

UPPER OCONEE BASIN WATER AUTHORITY  
NORTHEAST GEORGIA REGIONAL COMMISSION  
E.H. CULPEPPER CONFERENCE ROOM  
NOVEMBER 19, 2014  
9:30 A.M.

MINUTES

Members Present:

Melvin Davis  
Elton Collins  
Eric Klerk  
Gary Duck  
Chris Thomas  
Pat Graham  
Amrey Harden

Alternates Present:

Joey Leslie  
Mark Saxon

Others Present:

Jim Dove, NEGRC Executive Director  
Mott Beck, NEGRC Executive Assistant  
Evans Brinson, NEGRC Comptroller  
Kirby Atkinson, Atkinson Ferguson  
Chip Ferguson, Atkinson Ferguson  
Bob Snipes, Owner's Representative  
Cecil Hammonds, Resource Management Commission  
Ricky Sanders, Jackson County Recreation Director  
Brad Lanning, Jacobs  
Leanne Akin, the Paper  
Mark Beardsley, Mainstreet Newspapers

CALL TO ORDER AND APPROVAL OF SEPTEMBER MEETING MINUTES

Chairman Melvin Davis called the meeting to order at 9:30 a.m. He asked for a motion to approve the minutes of the September meeting. Such a motion was made by Mr. Elton Collins and seconded by Mr. Chris Thomas. The motion passed unanimously.

FINANCIAL REPORT

At this time, NEGRC Comptroller Evans Brinson gave the financial report. The total liabilities and fund balance for the month ending October 31, 2014 were \$58,199,949. A motion to approve the financial report as presented was made by Mr. Collins and seconded by Mr. Amrey Harden. The motion carried unanimously.

Mr. Brinson then called on Mr. Collins to present the Revised FY2014 and Proposed FY2015 Budgets for consideration. Copies of both Budgets were forwarded to members for review and comment prior to the meeting, and no comments were received nor suggestions for

changes. There being none, it is the recommendation of the Finance Committee that the Authority adopt both budgets. A motion accepting this recommendation was made by Mr. Collins and seconded by Mr. Thomas. The motion carried unanimously.

### **RECREATION REPORT**

At this time, Jackson County Recreation Director Ricky Sanders gave a report on recreational activities at the Bear Creek Reservoir. The report period covered July 1 – November 14, 2014. Figures provided by Mr. Sanders indicate year-to-date revenues total \$20,949, and year-to-date expenses are \$20,891.76. Revenues exceeded expenses by \$57.24. A more in-depth report will be provided at a later date. The boating and fishing venue will close at the end of December and reopen in March. The Recreation Committee will meet with Mr. Sanders early in 2015.

### **OWNER'S REPRESENTATIVE REPORT**

The next item on the agenda was a report by Owner's Representative Bob Snipes. Since the Authority's last meeting, Engineering Committee Chairman Gary Duck, Operations Committee Chairman Chris Thomas, and Mr. Snipes worked with Jacobs' representatives to develop a proposed Scope of Services for an Update of the Authority's Drought Management Plan. The document was reviewed by the Joint Engineering/Operations Committees on Wednesday, October 29<sup>th</sup>. During the meeting, the Committees accepted the Scope of Services and recommended that the Authority approve the subject Jacobs' proposal for updating the Authority's Drought Management Plan. Mr. Snipes also recommended his approval to that of the Joint committees regarding the proposal. He pointed out that the "cost-not-to-exceed amount" for this services is \$60,679, which is slightly more than the \$60,000 amount included for this project within the Authority's proposed FY2015 Budget. It appears that the slight difference could be covered by the proposed FY2015 Budget, if needed. Based on this recommendation from Mr. Snipes, a motion to approve the Scope of Services for an update to the Authority's Drought Management Plan was made by Mr. Harden and seconded by Mr. Gary Duck. The motion carried unanimously. A Notice to Proceed will be issued to Jacobs immediately. Any work accomplished during November and December will be billed after the beginning of FY2015.

The next item for discussion was the internet/phone service for the Authority's water treatment plant facility. Jacobs' representatives and Mr. Snipes reviewed this service to determine if it was sufficient and cost effective. Broad River Communications has been the provider during the entire time period that the facility has been in operations. As a result of the review and associated inquiry, Broad River Communications has offered to reduce the monthly base rate from \$450 to \$334.70 for a monthly savings of \$1,383.60 plus the associated regulatory fees and taxes which are typically a function of the base rate. It is anticipated that the total annual savings will easily exceed \$1,400. Other companies consulted would have to expand their infrastructure to provide this service which resulted in monthly charges in excess of the reduced base rate offered by Broad River Communications. Therefore, staff of the Regional Commission signed a new agreement with Broad River. No action on this item was required.

