

**2020 Supplemental
Intended Use Plan
Drinking Water
State Revolving Fund,
Additional Supplemental
Appropriations for Disaster Relief
Act of 2019**

**Prepared by the
Georgia Environmental Finance Authority**

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2020 Supplemental Intended Use Plan
 Georgia Environmental Finance Authority
 Drinking Water State Revolving Fund
 Additional Supplemental Appropriations for Disaster Relief Act, 2019 (ASADRA)

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Drinking Water State Revolving Fund 2020 Supplemental Intended Use Plan for ASADRA

Introduction

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 Drinking Water State Revolving Fund (DWSRF) for the purpose of addressing impacts of Hurricane Michael. Section 1452(b) of the Safe Drinking Water Act (SDWA) Amendments of 1996 requires each state to prepare an Intended Use Plan (IUP) identifying the use of funds from the DWSRF and how those uses support DWSRF goals. This IUP outlines Georgia’s proposed uses of the ASADRA allotment of \$33,600,000. ASADRA is a one-time injection of funding to promote resilience. To maximize efficiency, states will carry out ASADRA through their existing SRF programs. This Supplemental Intended Use Plan (IUP) serves to explain how the ASADRA capitalization grant will be used within the DWSRF program.

The Georgia Environmental Finance Authority (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 and 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. Under an interagency agreement, the Georgia Environmental Protection Division (EPD) provides professional services to the State Revolving Fund. The services include, but are not limited to:

- Project reviews and approvals;
- Planning and project development;
- Information tracking;
- Updating files;
- Information gathering and development of the National Needs Survey;
- Issuing and approving Notices of No Significant Impacts (NONSI) and Categorical Exclusions (CE);
- Assistance with the National Information Management System (NIMS);
- The Public Benefit Reporting (PBR) database; and
- Administration of EPD's set-aside activities.

ASADRA Call for Projects Process

Developing the ASADRA comprehensive list involves a pre-application process where all communities requesting funding provide project-related information. GEFA initiated the call for projects process on April 1, 2020, allowing prospective applicants to submit pre-applications until April 24, 2020. GEFA emailed the call for projects notice to its stakeholder list. GEFA also designated a section of its website to announce the call for projects. GEFA made available the call for projects packets that contained detailed information about financing terms, available funding, and the scoring system for project prioritization. GEFA accepted ASADRA pre-applications via email using a Microsoft Word-based pre-application form available on the GEFA website. GEFA used the pre-application information to score and rank all submitted projects. Twenty-two drinking water projects were submitted with a total need of \$25,450,850. The ASADRA comprehensive list includes all drinking water projects in descending order based upon project score.

ASADRA Comprehensive List

The ASADRA comprehensive list (Attachment 1) was created from the drinking water projects submitted during the pre-application call for projects. The comprehensive list is comprised of the community, the project score, the population, the total project cost, the affordability score, whether or not the community is eligible for principal forgiveness, the estimated construction milestones of the project, and a description of the project. The list was generated by public water systems identifying a potential water project and submitting a pre-application. The GEFA board of directors reserves the right to fund lower priority projects over higher priority projects if, in the opinion of GEFA, a higher priority project has not taken the necessary steps to prepare for funding and initiation of construction (i.e., GEFA has not received a complete and approvable financial application, the project is not ready to proceed, or the community withdraws its project from consideration).

ASADRA Fundable List and Estimated Disbursement Schedule

The ASADRA fundable project list with an estimated disbursement schedule is located in Attachment 2. The fundable list contains projects GEFA has identified as ready to move forward, which can be seen in the score column in Attachment 1. Projects qualify for the fundable list by meeting conditions such as: consent order issued by Georgia EPD, CE or NONSI issuance or approval, and/or requirement to bring the public water system into immediate compliance with the SDWA. Projects on the fundable list are projected to draw down the 2020 ASADRA funds. GEFA created this disbursement schedule based on the eight quarters identified in the 2020 ASADRA payment schedule located in Attachment 3, which indicates the timeframe for requesting the ASADRA capitalization grant allotment from the U.S. Environmental Protection Agency's (EPA) Automated Standard Application for Payments (ASAP) System. Some of the projects listed on the disbursement schedule are one phase of a larger project and some of the projects may have a construction schedule longer than the eight quarters identified in the ASADRA payment schedule.

The ASADRA assistance includes loan financing and any required principal forgiveness as outlined in the applicable appropriations language. Assistance will be provided to municipalities and water/sewer authorities created by the Georgia Legislature. For an activity to be eligible for ASADRA funds, it must be otherwise SRF eligible, the community must be able to demonstrate impact from Hurricane Michael, and the project must serve one or more of the following purposes:

- Facilitates preparation for, adaptation to, or recovery from rapid hydrologic change or any other type of natural disaster for a wastewater treatment works or drinking water system or related facility;
- Reduces the likelihood of physical damage to a treatment works or drinking water systems;
- Reduces a treatment works' or water system's susceptibility to physical damage or ancillary impacts caused by floods, earthquakes, and fires; or
- Facilitates preparation for, adaptation to, or recovery from a sudden, unplanned change in the amount of and movement of water in proximity to a treatment works or water system.

