terms of the Bond Resolution, including the Series 2012 Bonds, are subordinated as to lien on the Net Revenues of the System to the Prior Bonds. The Authority may issue, from time to time, for the purpose of refunding any issue or issues of outstanding Bonds (as defined thereunder) or financing, in whole or in part, additions,

extensions and improvements to the System, ranking as to lien on the Net Revenues of the System on a parity with the Series 2010 Bonds, providing certain terms and conditions as provided in the Bond Resolution are met. See APPENDIX C for a description of the terms and conditions under which Additional Bonds may be issued.

Reserve Account

The Bond Resolution requires the establishment of a Reserve Account within the Sinking Fund in an amount at least equal to the Debt Service Reserve Requirement. The obligation to fund the Reserve Account may be fulfilled by depositing cash or a Debt Service Reserve Surety Bond. Any such Debt Service Reserve Surety Bond (a) must be issued by a provider that has a rating at the time of issuance of the Debt Service Reserve Surety Bond equal to or higher than the rating on the Bonds, (b) must have a term not less than the final maturity date of the series of Bonds (or may be drawn upon in full upon its expiration date if a substitute letter of credit or surety bond is not in place prior to its expiration date) which it is given to secure and (c) must be payable on any interest payment date in an amount equal to any portion of the balance then required to be maintained within the Reserve Account. The Reserve Account will be funded initially with the Surety Bond. The Surety Bond will also fund the Reserve Account for the Prior Bonds created in the Prior Sinking Fund. See APPENDIX C.

Rate Covenant

Pursuant to the Bond Resolution, the Authority has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System, and shall adjust, as necessary, such schedule of rates, fees and charges in order to produce Net Revenues equal to at least one (1.10) times the Debt Service Requirement in the then current Sinking Fund Year.

Enforceability of Remedies

The realization of the value from the pledge of the Net Revenues of the System upon any default in the payment of the principal of or interest on the Series 2012 Bonds will depend upon the exercise of various remedies specified under the laws of the State of Georgia. The various legal opinions to be delivered concurrently with the delivery of the Series 2012 Bonds will be qualified as to the enforceability of rights or remedies with respect to the Series 2012 Bonds by bankruptcy, insolvency, laws affecting creditors' rights generally and the application of equitable principles.

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APPLICATION OF FUNDS

Estimated Sources and Uses of Funds*

The estimated sources and uses of funds of the Series 2012 Bonds are summarized below:

Sources:

Principal Amount of Series	\$ _____
2012 Bonds	
Plus: Original Issue Premium	_____
[Debt Service Reserve and Sinking Fund Accruals]	_____
Total	\$ _____

Uses:

Refundings	\$ _____
Costs of Issuance ⁽¹⁾	_____
Total	_____

⁽¹⁾ Includes underwriting discount, validation court costs, printing costs, legal fees, rating fees, and other miscellaneous costs of issuance.

* Preliminary, subject to change.

The Refunding Plan

To accomplish the refunding of the Refunded Bonds, a portion of the proceeds of the Series 2012 Bonds, together with certain other amounts, will be deposited into a special fund created in the Escrow Deposit Agreement, dated as of December 1, 2012 (the “Escrow Agreement”) and designated “Coweta Water and Sewerage Authority Escrow Fund” (the “Escrow Fund”) held by U.S. Bank National Association, as escrow agent (the “Escrow Agent”). The funds will be used to purchase direct obligations of or obligations that are unconditionally guaranteed by the United States of America (the “Government Obligations”). The Government Obligations will be held in trust by the Escrow Agent under the Escrow Agreement. The Government Obligations and cash, if any, held in the Escrow Fund will be used to pay the principal of and interest on the Refunded Bonds as the same become due and to pay the redemption prices of the Refunded Bonds on the redemption dates. The Series 2001 Bonds will be called for redemption approximately 30 days after the closing and funding of the Series 2012 Bonds. The Series 2007 Bonds will be called for redemption on June 1, 2018.

Verification

Grant Thornton LLP, independent certified public accountants (the “Verification Agent”), will verify the accuracy of the arithmetical computations with respect to the adequacy of the maturing principal amounts of the Government Obligations, together with interest earned thereon and the remaining moneys, if any, deposited in the Escrow Fund, to pay the principal of and premium, if any, and interest on the Refunded Bonds on their respective dates of payment or redemption as described under “APPLICATION OF FUNDS — The Refunding Plan.” Such computations were based solely upon assumptions and information supplied by the Municipal Advisors on behalf of the Authority. The Verification Agent has restricted its procedures to verifying the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based, and,

accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of future events.

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Debt Service Schedule

The following table sets forth the annual debt service requirements on the Refunding Series 2005 Bonds, the Series 2010 Bonds and the Series 2012 Bonds payable from the Net Revenues of the System during each fiscal year ending June 30. The Authority has no other debt payable from the Net Revenues of the System.

Ended June 30	Refunding 2005 Bonds	Series 2010 Bonds	Series 2012 Bonds			Total Debt Service
			Principal	Interest	Total	
2013	\$1,148,250	\$2,015,375	\$340,000	\$332,783	\$672,783	\$3,836,408
2014	1,148,250	2,015,375	645,000	777,085	1,422,085	4,585,710
2015	1,148,250	2,015,375	645,000	774,763	1,419,763	4,583,388
2016	2,768,250	2,520,375	160,000	771,731	931,731	6,220,356
2017	2,767,250	2,520,225	165,000	770,787	935,787	6,223,262
2018	2,762,250	2,518,325	170,000	769,451	939,451	6,220,026
2019	2,763,250	2,518,931	170,000	767,547	937,547	6,219,728
2020	2,764,750	2,518,119	175,000	765,150	940,150	6,223,018
2021	2,761,500	2,520,119	175,000	762,280	937,280	6,218,898
2022	2,763,500	2,519,619	180,000	759,042	939,042	6,222,161
2023	2,765,250	2,521,494	180,000	755,424	935,424	6,222,168
2024	2,766,500	2,517,019	185,000	751,590	936,590	6,220,109
2025	2,762,000	2,519,719	190,000	747,465	937,465	6,219,183
2026	2,766,750	2,520,756	190,000	743,076	933,076	6,220,582
2027	-	3,563,256	1,920,000	738,554	2,658,554	6,221,810
2028	-	3,520,481	2,010,000	691,514	2,701,514	6,221,995
2029	-	3,488,888	2,090,000	641,063	2,731,063	6,219,950
2030	-	3,512,713	2,120,000	586,723	2,706,723	6,219,435
2031	-	3,541,588	2,150,000	530,119	2,680,119	6,221,706
2032	-	3,420,063	2,330,000	471,424	2,801,424	6,221,486
2033	-	3,414,663	2,400,000	406,650	2,806,650	6,221,312
2034	-	3,405,738	2,480,000	338,010	2,818,010	6,223,747 ⁽¹⁾
2035	-	3,408,200	2,545,000	265,842	2,810,842	6,219,042
2036	-	3,461,413	2,570,000	190,255	2,760,255	6,221,668
2037	-	3,608,038	2,500,000	112,384	2,612,384	6,220,422
2038	-	5,823,825	360,000	35,384	395,384	6,219,209
2038	-	5,825,375	370,000	24,116	394,116	6,219,491
2040	-	5,827,575	380,000	12,350	392,350	6,219,925
Total	\$33,856,000	\$89,582,638	\$29,795,000	\$15,292,554	\$45,087,554	\$168,526,191

⁽¹⁾ Maximum annual debt service.

THE AUTHORITY

General Description

The Authority was created as a body politic and corporate pursuant to the Coweta County Water and Sewerage Authority Act (2001 Ga. Laws p. 3539 *et seq.*) (the “Act”). Ownership and operation of the System was transferred from the County to the Authority on June 6, 2007. The Authority supplies water to residential, commercial and industrial customers within the unincorporated area of the County and within the cities of Moreland, Senoia and Grantville. The Authority treats wastewater for customers located in Arnco, Sargent, the Shenandoah Industrial Park and the White Oak Commercial District.

The water system operated by the Authority serves approximately 24,708 customers. The Authority produces water at the B.T. Brown Water Treatment Plant and purchases water from Newnan Utilities and the City of Griffin. The wastewater treatment system operated by the Authority serves approximately 2,227 customers. The Authority treats wastewater at three plants: the Shenandoah Wastewater Treatment Plant, the Arnco Wastewater Plant and the Sargent Wastewater Plant. In addition, some wastewater is collected and pumped to the Wahoo Creek Wastewater Plant, which is owned by Newnan Utilities.

The Authority works with the Coweta County School System to provide internships for high school students through the successful Science, Technology, Engineering and Math (STEM) program. Through the STEM program, the Authority is able to teach these students about the importance of clean water and the treatment of wastewater.

Government Structure and Operations

The Authority consists of three Board members who are appointed by the Board of Commissioners of Coweta County. The members serve staggered four-year terms. The current members of the Authority, their ages and primary occupations and the expiration of their terms of office are listed below:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>	<u>Age</u>	<u>Occupation</u>
Neal Shepard	Chairman	April 10, 2016	64	Insurance Broker
Eric Smith	Vice-Chairman	April 10, 2015	45	Banking Executive
Mary Anne Sullivan	Secretary-Treasurer	April 10, 2014	83	Retired Postal Service Employee

The Authority employs a General Manager who is appointed by majority vote of the members of the Authority. The General Manager is vested with responsibility for oversight of day-to-day operations, executive and administrative management, and supervision of personnel. The General Manager is a direct representative of the Authority and is authorized by the Authority to perform most day-to-day functions. Jay Boren currently serves as Interim General Manager.

Jay C. Boren has served as the Interim General Manager since April 2012. Mr. Boren has been employed with the Authority since 2009. Mr. Boren attended Auburn University and holds a Bachelors of Business Administration in Finance. Mr. Boren previously worked for

Milliken and Company for fifteen years and served in various roles, including Controller. Mr. Boren's previous title with the Authority was Controller.

All functions of the Authority are domiciled in a 11,000 square foot building complex situated at 545 Corinth Road, Newnan Road. All administration, planning, purchasing, billing, engineering, collections, and radio dispatch of maintenance personnel and vehicles are currently performed at this location.

Employees, Employee Relations and Labor Organizations

The Authority employs 58 persons as of November, 2012. There are 56 full-time employees and 2 part-time employees. No employees related to the system are represented by labor organizations or are covered by collective bargaining agreements. The Authority is not aware of any union organizing efforts at the present time. The Authority believes that employee relations are very good.

Full-time employees are provided with group medical insurance, group life insurance and dental insurance. Supplemental life, short-term and long-term disability, cancer insurance and other coverage is also offered. The Authority provides its full-time employees with paid holidays, compensated sick leave, annual leave and jury duty leave.

Some of the Authority employees are currently enrolled in a Defined Benefit Plan which is a single employer public employee retirement system ("PERS") overseen by Coweta County, Georgia. The plan covers all full-time employees who were eligible to participate prior to July 1, 2006. Employees hired after that date are not eligible to participate in the plan. As of December 31, 2011 the Defined Benefit Plan was frozen for Authority employees so that the Authority no longer contributes to said plan controlled by Coweta County, Georgia. The Deferred Compensation Plan is available to all Authority employees and permits them to defer a portion of their salary. The Authority makes a 3% contribution to the Deferred Compensation Plan for each employee. The Authority matches employee contributions up to 3.5 percent of gross wages.

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WATER SYSTEM

Water Customers and Usage

Water Customers. Information comparing the number of water customers for the past ten years is set forth below.

<u>Water Customers</u>			
<u>Year Ended June 30</u>	<u>Number of Water Customers</u>	<u>New Water Customers</u>	<u>% Change Water Customers</u>
2003	19,735	1,037	5.55
2004	20,583	848	4.30
2005	21,512	929	4.51
2006	23,016	1,504	6.99
2007	23,524	508	2.21
2008	24,370	846	3.60
2009	24,674	304	1.25
2010	24,854	180	0.73
2011	25,306	452	1.82
2012	24,708	(598)	(2.36)

Water Usage. The information concerning water usage for the last ten years is set forth below.

<u>Water Usage</u>			
<u>Year Ended June 30</u>	<u>Annual Gallons</u>	<u>Maximum Daily (MGD)</u>	<u>Per Customer (GPD)</u>
2003	1,510,587,044	4,138,595	210
2004	1,696,924,941	4,649,109	226
2005	1,714,451,503	4,697,127	218
2006	1,797,789,319	4,925,450	214
2007	1,919,326,283	5,258,428	224
2008	1,832,183,947	5,019,682	206
2009	1,853,047,286	5,076,842	206
2010	1,930,544,837	5,289,164	213
2011	1,946,757,201	5,333,583	211
2012	1,963,586,272	5,379,688	218

The water use by the customer continues to be conservative due to conservation rates that have been implemented by the Authority.

Largest Water Customers

The following table sets forth the largest water users during the fiscal year ending June 30, 2012. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customer will continue to maintain their status as major water users.

Ten Largest Water Users

<u>User</u>	<u>Annual Gallons</u>	<u>% Total System Gallons</u>	<u>Annual Billing</u>	<u>Type of Business</u>
1. City of Hogansville	92,281,500	4.70%	\$265,054.09	Municipality
2. City of Grantville	76,996,000	3.92	230,560.56	Municipality
3. Coweta-White Oak Assn. - Apartments	30,866,500	1.57	319,038.42	Apartment MFG -
4. Yamaha Motor	27,636,970	1.41	286,361.27	Recreational MFG -
5. Gregory Packaging	22,559,240	1.15	189,899.69	Beverage MFG -
6. Excel	12,287,920	0.63	115,196.37	Food Processing MFG -
7. Piedmont Newnan Hospital	10,107,640	0.51	101,573.42	Hospital
8. City of Senoia	9,422,468	0.48	26,948.29	Municipality MFG -
9. B-Way	9,331,480	0.48	96,513.72	Industrial Products
10. City of Palmetto	<u>8,295,500</u>	<u>0.42</u>	<u>23,725.13</u>	Municipality
Total	<u>299,785,218</u>	<u>15.27%</u>	<u>\$1,654,870.96</u>	

B.T. Brown Water Treatment Plant

The B.T. Brown Water Treatment Plant is a surface water filtration and treatment plant located in the northern portion of the service area and provides water to the northern and western parts of the service area. This facility is currently providing approximately 6 percent of the water used by Authority water customers. Raw water is provided to this facility from B. T. Brown Reservoir, a 339-acre impoundment that contains 1.5 billion gallons of water. The B.T. Brown Reservoir is fed by Cedar and Alexander Creeks. The Reservoir is contained by an earthen dam 58.5' tall that was constructed in 1978.

The B.T. Brown Water Treatment Plant was constructed in 2007 and has a design capacity of 10 million gallons per day ("MGD") of water. This facility is permitted to produce a

maximum of 10 MGD over 24 hours, no more than a monthly average of 6.7 MGD and no more than a daily average of 6.4 MGD, The Plant has three high service pumps, three raw water pumps and two back wash pumps. The Plant has a 2 million gallon clearwell storage tank with a diameter of 110 feet and a height of 28 feet.

Water Purchases

Shown below is information on the quantity, price and expense associated with water purchased from other water systems for the last five years.

Historical Water Purchases (Thousands of Gallons)

<u>Fiscal Year</u>	<u>Newnan Utilities</u>	<u>City of Atlanta</u>	<u>City of Griffin</u>
2008	778,844	187,291	522,996
2009	584,265	—	718,643
2010	1,098,838	—	802,881
2011	1,101,679	7,154	909,510
2012	980,397	100,418	996,785

Current Wholesale Water Rates

<u>Newnan Utilities</u> <u>(Per 1,000 Gallons)</u>	<u>City of Griffin</u> <u>(Per 1,000 Gallons)</u>
\$1.95	\$2.55

Summary of Water Expenses

<u>Year Ended</u> <u>June 30</u>	<u>Newnan Utilities</u>	<u>City of Atlanta</u>	<u>City of Griffin</u>
2008	\$1,882,050	—	\$1,082,373
2009	1,927,200	—	1,962,065
2010	1,927,200	—	2,058,789
2011	1,990,800	—	2,333,021
2012	2,099,790	—	2,839,027

Water Purchase Contracts

When the ownership and operation of the System was turned over to the Authority (in 2007), the Authority was assigned the rights and assumed the responsibilities under certain water purchase agreements previously entered into by the County. The agreements are summarized below.

Newnan Utilities. The County entered into a Water Purchase Agreement (the “Newnan Agreement”) on June 11, 1993, as amended, with the City of Newnan acting through the Water, Sewerage and Light Commission of the City of Newnan (the “Commission”). The Newnan Agreement, as amended, terminates in August, 2019. Pursuant to the Newnan Agreement, the Authority is required under a take or pay arrangement to purchase a minimum of 3 MGD per day from the Commission. Under the Newnan Agreement, the Commission reserves the right to restrict the maximum purchase to 4 MGD. The Commission has the right under the Newnan Agreement to change its rates as the Commission sees fit by a percentage equal to any residential rate changes implemented for the residents of the City of Newnan.

City of Atlanta. The County entered into a Wholesale Water Services Agreement (the “Atlanta Agreement”) with the City of Atlanta in 2001. The Atlanta Agreement terminates on December 31, 2021, but may be renewed at the sole discretion of the City of Atlanta with the consent of the Authority for two consecutive 10-year terms. The Atlanta Agreement requires that the City of Atlanta provide a maximum of 6.6 MGD of water to the Authority at a maximum rate of 5,000 GPM. The Atlanta Agreement does not require the Authority to purchase a minimum amount of water. The City of Atlanta may increase the rate paid by the Authority if it increases the rate that it charges other political subdivisions for water. Rate adjustments can only be made after providing the Authority with 60 days prior notice.

City of Griffin. Coweta County and the City of Griffin executed a revised Water Sales Agreement (the “Revised Agreement”) on September 11, 2012, modifying the original Water Sales Agreement dated as of December 14, 1999 (the “Original Agreement” and, together with the Revised Agreement, the “Griffin Agreement”). The Griffin Agreement is a take or pay arrangement that calls for the Authority to purchase a minimum amount of 3 MGD per day from Griffin until June 30, 2022 and then 5 MGD per day of water from the City of Griffin until the termination of the contract. The Revised Agreement became effective upon its execution by all parties and shall terminate on December 31, 2049; provided, however, at the end of the 35th year of the term of the original Agreement (i.e., 2034), Coweta County may elect to give a written notice to the City of Griffin that it will terminate the Griffin Agreement, effective December 31, 2039. The rate for Griffin is calculated on an annual basis, and the rate is effective for the calendar year. The rate calculation is based on Griffin’s audited financial statements and Griffin’s volume of water sold.

Water Storage Facilities

Elevated storage tanks are located in strategic areas throughout the Authority’s service area. All of these tanks are constructed of steel plate, are 77 feet in diameter and have a maximum capacity of 1 million gallons. The following chart describes the location and elevation of each storage reservoir.

<u>Tank</u>	<u>Overflow Elevation (O.E.)</u>	<u>Location</u>
Shenandoah	1,125	Amlajack Road
Macedonia	1,125	Buddy West Road
Fisher Spur	1,169	Fisher Spur Road
East Coweta	1,120	Highway 16 East
Highway 154	1,125	Highway 154

Existing Water Lines

Numerous extensions to the distribution system have been made each year, targeting existing subdivisions and existing roads where development is expected to occur. The Authority has adopted a policy regarding subdivision development whereby line sizes are controlled and each subdivision will contribute to the further development of the water system. It is the objective of the Authority to highlight expansion activities in areas where subdivisions are favorably situated to provide an adequate loop connecting principal main lines to others on parallel roads.

The approximate quantities of lines in the water distribution system are as follows:

<u>Diameter of Water Line</u>	<u>Linear Feet</u>	<u>Total Miles</u>
36"	4,458	.8
30"	690	.1
24"	49,460	9.4
20"	26,164	5.0
18"	32,939	6.2
16"	92,317	17.5
14"	0	0.0
12"	538,667	102.0
10"	717,387	135.9
8"	2,657,799	503.4
6"	698,486	132.3
Smaller than 6"	<u>505,754</u>	<u>95.8</u>
Total	<u>5,324,121</u>	<u>1,008.4</u>

Most pipelines are made of ductile iron or PVC. Approximately 80 percent of the pipelines have been in service for 20 years or less.