Finally, Mr. Snipes gave a report on the review of staffing levels and practices at the Authority's water treatment plant. The Operator staff level at the water treatment facility appears to be adequate for operational purposes and no additional operators are proposed as a

result of this review. Other observations and comments were made as a result of the review, and a copy of the memo with details was forwarded to members prior to the meeting. No action on this item was required.

### **OPERATIONS AND MANAGEMENT**

Operations of the facility are normal and in compliance with EPD rules and regulations. The reservoir remains at full pool, and the treatment plant pumped an average of 8.94 MGD of potable water into the distribution system this month, compared to 7.7 MGD at the same time last year. There have been no major maintenance issues, and staff will be cleaning the filter basins next week. An existing fence has been relocated away from transformers.

### **PUBLIC COMMENT**

There were no public comments.

### **EXECUTIVE SESSION**

A motion to enter into Executive Session to discuss personnel issues was made by Mr. Collins and seconded by Mr. Harden. The motion carried unanimously.

A motion to close Executive Session and resume Open Session was made by Mr. Collins and seconded by Mr. Thomas. The motion carried unanimously.

### **OTHER BUSINESS**

Based on discussion in Executive Session, a motion to renew the current contract with Owner's Representative Bob Snipes for another year, as is currently written, was made by Mr. Collins and seconded by Mr. Duck. The motion carried unanimously.

The next meeting will be held on January 28<sup>th</sup>.

### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:30 a.m.

Respectfully Submitted,

Martha "Mott" Beck  
UOBWA Secretary

Upper Oconee Basin Water Authority  
Refunding of Series 2015 Bonds

Savings are provided as a "range" among two summaries. Both summaries should be review simultaneously.

1 of 2 Summaries

1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Principal	Miscellaneous	Original	Refunded	Interest	Debt Service	Late Funds on Hand	Principal	Interest	Debt Service	Gross Savings	PIV Savings	Applicable Debt Services (Col. 4 x Col. 14)
2015	\$ 2,030,000	\$ 848,844	\$ 2,878,844	\$ -	\$ 1,099,450	\$ 1,099,450	\$ 274,693	\$ -	\$ 286,283	\$ 286,283	\$ 59,290	\$ 35,492	\$ 2,512,826
2016	2,135,000	883,289	3,018,289	-	1,099,450	1,099,450	-	-	855,750	855,750	143,700	140,442	2,880,000
2017	2,240,000	482,509	2,722,500	-	1,099,450	1,099,450	-	-	855,750	855,750	143,700	137,246	3,070,250
2018	2,350,000	370,309	2,720,300	-	1,099,450	1,099,450	-	-	855,750	855,750	143,700	134,325	3,260,250
2019	2,470,000	250,009	2,720,000	-	1,099,450	1,099,450	-	-	855,750	855,750	143,700	131,074	3,450,250
2020	2,590,000	129,509	2,719,500	-	1,099,450	1,099,450	-	-	855,750	855,750	143,700	127,952	3,640,250
2021	-	-	-	2,720,000	2,855,000	3,826,250	-	2,290,000	855,750	3,224,750	551,750	505,252	3,830,250
2022	-	-	-	3,000,000	3,000,000	3,827,500	-	2,490,000	855,750	3,224,750	551,750	484,502	4,020,250
2023	-	-	-	3,145,000	877,500	3,828,500	-	2,690,000	721,750	3,224,750	551,750	463,255	4,210,250
2024	-	-	-	3,290,000	530,250	3,829,250	-	2,890,000	483,250	3,224,750	551,750	442,008	4,400,250
2025	-	-	-	3,500,000	355,250	3,855,250	-	3,090,000	334,250	3,224,750	551,750	420,761	4,590,250
2026	-	-	-	4,120,000	180,250	4,300,250	-	3,290,000	177,000	3,224,750	551,750	400,514	4,780,250
2027	-	-	-	-	-	-	-	3,490,000	-	3,224,750	551,750	380,267	4,970,250
	\$ 13,815,000	\$ 2,171,384	\$ 15,986,384	\$ 22,540,000	\$ 10,677,425	\$ 33,317,425	\$ 274,693	\$ 10,115,000	\$ 3,094,693	\$ 28,209,693	\$ 4,613,000	\$ 4,005,711	\$ 2,710,000

Summary of Refunding:

New Refunding Per Amount:	\$ 15,115,000	Gross Savings:	\$ 4,005,000
Savings Yield:	4.85%	Present Value Savings:	4,005,731
New Refunding Yield:	2.31%	Savings as a % of Refunded Bonds:	17.7%
New Refunding Call Date:	01-Jan-25		

Notes:

Savings are not of assumed financing costs.  
Assumes a closing date of April 2, 2015.  
Interest rate and maturity assumptions are quoted as a "range" among two summaries. We believe these assumptions are reasonable, but the results for the 15-year and participating participants of the Authority. Actual interest rates are subject to market conditions on the date of sale and final structure of the financing.



