

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein.

In the opinion of Bond Counsel, under existing law and subject to the conditions described in "TAX MATTERS" herein, interest on the Series 2025 Bonds (a) is excludable from gross income of the owners thereof for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. Bond Counsel is further of the opinion that under current law, the income on the Series 2025 Bonds, including the interest thereon, is exempt from income taxation by the State of Georgia. See "TAX MATTERS" herein regarding other tax considerations.



\$195,675,000*
FULTON COUNTY, GEORGIA
WATER AND SEWERAGE REVENUE REFUNDING BONDS,
SERIES 2025

Dated: Date of Delivery**Due: January 1, as shown on the inside front cover**

This Official Statement relates to the sale and issuance by Fulton County, Georgia (the "County") of \$195,675,000* in aggregate principal amount of its Water and Sewerage Revenue Refunding Bonds, Series 2025 (the "Series 2025 Bonds") pursuant to that certain Amended and Restated Resolution adopted by the Fulton County Board of Commissioners (the "Board of Commissioners") on June 17, 1998, as previously amended and supplemented (the "Master Bond Resolution"), and particularly as supplemented by that certain Parity Bond Resolution adopted by the Board of Commissioners on September 17, 2025 (the "Series 2025 Parity Bond Resolution"), as supplemented by that certain Supplemental Pricing Resolution expected to be adopted by the Board of Commissioners on November 19, 2025 (the "Series 2025 Supplemental Pricing Resolution"). The Master Bond Resolution, the Series 2025 Parity Bond Resolution, and the Series 2025 Supplemental Pricing Resolution are collectively referred to herein as the "Bond Resolution." All capitalized terms used and not otherwise defined herein will have the meanings assigned thereto in the Bond Resolution. See "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

The Series 2025 Bonds are being issued by the County for the purpose of, among other things: (a) refunding all or a portion of the County's remaining Outstanding Water and Sewerage Revenue Refunding Bonds, Series 2013 (the "Series 2013 Bonds"); and (b) paying certain costs of issuance related to the Series 2025 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2025 Bonds are initially being issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form only and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Series 2025 Bonds so purchased. Payments of principal of, premium, if any, and interest on, any Series 2025 Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2025 Bonds, by U.S. Bank Trust Company, National Association, as bond registrar and paying agent, to be subsequently disbursed to the Beneficial Owners (as defined herein). See "BOOK-ENTRY ONLY SYSTEM" herein.

Interest on the Series 2025 Bonds is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2026 (each such date, an "Interest Payment Date"). The Series 2025 Bonds will bear interest from the Interest Payment Date next preceding their date of authentication (except as provided in the Bond Resolution) at the rates and will be payable as to principal in the amounts and on the dates set forth on the inside front cover of this Official Statement. See "DESCRIPTION OF THE SERIES 2025 BONDS" herein.

The Series 2025 Bonds are special limited obligations of the County payable solely from and secured by a first priority pledge of, and lien on, the Net Revenues on a parity basis with the Outstanding Parity Bonds and any Additional Parity Bonds hereafter issued. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" and "OUTSTANDING SYSTEM OBLIGATIONS – Outstanding Parity Bonds" herein and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

THE SERIES 2025 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON INDEBTEDNESS, NOR SHALL THE SERIES 2025 BONDS BE DEEMED TO CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY, NOR SHALL THE COUNTY BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. THE SERIES 2025 BONDS SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE NET REVENUES PLEDGED TO THE PAYMENT THEREOF, AND ARE PAYABLE SOLELY FROM THE SINKING FUND PROVIDED THEREFOR FROM THE NET REVENUES. NO OWNER OR OWNERS OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE COUNTY TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT THEREOF AGAINST ANY OTHER PROPERTY OF THE COUNTY; NOR SHALL THE SERIES 2025 BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, OR UPON ANY OTHER PROPERTY OF THE COUNTY.

Electronic proposals for the purchase of the Series 2025 Bonds will be received by the County via the BidCOMP/Parity® electronic bid submission system ("Parity®") on November 19, 2025, until 10:00 a.m. local time in the City of Atlanta, or on such other date or time as may be determined by the County, with notice provided through Parity®, all as provided in the Official Notice of Sale, dated November 12, 2025, relating to the Series 2025 Bonds.

This cover page contains certain limited information for quick reference only. It is not, and is not intended to be, a summary of the matters relating to the Series 2025 Bonds. Potential investors must read the entire Official Statement (including the cover page, the inside front cover, and all appendices attached hereto) to obtain information essential to the making of an informed investment decision.

The Series 2025 Bonds are being offered when, as, and if issued by the County and received by the Purchaser subject to prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinion of McGuireWoods LLP, Atlanta, Georgia, as Bond Counsel. Certain legal matters will be passed upon for the County by Y. Soo Jo, Esq., as County Attorney. Certain legal matters will be passed upon for the County by McGuireWoods LLP, Atlanta, Georgia, as Disclosure Counsel. Raymond James & Associates, Inc. is serving as Financial Advisor to the County. The Series 2025 Bonds are expected to be delivered through the book-entry system of DTC on or about December 11, 2025.

* Preliminary and subject to change.

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS, PRICES AND INITIAL CUSIP NUMBERS[†]**

\$196,675,000*

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE REVENUE REFUNDING BONDS,
SERIES 2025**

Maturity (January 1)*	Principal Amount*	Interest Rate	Yield	Price	Initial CUSIP No.[†]
2027	\$1,555,000				
2028	2,175,000				
2029	23,575,000				
2030	24,755,000				
2031	25,990,000				
2032	27,295,000				
2033	28,650,000				
2034	30,085,000				
2035	31,595,000				

* Preliminary and subject to change.

[†] Initial CUSIP® numbers have been assigned to the Series 2025 Bonds by an organization not affiliated with the County or the Financial Advisor (as defined herein) and are included for the convenience of the owners of the Series 2025 Bonds only at the time of original issuance of the Series 2025 Bonds. CUSIP® is a registered trademark of the American Bankers Association CUSIP Global Services Inc. is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. None of the County, the Financial Advisor nor the Purchaser or their agents or counsel is responsible for the selection, use or accuracy of the CUSIP® numbers nor is any representation made as to their correctness with respect to the Series 2025 Bonds as included herein or at any time in the future. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Series 2025 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2025 Bonds.

FULTON COUNTY, GEORGIA

Board of Commissioners

Robert L. Pitts, *Chairman (At-Large)*
Bridget Thorne, *Commissioner (District 1)*
Bob Ellis, *Vice Chair (District 2)*
Dana Barrett, *Commissioner (District 3)*
Mo Ivory, *Commissioner (District 4)*
Marvin S. Arrington Jr., *Commissioner (District 5)*
Khadijah Abdur-Rahman, *Commissioner (District 6)*

Clerk to the Commission

Tonya R. Grier

County Manager

Richard "Dick" Anderson

Chief Operating Officer

Pamela Roshell, PH. D

Interim Finance Director

Ray H Turner

County Attorney

Y. Soo Jo, Esq.

Chief Financial Officer

Sharon L. Whitmore, CPA, CPFO

Director of Public Works

David E. Clark, P.E.

CONSULTANTS TO THE COUNTY

Bond and Disclosure Counsel

McGuireWoods LLP
Atlanta, Georgia

Financial Advisor

Raymond James & Associates, Inc.
Atlanta, Georgia

This Official Statement does not constitute a contract between the County or the Purchaser (as defined herein) and any one or more owners of the Series 2025 Bonds, nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2025 Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

No dealer, broker, salesman or any other person has been authorized by the County or the Purchaser to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series 2025 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the County or any other person. The information and expressions of opinion in this Official Statement are subject to change without notice, and this Official Statement speaks only as of its date. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. Except as otherwise indicated, the information contained in this Official Statement, including in the appendices attached hereto, has been obtained from representatives of the County and from public documents, records and other sources considered to be reliable.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF RULE 15c2-12 ISSUED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED ("RULE 15(c)2-12"), EXCEPT FOR CERTAIN INFORMATION PERMITTED TO BE OMITTED PURSUANT TO RULE 15c2-12(b)(1).

IN CONNECTION WITH THE OFFERING OF THE SERIES 2025 BONDS, THE PURCHASER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2025 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2025 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SERIES 2025 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2025 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

In making an investment decision, investors must rely on their own examination of the Water and Sewerage System (the "System"), the County, and the terms of the offering, including the merits and risks involved. The Series 2025 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

The order and placement of information in this Official Statement, including the appendices attached hereto, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices attached hereto, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section in this Official Statement.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM SUCH WEBSITE.

References to website addresses presented herein, including the County's website or any other website containing information about the County, are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose including for purposes of Rule 15c2-12.

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OFFICIAL STATEMENT
RELATING TO
\$195,675,000*
FULTON COUNTY, GEORGIA
WATER AND SEWERAGE REVENUE REFUNDING BONDS,
SERIES 2025

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, the inside front cover, and the appendices attached hereto, is to provide certain information in connection with the issuance and sale by Fulton County, Georgia (the "County") of \$195,675,000* in aggregate principal amount of its Water and Sewerage Revenue Refunding Bonds, Series 2025 (the "Series 2025 Bonds").

This introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the cover page and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein, if necessary. The offering of the Series 2025 Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. No person is authorized to detach this introduction from this Official Statement or to otherwise use it without the entire Official Statement including the appendices attached hereto.

All capitalized terms used and not otherwise defined herein will have the meanings assigned thereto in the hereinafter defined Bond Resolution. See "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

The County

The County is a political subdivision of the State of Georgia (the "State"). The Fulton County Board of Commissioners (the "Board of Commissioners") is the governing and policy making body of the County. For additional information related to the County, see "THE COUNTY" herein.

Authority for Issuance

The Series 2025 Bonds are being issued by the County in accordance with and pursuant to: (a) the Constitution of the State of Georgia of 1983 (the "State Constitution"); (b) the laws of the State, including the Revenue Bond Law (O.C.G.A. § 36-82-60 et seq.), as amended; and (c) the Amended and Restated Resolution adopted by the Board of Commissioners on June 17, 1998, as previously amended and supplemented (the "Master Bond Resolution"), and particularly as supplemented by that certain Parity Bond Resolution adopted by the Board of Commissioners on September 17, 2025 (the "Series 2025 Parity Bond Resolution"), as supplemented by that certain Supplemental Pricing Resolution expected to be adopted by the Board of Commissioners on November 19, 2025 (the "Series 2025 Supplemental Pricing Resolution"). The Master Bond Resolution, the Series 2025 Parity Bond Resolution, and the Series 2025 Supplemental Pricing Resolution are collectively referred to herein as the "Bond Resolution."

* Preliminary and subject to change.

Purpose of the Series 2025 Bonds

The Series 2025 Bonds are being issued by the County for the purpose of, among other things: (a) refunding all or a portion of the Series 2013 Bonds (as defined herein); and (b) paying certain costs of issuance related to the Series 2025 Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Description of the Series 2025 Bonds

The Series 2025 Bonds are initially being issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in book-entry form only, and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Series 2025 Bonds so purchased. Payments of principal of, premium, if any, and interest on, any Series 2025 Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2025 Bonds, by U.S. Bank Trust Company, National Association, as bond registrar (in that capacity, the "Bond Registrar") and paying agent (in that capacity, the "Paying Agent"), to be subsequently disbursed to the Beneficial Owners (as defined herein). See "BOOK-ENTRY ONLY SYSTEM" herein.

Interest on the Series 2025 Bonds is payable semiannually on January 1 and July 1 of each year, commencing July 1, 2026 (each such date, an "Interest Payment Date"). The Series 2025 Bonds will bear interest from the Interest Payment Date next preceding their date of authentication (except as provided in the Bond Resolution) at the rates and will be payable as to principal in the amounts and on the dates set forth on the inside front cover of this Official Statement. See "DESCRIPTION OF THE SERIES 2025 BONDS" herein.

Security and Sources of Payment for the Series 2025 Bonds

The Series 2025 Bonds are special limited obligations of the County payable solely from and secured by a first priority pledge of, and lien on, the Net Revenues on a parity basis with the Outstanding Parity Bonds and any Additional Parity Bonds hereafter issued. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS" and "OUTSTANDING SYSTEM OBLIGATIONS - Outstanding Parity Bonds" and " - Additional Parity Bonds" herein and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

THE SERIES 2025 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON INDEBTEDNESS, NOR SHALL THE SERIES 2025 BONDS BE DEEMED TO CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY, NOR SHALL THE COUNTY BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. THE SERIES 2025 BONDS SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE NET REVENUES PLEDGED TO THE PAYMENT THEREOF, AND ARE PAYABLE SOLELY FROM THE SINKING FUND PROVIDED THEREFOR FROM THE NET REVENUES. NO OWNER OR OWNERS OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE COUNTY TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT THEREOF AGAINST ANY OTHER PROPERTY OF THE COUNTY; NOR SHALL THE SERIES 2025 BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, OR UPON ANY OTHER PROPERTY OF THE COUNTY.

Continuing Disclosure

In order to assist the Purchaser (as defined herein) in complying with paragraph (b)(5) of Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "SEC") promulgated pursuant to the Securities Exchange Act of 1934, as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2025 Bonds, the County, as an "obligated person" under the Rule, will deliver a Continuing Disclosure Certificate (the "Disclosure

Bonds and the System for the benefit of the holders of the Series 2025 Bonds. See "CONTINUING DISCLOSURE" herein and "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and the appendices attached hereto contain brief descriptions of, among other matters, the County, the System, the Series 2025 Bonds, the security and sources of payment for the Series 2025 Bonds, and the Bond Resolution. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Bond Resolution, and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2025 Bonds are qualified in their entirety to the form thereof included in the Bond Resolution. A copy of the Bond Resolution and other relevant documents and information are available, upon written request and payment to the County of any applicable charge for copying, mailing and handling, from Ray Turner, Interim Finance Director, 141 Pryor Street, SW, Suite 7001, Atlanta, Georgia 30303.

PLAN OF REFUNDING

The Series 2025 Bonds are being issued by the County for the purpose of, among other things: (a) refunding all or a portion of the Series 2013 Bonds (that portion of said Series 2013 Bonds being refunded are sometimes referred to herein as the "Refunded Bonds"); and (b) paying certain costs of issuance related to the Series 2025 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein. While not required to do so, the County presently intends to refund all of the remaining Outstanding Series 2013 Bonds. The Refunded Bonds will be called for redemption on or about March 9, 2026* (the "Redemption Date") at the redemption price equal to the Outstanding principal balance of the Refunded Bonds at par (100%), together with interest accrued thereon to the Redemption Date.

To affect the refunding and redemption of the Refunded Bonds, a portion of the proceeds of the Series 2025 Bonds, together with other legally available funds, will be deposited with U.S. Bank Trust Company, National Association (the "Refunded Bonds Paying Agent"), acting in its capacity as escrow agent for the Refunded Bonds pursuant to that certain Escrow Deposit Agreement by and between the County and the Refunded Bonds Paying Agent (acting in its capacity as escrow agent thereunder (the "Escrow Agent") dated as of December 1, 2025 (the "Escrow Deposit Agreement"), in an amount which shall be sufficient, together with interest earnings thereon, to pay the principal of and accrued interest on the Refunded Bonds on the Redemption Dates. Upon the irrevocable deposit of sufficient funds with the Escrow Agent in the escrow fund established under the Escrow Deposit Agreement, and the giving of certain notices and instructions required under the Bond Resolution and the Escrow Deposit Agreement, Bond Counsel will deliver an opinion that all conditions precedent to the release and discharge of the lien of the Bond Resolution in favor of the Refunded Bonds have been satisfied, and such Refunded Bonds shall be deemed paid within the meaning of the Bond Resolution.

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* Preliminary and subject to change.

ESTIMATED SOURCES AND USES OF FUNDS*

The proceeds of the Series 2025 Bonds are expected to be applied as follows:

Sources of Funds:

Par Amount of the Series 2025 Bonds	\$ _____
Transfer from Sinking Fund for Refunded Bonds	_____
Transfer from (Debt Service) Reserve Account for Refunded Bonds	_____
Net Original Issue Premium/Original Issue Discount	_____
Total Sources of Funds:	\$ _____

Uses of Funds:

Deposit to System Renewal and Extension Fund	\$ _____
Deposit to Refunded Bonds Paying Agent/Escrow Agent	_____
Costs of Issuance ⁽¹⁾	_____
Total Uses of Funds:	\$ _____

⁽¹⁾ Includes underwriter's/purchaser's discount (if any), legal and accounting fees, financial advisor and other consultant fees, initial fees of the Bond Registrar and Paying Agent, rating agency fees, printing costs, validation court costs, and other miscellaneous fees and costs.

DESCRIPTION OF THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be dated their date of issuance and will bear interest (based on a 360-day year comprised 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) at the rates set forth on the inside front cover of this Official Statement. Interest on the Series 2025 Bonds is payable semiannually on each Interest Payment Date. The Series 2025 Bonds will be payable as to principal in the amounts and on the dates set forth on the inside front cover of this Official Statement. The Person in whose name any Series 2025 Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding any registration of transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date; provided, however, that if the County shall default in the payment of interest due on any Interest Payment Date, such interest shall be paid to the Persons in whose names the Outstanding Series 2025 Bonds are registered on a subsequent Record Date established by mail by the Paying Agent not less than 10 days preceding such subsequent Record Date.

The Series 2025 Bonds are initially being issued as fully registered bonds, without coupons, in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., the nominee of DTC. Purchases of beneficial ownership interests in the Series 2025 Bonds will be made in Book-Entry Form only and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Series 2025 Bonds so purchased. Payments of principal of, premium, if any, and interest on, any Series 2025 Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2025 Bonds, by the Bond Registrar and Paying Agent, to be subsequently disbursed to the Beneficial Owners. See "BOOK-ENTRY ONLY SYSTEM" herein. In the event that the Series 2025 Bonds are no longer held in Book-Entry Form, the principal of and interest on the Series 2025 Bonds which are not held in Book-Entry Form shall be payable in the manner set forth in the Bond Resolution.

* Preliminary and subject to change.

Redemption Provisions

The Series 2025 Bonds are not subject to redemption prior to maturity.

Registration of Transfer and Exchange of Series 2025 Bonds

Notwithstanding the registration of transfer and exchange provisions set forth in the Bond Resolution, when the Series 2025 Bonds are held in Book-Entry Form, the Series 2025 Bonds may be registered, transferred, and exchanged in accordance with the rules of the Security Depository.

BOOK-ENTRY ONLY SYSTEM

General

The following information concerning DTC and DTC's book-entry system has been obtained from DTC, and neither the County nor the Purchaser make any representation or warranty or take any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2025 Bond certificate will be issued for each maturity of the Series 2025 Bonds as set forth on the inside cover of this Official Statement, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of 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 a Standard and Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2025 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2025 Bond ("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 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2025 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 2025 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 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2025 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2025 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2025 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents relating to the Series 2025 Bonds. For example, Beneficial Owners of Series 2025 Bonds may wish to ascertain that the nominee holding the Series 2025 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 the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 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 County 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 Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2025 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 County or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2025 Bonds, as applicable, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/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 the Series 2025 Bonds at any time by giving reasonable notice to County or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2025 Bonds certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2025 Bonds certificates will be printed and delivered to DTC.

Disclaimer

NONE OF THE COUNTY, THE PAYING AGENT, NOR THE BOND REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE DTC DIRECT AND INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE SERIES 2025 BONDS WITH RESPECT TO (a) THE ACCURACY OF ANY RECORDS MAINTAINED BY THE SECURITIES DEPOSITORY OR ANY SUCH DTC DIRECT OR INDIRECT PARTICIPANT; (b) THE PAYMENT BY THE SECURITIES DEPOSITORY OR ANY SUCH DTC DIRECT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR PREPAYMENT PRICE OF OR INTEREST ON THE SERIES 2025 BONDS; (c) THE DELIVERY BY THE SECURITIES DEPOSITORY OR ANY SUCH DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO HOLDERS OF THE

SERIES 2025 BONDS UNDER THE TERMS OF THE SERIES 2025 PARITY BOND RESOLUTION; (d) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2025 BONDS; OR (e) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2025 BONDS.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS

Pledge of Net Revenues

The Series 2025 Bonds are special limited obligations of the County payable solely from and secured by a first priority pledge of, and lien on, the Net Revenues on a parity basis with the Outstanding Parity Bonds and any Additional Parity Bonds hereafter issued.

The Bond Resolution defines "Net Revenues" to mean the collected Revenues of the System remaining after the payment therefrom of Operating Expenses.

The Bond Resolution defines "Revenues" to mean all income and revenue of any nature derived from the operation of the System, including periodic water and sewerage billings, service charges, storm water utility fees, connection fees, other charges for water and sewerage service and the availability thereto, hydrant rentals, Hedge Receipts and all interest received on and profits derived from investments made with Revenues or any moneys in the Revenue Fund, the Sinking Fund and the Renewal and Extension Fund but excluding local, state or federal grants and moneys deposited in any rebate fund created hereunder. For any purpose of the Bond Resolution that requires the computation of Revenues with respect to any period of time, "Revenues" shall include such amounts resulting, received or to be received, as the case may be, during such period, determined on a cash basis, plus (x) the amounts, if any, paid from the Rate Stabilization Fund into the Revenue Fund during such period, but only to the extent provided in Section 602 of the Bond Resolution and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period.

The Bond Resolution defines "Operating Expenses" to mean the reasonable and necessary costs of operating, maintaining and repairing the System, including, without limitation, salaries, wages, employee benefits and other compensation, the payment of any contractual obligations incurred pertaining to the operation, maintenance and repair of the System, expenses related to storm water management payable from System Revenues, 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 and amortization.

See "THE SYSTEM," "SYSTEM REVENUES" and "SYSTEM FINANCE MATTERS" herein, and "APPENDIX A - AUDITED FINANCIAL STATEMENTS OF THE WATER AND SEWERAGE SYSTEM FUND OF FULTON COUNTY, GEORGIA FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023" and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

Reserve Account

As required under the Bond Resolution, particularly as amended by the Series 2013 Parity Bond Resolution, the initial purchasers of the Series 2025 Bonds are purchasing such Bonds subject to the Reserve Requirement Amendments which permit the County to (a) establish a Reserve Requirement in respect of the Series 2025 Bonds or any other Additional Parity Bonds at \$0 (that is, to not have a Reserve Requirement), (b) not establish a separate subaccount under the Reserve Account in respect of the Series 2025 Bonds or any other Additional Parity Bonds (as and to the extent the County determines to not establish a Reserve Requirement relating to such Additional Parity Bonds), and (c) permit any future series of Additional Parity Bonds, as and to the extent a Reserve Requirement is applicable thereto, to be separately secured by the subaccount in the Reserve Account established for such series of Additional Parity Bonds. By purchasing the Series 2025 Bonds, the initial purchasers of the Series 2025 Bonds (for themselves and their successors, transferees and assigns) acknowledge that the Reserve Requirement Amendments became effective upon to the adoption of the Series 2013 Parity Bond Resolution. *For purposes of clarification and to avoid doubt, the Series 2025 Bonds will not be secured by, or any amounts contained in, the Reserve Account*

(or any account or subaccount therein) established for the benefit of any Additional Parity Bonds. In addition, neither the Series 2020A Bonds nor the Series 2020B Bonds are secured by the Reserve Account (or any account or subaccount contained therein). See "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

Flow of Funds

The Bond Resolution creates and requires the County to maintain the following funds and accounts: (a) the Revenue Fund; (b) the Rate Stabilization Fund; (c) the Sinking Fund and a Reserve Account within the Sinking Fund; (d) the Renewal and Extension Fund; (e) the Rebate Fund; (f) the Construction Fund; and (g) the Costs of Issuance Fund. For information relating to the Rebate Fund, the Construction Fund, and the Costs of Issuance Fund, see "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

Revenue Fund. All Revenues derived from ownership and operation of the System and properties in connection therewith shall be collected by the County and deposited to the Revenue Fund and the County shall continue to maintain such Revenue Fund separate and apart from its other funds so long as any Bonds are Outstanding and unpaid or until provisions shall have been duly made for the payment thereof. Revenues of the System shall be disbursed from the Revenue Fund to the extent and in the following manner and order:

Rate Stabilization Fund. The County shall first pay from the Revenue Fund into the Rate Stabilization Fund, the amount, if any, to be credited to such fund from time to time. The County may, from time to time, withdraw amounts on deposit in the Rate Stabilization Fund and (a) transfer such amounts to the Revenue Fund or (b) use such amounts to purchase, redeem or defease the Bonds. If such amounts are transferred to the Revenue Fund, the amount so transferred shall constitute Revenues for all purposes under the Bond Resolution including, but not limited to, calculation of the rate covenant and the additional bonds test. Funds on deposit in the Rate Stabilization Fund will not secure the Bonds. The County has not elected to fund the Rate Stabilization Fund. Should the County elect to deposit amounts in the Rate Stabilization Fund in the future, such amounts could be funded before the payment of Operating Expenses and debt service on Bonds (inclusive of the Series 2025 Bonds).

Operating Expenses. After the payments into and withdrawals out of the Rate Stabilization Fund are made, there shall next be paid from the Revenue Fund the Operating Expenses of the System.

Increase in Sinking Fund Obligation. The County hereby acknowledges and agrees that the payments required to be made into the Sinking Fund as provided in Section 602(2) of the Original Master Bond Resolution, including the Reserve Account therein, are hereby expanded to provide for payment of the principal of, redemption premium (if any) and interest on the Series 2025 Bonds as the same become due and payable (whether by maturity, scheduled mandatory redemption or otherwise). Without limiting the foregoing, the County agrees that it shall continue to deposit into the Sinking Fund from the Revenue Fund as provided in Section 602(2) of the Original Master Bond Resolution the following amounts: (a) commencing with the month of January 2026, and from month to month thereafter, an amount equal to one-sixth (1/6th) of the interest on the Bonds coming due on the next succeeding January 1 or July 1, as the case may be, and (b) commencing with the month of January 2026, and from month to month thereafter, an amount equal to one-twelfth (1/12th) of the principal coming due on the Bonds on the next succeeding January 1, such monthly payments to continue from month to month thereafter until sufficient moneys are on hand in the Sinking Fund and the Reserve Account to pay all Outstanding Bonds at their respective maturities and the interest which will become due and payable thereon; provided, however, in any event, the payments into the Sinking Fund at all times shall be sufficient and timely to pay principal of and interest on the Series 2020A Bonds, the Series 2020B Bonds, the Series 2025 Bonds and any Additional Parity Bonds which may be outstanding from time to time when due and payable (whether by maturity, scheduled mandatory redemption or otherwise). To the extent any Bonds bear interest at Variable Rates, the foregoing requirements will be deemed satisfied if the installment paid with respect to the interest payment next coming due is sufficient to accumulate for such Bonds an amount equal to one-sixth of the "projected interest" payment multiplied by the number of months and fractions of months expired since the delivery of such Bonds or the most recent Interest Payment Date. The projected interest is that sum, determined monthly, which would have to be accumulated in the Sinking Fund by the next Interest Payment Date if such Variable Rates continue

to equal the greater of (a) the actual rate borne by such Bonds on the first day of that month or (b) the rate borne by such Bonds on the date of calculation.

There shall be paid on a parity basis with the aforesaid amounts into the Sinking Fund, all amounts required to be paid to a Credit Provider, if any, as compensation for services performed by such Credit Provider and as reimbursement of: funds reasonably expended by such Credit Provider on behalf of the County or for the County's account; provided, however, that amounts due to the Credit Provider due to acceleration of indebtedness or an increase in the rate of interest on indebtedness of the County shall rank junior and subordinate to all payments required to be paid into the Sinking Fund. In addition, with respect to debt service on any Bonds which are subject to a Hedge Agreement, if any, interest payable on such Bonds during the term of such Hedge Agreement shall be deemed to be the Hedge Payments, and such amounts shall be paid to the Hedge Agreement account party on a parity basis with the aforesaid payments into the Sinking Fund.

Moneys in the Sinking Fund shall be disbursed for (a) the payment of the interest on the Bonds secured by the Bond Resolution as such interest comes due and any Hedge Payments, as the same comes due, (b) the payment of the principal of the Bonds secured by the Bond Resolution at their respective maturities, (c) the redemption of Bonds secured by the Bond Resolution before maturity at the price and under the conditions provided therefor in the Bond Resolution, (d) the purchase of Bonds in the open market; provided, however, the price paid shall not exceed the authorized redemption price, and (e) the payment of the necessary charges for paying Bonds and interest thereon and for investment services of the Sinking Fund Custodian.

There shall next be paid from the Revenue Fund into the Reserve Account within the Sinking Fund, such amounts, if any, required to maintain in said Reserve Account a debt service reserve equal to the Reserve Requirement, which is anticipated to be \$0 in respect of the Series 2025 Bonds. In addition, the Reserve Requirement for the Series 2020A Bonds and the Series 2020B Bonds is \$0. The Reserve Account shall be maintained in the full amount required for the purpose of paying the principal of and interest on the Bonds, as and solely to the extent secured by the Reserve Account, falling due as to which there would otherwise be a default and if money is taken from said Reserve Account for the payment of such principal and interest, the money so taken shall be replaced in said Reserve Account from the first moneys in the Revenue Fund thereafter available, not required to be used for maintenance and operation charges and not required to be paid into the Sinking Fund or to a Credit Provider as hereinabove provided.

Renewal and Extension Fund. There shall next be paid from the Revenue Fund at the end of each month into the Renewal and Extension Fund all of the moneys then remaining in the Revenue Fund, except for such amount as the Director of Finance in the exercise of his discretion shall deem reasonable and prudent to be maintained in the Revenue Fund as a working capital reserve to pay the costs of operating, maintaining and repairing the System; provided, however, such working capital reserve shall never be less than \$500,000 or such larger amount as the Director of Finance shall determine from time to time. The Director of Finance may elect in the exercise of his discretion to make transfers from the Revenue Fund to the Renewal and Extension Fund on an annual basis, following the end of each Fiscal Year. Expenditures may be made from the Renewal and Extension Fund and only in the following order or priority:

(a) paying principal of redemption premium, if any, and interest on the Bonds then Outstanding and falling due at any time for the payment of which money is not available in the Sinking Fund securing the payment of same and the interest thereon;

(b) an emergency caused by some extraordinary occurrence and having a major effect on the System and an insufficiency of money exists in the Revenue Fund to meet such emergency;

(c) making replacements, additions, extensions and improvements to the System (including the acquisition of all or portions of other water and/or sewerage systems or facilities), and paying the cost of any engineering studies, surveys or plans and specifications pertaining to future development or expansion of the System deemed by the Governing Authority of the County to be reasonable and to the best interest of the County and the Owners of the Bonds;

(d) acquiring the Bonds by redemption at the redemption price or by purchase in the open market at a price not exceeding the redemption price then applicable to such issue of Bonds;

(e) paying the principal of premium, if any, and interest on or to acquire in the manner describe in (d) above any general obligation bonds, water and sewerage revenue bonds which are junior and subordinate to the Bonds, or other obligations provided that all such bonds or obligations were issued for purposes of the System;

(f) paying the charges of the Renewal and Extension Fund depository;

(g) paying the reasonable and necessary costs of operating, maintaining and repairing the System to the extent there are insufficient moneys in the Revenue Fund available for such purpose;

(h) providing for the defeasance of any Bonds outstanding under the Bond Resolution;

(i) making any required payments to any rebate fund created under the Bond Resolution; or

(j) any other lawful purpose.

Should subordinate lien bonds be issued, the payments required in the Renewal and Extension Fund may be suspended and such moneys shall be available to the extent necessary to pay principal of and interest on such subordinate lien bonds and for creating of a reasonable reserve and such moneys may be pledged for that purpose.

For additional information, see "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

Rate Covenant

The County has placed into effect a schedule of rates, tolls, fees and charges for the services, facilities and commodities furnished by the System, and as often as it shall appear necessary, the County will revise and adjust such schedule of rates, tolls, fees and charges for services, facilities and commodities to the extent necessary to produce funds sufficient in each Fiscal Year (calculated on a cash basis) to:

(a) operate, maintain and repair the System on a sound businesslike basis;

(b) create and maintain the Sinking Fund as provided in the Bond Resolution in the amount required to discharge the payment of the principal of and the interest on the Outstanding Bonds as the same become due and payable in the then current Sinking Fund Year; and

(c) create and maintain a reserve in the Reserve Account held within the Sinking Fund in the amount as required in the Bond Resolution (which may be \$0 for the Series 2025 Bonds and any Additional Parity Bonds) or such larger amount as may be required in any proceedings authorizing any such Additional Parity Bonds.

Notwithstanding the foregoing, in any event the County shall at all times have in effect a schedule of rates, tolls, fees and charges sufficient to produce Net Revenues at least equal to 1.10 times the Principal and Interest Requirement (the "Rate Coverage Requirement"); provided, however, that the Principal and Interest Requirement shall be modified for the purpose of determining compliance with the foregoing rate covenant test by providing that with respect to Bonds which bear interest at a Variable Rate, the interest requirement in each Sinking Fund Year during which such Variable Rate applies will be the average annual interest rate which such Variable Rate Bonds borne during the most recently completed Sinking Fund Year (or portion of such Sinking Fund Year if such Variable Rate Bonds were not Outstanding throughout the entire preceding Sinking Fund Year).

The rates, tolls, fees and charges will be classified in a reasonable manner to cover users of the services, facilities and commodities furnished by the System so that as nearly as practicable such rates, tolls, fees and charges

shall be uniform in application to all users falling within any reasonable class. No free services will at any time be furnished from the System, and the County 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 sewerage line to connect with the System. No customer will be connected to the System or otherwise be served by the County without a proper water 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. Notwithstanding the aforesaid limitation in this paragraph, the County in the exercise of its reasonable discretion shall have the right to furnish free unmetered water to nonprofit bodies or public bodies.

If the County shall fail to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges, in accordance with the provisions of the Bond Resolution described above, any Owner of Bonds without regard to whether any Event of Default shall have occurred, may institute and prosecute in any court of competent jurisdiction, an appropriate action to compel the County to adopt a schedule or schedules of rates, tolls, fees and charges, or to revise its schedule or schedules of rates, tolls, fees and charges in accordance with the provisions of the Bond Resolution described above or to take any other action permitted by the Bond Resolution.

