

**State of Georgia
Clean Water State Revolving Loan Program,
Additional Supplemental Appropriations for Disaster Relief Act
State Fiscal Year 2023 Annual Report**



**Prepared by the
Georgia Environmental Finance Authority
for the
U.S. Environmental Protection Agency, Region IV
September 30, 2023**

PLEASE NOTE that this report does not constitute nor is it suitable for use as an official financial statement. This report is not prepared by an independent auditor or accountant, and is provided for informational purposes only.

**Clean Water State Revolving Fund Annual Report,
Additional Supplemental Appropriations for Disaster Relief Act
Table of Contents
State Fiscal Year 2023**

INTRODUCTION	1
EXECUTIVE SUMMARY	1
ADDITIONAL SUBSIDIZATION PROJECTS	2
DUBLIN (CWDRA20018)	2
MEETING INTENDED USE PLAN (IUP) GOALS AND OBJECTIVES	2
PROGRAM ADMINISTRATION (4 PERCENT)	3
CWSRF ASADRA NON-PROGRAM INCOME	3
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION	3
CWSRF ASADRA LOAN DISBURSEMENTS	4
CWSRF STATE MATCH	4
CWSRF ASADRA LOAN REPAYMENT	4
WATER RESOURCES REFORM AND DEVELOPMENT ACT (WRRDA) IMPLEMENTATION	4
ASSURANCES AND SPECIFIC PROPOSALS	4
ATTACHMENT 5: ADMINISTRATIVE EXPENSES BY CATEGORY	9

List of Attachments

Attachment 1: Sources and Uses of Funds by Quarter	6
Attachment 2: CWSRF Repayment Accounts	6
Attachment 3: Communities Receiving CWSRF Financial Assistance	7
Attachment 4: Binding Commitments by Category, Population, and Dollar Value	8
Attachment 5: Administrative Expenses by Category	9
Attachment 6: DBE Utilization	10
Attachment 7: Disbursement of CWSRF Funds by Quarter	11
Attachment 8: Comparison of Projected Versus Actual Disbursements	12
Attachment 9: Projects Closed in FY2023	13

State of Georgia
Clean Water State Revolving Fund Program,
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Introduction

The Clean Water State Revolving Fund (CWSRF) provides assistance to wastewater and nonpoint source projects that improve water quality in Georgia as identified in the amended Clean Water Act of 1972. A range of water quality and wastewater treatment projects are covered by the program, including:

- Stormwater and flood control projects,
- Projects for the construction or expansion of wastewater treatment facilities and installation of sewer lines and sewer rehabilitation,
- Projects that support the state's nonpoint source management plan, and
- Projects that reduce energy costs, such as solar, wind, and biogas projects.

On June 6, 2019, the "Additional Supplemental Appropriations for Disaster Relief Act, 2019" (ASADRA) was signed into law. According to ASADRA, Georgia is eligible to apply for supplemental funding under the Clean Water State Revolving Fund (CWSRF) for the purpose of addressing impacts of Hurricane Michael. As required by the Code of Federal Regulations, Title 40, Part 35, Subpart K, Section 35.3165; Section 606, Paragraph (d) of the Clean Water Act; and Chapter 6 of the CWSRF Management Manual of December 1988, the Georgia Environmental Finance Authority (GEFA) submits this annual report for the state fiscal year ending June 30, 2021 (FY2021). This report provides detailed information concerning the management and fiscal integrity of the ASADRA program, changes to the program, and updates to the program's goals and objectives relating to the 2020 Supplemental ASADRA CWSRF Intended Use Plan (IUP).

GEFA was created by the Georgia General Assembly in 1986 as the successor agency to the Georgia Development Authority Environmental Facilities Program. GEFA assists local governments in financing the construction, extension, rehabilitation, replacement, and securitization of public works facilities. The GEFA board of directors consists of three ex-officio members and eight members appointed by the governor. The Georgia Environmental Protection Division (EPD) provides certain professional services for the CWSRF. These services include:

- Project reviews and approvals;
- Planning and project development;
- Information tracking;
- Information gathering and assistance with the National Needs Survey;
- Issuing Notices of No Significant Impacts (NONSI) and Categorical Exclusions (CE);
- Assistance with the National Information Management System (NIMS); and
- The Clean Water Benefits Reporting (CBR) database.