## Proposed 2015 Refunding (\$19,500,000) Estimated Issuance Cost

Bond Counsel Fees	\$40,000.00	2.05
Bond Counsel Expenses	\$2,500.00	0.13
Underwriter Counsel Fees	\$40,000.00	2.05
Underwriter Counsel Expenses	\$2,500.00	0.13
Authority's Counsel Fees & Expenses	\$12,500.00	0.64
Counties Counsel Fees & Expenses	\$15,000.00	0.77
Moody's Rating Fee	\$25,000.00	1.28 Only one rating may be
S&P Rating Fee	\$25,000.00	1.28 needed.
Printing Fees	\$4,000.00	0.21
Paying Agent Fee	\$500.00	0.03
Accountant's Fees	\$15,000.00	0.77 May not be needed.
Misc	\$500.00	0.03
Total Issuance Cost	\$182,500.00	9.36
Underwriter's Discount	\$68,250.00	3.50
Total Cost	\$250,750.00	12.86

## Attachment B1

Upper Oconee Basin Water Authority  
Refunding of Series 2005 Bonds  
Savings are provided as a "range" among two summaries.

Refunding Yield 2.31%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds					Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Gross Savings	PV Savings	
2015	\$2,030,000	\$346,644	\$2,376,644		\$519,725	\$549,725	\$274,863		\$236,233	\$236,233	\$36,589	\$26,802	\$2,612,828
2016	\$2,135,000	\$589,250	\$2,724,250		\$1,099,450	\$1,099,450			\$955,750	\$955,750	\$143,700	\$140,442	\$3,690,000
2017	\$2,240,000	\$482,500	\$2,722,500		\$1,099,450	\$1,099,450			\$955,750	\$955,750	\$143,700	\$137,248	\$3,678,250
2018	\$2,350,000	\$370,500	\$2,720,500		\$1,099,450	\$1,099,450			\$955,750	\$955,750	\$143,700	\$134,125	\$3,670,250
2019	\$2,470,000	\$253,000	\$2,723,000		\$1,099,450	\$1,099,450			\$955,750	\$955,750	\$143,700	\$131,074	\$3,678,750
2020	\$2,590,000	\$128,500	\$2,719,500		\$1,059,450	\$1,059,450			\$955,750	\$955,750	\$143,700	\$128,092	\$3,675,250
2021				\$2,720,000	\$1,099,450	\$3,819,450		\$2,280,000	\$955,750	\$3,235,750	\$593,700	\$506,262	\$3,235,750
2022				\$2,855,000	\$970,250	\$3,825,250		\$2,400,000	\$841,750	\$3,241,750	\$583,500	\$494,502	\$3,241,750
2023				\$3,000,000	\$827,500	\$3,827,500		\$2,525,000	\$721,750	\$3,240,750	\$580,750	\$480,869	\$3,246,750
2024				\$3,145,000	\$677,500	\$3,822,500		\$2,645,000	\$595,500	\$3,240,500	\$582,000	\$470,829	\$3,240,500
2025				\$3,300,000	\$520,250	\$3,820,250		\$2,775,000	\$463,250	\$3,238,250	\$582,000	\$460,004	\$3,238,250
2026				\$3,500,000	\$355,250	\$3,855,250		\$2,950,000	\$324,500	\$3,274,500	\$580,250	\$448,458	\$3,274,500
2027				\$4,120,000	\$180,250	\$4,300,250		\$3,540,000	\$117,000	\$3,717,000	\$583,250	\$440,022	\$3,717,000
\$13,815,000				\$22,640,000				\$19,115,000			\$4,531,017		\$4,531,017