See "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

Additional Parity Bonds and Subordinate Lien Obligations

The County may issue Additional Parity Bonds secured on a parity with the Outstanding Parity Bonds and any Additional Parity Bonds, including the Series 2025 Bonds, if and to the extent that the County satisfies the requirements and conditions for issuance of any such Additional Parity Bonds set forth in the Bond Resolution. The issuance by the County of any such Additional Parity Bonds secured by Net Revenues may dilute the security for the Outstanding Parity Bonds and any Additional Parity Bonds, including the Series 2025 Bonds. The County may also issue obligations payable and secured by a lien on Net Revenues which is junior and subordinate to the lien securing the payment of the Outstanding Parity Bonds and any Additional Parity Bonds, including the Series 2025 Bonds. For a description of the requirements and conditions for the issuance of any such Additional Parity Bonds or Subordinate Lien Obligations (as defined herein), see "AMENDMENTS TO THE MASTER BOND RESOLUTION" herein and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

Accession of Junior and Subordinate Lien Obligations to Parity Status

The County may provide for the accession of junior and subordinate lien obligations to the status of complete parity with the Outstanding Parity Bonds and any Additional Parity Bonds, including the Series 2025 Bonds, upon certain terms and conditions as more fully described in the Master Bond Resolution. See "OUTSTANDING SYSTEM OBLIGATIONS - Subordinate Lien Obligations" herein and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

Enforceability of Remedies

The Series 2025 Parity Bond Resolution constitutes a contract between the County and the owners of the Series 2025 Bonds, and the pledge, covenants, and agreements of the County set forth in the Bond Resolution are for the equal benefit, protection, and security of the owners of the Series 2025 Bonds with respect to Net Revenues.

If the County were to default on the Series 2025 Bonds, the realization of value from the pledge of the Net Revenues to secure the payment of the Series 2025 Bonds would depend upon the exercise of various remedies specified by the Bond Resolution and State law. These and other remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights and remedies with respect to the Series 2025 Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, reorganization, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. A court may decide not to order the specific performance of the covenants contained in the Bond Resolution.

Notwithstanding the foregoing, O.C.G.A. § 36-80-5 provides that no county created under the State Constitution or the laws of the State will be authorized to file a petition for relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities. O.C.G.A. § 36-80-5 also provides that no chief executive, board of commissioners, or other governmental officer, governing body, or organization shall be empowered to cause or authorize the filing by or on behalf of any county created under the State Constitution or laws of the State of any petition for federal relief from payment of its debts as they mature or a petition for composition of its debts under any federal statute providing for such relief or composition or otherwise to take advantage of any federal statute providing for the adjustment of debts of political subdivisions and public agencies and instrumentalities.

Limited Obligations

The Series 2025 Bonds are special limited obligations of the County payable solely from and security by a first priority pledge of, and lien on, the Net Revenues on a parity basis with the Outstanding Parity Bonds and any Additional Parity Bonds hereafter issued. See "OUTSTANDING SYSTEM OBLIGATIONS - Outstanding Parity Bonds" and " - Additional Parity Bonds" herein and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" attached hereto.

THE SERIES 2025 BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION UPON INDEBTEDNESS, NOR SHALL THE SERIES 2025 BONDS BE DEEMED TO CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE COUNTY, NOR SHALL THE COUNTY BE SUBJECT TO ANY PECUNIARY LIABILITY THEREON. THE SERIES 2025 BONDS SHALL NOT BE PAYABLE FROM OR A CHARGE UPON ANY FUNDS OTHER THAN THE NET REVENUES PLEDGED TO THE PAYMENT THEREOF, AND ARE PAYABLE SOLELY FROM THE SINKING FUND PROVIDED THEREFOR FROM THE NET REVENUES. NO OWNER OR OWNERS OF THE SERIES 2025 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE COUNTY TO PAY THE SERIES 2025 BONDS OR THE INTEREST THEREON, NOR TO ENFORCE PAYMENT THEREOF AGAINST ANY OTHER PROPERTY OF THE COUNTY; NOR SHALL THE SERIES 2025 BONDS CONSTITUTE A CHARGE, LIEN, OR ENCUMBRANCE, LEGAL OR EQUITABLE, UPON THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, OR UPON ANY OTHER PROPERTY OF THE COUNTY.

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OUTSTANDING SYSTEM OBLIGATIONS

Outstanding Parity Bonds

Upon the issuance of the Series 2025 Bonds (and the related refunding of all of the Refunded Bonds with a portion of the proceeds therefrom), the following Bonds will be Outstanding under the Bond Resolution (the "Outstanding Parity Bonds")¹:

Outstanding Parity Bonds	Final Maturity Date (January 1)	Original Principal Amount	Outstanding Principal Amount
Water and Sewerage Revenue, Series 2020A (the "Series 2020A Bonds")	2045	\$290,595,000	\$289,095,000
Water and Sewerage Revenue Refunding Bonds, Series 2020B (the "Series 2020B Bonds")	2027	155,600,000	46,097,000
Water and Sewerage Revenue Refunding Bonds, Series 2025*	2035	195,675,000*	195,675,000*
Total Outstanding Parity Bonds*		<u>\$641,870,000*</u>	<u>\$530,867,000*</u>

Source: Fulton County, Georgia Finance Department.

Subordinate Lien Obligations

As of November 1, 2025, there were no obligations payable and secured by a lien on Net Revenues which is junior and subordinate to the lien on the Outstanding Bonds and any Additional Parity Bonds (the "Subordinate Lien Obligations"), including the Series 2025 Bonds, under the Bond Resolution.

The County does not currently plan to issue any Subordinate Lien Obligations. However, the County expressly reserves the right to issue Subordinate Lien Obligations in connection with financing or refinancing opportunities that: (a) lower costs of borrowing and/or maximize savings in accordance with long term planning objectives, and/or (b) provide funding for projects approved by the Board of Commissioners.

Hedge Agreements

As of November 1, 2025, the County does not have any outstanding Hedge Agreements under the Bond Resolution.

The County does not currently plan, but expressly reserves the right, to enter into any Hedge Agreements.

Additional Parity Bonds

Except for plans to issue approximately \$450,000,000 in bonds, in aggregate, in Fiscal Years 2027 and 2029 for the future Camp Creek WRF expansion project (as described under the section captioned "CAPITAL IMPROVEMENTS" herein), the County currently does not have immediate plans to issue additional bonds payable and secured by a first priority pledge of, and lien on, the Net Revenues on a parity basis with the Outstanding Parity Bonds ("Additional Parity Bonds"). After the issuance of the Series 2025 Bonds, the County expressly reserves the right to so issue Additional Parity Bonds in connection with financing or refinancing opportunities that: (a) lower costs of borrowing and/or maximize savings in accordance with long-term planning objectives, and/or (b) provide funding for projects approved by the Board of Commissioners, including to finance the projects in the System's Capital Improvement Program. See "CAPITAL IMPROVEMENT PROGRAM" herein.

¹ Prior to the issuance of the Series 2025 Bonds, there are \$219,705,000 in Outstanding Series 2013 Bonds, all or a portion of which will be refunded upon the issuance of the Series 2025 Bonds.

* Preliminary and subject to change.

ESTIMATED DEBT SERVICE REQUIREMENTS

The following table presents the estimated total aggregate debt service for the Outstanding Parity Bonds, including the Series 2025 Bonds, upon the issuance and delivery of the Series 2025 Bonds.

Bond Year	Outstanding Parity Bonds ⁽¹⁾⁽²⁾	Series 2025 Bonds ⁽²⁾			Total Aggregate Debt Service ^{(1)(2)*}
		Principal	Interest	Total	
2025	\$21,089,254.40	\$	\$	\$	\$
2026	\$25,396,356.00				
2027	\$25,321,560.00				
2028	\$9,560,100.00				
2029	\$9,485,100.00				
2030	\$9,410,100.00				
2031	\$9,585,100.00				
2032	\$9,515,100.00				
2033	\$9,445,100.00				
2034	\$9,375,100.00				
2035	\$31,507,600.00				
2036	\$31,509,550.00				
2037	\$31,509,900.00				
2038	\$31,508,050.00				
2039	\$31,508,400.00				
2040	\$31,505,200.00				
2041	\$31,507,850.00				
2042	\$31,504,800.00				
2043	\$31,507,350.00				
2044	\$ 31,507,700.00				
	<u>\$ 453,259,270.40</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Excludes the Series 2013 Bonds, all or a portion of which are expected to be refunded with the proceeds of the Series 2025 Bonds. See "OUTSTANDING SYSTEM OBLIGATIONS - Outstanding Parity Bonds" and " - Additional Parity Bonds" herein.

⁽²⁾ Numbers may not add due to rounding.

* Preliminary and subject to change.

Source: Fulton County, Georgia Finance Department.

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THE COUNTY

General

The County is the central county in the Atlanta Metropolitan Area and the most populous county in the State. The latest estimated population of the County as of July 1, 2024, was 1,090,354, as estimated by the U.S. Census Bureau. Originally created in 1853 by the Georgia General Assembly and enlarged in 1931 by the absorption of two adjacent counties, the County encompasses approximately 529 square miles. The City of Atlanta occupies approximately 133 square miles, or about 25% of the County, and accounts for approximately 42% of its population. The fourteen other incorporated cities located in the County are: Alpharetta, Chattahoochee Hills, College Park, East Point, Fairburn, Hapeville, Johns Creek, Milton, Mountain Park, Palmetto, Roswell, Sandy Springs, South Fulton and Union City. Urban and suburban areas associated with Atlanta, Hapeville, East Point, Sandy Springs and College Park are located in the central section of the County; suburban areas associated with Alpharetta, Roswell, Johns Creek and Milton are located in the northern section of the County, and agricultural areas remain in the extreme ends of the 75-mile distance from the northern to the southern boundaries.

For additional information regarding the County, see the information made available by the County on the Electronic Municipal Market Access website ("EMMA"). The information on EMMA speaks as of the date thereof and is subject to change.

Government

The County operates under the commission-county manager form of government. The Board of Commissioners is the governing and policy making body of the County. The Board of Commissioners consists of seven members, including the Chairman, that serve staggered four-year terms. The current members of the Board of Commissioners are as follows:

Member	District	Current Term Expires
Robert L. Pitts, <i>Chairman</i>	At large	December 31, 2026
Bridget Thorne, <i>Commissioner</i>	1	December 31, 2026
Bob Ellis, <i>Vice Chair</i>	2	December 31, 2028
Dana Barrett, <i>Commissioner</i>	3	December 31, 2026
Mo Ivory, <i>Commissioner</i>	4	December 31, 2028
Marvin S. Arrington, Jr., <i>Commissioner</i>	5	December 31, 2026
Khadijah Abdur-Rahman, <i>Commissioner</i>	6	December 31, 2028

The Board of Commissioners sets levels of service to be provided by each department when it approves each annual department budget. It levies taxes, adopts a yearly capital improvement program, exercises authority over the County's health and welfare programs, authorizes County bond issues, and promotes new industrial activity through its Development Authority. It also regulates zoning, fire and police protection service in the unincorporated areas of the County.

The Board of Commissioners appoints the County Manager as its chief executive officer, who in turn appoints all department heads, except elected officials and some whose appointments are specifically provided for by law. The County Manager's chief function is to carry out County policy as set by the Board of Commissioners. The Finance Department is responsible for the collection, stewardship, and disbursement of County funds. The Finance Department compiles the County budget, the Annual Comprehensive Finance Report, and accumulates data to evaluate programs, and analyzes revenue requirements. The County Attorney oversees an extensive litigation practice which includes employment, catastrophic personal injury, wrongful death, governmental contract, taxation, tax sales, tax assessment, zoning, land use, environmental, construction, constitutional, and bankruptcy matters and extensive motion and appellate practice. The Office of the County Attorney also oversees a great variety of property and tax matters.

The fiscal year of the County is currently the twelve-month period beginning January 1 and ending on December 31 (the "Fiscal Year").

County Executive Management

Richard "Dick" Anderson, Fulton County Manager. Mr. Richard "Dick" Anderson was appointed Fulton County Manager in March 2015 and serves as the top administrator for Georgia's largest county. He leads an organization of 4500 professionals with a \$1 billion budget serving over 1 million citizens. Mr. Anderson's signature emphasis has been to make Fulton County "First in 3... Impact, Service and Efficiency." This has led to the County being recently named by Georgia Trend as one of four counties to watch in the future. Significant accomplishments have included the approval of a \$580 million transportation infrastructure investment with a first ever Special Purpose Local Option Sales Tax for transportation purposes (TSPLOST), a \$500 million water treatment infrastructure expansion and a \$100 million facilities renovation program. With an emphasis on customer service, Fulton County residents are indicating high levels of customer satisfaction and Fulton County employee compensation is tied to a customer satisfaction metric. As well, significant changes have been made to Behavioral Health, Public Health and Property Tax processes to improve the citizen experience.

Before joining Fulton County, Mr. Anderson held several executive positions in both the private and public sectors. He served most recently as the COO for the Federal Reserve working in Washington, DC with Chairman Bernanke and the Board of Governors to create a strategic plan for operations post the financial crisis. Previously, he served in Governor Sonny Perdue's administration as Executive Director of Georgia Regional Transportation Authority and led a strategic review of the state's transportation system. Mr. Anderson began his career in telecommunications and retired from BellSouth and AT&T after being Vice Chairman and Group President-Global Business.

Mr. Anderson has long been involved in the Atlanta community serving as the 2007 Metro Atlanta Chamber Chairman and on additional boards such as Children's Healthcare, Marcus Autism Center, Georgia Regional Transportation Authority, Clark Atlanta University and Camp Twin Lakes. He was recently named Citizen of the Year by the Greater North Fulton Chamber of Commerce.

Mr. Anderson graduated with BS and MBA degrees from Murray State University where he serves as an MSU trustee and was recognized by the Governor of Kentucky as Outstanding Alumni from a Kentucky university in 2016.

Pamela Roshell, PH.D, Chief Operating Officer. Dr. Pamela Roshell serves as Chief Operating Officer for Fulton County Government, where she provides executive leadership and operational oversight across key service areas including Health and Human Services, Economic Development, Public Safety, and Arts and Libraries. In this role, she manages a broad portfolio of countywide initiatives, directs a large and diverse workforce, and stewards a multi-million dollar operating budget that supports critical programs and services for Fulton County residents. She also ensures alignment with essential community partners, including the Fulton County Board of Health and the Department of Family and Children Services.

Since joining Fulton County in 2017, Dr. Roshell has held several senior leadership roles, including Deputy Chief Operating Officer and Director of Senior Services. Her work has focused on advancing innovative strategies to improve service delivery, expand access to care, and strengthen outcomes for vulnerable populations.

Prior to her service in county government, Dr. Roshell was appointed Regional Director for the U.S. Department of Health and Human Services, where she oversaw federal health programs across the Southeast. She also held executive roles at the American Association of Retired Persons (AARP), including serving as State Director for AARP Georgia, where she led advocacy, outreach, and program development for more than one million members.

Dr. Roshell graduated with a bachelor's degree from Columbia College, a Master of Social Work with a concentration in administration from the University of South Carolina, and a Ph.D. in social policy, planning, and administration from Clark Atlanta University.

Sharon Whitmore, Chief Financial Officer. Ms. Sharon Whitmore serves as the County's Chief Financial Officer. Ms. Whitmore leads all internal shared services functions including Diversity and Civil Rights Compliance, Finance, Human Resources, Office of Strategy and Performance Management and Purchasing, and is responsible for

internal departmental satisfaction with shared services and efficient operations. Ms. Whitmore has served with Fulton County for more than 30 years, and has held a number of roles including Interim Director of Finance and Interim County Manager. Prior to serving with Fulton County, Ms. Whitmore served with KPMG. She holds a Bachelor's degree in accounting from Kennesaw State University.

Y. Soo Jo, Esq., County Attorney. As the Fulton County Attorney, Soo Jo serves as general counsel for the largest county in Georgia where she leads an in-house legal department that handles all non-criminal legal matters for the County. The attorneys and legal professionals of the Fulton County Attorney's Office ("FCAO") protect the interests of the County, its departments and officials, residents and taxpayers through a high volume, fast-paced practice in which the FCAO drafts legislation, negotiates and drafts contracts, ensures compliance, provides daily advice and counsel, and litigates novel and complex issues that often set legal precedent.

Immediately prior to becoming the County Attorney, Ms. Jo was an Assistant United States Attorney in the Northern District of Georgia, where she served in the civil defense and civil rights enforcement units. Ms. Jo's public sector work has included serving as an attorney for the City of Atlanta, Superior Court of Fulton County, Georgia Department of Human Services, and Magistrate Court of Gwinnett County. She has also served as an EEO manager for The Home Depot U.S.A., Inc. Ms. Jo has twenty-five years of broad ranging experience in civil and public sector law, with a particular focus on employment matters.

Ms. Jo is a graduate of Georgetown University where she earned a Bachelor of Science degree in Languages and Linguistics, and holds a Juris Doctor degree from the Georgia State University College of Law.

Ms. Jo's professional affiliations include membership in the State Bar of Georgia, American Bar Association, Georgia Asian Pacific American Bar Association, and the Access to Justice Committee of the State Bar of Georgia (Pro Bono Subcommittee). She has previously been recognized with the State Bar of Georgia Labor and Employment Law Section's inaugural Mentorship Academy award for serving as a mentor (2017), the Georgia Asian Pacific American Bar Association's AAPI Trailblazer Award (2021), the Georgia Asian Times 25 Most Influential Asian Americans in Georgia Award (2022), and the Women Works Media Group's Law and Justice Award (2022).

Pension and Other Post-Employment Benefits

The County is required to have actuarial valuations produced for its pension and other post-employment benefits ("OPEB") liabilities. Actuarial valuations are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans and are based upon a variety of assumptions, one or more of which may prove to be inaccurate or may change in the future, and will change with the future experience of the pension plans. Further, this summary of the County's pension and OPEB information is designed to provide an overview of such matters and is qualified in its entirety, to the pension plan documents, the pension plan and OPEB actuarial valuations and the audited financial statements of the System, including the applicable notes thereto. Certain of the data in the following summary has been compiled from preliminary actuarial valuation and other reports, which remain subject to final review and approval by the applicable plan fiduciaries, actuaries and auditors, as the case may be and, therefore, remain subject to change.

The financial information included in the following summary is presented in thousands of dollars unless noted otherwise.

The Water and Sewerage System has employees who are still in active status that participate in the Fulton County Employees Retirement System Pension Plan "County Pension Plan" which is described below.

County Pension Plan. The County maintains for eligible employees the Fulton County Employees Retirement System Pension Plan (the "County Pension Plan"), a single-employer defined benefit retirement plan. The County Pension Plan was created effective September 1, 1991, as successor to four separate County-maintained pension plans, for all eligible employees of the County. Prior to the establishment of the County Pension Plan, the employees of the County were participants in one of two predecessor plans, the General Employees' Pension Plan or the Employees' Pension Plan. Employees who did not elect to participate in the County Pension Plan will continue to

be eligible for the same benefits of the prior plan in which they participated; however, participation was made a condition of employment for new employees as of September 1, 1991.

The County Pension Plan is administered by an eleven-member board of trustees which includes two members of the Board of Commissioners, the County Manager, the Chief Financial Officer, a representative citizen of the County, a designee of the Commission's Chairman, a Peace Officer, two retirees of the County and two active employees.

On June 16, 1998, the County adopted a 401(A) defined contribution plan. All active participants in the Fulton County Employees' Retirement System have the annual option to remain in their current defined benefit plan or elect to participate in the new defined contribution plan. Employees hired on or after July 1, 1999 participate in the Fulton County Defined Contribution Plan.

The funding method and determination of benefits payable are provided in or authorized by various acts of the Georgia Legislature and statutes enacted by the County under home rule powers granted by the State. The County Pension Plan generally provides that funds to provide retirement benefits are to be accumulated from employee and County contributions and income from the investment of accumulated funds. Should the accumulated funds be insufficient to meet and pay the benefits when due, the County shall be required to make up any deficiency.

The County Pension Plan provides monthly retirement benefits that represent 2.25% of the participants' monthly earnings (the average of the highest three 12-month period of employment) for the first five years of credible service and then 2.5% thereafter. The County Pension Plan awards cost-of-living increases annually, up to a 3% maximum. Benefits also may be payable at termination, death, or disability.

The County's contribution to the County Pension Plan is the actuarially determined amount necessary to fund benefits, less employee contributions. The actuarially determined contribution amount is the sum of the annual normal cost and the amortization of the unfunded actuarial accrued liability over the years remaining in the allowable funding period. The actuarial cost method used for funding purposes is the entry age normal cost method. This is one of the approved methods for such plans in the State and provides for contributions based on a level percentage of future payroll. The unfunded actuarial accrued liability is amortized on a closed basis over a period established by State guidelines.

The required contribution percentages developed in the most recent actuarial valuations for the County Pension Plan, and the actual contributions, but not including contributions of \$321 to the Supplemental Plan described in this note made for 2024, are as follows (in thousands of dollars):

	2024
Total required employer contributions:	
Dollar amount	\$62,340
Percent of covered payroll	1058.95%
Actual employer contributions:	
Dollar amount	\$61,952
Percent of covered payroll	1052.36%

Employee contribution rates are established in accordance with pension law. During 2024, actual county-wide employee contributions were \$425 which represented 7.22% of covered payroll. Employee contributions exceeded those set forth in pension law due to back-due contributions required of employees covered by certain of the County's prior separate plans, who under older pension laws, have the ability to increase their retirement benefits by making such back-due contributions.

Membership. Current membership in the County Pension Plan and current year payrolls for 2024 are as follows:

Members:	
Retired and receiving benefits	2,950
Terminated with vested benefits	17
Active employees:	
Vested	66
Total members	3,033
Total current year payroll for employees covered by the Plan (in thousands)	\$5,887

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the County Pension Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the County Pension Plan are based on employee compensation. The accumulated plan benefits for active employees are based on their average compensation and credited service ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. An actuarial valuation of the County Pension Plan is performed annually each January 1, and an update is performed to determine the Actuarial Value of Assets And Actuarial Accrued Liability.

Effective as of the January 1, 2025 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.70% to 6.60%. These changes affected the actuarial liability by \$16.9 million. There were no changes in plan provisions from the last valuation date.

The System's total and net pension liability for the years ended December 31, 2024 and 2023 are as follows:

Fiscal Year Ended	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a Percentage of Total Pension Liability
December 31, 2024	\$1,897,479	\$1,523,324	\$374,155	80.28%
December 31, 2023	1,900,928	1,453,658	447,270	76.47%

Sensitivity of the Net Pension Liability to Changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 6.60%, and the System's net pension liability would be if it were calculated using a discount rate this is one-percentage-point lower (5.60%) or one-percentage-point higher (7.60%) than the current rate.

	1% Decrease (5.60%)	Current Discount (6.60%)	1% Increase (7.60%)
System's net pension liability	\$559,258	\$374,155	\$216,427

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates (as a percentage of pay) and the County contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the County Pension Plan's fiduciary net position was projected to be available to make all projected benefit payments of current members of the County Pension Plans.

Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Total and Net Pension Liability, and Plan Fiduciary Net Position are shown below.

		Total Pension Liability	Plan Fiduciary Net Pension	Net Position Liability
Balances at December 31, 2023	\$	1,900,928	1,453,658	447,270
Changes for the year:				
Service cost		1,185	-	1,185
Interest		122,269	-	122,269
Benefit changes		-	-	-
Difference between expected and actual experience		10,601	-	10,601
Change of assumptions		16,909	-	16,909
Contributions - employer		-	61,952	(61,952)
Contributions - employee		-	425	(425)
Net investment income		-	162,493	(162,493)
Benefit payments, including refunds of employee contributions		(154,413)	(154,413)	-
Administrative expense		-	(791)	791
Net changes	\$	(3,449)	69,666	(73,115)
Balances at December 31, 2024	\$	<u>1,897,479</u>	<u>1,523,324</u>	<u>374,155</u>

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Methods and assumptions used in the calculations of actuarially determined contributions. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	January 1, 2025
Actuarial cost method	Entry Age Normal.
Amortization method	Level Dollar, closed period.
Remaining amortization period	9-year average remaining, depending on which bases.
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Investment rate of return	6.60% (1/1/2025 valuation). The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.
Inflation rate	2.5%.
Projected salary increases	3.0%-6.0% depending on age, and if Public Safety employee.
Mortality Rates-Pre-Retirement	Pre-2012 Employee Blue Collar Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Healthy Annuitants	Pre-2012 Healthy Retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males, (no adjustment for Females) projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Disabled Annuitants	Pre-2012 Disables Retiree Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.

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The following presents target allocations and long term expected rates of return for the Plan. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2024 as shown below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return⁽¹⁾
U.S. Large Cap Equity	31.50%	6.90%
U.S. Small/Mid Cap Equity	14.00%	7.70%
International Large Cap Equity	12.50%	6.50%
Emerging Market Equity	5.00%	9.40%
International Small Cap Equity	5.00%	7.80%
Bank Loans	5.00%	6.80%
Domestic Fixed Income	20.00%	5.30%
Asset Allocation (60/40 EQ/FI Tft)	7.00%	6.40%
	<u>100.00%</u>	

⁽¹⁾ Expected real rate of return is net of inflation.

Pension Expense and Deferred Outflows of Resources Related to Pensions

The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2024 (the measurement date).

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between project and actual earnings on plan investments	-	<u>\$5,139</u>
Total	-	<u>\$5,139</u>

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

Year Ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in Pension Expenses as an Increase or (Decrease) to Pension Expense (a)-(b)
2025	-	\$15,599	\$(15,599)
2026	-	33,302	(33,302)
2027	-	(40,399)	40,399
2028	-	(13,641)	13,641
Thereafter	-	-	-
Total	-	<u>\$(5,139)</u>	<u>\$5,139</u>

Note: In accordance with Paragraph 71 of GASB Statement 68, the difference between projected and actual earnings on investments is recognized over a closed five-year period. Assumption changes and the difference between expected and actual total pension liability experience are each recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. For 2024, the period is one year and, therefore, those changes are recognized immediately.

Fulton County Employees' Retirement System Supplemental Plan. On January 1, 2000, the Fulton County Employees' Retirement System Supplemental Plan (the "County Supplemental Plan") was created to pay benefits in excess of the limitations required for compliance with federal tax laws. The accrued liability estimate for the County Supplemental Plan is approximately \$1.4 million as of January 1, 2025, biannual actuarial valuation date. Plan assets total \$1.1 million, and the unfunded balance is \$.3 million which is being amortized on a 2-year level dollar method. Participant information, actuarial funding methods, and other assumptions are the same as the Fulton County Employees' Retirement System. This liability does not appear on the actuarial information presented for the County Pension Plan.

Complete financial statements for the Plan can be obtained at the following address:

Fulton County
Suite 7001, 141 Pryor Street, N.W.
Atlanta, Georgia 30303

Defined Contribution Plan. The Fulton County Defined Contribution Pension Plan (the "Defined Contribution Plan") was established in June 1999 to provide retirement benefits for new employees, appointees and other County officials, as the defined benefit plan was closed. Empower Retirement, who acquired Mass Mutual, serves as an independent administrator of the Defined Contribution Plan. At December 31, 2024, the Defined Contribution Plan had 6,274 total participants who contributed 6% of their pensionable earnings, approximately \$18,809 during Fiscal Year 2024. The County also contributed \$25,173 which was 8% of their pensionable earnings throughout the year. The County also contributed an additional \$2,005 in matched funds into the Defined Contribution Plan for those Participants electing to participate in the Deferred Compensation Plan (as defined herein). Participants fully vest the matched contributions over a five-year period. Plan provisions and contribution requirements are established by and may be amended by the Board of Commissioners.

Deferred Compensation Plan. The County has adopted a deferred compensation plan (the "Deferred Compensation Plan") in accordance with the 2001 revisions of Section 457 of the Internal Revenue Code. The Deferred Compensation Plan, available to all County employees, allows an employee to voluntarily defer a certain percentage of gross compensation, not to exceed \$23 for those less than 50 years of age, and an additional \$7.5 for all others above 50 years of age. The Deferred Compensation Plan assets are held in custodial accounts for the exclusive benefit of the Deferred Compensation Plan participants and their beneficiaries and, therefore, the Deferred Compensation Plan assets and liabilities are not recorded on the County's financial statements. **Empower Retirement, who acquired Mass Mutual, serves as an independent administrator of the plan.**

Other Post-Employment Benefits. The County, through the Board of Commissioners' action, provides single employer health care and life insurance benefits for retired employees through an independent third-party administrator, in which all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. The County contributes 75-90% of the premium cost for health care coverage, based upon the plan chosen by the participant and what required employee match existed at separation date. The County also contributes 100% of the premium cost for \$10 of life insurance coverage for those employees retiring after December 1, 1988. The County pays 75% of the life insurance premiums for those persons who retired prior to December 1, 1988. The total cost to provide retiree health care and life insurance benefits, in the Health Insurance Stabilization fund, an internal service fund, is recognized as paid; such costs approximated \$51,133 in 2024, as compared to \$39,688 in 2023. The County contributions to this liability is funded by the above Health Insurance Stabilization fund, which in turn is funded by premiums charged to primarily the County's General fund as well as other funds consisting of payroll costs.

In accordance with GASB Statement No. 74 and 75, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans, as well as GASB, the County's annual other postemployment benefit ("OPEB") cost is calculated based on the actuarially determined employer contribution of the employer ("ADEC") which is required to be actuarially determined biannually.

The Actuarially Determined Employer Contribution and Total OPEB Obligation amounts were determined under the Entry age normal, lever percentage of pay method. As of the January 1, 2025 evaluation date, the number

of retirees with current health care coverage was 3,214. Approximately 4,109 active employees are covered in this plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions of future employment, mortality, and health care cost trends. Amounts determined regarding annual required contributions are subject to revision as results are compared with past expectations and new estimates are made about future trends. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan member to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The County did not contribute to the irrevocable trust fund in 2024 but has \$10,473 dedicated to pay for future OPEB claims against the current unfunded accrued actuarial liability of \$1,344,272.

Summary of Key Valuation Result: Total OPEB Liability (TOL) represents the value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions (in thousands).

	<u>12/31/2024</u>	<u>12/31/2023</u>
Net OPEB Liability	\$1,333,799	\$1,330,643
Annual OPEB Expense	143,991	102,368
Service cost of beginning of year	91,380	145,004
Total Covered Payroll	301,039	283,969

OPEB Plan Provisions and Eligibility. Eligibility for medical, vision, dental and life insurance benefits depends, in part, upon the retirement plan in which an employee participates. The conditions below are separated based on the retirement plan participation.

Defined Benefit Pension plan participants: Retirees from active service are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
 - *After age 65 with 10 years of service
 - *After age 60 with at least 15 years of service
 - *After 10 years of service upon which the sum of age and years of service Equal or exceed 79.
- (2) Leave employment due to disability in line of duty for peace officers.
- (3) Leave employment due to disability after 10 years of service.
- (4) Leave employment after 15 years of service
- (5) Leave employment due to reduction in workforce after age 55 with 10 years of service.

Defined Contribution Pension plan participants who transferred from the above defined benefit plan prior to 2002 are eligible to receive above benefits provided they satisfy one of the following:

- (1) Leave employment after 15 years of service
- (2) Leave employment due to reduction in workforce after age 55 with 10 years of service.
- (3) Leave employment as a peace officer after age 55 with 25 years of service.

Defined Contribution Pension plan participants who never participated in the above defined benefit plan are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
 - *After age 65 with 10 years of service
 - *After age 60 with at least 15 years of service
 - *After 10 years of service upon which the sum of age and years of service Equal or exceed 80.
- (2) Leave employment due to disability in line of duty for peace officers.
- (3) Leave employment due to disability after 10 years of service.

Excluded from eligibility for above benefits are:

- (1) Contract employees.
- (2) Seasonal employees.
- (3) Temporary employees.
- (4) Employees working for Family & Children Services.
- (5) Employees working for Adult Probation.
- (6) Employees working for Fulton County Housing Authority

Sensitivity of the Net OPEB Liability to Changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the County, calculated using the discount rate of 4.08%, and the System's net OPEB liability would be if it were calculated using a discount rate 1% lower (3.08%) or 1% higher (5.08%) than the current rate. Also shown are the net OPEB liabilities if the rates if healthcare trends rates were 1% lower and 1% higher than the current healthcare trend rate.

	Discount Rates		
	1% Decrease (3.08%)	Current (4.08%)	1% Increase (5.08%)
Net OPEB Liability	\$1,548,457	\$1,333,799	\$1,161,290

	Healthcare Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$1,150,736	\$1,333,799	\$1,564,938

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates (as a percentage of pay) and the county contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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OPEB Expense and Deferred Outflows of Resources Related to OPEB. The County recognized total OPEB expense of \$143,990 for the year ended December 31, 2024, all within the governmental activities. Included in OPEB expense are recognized amounts related to the deferred outflows and inflows of resources for OPEB's. These deferred outflows consist of \$23,922 comprised of the difference between expected and actual experience, and \$186,917 for changes in assumptions or other inputs, offset by deferred inflows comprised of the difference between expected and actual experience of \$284,812, change of assumptions or other inputs of \$177,684, and the net difference between projects and actual earnings of \$135. The combined deferred outflows and inflows of \$251,792 are being recognized each year as shown below until fully recognized, approximately 6 years.

Year ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in OPEB Expenses as an Increase or (Decrease) to OPEB Expense (a)-(b)
2025	\$125,462	\$124,286	\$1,176
2026	17,097	124,286	(107,189)
2027	17,097	124,685	(107,588)
2028	17,097	29,946	(12,849)
2029	17,097	29,714	(12,617)
Thereafter	16,989	29,714	(12,725)
Total	<u>\$210,839</u>	<u>\$462,631</u>	<u>\$(251,792)</u>

Schedule of Contributions.

Changes in Total and Net OPEB Liability, and Plan Fiduciary Net Position are shown below:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2023	\$1,339,358	\$8,715	\$1,330,643
Changes for the year:			
Service cost	91,380	-	91,380
Interest	52,350	-	52,350
Difference between expected and actual experience	(207,993)	-	(207,993)
Change of assumptions	116,561	-	116,561
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income		1,758	(1,758)
Benefit payments	(47,384)	-	(47,384)
Administrative expense	-	-	-
Net changes	<u>\$4,914</u>	<u>\$1,758</u>	<u>\$3,156</u>
Balances at December 31, 2024	<u>\$1,344,272</u>	<u>\$10,473</u>	<u>\$1,333,799</u>

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The County's annual OPEB cost was \$143,990 and net OPEB liability and changes in the net OPEB liability for the year ended December 31, 2024 are presented below:

Change in Net OPEB Liability	2024
Service Cost	\$ 91,380
Interest expense	52,350
Difference between expected and actual experiences	
Change in assumption	(91,432)
Benefit payments	(47,384)
Investment Income- OPEB trust fund	(1,758)
Change in net OPEB liability	<u>3,156</u>
Net OPEB liability - January 1	<u>1,330,643</u>
Net OPEB liability - December 31	<u><u>\$ 1,333,799</u></u>

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Methods and assumptions used in the calculations of actuarially determined contributions for the total OPEB liability. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	December 31, 2024														
Normal Cost and Actuarial Accrued Liability	Entry age normal, level percentage of pay														
Actuarial Value of Assets	Equal to Market Value														
Amortization of Unfunded Accrued	In accordance with requirements of GASB 75														
Actuarially Determined Contribution	Set equal to Annual OPEB expense														
Termination rates before retirement due to Disability or Withdrawals	Rates used - Age 40-60 used 0%														
Disability	50% of 1975 SSA Study														
Investment rate of return	6.80%.														
Discount Rate	4.08%														
Healthcare cost trend rate	7.50% for Anthem medical and Kaiser pre 65 plans, 10% for Anthem prescription and 5% for Medicare Advantage plan in 2024 reduced by .5% annually to 4.5%. 3% for vision. Administrative expense estimated at 3%														
Projected salary increases	3.00%														
Mortality Rates-Pre-Retirement	RP-2014 Blue Collar Mortality Table, adjusted backward to the base year (2006) using Scale MP-2014, and projected generationally from 2006 using Scale MP-2016														
Mortality Rates-Healthy Annuitants	Pre-2012 Healthy retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males (No adjustment for Females), with approximate adjustment to reflect generational improvements under Scale MP-2016														
Mortality Rates-Disabled Annuitants	Pre-2012 Disabled Retiree Amount-weighted Mortality Table with approximate adjustment to reflect generational improvements under Scale MP-2016														
Retirement	Sample Rates after attaining medical benefit eligibility: <table> <tr> <th><u>Age</u></th><th><u>Rate</u></th></tr> <tr> <td>50</td><td>5.00%</td></tr> <tr> <td>55</td><td>25.00%</td></tr> <tr> <td>60</td><td>15.00%</td></tr> <tr> <td>62</td><td>35.00%</td></tr> <tr> <td>65</td><td>20.00%</td></tr> <tr> <td>70</td><td>100.00%</td></tr> </table>	<u>Age</u>	<u>Rate</u>	50	5.00%	55	25.00%	60	15.00%	62	35.00%	65	20.00%	70	100.00%
<u>Age</u>	<u>Rate</u>														
50	5.00%														
55	25.00%														
60	15.00%														
62	35.00%														
65	20.00%														
70	100.00%														
Participation	90% for retiree medical and vision; 100% for life insurance														
Benefits not valued	All retiree medical, vision, and life insurance benefits not paid 100% by retiree were valued														

Required Supplementary Information (Unaudited, and in thousands) - Schedule of Contributions from the Employer and Other Contributing Entities.

