

REVENUE BONDS DISCLOSURE

COLUMBIA COUNTY, GEORGIA
Water and Sewerage Revenue Bonds
Continuing Disclosure

Water and Sewer Rates

The following water and sewerage rates became effective in April 2006.

Residential

<u>Water Tap Size</u>	<u>Amount</u>	<u>Water</u>		<u>Sewer</u>	
		<u>Base</u>	<u>Per 1,000 gallons</u>	<u>Base</u>	<u>Per 1,000 gallons</u>
1" and Smaller	<10,000 gallons	\$8.31	\$1.71	\$10.80	\$1.91
	10,000 – 29,999 gallons	\$8.31	2.37	Levelized Winter Billing	
	30,000 – 49,999 gallons	\$8.31	3.43		
	>50,000 gallons	\$8.31	4.65		

Commercial

<u>Water Tap Size</u>	<u>Water</u>		<u>Sewer</u>	
	<u>Base</u>	<u>Per 1,000 gallons</u>	<u>Base</u>	<u>Per 1,000 gallons</u>
1.0"	\$14.73	\$1.72	\$17.40	\$1.91
1.5"	33.16	1.72	39.14	1.91
2.0"	58.81	1.72	69.57	1.91
3.0"	132.62	1.72	156.53	1.91
4.0"	235.78	1.72	278.31	1.91
6.0"	529.93	1.72	629.67	1.91

Source: Columbia County Water and Sewer Services Division.

Tap and Connection Charges

All water and sewer tap-in fees are based on three different conditions that exist in the System. These conditions are as follows:

(A) Applicant applies for a tap inside a developed area in which the developer has furnished water and/or sewer mains, taps, and meter boxes.

(B) Applicant applies for a tap inside a developed area in which the developer has furnished only the water and/or sewer mains.

(C) Applicant lives adjacent to a water and/or sewer main installed by the System.

Residential Water Tap-in Fees.

- (1) Cost of 5/8" residential service tap:
 - (A) \$339
 - (B) 678
 - (C) 1,017

- (2) Cost of 1" residential service tap:
 - (A) \$467
 - (B) 763
 - (C) 1,144

- (3) Cost of 1 ½" residential service tap:
 (A) \$ 593
 (B) 1,017
 (C) 1,273

Residential Sewer Tap-in Fees.

- (1) Cost for residential sewer tap:
 (A) \$678
 (B) 846
 (C) 1,017

Commercial Water and Sewer Tap-In Fees.

- (1) Cost for 1" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$339	\$ 846
(B)	846	1,185
(C)	1,271	1,413

- (2) Cost for 1 ½" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$846	\$1,017
(B)	1,100	1,314
(C)	1,524	1,601

- (3) Cost for 2" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$1,102	\$4,383
(B)	1,431	5,252
(C)	1,981	5,930

- (4) Cost for 3" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$2,289	\$7,116
(B)	2,880	7,964
(C)	3,389	8,811

- (5) Cost for 4" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$3,728	\$12,707
(B)	4,574	13,446
(C)	5,084	14,402

(6) Cost for 6" service for commercial use:

	<u>Water</u>	<u>Sewer</u>
(A)	\$7,455	\$25,417
(B)	8,303	27,958
(C)	9,319	29,653

Top Ten Customers

The following table shows the ten largest users of the System and the revenues derived from such customers for the fiscal year ended June 30, 2006.

<u>User</u>	<u>Business</u>	<u>Total Revenues</u>	<u>Percentage of Total Operating Revenues</u>
City of Grovetown	Local Government	\$409,188	1.99%
City of Harlem	Local Government	166,873	0.81
Quebecor	Manufacturer	149,804	0.73
Brandon Wilde	Retirement Community	107,499	0.52
Columbia County Board of Education	Local Government	85,927	0.42
Shenandoah Ridge Association	Apartment Complex	60,154	0.29
Wedgewood Apartments	Apartment Complex	44,389	0.22
Jensens Inc. (Wymberly)	Retirement Community	39,895	0.19
Westwood Club	Apartment Complex	39,048	0.19
Club Car Inc.	Manufacturer	<u>27,433</u>	<u>0.13</u>
Total		<u>\$1,130,210</u>	<u>5.48%</u>

Source: Columbia County Water and Sewer Services Division.

Total Customers

The following table presents the number of customers of the System for the last ten years.

Water and Sewerage Customers

<u>Year</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
1997	23,197	17,919	41,116
1998	24,009	18,833	42,842
1999	25,069	19,739	44,808
2000	26,001	20,536	46,537
2001	26,919	21,281	48,200
2002	28,054	22,332	50,386
2003	29,853	23,882	53,735
2004	31,240	25,170	56,410
2005	32,834	26,191	59,025
2006	33,506	26,898	60,404

Source: Columbia County Water and Sewer Services Division.

Historical Water and Wastewater Demand

Set forth below are water demand statistics for the past five fiscal years.

<u>Plant</u>		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Blanchard 3.17 MGD	Avg. Flow MGD	10.10	9.67	11.64	12.49	11.46
	Max. Flow MGD	20.84	14.94	23.26	23.26	28.08
Clark's Hill 8.0 MGD	Avg. Flow MGD	1.73	1.90	2.70	2.45	2.45
	Max. Flow MGD	3.51	3.82	3.98	3.78	4.25
Total	Avg. Flow MGD	11.83	11.57	14.34	14.94	13.71
	Max. Flow MGD	24.35	18.76	27.24	27.04	32.33

Source: Columbia County Water and Sewer Services Division.

Set forth below are wastewater demand statistics for the past five fiscal years.