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Connections to Other Utilities

The Authority maintains water system connections to the City of Griffin water system, Newnan Utilities and the City of Atlanta water system. There are also connections to the following: Heard County; Town of Turin; City of Senoia; City of Grantville; City of Hogansville and Palmetto. The Authority maintains one connection with the City of Griffin water system at Line Creek Road. Six connections are maintained with the Newnan Utilities water system at Bullsboro Drive, Highway 29 North, Corinth Road, Newnan Crossing Blvd., Popular Road and Smokey Road. There are two connections maintained with the City of Atlanta water system at Goodlin Road and Shell Road. There is one connection with Heard County at Highway 34; four connections with Town of Turin, two on Highway 54, one on Highway 16 and one on McIntosh; six connections with the City of Senoia, two on Rock House Road, one on Stallings Road, one on Standing Rock Road and one on Highway 16 East; three connections with the City of Grantville, one on West Grantville Road, one on Bo Bo Banks Road and one on Highway 27; one connection with City of Hogansville on Norwood Road and one connection with Palmetto on Tommy Lee Cook Road.

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Water Service Rates

The water service rates set forth below became effective on February 1, 2012.

Residential Water Rates

\$11.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 — 5,000 Gallons	\$5.19 Per 1,000 Gallons
5,001 — 15,000 Gallons	\$7.32 Per 1,000 Gallons
15,001 — 30,000 Gallons	\$8.54 Per 1,000 Gallons
30,001 Gallons and Above	\$10.37 Per 1,000 Gallons

Commercial/Industrial Water Rates

\$21.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 - 5,000 Gallons	\$6.10 Per 1,000 Gallons
5,001 — 15,000 Gallons	\$7.93 Per 1,000 Gallons
15,001 — 30,000 Gallons	\$9.15 Per 1,000 Gallons
30,001 Gallons and Above	\$10.37 Per 1,000 Gallons

Church and School Water Rates

\$13.00 Base Charge
\$5.75 Per 1,000 Gallons

Residential Tap Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$1,000
1"	\$1,250

Commercial, Industrial, School and Multifamily Tap Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$2,000
1"	\$2,500
Larger Than 1"	Negotiated

Church Tap Fees

<u>Meter Size</u>	<u>Tap Fee</u>
3/4"	\$1,000
1"	\$1,250

WASTEWATER SERVICES

The Authority's existing sewer line infrastructure consists of approximately 76 miles. The wastewater treatment system consists of three treatment facilities as described below:

Shenandoah. The Shenandoah Wastewater Treatment Plant was placed in service on June 16, 2009. This new, state-of-the-art facility, located at 1519 Poplar Road, replaced a smaller treatment facility at the same location and uses ultraviolet light for disinfection instead of chlorine. The Shenandoah facility has a 2.0 MGD capacity and averages 0.718 MGD. The collection system is comprised of approximately 33 miles of lines that convey wastewater from the White Oak commercial and residential district, 2.63 miles of collection lines that service the Highway 154/Interstate 85 corridor and 9 lift stations. A 6.3-mile sewer main extension along U.S. Highway 34 East was completed March 2011 and provides sewer service to the Highway 34 and Thomas Crossroads commercial areas. Three hundred and fifty thousand gallons per day ("GPD") of treatment at the Shenandoah plant has been allocated for new sewer customers in connection with this project. The Shenandoah Plant also provides sewer and reclaimed water service to the new Piedmont Newnan Hospital campus located on Poplar Road. The 136-bed hospital and adjoining medical office building opened in May 2012.

Arnall/Sargent. The Arnall/Sargent Wastewater Treatment Plant, located on Ball Street in the unincorporated community of Sargent, has a capacity of 60,000 GPD and has an average flow of 18,000 GPD. This plant was constructed in 1952 and serves the Arnall and Sargent communities in the northwestern part of the county. There are 2.36 miles of collection lines that convey wastewater to this facility.

Arnco. This facility, located on Bibb Road in the western part of the County, was constructed in 1960. The plant has a 100,000 GPD capacity and averages 42,000 GPD. There are 2.42 miles of collection lines that convey wastewater to this facility.

In addition to the facilities described above, the Authority also owns and operates a lift station in the East Newnan area that has an average flow of 45,000 GPD. This lift station pumps wastewater to the Wahoo Creek Water Treatment Plant operated by Newnan Utilities.

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Sewer Customers and Treatment

Wastewater Customers. Information concerning the number of sewer customers for the last ten years is set forth below.

Sewer Customers

<u>Year Ended June 30</u>	<u>Number of Sewer Customers</u>	<u>New Sewer Customers</u>	<u>% Change Sewer Customers</u>
2003	2,192	2	0.09
2004	2,195	3	0.14
2005	2,195	-	0.00
2006	2,182	(13)	(0.59)
2007	2,176	(6)	(0.27)
2008	2,195	19	0.87
2009	2,222	27	1.23
2010	2,219	(3)	(0.14)
2011	2,230	11	.50
2012	2,227	(3)	(0.13)

Wastewater Treatment. Information concerning wastewater treatment for the last ten years is set forth below.

Wastewater Treatment

<u>Year Ended June 30</u>	<u>Minimum Effluent Flow (MGD)</u>	<u>Maximum Effluent Flow (MGD)</u>	<u>Average Maximum Daily Effluent Flow (MGD)</u>	<u>Usage/ Customer (GPD)</u>
2003	0.662	0.999	0.795	363
2004	0.703	0.863	0.753	343
2005	0.721	1.069	0.868	395
2006	0.652	0.966	0.817	374
2007	0.646	0.746	0.632	290
2008	0.571	0.800	0.693	316
2009	0.466	0.714	0.634	285
2010	0.609	1.028	0.749	338
2011	0.646	0.837	0.757	339
2012	0.688	0.832	0.757	340

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Largest Wastewater System Customers

The following table sets forth the largest sewer users during the fiscal year ending June 30, 2012. No independent investigation has been made of, and consequently no representation can be made as to, the stability or financial condition of any of the customers listed below or that such customer will continue to maintain their status as major sewer system customers.

Ten Largest Sewer Users

<u>User</u>	<u>Annual Gallons</u>	<u>% Total System Gallons</u>	<u>Annual Billing</u>	<u>Type of Business</u>
1. Coweta-White Oak Assoc. – Apartments	30,866,500	10.496%	\$287,705.80	Apartments MFG –
2. Yamaha Motor	27,610,520	9.389	256,018.18	Recreational MFG –
3. Gregory Packaging	22,559,240	7.671	131,918.89	Beverage MFG – Food Processing
4. Excel	12,287,900	4.179	104,581.69	Hospital MFG –
5. Piedmont Newnan Hospital	10,107,640	3.437	90,538.81	Industrial Distribution Center
6. B-Way	9,331,480	3.173	26,026.95	MFG – Steel Products
7. Petsmart	4,835,100	1.644	44,760.20	Apartments MFG –
8. Rettco Steel Shenandoah Forest –	4,562,200	1.551	41,765.15	Apartments MFG –
9. Apartments	3,745,840	1.274	34,580.91	Commercial
10. Kason Industries	<u>3,588,670</u>	<u>1.220</u>	<u>33,163.84</u>	
Total	<u>129,495,090</u>	<u>44.04%</u>	<u>\$1,051,060.42</u>	

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Existing Sewer Lines

The approximate quantities of lines in the sewer system are as follows:

<u>Diameter of Sewer Line</u>	<u>Linear Feet</u>	<u>Total Miles</u>
42"	777	0.1
30"	15,347	2.9
24"	12,463	2.4
20"	860	0.2
18"	2,379	0.5
16"	3,930	0.7
15"	229	0.0
12"	5,200	1.0
10"	36,685	6.9
8"	264,158	50.0
6"	54,574	10.3
Smaller than 6"	<u>7,037</u>	<u>1.3</u>
Total	<u>403,639</u>	<u>76.45</u>

Schedule of Sewer Rates and Fees

The sewer service rates set forth below became effective on February 1, 2012.

Residential Sewer Rates

\$11.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 - 5,000 Gallons	\$5.50 Per 1,000 Gallons
5,001 - 15,000 Gallons	\$7.15 Per 1,000 Gallons
15,001 - 30,000 Gallons	\$8.25 Per 1,000 Gallons
30,001 Gallons and Above	\$9.35 Per 1,000 Gallons

Commercial/Industrial Sewer Rates

\$21.00 Base Charge

<u>Consumption</u>	<u>Fee</u>
0 - 5,000 Gallons	\$5.50 Per 1,000 Gallons
5,001 - 15,000 Gallons	\$7.15 Per 1,000 Gallons
15,001 - 30,000 Gallons	\$8.25 Per 1,000 Gallons
30,001 Gallons and Above	\$9.35 Per 1,000 Gallons

Church and School Sewer Rates

\$13.00 Base Charge
\$5.50 Per 1,000 Gallons

Residential Sewer Connection Fees

<u>Area</u>	<u>Cost</u>
White Oak/Shenandoah	\$1,000
Arnco/Sargent/East Newnan	500

Connections Fees for Commercial and Industrial Customers. Commercial and industrial customers are charged a connection fee based on the estimated average monthly usage. The estimated average monthly usage is calculated by the Authority engineer. The fee is equal to \$100 per 1,000 gallons of estimated monthly usage. After the customer commences operations, the fee is recalculated and the customer either receives a rebate or is charged additional moneys.

OTHER SYSTEM INFORMATION

Rate Setting Process

Under Georgia law, the Authority has the power to establish rates and charges for water and sewer service supplied by the System. The rates charged by the Authority for water and sewer are not subject to review or approval by any federal or state regulatory body. The Authority establishes the rates, which are subject to change at any time as the the Authority deems advisable. The Authority adopts rate schedules by resolution after recommendations from the staff of the system. The staff of the system makes periodic reviews of the rate structure to determine if modifications are needed. See “SECURITY AND SOURCES OF PAYMENT OF THE SERIES 2012 BONDS — Rate Covenant.”

Billing

The Authority has implemented a state of the art electronic water metering system to provide for increased operational efficiency and improved billing accuracy. As of November 2012, approximately 95 percent of water meters in the System were read electronically. Customers are billed utilizing four billing cycles each month. Bills are due and payable on the 6th, the 15th, the 22nd or the 29th day of the month. Accounts that are not paid by the due date are assessed a 10 percent late charge. In the event an account remains unpaid, service to the customer is disconnected. If service is disconnected for non-payment, a \$50.00 continuation service fee is charged and collected prior to reconnection of service.

Environmental and Regulatory Matters

The operations of the water treatment and distribution system operated by the Authority are subject to the regulations of the Georgia Department of Natural Resources, Environmental Protection Division (EPD). Wastewater operations are subject to the regulations imposed by the federal Water Pollution Control Act, as amended (the “Clean Water Act”). The regulatory requirements are administered by the federal Environmental Protection Agency (“EPA”) through the EPD. The table below provides information about the permits under which the Authority currently operates.

<u>Permit Number</u>	<u>Purpose</u>	<u>Facility</u>	<u>Issued</u>	<u>Expiration</u>
38-1218-02	Surface Water Withdrawal	B.T. Brown Water Treatment Plant	May 14, 2007	May 14, 2017
038-1218-03	Surface Water Withdrawal	B.T. Brown / Cedar Creek	October 25, 2011	May 14, 2017
GA0038822	NPDES ⁽¹⁾	Shenandoah Wastewater Treatment Plant	December 19, 2011	December 28, 2016
GA0000299	NPDES ⁽¹⁾	Arnall/Sargent Wastewater Treatment Plant	September 4, 2008	September 3, 2013
GA0000311	NPDES ⁽¹⁾	Arnco Wastewater Treatment Plant	September 4, 2008	September 3, 2013
GA03-621	Reuse	Shenandoah Wastewater Treatment Plant	December 8, 2009	December 7, 2014

⁽¹⁾ National Pollutant Discharge Elimination System

The Authority is not aware of any regulatory or enforcement proceedings pending or threatened against the Authority or the System.

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SYSTEM FINANCIAL INFORMATION

Management's Discussion and Analysis

The following Management's Discussion and Analysis is based on the Authority's unaudited financial statements for fiscal year 2012.

General Fund Performance. At the end of fiscal year 2012, the Authority's general fund balance was \$777,918.68.

Capital Expenditures. The capital project expenditures for fiscal year 2012 include intersection improvements at Highway 29, Hal Jones Road and Greentop Road, Martin Mill water main relocation (culvert), West Georgia Technical College water main extension, and the Corinth Road pump station. The main construction project in progress is the Highway 16 sewer line extension.

Net Assets. Net assets of the Authority at the end of fiscal year 2012 were \$62,577,298, a decrease of \$1,442,585 from fiscal year 2011, due largely to the Authority's debt service and amortization interest, combined with depreciation. The Authority has, however, experienced an increase in both Revenues and Expenses during the slow economic recovery.

Other. The Authority has approved a \$1.00 base charge increase for each of the next three years.

General

Set forth below is certain financial information relating to the System. For more detailed information regarding the financial results and condition of the System, see the audited financial statements of the System for the fiscal year ended June 30, 2011 included in APPENDIX A hereto. No representation is made that the information is comparable from year to year, or that the information as shown taken by itself presents fairly the results of operations of the System for the periods shown. The following financial information should be read in conjunction with the audited financial statements included as APPENDIX A.

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Historical Statement of Net Assets
Fiscal Years Ended June 30

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Unaudited 2012</u>
Current assets:					
Cash and cash equivalent	\$1,553,642	\$1,843,577	\$1,043,792	\$3,681,195	\$ 5,775,609
Receivables	975,198	899,175	967,771	1,181,974	641,229
Inventories	478,461	555,275	565,496	545,927	467,681
Other receivables	290,268	69,696	455,023	228,885	120,983
Due from	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Total current assets	<u>\$3,297,569</u>	<u>\$3,367,723</u>	<u>\$3,032,082</u>	<u>\$ 5,637,981</u>	<u>\$ 7,005,502</u>
Noncurrent assets:					
Restricted cash and cash equivalents	\$30,847,293	\$14,442,251	\$6,064,695	\$ 19,983,999	\$ 19,987,984
Capital assets not being depreciated	17,655,723	24,918,886	11,473,031	7,358,388	7,529,428
Capital assets, net of depreciation	100,006,817	110,055,250	126,748,592	129,834,505	127,283,348
Bond and loan issuance costs	<u>1,159,066</u>	<u>1,100,415</u>	<u>1,041,762</u>	<u>2,319,180</u>	<u>2,227,070</u>
Total noncurrent assets	<u>149,668,899</u>	<u>150,516,802</u>	<u>145,328,080</u>	<u>159,496,072</u>	<u>157,027,830</u>
Total assets	<u>\$152,966,468</u>	<u>\$153,884,525</u>	<u>\$148,360,162</u>	<u>\$165,134,053</u>	<u>\$ 164,033,332</u>
Current liabilities:					
Accounts payable	\$1,738,702	\$1,544,376	\$792,230	\$637,378	\$ 769,577
Accrued liabilities	1,294,097	1,174,278	795,950	539,397	620,345
Accrued interest payable	341,525	385,114	398,518	385,716	384,716
Due to component unit	-	-	-	-	-
Due to other funds	-	-	-	-	-
Retainage payable	-	-	-	-	-
Notes payable - current portion	179,350	921,135	929,055	-	-
Lease payable - current portion	190,871	198,647	206,739	-	-
Bonds payable - current portion	<u>2,000,000</u>	<u>2,075,000</u>	<u>2,265,000</u>	<u>265,000</u>	<u>300,000</u>
Total current liabilities	<u>\$ 5,744,545</u>	<u>\$ 6,298,550</u>	<u>\$ 5,387,492</u>	<u>\$ 1,827,491</u>	<u>\$ 2,074,638</u>
Noncurrent liabilities:					
Compensated absences	\$ 213,640	\$ 251,837	\$ 276,604	\$ 319,043	\$ 360,675
Deposits payable	1,195,497	1,238,405	1,272,967	1,235,661	1,418,398
Notes payable	2,656,991	3,938,418	3,009,364	-	-
Lease payable	1,702,528	1,503,881	1,297,142	-	-
Bonds payable	<u>78,981,410</u>	<u>76,874,334</u>	<u>74,577,262</u>	<u>97,731,975</u>	<u>97,602,323</u>
Total noncurrent liabilities	<u>\$ 84,750,066</u>	<u>\$ 83,806,875</u>	<u>\$ 80,433,339</u>	<u>\$ 99,286,679</u>	<u>\$ 99,381,396</u>
Total liabilities	<u>\$ 90,494,611</u>	<u>\$ 90,105,425</u>	<u>\$ 85,820,831</u>	<u>\$101,114,170</u>	<u>\$ 101,456,034</u>

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	Unaudited <u>2012</u>
Net assets:					
Invested in capital assets, net of related debt	\$ 31,951,390	\$ 49,462,720	\$ 55,937,061	\$ 39,195,918	\$ 36,910,453
Restricted	30,847,293	14,442,251	6,064,695	19,983,999	19,987,984
Unrestricted	<u>(326,826)</u>	<u>(125,872)</u>	<u>537,575</u>	<u>4,839,966</u>	<u>5,678,861</u>
Total net assets	<u>62,471,857</u>	<u>63,779,099</u>	<u>62,539,331</u>	<u>64,019,883</u>	<u>62,577,298</u>
Total liabilities and net assets	<u>\$152,966,468</u>	<u>\$153,884,524</u>	<u>\$148,360,162</u>	<u>\$165,134,053</u>	<u>\$ 164,033,332</u>

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Historical Statement of Revenues, Expenses and Changes in Net Assets

Set forth below is a summary of the Authority's statement of revenues, expenses and changes in net assets for the last four fiscal years ended June 30th, and unaudited data for fiscal year ended June 30, 2012.

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Unaudited 2012</u>
Operating revenues:					
Sales and charges for service					
Water sales	\$10,999,253	\$13,119,644	\$13,634,764	\$15,005,527	\$ 14,775,887
Sewer fees	2,392,992	2,368,304	2,885,605	2,144,995	2,775,664
Water and sewer tap fees	530,708	418,955	388,780	361,253	361,521
Other services	<u>975,618</u>	<u>800,370</u>	<u>796,172</u>	<u>711,761</u>	<u>814,615</u>
Total operating revenues	\$14,898,571	\$16,707,273	\$17,705,321	\$18,223,536	\$ 18,727,687
Operating expenses:					
Cost of sales	\$3,391,099	\$3,748,980	\$4,120,335	\$4,341,330	\$4,938,817
Personnel services and employee benefits	3,943,512	4,126,055	4,170,206	4,450,787	4,158,675
Depreciation	2,302,378	2,878,266	3,285,242	3,627,846	3,792,595
Other services and charges	<u>2,424,026</u>	<u>2,222,651</u>	<u>2,831,006</u>	<u>2,454,244</u>	<u>2,600,488</u>
Total operating expenses	\$12,061,015	\$12,975,952	\$14,406,789	\$14,874,207	\$15,490,575
Operating income	\$2,837,556	\$3,731,321	\$3,298,532	\$3,349,329	\$ 3,237,112
Non-operating revenues (expenses)					
Interest income	\$802,119	\$218,052	\$8,556	\$21,177	\$17,240
Amortization	(31,818)	(26,578)	(58,653)	(106,212)	(262,459)
Interest and amortization charges	(3,409,705)	(4,035,642)	(3,982,187)	(4,185,958)	(4,627,595)
Gain on disposal of assets		46,336	(213,492)	-	30,452
Contributed water lines	<u>1,676,065</u>	<u>1,373,753</u>	<u>332,120</u>	-	<u>70,165</u>
Total non-operating revenues (expenses)	(\$963,339)	(\$2,424,079)	(\$3,913,656)	(\$4,270,993)	(\$4,772,197)
Special Item					
Litigation settlement (expenses)			(624,644)	2,402,216	92,500
Change in net assets	\$1,874,217	\$1,307,242	(\$1,239,768)	\$1,480,552	\$ (1,442,585)
Net assets, beginning of year	\$60,597,640	\$62,471,857	\$63,779,099	\$62,539,331	\$ 64,019,883
Net assets, end of year	\$62,471,857	\$63,779,099	\$62,539,331	\$64,019,883	\$ 62,577,298

Budget

Set forth below is the Authority's operating budget for the fiscal year ending June 30, 2013.

	<u>2013 Budget</u>
Operating Revenues:	
Sales and charges for services	
Water Sales	\$15,206,713
Sewer fees	2,415,000
Water and sewer tap fees	337,500
Other services	<u>608,500</u>
Total Operating Revenues	\$18,567,713
Operating Expenses:	
Cost of sales	\$ 5,005,000
Personnel services and employee benefits	4,471,680
Depreciation	3,700,000
Other services and charges	<u>2,563,923</u>
Total Operating Expenses	\$15,740,603
Operating Income	\$ 2,827,110
Non-operating revenues (expenses)	
Interest Income	\$12,000
Amortization	(240,000)
Interest and amortization charges	(4,616,595)
Gain on disposal of assets	-
Contributed water lines	-
Total Non-operating Revenues (Expenses)	<u>(\$4,844,595)</u>
Special Item	
Litigation settlement (expenses)	-
Change in Net Assets	(\$2,017,485)
Net assets, beginning of year	\$62,577,298
Net assets, end of year	\$60,559,813

Capital Improvement Plan

The capital projects for the next five years will be funded with operating revenue and bond proceeds from the Series 2010A Bonds. These projects will consist of: a new pump station, a sewer line extension, a pipe replacement, installation of radio read meters, and new lines.