Barrow County 37.520%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds					Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Gross Savings	PV Savings	
2015	\$761,656	\$130,061	\$891,717		\$206,257	\$206,257	\$103,129		\$88,653	\$88,653	\$14,475	\$13,305	\$960,370
2016	\$801,052	\$321,087	\$1,022,139		\$412,514	\$412,514			\$358,597	\$358,597	\$53,916	\$52,694	\$1,390,738
2017	\$840,446	\$181,034	\$1,021,482		\$412,514	\$412,514			\$358,597	\$358,597	\$53,916	\$51,495	\$1,390,079
2018	\$881,720	\$139,012	\$1,020,732		\$412,514	\$412,514			\$358,597	\$358,597	\$53,916	\$50,324	\$1,379,329
2019	\$926,744	\$94,926	\$1,021,670		\$412,514	\$412,514			\$358,597	\$358,597	\$53,916	\$49,179	\$1,360,267
2020	\$971,768	\$48,588	\$1,020,356		\$412,514	\$412,514			\$358,597	\$358,597	\$53,916	\$48,060	\$1,378,954
2021				\$1,020,544	\$412,514	\$1,433,058		\$655,456	\$358,597	\$1,214,053	\$219,004	\$189,950	\$1,214,053
2022				\$1,071,195	\$364,038	\$1,435,234		\$900,460	\$315,825	\$1,216,305	\$218,929	\$185,537	\$1,216,305
2023				\$1,125,600	\$310,478	\$1,436,078		\$947,360	\$270,801	\$1,218,181	\$218,897	\$180,422	\$1,218,181
2024				\$1,180,004	\$254,198	\$1,434,202		\$992,404	\$223,432	\$1,215,836	\$218,366	\$176,555	\$1,215,836
2025				\$1,238,160	\$195,198	\$1,433,358		\$1,041,180	\$173,811	\$1,214,991	\$218,366	\$172,594	\$1,214,991
2026				\$1,313,200	\$133,290	\$1,446,490		\$1,106,840	\$121,752	\$1,228,592	\$217,897	\$168,261	\$1,228,592
2027				\$1,545,824	\$67,630	\$1,613,454		\$1,328,208	\$43,898	\$1,394,816	\$218,835	\$165,696	\$1,394,816
\$5,163,388				\$8,494,528				\$7,171,948			\$1,322,580		\$1,322,580

Jackson County 41.521%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds					Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Gross Savings	PV Savings	
2015	\$842,676	\$142,920	\$985,606		\$228,251	\$228,251	\$114,126		\$98,107	\$98,107	\$16,019	\$15,281	\$1,084,913
2016	\$886,473	\$244,662	\$1,131,135		\$456,503	\$456,503			\$396,837	\$396,837	\$30,666	\$28,313	\$1,527,973
2017	\$930,070	\$200,339	\$1,130,409		\$456,503	\$456,503			\$396,837	\$396,837	\$30,666	\$26,997	\$1,527,246
2018	\$975,744	\$153,835	\$1,129,579		\$456,503	\$456,503			\$396,837	\$396,837	\$30,666	\$25,680	\$1,526,416
2019	\$1,025,589	\$105,048	\$1,130,617		\$456,503	\$456,503			\$396,837	\$396,837	\$30,666	\$24,423	\$1,527,454
2020	\$1,075,394	\$53,770	\$1,129,164		\$456,503	\$456,503			\$396,837	\$396,837	\$30,666	\$23,155	\$1,526,001
2021				\$1,129,371	\$456,503	\$1,585,874		\$916,679	\$396,837	\$1,343,916	\$242,393	\$210,205	\$1,343,916
2022				\$1,185,425	\$402,858	\$1,588,282		\$996,504	\$349,503	\$1,346,007	\$242,275	\$205,322	\$1,346,007
2023				\$1,245,630	\$343,586	\$1,589,216		\$1,048,405	\$299,678	\$1,343,083	\$241,133	\$199,602	\$1,343,083
2024				\$1,305,835	\$281,365	\$1,587,140		\$1,098,230	\$247,258	\$1,345,488	\$241,652	\$195,493	\$1,345,488
2025				\$1,370,193	\$216,013	\$1,586,206		\$1,152,208	\$192,346	\$1,344,554	\$241,652	\$190,998	\$1,344,554
2026				\$1,453,235	\$147,503	\$1,600,738		\$1,224,870	\$134,736	\$1,359,605	\$241,133	\$186,204	\$1,359,605
2027				\$1,710,655	\$74,642	\$1,785,297		\$1,469,843	\$48,580	\$1,543,336	\$242,171	\$182,702	\$1,543,336
\$5,736,126				\$9,000,354				\$7,936,739			\$1,063,617		\$1,063,617