Schedule of Contributions from the Employer and Other Contributing Entities Contributions in Relation to The Actuarially Determined Employer Contribution

Year Ended (December 31)	Actuarially Determined Employer Contribution	County Employer Contribution	DFACS Employer Contribution	Total Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2015	\$48,586	\$47,203	\$27	\$47,230	\$1,356	\$27,820	169.77%
2016	50,493	45,953	24	45,977	4,516	23,391	196.56
2017	52,988	57,213	15	57,228	(4,240)	20,374	280.89
2018	59,746	59,199	4	59,203	543	14,845	398.81
2019	64,773	64,777	-	64,777	(4)	12,956	499.98
2020	66,233	68,578	-	68,578	(2,345)	9,865	695.16
2021	62,358	71,686	-	71,686	(9,328)	8,034	892.28
2022	56,325	64,968	-	64,968	(8,643)	7,177	905.26
2023	61,500	65,725	-	65,725	(4,225)	6,315	1040.84
2024	62,340	61,952	-	61,952	388	5,887	1052.36

Required Supplementary Information (Unaudited, and in thousands) - Schedule of Employer's Net Pension Liability.

Schedule of Employer's Net Pension Liability

Year Ended (December 31)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2015	\$1,677,001	\$1,217,955	\$459,046	72.63%	\$27,820	1,650.06%
2016	1,706,579	1,211,837	494,742	71.01	23,391	2,115.10
2017	1,833,170	1,382,953	450,217	75.44	20,374	2,209.76
2018	1,852,863	1,223,532	629,331	66.03	14,845	4,239.35
2019	1,865,254	1,423,026	442,228	76.29	12,956	3,413.31
2020	1,881,914	1,548,336	333,578	82.27	9,865	3,381.43
2021	1,893,046	1,664,070	228,976	87.90	8,034	2,850.09
2022	1,900,620	1,321,228	579,392	69.52	7,177	8,073.17
2023	1,900,928	1,453,658	447,270	76.47	6,315	7,083.09
2024	1,897,479	1,523,324	374,155	80.28	5,887	6,355.65

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Required Supplementary Information (Unaudited, and in thousands) - Schedule of Pension Investment Returns.

Schedule of Pension Investment Returns

Year Ended (December 31)	Annual money-weighted rate of return, net of investment expense
2015	(0.88)%
2016	6.40%
2017	20.91%
2018	(6.00)%
2019	23.36%
2020	14.56%
2021	12.87%
2022	(15.83)%
2023	17.28%
2024	11.55%

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Required Supplementary Information (Unaudited, and in thousands) - Schedule of Changes in Net Pension Liability Last Ten Fiscal Years.

**Schedule of Changes in Net Position Liability Last Ten Fiscal Years
(in thousands)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$1,185	\$1,302	\$1,499	\$1,895	\$2,434	\$2,700	\$3,768	\$2,348	\$3,283	\$3,678
Interest	122,269	124,111	125,520	126,615	128,358	129,377	129,929	123,205	122,576	122,562
Change of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	10,601	11,312	8,989	15,210	4,636	4,854	6,717	20,982	16,293	6,262
Change of assumptions	16,909	17,118	22,388	17,469	26,158	17,554	17,675	112,435	15,734	15,489
Benefit payments, including refunds	(154,413)	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)
Net change in total pension liability	(3,449)	308	7,574	11,132	16,660	12,391	19,693	126,592	29,577	22,589
Total pension liability - beginning	\$1,900,928	\$1,900,620	\$1,893,046	\$1,881,914	\$1,865,254	\$1,852,863	\$1,833,170	\$1,706,578	\$1,677,001	\$1,654,412
Total pension liability - ending (a)	\$1,897,479	\$1,900,928	\$1,900,620	\$1,893,046	\$1,881,914	\$1,865,254	\$1,852,863	\$1,833,170	\$1,706,578	\$1,677,001
Plan fiduciary net position										
Contributions-employer	\$61,952	\$65,725	\$64,968	\$71,686	\$68,578	\$64,777	\$59,203	\$57,228	\$45,977	\$47,230
Contributions-employee	425	427	394	600	778	859	1,110	1,358	1,633	1,868
Net investment income	162,493	220,634	(256,661)	194,154	201,615	276,707	(80,562)	245,564	75,369	(11,187)
Benefit payments, including refunds	(154,413)	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)
Administrative expense	(791)	(821)	(721)	(649)	(735)	(755)	(776)	(656)	(788)	(581)
Net change in plan fiduciary net position	\$69,666	\$132,430	\$(342,842)	\$115,734	\$125,310	\$199,494	\$(159,421)	\$171,116	\$(6,118)	\$(88,072)
Plan fiduciary net position - beginning	\$1,453,658	\$1,321,228	\$1,664,070	\$1,548,336	\$1,423,026	\$1,223,532	\$1,382,953	\$1,211,837	\$1,217,955	\$1,306,027
Plan fiduciary net position - ending (b)	\$1,523,324	\$1,453,658	\$1,321,228	\$1,664,070	\$1,548,336	\$1,423,026	\$1,223,532	\$1,382,953	\$1,211,837	\$1,217,955
Net pension liability - ending (a) - (b)	374,155	447,270	579,392	228,976	333,578	442,228	629,331	450,217	494,741	459,046
Plan fiduciary net position as a percentage of the Total pension liability	80.28%	76.47%	69.52%	87.90%	82.27%	76.29%	66.03%	75.44%	71.01%	72.63%
Covered payroll	\$5,887	\$6,315	\$7,177	\$8,034	\$9,865	\$12,956	\$14,845	\$20,374	\$23,391	\$27,820
Net pension liability as a percentage of covered payroll	6355.65%	7083.09%	8073.17%	2850.08%	3381.55%	3413.37%	4239.26%	2209.76%	2115.09%	1650.06%

Assumption changes as of the 1/1/25 Valuation: The Board approved changes to reduce the net investment return from 6.70% to 6.60% as of December 31, 2024.

Assumption changes as of the 1/1/24 Valuation: The Board approved changes to reduce the net investment return from 6.80% to 6.70% as of December 31, 2023.

Notes to Required Supplementary Information (Unaudited, and in thousands) - Schedule of Changes in the Net Pension Liability. The total pension liability contained in this schedule was provided by the Plan's actuary, Segal Consulting. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plan.

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Required Supplementary Information (Unaudited, and in thousands) - Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Fiscal Years. The following table presents the Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Fiscal Years.

**Schedule of Changes in Net OPEB Liability and Related Ratios Last Ten Fiscal Years
(in thousands)**

		2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$	91,380	145,004	145,004	32,073	32,073	31,887	30,661
Interest		52,350	39,040	39,040	40,500	40,501	38,229	36,754
Change of benefit terms		-	-	-	-	-	-	-
Differences between expected and actual experience		(207,993)	(35,510)	(213,063)	-	128,147	-	5,236
Change of assumptions		116,561	(59,228)	(355,369)	-	522,046	-	-
Benefit payments		(47,384)	(39,688)	(44,597)	(36,442)	(40,796)	(40,796)	(34,883)
Net change in total OPEB liability		4,914	49,618	(428,985)	36,131	681,971	29,320	37,768
Total OPEB liability - beginning		1,339,358	1,289,740	1,718,725	1,682,594	1,000,623	971,303	933,535
Total OPEB liability - ending	\$	1,344,272	1,339,358	1,289,740	1,718,725	1,682,594	1,000,623	971,303
Plan fiduciary net position								
Contributions-employer	\$	-	-	-	-	-	-	-
Contributions-employee		-	-	-	-	-	-	-
Net investment income		1,758	1,571	(1,476)	1,498	950	1,236	(226)
Benefit payments		-	-	-	-	-	-	-
Administrative expense		-	-	-	-	-	-	-
Net change in plan fiduciary net position	\$	1,758	1,571	(1,476)	1,498	950	1,236	(226)
Plan fiduciary net position - beginning	\$	8,715	7,144	8,620	7,122	6,172	4,936	5,162
Plan fiduciary net position - ending	\$	10,473	8,715	7,144	8,620	7,122	6,172	4,936
Net OPEB Liability - ending	\$	1,333,799	1,330,643	1,282,596	1,710,105	1,675,472	994,451	966,367
Plan fiduciary net position as a percentage of the Total OPEB liability		0.78%	0.64%	0.55%	0.49%	0.42%	0.62%	0.51%
Covered payroll	\$	301,038	283,969	283,969	223,191	223,191	271,171	260,742
Net OPEB liability as a percentage of covered payroll		443.07%	468.59%	451.67%	766.21%	750.69%	366.72%	370.62%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as information becomes available. See accompanying notes to required supplementary information and accompanying independent auditors report.

Notes to Required Supplementary Information (Unaudited, and in thousands) - Schedule of Contributions from the Employer and Other Contributing Entities. The required contributions and percentage of those contributions actually made are presented in the schedule.

Notes to Required Supplementary Information (Unaudited, and in thousands) - Actuarial Methods and Assumptions.

Changes of assumptions-Pension: Effective as of the January 1, 2025 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.70% to 6.60%. These changes affected the actuarial liability by \$16.9 million as of the date of this valuation.

Methods and assumptions used in the calculations of actuarially determined contributions: The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	January 1, 2025
Actuarial cost method	Entry age Normal
Amortization method	Level Dollar, closed period
Remaining amortization period	9-year average remaining, depending on which bases
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value
Inflation rate	2.5%
Projected salary increases	3.0-6.0%, depending on age, and if Public Safety employee
Investment rate of return	6.60%. The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation
Mortality Rates-Pre-Retirement	Pre-2012 Employee Blue Collar Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012
Mortality Rates-Healthy Annuitants	Pre-2012 Healthy Retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males (No adjustment for Females), projected generationally with Scale MP-2020 from 2012
Mortality Rates-Disabled Annuitants	Pre-2012 Disables Retiree Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012

Changes of assumptions-OPEB: Assumption changes for the December 31, 2024 OPEB valuation are summarized below.

- The effective discount rate from the 20-year Bond GO Index for December 31, 2024 was 4.08%. For the December 31, 2022 measurement date, the discount rate used was 3.72%.
- Healthcare cost and trend assumptions were updated to reflect most recent experience and projections.
- The actuarial factors used to estimate individual and spouse costs by age and by gender were updated based on a review of historical claims experience by age, gender and status.
- Inflation rate updated to 2.0% from the 2.5% used in the previous study.

THE SYSTEM

System Management

The System is administered by the County through the Board of Commissioners. The County Manager and David E. Clark, P.E., the Director of Public Works are charged with the responsibility of daily operation and maintenance of the System. Mr. Clark reports directly to the County Manager.

Mr. Clark has over 30 years of experience in county public works functions specializing in transportation and the operation of water and wastewater treatment systems. He has been the Director of Public Works for Fulton County since May 2016 and prior to this appointment he was the Director of Public Works for Athens-Clarke County for 17 years. Mr. Clark is a registered professional engineer in the State and holds a Master's degree in Civil Engineering from Purdue University.

Water System

General. The County owns and operates the water system which serves the area of the County located north of the Chattahoochee River (the "Water System"). In general, the Water System consists of transmission and distribution mains, booster pumping stations, storage tanks, valves, fire hydrants, meters, service connections and related appurtenances. The County purchases its potable water supply from the Atlanta Fulton County Water Treatment Plant (the "Atlanta/Fulton Plant") and distributes drinking water to its customers located north of the Chattahoochee River (the "North Fulton County Area"). The County shares ownership of the Atlanta/Fulton Plant with the City of Atlanta (50/50 split) and is represented on the Atlanta Fulton County Water Resources Commission (the "Water Resources Commission"), which is responsible for the management and operation of the facility. The County has no water facilities in the area of the County located south of the City of Atlanta (the "South Fulton County area"). The majority of the South Fulton County area obtains its water service from the City of Atlanta.

North Fulton County Area. The County provides potable water to almost 81,000 retail and wholesale customers located in the North Fulton County area. The County purchases treated water from the Atlanta/Fulton Plant which has 90 million gallons per day ("MGD") permitted production capacity. The raw water supply for the Atlanta/Fulton Plant is obtained from the Chattahoochee River. Treated water supplied to the County is metered separately from the water supplied to the City of Atlanta.

The County owns and operates the water distribution system for the North Fulton County area. The majority of the Water System was installed after 1980. The Water System includes more than 1,200 miles of 8- to 54-inch diameter water mains, as well as service connections, meters, hydrants, valves, and related appurtenances. The Water System also includes nine elevated storage tanks and three ground storage tanks that provide a total of 16.7 million gallons of storage. The tanks range in size from 0.2 MG to 4 MG. The ground storage tanks are not equipped to provide pumped storage. The ground storage tanks are used to maintain service during seasonal peak demand periods and temporary service interruptions. The elevated storage tanks are used to maintain pressure in the distribution system as well as to provide the Water System with fire flow protection.

The County believes that the Water System is well maintained and in very good operating condition. The majority of the water mains are either cement-lined cast iron or ductile iron pipe. The County completed a program of replacing all existing asbestos-cement pipe in its distribution system with ductile iron pipe.

In Fiscal Year 2024, the Water System experienced 24 water main failures, 6 damaged water mains, 44 service line failures and 13 damaged service lines. The necessary repairs were performed by either County maintenance crews or by outside contractors that have been pre-contracted to perform emergency work on a standby basis.

The County has a valve exercising program and an ongoing fire hydrant repair/testing program. The non-revenue water percentage for Fiscal Year 2024 was 8%, a low percentage for a system of this size.

The County sells water on a wholesale basis to the City of Roswell and to Forsyth County at the same rates applicable to all wholesale customers. The City of Roswell owns and operates a 1.2 MGD water treatment plant and three elevated storage tanks, which it uses to serve approximately one-fourth of the area within the Roswell city limits. The County provides water service on a retail basis to the remainder of the City of Roswell. During peak times, the City of Roswell purchases water from the County to supplement its requirements; accordingly, the City of Roswell's water tanks are designed so that they may be filled from the County's distribution system.

Prior to the construction of its 14 MGD water treatment facility, Forsyth County purchased water from the County to serve the southern section of Forsyth County. With the new treatment facility being operational, Forsyth County only purchases water from the County for emergency purposes.

The following table presents the current water withdrawal permit, the average Atlanta and Fulton County daily demand, and the County average daily demand of Atlanta/Fulton County Water Treatment Plant for Fiscal Year 2024:

Capacity of Atlanta/Fulton Water Treatment Plant

	Current Water Withdrawal Permit (MGD)	2024 Average Atlanta and Fulton County Daily Demand (MGD)	2024 Fulton County Average Daily Demand (MGD)
Atlanta/Fulton County Water Treatment Plant	90 ⁽¹⁾	46.25	30.27

⁽¹⁾ 50% of the withdrawal rights are allocated by contractual arrangement to the County.

Source: System Records.

The Water Resources Commission originally planned to expand the Atlanta/Fulton Water Treatment Plant from a 90 MGD capacity to a 135 MGD capacity to meet the anticipated customer growth in the areas that it serves, including North Fulton County. Due to water conservation measures undertaken over the past 10 years, the expansion has been deferred. However, usage and expansion needs are being reviewed monthly and the expansion will proceed as and to the extent the demand warrants. The "Water Supply and Conservation Management Plan" prepared by the Metropolitan North Georgia Water Planning District (the "Regional Planning District") for the 16 counties in the planning region includes the expansion from 90 MGD to 135 MGD to meet projected water supply requirements through the year 2030 in the plan. For a more detailed discussion of the litigation among the States regarding water rights, see "REGULATORY MATTERS - Water System" herein.

Sandy Springs Area. The distribution system for the Sandy Springs area (south of the Chattahoochee River and north of the Atlanta city limits) is owned and operated by the City of Atlanta. Residential water service for the Sandy Springs area is supplied and billed directly by the City of Atlanta.

South Fulton County Area. The County does not own and/or operate any drinking water facilities serving the South Fulton County area. County residents in the South Fulton County area are served by the City of Atlanta or the City of East Point depending on the customer's location.

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The following table presents the historical average daily demand and maximum daily demand for the Water System provided by the Atlanta/Fulton Water Treatment Plant for Fiscal Years 2020 through 2024.

Historical Water System Demands

	Years Ended December 31				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Average Daily Flow (MGD)	26.43	26.91	27.99	27.64	30.27
Maximum Daily Flow (MGD)	36.37	40.08	41.79	39.18	47.94

Source: System Records.

The following table presents the number of connections to the Water System as of December 31 of the years shown:

Water System Connections

<u>Year</u>	<u>Connections</u>
2020	77,524
2021	77,899
2022	78,640
2023	79,228
2024	80,854

Source: System Records.

The following table presents the ten largest users of the Water System and the revenues derived from such customers for the twelve months ended December 31, 2024. 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 customers will continue to maintain their status as major customers of the System.

Largest Users of Water System

	<u>Average Monthly Water Usage (million gallons)</u>	<u>Total Water Billings⁽¹⁾</u>	<u>Percentage of Water Revenues⁽¹⁾</u>
ALCON LABORATORIES	36.68	\$1,908,909.48	3.84%
WRPV XIV ROSWELL VILLAGE, LLC	3.26	169,437.57	0.34
ABBOTTS BRIDGE PLACE HOA	3.01	156,148.22	0.31
AVALON NORTH LLC	2.33	121,794.27	0.24
CALIBRE CREEK APT	2.32	121,489.37	0.24
SMRE ROSWELL LLC	2.32	120,910.71	0.24
BELL FUND VII AVALON, LLC	2.30	119,636.02	0.24
401 HUNTINGTON DRIVE, LLC	2.25	117,482.78	0.24
IMT CAPITAL III DEERFIELD, LLC	2.20	115,160.80	0.23
WRPV XIV DEERFIELD VILLAGE MILTON, LLC	2.10	108,597.97	0.22
Total		\$3,059,567.19	6.15%

⁽¹⁾ Based on Fiscal Year 2024 total metered revenues of \$49,733,506.76.

Source: System Records.

Sewerage System

General. The County owns and operates the wastewater collection systems that serve customers located outside of the City of Atlanta in North and South Fulton County. In addition, the County owns and operates wastewater treatment plants that serve North Fulton County and South Fulton County. The County conveys wastewater that it collects in the Sandy Springs area to wastewater treatment facilities owned and operated by either the City of Atlanta or Cobb County under treatment and disposal contracts with those governments. The County also has contracts with the City of Atlanta and Clayton County to receive and treat flows from portions of South Fulton County. In general, the County's sewerage system consists of three wastewater treatment plants in North Fulton County, one wastewater treatment plants in South Fulton County. The conveyance system consists of more than 2,400 miles of interceptor, trunk and sanitary sewers, and force mains, two water reuse distribution systems, 50 sewerage lift stations, over 60,500 manholes, service connections, and related appurtenances (the "Sewerage System").

The County currently provides wastewater collection and treatment service approximately 106,000 customers of which approximately 58,000 customers are located in the North Fulton County and Sandy Springs areas, and approximately 48,000 customers are located in the South Fulton County area. The total service area covers 285 square miles. The County has four wastewater treatment plants which are: Big Creek Water Reclamation Facility ("WRF"), Johns Creek Environmental Campus, Little River WRF, and Camp Creek WRF and Little Bear Creek Water Pollution Control Plant ("WPCP"). These facilities treat wastewater from customers in the County as well as flows received from several municipalities. A portion of the wastewater generated within the County is treated by facilities not owned by the County, which include a combination of sewer authorities in neighboring counties. The County's wastewater collection system receives flows from the cities of Atlanta, Alpharetta, Roswell, Milton, Johns Creek and Mountain Park in North Fulton County and East Point, College Park, Union City, Fairburn, South Fulton, Chattahoochee Hills, and Palmetto in South Fulton County as well as flow from Cobb County, DeKalb County and Forsyth County. The County's wastewater collection system also serves unincorporated areas within the County. The remaining areas, primarily in the extreme north and southwest corners of the County do not have public sewer systems.

The County believes that its wastewater treatment plants are in good operating condition and are well maintained. However, customer growth within the County has required the use of a majority of the available treatment capacity of the existing plants, particularly in North Fulton County. In 2015, Fulton County completed the North Fulton County Capacity Study to evaluate the existing and proposed wastewater treatment capacity needed. The recommendations addressed the need to expand treatment capacity in the Johns Creek Basin to 20 MGD and the Big Creek WRF from 24 to 38 MGD. The completion of the Johns Creek Environmental Campus meets the needs of the Johns Creek Basin. The design of the Big Creek expansion began in 2017 and was completed in 2025. In 2019, Fulton County completed the South Fulton Wastewater Capacity Study to evaluate the existing and proposed wastewater treatment capacity needed in the South Fulton area of the County. The recommendations therein addressed the need to expand the capacity of the Camp Creek WRF from 24 MGD to 48 MGD, with a design phase presently forecast to begin in Fiscal Year 2027 followed by construction beginning in Fiscal Year 2029. See "CAPITAL IMPROVEMENT PROGRAM" herein. Included in the current Capital Improvement Program (as defined herein) are projects that will follow these recommendations and further reduce the infiltration and inflow in the sewer collection system.

Some sewers in the County's wastewater collection system are more than 60 years old. Infiltration and inflow affect all of the County's facilities and have contributed to permit violations as well as overflows throughout the wastewater collection system. Sanitary sewer evaluation studies conducted for the County have greatly enhanced the understanding of the wastewater collection system as well as identified those areas where infiltration and inflow reductions are needed. The County has completed a thorough investigation of the wastewater collection system to identify specific locations for rehabilitation and reconstruction projects.

Each of the County-owned wastewater treatment plants and their respective service areas are described below.

North Fulton County Area. There are three County-owned wastewater treatment plants in the North Fulton County area.

Big Creek WRF. The Big Creek WRF is the largest treatment facility in the North Fulton County area. The WRF treats flows from North Fulton County and portions of Cobb, DeKalb and Forsyth counties.

The collection area flowing to the Big Creek WRF consists primarily of residential and commercial users and provides service to approximately 67 square miles or 61% of the North Fulton County area. Big Creek WRF has a permitted capacity of 32 MGD. The plant discharges treated effluent to the Chattahoochee River and meets effluent permit requirements. The County has completed interim improvements at the plant.

Johns Creek Environmental Campus. The Johns Creek Environmental Campus, completed in the fall of 2009, has a permitted capacity of 15 MGD and provides service to approximately 32 square miles or 29% of the North Fulton County area. The membrane technology facility discharges treated effluent to the Chattahoochee River and meets effluent permit requirements. In 2018, the County completed a water reuse water line project to return up to 5 MGD from this treatment facility to 8 high volume irrigation users in the City of Johns Creek.

Little River WRF. The Little River WRF is currently a 2.6 MGD facility located in Woodstock in neighboring Cherokee County, serving Mountain Park and nearby communities in North Fulton County and parts of Cherokee County. It provides service to approximately five square miles or five percent of the North Fulton County area. The plant has a land application system that discharges 0.2 MGD of treated effluent for re-use by an offsite user. The service area is primarily residential. The plant discharges to the Little River and meets effluent permit requirements.

Sandy Springs Area. The County provides wastewater service to approximately two-thirds or 23 square miles of the Sandy Springs area. The County contracts with Cobb County's R.L. Sutton WRF or the City of Atlanta's R.M. Clayton Water Reclamation Center ("WRC") for wastewater treatment and conveys wastewater collected in the Sandy Springs area to those facilities.

R.L. Sutton WRF. The County has a contract with Cobb County for wastewater treatment at its R.L. Sutton WRF which is owned and operated by Cobb County. The facility has a permitted capacity of 60 MGD. It provides advanced secondary treatment for wastewater and discharges to the Chattahoochee River. An agreement with Cobb County allocates 25.8 percent or 15.48 MGD of the facility's reserve capacity to the County. The current average daily flow from the Sandy Springs area was approximately 6 MGD.

R.M. Clayton WRC. The R.M. Clayton WRC, owned and operated by the City of Atlanta has a permitted capacity of 280.0+ MGD, and discharges to the Chattahoochee River. This facility provides service to approximately six square miles of the County's Nancy Creek basin in the Sandy Springs area. The City of Atlanta currently allocates 6.8% of the facility's design flow capacity as contracted reserve capacity to the County, of which the County utilizes 2 MGD. In order to meet the City of Atlanta's Phosphorous Control Program requirements to decrease phosphorous discharge to the Chattahoochee River, the R.M. Clayton WRC was expanded.

South Fulton County Area. The County has two wastewater treatment plants in the South Fulton County area. In addition, it has contracts with the City of Atlanta and Clayton County to receive and treat a portion of the flows from South Fulton County. Each facility is described below.

Camp Creek WRF. The Camp Creek WRF, which is owned and operated by the County, is the primary treatment facility for the South Fulton County area. The plant currently serves approximately two-thirds or 139 square miles of the sewerage area in South Fulton County. The plant's capacity is currently 24.0 MGD. The Camp Creek WRF receives wastewater from the south and southwest portions of the County. The Capital Improvement Program currently includes projects to significantly modernize the plant. See "CAPITAL IMPROVEMENT PROGRAM" herein.

Utoy Creek WRC. The Utoy Creek WRC, which is owned and operated by the City of Atlanta, provides service to a 13-square mile area of South Fulton County. The facility is permitted to a maximum month daily flow of 40 MGD and discharges to the Chattahoochee River. The City of Atlanta currently allocates 20.83% of design flow as Reserved Capacity to the County. Current flows to the facility average 1.5 MGD. As part of the City of Atlanta's Phosphorous Control Program, the Utoy Creek WRC underwent expansion to 40 MGD.

The following table presents the permitted capacity maximum monthly flow and average annual flow for Fiscal Year 2024.

Permitted Capacity and Average Annual Flow of Wastewater Treatment Facilities

Plant	Permitted Capacity Maximum Monthly Flow MGD	2024 Average Annual Flow MGD⁽¹⁾
Big Creek WRF	24.0	16.22
Johns Creek Environmental Campus	15.0	9.19
Little River WRF	1.0	0.81
Camp Creek WRF	24.0	18.80
Little Bear Creek Pump Station	0.1	0.01

⁽¹⁾ Current average flows for non-Fulton County facilities were provided by the Fulton County Department of Water Resources.

Source: System Records.

Other. Sewerage systems in the City of Atlanta, as described above, and Cobb County provide additional treatment capacity to County residents. The City of Atlanta does not provide sewer services to County residents pursuant to a written contract, but the City of Atlanta and the County have been engaged in a course of dealings to allow County access certain of the City of Atlanta's treatment facilities for over 20 years. In this connection, in September 2007 the Board of Commissioners adopted a resolution setting forth payments to be made by the County representing the County's share of the cost of capital improvements to the R.M. Clayton WRC and Utoy Creek WRC, which are owned by the City of Atlanta.

The County has formal Service Delivery Strategy Agreements with the municipalities of Alpharetta, Roswell, Milton, Johns Creek and Sandy Springs. The County has formal Sewer Cooperation Agreements with the Cities of Atlanta, College Park, East Point (pending), Fairburn, Palmetto and Union City. In addition, the County has similar agreements with Cobb, Forsyth, Cherokee and DeKalb counties. The agreements provide for a sharing of capital and operation costs based on reserved plant capacity and actual wastewater flows. Following is a brief description of the treatment capacity provided by the City of Atlanta and neighboring counties for County residents.

The following table presents the wastewater treatment facilities serving the County, the owners of such wastewater treatment facilities, county contracted reserve capacity, the County's average annual average flow, and the County's maximum monthly flow for Fiscal Year 2024.

**Permitted Maximum Monthly Daily Flow, Average Annual Flow, Maximum Monthly Flows
and County Contracted Reserve Capacity of Wastewater Treatment Facilities**

Treatment Plan Name	Owner	Permitted Maximum Month Daily Flow (MGD)	County Contracted Reserve Capacity (MGD)	2024 County Annual Average Flow (MGD)	2024 County Maximum Monthly Flow (MGD)
R.L. Sutton WRF	Cobb County	60.00	10.32	5.65	6.58
R.M. Clayton WRC	Atlanta	280.00+	7.00	2.14	5.27
Utoy Creek WRC	Atlanta	40.00	7.50	1.73	5.90
W.B. Case WRF ⁽¹⁾	Clayton County ⁽²⁾	24.00	1.00	0.08	0.08

⁽¹⁾ Formerly known as the R.L. Jackson WRF.

Source: System Records.

The following table presents the average daily flow and maximum daily flow for the Sewerage System for Fiscal Years 2020 through 2024.

Collected Wastewater Flow

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Average Daily Flow (MGD)	54.68	48.09	47.81	45.30	45.19
Maximum Daily Flow (MGD)	117.59	90.74	82.24	100.14	102.91

Source: System Records.

The following table presents the number of connections to the Sewerage System as of December 31 of the years shown:

Sewerage System Connections

<u>Year</u>	<u>Connections</u>
2020	100,679
2021	101,832
2022	103,468
2023	105,380
2024	106,864

Source: System Records.

The following table presents the ten largest users of the County's Sewerage System and the revenues derived from such customers for the twelve months ended December 31, 2024. 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 customers will continue to maintain their status as major customers of the System.

Largest Users of Sewerage System

	<u>Average Monthly Sewer Usage (million gallons)</u>	<u>Total Sewer Billings</u>	<u>Percentage of Sewer Revenues⁽¹⁾</u>
ALCON LABORATORIES	36.68	\$3,581,086.35	3.07%
WRPV XIV ROSWELL VILLAGE, LLC	3.26	317,607.98	0.27
ABBOTTS BRIDGE PLACE HOA	3.01	293,097.58	0.25
AVALON NORTH LLC	2.33	227,191.66	0.19
CALIBRE CREEK APT	2.32	226,614.94	0.19
SMRE ROSWELL LLC	2.32	226,316.40	0.19
BELL FUND VII AVALON, LLC	2.30	224,014.68	0.19
401 HUNTINGTON DRIVE, LLC	2.25	218,766.33	0.19
IMT CAPITAL III DEERFIELD, LLC	2.20	214,615.56	0.18
WRPV XIV DEERFIELD VILLAGE MILTON LLC	2.10	204,522.96	0.18
Total		\$5,733,834.44	4.91%

⁽¹⁾ Based on Fiscal Year 2024 total metered revenues of \$116,664,891.90.

Source: System Records.

Governmental Approvals and Environmental Regulation

Water Withdrawal. The Georgia Water Quality Control Act authorizes EPD to regulate the withdrawal of water from lakes and streams in Georgia. The County currently holds a permit for withdrawal of raw water.

Wastewater Treatment. The Sewerage System operations are subject to the regulatory requirements imposed by the federal Water Pollution Control Act, as amended (the "Clean Water Act") and the Georgia Water Quality Control Act. The regulatory requirements are administered by the EPA and the EPD.

State and federal regulations applicable to the Sewerage System operations deal with, among other issues, the quality of effluent which may be discharged from the County's wastewater treatment facilities, the disposal of sludge generated by the wastewater treatment plants, the discharge of pollutants into the groundwater and the nature of waste material (particularly industrial waste) discharged into the collection system.

To comply with other federal regulations concerning the industrial discharge of waste materials into the Sewerage System, the County must administer and enforce industrial pretreatment limitation standards upon the users of the Sewerage System. The County has had an industrial waste program in effect since 1987.

National Pollutant Discharge Elimination System ("NPDES") Permits. Under the Clean Water Act, a NPDES permit is generally required for discharges to surface water. Therefore, to comply with federally mandated effluent quality and disposal criteria, the County must operate its wastewater treatment facilities according to discharge limitations and reporting requirements set forth in NPDES permits. The County-owned wastewater treatment facilities have separate NPDES permits allowing discharges to the Chattahoochee River (with respect to Big Creek WRF, Johns Creek Environmental Campus and Camp Creek WRFs), and the Little River (with respect to the Little River WRF).

Other Approvals. EPD has the authority to review and approve the plans and specifications for the improvements and extensions to the System. When these plans and specifications are finalized, the County will submit them to EPD for approval. The County is not aware of any further approvals necessary for the planned improvements and extensions to the System or for the operation of the System.

Watershed Assessments. EPD has instituted requirements for NPDES permit holders regarding secondary impacts of growth. EPD sees wastewater treatment capacity expansions as precursors to growth in the service area. Therefore, EPD is imposing requirements on permit holders to address secondary, or non-point source, impacts as part of the NPDES permit process. Watershed assessments are now required prior to application for increased capacity at wastewater treatment plants. The watershed assessments consist of stream sampling, development of a model of the stream system and utilization of the model to predict impact of future growth and proposed controls. The watershed assessments are included in the current Capital Improvement Program. It is likely that the watershed assessments will result in revised resolutions for new development. The revised resolutions may require buffers, lower densities and other best management practices. It is unlikely that the recommendations from the assessments will impact the Capital Improvement Program. Future projects to be included in the Capital Improvement Program may be identified as part of the long-term plan to address non-point source pollution.

Issues Relating to Noncompliance. The County is currently in compliance with all of its environmental permits and all environmental requirements applicable to the System. The fines imposed pursuant to Consent Order EDP-WQ-4498 (the "EPD Consent Order") and expected enforcement compliance orders did not have a material financial impact on the operations of the System. Ongoing operations and capital improvements being undertaken by the County should minimize similar future occurrences. Projects identified in the Capital Improvement Program are geared to address System efficiency and reliability. Due to pressure from local environmental groups and other government agencies, EPD has adopted a zero-tolerance policy regarding violations at all wastewater treatment facilities in the greater Atlanta metropolitan area. The County is in compliance with the EPD Consent Order.