Historical Debt Service Coverage

The following table sets forth the historical long-term debt service coverage of the System for the last three fiscal years. Such information should be considered in conjunction with the information concerning the System contained elsewhere in this Official Statement, including but not limited to the selected historical financial data of the System and the financial statements of the System included in APPENDIX A.

<u>Historical Debt Service Coverage</u>				
<u>Fiscal Years Ended June 30</u>				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Operating Revenues	\$16,707,273	\$17,705,321	\$18,223,536	\$18,727,687
Total Operating Expenses	(10,097,686)	(11,746,191)	(11,246,361)	(11,697,980)
Interest Income Revenues	218,052	8,556	21,177	17,240
Available for Debt Service	6,827,639	5,967,686	6,998,352	7,046,947
Bonded Debt Service	5,798,259	5,793,909	5,455,548	4,892,595
Coverage Ratio	1.18x	1.03x	1.28x	1.44x
All Debt Service	6,420,928	7,169,343	6,155,401	4,892,595
	1.06x	0.83x	1.14x	1.44x

Proforma Debt Service Coverage

Set forth below are the projected debt service ratios.

<u>Proforma Debt Service Coverage</u>						
<u>Fiscal Years Ended June 30</u>						
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Operating Revenues	\$18,801,419	\$19,361,774	\$19,938,866	\$21,583,789	\$22,227,390	\$22,890,220
Total Operating Expenses	(11,736,966)	(11,854,335)	(11,972,879)	(12,092,607)	(12,213,533)	(12,335,669)
Interest Income Revenues	18,000	19,000	20,000	20,000	20,000	20,000
Available for Debt Service	7,082,453	7,526,439	7,985,987	9,511,182	10,033,857	10,574,551
Bonded Debt	4,562,893	4,585,710	4,583,388	6,220,356	6,223,262	6,220,026
Coverage Ratio	1.55x	1.64x	1.74x	1.53x	1.61x	1.70x
All Debt Service	4,562,893	4,585,710	4,583,388	6,220,356	6,223,262	6,220,026
	1.55x	1.64x	1.74x	1.53x	1.61x	1.70x

⁽¹⁾ Includes the Refunding Series 2005 Bonds, the Series 2010 Bonds and the Series 2012 Bonds. Fiscal year 2013 also includes interest payments on the Series 2001 and Series 2007 Bonds. See "APPLICATION OF FUNDS — Debt Service Schedule."

THE FINANCIAL FORECAST IS BASED SOLELY UPON ASSUMPTIONS MADE BY THE AUTHORITY, INCLUDING, WITHOUT LIMITATION, ASSUMPTIONS AS TO RATES FOR WATER SERVICE, STABILITY AND GROWTH OF THE CUSTOMER BASE, AND OPERATING EXPENSES. THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH SUCH ASSUMPTIONS, THAT UNCONTROLLABLE FACTORS WILL NOT AFFECT SUCH ASSUMPTIONS, OR THAT THE FORECASTED RESULTS WILL BE ACHIEVED. THE ACHIEVEMENT OF THE FINANCIAL FORECAST WILL BE AFFECTED BY ECONOMIC CONDITIONS AND OTHER UNCONTROLLABLE FACTS AND IS DEPENDENT UPON THE OCCURRENCE OF FUTURE EVENTS WHICH CANNOT BE ASSURED. THUS, THE ACTUAL RESULTS ACHIEVED MAY VARY FROM THOSE FORECAST, AND SUCH VARIATIONS COULD HAVE AN ADVERSE EFFECT UPON THE AUTHORITY'S NET REVENUES AVAILABLE FOR DEBT SERVICE.

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THE COUNTY

Introduction

The County is a political subdivision created and existing under the laws of the State of Georgia. The County is located 40 miles southwest of the City of Atlanta, Georgia. Access is provided by Interstate Highway 85, Highway 29 and U.S. Highway 27A. Newnan serves as the County seat and the seven other incorporated communities are Grantville, Haralson, Moreland, Palmetto, Senoia, Sharpsburg and Turin. The County has a land area of approximately 443.1 square miles (43rd in size out of 159 counties). The County's estimated population is 129,629 per the U.S. Census Bureau's 2011 Population Estimates.

Population and Median Age

Set forth below is selected population and median age data for the County for the census years 1970 through 2010.

<u>Year</u>	<u>Population</u>	<u>Median Age</u>
2010	127,317	34.2
2000	89,215	33.6
1990	53,853	32.0
1980	39,268	30.1
1970	32,310	27.5

Source: United States Bureau of Census.

Per Capita Income

Set forth below is per capita income data for the County, the State of Georgia and the United States for the years 2005 through 2011 (the most recent data available).

	<u>Per Capita Income</u>		
<u>Year</u>	<u>County</u>	<u>State</u>	<u>United States</u>
2011	\$33,842	\$35,979	\$41,560
2010	32,838	34,800	40,584
2009	31,933	34,081	39,804
2008	31,931	34,849	40,166
2007	31,941	34,612	39,392
2006	30,198	33,432	37,698
2005	29,551	32,164	35,424

Source: United States Department of Commerce, Bureau of Economic Analysis.

Personal Income

The following table reflects the estimated personal income figures (in thousands of dollars) for the County, the State of Georgia and the United States for calendar years 2005 through 2011 (the most recent data available).

<u>Personal Income</u>			
<u>Year</u>	<u>County</u>	<u>State of Georgia</u>	<u>United States</u>
2011	\$4,386,887	\$353,142,249	\$12,949,905,000
2010	4,180,810	338,001,435	12,357,113,000
2009	4,059,038	327,892,184	11,916,808,000
2008	3,940,814	337,960,830	12,225,589,000
2007	3,799,840	329,983,490	11,879,836,000
2006	3,452,368	311,927,061	11,256,516,000
2005	3,216,361	292,610,983	10,476,669,000

Source: United States Department of Commerce, Bureau of Economic Analysis.

Population By Age

The median age of the County's population is 36.6 years as of 2010. The following table presents the estimated population by age per the 2010 Census (the most recent information available).

<u>Population by Age</u>				
<u>Under 18</u>	<u>18-24</u>	<u>25 to 44</u>	<u>45 to 64</u>	<u>65 Years</u>
<u>Years</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>	<u>Years</u>
27.4%	7.6%	28.4%	26.2%	10.4%

Source: United States Bureau of Census

Population by Race

The following table presents the estimated population by race for the County per the 2011 Census (the most recent information available).

<u>Population by Race</u>					
<u>White⁽¹⁾</u>	<u>Black or African American⁽¹⁾</u>	<u>Asian⁽¹⁾</u>	<u>Other⁽¹⁾</u>	<u>Two or More Races</u>	<u>Hispanic or Latino⁽²⁾</u>
78.2%	17.9%	1.6%	.4%	1.8%	7.0%

⁽¹⁾ Includes persons reporting only one race.

⁽²⁾ Hispanics may be of any race, so also are included in applicable race categories.

Source: United States Bureau of Census.

Level of Education

The following table presents the estimated level of education of the population 25 years and over for the County in the year 2010 (the most recent information available).

Level of Education

Less than 9 th grade	2.5%
9 th to 12 grade, no diploma	8.5
High school graduate (including equivalency)	34.6
Some college, no degree	21.7
Associate degree	8.6
Bachelor's degree	16.6
Graduate or Professional degree	7.6
Percent high school graduate or higher	90.3
Percent bachelor's degree or higher	21.9

Source: United States Bureau of Census, 2010 American Community Survey

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Median and Mean Income, Poverty Levels and Income Distribution

The estimated median family income for the County in 2010 was \$62,750; the estimated median family income for Georgia in 2010 was \$55,209; and the estimated median family income for the United States in 2010 was \$60,609. Approximately 8.7% of all families in the County had incomes below the poverty level in 2010 and approximately 13.7% of all families in Georgia had incomes below the poverty level in 2010 (the most recent information available).

The following table shows the income distributions of households in the County for the year 2010 (the most recent information available).

Income Distribution

<u>Household Income</u>	<u>Percent of Households</u>
Less than \$10,000	7.8%
\$10,000 to \$14,999	3.4
\$15,000 to \$24,999	6.9
\$25,000 to \$34,999	10.7
\$35,000 to \$49,999	16.5
\$50,000 to \$74,999	20.5
\$75,000 to \$99,999	13.6
\$100,000 to \$149,999	14.7
\$150,000 to \$199,999	3.8
\$200,000 or more	2.1

Source: United States Bureau of Census, 2010 American Community Survey

Category of Land Use

Set forth below are the categories of land use within the County, computed using the assessed values of the land for ad valorem tax purposes.

Category of Land Use

<u>Land Type</u>	<u>Percentage</u>
Residential	67%
Agricultural	4
Commercial	19
Industrial	6
Other ⁽¹⁾	4

⁽¹⁾ Includes historical, preferential and conservation.

Source: Georgia Department of Revenue 2011 Tax Digest Consolidated Summary.

Industry Mix

The following table reflects the industry mix in the County for calendar year 2011 (the most recent information available).

<u>Industry Mix⁽¹⁾</u>	
<u>Industry</u>	<u>Average Monthly Employment</u>
Goods Producing	5,263
Service Providing	19,725
Unclassified	66
<u>Government</u>	<u>5,201</u>
ALL INDUSTRIES ⁽²⁾	<u><u>30,255</u></u>

(1) The data represents jobs that are covered by unemployment insurance laws.

(2) Some industries consider the information to be confidential, so total may not match sum of individual categories.

Source: Georgia Department of Labor.

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Largest Private Employers

Set forth below are the largest private employers located in the County, their industries, and their approximate number of employees. There can be no assurance that any employer listed below will continue to be located in the area or will continue employment at the level stated. No independent investigation has been made of, and no representation can be made as to, the stability or financial condition of the companies listed below.

Largest Private Employers

<u>Rank</u>	<u>Company</u>	<u>Type of Business</u>	<u>Number of Employees</u>
1.	Yamaha Motor Mfg.	Manufacturing	1,100
2.	Piedmont Newnan Hospital	Health Care/Hospital	859
3.	Wal-Mart	Retail Store	540
4.	PetsMart Distribution Center	Distribution Center	525
5.	Excel	Beef/Pork Processing	372
6.	Georgia Power Company	Plant Yates-Generating	350
7.	Yokogawa Corporation	Manufacturing	320
8.	BON L	Manufacturing	300
9.	EGO Products	Heating Elements	300
10.	Tencate	Textiles	285

Source: Coweta County Development Authority Updated 11.02.2012.

The largest public employer is the Coweta County School District. The School District currently employs approximately 3,154 employees.

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Economic Information

The following information is provided to give prospective investors an overview of the general economic condition in the County. These statistics have not been adjusted to reflect economic trends and are not to be relied upon as a representation or guarantee of the Authority, the County or the Underwriter.

Building Permits. Set forth below is information concerning certain building permits in the County for the previous five years and for the current year through November 30, 2012.

Summary of Certain County Building Permits⁽¹⁾

<u>Year</u>	<u>Commercial</u>		<u>Industrial</u>		<u>Residential</u>	
	<u>Permits</u>	<u>Value</u>	<u>Units</u>	<u>Value</u>	<u>Units</u>	<u>Value</u>
2012 ⁽²⁾	65	\$27,128,427	-	-	173	\$ 65,567,194
2011	64	24,339,224	1	-	181	67,224,120
2010	65	120,121,902	2	\$ 241,696	237	75,821,526
2009	29	11,142,170	1	-	168	51,903,242
2008	34	56,263,917	8	16,064,606	263	74,719,935
2007	57	56,394,736	8	11,692,700	645	160,759,917

⁽¹⁾ Does not include all types of permits.

⁽²⁾ Through November 30, 2012.

Source: Coweta County, Georgia, Building Inspections Department.

Labor Statistics. Set forth below are labor statistics for the County for the past six years, with comparative data for the State of Georgia and the United States.

Labor Statistics

<u>Coweta County</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Total Labor Force	62,907	59,998	60,146	60,893	59,456	57,939
County Unemployment Rate	8.9%	9.8%	9.5%	5.7%	4.0%	4.2%
State Unemployment Rate	8.7%	10.2%	9.6%	6.2%	4.6%	4.6%
United States Unemployment Rate	7.9%	9.6%	9.3%	5.8%	4.6%	4.6%

Source: State of Georgia Department of Labor.

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Banking Deposits. Set forth below is information concerning banking deposits for the past six years.

Banking Deposits

<u>Year Ended June 30</u>	<u>Number of Financial Institutions</u>	<u>Total Deposits as of June 30</u>
2012	14	\$1,258,169,000
2011	13	1,241,624,000
2010	13	1,315,220,000
2009	14	1,545,000,000
2008	16	1,459,000,000
2007	14	1,403,000,000

Source: Federal Deposit Insurance Corporation, Summary Tables Report.

County Services

The County provides all of the ordinary public services to its citizens. Among those services is public safety. The 911 Center, a joint emergency dispatch/radio center, serves all County public safety entities. The Coweta County Sheriff’s office provides professional law enforcement service to all of the citizens of Coweta County and helps to create safe communities by building partnerships that work to prevent crime. The Coweta County Fire and Rescue Service protects life, property and the environment with comprehensive fire, rescue, emergency medical and disaster management services, as well as prevention and education programs. The Fire Department has 15 stations throughout the County. The Coweta County Building Inspection Department facilitates the proper inspection of construction and maintenance of buildings within Coweta County. The Coweta County Health Department has two divisions: Physical Health and Environmental Health. The Coweta County Development and Engineering Department oversees land development, traffic engineering, design and construction, right-of-way acquisition and storm water management. The Coweta County Road Department maintains more than 900 miles of paved road and 61 miles of gravel road. Coweta County operates a public library system which includes the Central Library and three branch facilities, the A. Mitchell Powell Jr. Library in Newnan and the Grantville and Senoia Libraries. The Coweta County Planning Department oversees development related issues such as zoning, zoning appeals, development review and permitting, sign review and enforcement, development streetlight review, manufactured home compatibility review, census tracking, zoning map updates, comprehensive land use planning, transportation planning and the Coweta County Greenspace program. The Environmental Management Department manages waste disposal, recycling programs and landfill. The County also provides a prison, work release center, animal control services and has a Recreation Department. Water and sewerage services are provided by the Authority.

Education

County residents are served by public, charter and private schools. The Coweta County School System employs 3,100 composed of 1,700 certified employees (25% with 20-plus years of experience; 65% with a Master's Degree or higher) and 1,400 classified employees (including school nurses, cafeteria, transportation, technology, and others). There are 32 Schools (20 elementary schools, 6 middle schools, 3 traditional high schools, 1 career academy charter high school, 1 middle and 1 high school alternative program). In 2012 enrollment was approximately 22,500 students. The School System also operates the Centre for Performing and Visual Arts, a 40,000 square-foot fine arts center that boasts a 1,000-seat state-of-the-art performance hall, art gallery space, and meeting and rehearsal space. There are several charter and private educational options available to citizens as well.

Coweta County is home to satellite campuses for four major colleges and universities. Mercer University, Brewton-Parker College, West Georgia Technical College and the University of West Georgia now offer programs in Coweta.

There are at least 12 major colleges and universities in the Atlanta metropolitan area and several smaller institutions of higher learning.

Commercial Services

A full range of commercial services are provided within the County. The County has three local newspapers. Two are published daily and the other two are published weekly. The following newspapers are available to residents of the County: The Atlanta Journal and Constitution, The Times-Herald, East Coweta Journal and The Citizen. The County is served by radio stations operating in the greater Atlanta area, as well as one local station. Cable companies provide two local cable television channels. The County receives all major networks from Atlanta area television stations and cable television is available to residents of the County.

Transportation

Interstate 85 bisects Coweta County, giving quick access to Atlanta, where 1-20, 1-75 and 1-285 intersect. U.S. Highways 29, 27A and 16 and Georgia State Roads 16, 34, 54 and 154 serve the area. The nearest navigable river, the Chattahoochee, has a nine-foot channel depth and a public barge dock 72 miles away at Columbus. The nearest seaport is 254 miles away, at Savannah.

The nearest commercial air service is Atlanta's Hartsfield-Jackson International Airport which is served by most major domestic and international carriers. A regional airport with a 5,500 foot runway is located in the County.

The County is also served locally by Norfolk Southern rail service and CSX piggyback service. Norfolk Southern piggyback service and CSX piggyback service are available at Atlanta.

Recreation

The County operates 20 public park facilities containing various forms of active and passive recreation. The County also operates a 65 acre fairground facility, which includes a 14,000 square foot Exhibit/Conference Center, Agriculture Building, a Nature/Wetland Education Center, walking trails, horse arena and an open air theater. Coweta County School System playgrounds, gymnasiums, tennis courts and football fields provide additional recreation facilities for the residents of the County and surrounding areas.

The County operates a Convention & Visitors Bureau to promote tourism in the Community. The County has constructed three Community Centers to provide recreation and meeting facilities for citizens.

Medical Services

Piedmont Newnan Hospital currently operates a 143-bed JCAHO-licensed, private, non-profit facility serving Coweta County. Services include a 24-hour emergency department, same day surgery, obstetrics, women and children services, CT scan, PET scan, MRI and Open MRI, a Wound Treatment Center and a Sleep Center. In addition, Summit Healthplex offers ten medical practices to promote the lifelong health and wellness of local residents. Routine and work-related physicals, orthopedic specialists, rehabilitation, medical imaging, emergency care, surgery, prescriptions, pain management and fitness programs are available at this facility. The Piedmont Physicians Group has 37 physicians in eleven specialties with eleven locations in the County.

In May 2012 a new Piedmont Newnan Hospital designed for patient and visitor comfort opened. From interior flow to exterior green space, the atmosphere is meant to promote healing and restoration. With 136 beds, the 362,376 square foot hospital is the tallest structure in the area.

The hospital will be the centerpiece of a comprehensive medical complex to be developed in phases. The 105-acre site offers ample room for growth as demand requires. Piedmont Newnan has been developed to be environmentally conscious and energy efficient. The hospital is designed to meet the rigorous standards for LEED (Leadership in Energy and Environmental Design) certification. Coweta County will benefit by having a green hospital with minimal environmental impact that can serve as a best practice model for other facilities.

Utilities

Natural gas is supplied to the County by Georgia Natural Gas Company and EMC Coweta-Fayette, is on Atlanta Gas Light Company's distribution system and is available in industrial quantities on both a firm and an interruptible basis. The County receives electricity from Georgia Power, MEAG Power, Oglethorpe Power and the State of Georgia's integrated electrical transmission system.

CONTINUING DISCLOSURE

At the time the Series 2012 Bonds are delivered, the Authority will execute a Continuing Disclosure Agreement in substantially the form attached hereto as Appendix “D” in which the Authority will covenant for the benefit of holders and beneficial owners of the Series 2012 Bonds to provide certain financial information relating to the Authority by not later than twelve months after each of the Authority's fiscal years (the “Annual Report”) and to provide notice of the occurrence of certain material events. The Annual Report (and audited financial statements, if filed separately) will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through the operation of the Electronic Municipal Market Access system (“EMMA”) and any State Information Depository established in the State of Georgia (the “SID”). If the Authority is unable to provide the Annual Report to the MSRB and the SID by the date required, notice of each failure will be sent to the MSRB and the SID on or before such date. The notices of certain enumerated events will be filed by the Authority with the MSRB and the SID. Within the last five years, the Authority has failed to submit certain annual reports with respect to its continuing disclosure undertakings. The Authority established policies and procedures to insure compliance with these obligations and is now in full compliance with all continuing disclosure agreements to which it is a party. See “APPENDIX D- Form of the Continuing Disclosure Certificate.”

LEGAL MATTERS

Litigation

From time to time, the Authority, like other similar governmental bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. However, the Authority is not a party to any litigation relating to or arising from the ownership or operation of the System, and there are no pending lawsuits against the Authority. The Authority, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or threatened against the Authority, or its officials in such capacity, are adequately covered by insurance or will not have a material adverse effect upon the financial position of the Authority.