All borrowers must designate a repayment source(s) for each loan agreement signed with GEFA. All construction projects will meet the requirements of the Federal Water Pollution Control Act with respect to Davis-Bacon requirements in section 513 and American Iron and Steel (AIS) requirements in section 608.

Terms and Conditions of Financing

Standard ASADRA Financing Terms

ASADRA loans are being offered with zero percent interest. ASADRA loans are available with terms as short as five years and not exceeding 40 years for communities designated as “disadvantaged” under Georgia’s affordability criteria. The loan term cannot exceed the useful life of the project.

Timeline

According to the grant conditions, ASADRA funds must be disbursed in a timely and expeditious manner. Therefore, for a project to remain eligible for ASADRA funding, a full project application with the completed State Environmental Review Process (SERP) must be submitted to GEFA by December 31, 2020.

Principal Forgiveness

The terms and conditions of the grant award allow subsidy in the form of principal forgiveness to borrowers of the ASADRA loan program. Subsidy may not fall below 20 percent or exceed 30 percent of the total grant award.

Principal forgiveness will be provided to all borrowers on the ASADRA comprehensive project list to incentivize all projects to move forward with a loan commitment to utilize all of the available ASADRA grant dollars. The amount of potential principal forgiveness is based on the borrower’s affordability score.

In preparation of the FY2019 call for projects, GEFA contracted with the Environmental Finance Center at the University of North Carolina to develop a tool for evaluating and scoring communities to determine principal forgiveness eligibility. The tool uses 10 criteria from the U.S. Census Bureau’s 2018 American Community Survey — median household income, unemployment percent, percentage not in labor force, poverty rate, percentage on Social Security, percentage on Supplemental Security Income (SSI), percentage with cash public assistance, percentage with Supplemental Nutrition Assistance Program (SNAP), age dependency ratio, and population trend.

For each criterion, a borrower will be categorized into one of four percentiles - 25 percent, 50 percent, 75 percent, or 100 percent. A score of one through four is given for each criterion- based on the percentile. A maximum of 40 points is possible. If a community has multiple projects on the ASADRA comprehensive list, only one project can receive principal forgiveness. The affordability score for each applicant can be found in Attachment 1.

1. Median Household Income (MHI)

| State Percentiles | 25th Percentile (4 points) | 50th Percentile (3 points) | 75th Percentile (2 points) | 100th Percentile (1 point) |
|-------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| MHI | \$31,701 | \$40,155 | \$52,234 | \$52,235 or higher |

2. Unemployment Percent

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Unemployment Percent | 2.2% | 3.6% | 5.1% | 5.2% and higher |

3. Percentage Not in Labor Force

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage Not in Labor Force | 36.6% | 43.8% | 50.9% | 60.0% and higher |

4. Poverty Rate

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Poverty Rate | 13.2% | 21.2% | 28.7% | 28.8% and higher |

5. Percentage on Social Security

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage on Social Security | 28.9% | 35.7% | 42.6% | 42.7% and higher |

6. Percentage on SSI

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage on SSI | 3.9% | 6.8% | 9.9% | 10.0% and higher |

7. Percentage with Cash Public Assistance

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|--|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage with Cash Public Assistance | 0.5% | 1.3% | 2.5% | 2.6% and higher |

8. Percentage with SNAP

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage with SNAP | 11.6% | 18.8% | 26% | 27% and higher |

9. Age Dependency Ratio

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Age Dependency Ratio | 57.8 | 67 | 77.3 | 77.4 and higher |

10. Population Trend

The following categories will be used to determine the score for change in population from 2011 to 2018.

- Positive growth or no growth (1 point)
- Between -0.01% to -1% (2 points)
- Between -1.01% and -2% (3 points)
- Greater than -2% (4 points)

The following list shows the affordability score and potential principal forgiveness percentage for the FY2020 grant year:

| Affordability Score | Percent of Project Cost Eligible for Principal Forgiveness | Principal Forgiveness Cap |
|-----------------------|---|---------------------------|
| Score of 38 - 40 | 60% | \$1,500,000 |
| Score of 35 - 37 | 55% | \$1,300,000 |
| Score of 32 - 34 | 50% | \$1,100,000 |
| Score of 29 - 31 | 45% | \$900,000 |
| Score of 26 - 28 | 40% | \$700,000 |
| Score of 23 - 25 | 35% | \$500,000 |
| Score of 22 and lower | 30% | \$200,000 |

4 Percent Administration

Georgia does not intend to use any of the 4 percent set-aside for administrative purposes. GEFA has sufficient funds in its non-program fee account to cover the administrative costs.

Transfer of Funds

GEFA agrees to manage and expend all funds transferred between the DWSRF and the Clean Water State Revolving Fund (CWSRF) included in this IUP or any amendments thereto consistent with the requirements of ASADRA. According to GEFA's Operating Agreement with EPA, funds can be transferred from the DWSRF to the CWSRF or vice versa. The amount of the transfer is limited to 33 percent of the affected capitalization grant. GEFA intends to maximize funding for both ASADRA programs by transferring 33 percent of the DWSRF ASADRA grant to the CWSRF ASADRA account.