Pursuant to the EPD Consent Order, the County has been working with EPD and developed an action plan with proposed projects. All projects in the plan have been completed with the exception of the Big Creek WRF project. The Big Creek Capacity Expansion (as defined in the EPD Consent Order) phase will increase the plant capacity to meet future demand. The Capacity Expansion phase will be scheduled depending upon the population growth within

the watershed and the projected demand on the system. Based upon current growth projections, the Capacity Expansion phase began in 2020 and is expected to be completed within the next few years.

Two other enforcement actions have occurred in the past three years. In response to raw sewage spills, including three major spills: Chattahoochee River (January 4, 2023), Marsh Creek (March 21, 2023), and Wilson Creek (November 5, 2023), the EPD issued enforcement action EPD-WP-9485. The County was required to pay a fine and implement certain improvements, including an updated Storm Water Pollution Prevention Plan for Big Creek WRF, Standard Operating Procedures for reacting to plant upsets or issues discovered through monitoring, and increased sampling frequencies. The next year, during the period of time when the County was transitioning operations to a new plant, it reported Phosphorous permit violations along with four spills of raw sewage that resulted in fish kill events. EPD issued enforcement action EPD-WP-9644, requiring compliance with the water quality rules and levying a small fine. The County satisfied the requirements of both enforcement actions, and the matters have been closed. The County also has entered into a Capacity, Management, Operations and Maintenance ("CMOM") Consent Agreement (EPD-WQ-5235) under which the County has voluntarily agreed to implement a program and through that program update EPD on continuing projects and efforts to reduce I&I entering the sanitary sewer system. The EPD has approved the County's CMOM program, one of six approved programs within the State. The County recently submitted the annual EPD CMOM report in 2024 and remains in compliance with all EPD requirements. The advantage for the County is a negotiated reduction in potential fines due to sanitary sewer overflows should they occur.

Insurance

The County maintains property and casualty insurance on the components of the System and general liability insurance in the amounts required by the Bond Resolution. The County self-insures workers compensation insurance, unemployment and auto liability coverage.

Under Georgia law, the defense of sovereign immunity is available to the County, except for actions for the breach of written contracts and actions for the recovery of damages for any claim for which liability insurance protection has been provided, but only to the extent of the liability insurance provided. The County, however, may be unable to rely upon the defense of sovereign immunity and may be subject to liability in the event of suits alleging causes of action founded upon various federal laws, such as suits filed pursuant to 42 U.S.C. § 1983 alleging the deprivation of federal constitutional or statutory rights of an individual and suits alleging anticompetitive practices and violations of the federal antitrust laws by the County in the exercise of its delegated powers.

Employee Relations and Labor Organizations

The County has 285 full-time budgeted positions for the System as of December 31, 2024, of which 223 positions are filled. The System's management staff, plant operators and maintenance and repair personnel are required to be certified by the State. The System has a continuing education program to ensure that its personnel are qualified and able to meet the State's certification requirements.

Currently, labor organization activity is minimal within the County and the System. Some employees of the County related to the System are represented by labor organizations. No employees of the County related to the System are covered by collective bargaining agreements, and the County, under state law, is prohibited from entering into collective bargaining agreements. The County believes that employee relations are good.

CAPITAL IMPROVEMENT PROGRAM

The County's Department of Public Works identifies, on an ongoing basis, substantial capital improvements that are needed for the System to continue to provide adequate and cost-effective water and wastewater services to its customers and organizes the same into a five- year capital improvement program (the "Capital Improvement Program"). In response to System renewal needs, regulatory compliance and customer growth, future capital improvements are expected to include, but are not limited to, capital type equipment upgrades and replacements at the water and wastewater treatment facilities, capacity, expansion of wastewater treatment facilities, continued work to reduce infiltration and inflow in the wastewater collection system, and other repair and rehabilitation projects to improve the water and wastewater distribution and collection systems.

Potential capital improvements paid from System cash resources and net earnings over Fiscal Years 2026 and 2027 are estimated to be in a range of \$80 million, while much larger capital investments are expected in the next few years for the Camp Creek WRF upgrade, which will require debt financing, preliminarily estimated at \$450,000,000, in aggregate, anticipated to occur in Fiscal Years 2026 and 2027. A revised rate study in late 2027 or 2028 is anticipated to include refreshed costs of construction of this facility and other system improvements.

SYSTEM REVENUES

Rate Setting Process

Under Georgia law, the County has the exclusive authority to establish rates and charges for water and sewer services supplied by the System. The rates charged by the County for water and sewer services supplied by the System are not subject to review or approval by any federal or state regulatory body. The Board of Commissioners establishes the rates, which are subject to change at any time that the Board of Commissioners deems advisable. The Board of Commissioners adopts rate schedules by resolution after receiving recommendations from the staff of the System. System personnel make periodic reviews of the rate structure to determine if modifications are necessary. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2025 BONDS - Rate Covenant" herein for a description of the County's agreements concerning the rates, fees and charges for the services, facilities and commodities to be furnished by the System. No statutory or charter procedures are required as a condition precedent to a change in rates.

Rates, Fees and Charges

The County has maintained rates for service sufficient to provide for operation and maintenance costs, repairs and debt service, and to provide reserves to fund capital improvements. The current rate setting methodology reflects a System-wide approach to cost recovery in order to promote equity among customers and to avoid large shifts from year to year due to varying operation and capital requirements at different plants.

The County has raised water and sewer rates by an annual 5% each year for several years to support the additions, improvements, replacements, operations, and maintenance requirements of the System. The most recent action taken by the County was a continued 5% water and sewer rate increase effective for Fiscal Year 2026 and again in Fiscal Year 2027.

The County currently charges \$3,765 to install a separate water meter to measure outdoor water consumption and is billed at a rate of \$8.59 per 1,000 gallons used. There is currently no sewer charge associated with an irrigation water meter. In 2010, the Regional Planning District recommended a minimum 200% increase to the first-tier rate on irrigation meters as a water conservation measure and Fulton County is in compliance with this recommendation.

In addition to the rate increase effective in January 2025, the Board of Commissioners approved increases to the sewer connection permit (impact) fees for new connections in the Little River, Camp Creek, and Utoy Creek sewer basins as shown in the following table. The other sewer impact fee schedules were not changed.

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Sewer Connection Permit (Impact) Fees

Meter Size (Inches)	Little River	Big Creek/ Johns Creek	River Ridge, Marsh Creek, Long Island	Nancy Creek	Camp Creek	Utoy Creek
³ / ₄	\$ 2,548	\$ 3,685	\$ 2,794	\$ 1,525	\$ 2,548	\$ 1,990
1	4,245	6,140	3,810	2,541	4,245	3,315
1½	8,492	12,279	6,350	5,081	8,492	6,633
2	13,586	19,646	9,398	8,129	13,586	10,613
3	25,474	39,293	16,512	15,242	25,474	19,898
4	42,456	61,397	26,672	25,403	42,456	33,162
6	84,913	122,793	52,075	50,806	84,913	66,325
8	136,861	196,467	82,559	83,721	135,861	106,121

Source: System Records

The following tables present the current wholesale water and sewer rates (effective January 1, 2020) and changes since 2020:

Wholesale Water and Sewer Rates per 1,000 Gallons

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Wholesale Water Rates	-	-	-	-	-
Total O&M Cost	\$0.76	\$0.77	\$0.80	\$0.84	\$0.88
Total Capital Cost	\$1.86	\$1.87	\$1.97	\$2.07	\$2.18
Total Wholesale Water Rates	\$2.62	\$2.64	\$2.77	\$2.91	\$3.06

Source: System Records

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Wholesale Sewer Rates					
Total O&M Cost	\$2.02	\$2.12	\$2.23	\$2.34	\$2.46
Total Capital Cost	\$2.88	\$3.01	\$3.16	\$3.32	\$3.48
Total Wholesale Water Rates	\$4.90	\$5.13	\$5.39	\$5.66	\$5.94

Source: System Records

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The following table presents the current water service charges (effective January 1, 2025) and changes since 2020:

**Water Service Charges
(Bi-Monthly Charges)**

Meter Size (Inches)	2020	2021	2022	2023	2024
5/8	\$ 8.39	\$ 8.81	\$ 9.25	\$ 9.71	\$ 10.20
1	15.37	16.14	16.95	17.80	18.69
1½	21.66	22.74	23.88	25.07	26.33
2	24.10	25.30	26.57	27.90	29.29
3	89.11	93.57	98.25	103.16	108.32
4	94.34	99.06	104.01	109.21	114.67
6	197.43	207.30	217.67	228.55	239.98
8	255.45	268.23	281.64	295.72	310.51

The County has in effect rates and a policy that are intended to promote conservation of water. The following table presents the water conservation rates.

Water Conservation Rates

Metered Water Usage	Basis⁽¹⁾	Rate per 1,000 gallons
Tier one (0-130% of base usage)	100% base water rate (0% surcharge)	\$4.30
Tier two (131-200% of base usage)	125% of base water rate (25% surcharge)	5.36
Tier three (over 200% of base usage)	200% of base water rate (100% surcharge)	8.59
Irrigation Meter	All consumption	8.59

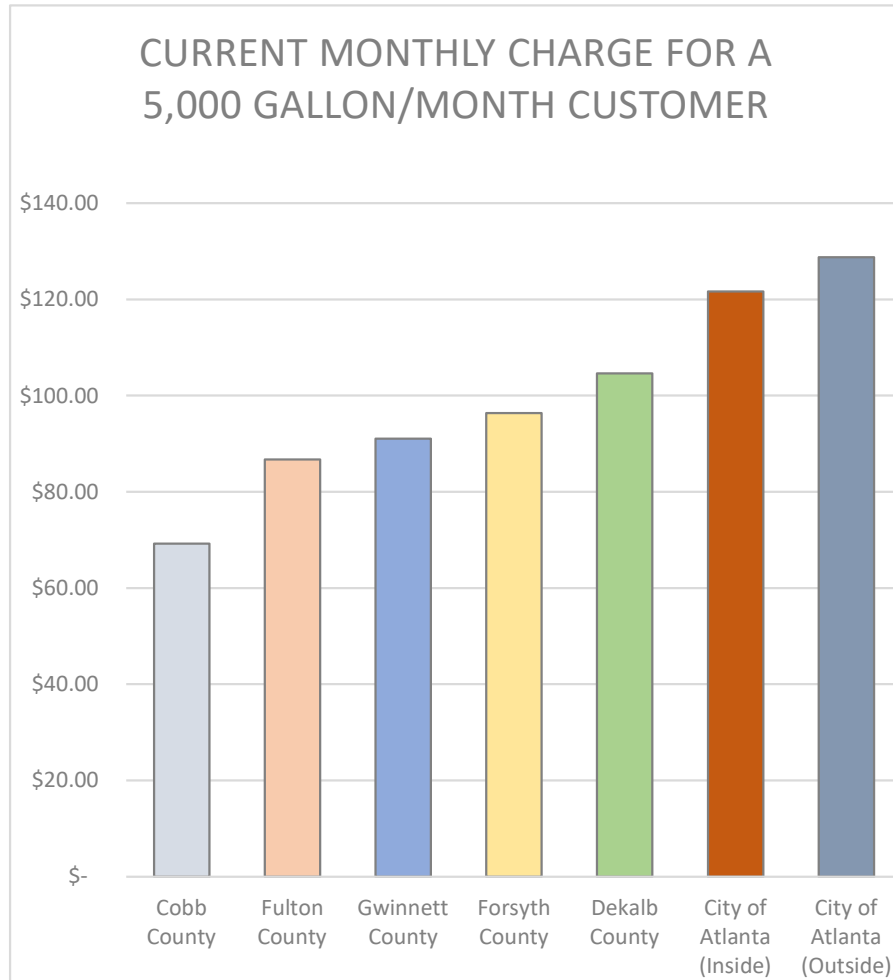
⁽¹⁾ Base line usage established for each individual customer during winter period (November through March). Sewer rate unaffected at \$7.76/1,000 gallons.

Source: System Records.

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The following chart presents a regional comparison of typical monthly bills for wastewater and water as of 2025.

Regional Comparison of Typical Monthly Bills



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In 1995, the County implemented water and sewer connection fees to ensure that new customers would pay a fair share of System improvements. Connection fees imposed as a condition of water and sewer service are subject to the procedures and requirements of the Georgia Impact Fee Act (O.C.G.A. § 36-71-1 et seq., as amended). The Georgia Impact Fee Act requires that connection fees approximate the cost of hooking up to, and utilizing the capacity of, the System. The Water System connection fees are based on water meter size and are the same System-wide. The Sewerage System connection fees are based on water meter size and vary by wastewater service area. The following table presents the County's fees for providing service to new water customer connections:

Water and System Connection Fees

Meter Size (inches)	System Capacity Fee	Water Meter Cost	Total Connection Fee
5/8 New Install (SML)	\$ 1,428.22	\$ 2,336.48	\$ 3,764.70
5/8 Drop In (SML)	1,428.22	292.94	1,721.16
3/4 New Install (SML)	1,428.22	2,380.79	3,809.01
3/4 Drop In (SML)	1,428.22	336.70	1,764.92
1 New Install (MED)	2,379.96	3,383.55	5,763.51
1 Drop In (MED)	2,379.96	384.10	2,764.06
1 ½ (MED)	4,761.14	6,858.87	11,620.01
2 (MED)	7,615.15	8,625.24	16,240.39
3 (LRG)	14,278.55	15,967.56	30,246.11
4 (LRG)	23,798.40	29,711.83	53,510.23
6 (LRG)	47,598.01	36,242.56	83,840.57
8 (LRG)	76,156.33	41,116.69	117,273.02

⁽¹⁾ Labor and equipment cost not included.

Source: System Records.

Billing and Collection

Residential customers are billed bi-monthly with payment due 21 days after billing. Any account with a previous balance on the current billing is considered delinquent and is subject to having service disconnected. To reconnect service, customers must pay all past due amounts and a \$40 lock-off fee. The City of Atlanta collects sewer fees for the County in the Sandy Springs area and the South Fulton County area that are served by the City of Atlanta's water system. The City of Atlanta currently withholds a portion of these revenues to pay for the costs of sewer treatment attributable to the County which is processed by the City of Atlanta's treatment facilities.

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SYSTEM FINANCE MATTERS

Statements of System Net Position for Periods Ended December 31, 2024 and 2023

The following table presents audited accrual basis Statements of Net Position for the System as of December 31, 2024 as compared to December 31, 2023.

	<u>2024</u>	<u>2023</u>	<u>Net Change</u>	<u>% Change</u>
Assets:				
Current assets	\$119,630	\$121,743	\$(2,113)	(2)%
Restricted assets	54,905	93,249	(38,344)	(41)
Capital assets, net of depreciation	1,512,827	1,474,617	38,210	3
Other non-current assets	<u>83,634</u>	<u>86,368</u>	<u>(2,734)</u>	(3)
Total assets	<u>\$1,770,996</u>	<u>\$1,756,977</u>	<u>\$14,019</u>	1%
Liabilities:				
Current liabilities	\$36,967	\$43,322	\$(6,355)	(15)%
Long-term liabilities	<u>560,485</u>	<u>583,196</u>	<u>(22,711)</u>	(4)
Total liabilities	<u>\$597,452</u>	<u>\$626,518</u>	<u>\$(29,066)</u>	(5)%
Deferred Inflows of Resources:				
Deferred gain and leases	<u>\$1,513</u>	<u>\$2,433</u>	<u>\$(920)</u>	(38)%
Total deferred inflows	<u>\$1,513</u>	<u>\$2,433</u>	<u>\$(920)</u>	(38)%
Net Position:				
Net investment in capital assets	\$994,114	\$944,652	\$49,462	5%
Restricted for debt retirement	24,183	23,755	428	2
Unrestricted	<u>155,734</u>	<u>159,619</u>	<u>(3,885)</u>	(2)
Total net position	<u>\$1,171,931</u>	<u>\$1,126,036</u>	<u>\$45,095</u>	4%

The System's assets above increased significantly since 2023 with the remaining proceeds on hand and capitalized construction costs for Big Creek wastewater treatment plant capital project expansion. Other reductions in Restricted assets represents cash that has been utilized for new capital assets within the System.

Long-term liabilities decreased in 2024 with scheduled principal payments on the County's outstanding bonded debt. The Net investment in capital assets increases commensurately with the decrease in long-term debt, as this liability finances system capital assets.

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Operating Revenues and Expenses for Periods Ended December 31, 2024 and 2023

The following table presents audited accrual basis Revenues, Expenses and Changes in Net Position for the System for the twelve months ended December 31, 2024 as compared to the twelve months ended December 31, 2023.

	<u>2024</u>	<u>2023</u>	<u>2024-2023 net change</u>	<u>% change</u>
Operating revenues:				
Water and sewerage charges	\$ 176,390	169,124	7,266	4%
Total Operating revenues	<u>176,390</u>	<u>169,124</u>	<u>7,266</u>	<u>4%</u>
Operating expenses:				
Administrative and general	5,791	5,677	114	2%
Depreciation and amortization	41,865	39,933	1,932	5
Personal services	23,197	24,458	(1,261)	(5)
Contractual services	42,631	42,013	618	1
Operating services	18,190	18,117	73	-
Total Operating expenses	<u>131,674</u>	<u>130,198</u>	<u>1,476</u>	<u>1%</u>
Total Operating income	\$ <u>44,716</u>	<u>38,926</u>	<u>5,790</u>	<u>15%</u>
Nonoperating revenues (expenses):				
Loss on investment in joint venture	\$ (2,639)	(2,639)	-	-
Interest income	\$ 9,034	11,614	(2,580)	(22)%
Interest expense	(16,026)	(15,963)	(63)	-
Total nonoperating revenue(expense)	<u>(9,631)</u>	<u>(6,988)</u>	<u>(2,643)</u>	<u>38%</u>
Change in net position before capital contributions	35,085	31,938	3,147	10%
Capital contributions	<u>10,010</u>	<u>12,386</u>	<u>(2,376)</u>	<u>(19)</u>
Change in net position	45,095	44,324	771	2%
Net position at beginning of year	<u>1,126,836</u>	<u>1,082,512</u>	<u>44,324</u>	<u>4</u>
Ending Net Position	\$ <u>1,171,931</u>	<u>1,126,836</u>	<u>45,095</u>	<u>4%</u>

The System experienced additional increases in water and sewer revenues in 2024 as compared to 2023, largely because of a 5% rate increase approved for Fiscal Year 2024. Contractual and operating service costs remained consistent with 2023, primarily representing costs for operation of the wastewater treatment plants. It is expected these professional costs will increase in the coming years. Depreciation increased with larger amounts of capital assets placed in service. Interest income was slightly lower with less available capital funds on hand throughout the year. The loss on joint venture is largely determined at the annual drop in net position due to depreciation of the facilities at the jointly owned water treatment facility.

The Board of Commissioners had previously adopted another 3-year plan of 5% rate increases to additionally fund the existing debt service through Fiscal Year 2025. Subsequent to the issuance of these financial statements, the Board of Commissioners on October 1, 2025 also authorized a 5% rate increase annually for Fiscal Years 2026 and 2027 based on the System's most recent independent rate study analysis.

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Historical Debt Service Coverage Ratios (Unaudited; Cash Basis)

The Bond Resolution permits the County to demonstrate compliance with its Rate Covenant using Revenues computed on a cash basis. Accordingly, the debt service coverage ratios presented below have been computed by management of the County on a cash basis and have not been audited. Cash basis reporting differs significantly from accrual basis reporting. Timing of cash collections does not reflect revenues earned over the applicable twelve-month period, nor do cash payments reflect the actual expenses incurred during the same period. The following table presents the historical Net Revenues available for debt service, historical debt service on revenue bonds secured by Net Revenues, and historical debt service coverage ratio for Fiscal Years 2015 through 2024.

FULTON COUNTY, GEORGIA
Schedule of Revenue Bond Coverage
Fulton County Water and Sewerage System
Last Ten Fiscal Years
(In Thousands)

Fiscal Year	Operating Revenues	Operating Expenses (1)	Net Earnings	Principal	Interest	Total Debt Service	Coverage
2015	\$121,605	\$69,066	\$52,539	\$14,650	\$22,123	\$36,773	1.43
2016	129,236	71,696	57,540	15,325	21,453	36,778	1.56
2017	125,476	69,734	55,742	16,090	20,687	36,777	1.52
2018	138,650	75,835	62,815	16,875	19,898	36,773	1.71
2019	154,067	73,660	80,407	17,720	19,057	36,777	2.19
2020	145,232	77,096	68,136	18,605	22,377	40,982	1.66
2021	153,437	79,112	74,325	19,585	20,015	39,600	1.88
2022	163,116	83,366	79,750	19,718	19,825	39,543	2.02
2023	176,858	88,821	88,037	19,914	19,620	39,534	2.23
2024	183,852	92,723	91,129	20,110	19,413	39,523	2.31

⁽¹⁾ As defined in the Fulton County, Georgia Water and Sewerage Bond Resolution.

Accounting System and Policies

The County maintains all of its funds and accounts relating to the System separate from other County funds. The accounting practices and policies of the County relating to the System conform to generally accepted accounting principles as applied to enterprise funds of local governmental units. The System is accounted for as an enterprise fund of the County. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes. For financial reporting purposes, the System is accounted for using the accrual basis of accounting.

For a summary of significant accounting policies relating to the Fulton County, Georgia Water and Sewerage System Fund, see "APPENDIX A - AUDITED FINANCIAL STATEMENTS OF THE WATER AND SEWERAGE SYSTEM FUND OF FULTON COUNTY, GEORGIA FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023 - Financial Statements for the Years ended December 31, 2024 and 2023 - Notes to Financial Statements - (1) Summary of Significant Accounting Policies" attached hereto.

Employee Benefits

Employees of the System are employees of the County and receive all benefits accorded other County employees. The County presently maintains a defined benefit plan, a defined contribution plan and a deferred compensation plan. The deferred compensation plan permits all employees to defer a portion of their salary until future years.

The County provides certain health care and life insurance benefits for retired employees assigned to the System through an independent third-party administrator, in which all of the County's employees may become eligible for these benefits if they reach normal retirement age while working for the County. In accordance with GASB Statement No. 78, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the County's annual other postemployment benefit cost is calculated based on the Annual Required Contribution of the employer (ARC) which is required to be actuarially determined on a biannual basis. The obligation to employees is a County wide obligation, and not specific to the obligations of the System, but offered to County employees assigned to System operations. The County currently funds these obligations on a pay as you go basis, providing cash resources for retired employees health care County contributions to their selected health care plans.

For information relating to the County Pension Plan and Other Post-Employment Benefits, see "THE COUNTY - Pension and Other Post-Employment Benefits" herein.

REGULATORY MATTERS

Environmental Regulatory Matters

Operation of the System is subject to several federal and State environmental laws and regulations. Some of the key areas covered by these regulations include: the quality and safety of drinking water; standards and limitations on water and air pollutants to the environment; availability of water as a resource; handling and disposal of solid waste; and health and safety standards for personnel. Compliance with these laws and regulations in the ordinary course of operations could require significant operating and capital expenditures. Failure to comply with these regulations also could have material adverse effects, including, among others, the imposition of civil liability or fines by regulatory agencies or liability to private parties.

Water System

The Water System, which provides potable water to residential and business users, must be operated in compliance with the State Safe Drinking Water Act, as well as the regulations implemented pursuant to the State Safe Drinking Water Act. The Water System must also comply with the terms and conditions of the County's Permit to Operate a Public Water System, whose term is effective through September 14, 2028. The source of the drinking water is the Chattahoochee River. Based on the production rate in the County's Permit to Operate a Public Water System, the corresponding surface water withdrawal permits, and the pumping and treatment capacity of the Water System's facilities, the County has significant capacity to accommodate demand growth in the Water System.

Water System Administrative Consent Orders. Consent Order EPD-WQ-5235 was entered between the County and EPD on November 21, 2010, and remains in place. The County is in compliance with the terms of this Consent Order, which established a framework for the operation of sanitary sewer collection systems and ongoing implementation and reporting on the County's Capacity, Management, Operation, and Maintenance Program to, among other things, minimize the possibility of sanitary system overflows and implement capital improvements as appropriate. In the first six months of 2025, the County received certain notices of violation related to operations at its Little River and Camp Creek Water Reclamation Facilities. A Consent Order, including a monetary penalty, is expected, but will not substantially impact the County's water and sewer operations or financial position.

Two other enforcement actions have occurred in the past three years. In response to raw sewage spills, including three major spills (Chattahoochee River, January 4, 2023), Marsh Creek (March 21, 2023), and Wilson Creek (November 5, 2023), the EPD issued enforcement action EPD-WP-9485. The County was required to implement certain improvements, including an updated Storm Water Pollution Prevention Plan for Big Creek WRF,

Standard Operating Procedures for reacting to plant upsets or issues discovered through monitoring, and increased sampling frequencies. The next year, during the period of time when the County was transitioning operations to a new plant, it reported Phosphorous permit violations along with four spills of raw sewage that resulted in fish kill events. EPD issued enforcement action EPD-WP-9644, requiring compliance with the water quality rules and levying a small fine. The County satisfied the requirements of both actions and the matters have been closed.

Tri-State Water Rights Litigation. The U.S. Army Corps of Engineers (the “Corps”) first entered into a contract with the ARC in 1986 to provide for such withdrawals by the County and other local government entities. That contract expired January 1, 1990. Since 1990 the State of Alabama and the State of Florida have contested the authority of the Corps to manage Lake Lanier for water supply purposes. Pursuant to a multi-district proceeding, *In re Tri State Water Rights Litigation*, Case No. 3:07-MD-1 (the “Tri State Water Rights Litigation”), in the United States District Court for the Middle District of Florida (the “District Court”), the 11th Circuit Court of Appeals, on appeal, held that water supply is a fully authorized purpose of Lake Lanier under the original, 1946 authorization for the project. This means the Corps is fully authorized to make releases from Lake Lanier to support the County's withdrawals from the Chattahoochee River below the dam. The 11th Circuit Court also held that the Water Supply Act of 1958 provides additional authority, over and above the authority provided by the original 1946 legislation, to operate the reservoir for water supply. The 11th Circuit remanded the case to the District Court with instructions to remand it to the Corps, giving the Corps one year to determine the full extent of its water supply authority.

The Corps issued a legal opinion and technical analysis on June 25, 2012, in response to the 11th Circuit Court of Appeals Order. The legal opinion addressed a request by the State of Georgia to reallocate enough storage in Lake Lanier and release enough water from the dam to meet future need projected by the Regional Planning District for the Atlanta metropolitan area through 2050. In its legal opinion, the Corps concluded that it is fully authorized to grant Georgia’s request but that it was required to conduct an environmental impact statement before deciding whether to do so. In 2017, the Corps completed an Environmental Impact Statement and issued a Record of Decision authorizing an update to the Apalachicola-Chattahoochee-Flint (“ACF”) Master Water Control Manual (the “Water Control Manual”), allowing among other things the reallocation of 254,170 acre feet of storage in Lake Lanier to meet the needs of jurisdictions withdrawing water directly from Lake Lanier, and for water to be released from Buford Dam in quantities sufficient to support the needs of those — including the County — whose intakes are in located in the river below the dam.

The State of Alabama and a group of non-governmental agencies led by National Wildlife Federation (“NWF”) challenged the Corps’ adoption of the 2017 ACF Master Manual in separate actions. The State of Alabama challenged the Corps’ operation of Buford Dam to provide water supply to the City and other metro communities. NWF’s lawsuit also implicates the Corps’ water supply operation, but to a lesser extent, focusing more broadly on alleged environmental impacts and alleged inadequacies of the environmental impact statement. These actions were consolidated adjudicated by the United States District Court for the Northern District of Georgia, which dismissed them in a summary judgment order dated August 11, 2021. See *In re: ACF Basin Water Litig.*, 554 F. Supp. 3d 1282 (N.D. Ga. 2021). Both parties appealed, and the consolidated appeals are still pending. See *National Wildlife Federation, et. al. v. U.S. Army Corps of Eng’rs*, No. 21-13104 (11th Cir.) and *Alabama v. U.S. Army Corps of Eng’rs*, No. 21-13444 (11th Cir.).

Alabama’s appeal is currently held in abeyance, however, pursuant to an agreement between Alabama, the Corps, the State of Georgia, DeKalb County, and six other “Water Supply Providers” with whom DeKalb County shares counsel. The agreement provided for Alabama’s appeal to be dismissed if certain “flow objectives” could be incorporated into the ACF Master Manual by the Corps after public notice and appropriate environmental review. More specifically, the agreement requires Alabama to dismiss its appeal with prejudice within one year of the Corps’ signing of a record of decision adopting the agreed objectives, provided no legal challenge to that action is pending at that time. The Corps adopted the agreed objectives in a Record of Decision dated January 8, 2025. The Parties then renewed their request for the appeal to be held in abeyance for one year, or through January 13, 2026. See *Alabama v. Army Corps of Eng’rs*, No. 21-13104 (11th Cir. Jan. 9, 2025) (Doc. 89-1). As of this writing, no legal challenges have been filed or are expected.

NWF did not participate in the agreement, and therefore its appeal is proceeding, and a final decision is anticipated in 2025. It is unclear whether or how an adverse decision in the NWF appeal could affect the Corps’ operation of Buford Dam for water supply purposes.

In 2014, Florida sued Georgia in the Supreme Court of the United States seeking to have the court equitably apportion the waters of the Apalachicola-Chattahoochee-Flint River Basin between Georgia and Florida. *Florida v. Georgia*, Orig. No. 142. Among other prayers for relief, Florida asked the Supreme Court to place strict limits on Georgia's withdrawals from the basin. In April 2021, the Supreme Court unanimously denied Florida's request and dismissed its Complaint.

Like most of metropolitan Atlanta, the County will be impacted by the ultimate resolution of these issues. Many of the claims that threatened the County's water supply have been resolved, but the likelihood of any additional detrimental resolution related to the pending claims is not known at this time. The County, along with the other Atlanta Water Providers, the State, and other Georgia entities, have and will continue to pursue avenues to resolve the matter including but not limited to negotiation, federal legislation, legal appeals, and a comprehensive reexamination of their water and wastewater programs. In addition, the County will continue to analyze, among other things, its response to legislative and other initiatives involving water use and conservation. Furthermore, the County is in compliance and expects to remain in compliance with, water conservation legislation which was recently adopted in the State, and it does not expect such State-wide water conservation legislation to have a significant impact on the System because of the effectiveness of its continued water conservation programs and initiatives.

Service Delivery Agreements

The Georgia Service Delivery Strategy Act ("SDS Act") requires coordinated and comprehensive planning and service delivery by counties and municipalities and specifically, the execution of local government service delivery strategy agreements ("SDS Agreements") to delineate the responsible governments and/or authorities for the provision of various governmental services within each particular county on a per county basis. One of the primary purposes of the SDS Agreements is to minimize the inefficiencies resulting from duplication of services and competition between local governments. Further, among the criteria for the SDS Agreements are that they are expected to remediate or avoid overlapping and unnecessary competition and duplication of service delivery. The County has SDS Agreements with all the cities within the County.

Sewerage System

The County must operate its Sewerage System in compliance with the federal Clean Water Act and the Georgia Water Quality Control Act. These acts prohibit discharges of pollutants to waters of the United States or the State unless such discharges are in compliance with the terms and conditions of a NPDES permit. The EPD has been delegated authority to issue NPDES permits. The EPA and the EPD may enforce NPDES permits.

The Regional Planning District coordinates comprehensive regional watershed-specific plans for the 16-county metropolitan Atlanta region. The County's Department of Public Works is in the process of compiling submittals in response to the compliance audit conducted every four years by EPD. The submittals are due by December 2025. The County has no reason to believe that its operations fail to materially comply with the Regional Planning District's comprehensive plan and all other applicable state and federal regulations. The County's last normal-cycle audit by the Regional Planning District was concluded 2021 and resulted in no-action in connection with the County's operation of the System.

LITIGATION

The County, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The County, after reviewing the current status of all pending and threatened litigation with County Attorney Y. Soo Jo, Esq., 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, to the knowledge of the County, threatened against the County or its officials in such capacity are adequately covered by self-funding, insurance, or governmental immunities or will not have a material adverse effect upon the financial position or results of operations of the System.

There is no litigation now pending or, to the knowledge of the County, threatened against the County which restrains or enjoins the issuance or delivery of the Series 2025 Bonds, the execution, delivery or performance of all

agreements and certificates relating to the Series 2025 Bonds, or the use of the proceeds of the Series 2025 Bonds or which questions or contests the validity of the Series 2025 Bonds, the Bond Resolution, all agreements and certificates relating to the Series 2025 Bonds, or the proceedings and authority under which they are to be issued, executed and delivered. Neither the creation, organization nor existence of the County, nor the title of the present members or other officials of the County to their respective offices, is being currently contested or questioned to the knowledge of the County.

CYBER SECURITY

The County (including the System), like many other governmental entities, relies on technology to conduct its operations. As such, it may face cybersecurity threats on its computers and other digital systems and networks. In January 2024, the County was the target of a ransomware attack. The County detected such attack within an hour of occurrence, and the County recovered data and systems without paying the requested ransom. In response to the attack and to further its security protocols, the County implemented heightened security and operational control measures, including upgraded firewalls and internal systems. The County actively trains end-users on how to mitigate the risk of a cyber threat and has embedded cybersecurity protocols into its managerial practices, all in an effort to protect itself from these types of threats. To mitigate these risks, the County has liability insurance that covers a broad range of impacts. However, there can be no assurance that these measures will prevent cyber threats and attacks or mitigate their impact on the County, the System or its finances. The result of a cyber-attack could impact operations and digital networks, and the impact and the costs of remediating after an attack could be significant. As was the case with the 2024 attack, a future cyber incident would not be expected to materially impact the ability of the County to financially withstand and recover from such an event.

VALIDATION

The County received an order and final judgment by the Superior Court of Fulton County, Georgia on October 28, 2025, confirming and validating the Series 2025 Bonds and the security therefor. Under State law, the judgment of validation is final and conclusive with respect to the validity of the Series 2025 Bonds, and the security therefor and is not subject to collateral attack from other parties.

TAX MATTERS

Opinion of Bond Counsel – Federal Income Tax Status of Interest

Bond Counsel's opinion regarding the federal income tax status of the interest on the Series 2025 Bonds will state that, under current law and assuming continuing compliance with the Covenants (as hereinafter defined), interest on the Series 2025 Bonds (i) is excludable from gross income of the owners thereof for purposes of federal income taxation under Section 103 of the Code and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. See "Proposed Form of Opinion of Bond Counsel" in Appendix D hereto.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the excludability of interest on the Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, or the interpretation or the enforcement thereof by the Internal Revenue Service (the "IRS") and the courts.