There is no controversy or litigation of any nature now pending against the Authority restraining or enjoining the issuance or delivery of the Series 2012 Bonds, the pledge of the Net Revenues to secure the Series 2012 Bonds or the use of proceeds of the Series 2012 Bonds, or which questions or contests the validity of the Series 2012 Bonds or the proceedings and authority under which they are issued and secured. There is no litigation pending which in any manner questions the power of the Authority to issue the Series 2012 Bonds and to secure the Series 2012 Bonds in accordance with the provisions of the Bond Resolution by the pledge of the Net Revenues, nor is there now pending any litigation which in any manner questions or contests the creation, organization or existence of the Authority.

Validation and Approving Opinions

In accordance with the procedures set forth in the Revenue Bond Law, the Series 2012 Bonds will be validated prior to delivery by order of the Superior Court of Coweta County.

Legal matters incidental to authorization and issuance of the Series 2012 Bonds by the Authority are subject to the approval of Alston & Bird LLP, Atlanta, Georgia, Bond Counsel and Disclosure Counsel to the Authority, whose approving opinion will be attached to the Series 2012 Bonds. It is anticipated that the approving opinion will be in substantially the form attached hereto as APPENDIX B. Certain legal matters will be passed upon for the Authority by its Counsel, Rosenzweig, Jones, Horne & Griffis, P.C., Newnan, Georgia.

TAX MATTERS

Tax Matters

In the opinion of Bond Counsel, under existing law and subject to the limitations and conditions described herein and assuming continuous compliance with certain covenants described herein: (1) interest on the Series 2012 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations, and (2) interest on the Series 2012 Bonds is exempt from state income taxation within the State of Georgia. A copy of the proposed text of Bond Counsel's opinion is set forth in Appendix B hereto.

The opinion of Bond Counsel is subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series 2012 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Authority has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2012 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2012 Bonds.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the Authority and of the County made in certificates dated the date of the initial delivery of the Series 2012 Bonds pertaining to the use, expenditure and investment of the proceeds of the Series 2012 Bonds. Failure by the Authority and the County to comply with any of these covenants could cause interest on the Series 2012 Bonds accruing from and after the date of issuance of such Series of Bonds to be includable in the gross income of the owners thereof.

Prospective purchasers of the Series 2012 Bonds should be aware that ownership of the Series 2012 Bonds may also result in collateral federal or Georgia state income tax consequences to certain taxpayers, including, without limitation, financial institutions, insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," and foreign corporations subject to the branch profits tax. Bond Counsel will not express any opinion as to such collateral consequences. Prospective purchasers of the Series 2012 Bonds should consult their tax advisors as to collateral federal or Georgia state income tax consequences.

Interest on tax-exempt obligations such as the Series 2012 Bonds is subject to information reporting to the Internal Revenue Service (“IRS”) in a manner similar to interest on taxable obligations. In addition, interest on the Series 2012 Bonds may be subject to backup withholding if the payee fails to provide identifying information (such as the payee’s taxpayer identification number) in the manner required by the IRS, or if the payee has been identified by the IRS as being subject to backup withholding.

On June 12, 2011, the President released a legislative proposal that would, among other things, subject interest on tax-exempt bonds to a federal income tax for taxpayers with incomes above certain thresholds for tax years beginning after 2012. The proposal did not pass either of the two Houses of Congress and is no longer under consideration in its original form. However, it is not possible to predict whether a similar legislative proposal will be introduced in the future and whether it will be enacted into law. If enacted into law, such a proposal could affect the value or marketability of tax-exempt bonds.

Original Issue Premium

An amount equal to the excess of the purchase price of a Series 2012 Bond over its stated redemption price at maturity constitutes premium on such Series 2012 Bond. A purchaser of a Series 2012 Bond must amortize any premium over such Series 2012 Bond’s term using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the purchaser’s basis in such Series 2012 Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Series 2012 Bond prior to its maturity. Even though the purchaser’s basis is reduced, no federal income tax deduction is allowed. Purchasers of any Series 2012 Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Series 2012 Bonds.

MISCELLANEOUS

Ratings

As noted on the cover page of this Official Statement, the Series 2012 Bonds have been assigned an underlying rating of “_____” by Standard & Poor’s Corporation (“S&P”). Any desired explanation of the significance of such ratings should be obtained from S&P. Generally, rating agencies base their ratings on the information and materials furnished to the agencies and on investigations, studies and assumptions by such agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing the rating, circumstances so warrant. The Authority has not undertaken any responsibility to oppose any such proposed revision, suspension or withdrawal. Any such change in or withdrawal of either of such ratings could have an adverse effect on the market price of the Series 2012 Bonds.

Independent Auditors

The financial statements of the Authority for the fiscal year ended June 30, 2011 have been audited by J.K. Boatwright & Co., P.C., Newnan, Georgia, as indicated in their report included therein, and have been included as APPENDIX A hereto in reliance upon the authority of such firm as independent auditors.

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AUTHORIZATION OF OFFICIAL STATEMENT

The Authority has duly authorized the execution and delivery of this Official Statement as of the date shown on the cover page.

**COWETA COUNTY WATER AND
SEWERAGE AUTHORITY**

By: _____
Chairman

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APPENDIX A

Financial Statements of the Coweta County Water and Sewerage Authority for the Fiscal Years Ended June 30, 2011 and June 30, 2010 Together With Independent's Auditor's Report

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COWETA COUNTY WATER & SEWERAGE AUTHORITY

(Component Unit of Coweta County, Georgia)

FINANCIAL STATEMENTS

AS OF

JUNE 30, 2011 and JUNE 30, 2010

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

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December 2, 2011

INDEPENDENT AUDITORS' REPORT

To the Board Members
Coweta County Water & Sewerage Authority
Newnan, Georgia

We have audited the accompanying financial statements of the business-type activities of Coweta County Water & Sewerage Authority, component unit of Coweta County, Georgia, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

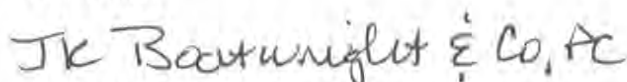
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Coweta County Water & Sewerage Authority as of June 30, 2011 and 2010, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2011 on our consideration of Coweta County Water & Sewerage Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our Audit was conducted for the purposes of forming an opinion on the financial statements that collectively comprise the Coweta County Water & Sewerage Authority's financial statements as a whole. The other information preceding the Independent Auditors' Reporting Section of the Annual Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Yours truly,

A handwritten signature in dark ink that reads "JK Boatwright & Co., PC". The signature is written in a cursive, slightly slanted style.

J. K. BOATWRIGHT & CO., P. C.
Certified Public Accountants

Management's Discussion and Analysis

The following discussion and analysis of the Coweta County Water & Sewerage Authority's financial performance provides a narrative overview of the financial activities of The Authority for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the Coweta County Water and Sewerage Authority exceeded its liabilities at June 30, 2011 by \$ 64,019,883 (net assets).
- Operating revenues exceeded operating expenses at June 30, 2011 by \$3,349,329 (operating income).

ECONOMIC CONDITION 2011

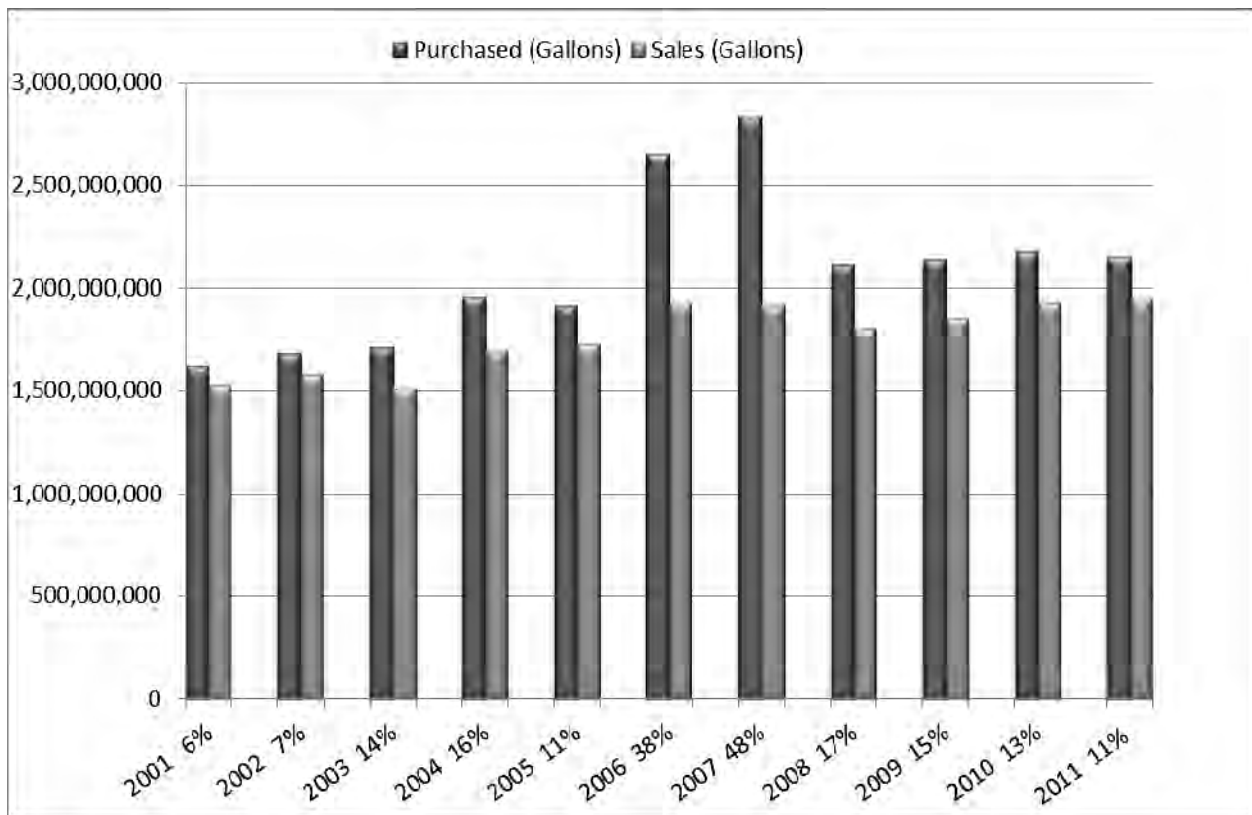
The economy continued to have a tremendous impact on the Revenues for fiscal year 2011. Coweta County continued to have a large number of home foreclosures. The Authority was able to minimize the impact through a number of positions not being filled due to resignations or terminations. The total number of full-time employees at The Authority is 58. The Authority also has two part-time employees. The positions that were not filled did not have a negative impact on the day-to-day operations or the services provided to our customers.

The State of Georgia General Assembly invoked SB 320 as a Water Stewardship Act that became effective in January, 2011. This act controls the hours of outdoor watering statewide and has created some opportunities for The Authority.

Water Loss

The Authority continues to make headway in the area of unaccounted for water. Beginning in June, 2007, The Authority has aggressively addressed the water loss opportunity by changing out polybutylene pipe. Currently, the polybutylene change outs are performed in-house by the employees of The Authority. The polybutylene change outs have resulted in the largest overall reduction in water loss. The following graph illustrates the improvements that have been made since 2007. For fiscal year 2011, data is being kept for system flushing. System flushing includes the flushing of our system at the BT Brown Water Treatment Plant, and hydrant flushing by the fire department. This data is reflected in the fiscal year 2011 numbers below.

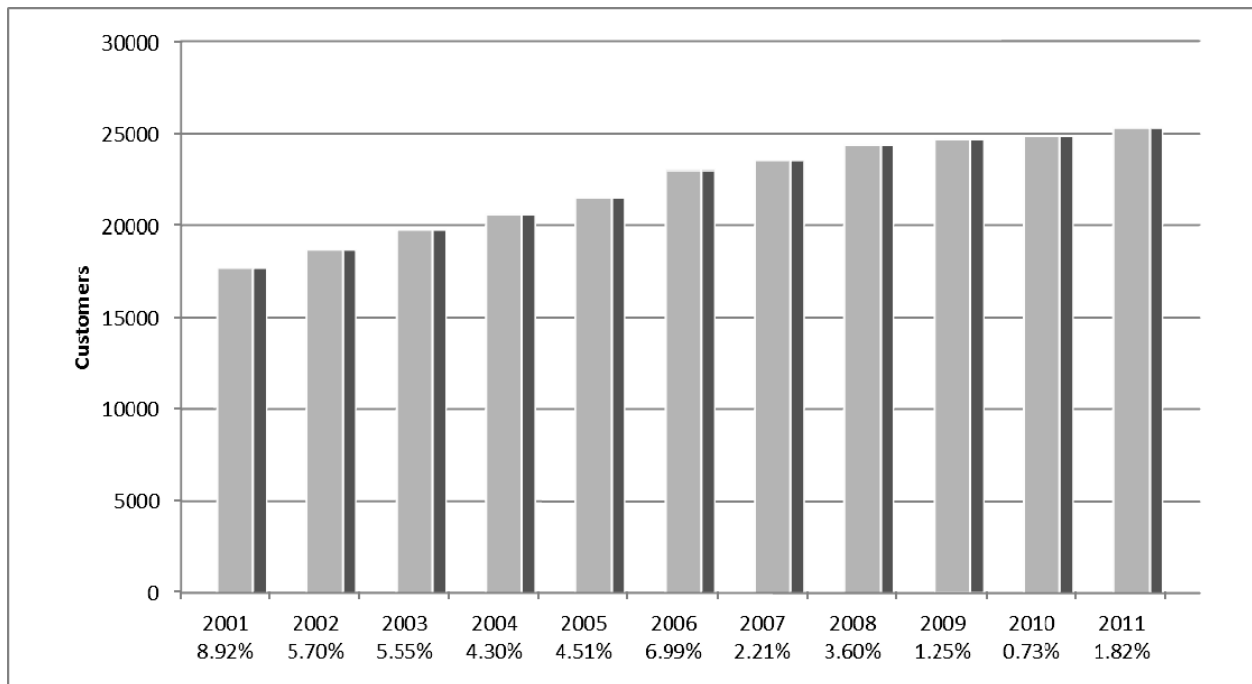
Water Gallons Purchased vs Sales



Historical Customer Growth

The economy has also had an impact on the historical customer growth at The Authority. The number of foreclosures in Coweta County remained a concern during fiscal year 2011. Customer growth has continued to increase at The Authority in spite of the current economic conditions. The percentage change in the customer growth rate increased in fiscal year 2011 by 1.82%. The number of water customers for The Authority was 25,306.

Historical Customer Growth



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion is to serve as an introduction to the financial statements included and a full disclosure of the fiscal year 2011. The Authority has the duty of providing the financial integrity of the organization through its yearly audited financial data. There are three types of financial statements included in the financial section of this audit: Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and Statement of Cash Flows. The Statement of Net Assets includes all of the Authority's assets and liabilities using the accrual basis of accounting. They provide the basis for evaluating the capital configuration of the Authority and assessing the liquidity and flexibility of the Authority. All current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Assets. This statement measures the success of the Authority's operation and can be used to determine whether the Authority has successfully recovered its costs through usage fees and other changes. The Statement of Cash Flows reports the cash provided for repayment of bonds and capital additions. The notes to the financial statements provide additional information that is essential to a full understanding of the data in the statements.

FINANCIAL ANALYSIS

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about the Authority's activities to determine if, overall, the financial position improved over the year. These two statements report the net assets of the Authority and changes in those net assets over time. Analyzing the Authority's net assets is one way to measure financial health and position. Non-financial factors such as economic conditions, population growth, and new or revised government legislation need to be considered as well. Despite the condition of the economy, The Authority continues to maintain a strong financial position in 2011.

NET ASSETS

The following table depicts the Authority's condensed summary of net assets at June 30, 2011.

	2011	2010
Assets		
Current & Other Assets	\$ 5,637,981	\$ 3,032,082
Capital Assets	137,192,893	138,221,623
Other Assets	<u>22,303,179</u>	<u>7,106,457</u>
Total Assets	\$ <u>165,134,053</u>	\$ <u>148,360,162</u>
Liabilities		
Current & Other Liabilities	\$ 1,827,491	\$ 5,387,492
Non-Current Liabilities	<u>99,286,679</u>	<u>80,433,339</u>
Total Liabilities	\$ <u>101,114,170</u>	\$ <u>85,820,831</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	\$ 39,195,918	\$ 55,937,061
Restricted	19,983,999	6,064,695
Unrestricted	<u>4,839,966</u>	<u>537,575</u>
Total Net Assets	\$ <u>64,019,883</u>	\$ <u>62,539,331</u>

At June 30, 2011, the Authority's assets exceeded liabilities by \$64,019,883. The Authority's investment in capital assets (e.g., land, buildings, infrastructure, machinery, equipment, and vehicles), less any outstanding related debt used to acquire the asset, equals approximately 61.2 percent of net assets. The Authority uses these capital assets to provide services to customers and, consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The Authority's net assets also included restricted net assets of \$19,983,999 or approximately 31.2 percent of net assets. Restricted net assets represent resources subject to external restriction on how they may be used.

Changes in net assets for fiscal year 2011 increased by \$1,480,552. This increase was mainly attributed to the settlement of the litigation lawsuit.

CHANGES IN NET ASSETS

The table below reflects the Authority's changes in net assets for the fiscal year ended June 30, 2010.

	2011	2010
Operating Revenues		
Water Sales	\$ 15,005,527	\$ 13,634,764
Sewer Fees	2,144,995	2,885,605
Water and Sewer Tap Fees	361,253	388,780
Other Services	711,761	796,172
Total Operating Revenues	\$ 18,223,536	\$ 17,705,321
Operating Expenses		
Cost of Sales	\$ 4,341,330	\$ 4,120,335
Personnel Services and Employee Benefits	4,450,787	4,170,206
Depreciation	3,627,846	3,285,242
Other Services and Charges	2,454,244	2,831,006
Total Operating Expenses	\$ 14,874,207	\$ 14,406,789
Operating Income	\$ 3,349,329	\$ 3,298,532
Non-Operating Revenues (Expenses)		
Interest Income	\$ 21,177	\$ 8,556
Amortization	(106,212)	(58,653)
Interest and Amortization Charges	(4,185,958)	(3,982,187)
Gain/(Loss) on Disposal of Assets	-	(213,492)
Contributed Water Lines	-	332,120
Litigation Settlement (Expenses)	2,402,216	(624,644)
Total Non-Operating Revenues (Expenses)	\$ (1,868,777)	\$ (4,538,300)
Changes in Net Assets	\$ 1,480,552	\$ (1,239,768)
Net Assets, Beginning of Year	62,539,331	63,779,099
Net Assets, End of Year	\$ 64,019,883	\$ 62,539,331

Operating revenues totaled \$18,223,536 in fiscal year 2011 for an increase of \$518,215 over the 2010 operating revenues of \$17,705,321. There was a decline in sewer revenues from fiscal year 2010 of \$740,610; however, total operating revenues increased for fiscal year 2011 because of the increase in water sales of \$1,370,763. Operating expenses totaled \$14,847,207 in fiscal year 2011 for an increase of \$440,418 over the 2010 operating expenses of \$14,406,789. The increase in expenses was due to the increase consumption requirements from water purchase agreements, additional payroll and overtime for leak repairs, and depreciation on fixed asset additions. Non-operating revenues, consisting of interest income, contributed water lines, and litigation settlement, increased \$2,707,361 in fiscal year 2011 from fiscal year 2010 non-operating revenues. Again, this increase was mainly attributable to the litigation settlement. Non-operating

expenses consist of amortization, interest paid on debt, and disposal of assets. Non-operating expenses decreased \$37,838 in fiscal year 2011 compared to non-operating expenses from fiscal year 2010.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Coweta County Water & Sewerage Authority's investment in capital assets as of June 30, 2011, was \$137,192,893, net of accumulated depreciation. This investment in capital assets includes land, buildings, site improvements, machinery, equipment, vehicles, furniture and fixtures, water system infrastructure, sewer system infrastructure, and construction in progress. The main office and warehouse was added to Buildings after completion in December of the fiscal year. Other additions include the fuel station which is located next to our main office, major infrastructure renovations relating to changing out the existing polybutylene piping, SR 34 sewer extensions (Phase I and II), and water, sewer, and reuse lines for the Piedmont Newnan Hospital.