Executive Summary

In August 2020, GEFA submitted an IUP and application for the 2020 CWSRF ASADRA grant. The 2020 grant was awarded on September 17, 2020, for \$2,655,000. In April 2021, the 2020 revised ASADRA grant application and revised IUP were submitted to the U.S. Environmental Protection Agency (EPA) to request a transfer of \$11,088,000 from the Drinking Water State Revolving Fund (DWSRF) ASADRA program for a new federal total of \$13,743,000. The grant modification was awarded on August 30, 2021. Georgia's required state match for the CWSRF ASADRA grant is \$531,000.

Attachment 1 shows the total sources of funds by quarter during state FY2023 including federal grant funds, state match contributions, repayments from direct federal loans, and interest earnings generated from these accounts. Attachment 1 also shows the closing fees collected by quarter identified as Program Income and Non-Program Income. Georgia reports the collection of Program Income and Non-Program Income separately in accordance with the EPA Fee Guidance released in October 2005. Attachment 1 also shows the uses of funds by quarter. Attachment 2 shows the balances within these accounts as of June 30, 2023.

Under the CWSRF ASADRA one increase to an existing loan was executed for a total of \$3,080,000. This execution can be found in Attachment 3. Attachment 4 shows information for this project in the NIMS format. Lastly, GEFA and EPD collectively entered all necessary information into the Clean Water Benefits Reporting database for all projects funded through state FY2023.

The new loan commitment was made to a qualified local government according to the requirements of the Georgia Department of Community Affairs (DCA), which includes a verified Service Delivery Strategy. Additionally, the loan recipient has the technical, managerial, and financial capability to operate a sewer system. This project was reviewed in accordance with the EPA approved State Environmental Review Process (SERP) and was issued a Notice of No Significant Impact (NONSI) or a Categorical Exclusion (CE). Below is a short description of the project funded in state FY2023.

Additional Subsidization Projects

Dublin (CWDRA20018)

On June 29, 2023, Dublin signed a \$3,080,000 increase to the existing \$1,800,400 assistance agreement which included \$275,000 in principal forgiveness entered on August 3, 2021. This project includes rehabilitating the sewer collection system and sewer line extensions. As of the end of state FY2023, \$245,803.75 have been drawn.

Meeting Intended Use Plan (IUP) Goals and Objectives

The 2020 CWSRF ASADRA IUP listed four goals for the program.

1. Long-term Program Goal: Manage the ASADRA program in a fiscally responsible manner.

Status: GEFA executed one CWSRF ASADRA loan with disadvantaged communities in FY2023. GEFA remains a vital support to disadvantaged communities increase their resiliency in the face of natural disasters. GEFA will continue accept ASADRA eligible projects and bring those projects to upcoming board meetings for approval. GEFA will continue to ensure all Clean Water ASADRA projects get underway and funded in a fiscally responsible manner to further help communities impacted by Hurricane Michael.

2. Long-term Program Goal: Promote and educate communities on the viability of regionalization and/or consolidation of systems to take advantage of economies of scale and to address the technical, managerial, and financial capacity issues experienced by disadvantaged communities.

Status: In 2019, GEFA entered a contract with Wood Environment and Infrastructure Solutions, Inc. Their objective was to conduct an extensive assessment of water supply sources across the state of Georgia. The primary aim of this endeavor, known as the Water Supply Redundancy Study, was to enhance the stability and dependability of Georgia's water supply. This comprehensive study encompassed an evaluation of various aspects, including drinking water supply, demand, treatment, storage, distribution, and interconnectivity. Its goal was to pinpoint redundant water supply sources capable of serving as backup for qualified water systems beyond the jurisdiction of the Metropolitan North Georgia Water Planning District.

Wood diligently undertook three distinct tasks as part of this initiative. Firstly, they conducted initial data summaries for all ten water planning regions (Task 1). Subsequently, they identified ample water supply sources for these regions (Task 2). Finally, based on the information they meticulously gathered and analyzed for each of the ten regions, Wood compiled a list of potential projects (Task 3). Remarkably, all three tasks were successfully completed for all ten regions within the first quarter of FY2022. The water council has received the information and intends to incorporate the findings into their existing emergency preparedness strategies and resilience goals throughout the regions.

As of now, GEFA is in the process of determining the availability of funding incentives for communities based on the projects recommended through this comprehensive study.

3. Long-term Program Goal: Assure the fiscal, technical, and managerial integrity of ASADRA by preventing waste, fraud, and abuse.

Status: GEFA works to prevent waste, fraud, and abuse in the ASADRA program by closely monitoring construction progress and project documentation. Project managers work with engineers and borrowers to ensure that projects are complying with federal requirements. Additionally, all requests for payment are reviewed by multiple staff members to confirm invoices are appropriate and accurate.