Although Bond Counsel is of the opinion that interest on the Series 2025 Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2025 Bonds may otherwise affect the federal tax liability of an owner of the Series 2025 Bonds. The nature and extent of these other federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Series 2025 Bonds should consult their own tax advisors with respect thereto.

Reliance and Assumptions; Effect of Certain Changes

In delivering its opinion regarding the federal income tax treatment of interest on the Series 2025 Bonds, Bond Counsel is relying upon certifications of representatives of the County, the purchaser of such Bonds, and other persons as to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Series 2025 Bonds in order for interest on the Series 2025 Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Series 2025 Bonds and the use of the property financed or refinanced by the Series 2025 Bonds, limitations on the source of the payment of and the security for the Series 2025 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Series 2025 Bonds to the United States Treasury. The tax compliance certificate for the Series 2025 Bonds to be entered into by the County (the "Tax Certificate") contains covenants (the "Covenants") with which the County has agreed to comply. Failure by the County to comply with the Covenants could cause interest on the Series 2025 Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. If such a failure were to occur, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2025 Bonds from becoming includable in gross income for federal income tax purposes.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2025 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted subject to the terms and conditions set forth in the Tax Certificate. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2025 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Series 2025 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Series 2025 Bonds.

Prospective purchasers of the Series 2025 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers including, without limitation, banks and other financial institutions, certain insurance companies, dealers in tax-exempt obligations, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the "branch profits tax," individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial securitization trust, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

Original Issue Discount

Bonds purchased in the initial public offering with yields higher than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "original issue discount." Each such Bond is referred to below as an "OID Bond." The excess of (i) the stated amount payable at the maturity (excluding qualified stated interest) of any OID Bond over (ii) the issue price of the OID Bond as determined under Section 1273 of the Code (which may differ from the price shown on the inside front cover page of this Official Statement) constitutes the amount of original issue discount, which is treated in the same manner as interest on the Series 2025 Bonds for federal income tax purposes.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner of an OID Bond, the amount of original issue discount that is treated as having accrued on such OID Bond is added to the owner's adjusted basis in determining, for federal income tax purposes, gain or loss upon the disposition of the OID Bond (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excludable from the gross income of the owner for federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial public offering may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed in this section. Consequently, the owner of an OID Bonds should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral federal income tax consequences although such owner has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Bonds (including OID Bonds not purchased in the initial public offering) and with respect to the state and local tax consequences of owning OID Bonds.

Original Issue Premium

Bonds purchased in the initial public offering with yields lower than their applicable interest rates, as shown on the inside cover page hereof, have been sold with "bond premium." Each such Bond is referred to below as an "OIP Bond." The excess of (i) the owner's basis in the OIP Bond immediately after acquisition over (ii) the amount payable at maturity (excluding qualified stated interest) as determined under Section 171 of the Code constitutes the amount of the bond premium. Under the Code, the bond premium is amortized based on the owner's yield over the remaining term of the OIP Bond (or, in the case of certain callable OIP Bonds, to an earlier call date that results in a lowest yield on the OIP Bond). The owner of an OIP Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period against the bond premium allocable to that period. No deduction is allowed for such amortization of bond premium even though the owner is required to decrease the adjusted basis in the owner's OIP Bond by the amount of the amortizable bond premium, which will result in an increase in the gain (or decrease in the loss) recognized for federal income tax purposes upon a sale or disposition of the OIP Bond prior to its maturity.

Prospective purchasers of any OIP Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and amortization of bond premium on, such OIP Bonds.

Information Reporting and Backup Withholding

Prospective purchasers should be aware that the interest on the Series 2025 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2025 Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an "exempt recipient" and (ii) (A) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (B) has been notified of a failure to report all interest and dividends required to be shown on federal income tax returns or (C) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes, and amounts withheld under

the backup withholding rules may be refunded or credited against the owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Internal Revenue Service Audits

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2025 Bonds, the IRS will, under its current procedures, treat the County as the taxpayer. As such, the beneficial owners of the Series 2025 Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Series 2025 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Series 2025 Bonds.

Opinion of Bond Counsel – Georgia Income Tax Consequences

Bond Counsel's opinion also will state that, under current law, interest on the Series 2025 Bonds is exempt from income taxation by the State of Georgia. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Series 2025 Bonds under the laws of the State of Georgia or (ii) any consequences arising with respect to the Series 2025 Bonds under the tax laws of any state or local jurisdiction other than the State of Georgia. Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding the tax status of interest on the Series 2025 Bonds in a particular state or local jurisdiction other than the State of Georgia.

Changes in Federal and State Tax Law and Regulations

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes.

The U.S. Department of the Treasury and the IRS and state regulatory authorities are continuously drafting regulations to interpret and apply the provisions of the Code and state law and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations.

There can be no assurance that legislation proposed or enacted after the date of issue of the Series 2025 Bonds, regulatory interpretation of the Code or state laws or actions by a court involving either the Series 2025 Bonds or other tax-exempt obligations will not have an adverse effect on the Series 2025 Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Series 2025 Bonds.

Prospective purchasers of the Series 2025 Bonds should consult their own tax advisors regarding the potential consequences of any such proposed or pending federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

CONTINUING DISCLOSURE

In order to assist the Purchaser in complying with paragraph (b)(5) of the Rule, simultaneously with the issuance of the Series 2025 Bonds, the County will deliver the Disclosure Certificate for the benefit of the holders of the Series 2025 Bonds, substantially in the form attached hereto as "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE." The County, as an "obligated person" under the Rule, will undertake in the Disclosure Certificate to provide: (a) certain financial information and operating data relating to the County and the Series 2025 Bonds in each year (the "Annual Report"); and (b) notice of the occurrence of certain enumerated events (each a "Listed Event Notice"). The Annual Report and each Listed Event Notice, if applicable, will be filed by the County, or on behalf of the County, on EMMA, which the SEC designated as the official repository for municipal securities disclosures. The specific nature and timing of the filing of the Annual Report and each Listed Event Notice, and other details of the County's undertakings, are more fully described in "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

The following disclosure is being provided by the County for the sole purpose of assisting the Purchaser in complying with the Rule: The County previously entered into continuing disclosure undertakings, as an "obligated person" under the Rule (the "Prior Undertakings"). In the previous five-year period beginning on November 12, 2020 and ending on November 12, 2025 (the "Compliance Period"), the County has complied in all material respects with the Prior Undertakings during the Compliance Period.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, sale, delivery, issuance, and validity, of the Series 2025 Bonds are subject to the approving opinion of McGuireWoods LLP, Atlanta, Georgia, as Bond Counsel. The proposed form of the approving opinion of Bond Counsel attached hereto as "APPENDIX D – PROPOSED FORM OF OPINION OF BOND COUNSEL" will be delivered concurrently with the issuance of the Series 2025 Bonds. The actual legal opinion of Bond Counsel to be delivered may vary from the text of APPENDIX D, if necessary, to reflect facts and law on the date of delivery of the Series 2025 Bonds. The legal opinion of Bond Counsel will speak only as of its date and subsequent distribution thereof by recirculation of this Official Statement or otherwise will not create any implication that subsequent to the date of the legal opinion Bond Counsel has affirmed its opinion.

Certain legal matters will be passed upon for the County by Y. Soo Jo, Esq., as County Attorney. Certain legal matters will be passed upon by McGuireWoods LLP, Atlanta, Georgia, as Disclosure Counsel.

The legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the attorneys providing such opinion do not become insurers or guarantors of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The financial statements of the business activities of the Water and Sewerage System Fund of Fulton County, Georgia, which comprise the statements of net position as of December 31, 2024 and 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements (collectively, the "2024 Audited Financial Statements"), were audited by PJC Group, LLC, as independent auditor (the "Auditor"). The 2024 Audited Financial Statements and the related Independent Auditor's Report dated June 23, 2025 (the "Auditor's Report") are attached hereto as "APPENDIX A - AUDITED FINANCIAL STATEMENTS OF THE WATER AND SEWERAGE SYSTEM FUND OF FULTON COUNTY, GEORGIA FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023." The Auditor has not been engaged to perform, and has not performed, since the date of the Auditor's Report, any procedures on the 2024 Audited Financial Statements addressed in the Auditor's Report. In addition, the Auditor has not been engaged to perform, and has not performed any procedures relating to this Official Statement.

FINANCIAL ADVISOR

Raymond James & Associates, Inc. has served as financial advisor to the County (the "Financial Advisor") with respect to the sale of the Series 2025 Bonds. The Financial Advisor assisted in matters related to the planning, structuring and issuance of the Series 2025 Bonds and provided other advice. The Financial Advisor did not engage in any underwriting activities with respect to the issuance and sale of the Series 2025 Bonds.

RATINGS

Fitch Ratings, Inc. ("Fitch"), Moody's Ratings ("Moody's"), S&P Global Ratings ("S&P," and together with Fitch and Moody's, the "Rating Agencies") have assigned ratings of "AA," "Aa2" and "AA," respectively, to the Series 2025 Bonds.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and an explanation of the significance of such ratings may be obtained from the Rating Agencies furnishing the ratings. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies or any of them, may have an adverse effect on the liquidity and/or market price of the affected Series 2025 Bonds. The County has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

COMPETITIVE SALE OF THE SERIES 2025 BONDS

The Series 2025 Bonds are being purchased by _____ (the "Purchaser"), as the successful bidder pursuant to a competitive sale of the Series 2025 Bonds. The Purchaser has agreed to purchase the Series 2025 Bonds, at a price equal to \$ _____ (representing the principal amount of the Series 2025 Bonds of \$ _____, [plus net bond premium][less net bond discount] of \$ _____, and less an underwriting/purchaser's discount of \$ _____).

The Purchaser's obligation to purchase the Series 2025 Bonds is subject to certain conditions precedent set forth in the Official Notice of Sale, dated November 12, 2025, relating to the Series 2025 Bonds, and the Purchaser's bid form, but the Purchaser will be obligated to purchase all of the Series 2025 Bonds, if it purchases any of the Series 2025 Bonds. The Series 2025 Bonds were initially offered to the public at the prices set forth on the inside front cover page of this Official Statement.

The prices and other terms with respect to the offering and sale of the Series 2025 Bonds may be changed from time to time by the Purchaser after such Series 2025 Bonds are released for sale, and the Series 2025 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers whom may sell the Series 2025 Bonds into investment accounts.

FORWARD-LOOKING STATEMENTS

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

Use of the words "shall" or "will" in this Official Statement or in summaries of documents to describe future events or continuing obligations is not intended as a representation that such event or obligation will occur but only that the document contemplates or requires such event to occur or obligation to be fulfilled.

The statements contained in this Official Statement, including in the appendices attached hereto, that are not purely historical, are "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "budget" or other similar words. Readers should not place undue reliance on forward looking statements. All forward-looking statements included or incorporated by reference in this Official Statement are based on information available on the date hereof and the County does not assume any obligation to update any such forward looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are

difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement, including in the appendices attached hereto, will prove to be accurate.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2025 Bonds, the security for and the source for repayment for the Series 2025 Bonds and the rights and obligations of the Bondholders. Copies of such documents may be obtained as specified under "INTRODUCTION - Other Information" herein.

The appendices attached hereto, are integral parts of this Official Statement and should be read together with all other parts of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or of estimates or forecasts, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or forecasts will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2025 Bonds.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use by the Purchaser in connection with the original public offer, sale and distribution of the Series 2025 Bonds by the Purchaser, have been duly authorized and approved by the County.

FULTON COUNTY, GEORGIA

By: _____
Robert L. Pitts
Chairman

FULTON COUNTY, GEORGIA

By: _____
Sharon L. Whitmore, CPA, CPFO
Chief Financial Officer

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APPENDIX A

**AUDITED FINANCIAL STATEMENTS OF THE WATER AND SEWERAGE SYSTEM FUND OF
FULTON COUNTY, GEORGIA FOR THE FISCAL YEARS ENDED DECEMBER 31, 2024 AND 2023**

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FULTON COUNTY, GEORGIA WATER & SEWERAGE SYSTEM FUND

(A Fund of Fulton County, Georgia)

Financial Statements And Independent Auditor's Report

December 31, 2024 and 2023



**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

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December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Water and Sewer System Fund
Fulton County, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business activities of the Water and Sewerage System Fund of Fulton County, Georgia, ("the System"), which comprise the statements of net position as of and for the years ended December 31, 2024 and 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business activities of the Water and Sewerage System Fund of Fulton County, Georgia as of December 31, 2024 and 2023, and the respective changes in net position and cash flows thereof, for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 7 and Required Supplementary Information on pages 34 - 36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it 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 GAAS 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.



Atlanta, Georgia
June 23, 2025

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND
Management's Discussion and Analysis
(in thousands of dollars)

December 31, 2024 and 2023

Within this section of the Fulton County Water and Sewerage System Fund (the "System") annual audited financial report, System management provides narrative discussion and analysis of the financial activities of the System for the fiscal years ended December 31, 2024 and 2023. The financial performance of the System is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section. The System is the major enterprise fund of Fulton County, Georgia.

Financial Highlights

Total assets reported in the financial statements are \$1,770,896 for the fiscal year ended December 31, 2024. This compares to the previous year when total assets reported were \$1,756,287 representing less than a 1% change in total System assets.

System bonded debt of \$579,002 decreased from 2023 by \$20,110 of principal payments and \$2,560 of amortization of bond premiums on outstanding Water and Sewerage revenue bonds. Contract payables continue to decrease as system improvements on the Big Creek Wastewater Treatment plant are approaching a completed phase as of December 31, 2024.

System net position at December 31, 2024 increased by \$45,095 during 2024 as compared to 2023's increase of \$44,324, as net earnings and developer provided infrastructure offset depreciation. Total net position as of December 31, 2024 was \$1,171,931, of which \$24,183 is restricted for future debt service, and \$984,114 represents the net investment of capital assets in excess of the related debt to acquire these assets. Unrestricted net position available for system operations and improvements was \$163,634 as of December 31, 2024, remaining consistent with 2023's values.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the System's basic financial statements. The basic financial statements include: (1) statements of net position, (2) statements of revenues, expenses and changes in net position, (3) statements of cash flows, and (4) notes to the financial statements.

Basic Financial Statements

The System's annual report includes three basic financial statements. These statements provide both long-term and short-term information about the overall status of the System. Financial reporting of the System uses a perspective similar to that found in the private sector with its basis in full accrual accounting.

The first of these basic statements is the *Statement of Net Position*. This statement presents information that includes all of the System assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the System as a whole is improving or deteriorating.

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND
Management's Discussion and Analysis
(in thousands of dollars)

December 31, 2024 and 2023

Basic Financial Statements (continued)

The second System statement is the *Statement of Revenues, Expenses and Changes in Net Position* which reports how the System net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

The third System statement is the *Statement of Cash Flows* which reports how the System's cash position has changed during the current fiscal year.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the other basic financial statements.

Financial Analysis

The table below provides a summary of Water and Sewerage System fund net position (in thousands):

	2024	2023	2024-2023	%		2023-2022	%
Assets:			Net change	change	2022	Net change	change
Current assets	\$ 119,630	121,743	(2,113)	(2)	126,984	(5,241)	(4)
Restricted assets	54,595	93,329	(38,734)	(42)	165,151	(71,822)	(43)
Capital assets, net of depreciation	1,542,837	1,484,647	58,190	4	1,399,053	85,594	6
Other non-current assets	53,834	56,568	(2,734)	(5)	59,302	(2,734)	(5)
Total assets	<u>1,770,896</u>	<u>1,756,287</u>	<u>14,609</u>	<u>1</u>	<u>1,750,490</u>	<u>5,797</u>	<u>-</u>
Liabilities:							
Current liabilities	36,967	43,822	(6,855)	(16)	58,381	(14,559)	(25)
Long-term liabilities	560,485	583,196	(22,711)	(4)	605,974	(22,778)	(4)
Total liabilities	<u>597,452</u>	<u>627,018</u>	<u>(29,566)</u>	<u>(5)</u>	<u>664,355</u>	<u>(37,337)</u>	<u>(6)</u>
Deferred Inflows of Resources:							
Deferred gain and leases	1,513	2,433	(920)	(38)	3,623	(1,190)	(33)
Total deferred inflows of resources	<u>1,513</u>	<u>2,433</u>	<u>(920)</u>	<u>(38)</u>	<u>3,623</u>	<u>(1,190)</u>	<u>(33)</u>
Net position:							
Net investment in capital assets	984,114	934,652	49,462	5	917,325	17,327	2
Restricted for debt retirement	24,183	23,755	428	2	22,610	1,145	5
Unrestricted	163,634	168,429	(4,795)	(3)	142,577	25,852	18
Total net position	<u>\$ 1,171,931</u>	<u>1,126,836</u>	<u>45,095</u>	<u>4</u>	<u>1,082,512</u>	<u>44,324</u>	<u>4</u>

The System's assets above increased significantly since 2022 with the remaining proceeds on hand and capitalized construction costs for Big Creek wastewater treatment plant capital project expansion.

Long-term liabilities decreased in 2024 with scheduled principal payments on the County's outstanding bonded debt. The Net investment in capital assets increases commensurately with the decrease in long-term debt, as this liability finances system capital assets.

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND
Management's Discussion and Analysis
(in thousands of dollars)

December 31, 2024 and 2023

Financial Analysis (continued)

The table below provides a summary of changes in net position (in thousands):

Summary of Revenues, Expenses, and Changes in Net Position

	<u>2024</u>	<u>2023</u>	<u>2024-2023</u> <u>net change</u>	<u>%</u> <u>change</u>	<u>2022</u>	<u>2023-2022</u> <u>net change</u>	<u>%</u> <u>change</u>
Operating revenues:							
Water and sewerage charges	\$ 176,390	169,124	7,266	4	163,833	5,291	3
Total Operating revenues	<u>176,390</u>	<u>169,124</u>	<u>7,266</u>	<u>4</u>	<u>163,833</u>	<u>5,291</u>	<u>3</u>
Operating expenses:							
Administrative and general	5,791	5,677	114	2	5,683	(6)	-
Depreciation and amortization	41,865	39,933	1,932	5	39,560	373	1
Personal services	23,197	24,458	(1,261)	(5)	24,310	148	1
Contractual services	42,631	42,013	618	1	35,832	6,181	17
Operating services	18,190	18,117	73	-	16,706	1,411	8
Total Operating expenses	<u>131,674</u>	<u>130,198</u>	<u>1,476</u>	<u>1</u>	<u>122,091</u>	<u>8,107</u>	<u>7</u>
Total Operating income	<u>44,716</u>	<u>38,926</u>	<u>5,790</u>	<u>15</u>	<u>41,742</u>	<u>(2,816)</u>	<u>(7)</u>
Nonoperating revenues (expenses):							
Gain (loss) on investment in joint venture	(2,639)	(2,639)	-	-	(4,626)	1,987	(43)
Interest income	9,034	11,614	(2,580)	(22)	4,123	7,491	182
Interest expense	(16,026)	(15,963)	(63)	-	(15,901)	(62)	-
Total nonoperating revenue(expense)	<u>(9,631)</u>	<u>(6,988)</u>	<u>(2,643)</u>	<u>38</u>	<u>(16,404)</u>	<u>9,416</u>	<u>(57)</u>
Change in net position before contributions	35,085	31,938	3,147	10	25,338	6,600	26
Capital contributions	<u>10,010</u>	<u>12,386</u>	<u>(2,376)</u>	<u>(19)</u>	<u>6,427</u>	<u>5,959</u>	<u>93</u>
Change in net position	45,095	44,324	771	2	31,765	12,559	40
Net position at beginning of year	<u>1,126,836</u>	<u>1,082,512</u>	<u>44,324</u>	<u>4</u>	<u>1,050,747</u>	<u>31,765</u>	<u>3</u>
Ending Net Position	<u>\$ 1,171,931</u>	<u>1,126,836</u>	<u>45,095</u>	<u>4</u>	<u>1,082,512</u>	<u>44,324</u>	<u>4</u>

The System experienced additional increases in water and sewer revenues in 2024 as compared to 2023, largely because of a 5% rate increases approved for fiscal 2024. Interest income increased substantially with higher available earnings rate on system investments. Contractual and operating service costs remained consistent with 2023, primarily representing costs for operation of the wastewater treatment plants. It is expected these professional costs will increase in the coming years. Depreciation increased with larger amounts of capital assets placed in service. Interest income was slightly lower with less available capital funds on hand throughout the year. The loss on joint venture is largely determined at the annual drop in net position due to depreciation of the facilities at the jointly owned water treatment facility.

The Board of Commissioners adopted another 3-year plan of 5% rate increases to additionally fund the existing debt service through fiscal 2025.

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND
Management's Discussion and Analysis
(in thousands of dollars)

December 31, 2024 and 2023

Capital Assets

Capital asset balances and activity for 2024 and 2023 are shown below:

	January 1,			December 31,
	2024	Increases	Decreases	2024
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	\$ 10,201	—	—	10,201
Construction in progress	440,344	89,263	(85,346)	444,261
Total capital assets not being depreciated	450,545	89,263	(85,346)	454,462
Capital assets being depreciated:				
Equipment	21,021	187	—	21,208
Water system	336,680	2,930	—	339,610
Sewer system	1,312,582	92,668	—	1,405,250
Intangible assets	182,536	353	—	182,889
Total capital assets being depreciated	1,852,819	96,138	—	1,948,957
Less accumulated depreciation for:				
Equipment	(19,037)	(890)	—	(19,927)
Water system	(140,212)	(6,457)	—	(146,669)
Sewer system	(564,164)	(28,562)	—	(592,726)
Intangible assets	(95,304)	(5,956)	—	(101,260)
Total accumulated depreciation	(818,717)	(41,865)	—	(860,582)
Net capital assets being depreciated	1,034,102	54,273	—	1,088,375
Net capital assets-Water & Sewerage System fund	\$ 1,484,647	143,536	(85,346)	1,542,837
	<u>1,484,647</u>	<u>143,536</u>	<u>(85,346)</u>	<u>1,542,837</u>
	January 1,			December 31,
	2023	Increases	Decreases	2023
Capital assets not being depreciated:				
Land improvements	10,201	—	—	10,201
Construction in progress	\$ 333,475	111,713	(4,844)	440,344
Total capital assets not being depreciated	343,676	111,713	(4,844)	450,545
Capital assets being depreciated:				
Equipment	20,646	375	—	21,021
Water system	331,392	5,288	—	336,680
Sewer system	1,300,385	12,197	—	1,312,582
Intangible assets	181,738	798	—	182,536
Total capital assets being depreciated	1,834,161	18,658	—	1,852,819
Less accumulated depreciation for:				
Equipment	(18,033)	(1,004)	—	(19,037)
Water system	(133,821)	(6,391)	—	(140,212)
Sewer system	(537,564)	(26,600)	—	(564,164)
Intangible assets	(89,366)	(5,938)	—	(95,304)
Total accumulated depreciation	(778,784)	(39,933)	—	(818,717)
Net capital assets being depreciated	1,055,377	(21,275)	—	1,034,102
Net capital assets-Water & Sewerage System fund	\$ 1,399,053	90,438	(4,844)	1,484,647
	<u>1,399,053</u>	<u>90,438</u>	<u>(4,844)</u>	<u>1,484,647</u>

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND
Management's Discussion and Analysis
(in thousands of dollars)

December 31, 2024 and 2023

Capital Assets (continued)

The primary change for 2024 and 2023 was investments made from System capital resources for sewerage treatment facilities, largely the improvements and expansion to the Big Creek wastewater treatment plant. No interest was allocated to capital projects during both years, while the System recorded over \$10 million of capitalizations from donations of developer provided infrastructure in 2024.

Agreements with neighboring governments

The System is an equal equity partner in a joint-venture between the County and the City of Atlanta for the construction and operation of a water treatment facility in north Fulton County. The System incurred approximately \$7.6 million in 2024 for water produced at this facility. The net value of this joint venture is \$53,668 and \$56,308 as of December 31, 2024 and 2023, respectively.

The System has paid approximately \$170 million in prior years and an additional \$.4 million in 2024 for the purchase of wastewater treatment capacity from neighboring systems. These costs are shown as intangible assets within the capital asset section on the financial statements of the Water and Sewerage System fund, and are being amortized using the straight-line method. Amortization of these intangible assets was \$5.9 million for 2024 and 2023 respectively, is classified as an operating cost on the Statement of Revenues, Expenses and Changes in Fund Net Position-Proprietary funds. The balance at December 31, 2024 and 2023 is approximately \$81.6 million and \$87.2 million, respectively.

Long-term liabilities

This chart displays the System's long-term liabilities as of December 31, 2024. Detailed analysis of System debt is contained within the footnotes. The most recent bond issuances was the 2020B Water and Sewerage Revenue Refunding bond, issued in early 2021, in the amount of \$120,364 to refund the outstanding balance of the 2011 Water and Sewerage Revenue Refunding bonds.

Issue	Interest	Maturity	Authorized	Total at December 31	
	rate range	date	and issued	2024	2023
Series 2020A	2.25-5.00%	2044	290,595	\$ 289,095	290,595
Series 2020B	1.04%	2027	120,364	46,097	61,147
Series 2013	3.375-5.00%	2034	223,265	219,705	223,265
Totals				554,897	575,007
		Unamortized Bond premiums		24,105	26,665
				<u>\$ 579,002</u>	<u>601,672</u>

Cyber Incident in 2024

In early 2024, Fulton County became the target of an attempted incident to discover and recover information from the County's various information systems. The County employed various vendors related to technology, legal, and other disciplines to successfully mitigate the criminal attempt. The County made no ransom type payments of any kind to the criminal organization that took responsibility for the event, and no compromised data of any significance was to the County's knowledge, released to the public. Improvements to system access, as well as decisions on maintaining various technology-based systems have been implemented, yielding a higher level of system resilience, redundancy, and stability.

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND

Statements of Net Position

December 31, 2024 and 2023

(In thousands of dollars)

Assets	2024	2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 99,246	100,479
Interest receivable	391	478
Customer receivables, net of allowance for doubtful accounts (note 3)	17,138	13,994
Due from other governments, net of allowance for doubtful accounts (note 3)	2,760	6,699
Lease receivable	95	93
Total current assets	<u>119,630</u>	<u>121,743</u>
Restricted assets (note 1):		
Cash and cash equivalents (note 2)	54,437	42,471
Investments (note 2)	—	50,719
Interest receivable	158	139
Total restricted assets	<u>54,595</u>	<u>93,329</u>
Non-current assets:		
Long term lease receivable	166	260
Investment in joint venture (note 4)	53,668	56,308
Capital Assets:		
Nondepreciable capital assets	454,462	450,545
Depreciable capital assets, net of accumulated depreciation (note 6)	1,088,375	1,034,102
Total non-current assets	<u>1,596,671</u>	<u>1,541,215</u>
Total assets	<u>1,770,896</u>	<u>1,756,287</u>
Deferred Outflows of Resources		
Deferred charge on refunding of bonds (note 5)	—	—
Total Deferred Outflows of Resources	<u>—</u>	<u>—</u>

See accompanying notes to financial statements.

(continued)

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND

Statements of Net Position
December 31, 2023 and 2022

(In thousands of dollars)

Liabilities and Net Position	2024	2023
Liabilities:		
Current liabilities:		
Accounts payable	3,919	4,797
Accrued liabilities and payroll payable	912	690
Total current liabilities payable from unrestricted assets	<u>4,831</u>	<u>5,487</u>
Liabilities payable from restricted assets:		
Contracts and other payables	11,227	17,758
Revenue bonds payable – current portion (note 7)	20,442	20,110
Unearned revenue	467	467
Total liabilities payable from restricted assets	<u>32,136</u>	<u>38,335</u>
Total current liabilities	<u>36,967</u>	<u>43,822</u>
Noncurrent liabilities:		
Revenue bonds payable (note 7)	558,560	581,562
Accrued liabilities	1,925	1,634
Total noncurrent liabilities	<u>560,485</u>	<u>583,196</u>
Total liabilities	<u>597,452</u>	<u>627,018</u>
Deferred Inflows of Resources		
Leases	261	353
Deferred gain on bond refunding	1,252	2,080
Total deferred Inflows of Resources	<u>1,513</u>	<u>2,433</u>
Net Position:		
Net investment in capital assets	984,114	934,652
Restricted for debt retirement	24,183	23,755
Unrestricted	163,634	168,429
Total Net Position	<u>\$ 1,171,931</u>	<u>1,126,836</u>

See accompanying notes to financial statements.

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND

Statements of Revenues, Expenses, and Changes in Net Position

Years ended December 31, 2024 and 2023

(In thousands of dollars)

	<u>2024</u>	<u>2023</u>
Operating revenues:		
Water and Sewerage charges	\$ 176,390	169,124
Total operating revenues	<u>176,390</u>	<u>169,124</u>
Operating expenses:		
Administrative and general	5,791	5,677
Depreciation and amortization	41,865	39,933
Personal services	23,197	24,458
Contractual services	42,631	42,013
Operating services	<u>18,190</u>	<u>18,117</u>
Total operating expenses	<u>131,674</u>	<u>130,198</u>
Operating income	<u>44,716</u>	<u>38,926</u>
Non-operating revenues (expenses):		
Loss on investment in joint venture	(2,639)	(2,639)
Interest income	9,034	11,614
Interest expense	<u>(16,026)</u>	<u>(15,963)</u>
Total non-operating expenses	<u>(9,631)</u>	<u>(6,988)</u>
Income before contributions and transfers	35,085	31,938
Capital contributions	<u>10,010</u>	<u>12,386</u>
Change in net position	45,095	44,324
Net position at beginning of year	<u>1,126,836</u>	<u>1,082,512</u>
Net position at end of year	\$ <u><u>1,171,931</u></u>	<u><u>1,126,836</u></u>

See accompanying notes to financial statements.

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND

Statements of Cash Flows

Years ended December 31, 2024 and 2023

(In thousands of dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 177,185	170,481
Payments to suppliers	(74,626)	(81,660)
Payments to employees	(22,906)	(24,566)
Net cash provided by operating activities	<u>79,653</u>	<u>64,255</u>
Cash flows from capital and related financing activities:		
Principal and interest payments on revenue bonds	(39,522)	(39,534)
Additions to capital assets	(89,691)	(113,141)
Net cash provided by (used in) capital and related financing activities	<u>(129,213)</u>	<u>(152,675)</u>
Investing activities:		
Purchase of investments	—	(49,905)
Proceeds from sale of investments	50,719	115,534
Interest received on investments	9,574	11,792
Net cash (used in) provided by investing activities	<u>60,293</u>	<u>77,421</u>
Net change in cash and cash equivalents	10,733	(10,999)
Cash and cash equivalents at beginning of year	<u>142,950</u>	<u>153,949</u>
Cash and cash equivalents at end of year	<u>\$ 153,683</u>	<u>142,950</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 44,716	38,926
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	41,865	39,933
Changes in assets and liabilities:		
Customer receivables - net	(3,144)	(450)
Lease receivables	(92)	(92)
Change in due from other governments - net	3,939	1,807
Accounts payable	291	2,144
Accrued liabilities	(655)	(108)
Change in deferred inflows (leases)	92	92
Change in deferred outflows (gain on refunding)	(828)	(1,098)
Contractual and other liabilities	(6,531)	(16,899)
Net cash provided by operating activities	<u>\$ 79,653</u>	<u>64,255</u>
Non-cash transactions:		
Donated capital assets contributed by outside sources	\$ 10,010	12,386
Gain (loss) on investment in joint venture	(2,639)	(2,639)

See accompanying notes to financial statements.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(1) Summary of Significant Accounting Policies

(a) Description of the System

The Fulton County, Georgia Water and Sewerage System Fund (the “System”) accounts for the provision of water and sewerage services to individuals, organizations, and other governmental units within Fulton County (the “County”), except for those areas of the County serviced by the City of Atlanta. Additionally, the System sells water and treatment plant capacity to neighboring jurisdictions at contractually established rates. All revenues from sources applicable to such services and all expenses incurred in the provision of such services are recorded in the accounts of the System.

The System is considered an enterprise fund of the County, and the accompanying financial statements present only the statements of net position, revenues, expenses and changes in net position, and cash flows of the System; they are not intended to present fairly the government-wide statement of net position and changes in net position of Fulton County, Georgia in conformity with accounting principles generally accepted in the United States of America (“GAAP”). Each year, the County publishes an Annual Comprehensive Financial Report (“ACFR”), which includes the System and all of the County’s other funds. The latest audited financial statements, at the date of this report, is as of and for the year ended December 31, 2024; these should be read in conjunction with these financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. Operating expenses for the enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to business in the private sector.

(b) Basis of Presentation

As required by various County ordinances and bond indentures, the financial activities of the System are accounted for in separate accounts established by such ordinances or indentures; each such account is considered a separate accounting entity and presented in the accompanying financial statements as a single enterprise fund.

(c) Cash, Cash Equivalents, and Investments

The System’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value based on quoted market values. Interest income on investments is accrued as earned. The net appreciation (depreciation) in the fair value of investments is based on the valuation of investments as of the balance sheet date.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(d) Capital Assets

System capital assets are recorded at cost or estimated historical cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or that materially extend assets lives are not capitalized. Net interest cost incurred during the construction of facilities is capitalized as part of the cost of such facilities for business-type activities. No such capitalized interest was incurred in 2024.

The estimated useful lives of the principal classes of assets are as follows:

<u>Classification</u>	<u>Years</u>
System improvements	25-50
Equipment and other	7-12
Intangible assets-capacity rights	28-40

Donated assets are recorded at their estimated fair market value when received. Direct costs such as planning, engineering, and construction management are capitalized as incurred in construction projects. Indirect administrative costs are expensed in the period in which they occur.

(e) Bond Premiums or Discounts/Debt Issuance Costs

Bond premiums or discounts are deferred and amortized over the term of the debt. Bond debt issuance costs are expenses as incurred to comply with new Governmental Accounting Reporting Requirement Statement No. 65. Bond premiums or discounts are also now presented separate from the face value of the outstanding debt, and classified as Deferred Outflows of Financial Resources.

(f) Restricted Assets

Certain proceeds of revenue bonds, as well as resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position as their use is limited by covenants.

(g) Other Liabilities

System employees are granted annual leave and sick leave in varying amounts. In the event of termination, an employee is reimbursed for an accumulated annual leave up to a maximum of 360 hours. Exempt employees are not eligible to receive compensatory time without executive approval. Employees are not reimbursed for accumulated sick leave if terminated prior to retirement, therefore accrued sick leave is not reported in the accompanying financial statements. Upon retirement, accumulated sick leave may be counted as creditable service for pension benefit purposes. Liabilities for compensated absences other than sick leave are all considered long-term obligations of the System. Accumulated vacation leave is recorded as an expense and liability as the benefits accrue to employees.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(1) Summary of Significant Accounting Policies (continued)

(h) Interfund Transactions

Quasi-external transactions between the System and other funds of the County are accounted for as revenues or expenses. Transactions that constitute reimbursements to a fund for expenses initially made from it that are properly applicable to the System are recorded as expenses by the System. Services provided by the System to other funds are accounted for in a like fashion.