	Balance			Balance
	6/30/2010	Additions	Deletions	6/30/2011
Property, Plant & Equipment				
Not being Depreciated				
Land	\$ 7,098,472	\$ -	\$ -	\$ 7,098,472
Construction In Progress	4,374,559	2,446,058	6,560,701	259,916
Total Prop Plant Equip				
Not being Depreciated	\$ 11,473,031	\$ 2,446,058	\$ 6,560,701	\$ 7,358,388
Depreciable Property				
Site Improvements	2,111,425	61,596	-	2,173,021
Infrastructure	116,535,185	4,568,176	-	121,103,361
Buildings	35,113,103	1,630,195	-	36,743,298
Machinery and Equipment	1,470,476	296,118	-	1,766,594
Furniture and Fixtures	165,023	141,389	-	306,412
Vehicles	965,689	16,285	-	981,974
Capitalized Interest	369,258	-	-	369,258
Total Depreciable Property	\$156,730,159	\$ 6,713,759	\$ -	\$163,443,918
Less: Accumulated Depreciation	29,981,567	3,627,846	-	33,609,413
Net Depreciable Property	\$126,748,592	\$ 3,085,913	\$ -	\$129,834,505
Net Property, Plant and Equipment	\$138,221,623	\$ 5,531,971	\$ 6,560,701	\$137,192,893

Additions to construction in progress are a result of new and existing project developments ongoing during the fiscal year 2011. Some of the projects include the pump station on Corinth road, software conversion, intersection improvement at Hal Jones, Greentop, and Highway 29, and various other water and sewer line connections.

Debt Administration

Long-term debt – At the end of the current fiscal year, June 30, 2011, Coweta County Water and Sewerage Authority had total bonded outstanding debt of \$99,970,000. The detail breakdown of these amounts for each bond issue is stated below:

Revenue Bonds

Series 2001 Revenue Bonds	\$ 3,085,000
Series 2005 Refunding Revenue Bonds	\$ 22,965,000
Series 2007 Revenue Bonds	\$ 26,960,000
Series 2010 Revenue Bonds	\$ 46,960,000

The series 2010 revenue bonds were issued on October 14, 2010 for the purpose of the repayment of the 2005 Revenue Bonds, partial repayment of the 2005 Refunding Revenue Bonds, repayment of the notes payable and capital lease, and improvements to the Authority's water and sewerage system.

BUDGETARY HIGHLIGHTS

In fiscal year 2011, the Coweta County Water and Sewerage Authority Board adopted the annual operating budget for the Authority during the June board meeting. The final budget reflects amendments to water and sewer revenues in the amount of \$135,000 due to additional water and sewer sales. Other changes were made as a result of increases in interest income and the litigation settlement, decreases in pension funding requirements and depreciation expense, and various costs related to changes needed to realign departmental functions.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Coweta County Water and Sewerage Authority considered many factors when preparing the fiscal-year 2012 budget. The budget and expenditures will be monitored closely to determine if changes will need to be made in conjunction with economic factors and changes in the economy.

CURRENT AND FORECASTED DEVELOPMENT

The Authority has continued work on large projects including the sewer line extension to Highway 16 and US 29 on the north side of I-85. During the last month of the fiscal year, The Authority implemented a smoke testing program for our sewer system. The smoke testing process will help locate inflow and infiltration deficiencies in problem areas. Smoke testing is currently being performed for our customers in the Arnco and Sargent service areas. The Authority plans to perform smoke testing of the sewer infrastructure for our Shenandoah customer service area during fiscal year 2012. The major projects completed during 2011 were the new building - Central Office Location, the Corinth Road fuel station, the SR 34 Sewer Extension (Phase I and II), the Shenandoah Wastewater Treatment Plant Reuse Pump Station and Pipeline, and the Piedmont/Newnan Hospital water and wastewater main.

The Authority completed the new central office building during December, 2010. The building is located on approximately 15 acres of land on Corinth Road. This central location will serve as a warehouse and an office. The existing warehouse has been upgraded to meet the storage needs of The Authority and an additional 11,000 square foot office for administrative and customer service departments was added to the warehouse. The central office will allow The Authority to better serve their customers, and is providing a much needed facility to protect supplies and inventory.

LOOKING FORWARD

With the current group of employees and the determination of the Board of Directors and Staff, the outlook is very positive. The Board is a strong advocate of Customer Service and provides all necessary tools to the employees to provide the very best service possible to all of the customers of the Authority. The Authority also plans to upgrade the current computer software system and has added an Interactive Voice Response (IVR) for improved customer service. The Authority is also encouraged by the addition of The Piedmont Newnan Hospital and The West Georgia Technical College as new commercial customers

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of Coweta County Water and Sewerage Authority's finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be obtained by contacting the Coweta County Water and Sewerage Authority Administration and Finance Department at the following address:

Coweta County Water & Sewerage Authority
Administration and Finance Department
545 Corinth Road
Newnan, Georgia 30263
770-254-3710

Coweta County Water & Sewerage Authority

STATEMENTS OF NET ASSETS

June 30, 2011 and June 30, 2010

	<u>ASSETS</u>	
	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and cash equivalents	\$ 3,681,195	\$ 1,043,792
Receivables, net of allowance for doubtful accounts of \$382,604 and \$341,033 in 2011 and 2010, respectively	1,181,974	967,771
Inventories	545,927	565,496
Other receivables	228,885	455,023
Total current assets	5,637,981	3,032,082
Noncurrent assets:		
Restricted cash and cash equivalents	19,983,999	6,064,695
Capital assets not being depreciated	7,358,388	11,473,031
Capital assets, net of accumulated depreciation of \$33,609,413 and \$29,981,567 in 2011 and 2010 respectively	129,834,505	126,748,592
Bond and loan issuance costs, net of accumulated amortization of \$249,286 and \$300,022 in 2011 and 2010, respectively	2,319,180	1,041,762
Total noncurrent assets	159,496,072	145,328,080
Total assets	\$ 165,134,053	\$ 148,360,162
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 637,378	\$ 792,230
Accrued liabilities	539,397	795,950
Accrued interest payable	385,716	398,518
Notes payable - current portion	-	929,055
Lease payable - current portion	-	206,739
Bonds payable - current portion	265,000	2,265,000
Total current liabilities	1,827,491	5,387,492
Noncurrent liabilities:		
Compensated absences	319,043	276,604
Deposits payable	1,235,661	1,272,967
Notes payable - noncurrent portion	-	3,009,364
Lease payable - noncurrent portion	-	1,297,142
Bonds payable - noncurrent portion, net of unamortized amounts	97,731,975	74,577,262
Total noncurrent liabilities	99,286,679	80,433,339
Total liabilities	101,114,170	85,820,831
Net assets:		
Invested in capital assets, net of related debt	39,195,918	55,937,061
Restricted:		
Construction	19,976,008	6,058,695
Education	7,991	6,000
Unrestricted	4,839,966	537,575
Total net assets	64,019,883	62,539,331
Total liabilities and net assets	\$ 165,134,053	\$ 148,360,162

See accompanying notes to financial statements.

Coweta County Water & Sewerage Authority
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Water sales	\$ 15,005,527	\$ 13,634,764
Sewer fees	2,144,995	2,885,605
Water and sewer tap fees	361,253	388,780
Other services	<u>711,761</u>	<u>796,172</u>
Total operating revenues	<u>18,223,536</u>	<u>17,705,321</u>
Operating expenses:		
Cost of sales	4,341,330	4,120,335
Personnel services and employee benefits	4,450,787	4,170,206
Depreciation	3,627,846	3,285,242
Other services and charges	<u>2,454,244</u>	<u>2,831,006</u>
Total operating expenses	<u>14,874,207</u>	<u>14,406,789</u>
Operating income	<u>3,349,329</u>	<u>3,298,532</u>
Non-operating revenues (expenses):		
Interest income	21,177	8,556
Amortization	(106,212)	(58,653)
Interest and amortization charges	(4,185,958)	(3,982,187)
(Loss) Gain on Disposal of Assets	<u>-</u>	<u>(213,492)</u>
Total non-operating revenues (expenses)	<u>(4,270,993)</u>	<u>(4,245,776)</u>
Income (Loss) before contributions and special item	<u>(921,664)</u>	<u>(947,244)</u>
Contributions:		
Contributed water lines	-	332,120
Special Item:		
Litigation settlement (expenses)	<u>2,402,216</u>	<u>(624,644)</u>
Change in net assets	1,480,552	(1,239,768)
Net assets, beginning of year	<u>62,539,331</u>	<u>63,779,099</u>
Net assets, end of year	<u>\$ 64,019,883</u>	<u>\$ 62,539,331</u>

See accompanying notes to financial statements.

Coweta County Water & Sewerage Authority
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Receipts from customers	\$ 18,235,471	\$ 17,251,398
Payments to vendors	(8,428,981)	(9,718,586)
Payments to employees	(3,175,656)	(3,050,318)
Special Item - Litigation settlement	<u>2,480,000</u>	<u>-</u>
Net cash provided by operating activities	<u>9,110,834</u>	<u>4,482,494</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(2,599,116)	(6,417,981)
Proceeds from issuance of bonds	46,960,000	-
Loan costs incurred	(1,706,603)	-
Repayment of notes payable	(3,938,419)	(921,135)
Repayment of capital lease	(1,503,881)	(198,647)
Repayment of bonds payable	(23,040,000)	(2,107,072)
Loss on Refunding	(2,623,032)	-
Interest paid	(4,124,253)	(4,027,436)
Proceeds from sales of capital assets	<u>-</u>	<u>3,880</u>
Net cash provided by (used in) capital and related financing activities	<u>7,424,696</u>	<u>(13,668,391)</u>
Cash flows from investing activities:		
Interest income	<u>21,177</u>	<u>8,556</u>
Net cash provided by investing activities	<u>21,177</u>	<u>8,556</u>
Net increase (decrease) in cash and cash equivalents	16,556,707	(9,177,341)
Cash and cash equivalents, beginning of year	<u>7,108,487</u>	<u>16,285,828</u>
Cash and cash equivalents, end of year	<u>\$ 23,665,194</u>	<u>\$ 7,108,487</u>
Cash and cash equivalents - current	\$ 3,681,195	\$ 1,043,792
Cash and cash equivalents - restricted	<u>19,983,999</u>	<u>6,064,695</u>
	<u>\$ 23,665,194</u>	<u>\$ 7,108,487</u>

See accompanying notes to financial statements.

Coweta County Water & Sewerage Authority
 STATEMENTS OF CASH FLOWS
 For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Reconciliation of operating income to net cash provided		
by operating activities:		
Operating income	\$ 3,349,329	\$ 3,298,532
Adjustments to reconcile operating income to net cash		
provided by operating activities:		
Special Item	2,402,216	(624,644)
Depreciation	3,627,846	3,285,242
Amortization	106,211	58,653
(Increase) decrease in:		
Receivables, net	(214,203)	(68,596)
Inventories	19,569	(10,221)
Other receivables	226,138	(385,327)
Increase (decrease) in:		
Accounts payable	(154,852)	(752,146)
Accrued liabilities	(256,553)	(378,328)
Compensated absences	42,439	24,767
Deposits payable	<u>(37,306)</u>	<u>34,562</u>
Net cash provided by operating activities	<u>\$ 9,110,834</u>	<u>\$ 4,482,494</u>
Non-cash investing, capital and financing activities:		
Interest accrued on bonds	<u>\$ 385,716</u>	<u>\$ 398,518</u>
Amortization of bond premium	<u>\$ 163,819</u>	<u>\$ 188,415</u>

See accompanying notes to financial statements.

Coweta County Water and Sewerage Authority
NOTES TO FINANCIALS STATEMENTS
June 30, 2011 and June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

On March 20, 2001, the General Assembly of the State of Georgia approved enabling legislation to create the Coweta County Water & Sewerage Authority (the Authority). However, prior to May 1, 2007, the operating activities of the water and sewerage system of Coweta County were reported in the Water and Sewer Fund of Coweta County, Georgia. On May 1, 2007, the Authority began operations as a separate entity.

The purpose of the Authority is to manage the water and sewer systems of Coweta County and they are empowered to do all things necessary to accomplish this purpose.

The accompanying financial statements report on the financial activities of the Authority. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the GASB's Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting*, the Authority applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure. In addition, the Authority applies all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The more significant of the Authority's accounting policies are described below.

The Authority is considered to be a component unit of Coweta County, Georgia as defined by GASB Statement No. 14, *The Financial Reporting Entity*. A financial burden or benefit relationship exists between the entities. The County appoints all board members of the Authority. The Authority and Coweta County have entered into an intergovernmental agreement whereby the County is obligated to make Revenue Bond debt service payments in the event of default by the Authority. The Agreement represents a general obligation of the County to which its full faith and credit are pledged.

Method of Accounting

As a business-type activity, the Authority uses the flow of economic resources measurement focus and the accrual method of accounting for revenues and expenses.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include money on hand, demand deposits at banks and money market investments.

Receivables

All receivables are reported at their gross value and are reduced by the estimated portion that is expected to be uncollectible. Unbilled revenues are recognized at the end of each fiscal year based on billings during

Coweta County Water and Sewerage Authority
NOTES TO FINANCIALS STATEMENTS
June 30, 2011 and June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

the month following the close of the fiscal year.

Inventories

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Restricted Assets

The Authority, because of certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of temporary money market investments) that can be used only to service outstanding debt and/or purchase additional equipment and improvements.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Donated fixed assets are valued at their estimated fair market value on the date received. Gains and losses on disposal of property, plant and equipment are reflected in current income. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The estimated useful lives for each major class of depreciable capital assets are as follows:

Vehicles	5 years
Equipment	10 years
Sewer plants	10-25 years
Pump stations	20 years
Pipeline	50 years
Buildings	50 years
Infrastructure	50 years

Management's Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from these estimates.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Restricted net assets are those, because of certain bond covenants, that can be used only to service

Coweta County Water and Sewerage Authority
NOTES TO FINANCIALS STATEMENTS
June 30, 2011 and June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

outstanding debt and/or purchase additional equipment and improvements.

Bond Premium/Discount and Issuance Costs

Bond premiums/discounts are capitalized and amortized as interest expense using the straight-line method over the life of the bonds. Bond issuance costs have been capitalized and are also amortized using the straight-line method over the life of the bonds.

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Authority. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from the nonexchange transactions or ancillary activities.

When an expense is incurred for purposes for which there are both restricted and unrestricted net assets available, it is the Authority's policy to apply those expenses to restricted net assets to the extent such are available and then to unrestricted net assets.

Capital Contributions

At times, the Authority receives contributions of capital assets from developers in the form of donated water lines which became part of the water distribution system. As required by GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, contributions to the Authority are reported after non-operating revenue and expenses.

Fair Value Measurements

The Authority has adopted the provisions of the Accounting Standards Codification, Section 820, Fair Value Measurements. ASC 820 establishes an authoritative definition of fair value, sets out a framework for measuring fair value, and requires additional disclosures about fair-value measurements.

Assets and liabilities recorded at fair value in the Statement of Net Assets are categorized based upon the level of judgment associated with inputs used to measure their fair value. Level inputs are defined as:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets and liabilities in active markets, or quoted market prices for identical assets or liabilities in active markets.

Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair values requires significant management judgment or estimation.

Coweta County Water and Sewerage Authority
 NOTES TO FINANCIALS STATEMENTS
 June 30, 2011 and June 30, 2010

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits - Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk.

As of June 30, 2011 and 2010, the Authority had the following deposits:

	<u>2011</u>	<u>2010</u>
Collateralized:		
Collateral held by pledging bank's trust department in the Authority's name	<u>\$ 3,805,855</u>	<u>\$ 851,672</u>

Investments - Credit Risk

As of June 30, 2011 and 2010, the Authority had the following restricted investments:

	<u>Maturities</u>	<u>2011</u>	<u>2010</u>
Restricted Investments (cash equivalents)			
JP Morgan US Treasury Plus	Daily	\$ -	\$ 2,144,561
Dreyfus Treasury & Agency Cash Management	Daily	-	3,914,134
U.S. Bank Money Market 5 - CT	Daily	<u>19,976,002</u>	<u>-</u>
		<u>\$19,976,002</u>	<u>\$ 6,058,695</u>

Restricted Cash and Cash Equivalents of \$19,983,999 as shown on the Statement of Net Assets include \$7,991 in a checking account restricted for educational purposes.

State statues authorize the Authority to invest in obligations of the State of Georgia or any other states; obligations of the U.S. Government; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any corporation of the U.S. Government; prime bankers' acceptances; the Georgia Fund 1 established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The Authority has no investment policy that would further limit its investment choices.

As of June 30, 2011 the U. S. Bank Money Market 5 – CT is not rated. As of June 30, 2010 the Authority's investments in JP Morgan US Treasury Plus and Dreyfus Treasury & Agency Cash Management were each rated AAAM by Standard & Poor's.

Investments – Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Authority's current investments are all short-term in nature.

Investments – Concentration of Credit Risk

The Authority places no limit on the amount the Authority may invest in any one issuer. However, the Authority's current investments are in mutual funds that are exempt from this provision.

Coweta County Water and Sewerage Authority
NOTES TO FINANCIALS STATEMENTS
June 30, 2011 and June 30, 2010

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment follows:

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Property, plant and equipment, not being depreciated				
Land	\$ 7,098,472	\$ -	\$ -	\$ 7,098,472
Construction in progress	<u>4,374,559</u>	<u>2,446,058</u>	<u>6,560,701</u>	<u>259,916</u>
 Total property, plant and equipment not being depreciated	 <u>11,473,031</u>	 <u>2,446,058</u>	 <u>6,560,701</u>	 <u>7,358,388</u>
 Depreciable property, plant and equipment				
Site improvements	2,111,425	61,596	-	2,173,021
Infrastructure	116,535,185	4,568,176	-	121,103,361
Buildings	35,113,103	1,630,195	-	36,743,298
Machinery and equipment	1,470,476	296,118	-	1,766,594
Furniture and fixtures	165,023	141,389	-	306,412
Vehicles	965,689	16,285	-	981,974
Capitalized interest	<u>369,258</u>	<u>-</u>	<u>-</u>	<u>369,258</u>
 Total depreciable property, plant and equipment	 <u>156,730,159</u>	 <u>6,713,759</u>	 <u>-</u>	 <u>163,443,918</u>
 Less accumulated depreciation				
Site improvements	929,549	160,139	-	1,089,688
Infrastructure	24,570,043	2,350,459	-	26,920,502
Buildings	2,498,448	798,190	-	3,296,638
Machinery and equipment	959,532	202,850	-	1,162,382
Furniture and fixtures	88,627	43,502	-	132,129
Vehicles	820,898	65,321	-	886,219
Capitalized Interest	<u>114,470</u>	<u>7,385</u>	<u>-</u>	<u>121,855</u>
 Total accumulated depreciation	 <u>29,981,567</u>	 <u>3,627,846</u>	 <u>-</u>	 <u>33,609,413</u>
 Net depreciable property, plant and equipment	 <u>126,748,592</u>	 <u>3,085,913</u>	 <u>-</u>	 <u>129,834,505</u>
 Net property, plant and equipment	 <u>\$ 138,221,623</u>	 <u>\$ 5,531,971</u>	 <u>\$ 6,560,701</u>	 <u>\$ 137,192,893</u>

Coweta County Water and Sewerage Authority
 NOTES TO FINANCIALS STATEMENTS
 June 30, 2011 and June 30, 2010

NOTE 4 – LONG-TERM DEBT

Revenue Bonds

The Authority issues bonds to construct and maintain the water and sewerage system of Coweta County. The original amount of revenue bonds issued in current and prior years is \$131,000,000. Revenue bonds outstanding at June 30, 2011 are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Acquisition of water and sewerage system and the refunding of revenue bonds	3.0 - 5.5%	\$ 3,085,000
Partial refunding of 2001 bond issue	2.7 - 5.0%	22,965,000
Acquisition of water and sewerage system additions and improvements	4.0 - 5.0%	26,960,000
Acquisition of water and sewerage system additions and improvements and the refunding of the 2005 bond issue	4.25 - 4.5%	40,245,000
Partial refunding of 2005 refunding bond issue	3.0 - 5.0%	<u>6,715,000</u>
		<u>\$ 99,970,000</u>

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 265,000	\$ 4,628,595	\$ 4,893,595
2013	300,000	4,616,595	4,916,595
2014	330,000	4,603,095	5,937,248
2015	465,000	4,587,958	5,052,958
2016	2,695,000	4,567,295	7,262,295
2017-2021	15,615,000	20,860,774	36,475,774
2022-2026	20,645,000	16,660,557	37,305,557
2027-2031	17,130,000	11,995,426	29,125,426
2032-2036	21,520,000	7,605,077	29,125,077
2037-2040	<u>21,005,000</u>	<u>2,295,308</u>	<u>23,300,308</u>
Total	<u>\$ 99,970,000</u>	<u>\$ 82,420,680</u>	<u>\$ 183,394,833</u>

Coweta County Water and Sewerage Authority
NOTES TO FINANCIALS STATEMENTS
June 30, 2011 and June 30, 2010

NOTE 4 – LONG-TERM DEBT - Continued

Pledged Revenues

The Authority has pledged future water and sewer revenues to repay the original bond indebtedness of \$131,000,000. The debt is payable solely from water and sewer revenues and is payable through 2040.