Criteria and Method for Distribution of Funds

Attachment 7 explains Georgia's criteria and method used to score and distribute funds to ASADRA projects. Only those cities and counties that have been designated as a "Qualified Local Government" and are in compliance with O.C.G.A. Section 36-70-20 and appear on the comprehensive list may receive a ASADRA loan commitment. Communities within the Metropolitan North Georgia Water Planning District (MNGWPD) that are in compliance or making a good faith effort toward compliance with the MNGWPD plans are eligible for ASADRA funding. Lastly, only those communities that are in compliance with plumbing code standards as codified in O.C.G.A. Section 12-5-4 will be eligible for financing through GEFA. Eligible project costs include planning, design, engineering, and construction. Ineligible costs include maintenance and operation expenditures, projects needed primarily for fire protection, or projects to facilitate future growth. No loan will be executed until environmental approval has been issued and financial requirements have been met.

ASADRA Goals and Objectives

Long-term Goals

1. Manage the ASADRA program in a fiscally responsible manner.
2. Explore 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.
3. Utilize ASADRA funds to make Georgia's water systems and treatment works more resilient in the face of natural disasters.

Short-term Goals

1. Award ASADRA funds to maximize use of the available allotment to support Georgia water infrastructure resiliency.
2. Increase the scope of on-site technical assistance provided to small water systems to include a focus on resiliency and preparedness for natural disasters.
3. Utilize marketing and outreach strategies that publicize and promote awareness of ASADRA assistance options.

20 Percent State Match Requirement

Under the provisions of the SDWA of 1996, Section 1452, the state is required to deposit an amount equal to at least 20 percent of the total amount of the capitalization grant into the ASADRA. Thirty-three percent of the FY2020 DWSRF ASADRA allotment of \$33,600,000 will be transferred to the CWSRF ASADRA

account, so the DWSRF ASADRA grant amount remaining will be \$22,512,000. Therefore, the required state match equals \$4,502,400. The Georgia Legislature will be requested to provide sufficient general obligation bonds to cover this requirement. GEFA will disburse these state bond funds along with federal direct capitalization grant funds in a proportionate manner to ensure the proper match on each loan disbursement. Each project that receives direct federal funds will receive a portion of the disbursement in federal grant funds (83.05 percent) and a portion of the disbursement in state match funds (16.95 percent). These state funds will be held outside the ASADRA until the disbursement is made. Once these state dollars are disbursed to a project, those funds and the interest paid on those funds will be returned to the program. Only project-related disbursements will be funded in this manner. None of the set-asides or administrative disbursements will be funded with state match funds.

Assurances and Specific Proposals

In addition to the assurances that accompany the capitalization grant application (Standard Form 424) for the FY2020 funds, GEFA further agrees to adhere to all the certifications covered within the Operating Agreement with EPA Region 4. The specific certifications are:

1. Capitalization grant agreement
2. Payment schedule
3. State matching funds
4. Commitment of 120 percent in one year
5. All funds - timely expenditures
6. Enforceable requirements of the Safe Drinking 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. Limitations 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 33 percent of grant amount between programs
25. NIMS
26. PBR

The Georgia SDWA of 1977, as amended, and the Rules for Safe Drinking Water, as amended, require that before constructing a public water system EPD must approve of: 1) the source of water supply and 2) the means and methods of treating, purifying, storing, and distributing water to the public. Furthermore,

before placing the public water system in operation, the owner must obtain a permit to operate from EPD. Through construction approval procedures and the issuance of operating permits, EPD ensures that public water systems are built and operated with adequate technical capacity to comply with existing and future state and federal drinking water regulations and standards. EPD also requires that public water systems have a certified operator. EPD supports several operator training and technical assistance programs to ensure that water systems and their operators maintain an adequate level of technical capacity.

As in previous years, DWSRF program managers will continue to coordinate with the EPA Region 4 office on items such as quarterly and annual reports, annual reviews, National Need Surveys, collection of NIMS data, training opportunities, attendance at regional and national conferences, workshops, and various administrative program efforts.

Public Participation

This IUP is subject to review and comment by the public prior to incorporation into the 2020 capitalization grant application. A public notice was placed in the *Fulton Daily Report* on Wednesday April 29, 2020, announcing a public meeting on the ASADRA IUP on Wednesday, May 13, 2020, at 10:00 a.m. in GEFA's boardroom. Summaries of this public meeting can be found within Attachment 8.

