



Nathan Deal  
Governor

## GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

Kevin Clark  
Executive Director

October 3, 2016

Re: Pre-application submission for the 2017 Drinking Water State Revolving Fund (DWSRF) Intended Use Plan (IUP)

Dear Local Government Official:

The Georgia Environmental Finance Authority (GEFA) is pleased to offer the opportunity to Georgia's cities, counties, water and sewer authorities and community improvement districts (CID) the opportunity to submit projects to be considered for DWSRF loan funding. The DWSRF provides low-interest financing for projects involving publicly-owned drinking water systems. The 2017 allotment from the U.S. Environmental Protection Agency (EPA), coupled with existing funds, and loan repayments will make available approximately \$150 million for Georgia's water systems.

To be eligible for funding, entities must have projects listed within the 2017 IUP. However, having a project listed within the IUP does not obligate a city, county, water and sewer authority or CID to apply for funding.

For a project to be listed in the 2017 DWSRF IUP, each city, county, water and sewer authority or CID must:

- Complete the DWSRF pre-application
- Submit the pre-application via the GEFA website no later than **Friday, December 30, 2016**. (See Project Submission Guidelines for submission information.)

The pre-application and additional guidance are available at <http://gefa.georgia.gov/state-revolving-fund-solicitation>.

Projects requesting DWSRF financing will be selected for funding using the enclosed project ranking criteria. The pre-application is designed to help potential loan applicants describe proposed project(s) and the public health benefit of the project. GEFA will rank each project to develop a priority list that will accompany GEFA's IUP submission to the EPA. The pre-application must be completed in its entirety to ensure that the proposed project is accurately scored.

At the time of this letter, the 2017 DWSRF funding allotment has not been identified, and it is not yet known whether principal forgiveness will be available. Once the funding allotment is identified, principal forgiveness will be applied to the 2017 DWSRF project list. If the funding allotment includes principal forgiveness, it will be allocated to communities that are eligible to receive principal forgiveness according to the 2017 DWSRF affordability criteria. Additionally, strict project-related deadlines for projects awarded principal forgiveness. Please review the information within this solicitation letter for more details concerning the project-related deadlines.

Sincerely,

Kevin Clark  
Executive Director

**Georgia Environmental Finance Authority  
2017 DWSRF Project Solicitation  
Project Submission Guidelines and Program Requirements**

All pre-applications must be submitted via <http://gefa.georgia.gov/state-revolving-fund-solicitation>. Pre-applications will only be accepted via the GEFA website.

Deadline	Pre-application Website	Questions
5:00 p.m., December 30, 2016	<a href="http://gefa.georgia.gov/2017-state-revolving-fund-solicitation">http://gefa.georgia.gov/2017-state-revolving-fund-solicitation</a>	Jenerrah Byron 404-584-1075 <a href="mailto:jenerrah@gefa.ga.gov">jenerrah@gefa.ga.gov</a>

**WHO CAN APPLY FOR DWSRF LOANS**

- Georgia cities
- Georgia counties
- Georgia water and sewer authorities
- Community Improvement Districts (CID)
- Any state or local authority created by the Georgia General Assembly

**MINIMUM CRITERIA FOR ELIGIBILITY**

1. Only counties and municipalities certified as Qualified Local Governments by the Georgia Department of Community Affairs (DCA) and the water and sewer authorities within those certified governments may receive funding.
2. Only applicants within counties that have current DCA-certified Service Delivery Agreements (HB 489) may receive funding and the proposed project must be consistent with the verified strategy.
3. Applicants must be in compliance with state audit requirements. Compliance questions can be answered at [www.audits.state.ga.us](http://www.audits.state.ga.us).
4. Applicants within the Metro North Georgia Water Planning District must be certified by the director of the Georgia Environmental Protection Division (EPD) as either being in compliance or making a good faith effort to comply with all District Plans and/or enforcement measures.
5. Project must conform to applicant's regional Water Development and Conservation Plan, once adopted.
6. Applicants must adopt and enforce the state minimum standard plumbing code provisions outlined in O.C.G.A. 8-2-3 in order to be eligible to receive funding. These provisions incorporate the state's minimum standard plumbing code.

**ELIGIBLE DWSRF PROJECTS INCLUDE:**

- Correction of water system deficiencies including water quality, capacity, pressure, and water loss;
- Providing new or existing water service to other water systems through consolidation projects;
- Implementation of security measures such as fencing, surveillance equipment, backflow prevention devices, and enhanced filtration/disinfection treatment;
- Maintaining compliance with existing or proposed standards and regulations;
- Rehabilitating or replacing aging infrastructure;
- Rehabilitating or developing sources to replace contaminated sources of drinking water, including replacing contaminated private wells with public water supply;
- Installing or upgrading treatment facilities to improve drinking water quality;
- Installing or upgrading storage facilities to prevent microbiological contaminants from entering system; and
- Installing or replacing transmission and distribution pipes to prevent contamination.