4. Short-term Program Goal: Award ASADRA funds to maximize the use of the available allotment to support wastewater infrastructure.

Status: GEFA will work closely with any remaining communities listed on the IUP to get loan agreements executed so the full allotment can be utilized.

5. Short-term Program Goal: Utilize marketing and outreach strategies that publicize and promote awareness of ASADRA assistance options.

Status: The water resources division and the public affairs team created marketing and outreach campaigns to publicize and promote awareness of ASADRA assistance options. Communities were alerted through email, GEFA's website, social media channels, and various webinars regarding the availability of ASADRA funds. As a result, GEFA received 23 preapplications for CWSRF ASADRA projects, collectively requested over \$30 million in assistance.

Program Administration (4 Percent)

GEFA does not intend to use any of the four percent set-aside for administrative purposes. GEFA has sufficient funds in its non-program fee account to cover the administrative costs.

CWSRF ASADRA Non-Program Income

In state FY2023, no non-program fees were allocated as shown in Attachment 5.

Disadvantaged Business Enterprise (DBE) Participation

Within GEFA's agreement, recipients are required to encourage participation of small minority and women owned businesses in all project subcontracts. The state's CWSRF percentage goals through September 30, 2022, are four percent for Minority Business Enterprises (MBE) and four percent for Women Business Enterprises (WBE)

summary of DBE utilization is in Attachment 6. The data provided in Attachment 6 is for the reporting period of October 1, 2021, through September 30, 2022, representing the most recent full fiscal year of data.

GEFA makes every effort to comply with the EPA's Six Good Faith Efforts. Telephone calls and emails are regularly made to DBE subcontractors to encourage their participation in both the CWSRF and DWSRF projects. DBEs are alerted to GEFA-approved projects as soon as they appear in the database, allowing subcontractors to inquire and prepare for these projects prior to the bid date. Subcontractors are additionally urged to pursue EPA/Georgia Department of Transportation (GDOT)/Small Business Administration (SBA) certification. GEFA staff are available to answer questions and assist subcontractors in the application process. GEFA also maintains an in-house bidder's list of certified DBE prime contractors and subcontractors. The data for the bidder's list is collected and forwarded to loan recipients with compliance approval. The bidder's list also serves as a database of MBEs and WBEs and non-MBE/WBE prime contractors and subcontractors.

In considering whether firms could subcontract with DBEs, GEFA encourages prime contractors to follow the Six Good Faith Efforts to solicit the services of MBEs and WBEs. Project approval is withheld if DBE documentation is insufficient. Prime contractors are also provided with an example of an EPA-approved newspaper advertisement and an example of a solicitation letter to help eliminate generic newspaper advertisements and poorly written letters. GDOT, city of Atlanta, SBA, and Metropolitan Atlanta Rapid Transit Authority (MARTA) are resources for prime contractors for identifying DBE-certified subcontractors. In addition, an EPA bidder's list is available upon request from GEFA. Guidance is provided in all related construction contracts to encourage prime contractors to divide work when feasible.

CWSRF ASADRA Loan Disbursements

The CWSRF disbursed funds to eight active projects during state FY2023. Attachment 7 shows the projects that received funds by quarter in state FY2023. The CWSRF ASADRA disbursed a total of \$943,095.99 in state FY2023. Attachment 8 compares the projected disbursement schedules indicated within the 2020 IUP for state FY2023 against the actual disbursements made in state FY2023. The CWSRF disbursed 100 percent of projected disbursements in state FY2023.

CWSRF State Match

Under the provisions of the Federal Water Pollution Control Act (FWPCA) Section 602(b)(2), the state is required to deposit an amount equal to 20 percent of the total capitalization grant into the CWSRF. The 2020 CWSRF ASADRA capitalization grant award was \$2,655,000 and the required state match was \$531,000. GEFA will draw down federal dollars exclusively while applying \$531,000 of state match. At the start of FY2023, there was \$7,296,251 remaining of overmatch credit. Therefore, Attachment 1 shows a state match of zero due to the overmatch being reported in the year it was deposited. For State FY2023, \$188,619.20 in overmatch credit has been used.

CWSRF ASADRA Loan Repayment

There were no CWSRF ASADRA loans that closed during state FY2023.

Water Resources Reform and Development Act (WRRDA) Implementation

Some projects listed on the IUP still need to submit applications and move forward with funding. Therefore, we do not currently have projects to list that will meet the equivalency requirement.