Attachment 1
Drinking Water State Revolving Fund
2020 ASADRA Comprehensive List

| Community | Project Score | 2018 Pop. | Total Project Cost | Affordability Score | Potential Principal Forgiveness | Est. Interest Rate | Est. Terms | Project Description |
|---|---------------|-----------|--------------------|---------------------|---------------------------------|--------------------|------------|--|
| City of Ochlocknee | 65 | 633 | \$1,200,000 | 28 | \$480,000 | 0% | 20 | Replace existing undersized elevated water storage tank with a larger capacity tank, construct a wind-resistant water treatment building with waterproof electrical components, install backup power and emergency generators, and replace aged damaged equipment with more energy efficient equipment in the chemical treatment building and wells. The project also includes the installation of shut-off valves, the installation of fire suppression equipment, and safety kits. |
| Town of Iron City | 50 | 254 | \$2,430,000 | 24 | \$500,000 | 0% | 20 | Install a deep well, backup generator, chemical feed building, SCADA system, a 100,000 gallon elevated water storage tank, and a new water transmission and distribution system. The new distribution system will include 5.3 miles of watermain, shut off valves, hydrants, and service lines. Lastly, the project will abandon an existing deep well. |
| City of Dudley | 47.5 | 857 | \$725,650 | 14 | \$200,000 | 0% | 20 | Install an elevated storage tank, SCADA system, and an emergency generator and create an emergency response plan. |
| City of Byromville | 45 | 529 | \$950,000 | 27 | \$380,000 | 0% | 20 | Install a drinking water storage tank, two generators or alternative energy sources, redundant distribution system components and a SCADA system. Additionally, the project will waterproof pumps, electrical equipment, and various components throughout the distribution system. |
| City of Camilla | 45 | 5,000 | \$1,400,000 | 32 | \$700,000 | 0% | 20 | Install redundant distribution system components and equipment, a backup generator or alternative energy source, and a SCADA system. Additionally, the project will waterproof pumps, electrical equipment, and various components throughout the distribution system and replace damaged equipment. |
| City of Colquitt | 45 | 2,194 | \$2,430,000 | 30 | \$900,000 | 0% | 20 | Install a drinking water storage tank, a generator or alternative energy source, redundant distribution system components and a SCADA system. Additionally, the project will waterproof pumps, electrical equipment, and various components throughout the distribution system. |
| Lee County Utilities Authority | 45 | 29,348 | \$6,342,000 | 16 | \$200,000 | 0% | 20 | Install a larger capacity drinking water storage tank, back-up energy supply or alternative energy sources, redundant distribution system components, and a SCADA system. Additionally, the project will waterproof pumps, electrical equipment, and various components throughout the distribution system. |
| City of Poulan | 40 | 729 | \$532,500 | 28 | \$213,000 | 0% | 20 | Construct a redundant water supply well and treatment facility, replace an existing failing well, and install an emergency stand-by generator system with an automatic transfer switch. |
| City of Leesburg | 40 | 2,982 | \$1,380,000 | 20 | \$200,000 | 0% | 20 | Install redundant distribution system components and equipment, one generator or alternative energy source, and a SCADA system. Additionally, the project will waterproof pumps, electrical equipment, and various components throughout the distribution system. |
| City of Sumner | 40 | 491 | \$750,000 | 26 | \$300,000 | 0% | 20 | Install redundant distribution system components and equipment, a backup generator or alternative energy source, and a SCADA system. Additionally, the project will waterproof pumps, electrical equipment, and various components throughout the distribution system. |
| City of Boston | 37.5 | 1,325 | \$343,000 | 35 | \$188,650 | 0% | 20 | Install two backup generators or alternative energy sources and a SCADA system. Additionally, the project will waterproof pumps, electrical equipment, and various components throughout the distribution system. |
| Stewart County Water & Sewerage Authority | 35 | 6,042 | \$549,000 | 27 | \$219,600 | 0% | 20 | Construct a redundant water supply well and treatment facility, replace an existing failing well, install SCADA equipment, and an emergency standby generator system with automatic transfer switches. |
| City of Damascus | 32.5 | 291 | \$183,000 | 25 | \$64,050 | 0% | 20 | Repair chemical feed buildings and a well, install an emergency stand-by generator, upgrade the SCADA system, and weatherproof electrical panels. |
| City of Braselton | 30 | 10,509 | \$1,900,000 | 15 | \$200,000 | 0% | 20 | Relocate water transmission main, stabilize the west riverbank, and construct physical barriers and green infrastructure. |

Attachment 1
 Drinking Water State Revolving Fund
 2020 ASADRA Comprehensive List

| Community | Project Score | 2018 Pop. | Total Project Cost | Affordability Score | Potential Principal Forgiveness | Est. Interest Rate | Est. Terms | Project Description |
|---------------------|---------------|-----------|--------------------|---------------------|---------------------------------|--------------------|------------|--|
| City of Norman Park | 27.5 | 1,024 | \$672,000 | 20 | \$200,000 | 0% | 20 | Construct a chemical feed building, upgrade the SCADA system, install generators and new chemical feed equipment, and upgrade electrical systems. |
| City of Pelham | 27.5 | 3,609 | \$672,000 | 30 | \$302,400 | 0% | 20 | Repair and make improvements to the Scott Marshall well and improve the Cotton Ave and Hurt St wells. Additionally, this project will install generators with automatic transfer switches. |
| City of Attapulgus | 25 | 571 | \$512,500 | 28 | \$205,000 | 0% | 20 | Install emergency stand-by generator system and automatic transfer switches, water main, a SCADA system, and a new well. |
| City of Cuthbert | 25 | 3,581 | \$1,497,600 | 34 | \$748,800 | 0% | 20 | Install three backup generators at three drinking water supply wells, replace fire hydrants, install isolation valves and water main. |
| City of Doerun | 22.5 | 649 | \$275,000 | 33 | \$137,500 | | 20 | Install emergency stand-by generators and a SCADA system. |
| City of Warwick | 22.5 | 424 | \$341,600 | 35 | \$187,880 | 0% | 20 | Install two generators and a SCADA system. |
| City of Montezuma | 20 | 3,117 | \$300,000 | 32 | \$150,000 | 0% | 20 | Install shut-off valves throughout the water distribution system and an emergency stand-by generator, electrical upgrades, and transfer switches at the water treatment plant. |
| City of Leary | 10 | 628 | \$65,000 | 29 | \$29,250 | 0% | 20 | Install a SCADA system. |