**INELIEGLE DWSRF PROJECTS INCLUDE:**

- Projects primarily intended to facilitate growth;
- Projects for systems in significant noncompliance, unless funding will ensure compliance;
- Projects for systems that lack adequate financial, management, and/or technical capability, unless assistance will ensure compliance;
- Construction of reservoirs, dams or rehabilitation of dams; and
- Projects primarily intended for fire protection.

**DWSRF WATER OR ENERGY CONSERVATION PROJECTS INCLUDE:**

- Distribution pipe replacement or rehabilitation to reduce water loss and prevent water main breaks;
- Pressure management activities designed to regulate water pressure and reduce water loss;
- Installing water meters in previously unmetered areas;
- Replacing broken/malfunctioning water meters or upgrading existing water meters with Automatic Meter Reading (AMR) systems;
- Installing or retrofitting water efficient devices, such as plumbing fixtures and appliances;
- Implementing incentive programs to conserve water such as rebates for water efficient fixtures;
- Recycling and water reuse projects that replace potable sources with non-potable sources;
- Power production projects via wind, solar, geothermal and micro-hydro that provide a benefit to the publicly-owned water utility; and
- Motor replacement projects, lighting upgrades, SCADA equipment, variable frequency drive projects and projects designed to eliminate pump stations are eligible if there is a documented reduction in energy consumption.

**HOW PROJECTS ARE PRIORITIZED**

Pre-applications will be scored by GEFA on a 100-point scale. The project ranking criteria are based on such attributes as readiness to proceed, compliance benefit, project benefits and other applicant or project attributes. Projects will be listed in priority order on the CWSRF Fundable Priority List and incorporated into the IUP to be submitted to EPA.

**PROJECT RANKING**

Once all pre-applications are received, GEFA will score all the pre-applications and rank projects in descending order. GEFA will identify the highest scoring projects and include on the fundable list as many high scoring project for which GEFA has financing available.

**DWSRF PRINCIPAL FORGIVENESS ELIGIBILITY**

DWSRF Affordability Criteria will be used to determine principal forgiveness eligibility. The criteria is based on weighted factors for median household income (MHI), unemployment rate, population trends of the borrower (or the project area if the project area is located in a different jurisdiction), and the type of project. The DWSRF Affordability Criteria is included within this document on page 5.

**DWSRF INTEREST RATES**

Projects funded through the DWSRF program have the ability to borrow with various terms and varying interest rates. Please access GEFA's website for current loan interest rates, loan terms and project-based interest rate concessions. (<http://gefa.georgia.gov/current-loan-rates>).

**DWSRF PROJECT DEADLINES**

Those projects that are provided principal forgiveness (if applicable) will be subject to strict project deadlines identified below. All projects that receive principal forgiveness must complete the following tasks by June 29, 2018, in order maintain the principal forgiveness allotment. All projects that receive principal forgiveness (if applicable) will be invited to submit an official application. Further details on these deadlines will be provided within that formal invitation.

1. Submit Application Part I
2. Submit Application Part II
3. Receive a Notice of No Significant Impact (NONSI) or Categorical Exclusion (CE) from EPD
4. Receive a GEFA board approval
5. Sign the loan agreement with GEFA

## **FEDERAL REQUIREMENTS**

### **DAVIS-BACON WAGE RATE REQUIREMENT**

Due to the federal source of funds of the CWSRF program, Davis-Bacon wage rate requirements apply to all “treatment works” projects funded by the CWSRF program. The Borrower shall insert in full in any contract in excess of \$2,000 that is entered into for actual construction, alteration and/or repair of a public treatment works, financed in whole or in part from the CWSRF program and that is subject to the requirements of the Davis-Bacon Act, the document entitled “Supplemental General Conditions for Federally-Assisted State Revolved Fund,” which is located at [www.gefa.georgia.gov/loan-documents](http://www.gefa.georgia.gov/loan-documents).

### **AMERICAN IRON AND STEEL**

Due to the federal source of funds of the CWSRF program, American Iron and Steel requirements apply to all “treatment works” projects funded via the CWSRF program. The Borrower shall insert in full in any contract that is entered into for construction, alteration, and/or repair of a public treatment works, financed in whole or in part from CWSRF program, the document entitled “American Iron and Steel (AIS) Special Conditions,” which is located at [www.gefa.georgia.gov/loan-documents](http://www.gefa.georgia.gov/loan-documents).