(i) Restricted Net Position

Restrictions of Net Position are presented consistent with requirements of GASB Statement No. 34 and 63 and various bond covenants of the System.

(j) Statement of Cash Flows

For purposes of the statements of cash flows, the System considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

(k) Use of Estimates

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

(l) Risk Management

The System is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The System participates in a County-wide risk management program for all funds of Fulton County, Georgia. Pursuant to this risk management program, the County is self-insured for workers' compensation, unemployment, long-term disability, auto liability, and general liability and fully self-insured for employee medical claims. The County pays such claims as they become due and makes appropriate provision for the accrual of claims liabilities, including incurred but unreported losses. The System funds its estimated portion of the County's risk management activities via quasi-external transactions.

(m) Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The System has one item that qualifies for reporting in this category – the deferred gain on refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is no longer reported net of debt and is deferred and amortized over the shorter of the life of the refunded bonds.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(2) Cash, Cash Equivalents, and Investments

The following is a summary of the carrying amounts of cash, cash equivalents, and investments of the System (in thousands of dollars):

	December 31,	
	2024	2023
Unrestricted:		
Cash and cash equivalents	\$ 99,246	100,479
Investments	-	-
Restricted:		
Cash and cash equivalents	54,437	42,471
Investments	-	50,719
	<u>\$ 153,683</u>	<u>193,669</u>

Fulton County uses a centralized cash disbursement account for all of its funds including those of the Water and Sewerage System Fund. Although cash applicable to a particular fund is segregated for financial reporting purposes, the corresponding portion of the centralized bank account balance cannot be identified. The bank balances (county-wide) were covered by federal depository insurance or by collateral held by the County's agent in its name.

Interest Rate Risk

State of Georgia statutes authorize the County to invest in direct obligations of the U.S. government, obligations insured or guaranteed by the U.S. government or a U.S. government agency, obligations of any corporation of the U.S. government, prime bankers' acceptances, obligations of the State of Georgia or other states, certain collateralized repurchase agreements, certain obligations of other political subdivisions of the State of Georgia, certain certificates of deposit, and the Georgia Fund 1 state investment pool. Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As of December 31, 2024 and 2023, the System had the following investments.

	December 31, 2024			
	Fair Value	to 3 months	4-12 months	1-5yrs
Fixed Income:				
US Agency Obligations	\$ -	-	-	-
Fixed Income subtotal	-	-	-	-
Money Market funds	22,217			
Georgia Fund 1	131,466			
Total cash equivalents and investments	<u>\$ 153,683</u>			

	December 31, 2023			
	Fair Value	to 3 months	4-12 months	1-5yrs
US Agency Obligations	\$ 50,719	-	50,719	-
Fixed Income subtotal	50,719	-	50,719	-
Money Market funds	3,431			
Georgia Fund 1	135,779			
Total cash equivalents and investments	<u>\$ 189,929</u>			

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(2) Cash, Cash Equivalents, and Investments (continued)

In accordance with its investment policy and bond covenants, the Water and Sewerage System fund manages its exposure to the risk of declines in fair values of investment by limiting the maturities of its investments to a maximum of five years for all debt service and debt service reserve accounts, and three years for investments held in the construction funds.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the System's deposits may not be recovered. The System limits its exposure to custodial credit risk by requiring all deposits to be collateralized in accordance with state law.

Credit Quality Risk

Credit Quality Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Georgia Fund 1 is managed by the State of Georgia Office of the State Treasurer to maximize current income while preserving principal and providing daily liquidity. It is managed to maintain a constant net asset value of \$1.00 and a weighted maturity of 90 days or less. The money market funds held at December 31, 2024 are of the highest quality short-term ratings.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority of unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 2 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability, either directly or indirectly;

Level 3 inputs are unobservable inputs for the financial asset or liability.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. Local Government Investment Pools, such as Georgia Fund 1 are categorized as a Level 1, as are the money market funds held as of December 31, 2024 listed in the Interest Rate Risk chart on the previous page.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(3) Allowances for Doubtful Accounts

Allowances for doubtful accounts at December 31, 2024 and 2023 are as follows (in thousands of dollars):

	<u>2024</u>	<u>2023</u>
Customer receivables	\$ 2,137	1,045
Due from other governments	\$ 6,134	5,836

(4) Investment in Joint Venture

Atlanta-Fulton County Water Resources Commission - The Atlanta-Fulton County Water Resource Commission is a joint venture between the County and the City of Atlanta for the construction and operation of a water treatment facility in north Fulton County. The County and the City share equally the costs of construction of the plant, and each is entitled to receive 50% of the total water supply treated by the plant or 50% of the plant's capacity, whichever is greater. The costs of operation of the plant were borne pro rata by the City and the County on the basis of water delivered to each party. The County incurred charges of approximately \$7.6 million in 2024 and 7.7 million in 2023 for water produced at this facility, which is classified as an operating cost to the Fulton County Water & Sewerage System. The Atlanta Fulton County Water Resources Commission is governed by a seven-member management commission, three members of the Commission are appointed by the City, three are appointed by the County, and one independent member is elected by the vote of the other members. Both the City and County approve the annual budget of the Commission.

At December 31, 2024 and 2023, the County's share of the depreciated cost of the facility is shown as "Investment in joint venture" in the accompanying statement of net position.

Complete financial statements for the Atlanta-Fulton County Water Resource Commission can be obtained from the following respective administrative office:

Atlanta-Fulton County Water Resource Commission
9750 Spruill Road
Alpharetta, Georgia 30022

(5) Other Assets

Cost-Sharing Arrangements

The System initially paid \$58 million with neighboring Cobb County, Georgia in 2003 for the purchase of long-term wastewater treatment capacity at the R.L Sutton wastewater treatment plant and the adjoining underground conveyance system. An additional \$.4 million was added during fiscal 2024. The System previously incurred \$99.9 million in similar capital costs through facilities owned by the City of Atlanta. The System will share in the cost of annual capital improvements at these facilities on a pro rata basis. These costs were previously shown as other assets on the financial statements of the Water and Sewerage System fund, but now appear as "Intangible Assets"

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(5) Other Assets (continued)

and are included within the capital asset disclosure section of the Water and Sewerage System fund. These assets are being depreciated over twenty-eight years for the Atlanta facilities and forty years for the Cobb County facilities, both using the straight-line method. Depreciation of these intangible assets, approximately \$5.9 million in 2024 and 2023 and is classified as an operating cost on the Statement of Revenues, Expenses and Changes in Net Position. The balances for intangible assets are \$81.6 million and \$87.2 million at December 31, 2024 and December 31, 2023, respectively.

A Deferred gain on refunding of bonds of \$1,252 and \$2,080 as of December 31, 2024 and 2023, respectively, is classified as a Deferred Inflow of Resources, resulted from the 2021 refunding of the 2011 Water and Sewerage revenue refunding bonds, and is being amortized over the life of the remaining 2020B refunding bonds.

(6) Capital Assets

The following charts display capital asset balances and activity for 2024 and 2023 (in thousands):

	January 1, 2024	Increases	Decreases	December 31, 2024
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	\$ 10,201	—	—	10,201
Construction in progress	440,344	89,263	(85,346)	444,261
Total capital assets not being depreciated	450,545	89,263	(85,346)	454,462
Capital assets being depreciated:				
Equipment	21,021	187	—	21,208
Water system	336,680	2,930	—	339,610
Sewer system	1,312,582	92,668	—	1,405,250
Intangible assets	182,536	353	—	182,889
Total capital assets being depreciated	1,852,819	96,138	—	1,948,957
Less accumulated depreciation for:				
Equipment	(19,037)	(890)	—	(19,927)
Water system	(140,212)	(6,457)	—	(146,669)
Sewer system	(564,164)	(28,562)	—	(592,726)
Intangible assets	(95,304)	(5,956)	—	(101,260)
Total accumulated depreciation	(818,717)	(41,865)	—	(860,582)
Net capital assets being depreciated	1,034,102	54,273	—	1,088,375
Net capital assets-Water & Sewerage System fund	\$ 1,484,647	143,536	(85,346)	1,542,837

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(6) Capital Assets (continued)

	January 1, 2023	Increases	Decreases	December 31, 2023
Water and Sewerage System fund:				
Capital assets not being depreciated:				
Land improvements	\$ 10,201	—	—	10,201
Construction in progress	333,475	111,713	(4,844)	440,344
Total capital assets not being depreciated	343,676	111,713	(4,844)	450,545
Capital assets being depreciated:				
Equipment	20,646	375	—	21,021
Water system	331,392	5,288	—	336,680
Sewer system	1,300,385	12,197	—	1,312,582
Intangible assets	181,738	798	—	182,536
Total capital assets being depreciated	1,834,161	18,658	—	1,852,819
Less accumulated depreciation for:				
Equipment	(18,033)	(1,004)	—	(19,037)
Water system	(133,821)	(6,391)	—	(140,212)
Sewer system	(537,564)	(26,600)	—	(564,164)
Intangible assets	(89,366)	(5,938)	—	(95,304)
Total accumulated depreciation	(778,784)	(39,933)	—	(818,717)
Net capital assets being depreciated	1,055,377	(21,275)	—	1,034,102
Net capital assets-Water & Sewerage System fund	\$ 1,399,053	90,438	(4,844)	1,484,647

Donated contributions of capital are \$10,010 for fiscal 2024, while \$12,386 was capitalized for fiscal 2023. All depreciation of \$41,865 in 2024 and \$39,933 in 2023 is for water and sewer operations.

FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(7) Revenue Bonds Payable – Long-term liabilities

The County pledges income derived from the acquired constructed assets to pay debt service. The County has issued revenue bonds for the general government and for proprietary activities. Water and Sewerage Revenue bonds are paid from business-type activities. Revenue bonds outstanding are as follows (in thousands):

Issue	Interest Rate Range	Maturity Date	Authorized and Issued	Totals at December 31	
				2024	2023
Series 2020A	2.25-5.00%	2044	290,595	\$ 289,095	290,595
Less current portion				(1,500)	(1,500)
Series 2020B (private placed)	1.04%	2027	120,364	46,097	61,147
Less current portion				(15,207)	(15,050)
Series 2013	3.375-5.00%	2034	223,265	219,705	223,265
Less current portion				(3,735)	(3,560)
				<u>\$ 534,455</u>	<u>554,897</u>

This chart displays the System's long-term liabilities and related activity for 2024 and 2023.

		Balance			Balance	Due
		January 1,	Increases	Decreases	December 31,	within
		2024			2024	One year
Water & Sewerage Revenue Bonds	\$	575,007	—	(20,110)	554,897	20,442
Less deferred charges, net		26,665	—	(2,560)	24,105	
Total Water & Sewerage Revenue Bonds		601,672	—	(22,670)	579,002	
Other Long-Term Liabilities		1,634	1,093	(802)	1,925	
Total System long-term liabilities	\$	<u>603,306</u>	<u>1,093</u>	<u>(23,472)</u>	<u>580,927</u>	<u>20,442</u>

		Balance			Balance	Due
		January 1,	Increases	Decreases	December 31,	within
		2023			2023	One year
Water & Sewerage Revenue Bonds	\$	594,921	—	(19,914)	575,007	20,110
Less deferred charges, net		29,225	—	(2,560)	26,665	
Total Water & Sewerage Revenue Bonds		624,146	—	(22,474)	601,672	
Other Long-Term Liabilities		1,742	589	(697)	1,634	
Total System long-term liabilities	\$	<u>625,888</u>	<u>589</u>	<u>(23,171)</u>	<u>603,306</u>	<u>20,110</u>

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(7) Revenue Bonds Payable – Long-term liabilities (continued)

Aggregate System annual debt service requirements are as follows (in thousands of dollars):

<u>December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 20,442	19,003	39,445
2026	20,785	18,584	39,369
2027	21,140	18,153	39,293
2028	27,110	17,711	44,821
2029	28,390	16,355	44,745
2030-2034	163,935	59,699	223,634
2035-2039	127,080	30,464	157,544
2040-2044	146,015	11,517	157,532
Total	554,897	191,486	746,383
Unamortized premiums	24,105	(24,105)	-
Total	<u>579,002</u>	<u>167,381</u>	<u>746,383</u>

The revenue bond indenture contains significant limitations and restrictions on annual debt service requirements, maintenance of and flow of money through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage ratios.

(8) Retirement Plans

(a) County Pension Plan (in thousands, except for membership data)

The Water and Sewerage System has employees who are still in active status that participate in the Fulton County Employees Retirement System Pension Plan (the “Plan”), a single-employer defined benefit retirement plan. The Plan was created effective September 1, 1991, as successor to four separate County-maintained pension plans, for all eligible employees of Fulton County. Prior to the establishment of the Plan, the employees of the County were participants in one of two predecessor plans, the General Employees’ Pension Plan or the Employees’ Pension Plan. Employees who did not elect to participate in the Plan will continue to be eligible for the same benefits of the prior plan in which they participated; however, participation was made a condition of employment for new employees as of September 1, 1991.

The Plan is administered by an eleven member board of trustees which includes two members of the Board of Commissioners, the County Manager, the Chief Financial Officer, a representative citizen of the County, a designee of the Commission’s Chairman, a Peace Officer, two retirees of the County, and two active employees.

On June 16, 1998, the County adopted a 401(A) defined contribution plan. All active participants in the Fulton County Employees’ Retirement System have the annual option to remain in their current defined benefit plan or elect to participate in the new defined contribution plan. Employees hired on or after July 1, 1999 participate in the Fulton County Defined Contribution Plan.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(8) Retirement Plans (continued)

The funding method and determination of benefits payable are provided in or authorized by various acts of the Georgia Legislature and statutes enacted by the County under home rule powers granted by the State. The Plan generally provides that funds to provide retirement benefits are to be accumulated from employee and County contributions and income from the investment of accumulated funds. Should the accumulated funds be insufficient to meet and pay the benefits when due, Fulton County shall be required to make up any deficiency.

The Plan provides monthly retirement benefits that represent 2.25% of the participants' monthly earnings (the average of the highest three 12-month period of employment) for the first five years of credible service and then 2.5% thereafter. The Plan awards cost-of-living increases annually, up to a 3% maximum. Benefits also may be payable at termination, death, or disability.

The County's contribution is the actuarially determined amount necessary to fund benefits, less employee contributions. The actuarially determined contribution amount is the sum of the annual normal cost and the amortization of the unfunded actuarial accrued liability over the years remaining in the allowable funding period. The actuarial cost method used for funding purposes is the entry age normal cost method. This is one of the approved methods for such plans in Georgia and provides for contributions based on a level percentage of future payroll. The unfunded actuarial accrued liability is amortized on a closed basis over a period established by State of Georgia guidelines.

The required contribution percentages developed in the most recent actuarial valuations for the Plan, and the actual contributions, but not including contributions of \$321 to the Supplemental Plan described in this note, made for 2024 are as follows (in thousands of dollars):

	<u>2024</u>
Total required employer contributions:	
Dollar amount	\$ 62,340
Percent of covered payroll	1058.95%
Actual employer contributions:	
Dollar amount	\$ 61,952
Percent of covered payroll	1052.36%

Employee contribution rates are established in accordance with pension law. During 2024 actual countywide employee contributions were \$425 which represented 7.22% of covered payroll. Employee contributions exceeded those set forth in pension law due to back-due contributions required of employees covered by certain of the County's prior separate plans, who under older pension laws, have the ability to increase their retirement benefits by making such back-due contributions.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(8) Retirement Plans (continued)

Membership

Current membership in the Plan and current year payrolls for 2024 are as follows:

Members:		
Retired and receiving benefits	\$	2,950
Terminated with vested benefits		17
Active employees:		
Vested		66
Total members		<u>3,033</u>
Total current year payroll for employees covered by the Plan (in thousands)	\$	<u>5,887</u>

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employee compensation.

The accumulated plan benefits for active employees are based on their average compensation and credited service ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances — retirement, death, disability, and termination of employment — are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. An actuarial valuation of the Plan is performed annually each January 1, and an update is performed to determine the Actuarial Value of Assets and Actuarial Accrued Liability.

Effective as of the January 1, 2025 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.70% to 6.60%. These changes affected the actuarial liability by \$16.9 million as of the date of this valuation.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(8) Retirement Plans (continued)

The System's total and net pension liability for the years ended December 31, 2024 and 2023 are as follows:

Fiscal year ended		Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary net position as a percentage of Total Pension Liability
December 31, 2024	\$	1,897,479	1,523,324	\$ 374,155	80.28%
December 31, 2023	\$	1,900,928	1,453,658	\$ 447,270	76.47%

Sensitivity of the Net Pension Liability to Changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 6.60%, and the System's net pension liability would be if it were calculated using a discount rate this is one-percentage-point lower (5.60%) or one-percentage-point higher (7.60%) than the current rate.

	1% Decrease (5.60%)	Current Discount (6.60%)	1% Increase (7.60%)
System's net pension liability	\$559,258	\$374,155	\$216,427

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates (as a percentage of pay) and the county contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(8) Retirement Plans (continued)

Changes in Total and Net Pension Liability, and Plan Fiduciary Net Position are shown below:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2023	\$ 1,900,928	1,453,658	447,270
Changes for the year:			
Service cost	1,185	-	1,185
Interest	122,269	-	122,269
Benefit changes	-	-	-
Difference between expected and actual experience	10,601	-	10,601
Change of assumptions	16,909	-	16,909
Contributions - employer	-	61,952	(61,952)
Contributions - employee	-	425	(425)
Net investment income	-	162,493	(162,493)
Benefit payments, including refunds of employee contributions	(154,413)	(154,413)	-
Administrative expense	-	(791)	791
Net changes	\$ (3,449)	69,666	(73,115)
Balances at December 31, 2024	<u>\$ 1,897,479</u>	<u>1,523,324</u>	<u>374,155</u>

Methods and assumptions used in the calculations of actuarially determined contributions

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	January 1, 2025
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed period.
Remaining amortization period	9 year average remaining, depending on which bases.
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Investment rate of return	6.60% (1/1/2025 valuation). The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.
Inflation rate	2.5%

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(8) Retirement Plans (continued)

Projected salary increases	3.0%-6.0% depending on age, and if Public Safety
Mortality Rates-Pre-Retirement	Pri-2012 Employee Blue Collar Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Healthy Annuitants	Pri-2012 Healthy Retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males, (no adjustment for Females) projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Disabled Annuitants	Pri-2012 Disables Retiree Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.

The following presents target allocations and long term expected rates of return for the Plan. The long-term expected rate of return on pension plan investments was determined using a building –block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2024 as shown below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
U.S. Large Cap Equity	31.50%	6.90%
U.S. Small/Mid Cap Equity	14.00%	7.70%
International Large Cap Equity	12.50%	6.50%
Emerging Market Equity	5.00%	9.40%
International Small Cap Equity	5.00%	7.80%
Bank Loans	5.00%	6.80%
Domestic Fixed Income	20.00%	5.30%
Asset Allocation (60/40 EQ/FI Tft)	<u>7.00%</u>	6.40%
	100.00%	

*Expected real rate of return is net of inflation

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(8) Retirement Plans (continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions

The following table provides a summary of the deferred inflows and outflows related to pensions as of December 31, 2024 (the measurement date).

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on plan investments	\$ -	\$ 5,139
Total	<u>\$ -</u>	<u>\$ 5,139</u>

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

Year ended December 31:	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Amount recognized in Pension Expenses as an Increase or (Decrease) to Pension Expense (a)-(b)</u>
(a)	(b)		(a)-(b)
2025	\$ -	\$ 15,599	\$ (15,599)
2026	-	33,302	(33,302)
2027	-	(40,399)	40,399
2028	-	(13,641)	13,641
Thereafter	-	-	-
Total	<u>-</u>	<u>(5,139)</u>	<u>5,139</u>

Note: In accordance with Paragraph 71 of GASB Statement 68, the difference between projected and actual earnings on investments is recognized over a closed five-year period. Assumption changes and the difference between expected and actual total pension liability experience are each recognized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. For 2024, the period is one year, and therefore those changes are recognized immediately.

Fulton County Employees' Retirement System Supplemental Plan

On January 1, 2000, the Fulton County Employees' Retirement System Supplemental Plan was created to pay benefits in excess of the limitations required for compliance with federal tax laws. The accrued liability estimate for this plan is approximately \$1.4 million as of January 1, 2025 biannual actuarial valuation date. Plan assets total \$1.1 million, and the unfunded balance is \$.3 million which is being amortized on a two-year level dollar method. Participant information, actuarial funding methods, and other assumptions are the same as the Fulton County Employees' Retirement System. This liability does not appear on the actuarial information presented for the Fulton County Employees Retirement System Plan.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(8) Retirement Plans (continued)

Complete financial statements for the Plan can be obtained at the following address:

Fulton County
Suite 7001
141 Pryor Street, N.W.
Atlanta, Georgia 30303

(b) Defined Contribution Plan (in thousands)

The Fulton County Defined Contribution Pension Plan was established in June 1999 to provide retirement benefits for new employees, appointees and other County officials, as the defined benefit plan was closed. Empower Retirement, who acquired Mass Mutual, serves as an independent administrator of the plan. At December 31, 2024, the plan had 6,274 total participants, of which 4,414 actively employed participants contributed 6% of their pensionable earnings, approximately \$18,909 during 2024. The County also contributed \$25,173 which was 8% of their pensionable earnings throughout the year. The County also contributed an additional \$2,005 in matched funds into the Plan for those Participants electing to participate in the County's Deferred Compensation Plan. Participants fully vest the matched contributions over a five-year period.

(c) Deferred Compensation Plan (in thousands)

The County has adopted a deferred compensation plan (the "Plan") in accordance with the 2001 revisions of Section 457 of the Internal Revenue Code. The Plan, available to all Fulton County employees, allows an employee to voluntarily defer a certain percentage of gross compensation, not to exceed \$23 for those less than 50 years of age, and an additional \$7.5 for all others above 50 years of age and older. Plan assets are held in custodial accounts for the exclusive benefit of the Plan participants and their beneficiaries and, therefore, the plan assets and liabilities are not recorded on the County's financial statements. Empower Retirement, who acquired Mass Mutual, serves as an independent administrator of the plan.

(9) Other Post-Employment Benefits

Fulton County (in thousands, except for employee participant data)

The County, through Board action, provides single employer health care and life insurance benefits for retired employees that may have worked for the water and sewerage operations through an independent third party administrator, in which all of the County's employees, including water and sewerage dedicated employees, may become eligible for these benefits if they reach normal retirement age while working for the County. Fulton County contributes 75-90% of the premium cost for health care coverage, based upon the plan chosen by the participant and what required employee match existed at separation date. The County also contributes 100% of the premium cost for \$10 of life insurance coverage for those employees retiring after December 1, 1988. The County pays 75% of the life insurance premiums for those persons who retired prior to December 1, 1988. The total cost to provide retiree health care and life insurance benefits, in the Health Insurance Stabilization fund, an internal service fund, is recognized as paid; such costs approximated \$51,133 in 2024 and \$39,688 in 2023.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(9) Other Post-Employment Benefits (continued)

The County contributions to this liability is funded by the above Health Insurance Stabilization fund, which in turn is funded by premiums charged to primarily the County's General fund as well as other funds consisting of payroll costs. In accordance with GASB Statement No. 74 and 75, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, as well as GASB the County's annual other postemployment benefit (OPEB) cost is calculated based on the actuarially determined employer contribution of the employer (ADEC) which is required to be actuarially determined biannually.

The Actuarially Determined Employer Contribution and Total OPEB Obligation amounts were determined under the Entry age normal, level percentage of pay method. As of the January 1, 2025 evaluation date, (the latest available) the number of retirees with current health care coverage was 3,214. Approximately 4,109 active countywide employees are covered in this plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Examples include assumptions of future employment, mortality, and health care cost trends. Amounts determined regarding annual required contributions are subject to revision as results are compared with past expectations and new estimates are made about future trends. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan member to that point. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes. The actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The County made no contribution to the irrevocable trust fund in 2024 but has \$10,473 dedicated to pay for future OPEB claims against the unfunded accrued actuarial liability of \$1,344,272 as of December 31, 2024.

Summary of Key Valuation Result: Total OPEB Liability (TOL) represents the value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.

	<u>12/31/2024</u>	<u>12/31/2023</u>
Net OPEB Liability	\$1,333,799	\$1,330,643
Annual OPEB expense	102,368	102,368
Service cost of beginning of year	145,004	145,004
Total Covered Payroll	283,969	283,969

Plan Provisions and Eligibility

Eligibility for medical, vision, dental and life insurance benefits depends, in part, upon the retirement plan in which an employee participates. The conditions below are separated based on the retirement plan participation.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
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December 31, 2024 and 2023

(9) Other Post-Employment Benefits (continued)

Defined Benefit Pension plan participants: Retirees from active service are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
 - *After age 65 with 10 years of service
 - *After age 60 with at least 15 years of service
 - *After 10 years of service upon which the sum of age and years of service Equal or exceed 79.
- (2) Leave employment due to disability in line of duty for peace officers.
- (3) Leave employment due to disability after 10 years of service.
- (4) Leave employment after 15 years of service
- (5) Leave employment due to reduction in workforce after age 55 with 10 years of service.

Defined Contribution Pension plan participants who transferred from the above defined benefit plan prior to 2002 are eligible to receive above benefits provided they satisfy one of the following:

- (1) Leave employment after 15 years of service
- (2) Leave employment due to reduction in workforce after age 55 with 10 years of service.
- (3) Leave employment as a peace officer after age 55 with 25 years of service.

Defined Contribution Pension plan participants who never participated in the above defined benefit plan are eligible to receive above benefits provided they satisfy one of the following:

- (1) Qualify for unreduced retirement when leave employment:
 - *After age 65 with 10 years of service
 - *After age 60 with at least 15 years of service
 - *After 10 years of service upon which the sum of age and years of service Equal or exceed 80.
- (2) Leave employment due to disability in line of duty for peace officers.
- (3) Leave employment due to disability after 10 years of service.

Excluded from eligibility are contract, seasonal and temporary employees as well as employees working for the State DFACS services, Adult Probation and Fulton County Housing Authority.

Sensitivity of the Net OPEB Liability to Changes in the discount rate and healthcare cost trend rates

The following presents the net OPEB liability of the County as of December 31, 2024 (the latest actuarial data available), calculated using the discount rate of 4.08%, and the System's net OPEB liability would be if it were calculated using a discount rate 1% lower (3.08%) or 1% higher (5.08%) than the current rate. Also shown are the net OPEB liabilities if the rates if healthcare trends rates were 1% lower and 1% higher than the current healthcare trend rates used for the December 31, 2024 study.

	<u>Discount Rates</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(3.08%)</u>	<u>(4.08%)</u>	<u>(5.08%)</u>
Net OPEB liability	\$1,548,457	\$1,333,799	\$1,161,290

	<u>Healthcare Trend Rates</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB liability	\$1,150,736	\$1,333,799	\$1,564,938

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(9) Other Post-Employment Benefits (continued)

The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates (as a percentage of pay) and the county contributions will be made equal to the actuarial determined contribution. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Expense and Deferred Outflows of Resources Related to OPEB

The County last required study for the year ended December 31, 2024 recognized total OPEB expense of \$143,990, all within the governmental activities. Included in OPEB expense are recognized amounts related to the deferred outflows and inflows of resources for OPEB's. These deferred outflows updated as of December 31, 2024 consist of \$23,922 comprised of the difference between expected and actual experience, and \$186,917 for changes in assumptions or other inputs, offset by deferred inflows comprise of the difference between expected and actual experience of \$284,812, change of assumptions or other inputs of \$177,684, and the net difference between projects and actual earnings of \$135. The combined deferred outflows and inflows of \$251,792 are being recognized each year as shown below until fully recognized, approximately six years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 23,922	\$ 284,812
Change of assumptions or other inputs	186,917	177,684
Net difference between projected and actual earnings on plan investments	-	135
Total	<u>\$ 210,839</u>	<u>\$ 462,631</u>

Year ended December 31:	Deferred Outflows of Resources (a)	Deferred Inflows of Resources (b)	Amount recognized in OPEB Expenses as an Increase or (Decrease) to OPEB Expense (a)-(b)
2025	\$ 125,462	\$ 124,286	\$ 1,176
2026	17,097	124,286	(107,189)
2027	17,097	124,685	(107,588)
2028	17,097	29,946	(12,849)
2029	17,097	29,714	(12,617)
Thereafter	16,989	29,714	(12,725)
Total	<u>\$ 210,839</u>	<u>\$ 462,631</u>	<u>\$ (251,792)</u>

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(9) Other Post-Employment Benefits (continued)

The County's annual OPEB cost charged was \$143,990 and net OPEB liability and changes in the net OPEB liability for the year ended December 31, 2024 are presented below:

Change in Net OPEB Liability	2024
Service Cost	\$ 91,380
Interest expense	52,350
Difference between expected and actual experiences	
Change in assumption	(91,432)
Benefit payments	(47,384)
Investment Income- OPEB trust fund	(1,758)
Change in net OPEB liability	<u>3,156</u>
Net OPEB liability - January 1	<u>1,330,643</u>
Net OPEB liability - December 31	<u><u>\$ 1,333,799</u></u>

Changes in Total and Net OPEB Liability, and Plan Fiduciary Net Position are shown below:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2023	\$ 1,339,358	8,715	1,330,643
Changes for the year:			
Service cost	91,380	-	91,380
Interest	52,350	-	52,350
Difference between expected and actual experience	(207,993)	-	(207,993)
Change of assumptions	116,561	-	116,561
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income	-	1,758	(1,758)
Benefit payments	(47,384)	-	(47,384)
Administrative expense	-	-	-
Net changes	\$ 4,914	1,758	3,156
Balances at December 31, 2024	<u><u>\$ 1,344,272</u></u>	<u><u>10,473</u></u>	<u><u>1,333,799</u></u>

The net OPEB plan's fiduciary net position of \$10,473 above is .78% of the Total OPEB Liability as of December 31, 2024.

The County's OPEB financial statements for the year ended December 31, 2024 are presented in the County's Annual Comprehensive Financial Statement, which should be read in connection with these separately issued Fulton County Water and Sewerage System fund financial statements. The net position restricted to OPEB as of December 31, 2024 is \$10,473, while the Change in net position was \$1,758 for the year ended December 31, 2024.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to the Financial Statements
(in thousands)

December 31, 2024 and 2023

(9) Other Post-Employment Benefits (continued)

Methods and assumptions used in the calculations of actuarially determined contributions for the total OPEB liability

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	December 31, 2024, the latest available.
Actuarial cost Method	Entry age normal
Actuarial Value of Assets	Market Value
Termination rates before retirement due to Disability or Withdrawals	Rates used - Age 40-60 used 0%.
Inflation	2.00%
Investment rate of return	6.80%.
Discount Rate	4.08%
Healthcare cost trend rate	7.50% for Anthem medical and Kaiser pre 65 plans, 10% for Anthem prescription and 5% for Medicare Advantage plan in 2024 reduced by .5% annually to 4.5%. 3% for vision. Administrative expense estimated at 3%.
Projected salary increases	3.00%
Mortality Rates-Active employees	Pri-2012 Employee Blue Collar Amount-weighted Mortality Table with approximate adjustment to reflect recent experience.
Mortality Rates-Healthy Retirees	Pri-2012 Healthy retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males (No adjustment for Females), with approximate adjustment to reflect generational improvements under Scale MP-2016
Mortality Rates-Disabled Participants	Pri-2012 Disabled Retiree Amount-weighted Mortality Table with approximate adjustment to reflect generational improvements under Scale MP-2016
Retirement	Non-Public Safety- 20% at first eligibility plus 20-25 years, 30% plus 20-25 years, then 100%; Public Safety- 50% at first eligibility plus 10 years, 20% plus 10-15 years, 50% 15-20 years, then 100%.
Participation	90% for retiree medical and vision; 100% for life insurance.
Administrative expenses	\$132/year per covered individual, assumed to increase at 3% per year.

(10) Commitments and Contingencies

Commitments - Commitments for water and sewerage system improvements approximate \$55 million the majority of which relates to the Big Creek wastewater treatment plant expansion project as of December 31, 2024.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Required Supplementary Information
(in thousands)
(Unaudited)
December 31, 2024 and 2023

**Contributions in Relation to the Actuarially Determined Employer Contribution
(in thousands)**

Year Ended	Actuarially Determined Employer Contribution	County Employer Contribution	DFACS Employer Contribution	Total Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
December 31, 2015	\$ 48,586	47,203	27	47,230	1,356	27,820	169.77 %
December 31, 2016	50,493	45,953	24	45,977	4,516	23,391	196.56
December 31, 2017	52,988	57,213	15	57,228	(4,240)	20,374	280.89
December 31, 2018	59,746	59,199	4	59,203	543	14,845	398.81
December 31, 2019	64,773	64,777	-	64,777	(4)	12,956	499.98
December 31, 2020	66,233	68,578	-	68,578	(2,345)	9,865	695.16
December 31, 2021	62,358	71,686	-	71,686	(9,328)	8,034	892.28
December 31, 2022	56,325	64,968	-	64,968	(8,643)	7,177	905.26
December 31, 2023	61,500	65,725	-	65,725	(4,225)	6,315	1040.84
December 31, 2024	62,340	61,952	-	61,952	388	5,887	1052.36

Schedule of Employer's Net Pension Liability

Year Ended	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
December 31, 2015	\$ 1,677,001	1,217,955	459,046	72.63 %	27,820	1,650.06 %
December 31, 2016	1,706,579	1,211,837	494,742	71.01	23,391	2,115.10
December 31, 2017	1,833,170	1,382,953	450,217	75.44	20,374	2,209.76
December 31, 2018	1,852,863	1,223,532	629,331	66.03	14,845	4,239.35
December 31, 2019	1,865,254	1,423,026	442,228	76.29	12,956	3,413.31
December 31, 2020	1,881,914	1,548,336	333,578	82.27	9,865	3,381.43
December 31, 2021	1,893,046	1,664,070	228,976	87.90	8,034	2,850.09
December 31, 2022	1,900,620	1,321,228	579,392	69.52	7,177	8,073.17
December 31, 2023	1,900,928	1,453,658	447,270	76.47	6,315	7,083.09
December 31, 2024	1,897,479	1,523,324	374,155	80.28	5,887	6,355.65

Schedule of Pension Investment Returns

Year Ended	Annual money-weighted rate of return, net of investment expense
December 31, 2015	(0.88)%
December 31, 2016	6.40%
December 31, 2017	20.91%
December 31, 2018	(6.00)%
December 31, 2019	23.36%
December 31, 2020	14.56%
December 31, 2021	12.87%
December 31, 2022	(15.83)%
December 31, 2023	17.28%
December 31, 2024	11.55%

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Required Supplementary Information
(in thousands)
(Unaudited)
December 31, 2024 and 2023

**Schedule of Changes in Net Pension Liability
Last Ten Fiscal Years
(in thousands)**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 1,185	1,302	1,499	1,895	2,434	2,700	3,768	2,348	3,283	3,678
Interest	122,269	124,111	125,520	126,615	128,358	129,377	129,929	123,205	122,576	122,562
Change of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	10,601	11,312	8,989	15,210	4,636	4,854	6,717	20,982	16,293	6,262
Change of assumptions	16,909	17,118	22,388	17,469	26,158	17,554	17,675	112,435	15,734	15,489
Benefit payments, including refunds	(154,413)	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)
Net change in total pension liability	(3,449)	308	7,574	11,132	16,660	12,391	19,693	126,592	29,577	22,589
Total pension liability - beginning	\$ 1,900,928	1,900,620	1,893,046	1,881,914	1,865,254	1,852,863	1,833,170	1,706,578	1,677,001	1,654,412
Total pension liability - ending (a)	\$ 1,897,479	1,900,928	1,900,620	1,893,046	1,881,914	1,865,254	1,852,863	1,833,170	1,706,578	1,677,001
Plan fiduciary net position										
Contributions-employer	\$ 61,952	65,725	64,968	71,686	68,578	64,777	59,203	57,228	45,977	47,230
Contributions-employee	425	427	394	600	778	859	1,110	1,358	1,633	1,868
Net investment income	162,493	220,634	(256,661)	194,154	201,615	276,707	(80,562)	245,564	75,369	(11,187)
Benefit payments, including refunds	(154,413)	(153,535)	(150,822)	(150,057)	(144,926)	(142,094)	(138,396)	(132,378)	(128,309)	(125,402)
Administrative expense	(791)	(821)	(721)	(649)	(735)	(755)	(776)	(656)	(788)	(581)
Net change in plan fiduciary net position	\$ 69,666	132,430	(342,842)	115,734	125,310	199,494	(159,421)	171,116	(6,118)	(88,072)
Plan fiduciary net position - beginning	\$ 1,453,658	1,321,228	1,664,070	1,548,336	1,423,026	1,223,532	1,382,953	1,211,837	1,217,955	1,306,027
Plan fiduciary net position - ending (b)	\$ 1,523,324	1,453,658	1,321,228	1,664,070	1,548,336	1,423,026	1,223,532	1,382,953	1,211,837	1,217,955
Net pension liability - ending (a) - (b)	374,155	447,270	579,392	228,976	333,578	442,228	629,331	450,217	494,741	459,046
Plan fiduciary net position as a percentage of the Total pension liability	80.28%	76.47%	69.52%	87.90%	82.27%	76.29%	66.03%	75.44%	71.01%	72.63%
Covered payroll	\$ 5,887	6,315	7,177	8,034	9,865	12,956	14,845	20,374	23,391	27,820
Net pension liability as a percentage of covered payroll	6355.65%	7083.09%	8073.17%	2850.08%	3381.55%	3413.37%	4239.26%	2209.76%	2115.09%	1650.06%

See accompanying notes to required supplementary information and accompanying independent auditors report
No benefit changes have been made since GASB 67/68 implementation

Assumption changes as of the 1/1/25 Valuation: The Board approved changes to reduce the net investment return from 6.70% to 6.60% as of December 31, 2024.