Attachment 2
Additional Supplemental Appropriations for Disaster Relief Act (ASADRA)
Drinking Water State Revolving Fund
Estimated Disbursement Schedule

| PROJECT | LOAN AMOUNT | NOTICE TO PROCEED DATE | CONSTR. START DATE | TARGET COMPL. DATE | 1ST QTR 4/20-6/20 | 2ND QTR 7/20-9/20 | 3RD QTR 10/20-12/20 | 4TH QTR 1/21-3/21 | 1ST QTR 4/21-6/21 | 2ND QTR 7/21-9/21 | 3RD QTR 10/21-12/21 | 4TH QTR 1/22-3/22 | TOTAL DISBURS. |
|--------------------------------|----------------------|------------------------|--------------------|--------------------|----------------------|----------------------|------------------------|----------------------|----------------------|----------------------|------------------------|----------------------|----------------------|
| City of Ochlocknee | \$1,200,000 | 11/4/2020 | 11/9/2020 | 12/1/2021 | | | 90,000 | 250,000 | 370,000 | 375,000 | 115,000 | | \$ 1,200,000 |
| Town of Iron City | \$2,430,000 | 10/13/2020 | 10/13/2020 | 10/1/2021 | | | 210,000 | 450,000 | 650,000 | 750,000 | 370,000 | | \$ 2,430,000 |
| City of Dudley | \$725,650 | 12/1/2020 | 12/1/2020 | 12/1/2021 | | | | 95,000 | 250,000 | 275,000 | 105,650 | | \$ 725,650 |
| City of Byromville | \$950,000 | 11/1/2021 | 11/3/2021 | 12/1/2022 | | | | | | | 100,000 | 600,000 | \$ 700,000 |
| City of Camilla | \$1,400,000 | 7/7/2021 | 7/12/2021 | 7/1/2022 | | | | | | 250,000 | 450,000 | 400,000 | \$ 1,100,000 |
| City of Colquitt | \$2,430,000 | 9/1/2021 | 9/15/2021 | 10/1/2022 | | | | | | | 500,000 | 1,100,000 | \$ 1,600,000 |
| Lee County Utilities Authority | \$6,342,000 | 8/9/2020 | 8/17/2020 | 12/1/2021 | | 67,000 | 1,750,000 | 1,500,000 | 1,700,000 | 875,000 | 450,000 | | \$ 6,342,000 |
| City of Poulan | \$532,500 | 9/1/2020 | 9/3/2020 | 8/1/2021 | | 32,000 | 95,000 | 175,000 | 154,500 | 76,000 | | | \$ 532,500 |
| City of Leesburg | \$1,380,000 | 5/4/2021 | 5/10/2021 | 5/1/2022 | | | | | 150,000 | 250,000 | 300,000 | 350,000 | \$ 1,050,000 |
| City of Sumner | \$750,000 | 6/1/2021 | 6/4/2021 | 6/1/2022 | | | | | 90,000 | 250,000 | 295,000 | 75,000 | \$ 710,000 |
| City of Boston | \$343,000 | 4/1/2021 | 4/1/2021 | 5/1/2022 | | | | | 40,000 | 97,000 | 100,000 | 65,000 | \$ 302,000 |
| Stewart County WSA | \$549,000 | 9/7/2020 | 9/7/2020 | 8/1/2021 | | | 75,000 | 150,000 | 150,000 | 174,000 | | | \$ 549,000 |
| City of Damascus | \$183,000 | 4/1/2021 | 4/1/2021 | 2/1/2022 | | | | | 45,000 | 80,000 | 35,000 | 23,000 | \$ 183,000 |
| City of Braselton | \$1,900,000 | 6/1/2021 | 6/15/2021 | 12/1/2022 | | | | | 200,000 | 375,000 | 450,000 | 300,000 | \$ 1,325,000 |
| City of Norman Park | \$672,000 | 2/1/2021 | 2/1/2021 | 3/1/2022 | | | | 40,000 | 150,000 | 165,000 | 175,000 | 142,000 | \$ 672,000 |
| City of Pelham | \$672,000 | 10/2/2021 | 10/2/2021 | 11/1/2022 | | | | | | | 200,000 | 275,000 | \$ 475,000 |
| City of Attapulgus | \$512,500 | 1/15/2021 | 1/18/2021 | 2/1/2022 | | | | 65,000 | 97,500 | 155,000 | 100,000 | 95,000 | \$ 512,500 |
| City of Cuthbert | \$1,497,600 | 10/1/2020 | 10/15/2020 | 12/1/2021 | | | 250,000 | 300,000 | 350,000 | 425,000 | 172,600 | | \$ 1,497,600 |
| City of Doerun | \$275,000 | 7/7/2021 | 7/12/2021 | 7/1/2022 | | | | | | 55,000 | 70,000 | 75,000 | \$ 200,000 |
| City of Warwick | \$341,600 | 9/1/2021 | 9/15/2021 | 10/1/2022 | | | | | | | 75,000 | 190,000 | \$ 265,000 |
| City of Montezuma | \$300,000 | 5/3/2021 | 5/5/2021 | 2/1/2022 | | | | | 50,000 | 100,000 | 125,000 | 25,000 | \$ 300,000 |
| City of Leary | \$65,000 | 4/5/2021 | 4/5/2021 | 10/1/2021 | | | | | 15,000 | 30,000 | 20,000 | | \$ 65,000 |
| TOTAL | \$ 25,450,850 | | | | \$ - | \$ 99,000 | \$ 2,470,000 | \$ 3,025,000 | \$ 4,462,000 | \$ 4,757,000 | \$ 4,208,250 | \$ 3,715,000 | \$ 22,736,250 |