<u>Plant</u>		<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Reed Creek 4.55 MGD	Avg. Flow MGD	3.07	3.32	3.31	3.21	3.25
	Max. Flow MGD	4.08	5.50	4.46	5.56	5.37
Crawford Creek 1.5 MGD	Avg. Flow MGD	0.91	1.06	0.88	0.94	0.96
	Max. Flow MGD	1.24	1.90	1.98	1.43	1.66
Little River 3.0/6.0 MGD	Avg. Flow MGD	2.00	2.39	2.42	2.50	2.60
	Max. Flow MGD	2.71	3.62	2.99	3.74	4.33
Kiokee Creek 0.3 MGD	Avg. Flow MGD	N/A	N/A	N/A	0.02	0.02
	Max. Flow MGD	N/A	N/A	N/A	0.05	0.05

Source: Columbia County Water and Sewer Services Division.

Five Year Operating History

Set forth below is a historical, comparative summary of the operating revenues of the System for the past five fiscal years. 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, 2006, included in the financial section of the Comprehensive Annual Financial Report. The information in the following table has been extracted from the audited financial statements of the County for the fiscal years ended June 30, 2002 through 2006.

COLUMBIA COUNTY WATER AND SEWERAGE SYSTEM Summary of Operating Results Fiscal Years Ended June 30

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Operating Revenue					
Charges for Services	\$14,619,971	\$14,744,628	\$15,314,896	\$16,590,135	\$18,858,886
Tap Fees	863,564	1,278,702	1,340,324	1,410,433	1,708,258
Other	<u>0</u>	<u>74,138</u>	<u>34,425</u>	<u>53,395</u>	<u>45,358</u>
Total Operating Revenue	<u>15,483,535</u>	<u>16,097,468</u>	<u>16,689,645</u>	<u>18,053,963</u>	<u>20,612,502</u>
Operating Expenses					
Operating Expenses	7,187,774	7,518,751	9,202,214	9,205,773	10,653,701
Depreciation and Amortization	<u>3,778,252</u>	<u>4,305,952</u>	<u>4,449,845</u>	<u>4,844,400</u>	<u>5,078,335</u>
Total Operating Expenses	<u>10,966,026</u>	<u>11,824,703</u>	<u>13,652,059</u>	<u>14,050,173</u>	<u>15,732,036</u>
Operating Income	<u>4,517,509</u>	<u>4,272,765</u>	<u>3,037,586</u>	<u>4,003,790</u>	<u>4,880,466</u>
Non-Operating Revenues and (Expenses)					
Interest Income	918,302	290,766	161,438	392,843	1,450,979
Interest Expense	(2,107,218)	(2,099,158)	(2,043,152)	(2,775,192)	(3,463,624)
Other	<u>344,837</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Non-Operating Revenue (Expenses)	<u>(844,079)</u>	<u>(1,808,392)</u>	<u>(1,881,714)</u>	<u>(2,382,349)</u>	<u>(2,012,645)</u>
Income before Contributions/Transfers	<u>3,673,430</u>	<u>2,464,373</u>	<u>1,155,872</u>	<u>1,621,441</u>	<u>2,867,821</u>
Contributions/Transfers					
Capital Contributions	2,297,201	2,129,501	3,056,212	6,499,686	6,146,522
Transfers	<u>(628,569)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Contributions/Transfers	<u>1,668,632</u>	<u>2,129,501</u>	<u>3,056,212</u>	<u>6,499,686</u>	<u>1,949,136</u>
Net Income/Change in Net Assets	<u>\$5,342,062</u>	<u>\$4,593,874</u>	<u>\$4,212,084</u>	<u>\$8,121,127</u>	<u>\$9,014,343</u>

Historical Debt Service Coverage

The following table shows the historical debt service coverage of the System for the past five fiscal years.

	Fiscal Year ended June 30				
	2002	2003	2004	2005	2006
Net Income/Change in Net Assets	<u>\$5,342,062</u>	<u>\$4,593,874</u>	<u>\$4,212,084</u>	<u>\$8,121,127</u>	<u>\$9,014,343</u>
Plus:					
Interest Expense	2,107,218	2,099,158	2,043,152	2,775,192	3,463,624
Depreciation and Amortization	<u>3,778,252</u>	<u>4,305,952</u>	<u>4,449,845</u>	<u>4,844,400</u>	<u>5,078,335</u>
	<u>\$5,885,470</u>	<u>\$6,405,110</u>	<u>\$6,492,997</u>	<u>\$7,619,592</u>	<u>\$8,541,959</u>
Less:					
Interest Income on					
Construction Fund and	\$ 439,048	\$ 12,604	\$ 54,288	\$147,162	\$1,005,718
Investment Account					
Capital Contributions	2,297,201	2,129,501	2,954,986	6,499,686	6,146,522
Other Nonrecurring Revenue	<u>344,837</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$3,081,086</u>	<u>\$2,142,105</u>	<u>\$3,009,274</u>	<u>\$6,646,848</u>	<u>\$7,152,240</u>
Net Income Available for Debt Service	<u>\$8,146,446</u>	<u>\$8,856,879</u>	<u>\$7,695,807</u>	<u>\$9,093,871</u>	<u>\$10,404,062</u>
Total Annual Debt Service ⁽¹⁾	<u>\$4,626,981</u>	<u>\$5,450,259</u>	<u>\$5,490,310</u>	<u>\$6,263,796</u>	<u>\$6,769,102</u>
Historical Debt Service Coverage	1.76x	1.63x	1.40x	1.45x	1.54x

⁽¹⁾ Total annual debt service includes principal and interest of outstanding revenue bonds only, excludes GEFA Loans.