Oconee County 20.959%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds					Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Gross Savings	PV Savings	
2015	\$425,463	\$12,653	\$438,121		\$115,217	\$115,217	\$57,609		\$49,523	\$49,523	\$8,086	\$7,713	\$547,843
2016	\$447,475	\$123,501	\$570,976		\$230,434	\$230,434			\$200,316	\$200,316	\$20,118	\$29,435	\$771,291
2017	\$469,482	\$101,127	\$570,609		\$230,434	\$230,434			\$200,316	\$200,316	\$20,118	\$28,766	\$770,924
2018	\$492,537	\$77,653	\$570,190		\$230,434	\$230,434			\$200,316	\$200,316	\$20,118	\$28,111	\$770,505
2019	\$517,687	\$53,026	\$570,714		\$230,434	\$230,434			\$200,316	\$200,316	\$20,118	\$27,472	\$771,029
2020	\$542,838	\$27,142	\$569,980		\$230,434	\$230,434			\$200,316	\$200,316	\$20,118	\$26,847	\$770,269
2021				\$570,025	\$230,434	\$800,519		\$477,555	\$200,316	\$678,181	\$122,335	\$106,107	\$678,181
2022				\$598,379	\$203,355	\$801,734		\$503,016	\$178,422	\$679,434	\$122,295	\$103,613	\$679,434
2023				\$628,770	\$173,436	\$802,206		\$529,215	\$151,272	\$680,486	\$121,719	\$100,765	\$680,486
2024				\$659,161	\$141,997	\$801,158		\$554,366	\$124,811	\$679,176	\$121,581	\$98,681	\$679,176
2025				\$691,647	\$109,039	\$800,686		\$581,612	\$97,093	\$678,705	\$121,581	\$96,412	\$678,705
2026				\$733,565	\$74,457	\$808,022		\$618,291	\$68,012	\$686,302	\$121,719	\$93,992	\$686,302
2027				\$863,511	\$37,779	\$901,289		\$741,849	\$24,622	\$779,046	\$122,243	\$92,224	\$779,046
\$2,895,466				\$4,745,118				\$4,006,313			\$748,803		\$748,803

Upper Oconee Basin Water Authority  
Refunding of Series 2005 Bonds  
Savings are provided as a "range" among two summaries.

Refunding Yield 2.51%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds			Gross Savings		PV Savings	Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Savings	Savings	Savings	
2015	\$2,030,000	\$346,644	\$2,376,644		\$549,725	\$549,725	\$274,863		\$239,867	\$239,867	\$34,895	\$33,087		\$2,616,511
2016	\$2,135,000	\$589,250	\$2,724,250		\$1,099,450	\$1,099,450			\$970,250	\$970,250	\$129,200	\$128,024		\$3,894,500
2017	\$2,240,000	\$462,500	\$2,722,500		\$1,099,450	\$1,099,450			\$970,250	\$970,250	\$129,200	\$122,915		\$3,692,750
2018	\$2,350,000	\$370,500	\$2,720,500		\$1,099,450	\$1,099,450			\$970,250	\$970,250	\$129,200	\$119,832		\$3,690,750
2019	\$2,470,000	\$253,000	\$2,723,000		\$1,099,450	\$1,099,450			\$970,250	\$970,250	\$129,200	\$116,925		\$3,693,250
2020	\$2,590,000	\$129,500	\$2,719,500		\$1,099,450	\$1,099,450			\$970,250	\$970,250	\$129,200	\$114,040		\$3,689,750
2021				\$2,720,000	\$1,099,450	\$3,819,450		\$2,315,000	\$970,250	\$3,265,250	\$534,200	\$467,707		\$3,285,250
2022				\$2,855,000	\$970,250	\$3,825,250		\$2,440,000	\$854,500	\$3,294,500	\$530,760	\$443,466		\$3,294,500
2023				\$3,000,000	\$827,500	\$3,827,500		\$2,565,000	\$732,500	\$3,297,500	\$530,000	\$431,809		\$3,297,500
2024				\$3,145,000	\$677,500	\$3,822,500		\$2,685,000	\$604,250	\$3,289,250	\$533,250	\$423,627		\$3,289,250
2025				\$3,300,000	\$520,250	\$3,820,250		\$2,815,000	\$470,000	\$3,285,000	\$535,250	\$414,612		\$3,285,000
2026				\$3,500,000	\$355,250	\$3,855,250		\$2,995,000	\$329,250	\$3,324,250	\$531,000	\$401,059		\$3,324,250
2027				\$4,120,000	\$180,250	\$4,300,250		\$3,590,000	\$179,500	\$3,769,500	\$530,760	\$390,863		\$3,769,500
\$13,815,000				\$22,640,000	\$10,677,425	\$33,317,425	\$274,863	\$19,405,000	\$9,231,387	\$28,636,387	\$1,405,105	\$1,156,015		