Attachment 3—ASAP ASADRA Payment Schedule
Drinking Water State Revolving Fund

| Attachment 3 ASAP Payment Schedule Drinking Water State Revolving Fund | | | |
|--|---------------------|-------------------|---------------------|
| Payment No. | Federal Fiscal Year | | Amount (\$) |
| | Quarter | Date | |
| 1 | 3rd | 4/2020 - 6/2020 | \$0 |
| 2 | 4th | 7/2020 - 9/2020 | \$33,600,000 |
| 3 | 1st | 10/2020 - 12/2020 | \$0 |
| 4 | 2nd | 1/2020 - 3/2020 | \$0 |
| 5 | 3rd | 4/2020 - 6/2020 | \$0 |
| 6 | 4th | 7/2020 - 9/2020 | \$0 |
| 7 | 1st | 10/2020 - 12/2020 | \$0 |
| 8 | 2nd | 1/2021 - 3/2021 | \$0 |
| TOTAL | | | \$33,600,000 |

Attachment 4

Drinking Water State Revolving Fund Sources and Uses - ASADRA
 Administered by the Georgia Environmental Finance Authority
 State Fiscal Year July 1, 2020 - June 30, 2021

| Sources & Uses | | Federal Contribution | | State Contribution | | DWSRF Admin Fees | | Total |
|-----------------|--------------------------------------|----------------------|--|--------------------|--|------------------|--|-------------------|
| Funding Sources | | | | | | | | |
| | Loan Repayments (P&I) | | | | | 0 | | 0 |
| | Investment Income | | | | | 0 | | 0 |
| | Banked Setasides* | 0 | | | | | | 0 |
| | FFY 2020 ASADRA Capitalization Grant | 22,512,000 | | 4,502,400 | | 900,480 | | 27,914,880 |
| | Total Funding Sources | 22,512,000 | | 4,502,400 | | 900,480 | | 27,914,880 |
| Funding Uses | | | | | | | | |
| | Project Disbursements | 22,061,760 | | 4,502,400 | | - | | 26,564,160 |
| | Setasides Spending | 450,240 | | - | | - | | 450,240 |
| | FFY 2020 Administration | - | | - | | 900,480 | | 900,480 |
| | Total Funding Uses | 22,512,000 | | 4,502,400 | | 900,480 | | 27,914,880 |

Attachment 5—ASADRA 2 Percent Set-Aside Work Plan

The Safe Drinking Water Act (SDWA) Amendments of 1996 include a section authorizing states to provide funding for certain non-project activities called set-asides. States are required to describe, in their Intended Use Plans (IUP) the amount of funds that they will use for these activities. If a state does not expend all of its set-asides, the state may transfer the monies to the ASADRA project account.

GEFA plans to transfer 33 percent of the Drinking Water ASADRA grant to the Clean Water ASADRA account. The 2 percent set-aside amount is calculated based on the amount remaining in the Drinking Water ASADRA grant after this transfer, which is \$22,512,000. Therefore, the 2 percent set-aside is \$450,240.

2 Percent Small System Technical Assistance (2020—\$450,240)

| Set-Aside Activity | Activity | Cost | Comments |
|-----------------------------------|--|-----------|---|
| Small System Technical Assistance | Contract with Georgia Environmental Protection Division (EPD): personnel costs for employees to provide technical assistance, and equipment purchases for EPD's and Georgia Emergency Management Agency's facilities. Assistance to provide statewide technical support to small systems. | \$450,240 | A contract will be signed for FY2020. Unused funds will be transferred to project account. |
| | Total | \$450,240 | |

Attachment 6—ASADRA Affordability Criteria



Drinking Water State Revolving Fund Affordability Criteria Effective April 8, 2020

GEFA’s affordability criteria uses data on median household income, unemployment percent, percentage not in labor force, poverty rate, percentage on Social Security, percentage on Supplemental Security Income (SSI), percentage with cash public assistance, percentage with Supplemental Nutrition Assistance Program (SNAP), age dependency ratio, and population trend from the U.S. Census Bureau’s 2018 American Community Survey. The borrower’s data is categorized in percentiles. GEFA will award principal forgiveness to Georgia’s most disadvantaged communities.