Assurances and Specific Proposals

The CWSRF will adhere to all the certifications covered in the Clean Water Act as well as those within Georgia's Operating Agreement with the Regional EPA office. The specific certifications are:

State FY2023

1. Capitalization Grant Agreement
2. Payment Schedule
3. State Matching Funds
4. Commitment of 120 Percent in One Year
5. All Funds – Timely Expenditure
6. Enforceable Requirements of the Clean Water Act
7. Cross Cutting Issues
8. State Law and Procedures
9. State Accounting and Auditing Procedures
10. Recipient Accounting and Auditing Procedures
11. Annual Report
12. Limitations on Eligibility
13. Environmental Review Process
14. Maintain the Fund
15. Perpetuity
16. Types of Assistance
17. Priority List
18. Limitation of Double Benefits
19. Consistency with Planning Requirements
20. Annual Audit
21. Intended Use Plan
22. Annual Federal Oversight Review and Technical Assistance
23. Dispute Resolution
24. Reserve the Right to Transfer up to 30 Percent of Grant Amount Between Programs
25. NIMS
26. Clean Water Benefits Reporting System

A copy of GEFA's FY2023 unaudited financial data is provided under separate cover.

Attachment 1
Sources and Uses of Funds by Quarter
Clean Water ASADRA State Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

	Quarter 1 07/2022 - 09/2022	Quarter 2 10/2022 - 12/2022	Quarter 3 01/2023- 03/2023	Quarter 4 04/2023 - 06/2023	Total
Sources					
Direct Capitalization Grant Funds (Accrual Basis)	11,430.00	440,230.75	207,223.58	284,211.66	\$ 943,095.99
State Match Funds (Accrual Basis)	-	-	-	-	\$ -
Repayments Collected (Cash Basis)					
CWSRF Federal & State Principal Repayments	-	-	-	-	\$ -
CWSRF Federal & State Interest Repayments	-	-	-	-	\$ -
Fees Collected (Cash Basis)					
Closing fee payments (program)	-	-	-	-	\$ -
Closing fee payments (non-program)	-	-	-	-	\$ -
Investment Earnings (Short & Long-term)					
CWSRF Federal & State Match Repayment Fund	-	-	-	-	\$ -
CWSRF State-Match Repayment Fund	-	-	-	-	\$ -
Closing fee payments (program)	-	-	-	-	\$ -
Closing fee payments (non-program)	-	-	-	-	\$ -
Total Sources	\$ 11,430.00	\$ 440,230.75	\$ 207,223.58	\$ 284,211.66	\$ 943,095.99
Uses					
CWSRF Disbursements - Cap Grant (Accrual Basis)	11,430.00	440,230.75	207,223.58	284,211.66	\$ 943,095.99
CWSRF Disbursements - State Match (Accrual Basis)	-	-	-	-	\$ -
CWSRF Disbursements - Repayments (Accrual Basis)	-	-	-	-	\$ -
CWSRF Administration (4%)	-	-	-	-	\$ -
CWSRF Administration (Repayments)	-	-	-	-	\$ -
CWSRF Program Income	-	-	-	-	\$ -
CWSRF Non-Program Income	-	-	-	-	\$ -
Total Uses	\$ 11,430.00	\$ 440,230.75	\$ 207,223.58	\$ 284,211.66	\$ 943,095.99

Attachment 2
CWSRF Repayment Accounts
Clean Water ASADRA State Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

Account	Balance*	Investment Earnings	Expected Uses of Funds
CWSRF Federal Repayment Fund	-	-	Project Funding
CWSRF State-Match Repayment Fund	-	-	Project Funding
CWSRF Closing Fee (Program Income)	-	-	Project Funding
CWSRF Closing Fee (Non-program Income)	-	-	Water Quality Related Activities
Total	\$ -	\$ -	

Attachment 3
Communities Receiving CWSRF Financial Assistance
Clean Water ASADRA State Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

Community	Project Number	Population Served by Project	Zip Code	Project Type	Total Assistance Agreement	Loan Amount	Principal Forgiveness Amount	Green Project Reserve Amount	Binding Commitment Date	Loan Closeout Date	Loan Interest Rate
*Dublin, City of	CWDRA20018	15,762	31021	Infiltration/Inflow	\$3,080,000.00	\$3,080,000.00	\$0.00	\$0.00	6/29/2023	12/1/2022	0.00%
					\$3,080,000.00	\$3,080,000.00	\$0.00	\$0.00			