Barrow County 37.520%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds			Gross Savings		PV Savings	Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Savings	Savings	Savings	
2015	\$761,656	\$130,061	\$891,717		\$206,257	\$206,257	\$103,129		\$89,993	\$89,996	\$13,130	\$12,414		\$981,715
2016	\$801,052	\$221,087	\$1,022,139		\$412,514	\$412,514			\$364,038	\$364,038	\$48,476	\$47,284		\$1,366,176
2017	\$840,448	\$161,034	\$1,021,482		\$412,514	\$412,514			\$364,038	\$364,038	\$48,476	\$46,118		\$1,365,520
2018	\$881,720	\$139,012	\$1,020,732		\$412,514	\$412,514			\$364,038	\$364,038	\$48,476	\$44,980		\$1,364,769
2019	\$926,744	\$94,928	\$1,021,670		\$412,514	\$412,514			\$364,038	\$364,038	\$48,476	\$43,870		\$1,365,707
2020	\$971,768	\$48,588	\$1,020,356		\$412,514	\$412,514			\$364,038	\$364,038	\$48,476	\$42,768		\$1,364,394
2021				\$1,020,544	\$412,514	\$1,433,058		\$668,668	\$364,038	\$1,232,626	\$200,432	\$171,732		\$1,232,626
2022				\$1,071,186	\$364,038	\$1,435,224		\$915,488	\$320,605	\$1,236,096	\$199,137	\$166,388		\$1,236,096
2023				\$1,125,630	\$310,478	\$1,436,078		\$962,388	\$274,834	\$1,237,222	\$198,856	\$162,015		\$1,237,222
2024				\$1,180,004	\$254,198	\$1,434,202		\$1,007,412	\$226,715	\$1,234,127	\$200,075	\$158,945		\$1,234,127
2025				\$1,238,160	\$195,195	\$1,433,355		\$1,059,168	\$176,344	\$1,232,532	\$200,826	\$155,552		\$1,232,532
2026				\$1,313,200	\$133,280	\$1,446,480		\$1,123,724	\$123,535	\$1,247,259	\$199,231	\$150,477		\$1,247,259
2027				\$1,545,824	\$67,830	\$1,613,654		\$1,346,968	\$67,346	\$1,414,316	\$199,137	\$146,652		\$1,414,316
\$5,183,398				\$8,494,528	\$4,008,170	\$12,500,698	\$103,129	\$7,280,756	\$3,463,609	\$10,744,365	\$1,653,204	\$1,149,225		

Jackson County 41.521%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds			Gross Savings		PV Savings	Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Savings	Savings	Savings	
2015	\$842,876	\$143,930	\$986,806		\$228,251	\$228,251	\$114,126		\$89,595	\$89,595	\$14,530	\$13,728		\$1,066,402
2016	\$886,473	\$244,662	\$1,131,136		\$456,503	\$456,503			\$402,858	\$402,858	\$53,645	\$52,326		\$1,533,993
2017	\$930,070	\$200,339	\$1,130,409		\$456,503	\$456,503			\$402,858	\$402,858	\$53,645	\$51,036		\$1,533,267
2018	\$975,744	\$153,835	\$1,129,579		\$456,503	\$456,503			\$402,858	\$402,858	\$53,645	\$49,776		\$1,532,436
2019	\$1,025,569	\$105,048	\$1,130,617		\$456,503	\$456,503			\$402,858	\$402,858	\$53,645	\$48,548		\$1,531,474
2020	\$1,079,394	\$53,770	\$1,129,164		\$456,503	\$456,503			\$402,858	\$402,858	\$53,645	\$47,351		\$1,532,021
2021				\$1,129,371	\$456,503	\$1,585,874		\$981,211	\$402,858	\$1,364,069	\$221,805	\$190,045		\$1,364,069
2022				\$1,185,425	\$402,858	\$1,588,282		\$1,013,112	\$354,797	\$1,367,909	\$220,373	\$184,132		\$1,367,909
2023				\$1,245,630	\$343,586	\$1,589,216		\$1,065,014	\$304,141	\$1,369,155	\$220,061	\$179,291		\$1,369,155
2024				\$1,305,835	\$281,305	\$1,587,140		\$1,114,839	\$250,891	\$1,365,729	\$221,411	\$176,894		\$1,365,729
2025				\$1,370,193	\$216,013	\$1,586,206		\$1,168,816	\$195,149	\$1,363,965	\$222,241	\$172,151		\$1,363,965
2026				\$1,453,235	\$147,503	\$1,600,738		\$1,243,554	\$136,708	\$1,360,262	\$220,477	\$166,524		\$1,360,262
2027				\$1,710,685	\$74,842	\$1,785,507		\$1,490,604	\$74,530	\$1,565,134	\$220,373	\$162,280		\$1,565,134
\$5,726,126				\$9,400,354	\$4,433,374	\$13,833,728	\$114,126	\$8,057,150	\$3,832,956	\$11,890,106	\$1,629,492	\$1,493,102		