For each criterion, a borrower will be categorized into one of four percentiles - 25 percent, 50 percent, 75 percent, or 100 percent. A score of one through four is given for each criterion, based on the percentile. A maximum of 40 points is possible. If a community has multiple projects on the CWSRF comprehensive list, only one project can receive principal forgiveness. The affordability score for each applicant can be found in Attachment 1.

1. Median Household Income (MHI)

| State Percentiles | 25th Percentile (4 points) | 50th Percentile (3 points) | 75th Percentile (2 points) | 100th Percentile (1 point) |
|-------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| MHI | \$31,701 | \$40,155 | \$52,234 | \$52,235 or higher |

2. Unemployment Percent

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Unemployment Percent | 2.2% | 3.6% | 5.1% | 5.2% and higher |

3. Percentage Not in Labor Force

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage Not in Labor Force | 36.6% | 43.8% | 50.9% | 60.0% and higher |

4. Poverty Rate

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Poverty Rate | 13.2% | 21.2% | 28.7% | 28.8% and higher |

5. Percentage on Social Security

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage on Social Security | 28.9% | 35.7% | 42.6% | 42.7% and higher |

6. Percentage on SSI

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|-------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage on SSI | 3.9% | 6.8% | 9.9% | 10.0% and higher |

7. Percentage with Cash Public Assistance

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|--|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage with Cash Public Assistance | 0.5% | 1.3% | 2.5% | 2.6% and higher |

8. Percentage with SNAP

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Percentage with SNAP | 11.6% | 18.8% | 26% | 27% and higher |

9. Age Dependency Ratio

| State Percentiles | 25th Percentile (1 point) | 50th Percentile (2 points) | 75th Percentile (3 points) | 100th Percentile (4 points) |
|----------------------|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| Age Dependency Ratio | 57.8 | 67 | 77.3 | 77.4 and higher |

10. Population Trend

The following categories will be used to determine scoring for change in population from 2011 to 2018.

- Positive growth or no growth (1 point)
- Between -0.01% to -1% (2 points)
- Between -1.01% and -2% (3 points)
- Greater than -2% (4 points)

Attachment 7—Ranking Criteria for ASADRA Projects
 Georgia Environmental Finance Authority
 2020 ASADRA Call for Projects
 Project Ranking Criteria

Projects will be rated in four categories to determine eligibility and selection for funding under the Additional Supplemental Appropriations for Disaster Relief Act (ASADRA) Program.

Drinking Water ASADRA Project Ranking Criteria

Additional Supplemental Appropriations for Disaster Relief Act Scoring System (maximum 100 points)

1. Readiness to proceed (maximum 15 points)
2. Public health compliance benefits (maximum 10 points)
3. Project benefits (maximum 75 points)
 - a. Emergency water supply and management benefits
 - b. Flood reduction benefits
 - c. Energy production and efficiency benefits
4. Other applicant or project attributes (maximum 5 points)

ASADRA Scoring System – Detailed Breakdown

1. Readiness to Proceed (Only ONE can be selected)

| | |
|---|--------|
| a. State Environmental Review Process (SERP) complete (if selected, you must attach the NONSI or CE) | 10 pts |
| b. SERP in progress-NONSI or CE issued (if selected, you must attach the issuance). | 5pts |

2. Public Health Compliance Benefits

| | |
|---|--------|
| a. Project is needed to fully address deficiencies documented in an enforcement action, e.g. Notice of Violation, Consent Order, Administrative Order, etc. (Order # _____) | 10 pts |
|---|--------|

3. Project Benefits

Emergency Water Supply and Management Benefits
CHECK ALL BELOW THAT APPLY

| | |
|--|--------|
| a. Project includes construction of interconnections with neighboring water systems which could provide an emergency water supply. | 10 pts |
|--|--------|

- b. Project includes installation of chemical storage safety equipment (e.g. chemical release alarms). 2.5 pts
- c. Project includes installation of shut-off valves. 2.5 pts
- d. Project includes construction of larger capacity water or chemical storage facilities (e.g. raw water reservoirs, backwash tanks, contact basins). 5 pts
- e. Project includes installation of a SCADA system to allow remote or multiple system operation locations. 10 pts

Flood Reduction Benefits

CHECK ALL BELOW THAT APPLY

- a. Project includes relocation of facilities to less flood prone areas. 10 pts
- b. Project includes construction of physical barriers around a facility, floodproofing/sealing of a structure, or waterproofing of electrical equipment. 10 pts
- c. Project includes construction of green infrastructure, natural systems, or features to reduce the risk of flooding around a treatment facility. 5 pts

Energy Production and Efficiency Benefits

CHECK ALL BELOW THAT APPLY

- a. Project includes installation of back-up energy supply or alternative energy sources. 10 pts
- b. Project will replace damaged equipment with more energy-efficient equipment. 5 pts
- c. Project will install a larger capacity fuel storage tank for back-up generators. 5 pts

4. Other Applicant or Project Attributes

- 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. 5 pts

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

Attachment 8—Scheduled Public Meeting



Georgia Environmental Finance Authority
IUP Meeting Minutes
Atlanta, Georgia 30303
Wednesday, May 13, 2020
10:00 a.m.