Attachment 4
Binding Commitments by Category, Population, and Dollar Value
Clean Water ASADRA State Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

Project Type	Number of Projects*	Dollar Value (\$)	Assistance by Population Size	Number of New Assistance Agreements	Dollar Value (\$)
Secondary Treatment (I)			Less than 3,500:		
Advanced Treatment (II)			3,500 to 9,999:	1	\$3,080,000.00
Infiltration/Inflow (IIIA)	1	\$3,080,000.00	10,000 to 99,999:		
Sewer System Rehab (IIIB)			100,000 & above:		
New Collector Sewers (IVA)			Total	1	\$3,080,000.00
New Interceptors (IVB)					
CSO Correction (V)					
Storm Sewers - Gray Infrastructure (VI)					
Storm Sewers - Green Infrastructure (VI)					
Recycled Water Distribution (X)					
Energy Efficiency					
Renewable Energy					
Water Efficiency					
Water Reuse					
Agricultural Cropland (VII-A)					
Agricultural Animals (VII-B)					
Silviculture (VII-C)					
Urban, Excluding Decentralized Systems (VII-D)					
Groundwater, Unknown Source (VII-E)					
Marinas (VII-F)					
Resource Extraction (VII-G)					
Brownfields (VII-H)					
Storage Tank (VII-I)					
Sanitary Landfills (VII-J)					
Hydromodification (VII-K)					
Individual/Decentralized Systems (VII-L)					
Land Conservation					
Total	1	\$ 3,080,000.00			

*Assistance Agreements may be counted in more than one category when they fund more than one category.

Attachment 5
Administrative Expenses by Category
Clean Water ASADRA State Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

Object Category	4% - GEFA	4% - EPD	Program Income	Non-Program Income	CWSRF Fund	Total Expenditures
Personnel	-	-				\$ -
Fringe Benefits	-	-				\$ -
Travel	-	-				\$ -
Contractual	-	-				\$ -
Operating Expenses	-	-				\$ -
Indirect Costs	-	-				\$ -
Shared Services	-	-				\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Attachment 6
DBE Utilization
Clean Water ASADRA State Revolving Fund
October 1, 2021 - September 30, 2022**

Annual Dates	Summaries		
	MBE (\$)	WBE (\$)	Total (\$)
(October 1, 2021 - September 30, 2022)	0.00	0.00	\$ -
Total	\$ -	\$ -	\$ -
Percentage Goal	4.00%	4.00%	8.00%
Percentage Actual*	0.00%	0.00%	0.00%

*DBE information is provided on an annual basis to EPA

**Percentage Actual is calculated by dividing the DBE funds disbursed by the total CWSRF funds disbursed in the same period

Attachment 7
Disbursements of CWASADRA Funds by Quarter
Clean Water State Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

Community	Project Number	Quarter 1 7/2022 - 9/2022	Quarter 2 10/2022 - 12/2022	Quarter 3 1/2023 - 3/2023	Quarter 4 4/2023 - 6/2023	Total
Ashburn, City of	CW2020001	\$0.00	\$0.00	\$28,854.00	\$0.00	\$28,854.00
Boston, City of	CWDRA20009	\$0.00	\$45,000.00	\$178,369.58	\$0.00	\$223,369.58

Attachment 8
Comparison of Projected Versus Actual Disbursements
Clean Water ASADRA State Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

Projected Disbursements	Quarter 1 7/2022 - 9/2022	Quarter 2 10/2022 - 12/2022	Quarter 3 1/2023 - 3/2023	Quarter 4 4/2023 - 6/2023	Total
Projected FY 2023 CW Disbursements	11,430.00	440,230.75	207,223.58	284,211.66	\$ 943,095.99
Total Projected Disbursements for FY 2023	\$ 11,430.00	\$ 440,230.75	\$ 207,223.58	\$ 284,211.66	\$ 943,095.99
Actual FY 2023 CWSRF Disbursements	\$11,430.00	\$440,230.75	\$ 207,223.58	\$ 284,211.66	\$ 943,095.99
Percent Disbursed of Projected	100%	100%	100%	100%	100%

Attachment 9
Projects Closed
Clean Water State ASADRA Revolving Fund
FY 2023
July 1, 2022 - June 30, 2023

Community	Project Number	CWSRF Assistance Amount	Assistance Amount Used	Percentage Used	Loan Execution Date	Final Close Date	Loan Interest Rate
		\$ -	\$ -	0.00%			
Total		\$ -	\$ -	0.00%			