Oconee County 20.959%

Unrefunded Principal				Refunded Debt - Series 2005				Refunding Bonds			Gross Savings		PV Savings	Aggregate Debt Service (Col. 4 + 11)
Bond Year	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Less Funds on Hand	Principal	Interest	Debt Service	Savings	Savings	Savings	
2015	\$425,468	\$72,853	\$498,321		\$115,217	\$115,217	\$57,609		\$50,274	\$50,274	\$7,335	\$6,935		\$548,395
2016	\$447,475	\$123,501	\$570,976		\$230,434	\$230,434			\$203,355	\$203,355	\$27,079	\$26,413		\$774,030
2017	\$469,482	\$101,127	\$570,609		\$230,434	\$230,434			\$203,355	\$203,355	\$27,079	\$25,762		\$773,663
2018	\$492,537	\$77,653	\$570,190		\$230,434	\$230,434			\$203,355	\$203,355	\$27,079	\$25,125		\$773,544
2019	\$517,687	\$53,026	\$570,714		\$230,434	\$230,434			\$203,355	\$203,355	\$27,079	\$24,505		\$774,068
2020	\$542,838	\$27,142	\$569,980		\$230,434	\$230,434			\$203,355	\$203,355	\$27,079	\$23,902		\$773,335
2021				\$570,095	\$230,434	\$800,519		\$485,201	\$203,355	\$688,556	\$111,953	\$95,931		\$688,556
2022				\$598,379	\$203,355	\$801,734		\$511,400	\$179,095	\$690,494	\$111,240	\$92,946		\$690,494
2023				\$626,770	\$173,439	\$800,208		\$537,595	\$153,525	\$691,123	\$111,083	\$90,503		\$691,123
2024				\$659,101	\$141,997	\$801,155		\$562,749	\$126,845	\$689,394	\$111,764	\$88,788		\$689,394
2025				\$691,647	\$109,039	\$800,686		\$589,995	\$95,507	\$688,503	\$112,103	\$86,899		\$688,503
2026				\$733,565	\$74,457	\$808,022		\$627,722	\$69,008	\$696,730	\$111,292	\$84,058		\$696,730
2027				\$663,511	\$37,779	\$901,289		\$752,428	\$37,621	\$790,050	\$111,240	\$81,921		\$790,050





January 8, 2015

Mr. Melvin Davis  
Chairman  
Upper Oconee Basin Water Authority (Georgia)  
305 Research Drive  
Athens, Georgia 30605

Re: Underwriter Engagement Relating to Potential Municipal Securities Transaction for  
Revenue Refunding Bonds, Series 2015\*

Dear Mr. Davis:

The Upper Oconee Basin Water Authority (the "Issuer") and Stifel, Nicolaus & Company, Incorporated ("Stifel") are entering into this letter to confirm that they are engaged in discussions related to refinancing the Authority's Series 2005 municipal securities related to the Revenue Refunding Bonds, Series 2015\* (the "Issue") and to formalize Stifel's role as underwriter or placement agent with respect to the Issue.

*Engagement as Underwriter*

Issuer is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter for a particular issuance of municipal securities. Issuer hereby designates Stifel as an underwriter for the Issue. Issuer expects that Stifel will provide advice to Issuer on the structure, timing, terms and other matters concerning the Issue.

*Limitation of Engagement*

It is Issuer's intent that Stifel serve as an underwriter for the Issue, subject to satisfying applicable procurement laws or policies, formal approval by the Finance Committee of the Issuer, finalizing the structure of the Issue and executing a bond purchase agreement. Issuer hereby engages Stifel as the underwriter for the Issue pursuant to the terms outlined herein. This engagement letter will be superseded by the execution of a formal bond purchase agreement.

*Disclosures Required by MSRB Rule G-17 Concerning the Role of the Underwriter*

The Issuer hereby confirms and acknowledges each of the following concerning the role that Stifel would have as an underwriter:

- (1) Municipal Securities Rulemaking Board ("MSRB") Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (2) the underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer and it has financial and other interests that differ from those of the issuer;

Mr. Melvin Davis, Chairman  
Upper Oconee Basin Water Authority (Georgia)  
Underwriter Engagement  
January 8, 2015

- (3) unlike a municipal advisor, the underwriter does not have a fiduciary duty to the issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the issuer without regard to its own financial or other interests;
- (4) the underwriter has a duty to purchase securities from the issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- (5) the underwriter will review the official statement for the issuer's securities, and complete requisite due diligence, in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

#### *Disclosures Concerning the Underwriter's Compensation*

Stifel will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement. Such fee or underwriting discount will not exceed \$5.00 per \$1000 par amount of bonds issued. If the proposed transaction is successfully closed within 120 days of the date of the acceptance of this letter agreement then the fee or underwriting discount will be \$3.50 per \$1000 par amount of bonds issued. In the event the refunding transaction is closed later than the 120 days from this letter agreement then Stifel's compensation will be mutually agreed upon but will not exceed \$5.00 per \$1000 par amount of bonds issued. This bifurcated fee structure is proposed to reflect the time committed to the transaction in the event of a substantial delay. Stifel's compensation will be 100% contingent on the successful sale and closing of the bonds. The Issuer will be under no obligation to proceed with the issuance of the refunding bonds unless the terms, conditions and savings are acceptable to the Issuer. Notwithstanding this provision, Stifel will have the exclusive right to serve as underwriter to refinance the Authority's Series 2005 Bonds for a period of eighteen (18) months from the date of the letter agreement provided there has been no material change in Stifel's financial position, the Issuer and Stifel are able to mutually agree on underwriting compensation and there has been no change in the personnel assigned to the Issuer's account. The proposed form of compensation is customary in the municipal securities market and the Issuer should note that it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

#### *Scope of Services*

As underwriter, Stifel will provide the scope of services as outlined in the attached Exhibit A. As a part of these services Stifel will provide advice regarding the structure, timing, terms and other matters concerning the Issue.