The total principal and interest remaining to be paid is \$183,394,833. Principal and interest payments for the year ending June 30, 2011, excluding the principal amount defeased, was \$5,455,548 which was approximately 30.8% of revenues.

Advance Refunding

On October 14, 2010 the Authority issued \$46,960,000 in Series 2010 revenue bonds. The bonds are further identified as \$40,245,000 of Tax Exempt Series 2010A bonds, with interest rates ranging from 4.25 – 4.5%, and \$6,715,000 of Taxable Series 2010C bonds, with interest rates ranging from 3.0 – 5.0%, as listed above.

A portion of the Series 2010A bond proceeds was used to satisfy the outstanding obligations under the Capital Lease and all Notes Payable listed in the table below.

The Authority also used a portion of the Series 2010A bond proceeds to advance refund \$15,595,000 of the Series 2005 Revenue Bonds with interest rates ranging from 3.5 – 5.0%. That portion of the net proceeds was used to purchase U.S. Government securities which were placed in escrow to provide for future debt service on the Series 2005 revenue bonds. As a result, the Series 2005 bonds are considered defeased, and the Authority has removed the liability from its financial statements.

The Authority used the Series 2010C bond proceeds to advance refund \$5,940,000 of the Series 2005 refunding revenue bonds with interest rates ranging from 2.7 – 5.0%. The net proceeds were used to purchase U.S. Government securities which were placed in escrow to provide for future debt service on the Series 2005 refunding revenue bonds. As a result, that portion of the Series 2005 refunding revenue bonds is considered defeased, and the Authority has removed the liability from its financial statements.

The advance refundings increased total debt service payments over the next 29 years by \$12.59 million. This results in an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$1.39 million.

Management evaluated a number of other factors in determining to feasibility of the advance refunding, including: 1) the need for additional capital funding, 2) the need to repay other debts and 3) the need to smooth future debt service payments.

Coweta County Water and Sewerage Authority
 NOTES TO FINANCIALS STATEMENTS
 June 30, 2011 and June 30, 2010

NOTE 4 – LONG-TERM DEBT - Continued

Long-term liability activity for the year ended June 30, 2011 is as follows:

	<u>Outstanding July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 2011</u>	<u>Amounts Due in One Year</u>
Bonds payable					
Revenue bonds					
Series 2001	\$ 4,490,000	\$ -	\$ 1,405,000	\$ 3,085,000	\$ 140,000
Series 2005	15,595,000	-	15,595,000	-	-
Series 2005 refunded	28,905,000	-	5,940,000	22,965,000	-
Series 2007	27,060,000	-	100,000	26,960,000	125,000
Series 2010A	-	40,245,000	-	40,245,000	-
Series 2010C	-	6,715,000	-	6,715,000	-
Subtotal Revenue bonds	<u>76,050,000</u>	<u>46,960,000</u>	<u>23,040,000</u>	<u>99,970,000</u>	<u>265,000</u>
Less loss on refunding	(2,453,914)	(2,623,032)	(273,072)	(4,803,874)	-
Add original issue premium	<u>3,246,176</u>	<u>-</u>	<u>415,327</u>	<u>2,830,849</u>	<u>-</u>
Subtotal, net	<u>76,842,262</u>	<u>44,336,968</u>	<u>23,182,255</u>	<u>97,996,975</u>	<u>265,000</u>
Notes payable					
GEFA	1,793,231	-	1,793,231	-	-
GEFA	676,814	-	676,814	-	-
Elliott Brown	946,100	-	946,100	-	-
Forestar	<u>522,274</u>	<u>-</u>	<u>522,274</u>	<u>-</u>	<u>-</u>
Subtotal Notes payable	<u>3,938,419</u>	<u>-</u>	<u>3,938,419</u>	<u>-</u>	<u>-</u>
Capital leases					
Siemens lease	1,503,881	-	1,503,881	-	-
Deposits	1,272,967	-	37,306	1,235,661	-
Compensated absences	<u>276,604</u>	<u>42,439</u>	<u>-</u>	<u>319,043</u>	<u>-</u>
	<u>\$ 83,834,133</u>	<u>\$ 44,379,407</u>	<u>\$ 28,661,861</u>	<u>\$ 99,551,679</u>	<u>\$ 265,000</u>

Coweta County Water and Sewerage Authority
NOTES TO FINANCIALS STATEMENTS
June 30, 2011 and June 30, 2010

NOTE 5 – RETIREMENT PLANS

Defined Benefit Plan

Employees of the Authority, at its inception on May 1, 2007, were allowed to continue their participation in the Coweta County Pension Plan, a single employer public employee retirement system; a defined benefit plan. The plan issues a stand-alone report. This report can be obtained from PENCOR/Data Plans, Inc., 1361 13th Avenue, South, Suite 250, Jacksonville Beach, Florida 32250.

The plan covers only full time employees who were eligible to participate prior to July 1, 2006. The plan was frozen as of July 1, 2006. Employees hired subsequent to this date are not eligible to participate in the plan.

The plan is administered by Diversified Investment Advisors, and is sponsored by Coweta County, Georgia.

The Authority remits contributions on the behalf of its employees to Coweta County, Georgia and is notified annually of additional contributions required. The Authority has contributed \$174,674 and \$172,257 to the plan for the year ended June 30, 2011 and 2010, respectively. The financial statements reflect an accrual of \$1,963 for contributions for the period ending July 1, 2011, the most recent actuarial valuation date available.

Defined Contribution Plan

Employees not participating in the defined benefit plan described above, and employees hired after July 1, 2006 are eligible to participate in Coweta County, Georgia's defined contribution plan which is administered by MG Trust Company. The Authority matches employee contributions on a one to one ratio up to 5 percent. During the year ended June 30, 2011 and 2010, the Authority contributed \$69,137. and \$62,680 to the plan. The financial statements reflect an accrual of \$7,886 for contributions for the period ending June 30, 2011.

NOTE 6 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The Authority maintains commercial insurance covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk to the Authority.

Health

The Authority purchases health insurance coverage for its employees from Coweta County, Georgia (the County) under the County's partial self-insurance plan. Premiums are paid for the coverage. The Authority's liability is limited to the amount of premiums paid.

Worker's Compensation

The Authority purchases, through Coweta County, Georgia, insurance for worker's compensation from an independent carrier. The Authority pays all claims up to \$300,000 for any one job related accident.

Coweta County Water and Sewerage Authority
NOTES TO FINANCIALS STATEMENTS
June 30, 2011 and June 30, 2010

NOTE 6 – RISK MANAGEMENT - Continued

The policy provides coverage for any individual claim in excess of \$300,000, up to the statutory limit of the Laws of the State of Georgia.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceeded the Authority's insurance coverage in the past year.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS

The Authority, through an arrangement with Coweta County, Georgia, provides post-retirement health care benefits to retirees. All employees who retire with at least 25 years of service receive individual coverage. Employees who retire with at least 35 years of service receive family coverage. As of June 30, 2011 three (3) retirees qualify for coverage under this policy. No retirees qualified as of June 30, 2010. The coverage, when provided, will be billed by Coweta County, Georgia on a pay-as-you-go basis. The Authority's liability will be limited to the premiums charged.

NOTE 8 – COMMITMENTS & CONTINGENCIES

Construction

The Authority has entered various construction contracts for the renovation, improvement and expansion of the water and sewerage system. As of June 30, 2011 contracts entered total \$89,950, with \$23,234 having been incurred on those contracts.

Water Purchases

The Authority has entered into contracts with three jurisdictions for the wholesale purchase of water.

The Authority has a contract with Newnan Utilities that requires the purchase of a minimum 3.0 million gallons per day (mgd) through August 20, 2019. For the year ended June 30, 2011, purchases under this contract amounted to 1,101,679,067 gallons and totaled \$1,990,800. For the year ended June 30, 2010, purchases under this contract amounted to 1,098,838,323 gallons and totaled \$2,045,009. At June 30, 2011 and 2010, the rate charged under the agreement was \$1.86 and \$1.76 per 1,000 gallons, respectively.

The Authority has a contract with the City of Griffin which requires the purchase of varying amounts of water over the next 41 years. For the year ended June 30, 2011, purchases under this contract amounted to 909,510,000 gallons and totaled \$2,333,021. For the year ended June 30, 2010, purchases under this contract amounted to 802,881,200 gallons and totaled \$2,058,789. The required purchases under this contract range from 2.7 million gallons per day (mgd) for the year ended June 30, 2011 to a high of 7.5 mgd for the year ended June 30, 2025. The amount then decreases over time to 5.0 mgd at the end of the contract period. Rates are adjusted on an annual basis as set forth in the contract. At June 30, 2011 and 2010, the rate charged under the agreement was \$2.87 and \$2.80 per 1,000 gallons, respectively.

The Authority has a contract with the City of Atlanta that allows for the purchase of up to 6.6 million gallons per day. No minimum purchase is required under the agreement.

Coweta County Water and Sewerage Authority
 NOTES TO FINANCIALS STATEMENTS
 June 30, 2011 and June 30, 2010

NOTE 9 – FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring and non-recurring basis at June 30, 2011 and 2010 are as follows:

	Fair Value	Quoted Prices Level 1
Restricted Investments (cash equivalents)		
June 30, 2011:		
U.S. Bank Money Market 5 - CT	\$19,976,002	\$19,976,002
	\$19,976,002	\$19,976,002
June 30, 2010:		
JP Morgan US Treasury Plus	\$ 2,144,561	\$ 2,144,561
Dreyfus Treasury & Agency Cash Management	3,914,134	3,914,134
	\$ 6,058,695	\$ 6,058,695

NOTE 10 – Special Item

During the year ending June 30, 2011 the Authority received a settlement as a result of product warranty litigation. The gross settlement was \$2,480,000 with related expenses of \$77,784 in 2011 and \$624,644 in 2010.

NOTE 11 – Reclassifications

Certain amounts in the 2010 financial statements have been reclassified to conform to the 2011 presentation.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of December 2, 2010, the date these financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to financial statements.



10 Jackson Street Newnan, Georgia 30263
Phone: 770-683-7300 Fax: 770-683-7334

December 2, 2011

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

To the Board Members
Coweta County Water & Sewerage Authority
Newnan, Georgia

We have audited the financial statements of the business-type activities of Coweta County Water & Sewerage Authority, component unit of Coweta County, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 2, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Coweta County Water & Sewerage Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coweta County Water & Sewerage Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Coweta County Water & Sewerage Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

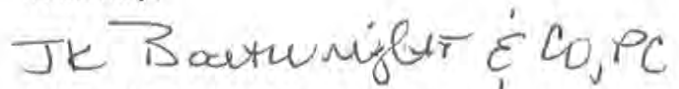
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the audit committee, the Board of the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

A handwritten signature in black ink that reads "JK Boatwright & Co., PC". The signature is written in a cursive, slightly slanted style.

J. K. BOATWRIGHT & CO., P. C.
Certified Public Accountants

Coweta County Water & Sewerage Authority
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2011

Financial Statement Findings

No matters were reported.

Prior Year Financial Statement Findings

No matters were reported.

APPENDIX B

Form of Bond Counsel Opinion

December __, 2012

Coweta County Water and Sewerage Authority
Newnan, Georgia

Re: \$29,795,000* Coweta County (Georgia) Water and Sewerage Authority
Revenue Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Coweta County Water and Sewerage Authority (the "Authority") of \$29,795,000* in aggregate principal amount of its Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). The Series 2012 Bonds are issued pursuant to the Constitution and laws of the State of Georgia, including specifically the Coweta County Water and Sewerage Authority Act (Ga. L. 2001, p. 3539, as amended) (the "Act") and the Revenue Bond Law of the State of Georgia (O.C.G.A. Sections 36-82-60, *et seq.*, as amended) (the "Revenue Bond Law"), and the Bond Resolution adopted by the Authority on July 14, 2010, as supplemented on September 29, 2010 (the "Original Resolution"), and as further amended and supplemented by a resolution of the Authority adopted March 21, 2012, as amended and supplemented on December 18, 2012 (as so amended and restated, the "Series 2012 Supplemental Resolution," and, together with the Original Resolution, the "Bond Resolution").

We have examined the law and such certified proceedings, including a transcript of the validation proceedings concluded in the Superior Court of Coweta County, Georgia with respect to the Series 2012 Bonds (together, the "Validation Order") and such other documents, certificates and other sources as we have deemed necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the representations of the Authority contained in the Bond Resolution, the Validation Order and the certified proceedings and other certifications of public officials furnished to us (including representations as to the use and investment of the proceeds of the Series 2012 Bonds) without undertaking to verify the same by independent investigation. In all such examinations, we have assumed the genuineness of signatures on original documents and the conformity to original documents of all copies submitted to us as certified, conformed or photographic copies, and as to certificates of public officials, we have assumed the same to have been properly given and to be accurate.

*Preliminary, subject to change.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Authority is a validly existing body corporate and politic, deemed to be a political subdivision of the State of Georgia and a public corporation with full power and authority to adopt the Bond Resolution, to perform the agreements on its part contained therein and to issue the Series 2012 Bonds.

2. The Bond Resolution has been duly adopted by the Authority and constitutes a valid and binding obligation of the Authority enforceable against the Authority.

3. The Bond Resolution creates a valid lien on the Net Revenues of the System (as each is defined in the Bond Resolution) on a parity with the Authority's outstanding Revenue Bonds, Tax-Exempt Series 2010A (the "Series 2010A Bonds") and the Authority's Revenue Bonds, Taxable Series 2010C (the "Series 2010C Bonds" and together with the Series 2010A Bonds, the "Series 2010 Bonds") and any Additional Bonds hereafter issued under the terms of the Bond Resolution.

4. The Series 2012 Bonds have been duly authorized and executed by the Authority and are valid and binding subordinated limited obligations of the Authority, payable solely from the Net Revenues and other funds pledged therefor pursuant to the Bond Resolution on a parity with the outstanding Series 2010 Bonds and any Additional Bonds hereafter issued.

5. Interest on the Series 2012 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 2012 Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Series 2012 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2012 Bonds.

6. Interest on the Series 2012 Bonds is exempt from state income taxation within the State of Georgia.

We express no opinion regarding tax consequences arising with respect to the Series 2012 Bonds other than as expressly set forth in numbered paragraphs 5 and 6 above.

It is to be understood that the rights of the holders of the Series 2012 Bonds and the enforceability of the Series 2012 Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the Series 2012 Bonds.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any change in law that may hereafter occur.

Very truly yours,

ALSTON & BIRD LLP

By: _____
A Partner

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a general summary of the Bond Resolution adopted by the Coweta County Water and Sewerage Authority (the "Authority") on July 14, 2010, as supplemented on September 29, 2010 (the "Original Resolution"), and as further amended and supplemented by a resolution of the Authority adopted March 21, 2012, as amended and supplemented on December 18, 2012 (as so amended and restated, the "Series 2012 Supplemental Resolution," and, together with the Original Resolution, the "Bond Resolution") pursuant to which the Series 2012 Bonds will be issued. The summary hereinafter set forth does not purport to be complete or definitive, and for further information, reference is made to the Bond Resolution, a copy of which is available from the Authority upon request.

CERTAIN DEFINITIONS

"Act" means the Coweta Water and Sewerage Authority Act (Ga. L. 2001, p. 3539), as amended.

"Additional Bonds" means any revenue bonds of the Authority ranking on parity with the Series 2012 Bonds which may be issued pursuant to the Bond Resolution.

"ARRA" means the American Recovery and Reinvestment Act of 2009 (2009, Pub. L. No. 111-5, 123 Stat. 115), as amended from time to time.

"Authority" means the Coweta County Water and Sewerage Authority and its successors and assigns.

"Authorized Denominations" means (a) with respect to the Series 2012 Bonds, \$5,000 and any integral multiple thereof and (b) with respect to any Additional Bonds, the authorized denominations specified in the supplemental resolution authorizing such Additional Bonds.

"Bond Registrar" means the commercial bank appointed by the Authority to maintain, in accordance with the provisions of the Bond Resolution and any supplemental resolution, the registration books of the Authority for any series of Bonds secured by the Bond Resolution.

"Bonds" means any senior lien revenue bonds issued by the Authority pursuant to the Bond Resolution, including the Series 2012 Bonds and any Additional Bonds.

"Book-Entry Form" or "Book-Entry System" means, with respect to the Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Bonds and bond service charges may be transferred only through book-entry and (b) physical Bonds in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with physical Bonds in the custody of a Securities Depository.

"Closing Fund" means the fund created in the Bond Resolution.

“Closing Fund Custodian” means the commercial bank appointed by the Authority to maintain the Closing Fund.

“Code” means the Internal Revenue Code of 1986, as amended and any regulations promulgated thereunder.

“Consulting Engineers” means an engineer or engineering firm having a national reputation for skill relating to public utility systems.

“Credit or Liquidity Facility” means a line of credit, letter of credit, standby bond purchase agreement or similar facility established in connection with the issuance of any Additional Bonds.

“Debt Service Account” means the Debt Service Account created within the Sinking Fund.

“Debt Service Coverage Ratio” means the ratio determined by dividing the Income Available for Debt Service by the Debt Service Requirement.

“Debt Service Requirement” means, for any period of 12 consecutive calendar months for which such determination is made, the aggregate of the Swap Payments, the payments required to be made in respect of principal and interest on the Series 2005 Bonds (if any) and the payments required to be made in respect of principal and interest on outstanding Bonds during such period, except that (a) with respect to Variable Rate Swap Payments or Variable Rate Bonds, the interest on such Variable Rate Swap Payments or Variable Rate Bonds (i) for all purposes other than the rate covenant set forth in the Bond Resolution shall be calculated at a rate equal to the 25 Year Revenue Bond Index for revenue bonds as published by The Bond Buyer the week prior to the week during which the Authority adopts proceedings authorizing the execution of the swap or the issuance of such Bonds (or, if such index shall not then be published, the average annual interest rate on such swap agreement or Bonds for the 12 consecutive months preceding the date of calculation or, if such swap agreement or Bonds shall not have been outstanding for such period, the average annual interest rate on such swap agreement or Bonds for the period during which such swap agreement or Bonds shall have been outstanding, or if such swap agreement has not yet been executed or such Bonds have not yet been issued, the initial interest rate established for such swap agreement or Bonds) and (ii) for purposes of the rate covenant set forth in the Bond Resolution, shall be calculated at the average annual interest rate on such swap agreement or Bonds for the period during which such swap agreement or Bonds shall have been outstanding, (b) interest expense on Bonds shall be excluded from the determination of the Debt Service Requirement to the extent the same is provided from the original proceeds of such Bonds, (c) interest expense on the Bonds shall be excluded from the determination of the Debt Service Requirement to the extent that the same is provided by a counterparty with a rating that is the same or better than the Authority’s rating, but in all cases at least “A” and (d) notwithstanding that the definition of Bonds excludes Credit or Liquidity Facilities to the extent they are drawn upon to purchase, but not retire, Bonds, any interest expense included on such Credit or Liquidity Facilities in excess of the interest expense on the related Bonds shall be included in the determination of the Debt Service Requirement.

“Debt Service Reserve Requirement” means, as of any date of calculation, an amount equal to the least of (a) 10% of the original principal amount of Bonds, (b) the maximum annual debt service on the Bonds payable in any Sinking Fund Year or (c) 125% of average annual debt service on the Bonds payable in any Sinking Fund Year. Notwithstanding the foregoing, with respect to Bonds that are Variable Rate Bonds, it shall be assumed that such Bonds bear interest through maturity at that rate which the original purchaser of such Bonds certifies as of the date of issuance thereof would have borne had such Bonds borne a fixed, constant rate of interest.

“Debt Service Reserve Surety Bond” means a surety bond or irrevocable letter of credit credited to the Reserve Account in lieu of or in partial substitution for moneys and securities on deposit therein, if any.

“Disclosure Agreements” means the Series 2012 Disclosure Agreement and any disclosure agreement executed in connection with the issuance of any Additional Bonds.

“Engineering Report” means the Series 2012 Engineering Report and any engineering report related to projects to be acquired, constructed, installed or equipped with the proceeds of any Additional Bonds.

“Escrow Agent” means U.S. Bank National Association as escrow agent under the Escrow Agreement, and its successors and assigns.

“Escrow Agreement” means the Escrow Deposit Agreement, dated as of December 1, 2012, between the Authority and the Escrow Agent, as amended from time to time.

“Funds” means the Revenue Fund, the Sinking Fund and the Renewal and Extension Fund.

“Government Obligations” means (a) obligations of the United States and of its agencies and instrumentalities, (b) obligations fully insured or guaranteed by the United States government or United States government agency, (c) obligations of any corporation of the United States government (including any obligations described in (a), (b) or (c) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or (d) tax-exempt municipal obligations that have been defeased with obligations described in (a), (b) or (c), which obligations, in any case, are rated in the highest rating category by Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies.