Assumption changes as of the 1/1/24 Valuation: The Board approved changes to reduce the net investment return from 6.80% to 6.70% as of December 31, 2023.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Required Supplementary Information
(in thousands)
(Unaudited)
December 31, 2024 and 2023

**Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Fiscal Years
(in thousands)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 91,380	145,004	145,004	32,073	32,073	31,887	30,661
Interest	52,350	39,040	39,040	40,500	40,501	38,229	36,754
Change of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(207,993)	(35,510)	(213,063)	-	128,147	-	5,236
Change of assumptions	116,561	(59,228)	(355,369)	-	522,046	-	-
Benefit payments	(47,384)	(39,688)	(44,597)	(36,442)	(40,796)	(40,796)	(34,883)
Net change in total OPEB liability	<u>4,914</u>	<u>49,618</u>	<u>(428,985)</u>	<u>36,131</u>	<u>681,971</u>	<u>29,320</u>	<u>37,768</u>
Total OPEB liability - beginning	\$ 1,339,358	1,289,740	1,718,725	1,682,594	1,000,623	971,303	933,535
Total OPEB liability - ending	<u>\$ 1,344,272</u>	<u>1,339,358</u>	<u>1,289,740</u>	<u>1,718,725</u>	<u>1,682,594</u>	<u>1,000,623</u>	<u>971,303</u>
Plan fiduciary net position							
Contributions-employer	\$ -	-	-	-	-	-	-
Contributions-employee	-	-	-	-	-	-	-
Net investment income	1,758	1,571	(1,476)	1,498	950	1,236	(226)
Benefit payments	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>\$ 1,758</u>	<u>1,571</u>	<u>(1,476)</u>	<u>1,498</u>	<u>950</u>	<u>1,236</u>	<u>(226)</u>
Plan fiduciary net position - beginning	\$ 8,715	7,144	8,620	7,122	6,172	4,936	5,162
Plan fiduciary net position - ending	<u>\$ 10,473</u>	<u>8,715</u>	<u>7,144</u>	<u>8,620</u>	<u>7,122</u>	<u>6,172</u>	<u>4,936</u>
Net OPEB Liability - ending	<u>1,333,799</u>	<u>1,330,643</u>	<u>1,282,596</u>	<u>1,710,105</u>	<u>1,675,472</u>	<u>994,451</u>	<u>966,367</u>
Plan fiduciary net position as a percentage of the Total OPEB liability	0.78%	0.64%	0.55%	0.49%	0.42%	0.62%	0.51%
Covered payroll	\$ 301,038	283,969	283,969	223,191	223,191	271,171	260,742
Net OPEB liability as a percentage of covered payroll	443.07%	468.59%	451.67%	766.21%	750.69%	366.72%	370.62%

*Note: Schedule is intended to show information for 10 years. Additional years will be displayed as information becomes available.
See accompanying notes to required supplementary information and accompanying independent auditors report.

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to Required Supplementary Information
(in thousands)
December 31, 2024 and 2023

(1) Schedule of Changes in the Net Pension Liability

The total pension liability contained in this schedule was provided by the Plan's actuary, Segal Consulting. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plan.

(2) Schedule of Contributions from the Employer and Other Contributing Entities

The required contributions and percentage of those contributions actually made are presented in the schedule.

(3) Actuarial Methods and Assumptions

Changes of assumptions-Pension: Effective as of the January 1, 2025 valuation, the Fulton County Employees Retirement System Board approved a lower assumed rate of return from 6.70% to 6.60%. These changes affected the actuarial liability by \$16.9 million as of the date of this valuation.

Methods and assumptions used in the calculations of actuarially determined contributions: The following actuarial methods and assumptions were used to determine the most recent contribution rate reported:

Valuation Date	January 1, 2025
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, closed period.
Remaining amortization period	9 year average remaining, depending on which bases.
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Inflation rate	2.5%
Projected salary increases	3.0-6.0%, depending on age, and if Public Safety employee

**FULTON COUNTY, GEORGIA
WATER AND SEWERAGE SYSTEM FUND**

Notes to Required Supplementary Information
(in thousands)
December 31, 2024 and 2023

(3) Actuarial Methods and Assumptions (continued)

Investment rate of return	6.60%. The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the System's target asset allocation.
Mortality Rates-Pre-retirement	Pri-2012 Employee Blue Collar Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Healthy Annuitants	Pri-2012 Healthy Retiree Blue Collar Amount-weighted Mortality Tables times 105% for Males (No adjustment for Females), projected generationally with Scale MP-2020 from 2012.
Mortality Rates-Disabled Annuitants	Pri-2012 Disabled Retiree Amount-weighted Mortality Tables, sex-distinct, projected generationally with Scale MP-2020 from 2012.

Changes of assumptions-OPEB: Assumptions changes for the December 31, 2024 measurement date are summarized below:

- The effective discount rate from the 20-year Bond GO Index for December 31, 2024 was 4.08%. For the December 31, 2022 measurement date, the discount rate used was 3.72%.
- Healthcare cost and trend assumptions were updated to reflect most recent experience and projections.
- The actuarial factors used to estimate individual and spouse costs by age and by gender were updated based on a review of historical claims experience by age, gender and status.
- Inflation rate updated to 2.0% from the 2.5% used in the previous study.

Assumption changes below were based on an experience study for the period December 31, 2017 to December 31, 2021 and were approved by the Pension Board in 2022.

- Healthy Retiree and Dependent Spouse Mortality updated to Pri-2012 Health Retiree Blue Collar Headcount-weighted Mortality Table times 105% for Males (No adjustment for Females)
- Disabled Life Mortality updated to Pri-2012 Disabled retiree Blue Collar headcount-weighted Mortality table.
- Pre-Retirement Mortality updated to Pri-2012 Employee Blue Collar headcount-weighted Mortality table.
- Mortality was projected generationally with Scale MP-2020 from 2012.
- Inflation was updated to 2.5%.
- Removed withdrawal rates, disability rates and slight adjustments to current experience.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following summarizes certain provisions of the Bond Resolution. Reference is made to the Bond Resolution for the detailed provisions thereof.

Definitions

The following is a summary of the definitions of certain words and terms used in the Bond Resolution that are used in this Official Statement and that are not, in certain cases, defined elsewhere in this Official Statement.

"Additional Parity Bonds" means any water and sewerage revenue bonds which might hereafter be issued pursuant to the provisions of the Bond Resolution ranking as to a lien on the Net Revenues of the System on a parity with the Series 2020A Bonds, the Series 2020B Bonds and the Series 2025 Bonds, or which might hereafter be the subject of accession pursuant to the provisions of the Bond Resolution subsequent to the issuance of the Series 2020A Bonds, the Series 2020B Bonds and the Series 2025 Bonds.

"Average Annual Debt Service" means as of each date on which any Additional Parity Bonds are issued, the sum of the total Principal and Interest Requirement to become due on all Bonds deemed to be Outstanding immediately after the issuance of such Additional Parity Bonds divided by the number equal to the total number of days for which Bonds are deemed to be Outstanding divided by 360.

"Bondholder" or "Bondowner" means the registered Owner of the Bonds.

"Bond Insurer" means the issuer of any municipal bond insurance policies securing Bonds together with all Credit Providers.

"Common Reserve Bonds" means solely the Outstanding Series 2013 Bonds (until such Bonds are refunded as contemplated in the Resolution).

"Construction Fund" means, in respect of Bonds issued to finance capital improvements for the System, the construction fund created in the Bond Resolution.

"Construction Fund Custodian" means the bank or trust company acting, from time to time, as custodian for the Construction Fund pursuant to the Bond Resolution.

"Credit Facility" means any irrevocable letter of credit, line or lines of credit, policy of insurance, security agreement, pledge agreement, bond purchase agreement, guaranty, trust deposit receipt, surety bond or other credit or liquidity facility, including any instruments accompanying or relating to such Credit Facility delivered to the County in connection therewith, issued by the Credit Provider with respect to any Bonds in accordance with the provisions of the Bond Resolution or of any supplemental resolution, including any extensions thereof. Notwithstanding the foregoing, the County is not required to secure Bonds issued as Variable Rate Bonds with a Credit Facility.

"Credit Provider" means, with respect to any Credit Facility provided for any Bonds, the Person having an obligation to pay moneys under such Credit Facility, including obligations contingent upon satisfaction of certain conditions; provided, however, that the County is not required to secure Bonds issued as Variable Rate Bonds with a Credit Facility.

"Defeasance Securities" means direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the full faith and credit of the United States of America, Refcorp interest strips, CATS, TIGRS, STRPS, or defeased municipal bonds rated AAA by S&P, Aaa by Moody's and AAA by Fitch, if such Rating Agencies are then maintaining a rating on the Bonds.

"Director of Finance" means the present Finance Director of the County and any successors to the present Finance Director or any person to whom may hereafter be delegated the duties of said Finance Director.

"Event of Default" or "Default" means one of those events defined as such in the Bond Resolution.

"Governing Authority" means the Board of Commissioners of Fulton County and any successor or successors in office to the present Board of Commissioners of Fulton County, and any person, body or authority to whom, or to which, may hereafter be delegated by law the duties, powers, authorities, obligations or liabilities of the present Board of Commissioners, either in whole or in relation to the System or any part thereof.

"Government Obligations" means bonds or other obligations of the United States of America which constitute direct and general obligations of the United States of America or obligations fully guaranteed as to payment by the United States of America.

"Hedge Agreement" means any interest rate exchange agreement or other similar arrangement which the County may enter into with another party with respect to the debt service payable on the Bonds.

"Hedge Payments" means any amounts payable by the County as interest on the related notional amount under a Hedge Agreement; excluding, however, any payments due as a penalty or by virtue of termination of a Hedge Agreement.

"Hedge Receipts" means any amounts received by the County as interest on the related notional amount under a Hedge Agreement; excluding, however, any payments due as a penalty or by virtue of termination of a Hedge Agreement.

"Independent Certified Public Accountant" means a firm of certified public accountants which is not in the regular employ of the County on a salary basis.

"Interest Payment Date" means January 1 and July 1 in each year.

"Net Revenues" means the collected Revenues of the System remaining after the payment therefrom of Operating Expenses.

"Operating Expenses" means the reasonable and necessary costs of operating, maintaining and repairing the System, including, without limitation, salaries, wages, employee benefits and other compensation, the payment of any contractual obligations incurred pertaining to the operation, maintenance and repair of the System, expenses related to storm water management payable from System Revenues, 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 and amortization.

"Opinion of Bond Counsel" means an opinion of counsel nationally recognized as being experienced in matters relating to the tax exemption of interest on obligations issued by states and their political subdivisions.

"Outstanding" or "Bonds Outstanding" means all Bonds which have been executed, authenticated and delivered pursuant to the Bond Resolution except:

(a) Bonds cancelled because of payment or redemption;

(b) Bonds for the payment or redemption of which funds or securities in which such funds are invested will have been theretofore deposited with a duly designated paying agent for the Bonds (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the stated maturity thereof, proper notice of such redemption will have been given or provision satisfactory to such paying agent will have been made therefor, or a waiver of such notice, satisfactory in form to such paying agent will have been filed with such paying agent and that, in the case Bonds are being purchased, there will be a firm commitment for the purchase and sale thereof and, provided further, to the extent that moneys or Defeasance Securities have been deposited with the Paying Agent to pay or redeem less than all the Bonds, Bonds will no longer be deemed to be Outstanding to the extent that sufficient moneys

or Defeasance Securities have been so deposited regardless of whether the particular Bonds to be paid or redeemed have been identified; and

(c) Bonds in lieu of which other Bonds have been executed, authenticated and delivered under the Bond Resolution.

"Owner" means the registered Owner of any Bonds.

"Paying Agent" means the financial institution or institutions at the time serving as such pursuant to the Bond Resolution.

"Permitted Investments" means the following securities:

The local government investment pool created in Chapter 83 of Title 36 of the Official Code of Georgia Annotated, as amended, or investments in the following securities, and no others:

(1) bonds or obligations of the State of Georgia, or other states, or of other counties, municipal corporations, and political subdivisions of the State of Georgia which are rated in the highest rating category by a nationally recognized rating agency (*e.g.*, at least "A" or better by Fitch, Moody's or S&P);

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

(3) 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, and the Central Bank for Cooperatives, and any other 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;

(4) 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;

(5) 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 of the proceeds of the 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, or with a trust office within the State, of one or more of the following securities in an aggregate principal amount equal at least to the amount of such excess: direct and general obligations of the State or other states or of any county or municipal corporation in the State, obligations of the United States or subsidiary corporations referred to in paragraph (2) above, obligations of the agencies and instrumentalities of the United States government referred to in paragraph (3) above, or bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities referred to in paragraph (4) above;

(6) 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 paragraphs (2) and (3) 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;

(7) 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

(8) any other investments authorized by the laws of the State.

"Principal and Interest Requirement" means the amounts required in each Sinking Fund Year to pay the principal of and interest on the Bonds as the same become due and payable. If any Bonds Outstanding or proposed to be issued bear interest at a variable rate, the interest requirement in each Sinking Fund Year during which such variable rate applies will be the interest rate which is equal to the greater of: (a) the average of all interest rates in effect (or which would have been in effect had such Bonds been Outstanding) during the immediately preceding 12 month period or (b) the rate equal to the Bond Buyer Revenue Bond Index most recently published by The Bond Buyer, or if such index is no longer published, any reasonably equivalent index selected by the Director of Finance; for purposes of this definition, with respect to debt service on any Bonds which are subject to a Hedge Agreement, interest on such Bonds during the term of such Hedge Agreement will be deemed to be the interest rate payable by the County under such Hedge Agreement, and if such interest rate is a variable rate, such Bonds will be treated as Variable Rate Bonds for purposes of the Bond Resolution.

"Qualified Independent Consultant" means any one or more qualified and recognized independent consultants having favorable reputation for skill and experience with respect to the duties of the Qualified Independent Consultant, as will from time to time be retained by the County to perform the acts and duties provided in the Bond Resolution for such consultants.

"Rate Stabilization Fund" means the rate stabilization fund created in the Bond Resolution.

"Renewal and Extension Fund" means the renewal and extension fund created in the Bond Resolution.

"Reserve Account" means the reserve account created in the Sinking Fund for any Bonds secured thereby. Notwithstanding the foregoing, and as authorized under the Bond Resolution, the Series 2025 Bonds (a) have not been issued as Common Reserve Bonds (e.g., such Series 2025 Bonds are not secured by the Reserve Subaccount

established for the Common Reserve Bonds in respect of the Series 2013 Bonds being refunded by the Series 2025 Bonds), and (b) have been issued with a Reserve Requirement of \$0 (e.g., there is no Reserve Requirement for such Series 2025 Bonds), therefore, there will not be an operative subaccount in the Reserve Account established for the Series 2025 Bonds, all as authorized in the Bond Resolution.

"Reserve Requirement" means (a) with respect to the Common Reserve Bonds, an amount equal to the least of (i) 10 percent of the stated principal amount of the Common Reserve Bonds, (ii) the maximum annual principal and interest requirement on the Common Reserve Bonds in any Sinking Fund Year and (iii) 125% of the average annual debt service on the Common Reserve Bonds in any Sinking Fund Year, (b) with respect to the Series 2020A Bonds, the Series 2020B Bonds and the Series 2025 Bonds (and consistent with the reserve requirement amendments to the Bond Resolution, which are now in effect), \$0, and (c) with respect to the issuance of any Additional Parity Bonds issued after the issuance of the Series 2025 Bonds, the amount, if any, set forth in the resolution authorizing the issuance of such Additional Parity Bonds.

"Revenue Fund" means the revenue fund created in the Bond Resolution.

"Revenues" means all income and revenue of any nature derived from the operation of the System, including periodic water and sewerage billings, service charges, storm water utility fees, connection fees, other charges for water and sewerage service and the availability thereto, hydrant rentals, Hedge Receipts, and all interest received on and profits derived from investments made with Revenues or moneys in the Revenue Fund, the Sinking Fund and the Renewal and Extension Fund but excluding local, state or federal grants and moneys deposited in any rebate fund created under the Bond Resolution. For any purpose of the Bond Resolution that requires the computation of Revenues with respect to any period of time, "Revenues" shall include such amounts resulting, received or to be received, as the case may be, during such period, determined on a cash basis, plus (x) the amounts, if any, paid from the Rate Stabilization Fund into the Revenue Fund during such period, but only to the extent provided in the Bond Resolution, and minus (y) the amounts, if any, paid from the Revenue Fund into the Rate Stabilization Fund during such period.

"Revenue Bond Law" means the Official Code of Georgia Annotated, Section 36-82-60, *et seq.*, as amended.

"Sinking Fund" means the sinking fund created in the Bond Resolution.

"Sinking Fund Custodian" means the bank or trust company acting, from time to time, as custodian for the Sinking Fund pursuant to the Bond Resolution.

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

"State" means the State of Georgia.

"System" means the water and sewerage system of the County as it now exists and as it may be hereafter added to, extended and improved. The System comprises all treatment, transmission, distribution, collection and disposal facilities and all real and personal property of every nature owned or operated by the County and used or useful in the operation thereof whether within or without the boundaries of the County and including all licenses, franchises, easements, leases, rights of way, choses in action and other tangible and intangible property and rights therein. The County may own a partial interest in any water or sewerage facility, the remaining interest in which may be owned by any other political subdivision of the State of Georgia or any agency of one or more such subdivisions. In case of such joint or common ownership, the rights and interests possessed by the County in such facility will be part of the System.

"Variable Rate," when used to modify the term Bonds in the Bond Resolution, means any series of Bonds (or portion of such series) as to which the interest rate is not established at the relevant time at a fixed or constant rate.

Reserve Account

The County may satisfy the Reserve Requirement (if any is required for the applicable Bonds or Additional Parity Bonds issued hereafter) or replace a cash-funded reserve (excluding the Series 2011/2013 Reserve Subaccount) by the deposit into the appropriate subaccount of the Reserve Fund a surety bond, insurance policy or letter of credit under the following terms and conditions:

(a) A surety bond or insurance policy issued to the Paying Agent by a company licensed to issue an insurance policy (a "municipal bond insurer") may be deposited in the appropriate subaccount of the Reserve Account to meet the Reserve Requirement. The claims-paying ability of the issuer thereof must be rated (i) at least "AAA" by S&P, "Aaa" by Moody's and "AAA" by Fitch, if such Rating Agencies are then maintaining a rating on the Bonds, with respect to a surety bond or insurance policy that is being deposited into the Series 2011/2013 Reserve Subaccount and (ii) equal to or better than the underlying rating on Bonds with respect to a surety bond or insurance policy that is being deposited into any other subaccount of the Reserve Account (if any).

(b) A surety bond or insurance policy issued to the Paying Agent by an entity other than a municipal bond insurer may be deposited in the appropriate subaccount of the Reserve Account to meet the Reserve Requirement if the form and substance of such instrument and the issuer thereof shall be approved by the Bond Insurer.

(c) An unconditional irrevocable letter of credit issued to the Paying Agent by a bank may be deposited in the appropriate subaccount in the Reserve Account to meet the Reserve Requirement. The issuer thereof must be rated (i) at least "AA" or better by S&P and Fitch and "Aa" or better by Moody's, if such Rating Agencies are then maintaining a rating on the Bonds, with respect to a letter of credit that is being deposited into the Series 2011/2013 Reserve Subaccount and (ii) equal to or better than the underlying rating on the Bonds with respect to a letter of credit that is being deposited into any other subaccount of the Reserve Account (if any). The letter of credit shall be payable in one or more draws upon presentation by the beneficiary of a sight draft accompanied by its certificate that it then holds insufficient funds to make a required payment of principal or interest on the Bonds secured thereby. The draws shall be payable within two days of presentation of the sight draft. The letter of credit shall be for a term of not less than three years. The issuer of the letter of credit shall be required to notify the County and the Paying Agent, not later than 30 months prior to the stated expiration date of the letter of credit, as to whether such expiration date shall be extended, and if so, shall indicate the new expiration date. If such notice indicates that the expiration date shall not be extended, the County shall deposit in the appropriate subaccount of the Reserve Account an amount sufficient to cause the cash or permitted investments on deposit in the Reserve Account together with any other qualifying credit instruments, to equal the Reserve Requirement, such deposit to be paid in equal installments on at least a semiannual basis over the remaining term of the letter of credit, unless the Reserve Account credit instrument is replaced by a Reserve Account credit instrument meeting the requirements described in any of subsections (a) through (c) above. The letter of credit shall permit a draw in full not less than two weeks prior to the expiration or termination of such letter of credit if the letter of credit has not been replaced or renewed. The County shall, in turn, direct the Paying Agent to draw upon the letter of credit prior to its expiration or termination unless an acceptable replacement is in place or the Reserve Account is fully funded in its required amount.

(d) The use of any Reserve Account credit instrument shall be subject to receipt of an opinion of counsel acceptable to the Bond Insurer and in form and substance satisfactory to the Bond Insurer as to the due authorization, execution, delivery and enforceability of such instrument in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of such credit instrument is not a domestic entity, an opinion of foreign counsel in form and substance satisfactory to the Bond Insurer. In addition, the use of an irrevocable letter of credit shall be subject to receipt of an opinion of counsel acceptable to the Bond Insurer and in form and substance satisfactory to Bond Insurer to the effect that payments under such letter of credit would not constitute avoidable preferences under Section 547 of the U.S. Bankruptcy Code or similar state laws with avoidable preference provisions in the event of the filing of a petition for relief under the U.S. Bankruptcy Code or similar state laws by or against the issuer of the bonds (or any other account party under the letter of credit).

(e) The obligation to reimburse the issuer of a Reserve Account credit instrument for any fees, expenses, claims or draws upon such Reserve Account credit instrument shall be subordinate to the payment of debt service on the Bonds. The right of the issuer of a Reserve Account credit instrument to payment or reimbursement of its fees and expenses shall be subordinated to cash replenishment of the Reserve Account, and, subject to the second succeeding sentence, its right to reimbursement for claims or draws shall be on a parity with the cash replenishment of the Reserve Account. The Reserve Account credit instrument shall provide for a revolving feature under which the amount available thereunder will be reinstated to the extent of any reimbursement of draws or claims paid. If the revolving feature is suspended or terminated for any reason, the right of the issuer of the Reserve Account credit instrument to reimbursement will be further subordinated to cash replenishment of the Reserve Account to an amount equal to the difference between the full original amount available under the Reserve Account credit instrument and the amount then available for further draws or claims. If (i) the issuer of a Reserve Account credit instrument becomes insolvent or (ii) the issuer of a Reserve Account credit instrument defaults in its payment obligations thereunder or (iii) the claims-paying ability of the issuer of the insurance policy or surety bond fails to be rated (A) at least "AAA" by S&P, "Aaa" by Moody's and "AAA" by Fitch, if such Rating Agencies are then maintaining a rating on the Bonds, with respect to an insurance policy or surety bond on deposit in the Series 2011/2013 Reserve Subaccount or (B) at least "A" by S&P, Moody's or Fitch with respect to an insurance policy or surety bond on deposit in any other subaccount of the Reserve Account (if any), or (iv) the issuer of the letter of credit fails to be rated (A) at least "AA" by S&P, "Aa" by Moody's and "AA" by Fitch with respect to a letter of credit on deposit in the Series 2011/2013 Reserve Subaccount or (B) at least "A" by S&P, Moody's or Fitch with respect to a letter of credit on deposit in any other subaccount of the Reserve Account (if any), the obligation to reimburse the issuer of the Reserve Account credit instrument shall be subordinate to the cash replenishment of the Reserve Account.

(f) The following provisions only apply to the Series 2011/2013 Reserve Subaccount. They do not apply to any other subaccount of the Reserve Account (if so established after the date of issuance of the Common Reserve Bonds and the Series 2002A Bonds). If any of the following shall occur with respect to a Reserve Account credit instrument in the Series 2011/2013 Reserve Subaccount (i) the revolving reinstatement feature described in the preceding paragraph is suspended or terminated or (ii) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy fails to be rated "AAA" by S&P, "Aaa" by Moody's and "AAA" by Fitch, if such Rating Agencies are then maintaining a rating on the Bonds or (iii) the issuer of the letter of credit fails to maintain ratings of at least "AA" by S&P, "Aa" by Moody's and "AA" by Fitch, if such Rating Agency is then maintaining a rating on the Bonds, the County shall either (A) deposit into the Series 2011/2013 Reserve Subaccount an amount sufficient to cause the cash or permitted investments on deposit in the Series 2011/2013 Reserve Subaccount to equal the Reserve Requirement, such amount to be paid over the ensuing five years in equal installments deposited at least semi-annually or (B) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements described in (a) through (c) above within six months of such occurrence. If any of the following shall occur with respect to a Reserve Account credit instrument in the Series 2011/2013 Reserve Subaccount (i) the rating of the claims-paying ability of the issuer of the surety bond or insurance policy fails to be a rating of at least "A" with S&P, Moody's and Fitch, if such Rating Agencies are then maintaining a rating on the Bonds, or (ii) the rating of the issuer of the letter of credit fails to be a rating of at least "A" with S&P, Moody's and Fitch, if such Rating Agencies are then maintaining a rating on the Bonds, or (iii) the issuer of the Reserve Account credit instrument defaults in its payment obligations or (iv) the issuer of the Reserve Account credit instrument becomes insolvent, the County shall either (A) deposit into the Series 2011/2013 Reserve Subaccount an amount sufficient to cause the cash or permitted investments on deposit in the Series 2011/2013 Reserve Subaccount to equal to Reserve Requirement, such amount to be paid over the ensuing year in equal installments on at least a monthly basis or (A) replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements in (a) through (c) above within six months of such occurrence.

Accession of Junior and Subordinate Lien bonds to Parity Status

By proceedings authorizing obligations junior and subordinate in lien on the Net Revenues of the System to the Bonds, the County may provide for the accession of junior and subordinate lien obligations to the status of complete parity with the Bonds when there has been filed with the Director of Finance and the Bond Registrar a

certificate of an Independent Certified Public Accountant meeting the requirements for Additional Parity Bonds contained in the Bond Resolution, and further reciting:

- (a) that the Reserve Account contains an amount at least equal to the Reserve Requirement (if any);
- (b) that all payments into the various funds and accounts required to be established under the Bond Resolution, including the Reserve Account, as the same may have been enlarged and extended in any proceedings authorizing the issuance of Additional Parity Bonds (provided that the County shall not be required to assign a Reserve Requirement to any Additional Parity Bonds), are currently being made in the full amount as required and said funds and accounts are at their proper balances as of the date of accession; and
- (c) that the Sinking Fund contains the amounts which would have been required to be accumulated therein with respect to principal and interest on the date of accession if said junior and subordinate lien obligations had originally been issued as Additional Parity Bonds; such amounts being shown in said certificate.

After receipt of said certificate, the County will provide, by appropriate resolution, for the accession of the junior and subordinate lien obligations to parity status, which resolution will provide that the terms and provisions of the Bond Resolution and all amendments to the Bond Resolution will apply to said junior and subordinate lien obligations as though they were originally issued under the Bond Resolution as Additional Parity Bonds and will amend the terms and provisions of the proceedings pursuant to which said junior and subordinate lien obligations were issued to conform with the terms of the Bond Resolution and all amendments to the Bond Resolution. The County will furnish written notification of any such action to the Sinking Fund Custodian and the original purchasers.

Construction Fund

There will be deposited in the Construction Fund the proceeds from the sale of Additional Parity Bonds issued to finance, in whole or in part, any capital improvement to the System (e.g., a "Project"). Moneys in the Construction Fund not needed at the time for the payment of current obligations may, upon the direction of the Director of Finance, be invested and reinvested by the Construction Fund Custodian in Permitted Investments. No payments may be made from the Construction Fund until the requisition and certification required by the Bond Resolution shall be filed with the Construction Fund Custodian. When the construction of any Project has been completed, excess moneys will be transferred to the applicable subaccount in the Reserve Account to fund any deficiency in the Reserve Requirement (as applicable) and then to the Sinking Fund.

Particular Agreements

Payment of Bonds. The County has agreed to promptly pay the principal of and interest on each and every Bond at the place, on the dates and in the manner provided in the Bond Resolution, and in the Bonds specified, and any premium required for the redemption of the Bonds, according to the true intent and meaning thereof.

Management of the System. The County has agreed to enforce reasonable rules and regulations governing the System and the operation thereof. The County also agreed that all compensation, salaries, fees and wages paid by it in connection with the operation, maintenance and repair of the System will be reasonable, that no more persons will be employed by it than are necessary, that it will operate same in an efficient and economical manner, that it will at all times maintain the same in good repair and in sound operating condition, that it will make all necessary repairs, renewals and replacements, that it will, as far as it is reasonably able, charge rates, tolls, fees and charges for services, facilities and commodities of the System sufficient to enable it to operate the System on a profitable basis, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to such undertakings and enterprise. The County has also agreed to carry fidelity bonds on all of its officers and employees who may handle Revenues derived from the System, such fidelity bonds to be in such amounts as are customarily carried by like organizations engaged in like businesses of comparable size.

Satisfaction of Liens. The County has agreed that it will not create or suffer to be created any lien or charge on the System, as it now exists and as hereafter added to, improved and extended, or any part thereof, or upon the Revenues of the System, ranking equally with or prior to the lien created upon such Revenues by the Bond Resolution (provided that it may subsequently issue Additional Parity Bonds as authorized in the Bond Resolution) and that it will pay, or cause to be discharged, or will make adequate provisions to satisfy and discharge, within sixty (60) days after the same will accrue, all lawful claims and demands, which, if unpaid, might by law become a lien upon the System, or any part thereof, or upon the Revenues therefrom; provided, however, nothing contained in the Bond Resolution will require the County to pay, or cause to be discharged, or make provision for, any such lien or charge, so long as the validity thereof will be contested in good faith and by appropriate legal proceedings.

Maintenance of Insurance. The County has agreed that it will carry comprehensive business automobile liability insurance on an occurrence basis with bodily injury limits of not less than \$50,000 per person for each accident and not less than \$100,000 per accident in the aggregate, and property damage liability insurance with a limit of not less than \$25,000 for each accident with respect to the System. The County has also agreed that it will insure and at all times keep the following properties belonging to the System insured to the full insurable value thereof in a responsible insurance company, or companies, authorized and qualified under the laws of the State to assume the risks thereof against loss or damage thereto from the following causes:

- (a) all buildings and all machinery and equipment therein against loss or damage by fire, lightning, tornado or winds; and
- (b) all other property against loss or damage by fire or lightning if the same is not fireproof, and against loss or damage from other causes customarily insured against by entities engaged in similar enterprises.

All such policies will be for the benefit of and made payable to the County and will be on deposit therewith, provided, however, the County may elect to retain any portion of the risk with respect to the insurance required by the Bond Resolution if such risk retention is fully funded with monetary reserves dedicated solely to such purposes and adequate coverage to satisfy the insurance required by the Bond Resolution is provided for required limits in excess of the funded monetary reserves.

The proceeds of all such insurance policies, except the automobile liability policies, property damage liability policies and fidelity bonds, have been pledged as security for the Outstanding Bonds, but will be available for and shall, to the extent necessary and desirable, be applied to the repair and replacement of the damaged or destroyed property, provided that any portion of such proceeds remaining after payment in full of such costs will be paid into the Sinking Fund, or, if said damaged or destroyed property is not repaired or replaced, all such proceeds will be paid into the Sinking Fund.

All insurance policies will be open to the inspection of the Owners of the Bonds and their representatives at all reasonable times.

Books and Records. The County has agreed to keep the funds and accounts of the System separate from all other funds and accounts of the County, or any of its departments, and to keep accurate records and accounts of all items of cost and all expenditures relating to the System, and of the Revenues collected and the application thereof, and of the number of customers. Furthermore, the County has agreed to keep such records and accounts with respect to its physical properties in such manner that it will be possible at all times to identify both the amounts and the terms of all additions and retirements. Such records and accounts will be open to the inspection of the Owners of the Bonds and their representatives at all reasonable times.