#### *Timing*

Upon execution of this letter agreement, we are prepared to commence work immediately in assisting the Issuer develop a plan of finance and to prepared the Issue for market. Subject to cooperation from the Issuer and all participating parties we believe that the proposed refunding can be successfully completed within 120 days; however, the conditions in the tax exempt bond market as well as the resolution of pending litigation may require that the Issuer delay the timing of sale beyond 120 days or until the interest rate market is favorable or pending litigation has been resolved.

Mr. Melyin Davis, Chairman  
Upper Oconee Basin Water Authority (Georgia)  
Underwriter Engagement  
January 8, 2015

*Conflicts of Interest Disclosures*

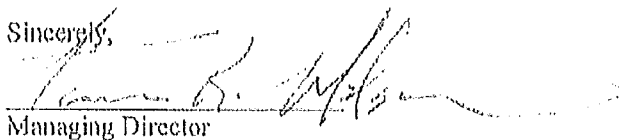
Stifel has not identified any additional potential or actual material conflicts that require disclosure.

*Disclosures Relating to Complex Municipal Securities Financing*

Since Stifel has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the issuance of the Issue are not required under MSRB Rule G-17.

However, if Stifel recommends, or if the Issue is ultimately structured in a manner considered a "complex municipal securities financing" to the Issuer, this letter will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and are reasonably foreseeable at that time.

Sincerely,

  
Managing Director

The Issuer accepts and acknowledges the foregoing.

Accepted and Executed:

(Name) \_\_\_\_\_

(Title) \_\_\_\_\_

Date: \_\_\_\_\_

## SCOPE OF INVESTMENT BANKING SERVICES REFUNDING BONDS

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Stifel provides a comprehensive range of underwriting and investment banking services relating to refunding bond transactions. These services encompass all aspects of the bond issuance process including but not limited to the following.

- ❑ Evaluate structure options and assist the Issuer determine the cost / benefit of different refunding savings alternatives giving consideration to the source of repayment of the bonds and the cash flow position of each Participant.
- ❑ Advise the Issuer on the terms and timing for undertaking the refunding so as to maximize the savings to the Issuer within the constraints of the marketplace at the time of sale.
- ❑ Assist the Issuer with the development of a comprehensive cost of issuance budget.
- ❑ Evaluate the advantages and disadvantages of a private placement versus a public offering of the bonds and if advantageous seek proposals from qualified private placement purchasers and negotiate the terms of the offering on behalf of the Issuer.
- ❑ Establish a schedule for moving forward with the refunding that will identify and take into consideration any critical path items that may dictate the timing of the sale.
- ❑ Attend meetings of the Issuer or the Finance Committee as necessary during the course of developing the plan of finance or undertaking the issuance of the bonds.
- ❑ Work with the Participating counties so that they are aware of their respective net refunding benefit and incorporate their input into the plan of finance, the structure and timing of refunding savings.
- ❑ Assist in the development of bond offering documents, including input into the trust indenture, intergovernmental agreement and offering disclosure documents.
- ❑ Work closely with and coordinate the activities of bond counsel, underwriter's counsel, Issuer counsel and counsel to the Participants in the drafting and approval of all financing documents.
- ❑ Assist in setting forth terms and conditions under which bonds will be issued including but not limited to maturity schedules, legal covenants, redemption provisions, issuance expenses, etc.

- ❑ Coordinate the bond rating process, if applicable, and assist the Issuer and the Participating counties with preparation of interviews and conference calls with representatives of the rating agencies.
- ❑ Meet with the Issuer and Finance Committee prior to the sale of the bonds to present a report on market conditions and the then projected debt service savings from the refunding.
- ❑ Lead a public offering of the bonds to institutional and retail investors and make a firm commitment to purchase 100% of the bonds pursuant to a bond purchase agreement.
- ❑ Alternatively, coordinate a private placement of the bonds to institutional investors if market conditions are such that a private placement will yield a better execution for the Issuer.
- ❑ Assist, as permitted with the structuring of a defeasance escrow to accomplish the refunding and defeasance of the refunded bonds.
- ❑ Work with legal counsel and all parties to coordinate the closing of the issue and the delivery of funds.