“Income Available for Debt Service” means, for any period of 12 consecutive calendar months for which such determination is made, Net Revenues; provided, however, that no determination thereof shall take into account (a)(i) a gain or loss resulting from either the extinguishment of Bonds or the sale, exchange or other disposition of capital assets not made in the ordinary course of business, (ii) unrealized gains or losses or (iii) any other components of revenues or expenses that do not contribute to or diminish cash flow available to pay debt service, or (b) earnings on the Construction Fund.

“Interest Payment Date” means (a) with respect to the Series 2012 Bonds, each June 1 and December 1, commencing June 1, 2013, and (b) with respect to any Additional Bonds, the interest payment date specified in the supplemental resolution authorizing such Additional Bonds.

“Maximum Annual Debt Service Coverage Ratio” means the ratio determined by dividing Income Available for Debt Service by the Maximum Annual Debt Service Requirement.

“Maximum Annual Debt Service Requirement” means the maximum annual Debt Service Requirement.

“Net Revenues” means the gross revenues derived from the ownership or operation of the System, including, without limitation, all tap fees and connection fees, whether or not accounted for as revenue or contributed capital, all earnings on amounts on deposit in the Funds, less the reasonable and necessary costs of operating, maintaining and repairing the System, including without limitation, salaries, wages, the payment of any contractual obligations incurred pertaining to the operation of the System, the cost of materials and supplies, rentals of leased property, if any, insurance premiums, audit fees, and other charges as may properly be made for the purpose of operating, maintaining and repairing the System in accordance with sound business practice, but before making provision for depreciation, interest expense and amortization. Net Revenues shall not include amounts drawn or otherwise available under a Credit or Liquidity Facility.

“Paying Agent” means initially U.S. Bank National Association, Nashville, Tennessee and the commercial bank or banks appointed by the Authority to serve as paying agent in accordance with the terms of the Bond Resolution and any supplemental resolution, for any series of Bonds secured by the Bond Resolution.

“Permitted Investments” means and includes any of the following securities, if and to the extent the same are at the time legal for investment of Authority funds:

a) the local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended;

b) bonds or obligations of the Authority, or bonds or obligations of the State of Georgia, or of other counties, municipal corporations, and political subdivisions of the State of Georgia;

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

d) obligations of and obligations guaranteed by agencies or instrumentalities of the United States government, including those issued by the Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank, Bank for Cooperatives and any other such agency or instrumentality now or hereafter in existence; provided, however, that all such

obligations shall have a current credit rating from a nationally recognized rating service of at least one of the three highest rating categories available and have a nationally recognized market;

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

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

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

i) the portfolio of such investment company or investment trust or common trust fund is limited to the obligations referred to in paragraph (c) and (d) above and repurchase agreements fully collateralized by any such obligations;

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

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

iv) securities of or other interests in such investment company or investment trust or common trust fund are purchased and redeemed only through the use of national or state banks having corporate trust powers and located within the State of Georgia; and

h) interest-bearing time deposits, repurchase agreements, reverse repurchase agreements, rate guarantee agreements, or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956, provided that each such interest-bearing time deposit, repurchase agreement, reverse repurchase agreement, rate guarantee agreement or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

i) any other investments authorized by the laws of the State of Georgia from time to time.

“Person” means any natural person, firm, association, corporation, limited liability company, partnership, joint stock company, joint venture, trust, unincorporated organization or firm, or a government or any agency or political subdivision thereof or other public body.

“Prior Resolution” means the resolution adopted by the Authority on November 7, 2007, as supplemented on December 20, 2007.

“Prior Sinking Fund” means the sinking fund created in the Prior Bond Resolution.

“Record Date” means (a) with respect to the Series 2012 Bonds, the fifteenth day of the calendar month preceding each Interest Payment Date and (b) with respect to any Additional Bonds, the record date specified in the supplemental resolution authorizing such Additional Bonds.

“Refunded Bonds” means the Authority’s revenue bonds refunded with a portion of the proceeds of the Series 2012 Bonds.

“Renewal and Extension Fund” means the Coweta County Water and Sewerage Authority Renewal and Extension Fund created in the Bond Resolution.

“Renewal and Extension Fund Depository” means the commercial bank appointed by the Authority to maintain the Renewal and Extension Fund.

“Reserve Account” means the Reserve Account created within the Sinking Fund.

“Revenue Bond Law” means the Revenue Bond Law, (O.C.G.A. Section 36-82-60 et seq.), as amended from time to time.

“Revenue Fund” means the Coweta County Water and Sewerage Authority Revenue Fund referred to in the Bond Resolution.

“Revenue Fund Depository” means the commercial bank appointed by the Authority to maintain the Revenue Fund.

“Series 2012 Bonds” means the bonds designated as “Coweta County Water and Sewerage Authority Revenue Refunding Bonds, Series 2012,” authorized to be issued pursuant to the Supplemental Resolution in the aggregate principal amount of \$29,795,000.*

“Series 2012 Disclosure Agreement” means the continuing disclosure certificate executed in connection with the issuance of the Series 2012 Bonds.

“Sinking Fund” means the Coweta County Water and Sewerage Authority Sinking Fund created in the Bond Resolution in which are held the Debt Service Account, the Reserve Account and the Swap Payments Account.

“Sinking Fund Custodian” means the commercial bank appointed by the Authority to maintain the Sinking Fund.

“Sinking Fund Investments” means (a) Government Obligations and forward purchase agreements and repurchase agreements with respect thereto, (b) demand deposits or certificates of deposit of banks which have deposits insured by the Federal Deposit Insurance Corporation; provided, however that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation must be secured by direct obligations of the State of Georgia or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured and (c) the local government investment pool created by O.C.G.A. Section 36-83-8.

“Sinking Fund Year” means the period commencing on the 2nd day of June in each year and extending through the 1st day of June in the next year.

“State” means the State of Georgia.

* Preliminary, subject to change.

“Subordinate Debt” means any debt which is expressly made subordinate and junior in right of payment of principal of, redemption premium, if any, and interest on all Bonds issued pursuant to the Bond Resolution and all obligations related to Swap Payments or a Debt Service Surety Bond or Credit or Liquidity Facility (collectively, “Senior Debt”). The terms of all Subordinate Debt shall require that (a) no payment on account of principal of, redemption premium, if any, or interest on such Subordinate Debt shall be made unless full payment of all amounts then due and payable on Senior Debt have been made or duly provided for; (b) no payment on account of principal of, redemption premium, if any, or interest on such Subordinate Debt shall be made if, at the time of such payment or application, or immediately after giving effect thereto, (i) there shall exist a default in the payment of any Senior Debt (whether at maturity or upon mandatory redemption), or (ii) there shall have occurred an event of default with respect to any Senior Debt, and such event of default shall not have been cured or waived or shall not have ceased to exist; and (c) in the event that any Subordinate Debt is declared or otherwise becomes due and payable because of the occurrence of an event of default with respect thereto, (i) the holders of the Senior Debt shall be entitled to receive payment in full thereon before the holders of the Subordinate Debt shall be entitled to receive any payment on account of such Subordinate Debt as a result of such event of default, and (ii) no holder of Subordinate Debt, or a trustee acting on such holder’s behalf, shall be entitled to exercise any control over proceedings to enforce the terms and conditions of the Bond Resolution.

“System” means the Authority’s water and sewerage system, as now existent and as hereafter added to, extended, improved and equipped and any and all other systems, equipment or facilities operated in connection therewith.

FUNDS

Creation of Funds

The following funds are created in the Bond Resolution or continued in the Bond Resolution:

- a) Closing Fund;
- b) Revenue Fund;
- c) Prior Sinking Fund;
- d) Sinking Fund; and
- e) Renewal and Extension Fund.

Closing Fund

The Closing Fund will only be used on the day the Series 2012 Bonds are issued. The Underwriters will wire the net proceeds from the sale of the Series 2012 Bonds to the Closing Fund Custodian. Such net proceeds will be deposited into the Closing Fund and will immediately be disbursed from the Closing Fund to (a) Escrow Agent for the refunding of the Refunded Bonds.

Revenue Fund

All revenues arising from the ownership or operation of the System and properties in connection therewith as then existent and as thereafter added to, extended and improved will be collected by the Authority or by its agents or employees and deposited promptly with the Revenue Fund Depository to the credit of the Revenue Fund. Said revenues will be disbursed from the Revenue Fund as described in the Official Statement under the heading “SECURITY FOR AND SOURCES OF PAYMENT OF THE SERIES 2012 BONDS-Funds and Accounts; Flow of Funds.”

Sinking Fund

The Sinking Fund will consist of three accounts, the first of which is designated as the “Debt Service Account,” the second of which is designated as the “Reserve Account” and the third of which is designated as the “Swap Payments Account.”

The Authority is required to deposit in the Reserve Account as necessary substantially equal monthly payments sufficient to create within the Reserve Account within 60 months from the date of issuance of any Additional Bonds a reserve equal to the Debt Service Reserve Requirement on all of the Bonds then outstanding. If moneys are withdrawn from the Reserve Account to pay any of the Bonds, if the value of the investments declines to an amount less than the Debt Service Reserve Requirement, or, if a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility is drawn upon to pay any of the Bonds, then such monthly deposits will also include substantially equal monthly payments sufficient to (a) restore the amount withdrawn from the Reserve Account, (b) restore the value of investments to an amount equal to the Debt Service Reserve Requirement or (c) reimburse the issuer of the Debt Service Reserve Surety Bond, in each case within 12 months. If a Credit or Liquidity Facility is drawn upon to pay any of the Bonds, then such monthly deposits will also include substantially equal monthly payments sufficient to reimburse the issuer of the Credit or Liquidity Facility in accordance with its terms. In the event of a drawdown on any Debt Service Reserve Surety Bond or any Credit or Liquidity Facility, such payments will be made first, on a pro rata basis, to the issuers of the Debt Service Reserve Surety Bonds, then, on a pro rata basis, to the issuers of such Credit or Liquidity Facilities and then, to replenish any cash.

The Reserve Account shall be maintained for the purpose of paying the principal of and interest on any Bonds falling due in any year as to which there are insufficient moneys in the Debt Service Account and as to which there would otherwise be a default or for the purpose of reimbursing an issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility for a drawing thereon. Prior to drawing on any Debt Service Reserve Surety Bond, all other amounts on deposit in the Reserve Account, if any, shall have been expended. The Paying Agent will deliver the demand for payment (if any) required by the issuer of any Debt Service Reserve Surety Bond or Credit or Liquidity Facility at the time and in the manner required. In determining the amount on deposit in the Reserve Account, there will be taken into account the amount available under any Debt Service Reserve Surety Bond. In the event there is more than one Debt Service Reserve Surety Bond credited to the Reserve Account and there is a drawdown, such Debt Service Reserve Surety Bonds will be drawn upon on a pro rata basis.

If on the 2nd day of June in any year there are on deposit in the Reserve Account moneys or securities (such securities to be valued at their market value plus accrued interest thereon to June 2) the aggregate amount of which, together with the amounts available under the Debt Service Reserve Surety Bond, are in excess of the Debt Service Reserve Requirement, such excess moneys and securities will be withdrawn therefrom by the Sinking Fund Custodian and immediately deposited into the Revenue Fund provided that no default has occurred and is continuing under the Bond Resolution. Such moneys shall be used by the Authority in accordance with the Bond Resolution for any purpose that does not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding Bond.

The obligation to fund the Reserve Account may be fulfilled by depositing a Debt Service Reserve Surety Bond (a) from a provider that has a rating at the time of issuance of such Debt Service Reserve Surety Bond equal to or higher than the rating on the Bonds, (b) that has a term not less than the final maturity date of the series of Bonds (or may be drawn upon in full upon its expiration date if a substitute letter of credit or surety bond is not in place prior to its expiration date) that it secures and (c) which is payable on any Interest Payment Date in an amount equal to any portion of the balance then required to be maintained within the Reserve Account. Before any such Debt Service Reserve Surety Bond is substituted for cash or deposited in lieu of cash in the Reserve Account, there will be filed with the Sinking Fund Custodian (i) an opinion of nationally recognized bond counsel to the effect that such substitution or deposit will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any outstanding Bond; (ii) a certificate evidencing that at least 30 days prior notice of the proposed substitution or deposit of such Debt Service Reserve Surety Bond was given to all rating agencies then rating any Bonds, including a description of such Debt Service Reserve Surety Bond and the proposed date of substitution or deposit; and (iii) the Debt Service Reserve Surety Bond issued to fulfill the obligation to fund the Debt Service Reserve Fund, together with an opinion of counsel to the issuer of the Debt Service Reserve Surety Bond to the effect that the Debt Service Reserve Surety Bond is valid and enforceable in accordance with its terms. Notwithstanding anything to the contrary contained in the Bond Resolution, the Bond Resolution may be amended without notice to or the consent of the owners of the Bonds to provide for any additional provisions required by the issuer(s) of such Debt Service Reserve Surety Bond; provided, however, that there shall be first delivered an opinion of nationally recognized bond counsel to the effect that such additional provisions are not materially adverse to the rights or security of the owners of the Bonds provided by the Bond Resolution.

Subject to the terms and conditions set forth in the Bond Resolution that allow excess moneys on deposit in the Reserve Account to be transferred to the Revenue Fund, moneys in the Debt Service Account and moneys in the Reserve Account will be disbursed for (a) the payment of the interest on the Bonds secured as such interest becomes due and payable; (b) the payment of the principal of the Bonds secured as same becomes due and payable, either at maturity or by proceedings for redemption or acceleration; (c) the reimbursement to the provider of any Debt Service Reserve Surety Bond or a Credit or Liquidity Facility for any draws thereon; (d) the optional redemption of Bonds before maturity (e) the purchase of Bonds in the open market; (f) the payment of charges for paying the Bonds and interest thereon and the charges for the registration of the Bonds and their transfer or exchange in accordance with the terms

thereof; and (g) the payment of any charges for investment services; provided, however, that as to the Reserve Account, only moneys in excess of the Debt Service Reserve Requirement (but excluding any moneys drawn under any Debt Service Reserve Surety Bond) will be disbursed for items (d) through (g) inclusive and no moneys shall be disbursed to reimburse the provider of a Credit or Liquidity Facility. Moneys in the Swap Payments Account shall be disbursed for Swap Payments.

Renewal and Extension Fund

Expenditures may be made from the Renewal and Extension Fund for the purpose of:

- a) Paying operating expenses relating to the System;
- b) Making debt service payments on the Bonds;
- c) In case of an emergency having a major effect upon the System caused by some extraordinary occurrence which makes it necessary to use the funds of the System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet such emergency;
- d) Making replacements, additions, extensions and improvements to the System and paying the cost of any engineering studies, surveys or plans and specifications pertaining to future development or expansion of the System;
- e) Transfers to the Sinking Fund for the purpose of acquiring the Bonds by redemption or by purchase in the open market, and when so used for such purposes the moneys shall be withdrawn from the Renewal and Extension Fund and deposited into the appropriate fund for the Bonds to be so redeemed or purchased; or
- f) Paying any issuer of any Debt Service Reserve Surety Bond interest on amounts drawn under such surety bond and payment to the issuer of any Credit or Liquidity Facility the costs for any such facility.

RATE COVENANT

The Authority has placed into effect a schedule of rates, fees and charges for the services, facilities and commodities furnished by the System and as often as it shall appear necessary the Authority shall revise and adjust such schedule of rates, fees and charges for the services and facilities or the System to the extent necessary to produce funds sufficient to.

- a) operate, maintain and repair the System on a sound businesslike basis;
- b) maintain the Prior Sinking Fund in the amounts required by the Prior Bond Resolution;
- c) maintain the Debt Service Account in the amount required to discharge the payments of the principal of and the interest on the Bonds as the same become due and payable;

- d) maintain the Debt Service Reserve Requirement in the Reserve Account;
- e) pay amounts owing to an issuer of a Debt Service Reserve Surety Bond or a Credit or Liquidity Facility;
- f) make Swap Payments; and
- g) pay all other amounts owing under the Bond Resolution.

Without limiting the foregoing, the Authority will set the schedule of rates, fees and charges for the services and facilities of the System so as to produce Net Revenues equal to at least 1.10 times the Debt Service Requirement in the current Sinking Fund Year.

The rates, fees and charges will be classified in a reasonable manner to cover users of the services and facilities furnished by the System so that as near as practicable such rates, fees and charges shall be uniform in application to all users falling within any reasonable class. Subject to existing agreements and subject to Georgia law, the Authority will undertake within its health powers or such other applicable powers now or hereafter provided by law, to require the owners of all improved property abutting any water line or sewerage line to connect with the System provided that there is sufficient capacity in the System to provide adequate service.

In the event the Authority shall fail to adopt a schedule or schedules of rates, fees and charges, or to revise its schedule or schedules of rates, fees and charges, any bondholder, without regard to whether any “event of default” under the Bond Resolution shall have occurred, may institute and prosecute in any court of competent jurisdiction, an appropriate action to compel the Authority to adopt a schedule or schedules of rates, fees and charges or to revise its schedule or schedules of rates, fees and charges in accordance with the requirements of the Bond Resolution.

ADDITIONAL BONDS BY AUTHORITY

No other obligations of any kind or nature will hereafter be issued which are payable from or enjoy a lien on the Net Revenues prior to the lien created for the payment of the Bonds. However Additional Bonds may be issued by the Authority, from time to time, for the purpose of refunding any issue or issues of outstanding Bonds or financing, in whole or in part, additions, extensions and improvements to the System, ranking as to lien on the Net Revenues on a parity with the Series 2012 Bonds, provided all of the following conditions are met:

None of the Series 2012 Bonds or any Additional Bonds then outstanding are in default as to principal and interest and the Authority is in material compliance with the Bond Resolution.

The payments covenanted to be made into the Debt Service Account, the Reserve Account and the Swap Payments Account must be currently being made in the full amount as required and such accounts must be at their proper respective balances.

(i) A firm of independent certified public accountants or municipal finance advisors shall have certified that (A) for a period of 12 full consecutive calendar months out of the 18

consecutive calendar months preceding the month of the adoption of proceedings for the issuance of such Additional Bonds or (B) for the most recent audited fiscal year, the Maximum Annual Debt Service Coverage Ratio (excluding for calculation of the Debt Service Requirement (1) any Bonds which are to be refunded and defeased by such proposed Additional Bonds and (2) any of the proposed Additional Bonds the debt service on which is to be funded with the proceeds of such Additional Bonds and including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued), shall not be less than 1.15; or (ii) if a new schedule of rates and charges has been adopted for the services, facilities and commodities furnished by the System, the Consulting Engineer, certified public accountants or municipal finance advisors shall have certified that had the new schedule of rates and charges been adopted throughout such specified period the test specified in (i) would have been met; or (iii) the Consulting Engineer, certified public accountants or municipal finance advisors shall certify that the Debt Service Coverage Ratio (including for calculation of the Debt Service Requirement the proposed Additional Bonds which are to be issued) for each of the first three full Sinking Fund Years subsequent to the acquisition or completion of the facilities to be financed with the Additional Bonds shall not be less than 1.20; or (iv) (A) the Additional Bonds are being issued to refund other Bonds, (B) the final maturity of the Additional Bonds is not extended past the maturity of the Bonds being refunded and (C) the average annual debt service of the Additional Bonds does not exceed the average annual debt service on the Bonds being refunded.

The Authority shall pass proper proceedings reciting that all of the above requirements have been met, shall authorize the issuance of the Additional Bonds and shall provide in such proceedings that such Additional Bonds shall be secured under and pursuant to the Bond Resolution. Any such Additional Bonds may be issued under or pursuant to a trust indenture and, in such event, the proceedings authorizing the issuance of such Additional Bonds shall make appropriate provisions for the transfer of moneys on deposit in the Sinking Fund to the trustee in sufficient time for the payment of debt service on such Additional Bonds.

Any proposed Variable Rate Additional Bonds will specify a maximum interest rate. If any such Variable Rate Additional Bonds so issued provide for the mandatory redemption or purchase of such Additional Bonds at the option of owner, a Credit or Liquidity Facility may be provided at or prior to the issuance of such Variable Rate Additional Bonds to support the Authority's obligations for any such mandatory redemption or purchase. The failure of any such Credit or Liquidity Facility to purchase any such Variable Rate Additional Bonds shall not be a default under the Bond Resolution, and shall not cause an acceleration of such Variable Rate Additional Bonds or Bonds issued pursuant to the Bond Resolution.

Such Additional Bonds and all proceedings relative thereto, and the security therefor, will be validated as prescribed by law.