Annual Audit. The County has agreed to cause an audit to be made of the books and accounts pertaining to the System.

No Sale, Lease or Encumbrance of the System; Exceptions. So long as any of the Bonds will be Outstanding and unpaid and except as hereinafter described, the County has agreed that it will not encumber the System or any part thereof, and it will not sell, lease or otherwise dispose of the System or any integral part thereof, except it may

sell the System as a whole, or substantially as a whole, if the proceeds of such sale will be at least sufficient to provide for the payment and redemption of all Bonds and any interest accrued or to accrue thereon, and the proceeds of any such sale to the extent necessary will be deposited with the Sinking Fund Custodian in trust and applied by it to purchase or redeem the Outstanding Bonds. Nothing contained in the Bond Resolution, however, will preclude the sale, lease or other disposition of a part of the System where the sale, lease or disposition would not, in the written opinion of a Qualified Independent Consultant at the time retained for consultation with respect to the System, materially adversely affect the ratio of Net Revenues to the Principal and Interest Requirement from the ratio in effect immediately prior to such sale, lease or disposition, and provided, further, that the proceeds from such sale, lease or disposition are used for additions, extensions or improvements to the System, or are either paid into the Renewal and Extension Fund or applied to the redemption of Bonds, as determined by the County.

The County has reserved the right to transfer the System as a whole to any political subdivision or agency of one or more political subdivisions of the State to which may be delegated the legal authority to own or operate the System on behalf of the public, and which undertakes in writing, filed with the Director of Finance, the Governing Authority and the Bond Registrar, the County's obligations under the Bond Resolution; provided that there will be first filed with the Director of Finance, the Governing Authority and the Bond Registrar (i) an opinion of nationally recognized attorneys on the subject of tax-exempt municipal bonds to the effect that such transfer will not cause interest on the Bonds (issued on a tax-exempt basis) to become subject to federal income taxation and will not materially diminish the security of the Owners of the Bonds, and (ii) an opinion of a Qualified Independent Consultant expressing the view that following such transfer, the County will be in compliance with the terms and provisions of the Bond Resolution. The Qualified Independent Consultant will take into consideration such factors as he may deem significant including any rate structure to be imposed by said political subdivision or agency.

The sale, lease, transfer or other disposition of the whole System or any integral part thereof (as described above) will require the written consent of the Bond Insurer.

Extension of Time for Payment. The County has agreed that it will not directly or indirectly extend or assent to the extension of the time for payment of the principal of, or interest on any Bonds and will not directly or indirectly be a party to or approve any arrangement thereof. Notwithstanding the foregoing, the Owner of any Bonds may extend the time for payment of the principal of or interest on such Bonds; provided, however, that upon the occurrence of an Event of Default, funds available under the Bond Resolution for the payment of the principal of and interest on the Bonds will not be applied to any payment so extended until all principal and interest payments which have not been extended have first been paid in full.

Events of Default; Remedies

Events of Default. Each of the following events is an Event of Default under the Bond Resolution:

- (a) Payment of the principal of any of the Bonds will not be made when the same becomes due and payable, either at its maturity or by proceedings for redemption; or
- (b) Payment of any installment of interest on any of the Bonds will not be made when the same becomes due and payable; or
- (c) The County fails to establish rates, tolls, fees and charges for the services, facilities and commodities of the System in any fiscal year as required by the Bond Resolution; or
- (d) The County for any reason, is rendered incapable of fulfilling its obligations under the Bond Resolution; or
- (e) An order or decree is entered, with the consent or acquiescence of the County, appointing a receiver, or receivers, of the System, or of the Revenues thereof, or any proceedings are instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition between the County and its creditors, pursuant to any Federal or State statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable out of the Revenues of the System, or if such order or decree, having

been entered without the consent or acquiescence of the County, will not be vacated or discharged or stayed on appeal within sixty (60) days after entry thereof, or if such proceeding, having been instituted with the consent or acquiescence of the County, will not be withdrawn, or any orders entered will not be vacated, discharged or stayed on appeal within sixty (60) days after the institution of such proceedings, or the entry of such orders; or

(f) The County fails to duly and punctually perform any other of the covenants, conditions, agreements or provisions contained in the Bonds or in the Bond Resolution, on the part of the County to be performed, and such failure continues for thirty (30) days after written notice, specifying such failure and requiring same to be remedied, has been given to the County by any Owner of a Bond.

In determining whether an Event of Default has occurred or whether a payment on the Bonds has been made under the Bond Resolution, no effect will be given to payments made under any Bond Insurance Policy.

Acceleration. Upon the happening and continuance of any Event of Default, then and in every such case the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding may, by a notice in writing to the County, declare the principal of all of the Bonds then Outstanding (if not then due payable) to be due and payable immediately, and upon such declaration, the same will become and be immediately due and payable, anything in the Bonds or in the Bond Resolution contained 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 all the Bonds then Outstanding and all other obligations secured by the Bond Resolution, except the principal of any Bonds not then due by their terms and the interest accrued on such Bonds since the last Interest Payment Date, will have been paid, or will 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, will be made good, or provisions therefor satisfactory to such Owners will have been made, then and in every such case the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding may by written notice to the County, rescind and annul such declaration and its consequences, but not such rescission or annulment will extend to, or affect, any subsequent default or impair any right consequent thereto.

Receivership. Upon the happening and continuance of any Event of Default, then and in every case any Bondholder may proceed, subject to the provisions of the Bond Resolution, to protect and enforce the rights of the Owners of the Bonds under the Bond Resolution by a suit, action or special proceeding in equity, or at law, either for the appointment of a receiver of the System as authorized by the Revenue Bond Law, as amended, or 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 will deem most effectual to protect and enforce the rights aforesaid, insofar as such may be authorized by law.

Abandonment of Proceedings. In case any proceeding taken by any Owner of a Bond on account of any Event of Default has been discontinued or abandoned for any reason, or has been determined adversely to such Owner of a Bond, then and in every case the County and the Owners of the Bonds will be restored to their former positions and rights under the Bond Resolution, respectively, and all rights, remedies, power and duties of the Owners of the Bonds will continue as though no such proceedings had been taken.

Limitation of Actions by Owners of Bonds. No one, or more, Owners of the Bonds will have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for under 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 will be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Bonds.

Non-exclusivity of Remedies. No remedy conferred by the Bond Resolution upon the Owners of the Bonds is intended to be exclusive of any other remedy, or remedies, and each and every such remedy will be cumulative, and will be in addition to every other remedy given under the Bond Resolution or now or hereafter existing at law or in equity, or by statute.

Delays. No delay or omission of any Owner of a Bond to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid, will impair any such Event of Default or be construed as an acquiescence therein; and every power and remedy given by the Bond Resolution to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

Defeasance

Payment and Defeasance. If (a) the County will pay or cause to be paid to the Owners of all Bonds then Outstanding the principal of and the interest to become due thereon at the times and in the manner stipulated therein and in the Bond Resolution, (b) all fees, charges and expenses of the Paying Agent(s) will have been paid or provision for such payment satisfactory to such Paying Agent(s) has been made, and (c) the County will keep, perform and observe all of its agreements in the Bonds and in the Bond Resolution expressed as to be kept, performed and observed by it or on its part, then these presents and the rights granted by the Bond Resolution will, cease, determine and be discharged; provided, however, that no such discharge will affect the County's obligations to comply with certain tax covenants under the Bond Resolution.

Bonds will be deemed to be paid within the meaning of the Bond Resolution if (a) sufficient moneys will have been irrevocably deposited with the Paying Agent to pay the same when they become due, (b) there will have been irrevocably deposited with the Paying Agent moneys or Defeasance Securities, which, without any reinvestment thereof, will produce moneys sufficient to pay the same when they become due (whether upon or prior to the stated maturity or the redemption date of such Bonds); provided, however, that if such Bonds are to be redeemed prior to their stated maturities, notice of such redemption will have been duly given as provided in the Bond Resolution or irrevocable arrangements satisfactory to the Paying Agent will have been made for the giving thereof. Any such deposit is subject to certain provisions of the Bond Resolution regarding arbitrage. In the event the County will have made a deposit of Defeasance Securities, the County will retain the right to substitute Defeasance Securities for those previously pledged provided that such Defeasance Securities will provide sufficient moneys in a timely fashion (without any reinvestment as described above) to make the required payments of principal and interest on such Bonds, and the County will receive at the time of such substitution an opinion of a firm of nationally recognized bond counsel to the effect that such substitution will not adversely affect the status of interest on the Bonds (or any of the Bonds) as being excludable from gross income for federal income tax purposes under the Code. The County at its option may defease all of the Bonds, any series of the Bonds or any portion of any such series as it may elect.

Notwithstanding the foregoing, the lien of the Bond Resolution will not be released and discharged until the County has received an Opinion of Bond Counsel to the effect that all conditions precedent to such discharge have been satisfied and, in the event of an advance refunding, the County receives a verification of the sufficiency of funds held to discharge Bonds from an Independent Certified Public Accountant.

Termination of Liability. If the County deposits with the Paying Agent moneys or Defeasance Securities sufficient to pay the principal or redemption price of any particular Bond or Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, all liability of the County with respect to such Bond or Bonds will cease, except as provided below. Thereafter such Bond or Bonds will be deemed not to be Outstanding under the Bond Resolution for any purpose and the Owner or Owners of such Bond or Bonds will be restricted exclusively to the funds so deposited for any claim of whatsoever nature with respect to such Bond or Bonds, and the Paying Agent will hold such funds in trust for such Owner or Owners.

Supplemental Proceeding

Modification, Alteration, Supplementation or Amendment of Bond Resolution. The County may, from time to time, modify, amend, supplement or alter the Bond Resolution without the consent of, or notice to any of the Owners of the Bonds for any one or more of the following purposes:

- (a) to add to the agreements of the County contained in the Bond Resolution, other agreements thereafter to be observed or to surrender, restrict or limit any right or power reserved to or conferred upon the County in the Bond Resolution (including but not limited to the right to issue Additional Parity Bonds and to cause accession of junior and subordinate Bonds);

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Resolution, or in regard to matters or questions arising under the Bond Resolution, as the County may deem necessary or desirable and not inconsistent with the Bond Resolution and which will not have a material adverse effect on the interests of the Owners of the Bonds;

(c) to increase the size or scope of the System;

(d) to grant to or confer any additional rights, remedies, powers or authorities that may be lawfully granted to or conferred upon the Owner of the Bonds;

(e) to subject to the lien and pledge of the Bond Resolution additional rents, Revenues, receipts, properties or other collateral;

(f) to evidence the appointment of successors to any depositories, custodians, Paying Agent(s) or Bond Registrar(s);

(g) to modify, amend or supplement the Bond Resolution or any proceedings supplemental to the Bond Resolution 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, and similarly to add to the Bond Resolution, or to any proceedings supplemental to the Bond Resolution, such other terms, conditions and provisions as may be permitted or required by said Trust Indenture Act of 1939 or any similar federal statute;

(h) to make any modification or amendment of the Bond Resolution not in the adverse interest of the Owners of the Bonds, 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 interest therein in book-entry form;

(i) to modify any of the provisions of the Bond Resolution in any respect provided that such modification will not be effective until after the Bonds Outstanding immediately prior to the effective date of such supplemental resolution will cease to be Outstanding and further provided that any Bonds issued contemporaneously with or after the effective date of such supplemental proceedings will contain a specific reference to the modifications contained in such subsequent proceedings;

(j) to create a Construction Fund for the deposit of the proceeds of any series of Bonds issued for purposes of acquiring or constructing improvement to the System and to modify or amend the provisions of the Bond Resolution with respect to the disposition of any moneys remaining in the Construction Fund upon the completion of any "Project," provided that no such amendment will affect the time or redemption price applicable to the Bonds under the Bond Resolution;

(k) to make such modifications in the provisions of the Bond Resolution as may be deemed necessary by the County to accommodate the issuance of Additional Parity Bonds which (i) are compound interest bonds, (ii) bear interest at a variable rate, or (iii) which are payable as to principal on dates other than January 1 or as to interest on dates other than January 1 and July 1, but only if such modifications, in the written opinion of nationally recognized bond counsel filed with the Director of Finance, the Governing Authority and the Bond Registrar, do not result in materially diminishing the security granted by the Bond Resolution to the Owners of the Bonds at the time Outstanding; or

(l) subject to the prior written consent of the Bond Insurer while the Bond Insurance Policy is in effect, to obtain, maintain or upgrade a rating on the Bonds.

The County may, from time to time, modify amend, alter or supplement the Bond Resolution other than as provided above with the consent of the Owners of at least 51% in aggregate principal amount of the Bonds then Outstanding (for purposes of this provision, the Bond Insurer will be treated as the owner of the Bonds it insures, as provided in the Bond Resolution); provided, however, that no such supplemental proceedings shall:

- (a) extend the maturity date or due date of any mandatory sinking fund redemption with respect to any Bond Outstanding under the Bond Resolution;
- (b) reduce or extend the time of payment of the principal of, redemption premium or interest or Accretion Rate on any Bond Outstanding under the Bond Resolution;
- (c) reduce any premium payable upon the redemption of any Bond under the Bond Resolution or advance the date upon which any Bond may first be called for redemption prior to its stated maturity date;
- (d) give to any Bond or Bonds a preference over any other Bond or Bonds;
- (e) except as expressly permitted in the Bond Resolution, permit the creation of any mortgage, lien or any other encumbrance on the System having a lien equal to prior to the lien created under the Bonds Resolution for the Bonds; or
- (f) reduce the percentage of Bonds the registered Owners of which are required to consent to any proceedings amending or supplementing the provisions of the Bond Resolution.

In the event that the County intends to enter into or adopt any modification, alteration or amendment of the Bond Resolution requiring the consent of the Owners of the Bonds for which no Bond Insurance Policy is in effect, the County will mail, by registered or certified mail, to the registered Owners of the Bonds at their addresses as shown on the registration books maintained by the Bond Registrar, a notice of such intention along with a description of such amendment or modification not less than 30 days prior to the proposed effective date of such amendment or modification. The consents of the registered Owners of the Bonds need not approve the particular form of wording of the proposed amendment, modification or supplement, but it will be sufficient if such consents approve the substance thereof. Failure of the Owner of any Bond to receive the notice required in the Bond Resolution will not affect the validity of any proceedings supplemental to the Bond Resolution if the required number of Owners of the Bonds will provide their written consent to such amendment or modification.

Notice to Owners of Bonds. After any supplemental resolution requiring consent of the Owners of the Bonds will have been adopted, the County will cause a notice of the adoption of such resolution to be mailed, postage prepaid, to all Owners of Bonds whose names appear on the Bond register kept by the Bond Registrar and a copy of such supplemental resolution will be mailed, postage prepaid, to the original purchasers or each series of Bonds which has Bonds of such series Outstanding.

Notice to Rating Agency and Bond Insurer. Any Rating Agency then rating the Bonds must receive notice of each amendment to the Bond Resolution or any supplemental resolution and a copy thereof at least 15 days in advance of its execution or adoption of such amendment, and the Bond Insurer must be provided a full transcript of all proceedings relating to the execution of any amendment or supplement to the Bond Resolution or any supplemental resolution.

Recently Effective Consent Amendment to the Master Bond Resolution

Pursuant to the Parity Bond Resolution adopted in respect of the Series 2013 Bonds, the Board of Commissioners of the County approved the "Consent Amendment" described below, which became effective and incorporated into the Master Bond Resolution (as defined in this Official Statement) simultaneously with the issuance and delivery of the Series 2020A Bonds.

Variable Rate Bonds. Section 608(i)(c) and Section 611(a) of the Master Bond Resolution was deleted. Accordingly, on and after the issuance and delivery of the Series 2020A Bonds, the County is no longer required to provide a Credit Facility to provide liquidity for Variable Rate Bonds, and, if the County elects to provide a Credit Facility, the Credit Provider is not required to have or maintain a minimum rating. All resolutions adopted in connection with the issuance of Additional Parity Bonds (after the issuance of the Series 2020A Bonds and inclusive of the Series 2025 Parity Bond Resolution) are required to contain this provision.

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** (this "Disclosure Certificate") dated _____, 2025, is executed and delivered by **FULTON COUNTY, GEORGIA** (the "County") in connection with the issuance of \$_____ in aggregate principal amount of its Water and Sewerage Revenue Refunding Bonds, Series 2025 (the "Series 2025 Bonds"). The County covenants and agrees as follows:

Section 1. Definitions.

(a) For the purposes of this Disclosure Certificate, all capitalized terms used, but not otherwise defined in this Disclosure Certificate shall have the meanings ascribed to such terms in the hereinafter defined Official Statement.

(b) In addition to the terms defined elsewhere in this Disclosure Certificate, the following terms shall have the following meanings for the purposes of this Disclosure Certificate:

"Actual Knowledge" as used in this Disclosure Certificate, and for the purposes of this Disclosure Certificate, the County shall be deemed to have "actual knowledge" of the occurrence of any event only if and to the extent the individual or individuals employed by the County and directly responsible for the administration of this Disclosure Certificate on behalf of the County have actual knowledge of or receive written notice of the occurrence of such event.

"Annual Filing" means any document comprising the Annual Financial Information that the County files or causes to be filed with the Repository, pursuant to and as described in Section 3 of this Disclosure Certificate.

"Annual Filing Date" means the date by which the Annual Filing is to be filed with the Repository, which is currently each **August 31st after the close of the Fiscal Year**, commencing with the Fiscal Year ended December 31, 2025; provided, however, if August 31st falls on a day that is not a Business Day, the Annual Filing Date will be the first Business Day after August 31st. The County may adjust the Annual Filing Date upon a change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Repository, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

"Annual Financial Information" means annual financial information as such term is used in paragraph (f)(9) of the Rule and specified in Section 3 of this Disclosure Certificate.

"Audited Financial Statements" means the financial statements (if any) of the Water and Sewerage System Fund of Fulton County, Georgia for the prior Fiscal Year prepared in accordance with generally accepted accounting principles, as in effect from time to time, and audited by an independent certified public accountant in conformity with auditing standards and Government Auditing Principles issued by the Comptroller General of the United States.

"Beneficial Owner" means any beneficial owner of the Series 2025 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"Business Day" means a day other than: (a) a Saturday or Sunday; or (b) a day on which banks are required or authorized to be closed; or (c) a day on which the County is required or authorized to be closed; or (d) a day on which the New York Stock Exchange is closed.

"EMMA" means the Electronic Municipal Market Access system, a service of the MSRB.

"Filing" means, as applicable, any Annual Filing, Notice Event Filing, Voluntary Filing or any other notice or report made public under this Disclosure Certificate.

"Fiscal Year" means the fiscal year of the County, which currently is the twelve-month period commencing on January 1 and ending on December 31 or any such other twelve-month period designated by the County, from time to time, to be its fiscal year.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Notice Event" means an event listed in Sections 4(a) and 4(b) of this Disclosure Certificate.

"Notice Event Filing" means any notice of the occurrence of a Notice Event that the County files or causes to be filed with the Repository.

"Obligated Person" means the County and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2025 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

"Official Statement" means the Official Statement dated _____, 2025 relating to the Series 2025 Bonds.

"Participating Underwriter" means _____ in its capacity as the initial purchaser of the Series 2025 Bonds required to comply with the Rule in connection with the offering of the Series 2025 Bonds.

"Repository" means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. As of the date of this Disclosure Certificate, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through the EMMA website at <http://emma.msrb.org>.

"Rule" means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, in effect as of the date hereof.

"SEC" means the United States Securities and Exchange Commission.

"Unaudited Financial Statements" means the financial statements of the Water and Sewerage System Fund of Fulton County, Georgia for the prior Fiscal Year which have not been certified by an independent auditor (if any).

"Voluntary Filing" means the information that the County files or causes to be filed with the Repository pursuant to Section 6 of this Disclosure Certificate.

Section 2. Scope of this Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the County for the benefit of the holders of the Series 2025 Bonds and to assist the Participating Underwriter in complying with the Rule. The disclosure obligations of the County under this Disclosure Certificate relate solely to the Series 2025 Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the County, whether issued for the benefit of the County or otherwise, nor to any other securities issued by or on behalf of the County.

(b) This Disclosure Certificate shall inure solely to the benefit of the County, the Participating Underwriter, and the Beneficial Owners, and shall create no rights in any other person or entity.

(c) This Disclosure Certificate shall terminate upon: (i) the defeasance, redemption or payment in full of all Series 2025 Bonds, in accordance with the Bond Resolution, or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the County to the effect that continuing disclosure is no longer required under the Rule as to the Series 2025 Bonds.

Section 3. Annual Filings.

The County shall file, or cause to be filed, the Annual Filing with the Repository, in the appropriate format required by the MSRB and no later than the Annual Filing Date. Each Annual Filing shall contain updates to the following financial information and operating data in the Official Statement to the extent that all such information continues to be available and/or prepared by the County and/or its consultants:

(a) the table entitled "Capacity of Atlanta/Fulton Plant" under the caption "THE SYSTEM - Water System;"

(b) the table entitled "Permitted Capacity and Average Annual Flow of Wastewater Treatment Facilities" under the caption "THE SYSTEM - Sewerage System;"

(c) the table entitled "Permitted Maximum Monthly Daily Flow, Average Annual Flow, Maximum Monthly Flows and County Contracted Reserve Capacity of Wastewater Treatment Facilities" under the caption "THE SYSTEM - Sewerage System;"

(d) the table entitled "Historical Water System Demands" under the caption "THE SYSTEM- Water System;"

(e) the table entitled "Water System Connections" under the caption "THE SYSTEM- Water System;"

(f) the table entitled "Collected Wastewater Flow" under the caption "THE SYSTEM - Sewerage System;"

(g) the table entitled "Sewerage System Connections" under the caption "THE SYSTEM - Sewerage System;"

(h) the table entitled "Largest Users of Water System" under the caption "THE SYSTEM - Water System;"

(i) the table entitled "Largest Users of Sewerage System" under the caption "THE SYSTEM - Sewerage System;"

(j) the table entitled "Permitted Withdrawal and Actual Withdrawal from Raw Water Sources" under the caption "THE SYSTEM - Governmental Approvals and Environmental Regulation;"

(k) the table entitled "Sewer Connection Permit (Impact) Fees" under the caption "SYSTEM REVENUES - Rates, Fees and Charges;"

(l) the table entitled "Wholesale Water and Sewer Rates per 1,000 Gallons" under the caption "SYSTEM REVENUES - Rates, Fees and Charges;"

(m) the table entitled "Water Service Charges" under the caption "SYSTEM REVENUES - Rates, Fees and Charges;"

(n) the table entitled "Water Conservation Rates" under the caption "SYSTEM REVENUES - Rates, Fees and Charges;"

(o) the table entitled "Water and Sewer Connection Fees" under the caption "SYSTEM REVENUES - Rates, Fees and Charges;"

(p) the table entitled "Fulton County, Georgia Water and Sewerage System Summary of Operating Results" under the caption "SYSTEM FINANCE MATTERS - Summary of Operating Results;" and

(q) the table entitled "Historical Debt Service Coverage Ratios" under the caption "SYSTEM FINANCE MATTERS - Historical Debt Service Coverage Ratios (Unaudited; Cash Basis)" for the previous five years.

If available on the Annual Filing Date, the Annual Filing will include the Audited Financial Statements. If the Audited Financial Statements are not available on or before the Annual Filing Date, the Annual Filing will contain Unaudited Financial Statements (if any are then available), prepared in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available.

To the extent that any of the Annual Financial Information includes information that is no longer available and/or prepared by the County and/or its consultants, a statement to that effect will satisfy the undertaking.

In addition, the County may provide similar operating data with respect to any substitute or replacement operation.

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County.

The Annual Filing may be submitted as a single document or as separate documents composing a package, and may include all or a portion of the Annual Financial Information by specific reference to documents previously filed with the Repository or the SEC. The County will clearly identify each such document so incorporated by reference.

Section 4. Reporting of Notice Events.

(a) The County shall file, or cause to be filed, a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner not in excess of ten (10) Business Days after the County has Actual Knowledge of the occurrence of any of the following Notice Events with respect to the Series 2025 Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (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 preform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2025 Bonds, or other material events affecting the tax status of the Series 2025 Bonds;
- (vii) Modifications to rights of the holders of the Series 2025 Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Series 2025 Bonds, if material;
- (xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person (such an event is considered to occur when any of the following occur: there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person);

(xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; or

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

(b) The County shall file, or cause to be filed, a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner after the occurrence of a failure of the County to provide the Annual Filing on or before the Annual Filing Date with respect to the Series 2025 Bonds.

Section 5. Responsibility for Content of Filings.

(a) The County shall be solely responsible for the content of each Filing (or any portion thereof) pursuant to this Disclosure Certificate.

(b) Each Filing distributed by the County shall be in a form suitable for distributing publicly and shall contain the CUSIP numbers of the Series 2025 Bonds and such other identifying information required by the MSRB from time to time. Each Notice Event Filing shall be in substantially the form set forth in EXHIBIT A attached hereto.

(c) Any report, notice or other filing to be made public pursuant to this Disclosure Certificate may consist of a single document or separate documents composing a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with the Repository or the SEC; provided that any final official statement incorporated by reference must be available from the Repository.

(d) Notwithstanding any provision in this Disclosure Certificate to the contrary, nothing in this Disclosure Certificate shall be construed to require the County to interpret or provide an opinion concerning information made public pursuant to this Disclosure Certificate.

(e) Notwithstanding any provision in this Disclosure Certificate to the contrary, the County shall not make public information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 7. Voluntary Filings.

(a) The County may voluntarily file, or cause to be filed, information with the Repository, from time to time (a "Voluntary Filing").

(b) Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information using the means of dissemination set forth in this Disclosure Certificate or including any other information in any Annual Filing, Notice Event Filing, or Voluntary Filing in addition to that required by this Disclosure Certificate. If the County chooses to include any information in any Annual Filing, Notice Event Filing, or Voluntary Filing in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Filing, Notice Event Filing, or Voluntary Filing.

(c) Notwithstanding the foregoing provisions of this Section 6, the County is under no obligation to provide any Voluntary Filing.

Section 8. Defaults; Remedies.

Notwithstanding any provision of this Disclosure Certificate or the Bond Resolution to the contrary, no default under this Disclosure Certificate shall constitute a default or event of default under the Bond Resolution. To the extent permitted by law, the sole and exclusive remedy of any Beneficial Owner for the enforcement of the provisions hereof shall be an action for mandamus or specific performance, as applicable, by court order, to cause the County to comply with its obligations hereunder.

Section 9. Amendment or Waiver.

(a) This Disclosure Certificate shall not be amended or modified except as provided in this Section 8. No modification, amendment, alteration or termination of all or any part of this Disclosure Certificate shall be construed to be, or operate as, altering or amending in any way the provisions of the Bond Resolution.

(b) Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if: (i) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Obligated Person or type of business conducted by such Obligated Person; (ii) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of the Beneficial Owners of the Series 2025 Bonds, as determined by an unqualified opinion of counsel expert in federal securities laws retained by the County or by the approving vote of Beneficial Owners of the Series 2025 Bonds pursuant to the terms of the governing instrument at the time of the amendment.

(c) If any provision of Section 3 of this Disclosure Certificate is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

(d) If the provisions of this Disclosure Certificate specifying the accounting principles to be followed in preparing the Audited Financial Statements are amended or waived, the Annual Filing 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 the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners of the Series 2025 Bonds to enable them to evaluate the ability of the County to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The County will file a notice of the change in the accounting principles with the Repository on or before the effective date of any such amendment or waiver.

(e) The County shall prepare or cause to be prepared a notice of any of the foregoing amendment(s) or modification(s) and shall file, or caused to be filed, such notice in accordance with Section 6 of this Disclosure Certificate.

Section 10. Severability. In case any part of this Disclosure Certificate is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Certificate. This Disclosure Certificate shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Certificate affect any legal and valid application.

Section 11. Dissemination Agents. The County may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor disseminating agent.

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**SIGNATURE PAGE TO
CONTINUING DISCLOSURE CERTIFICATE
FULTON COUNTY, GEORGIA
WATER AND SEWERAGE REVENUE
REFUNDING BONDS, SERIES 2025**

IN WITNESS WHEREOF, the County has caused this Disclosure Certificate to be executed, on the date first written above, by its duly authorized officer.

FULTON COUNTY, GEORGIA

By: _____
Sharon L. Whitmore, CPA, CPFO
Chief Financial Officer

EXHIBIT A

NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]

Relating to

§ _____
FULTON COUNTY, GEORGIA WATER AND
SEWERAGE REVENUE REFUNDING BONDS,
SERIES 2025

Originally Issued on or about December 11, 2025
[**CUSIP NUMBERS**]

Notice is hereby given by Fulton County, Georgia (the "County"), as an obligated person with respect to the above-referenced bonds under the Securities and Exchange Commission's Rule 15c2-12, that **[**INSERT THE NOTICE EVENT**]** has occurred. **[**DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO**]**.

This Notice is based on the best information available to the County at the time of dissemination hereof and is not guaranteed by the County as to the accuracy or completeness of such information. The County will disseminate additional information concerning **[**NOTICE EVENT**]**, as and when such information becomes available to the County, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the County's obligation under that certain Continuing Disclosure Certificate dated _____, 2025. **[**Any questions regarding this notice should be directed in writing only to the County. However, the County will not provide additional information or answer questions concerning [**NOTICE EVENT**] except in future written notices, if any, disseminated by the County in the same manner and to the same recipients as this Notice**].**

DISCLAIMER: All information contained in this Notice has been obtained by the County from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness or completeness. Under no circumstances shall the County have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error (negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: _____

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APPENDIX D

**PROPOSED FORM OF OPINION OF BOND COUNSEL;
PRELIMINARY AND SUBJECT TO CHANGE**

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December __, 2025

Fulton County Board of Commissioners
Atlanta, Georgia

Ladies and Gentlemen:

We have acted as Bond Counsel to Fulton County, Georgia (the "County") in connection with the issuance of \$_____ in aggregate principal amount of its Water and Sewerage Revenue Refunding Bonds, Series 2025 (the "Series 2025 Bonds"). In such capacity, we have examined (i) the Constitution and laws of the State of Georgia, including specifically the Revenue Bond Law of the State of Georgia (O.C.G.A. Section 36-82-60 et seq.); (ii) the Amended and Restated Resolution adopted by the Board of Commissioners of the County (the "Board of Commissioners") on June 17, 1998 (the "Master Bond Resolution"), as previously supplemented and amended from time to time, including, without limitation, by that certain Series 2025 Parity Bond Resolution adopted by the Board of Commissioners on September 17, 2025 (the "Series 2025 Parity Bond Resolution"), as supplemented by that certain Supplemental Pricing Resolution adopted by the Board of Commissioners on November __, 2025 (the "Series 2025 Supplemental Pricing Resolution," and together with the Series 2025 Parity Bond Resolution, are collectively, the "Series 2025 Resolution"), which, among other things, further supplements the Master Bond Resolution (which together with the Series 2025 Resolution are collectively referred to herein as the "Bond Resolution"), (iii) a certified copy of the validation proceeding concluded in the Superior Court of Fulton County, Georgia related to the Series 2025 Bonds; and (iv) such other documents, records, agreements, certificates and opinions as we have considered necessary or appropriate to enable us to render the opinions expressed herein.

The Series 2025 Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof, bear interest from their dated date, and are stated to mature in the manner and upon the terms and conditions set forth therein and in the Bond Resolution.

The Series 2025 Bonds are being issued for the purpose of, among other things, (a) refunding all or a portion of the County's Water and Sewerage Revenue Refunding Bonds, Series 2013 and (b) paying the costs of issuing the Series 2025 Bonds.

As to questions of fact material to our opinion, we have relied upon (i) representations of the County, including, without limitation, representations as to the use of proceeds of the Series 2025 Bonds, (ii) certifications of public officials furnished to us and (iii) certifications and representations contained in certificates of the County and others delivered at closing, without undertaking to verify them by independent investigation.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic, and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates and instruments relating to the Series 2025 Bonds have been duly authorized, executed and delivered by all parties thereto other than the County, and we have further assumed the due organization, existence and powers of all parties other than the County. All terms used herein and not otherwise defined herein shall have the terms ascribed to them in the Bond Resolution.

Based on the foregoing, we are of the opinion that:

1. The Series 2025 Resolution has been duly adopted by the County and constitutes the legal, valid and binding obligation of the County, enforceable against the County in accordance with its terms and the terms of the Master Bond Resolution. The Series 2025 Resolution creates a valid lien on the Net Revenues of the System as security for the Series 2025 Bonds, on parity with the remaining Outstanding principal amount of the Fulton County, Georgia Water and Sewerage Revenue Bonds, Series 2020A, the remaining Outstanding principal amount of the Fulton County Water and Sewerage Revenue Refunding Bonds, Series 2020B, and any additional parity bonds issued under the Master Bond Resolution hereafter.

2. The Series 2025 Bonds have been duly authorized, executed and delivered by the County and constitute legal, valid and binding limited obligations of the County, enforceable against the County in accordance with their terms.

3. The County is not obligated to pay the principal of, premium, if any, or interest on the Series 2025 Bonds except as provided in the Bond Resolution, and neither the faith and credit nor the taxing power of the State of Georgia or of any political subdivision thereof, including the County, is pledged to the payment of the principal of, premium, if any, and interest on the Series 2025 Bonds. However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code.

4. Under existing law, interest on the Series 2025 Bonds (i) is excludable from the gross income of the owners of the Series 2025 Bonds for purposes of federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals.

We express no opinion regarding other federal tax consequences arising with respect to the Series 2025 Bonds.

In providing the opinions set forth in this paragraph 4, we are assuming continuing compliance with the Covenants (as hereinafter defined) by the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Series 2025 Bonds in order for interest on the Series 2025 Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Series 2025 Bonds and the use of the property financed or refinanced by the Series 2025 Bonds (as applicable), limitations on the source of the payment of and the security for the Series 2025 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Series 2025 Bonds to the United States Treasury. The Bond Resolution and the Tax Certificate, dated as of the date of issuance of the Series 2025 Bonds and executed by the County (the "Tax Certificate"), contain covenants (the "Covenants") under which the County has agreed to comply with such requirements. Failure by the County to comply with the Covenants could cause interest on the Series 2025 Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2025 Bonds from becoming includable in gross income for federal income tax purposes.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2025 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Bond Resolution and the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth therein. We express no opinion concerning any effect on the excludability of interest on the Series 2025 Bonds from gross income for federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

5.f Under existing law, interest on the Series 2025 Bonds is exempt from income taxation by the State of Georgia. Other than as described herein, we express no opinion regarding (i) other Georgia tax consequences arising with respect to the Series 2025 Bonds or (ii) any consequences arising with respect to the Series 2025 Bonds under the tax laws of any state or local jurisdiction other than Georgia.

The rights of the owners of the Series 2025 Bonds and the enforceability of the Bond Resolution is subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Series 2025 Bonds that may have been relied upon by any owner of the Series 2025 Bonds in making a decision to purchase the Series 2025 Bonds. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

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Mixed Sources

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forests, controlled sources and
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