### **STATE ENVIRONMENTAL REVIEW PROCESS**

Projects funded through the CWSRF must undergo an environmental review via the EPA-approved State Environmental Review Process (SERP). This environmental review is conducted by EPD through either a Categorical Exclusion (CE) or Notice of No Significant Impact (NONSI) process. This process is designed to address issues such as environmental impact, potential historical preservation issues, potential endangered species concerns, and permit compliance. Borrowers should review the “Guidance Document for Project Requirements,” which is located at [www.gefa.georgia.gov/loan-documents](http://www.gefa.georgia.gov/loan-documents).

### **DISADVANTAGED BUSINESS ENTERPRISE (DBE)**

As a part of GEFA’s loan agreement, loan recipients are required to encourage the participation of small minority- and women-owned businesses in all project subcontracts. The state’s CWSRF percentage goals through September 30, 2019, are 4 percent for Minority Business Enterprises (MBE) and 4 percent for Women Business Enterprises (WBE). Borrowers should review the “Supplemental General Conditions for Federally-Assisted State Revolved Fund,” which is located at [www.gefa.georgia.gov/loan-documents](http://www.gefa.georgia.gov/loan-documents).

### **PROPOSED TIMELINE FOR FUNDING**

October 3, 2016 – Project solicitation information released

December 30, 2016 – Deadline to submit pre-application via the GEFA website at [www.gefa.georgia.gov](http://www.gefa.georgia.gov)

January 23, 2017 – IUP posted on the GEFA website

February 7, 2017 – *Tentative* public meeting for the 2017 DWSRF IUP and Fundable Priority List

February 10, 2017 – IUP submission to EPA for approval

July 3, 2017 – *Tentative* EPA approval of 2017 DWSRF award

## Georgia Environmental Finance Authority 2017 DWSRF Affordability Criteria

The Drinking Water State Revolving Fund (DWSRF) affordability criteria will be used to determine principal forgiveness eligibility within Georgia's DWSRF loan program administered by the Georgia Environmental Finance Authority (GEFA). The criteria is based on weighted factors for median household income (MHI), unemployment rate, and population trends of the borrower (or the project area if the project area is located in a different jurisdiction) or the type of project. A borrower must receive a minimum of **10** points to qualify for principal forgiveness. Points awarded under the affordability criteria are independent of the enclosed project ranking criteria. Points awarded under the affordability criteria are solely for the purpose of determining if a project is eligible for principal forgiveness. Points available for each factor are as follows:

### 1. Income

If the borrower's MHI (or the MHI of the project area if the project area is located in a different jurisdiction) is **below or equal to** \$39,473 (80 percent of the state's MHI of \$49,342), as determined by the U.S. Census Bureau, **eight** points will be awarded.

If the borrower's MHI (or the MHI of the project area if the project area is located in a different jurisdiction) is **above** \$39,473 (80 percent of the state's MHI of \$49,342), as determined by the U.S. Census Bureau, **one** point will be awarded.

### 2. Unemployment

If the borrower's unemployment rate (or the unemployment rate of the project area if the project area is located in a different jurisdiction) is **above or equal to** 6.7 percent (state of Georgia's unemployment rate), as determined by the U.S. Census Bureau, **eight** points will be awarded.

If the borrower's unemployment rate (or the unemployment rate of the project area if the project area is located in a different jurisdiction) is **below** 6.7 percent (state of Georgia's unemployment rate), as determined by the U.S. Census Bureau, **one** point will be awarded.

### 3. Population Trend

If the borrower's population (or the population of the project area if the project area is located in a different jurisdiction) **decreased or remained the same** when comparing the 2000 Census to the 2010 Census as determined by the U.S. Census Bureau, **two** points will be awarded.

If the borrower's population (or the population of the project area if the project area is located in a different jurisdiction) **increased** when comparing the 2000 Census to the 2010 Census as determined by the U.S. Census Bureau, **one** point will be awarded.

### 4. Project Type

If the borrower will complete a project that **will** implement a process, material, technique or technology listed on the GEFA Conservation document, **seven** points will be awarded. Projects eligible for these points must be constructed solely to address one of the items below and cannot be combined with an ineligible activity:

- a. GEFA Conservation Projects

GEFA conservation projects can be found on GEFA's website at:

[http://gefa.georgia.gov/sites/gefa.georgia.gov/files/related\\_files/document/Financing-Conservation-Projects.pdf](http://gefa.georgia.gov/sites/gefa.georgia.gov/files/related_files/document/Financing-Conservation-Projects.pdf)

If the borrower **will not** complete a project that will implement a process, material, technique or technology listed on the GEFA Conservation document, **zero** points will be awarded.