DEFEASANCE

When the Sinking Fund Custodian or the Paying Agent has sufficient moneys or Government Obligations, which, without any reinvestment thereof, will (based upon a verification report of an independent certified public accountant or firm thereof) provide for the

payment of all outstanding Bonds of any series and the interest due or to become due thereon, and any premium required to be paid should such Bonds be called for redemption, the Bonds shall be deemed to be paid. It is contemplated that one or more series of Bonds issued and secured pursuant to the Bond Resolution may be paid, or deemed to be paid in full as aforesaid, and one or more other series of Bonds shall remain outstanding under the Bond Resolution. Upon payment in full of any series of Bonds, the owners of such Bonds shall no longer be entitled to the benefits of the security afforded by the Bond Resolution and such Bonds shall, except for the purposes of registration, exchange and transfer, no longer be deemed outstanding under the Bond Resolution.

INVESTMENTS

Moneys on deposit in the Sinking Fund will be invested in Sinking Fund Investments; provided, however, moneys on deposit in the Reserve Account derived from Bond proceeds will be invested only in Sinking Fund Investments that are also Permitted Investments. All investments in the Sinking Fund shall have maturities or options to redeem at par not exceeding five years. Moneys in the Revenue Fund and the Renewal and Extension Fund will be invested in any investment authorized by the laws of the State.

COVENANTS

Rules and Regulations

The Authority has agreed to enforce reasonable rules and regulations governing the System and the operation thereof. The Authority has also agreed that all compensation, salaries, fees and wages paid by it in connection with the operation, repair and maintenance of the System will be reasonable, that no more persons will be employed by it than are necessary, that it will operate the System in an efficient and economical manner, that it will at all times maintain the System in good repair and in sound operating condition, that it will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System.

Liens

Except for the lien created in the Prior Bond Resolution, the Authority has not created any other lien on the Net Revenues and has agreed that it will not create nor suffer to be created any lien, security interest or charge upon the Net Revenues, ranking equally with or prior to the lien and charge created by the Bond Resolution upon the Net Revenues. The Authority has agreed that it will not create nor suffer to be created any lien, security interest or charge upon the System. The Authority will pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge within 60 days after the same shall accrue, all lawful claims and demands which, if unpaid, might by law become a lien upon the System; provided, however, that nothing contained in the Bond Resolution will require the Authority to pay, or cause to be discharged, or make provisions for, any such lien, security interest or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

If no event of default under the Bond Resolution shall have happened and be continuing and provided there shall be no material adverse effect on the Net Revenues of the System, the Authority may at any time or times cause to be granted, easements, licenses, rights-of-way (temporary or perpetual and including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property included in the System and such grant will be free from the lien or security interest of the Bond Resolution or the Authority may cause to be released existing easements, licenses, rights-of-way and other rights or privileges in the nature of easements, held with respect to any property included in the System with or without consideration.

Sale of Asset

So long as any of the Bonds shall be outstanding, the Authority has agreed that it will not sell or otherwise dispose of the System or any integral part thereof, except that it may sell the System as a whole, or substantially as a whole, if the proceeds of such sale are at least sufficient to provide for the payment of all Bonds secured by the Bond Resolution, and any interest accrued or to accrue thereon, and the proceeds of any such sale are deposited in trust and applied by the Authority to the extent necessary to purchase or redeem the Bonds. Nothing contained in the Bond Resolution, however, shall preclude (a) sales in the ordinary course of business or (b) a sale of a part of the System where the sale would not, in any way, materially adversely affect the Net Revenues of the System as certified by the Consulting Engineers. Prior to such a sale, the Authority shall receive an opinion of nationally recognized bond counsel to the effect that such application will not adversely affect the exclusion from gross income for federal income tax purposes on any Bond.

Insurance

The Authority has agreed that it will cause to be bonded its employees or agents handling funds of the System in amounts considered necessary and adequate for its protection and that it will procure and maintain insurance on the physical properties of the System of the kinds and in the amounts normally carried by private companies or other agencies engaged in the operation of similar properties so long as Bonds are outstanding. Such insurance will include: (a) fire and property damage; (b) public liability insurance relating to the operation of the System; and (c) vehicular public liability insurance on any vehicle owned or operated by the Authority and used in the operation of the System. Such insurance may provide reasonable and customary coverage and deductibles for agencies and governmental authorities operating water systems. Such insurance will be purchased from a responsible insurance company or companies authorized and qualified to do business in the State. If the Authority is unable to obtain such insurance legally or on reasonable and customary terms, the Authority will maintain self-insurance to the extent required above.

Tax Covenants

The Authority has agreed that it will do all things necessary to maintain the tax-exempt status of the Series 2012 Bonds and not to do anything that would adversely affect such tax-exempt status.

No Free Service

No free services shall at any time be furnished from the System. No customer shall be connected to the System or served by the Authority without a proper meter having been first installed. All services shall be furnished in accordance with rates now or hereafter established, including services furnished to any county, municipal corporation or other public board or body.

EVENTS OF DEFAULT; ACCELERATION, REMEDIES AND SURETY DEFAULTS.

Events and Default

Each of the following events is an “event of default”: (a) payment of the principal of and any redemption premium on any of the Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption; or (b) payment of any installment of interest shall not be made when the same becomes due and payable; or (c) the Authority shall, for any reason, be rendered incapable of fulfilling its obligations under the Bond Resolution; or (d) the Authority shall make a default in the due and punctual performance of any other of the covenants, conditions, agreements or provisions contained in the Bonds or in the Bond Resolution, on the part of the Authority to be performed, and such default shall continue for 30 days after written notice, specifying such default and requiring same to be remedied, shall have been given to the Authority by any bondholder; provided, however, if the default stated in the notice cannot be corrected within such 30-day period, it shall not be a default under the Bond Resolution if the Authority shall institute corrective action and diligently pursue it until the default is cured.

Acceleration

Upon the happening and continuance of any event of default specified in the Bond Resolution, then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by a notice in writing to the Authority, declare the principal of all of the Bonds then outstanding (if not then due and payable) to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in the Bonds to the contrary notwithstanding; provided, however, that if at any time after the principal of the Bonds shall have been so declared to be due and payable, all arrears of interest, if any, upon the Bonds then outstanding, and all other indebtedness secured, except the principal of and interest on any Bonds not then due by their terms, and the interest accrued on such Bonds since the last interest payment date, shall have been paid, or shall have been provided for by deposit with the Paying Agent for such Bonds of a sum sufficient to pay the same, and every other default in the observance or performance of any covenant, condition or agreement in the Bonds, or contained in the Bond Resolution, shall be made good, or provisions therefor satisfactory to such bondholders shall have been made, then and in every such case the owners of not less than a majority of the principal amount of outstanding Bonds may, by written notice to the Authority, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to, or affect, any subsequent default or impair any right consequent thereto.

Remedies

Upon the happening and continuance of any event of default, then and in every such case any bondholder may proceed, subject to the provisions of the Bond Resolution, to protect and enforce the rights of the bondholders under the Bond Resolution by a suit, action or special proceedings in equity, or at law, for the specific performance of any covenant or agreement contained in the Bond Resolution or in aid or execution of any power granted in the Bond Resolution, or for the enforcement of any proper legal or equitable remedy as such bondholder shall deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Equal Benefit

No one, or more, owners of the Bonds secured shall have any right in any manner whatever by his or their action to affect, disturb, or prejudice the security granted and provided for in the Bond Resolution, or to enforce any right under the Bond Resolution, except in the manner provided in the Bond Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of such outstanding Bonds.

SUPPLEMENTAL PROCEEDINGS

The Authority may, from time to time and at any time, with the consent of a majority in aggregate principal amount of Bonds Outstanding, adopt such resolution or resolutions supplemental to the Bond Resolution as shall be deemed necessary or desirable for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Bond Resolution or in any supplemental resolution or in the Bonds; provided, however, that nothing in the Bond Resolution shall permit, or be construed as permitting: (a) the extension of the maturity of any Bond issued under the Bond Resolution; (b) the reduction in the principal amount of any Bond or the alteration of the rate or rates of interest thereon or any other modification of the terms of payment of such principal or interest; (c) the reduction of the percentage of the principal amount of Bonds required for consent to such supplemental resolution; or (d) the creation of any lien on the Net Revenues of the System prior to or superior to the lien created as the security for the payment of the Bonds without the consent of all the Bonds Outstanding. A modification or amendment of the provisions with respect to the Sinking Fund is not to be deemed a change in the terms of payment.

Nothing contained in the Bond Resolution, however, shall be construed as making necessary the approval by the bondholders of any resolution not inconsistent with the terms and provisions of the Bond Resolution and any supplemental proceedings forming a part thereof (a) to cure any ambiguity or formal defect or omission in the Bond Resolution or in any supplemental proceedings, (b) to provide for the issuance of Additional Bonds in accordance with the terms of the Bond Resolution (including, without limitation the addition of events of default and remedies relating to any Additional Bonds hereafter incurred by the Authority), (c) to grant any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the bondholders by the Authority, (d) to further expand or clarify the amounts required to be paid into the Sinking Fund and the timing thereof; (e) to provide for the deposit

into the Reserve Account of a Debt Service Reserve Surety Bond as more fully provided in Article V; (f) to modify, amend or supplement the Bond Resolution or any proceedings supplemental thereto in such manner as to permit the qualification of the Bond Resolution under the Trust Indenture Act of 1939 or any federal statute hereinafter in effect; (g) to make any modification or amendment of the Bond Resolution required in order to make the Bonds eligible for acceptance by The Depository Trust Company or any similar holding institution or to permit the issuance of the Bonds or interests therein in Book-Entry Form; (h) to modify any of the provisions of the Bond Resolution in any respect provided that such modification shall not be effective until after the Bonds outstanding immediately prior to the effective date of such supplemental resolution shall cease to be outstanding and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings shall contain a specific reference to the modifications contained in such subsequent proceedings; or (i) to make any other changes that in the opinion of counsel are not materially adverse to the interests of the bondholders.

ASSURED GUARANTY PROVISIONS

Conflict

In the event that the provisions described below conflict with other provisions of the Bond Resolution, the provisions described below will control. The provisions described below will remain in effect as long as Assured Guaranty is honoring its obligations under the Policy.

Debt Service Reserve Surety Bonds

The prior written consent of Assured Guaranty is a condition precedent to the deposit of a Debt Service Reserve Surety Bond in lieu of a cash deposit into the Reserve Account.

Acceleration

The Series 2012 Bonds may not be accelerated without the prior written consent of Assured Guaranty and in the event the maturity of the Series 2012 Bonds is accelerated, Assured Guaranty may elect, in its sole discretion, to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Authority) and the Paying Agent will be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, Assured Guaranty's obligations under the Policy with respect to such Series 2012 Bonds will be fully discharged.

Grace Periods

No grace period for a covenant default may exceed 30 days or be extended for more than 60 days, without the prior written consent of Assured Guaranty. No grace period will be permitted for payment defaults.

Selection of Series 2012 Bonds to be Redeemed

Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption of the Series 2012 Bonds in part, the selection of Series 2012 Bonds to be redeemed will be subject to the approval of Assured Guaranty.

Defeasance

Any Government Obligations used to defease Series 2012 Bonds must be acceptable to Assured Guaranty. To accomplish defeasance, the Authority will cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to Assured Guaranty (“Accountant”) verifying the sufficiency of the escrow established to pay the Series 2012 Bonds in full on the maturity or redemption date (“Verification”), (ii) an Escrow Deposit Agreement (which must be acceptable in form and substance to Assured Guaranty), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2012 Bonds are no longer “Outstanding” under the Bond Resolution and (iv) a certificate of discharge of the Paying Agent with respect to the Series 2012 Bonds; each Verification and defeasance opinion must be acceptable in form and substance, and addressed, to the Authority, Paying Agent and Assured Guaranty. Assured Guaranty must be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. Series 2012 Bonds will be deemed “Outstanding” under the Bond Resolution unless and until they are in fact paid and retired or the above criteria are met.

Amounts Paid by Assured Guaranty

Amounts paid by Assured Guaranty under the Policy will not be deemed paid for purposes of the Bond Resolution and the Series 2012 Bonds relating to such payments will remain Outstanding and continue to be due and owing until paid by the Authority in accordance with the Bond Resolution. The Bond Resolution will not be discharged unless all amounts due or to become due to Assured Guaranty have been paid in full or duly provided for.

Additional Bonds

Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Bond Resolution, no such issuance may occur (i) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (ii) unless the Reserve Account is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by Assured Guaranty.

Interest Rate Swaps

Any interest rate exchange agreement entered into by the Authority must be acceptable to Assured Guaranty.

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APPENDIX D

Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Coweta County Water and Sewerage Authority (the "Authority") in connection with the issuance of its Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). The Authority hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the Beneficial Owners of the Bonds (as herein defined) and in order to assist the Participating Underwriter (as herein defined) in complying with the Rule (as herein defined).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution, as herein defined, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean any person(s) appointed from time to time by the Authority to assist in carrying out its obligations under this Disclosure Certificate.

"EMMA" shall mean MSRB's Electronic Municipal Market Access System.

"Fiscal Year" shall mean any period of twelve consecutive months adopted by the Authority as its fiscal year for financial reporting purposes and shall initially mean the period beginning on July 1 of each calendar year and ending June 30 of the next calendar year.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor thereto.

"Official Statement" shall mean the Official Statement of the Authority relating to the Bonds.

"Participating Underwriter" shall mean Sterne, Agee & Leach, Inc.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of Georgia.

"Supplemental Bond Resolution" shall mean the resolution of the Authority adopted on March 21, 2012, as amended and restated on December 18, 2012, pursuant to which the Bonds were issued.

SECTION 3. Provision of Annual Reports.

(a) The Authority or the Dissemination Agent (if any) shall provide within 270 days after the end of each Fiscal Year of the Authority, commencing with the Fiscal Year ending June 30, 2012, to EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to such date the Authority shall provide the Annual Report to the Dissemination Agent (if any). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate. Notwithstanding the foregoing, the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report when such audited financial statements are available. In the event that the audited financial statements are not included with the Annual Report and will be submitted at a later date, the Authority or the Dissemination Agent (if any) shall include unaudited financial information in the Annual Report and shall indicate in the Annual Report the date on which the audited financial statements will be submitted.

(b) The Authority or the Dissemination Agent (if any) shall also:

1. determine each year prior to the date for providing the Annual Report the appropriate location for filing with EMMA and the proper form of such filing; and
2. if the Annual Report is not distributed/filed in accordance with subsection (or the audited financial statements which were to be separately submitted) by the date required in subsection (a), send a notice to EMMA in substantially the form attached as Exhibit A.

SECTION 4. Content of Annual Reports. The Authority's Annual Report shall contain or incorporate by reference the following:

(a) The financial statements of the Authority prepared in accordance with generally accepted accounting principles and a statement indicating whether the financial statements were audited.

(b) If the accounting principles changed from the previous fiscal year, a description of the impact of the change as required by Section 8 of this Disclosure Certificate.

(c) A statement indicating that the Fiscal Year has not changed, or, if the Fiscal Year has changed, a statement indicating the new Fiscal Year.

(d) An update of the financial information and operating data with respect to the Authority of the type contained in the Official Statement under the captions "Water Customers," "Water Usage," "Largest Water Customers," "Water Purchases," "Wastewater Customers," "Wastewater Treatment," "Largest Wastewater Customers" and "Historical Debt Service Coverage."

(e) Information for the preceding Fiscal Year regarding the following categories of financial information and operating data of the System: (1) water purchased (in millions of gallons) by the Authority from its suppliers, (2) wholesale water rates paid by the Authority under its water supply contracts, (3) amounts paid by the Authority to its water suppliers, (4) historical water demands (average and maximum daily in MGD), (5) ten largest System customers, (6) number of water system accounts, (7) number of sewer system accounts, (8) rates, fees and charges (water and sewer), and (9) historical debt service coverage.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Authority is an "obligated person" (as defined by the Rule), which have been filed in accordance with the Rule and the other rules of the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from EMMA. The Authority shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events:

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers, or their failure to perform.
- (vi) Adverse tax opinions or events affecting the tax-exempt status of the security.
- (vii) Modifications to rights of the security holders.
- (viii) Bond calls.

- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the defeasances.
- (xi) Rating changes.

SECTION 6. Reporting of Significant Events.

(a) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, the Authority shall, within five business days, determine if such event would constitute material information for Beneficial Owners of the Bonds.

(b) If the Authority determines that knowledge of the occurrence of a Listed Event would be material, the Authority or the Dissemination Agent (if any) shall file a notice of such occurrence with EMMA. Notice of Listed Events described in subsections (a)(viii) and (ix) shall be disseminated automatically, and need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owners of affected Bonds pursuant to the Bond Resolution.

(c) The content of any notice of the occurrence of a Listed Event shall be determined by the Authority and shall be in substantially the form attached as Exhibit B.

SECTION 7. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Certificate shall terminate upon the defeasance (within the meaning of the Rule), prior redemption or payment in full of all of the Bonds. If the Authority's obligations are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Certificate in the same manner as if it were the Authority, and the Authority shall have no further responsibility hereunder.

SECTION 8. Dissemination Agent. The Authority may, from time to time, appoint a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and the Authority may, from time to time, discharge the Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not a designated dissemination agent, the Authority shall be the Dissemination Agent.

SECTION 9. Amendment. This Disclosure Certificate may not be amended unless independent counsel experienced in securities law matters has rendered an opinion to the Authority to the effect that the amendment does not violate the provisions of the Rule.

In the event that this Disclosure Certificate is amended, the notice of a Listed Event pursuant to Section 5(a) vii hereof shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided in the Annual Report. If an amendment is made in this Disclosure Certificate which allows for a change in the accounting principles to be used in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The

comparison shall include a qualitative discussion of the differences in the accounting principles and impact of the change in the accounting principles on the presentation of the financial information. A notice of the change in the accounting principles shall be deemed to be material and shall be sent to EMMA.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of any party to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their powers and duties hereunder, including the costs and expenses (including attorney fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The Dissemination Agent may consult with counsel (who may, but need not, be counsel for any party hereto or the Authority), and the opinion of such Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such Counsel. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Intermediaries; Expenses. The Dissemination Agent is hereby authorized to employ intermediaries to carry out its obligations hereunder. The Dissemination Agent shall be reimbursed immediately for all such expenses and any other reasonable expense incurred hereunder (including, but not limited to, attorney fees).

SECTION 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 16. Governing Law. This Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Georgia.

SECTION 17. Severability. In case any one or more of the provisions of this Disclosure Certificate shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Certificate, but this Disclosure Certificate shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Date: _____, 2012

COWETA COUNTY WATER AND SEWERAGE
AUTHORITY

By: _____
Chairperson

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Person: Coweta County Water and Sewerage Authority

Name of Bond Issue: Coweta County Water and Sewerage Authority Revenue Refunding Bonds, Series 2012

CUSIP Number¹

Date of Issuance: _____, 2012

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report due with respect to the above-named Bonds as required by its Disclosure Certificate, dated _____, 2012. The Authority anticipates that the Annual Report will be filed by _____.

This notice is based on the best information available at the time of dissemination. Any questions regarding this notice should be directed to _____.

Dated: _____

COWETA COUNTY WATER AND SEWERAGE
AUTHORITY

By: _____
Chairperson

¹ No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

EXHIBIT B

NOTICE TO EMMA

Relating to

COWETA COUNTY WATER AND SEWERAGE AUTHORITY

CUSIP NUMBERS²

Notice is hereby given that [insert the Listed Event] has occurred. [Describe circumstances leading up to the event, action being taken and anticipated impact.]

This notice is based on the best information available at the time of dissemination and is not guaranteed as to accuracy or completeness. Any questions regarding this notice should be directed to [insert instructions for presenting securities, if applicable].

[Notice of the Listed Events described in Section 5(a)ix shall include the following:

The Authority has reserved the right to redeem such refunded or defeased bonds prior to their stated maturity date in accordance with the optional/extraordinary redemption provisions of said defeased bonds.

OR

The Authority has covenanted not to exercise any optional or extraordinary redemption provisions under the Bond Resolution; however, the sinking fund provision will survive the defeasance.

AND

The Bonds have been defeased to [maturity/the first call date, which is _____]. This notice does not constitute a notice of redemption and no bonds should be delivered to the Issuer or the Paying Agent as a result of this mailing. A Notice of Redemption instructing you where to submit your bonds for payment will be mailed _____ to _____ days prior to the redemption date.]

Dated: _____

COWETA COUNTY WATER AND SEWERAGE
AUTHORITY

By: _____
Chairperson

² No representation is made as to the correctness of the CUSIP number either as printed on the bonds or as contained herein, and reliance may only be placed on other bond identification contained herein.