Principal forgiveness funds will be allocated to those projects that receive the highest score based upon the project ranking criteria used in the DWSRF 2017 project solicitation process **and** projects completed by an applicant that scores at least **10** points on the DWSRF affordability criteria.

**Georgia Environmental Finance Authority  
2017 DWSRF Project Solicitation  
Project Ranking Criteria  
(Maximum Point Total – 100 Points)\***

Projects will be rated in four categories to determine their eligibility and selection for funding under the DWSRF Program.

**DRINKING WATER SRF**

**DRINKING WATER STATE REVOLVING FUND SCORING SYSTEM**

1. Readiness to proceed (maximum of 40 points)
2. Organizational and technical capacity (maximum of 20 points)
3. Project benefits (pick one only)
  - a. Public health compliance benefit (maximum of 30 points)
  - b. Energy conservation/production and efficiency benefit (maximum of 30 points)
  - c. Water efficiency benefit (maximum of 30 points)
4. Other applicant or project attributes (maximum of 10 points)

**DRINKING WATER STATE REVOLVING FUND SCORING SYSTEM**

1. **Project Readiness To Proceed** (maximum of 40 points)  
*CHECK ALL THAT APPLY*
  - a. State Environmental Review Process in process – NONSI or CE issued 30 pts
  - b. State Environmental Review Process complete – NONSI or CE approved 40 pts
  
2. **Organizational and Technical Capacity** (maximum of 20 points)  
*CHECK ANY BELOW THAT APPLY*
  - a. Applicant maintains a central asset inventory (with descriptive information about assets such as age, size, construction materials, location, installation date, condition, and remaining useful life) and a complete water system map. 10 pts
  - b. Applicant maintains long-term water and/or sewer capital improvement plan (covering at least the next 5 years). 10 pts
  - c. Applicant has either implemented an increasing block rate fee structure or created a water conservation education campaign. 10 pts
  
3. **Project Benefits** – Project should fit into one of these three categories (**public health compliance benefit, energy conservation/production and efficiency benefit or water efficiency benefit**)
 

**Public Health Compliance Benefit** (maximum of 30 points)  
*CHECK ANY BELOW THAT APPLY*

  - a. Project is needed to fully address deficiencies documented in an enforcement action (e.g. Notice of Violation, Consent Order, Administrative Order, etc.) (Order # \_\_\_\_\_) 20 pts
  - b. Project will bring public water system into immediate compliance with Safe Drinking Water Act 10 pts
  - c. Project involves system and/or facility upgrades to create redundancy and enhance system reliability 10 pts

**Energy Conservation/Production and Efficiency Benefit** (maximum of 30 points)  
*CHECK ANY BELOW THAT APPLY*

  - a. Project will create renewable energy from wind, solar, geothermal or micro-hydroelectric and provide power to the utility. Power must feed into the grid in which the utility draws from and/or directly connects to the utility. 10 pts
  - b. Project designed to reduce energy consumption by the utility via the replacement of pumps and/or motors, blowers, SCADA equipment, lighting upgrades or other energy savings products or processes. 10 pts
  - c. Energy management planning projects, including energy assessments, energy audits, optimization studies and other projects designed to determine high use energy areas. 10 pts

**Water Efficiency Benefit** (maximum of 30 points)

*CHECK ANY BELOW THAT APPLY*

- a. Project to replace leaking water lines in an attempt to identify and reduce system-wide real water loss. 10 pts  
Project may include the purchase of leak detection equipment.
- b. Project to replace old water meters and install a more efficient method [such as an automatic meter reading (AMR) system or an advanced metering infrastructure (AMI) system] to read, record and track water usage and reduce system-wide apparent water losses. 10 pts
- c. Project to create a water fixture or irrigation system retrofit or rebate program. 10 pts

**4. Other Applicant or Project Attributes** (maximum of 10 points)

*CHECK ANY BELOW THAT APPLY*

- a. Project will increase system operating revenues or decrease system operating expenses by more than 10 percent leading to the greater financial integrity of the utility. 5 pts
- b. Project benefits more than one system or community, e.g., interconnection of two or more public water systems. 5 pts
- c. Project entails the use of new, promising technology or represents an innovative approach to delivering high-quality drinking water and protecting human health. 5 pts

\* GEFA reserves the right to verify any information submitted within the pre-application.