Call to Order

The public meeting will be called to order on May 13, 2020, at 10:00 a.m. In accordance with safety precautions regarding the COVID-19 virus and in keeping with the Governor's Declaration of a Public Health State of Emergency, members of the public who want to participate in the public hearing must do so via conference call. To participate in the public meeting, please utilize the following toll-free conference call number, 888-698-8991, and conference code 4663622951.

Attachment 9—Loan Program Policies
May 2018



GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

1. PURPOSE

The Georgia Environmental Finance Authority (GEFA) provides affordable financing to local governments throughout Georgia to develop environmental infrastructure that protects public health, preserves natural resources, and promotes economic development. GEFA sustains this mission through effective, efficient, and prudent management of these public resources.

2. APPLICABILITY

Loan program policies govern the use of funds managed within the:

- Georgia Fund,
- Georgia Reservoir Fund,
- Clean Water State Revolving Fund (CWSRF), and
- Drinking Water State Revolving Fund (ASADRA).

3. SUB-PROGRAMS

Georgia Fund

- *Emergency Loan Program* – The GEFA executive director has the authority to approve emergency loans to assist communities with financing improvements that are necessary to eliminate actual or potential public health hazards. Emergency loans are ratified at the next scheduled board meeting. The applicant must determine and document the emergency nature of the project and apply O.C.G.A. Section 36-91-22(e), which outlines the local government actions needed to classify a project as an emergency. Relevant terms are addressed in these policies.

4. ELIGIBLE RECIPIENTS

Type of Entity

- GEFA can provide financing to the following entities:
 - Local governments and instrumentalities of the state,
 - Municipal corporations,
 - County or local water, sewer, or sanitary districts,

- State or local authorities, boards, or political subdivisions created by the General Assembly or pursuant to the Constitution and laws of the state, and
- Nongovernmental entities with an approved land conservation project.

Minimum Recipient Qualifications

- **Qualified Local Government** – Municipalities and counties must be certified as Qualified Local Governments by the Georgia Department of Community Affairs (DCA).
- **Service Delivery Strategy** – Municipalities, counties, and authorities must be included in a DCA-verified Service Delivery Strategy. The project for which an applicant seeks financing must be consistent with the verified strategy.
- **State Audit Requirements** – Municipalities, counties, authorities, and nongovernmental entities must be in compliance with state audit requirements.
- **Metro Plan Compliance** – Municipalities, counties, and authorities located within the Metropolitan North Georgia Water Planning District (MNGWPD) can receive GEFA financing if the director of the Georgia Environmental Protection Division (EPD) has certified that the applicant/recipient is in compliance or is making a good faith effort to comply with all MNGWPD plans and/or enforcement measures.
- **Updated Building Codes** – Municipalities and counties must adopt and enforce O.C.G.A. Section 8-2-3 relating to the installation of high-efficiency plumbing fixtures.
- **Current Loan Agreements** – A current GEFA borrower can receive additional GEFA financing only if the borrower is in compliance with the existing credit documents, e.g., loan agreement and promissory note.
- **Nongovernmental Entities** – Nongovernmental entities must be a nonprofit organization with a primary purpose of permanently protecting or conserving land and natural resources, as evidenced by their organizational documents and consistent with O.C.G.A. Section 12-6A-2(9.1).

5. ELIGIBLE PROJECTS

GEFA's loan programs provide financing for a broad range of water, wastewater, sewer, stormwater, nonpoint source pollution prevention, land conservation, and solid waste projects. Specific project eligibility varies by program. The types of projects eligible for financing in each program and the minimum project requirements are listed below.

- **Georgia Fund** – May finance projects consistent with O.C.G.A. Section 50-23-4 to:
 - Supply, distribute, and treat water
 - Collect, treat, or dispose of sewage or solid waste
- **Georgia Reservoir Fund** – May finance projects consistent with O.C.G.A. Section 50-23-28 to:
 - Expand the capacity of existing reservoirs or other sources for water supply
 - Establish new reservoirs or other sources for water supply
- **CWSRF** – May finance projects consistent with the federal Clean Water Act to:
 - Construct municipal wastewater facilities
 - Control nonpoint source pollution, including projects that permanently protect conservation land as defined by O.C.G.A. Section 12-6A-2(5)

Minimum Project Eligibility Requirements Under the Federal State Revolving Fund Programs

In addition to meeting the other applicable eligibility requirements outlined in these policies, projects receiving funding through the CWSRF or ASADRA must comply with applicable federal statutes, rules, and regulations. These requirements include, but are not limited to:

- Each project must be included in an Intended Use Plan submitted by GEFA to the U.S. Environmental Protection Agency (EPA).
- Each project must successfully complete the State Environmental Review Process, which is administered by EPD, and receive a Notice of No Significant Impact or Categorical Exclusion.
- Each recipient must certify compliance with Title VI of the Civil Rights Act by completing EPA Form 4700-4.
- Each ASADRA project and CWSRF treatment works project must comply with applicable federal procurement and labor rules, including Disadvantaged Business Enterprise utilization, Equal Employment Opportunity, the Davis Bacon Act, and requirements that may arise in future federal law or future federal assistance agreements.
- Each ASADRA project and CWSRF treatment works project must incorporate iron and steel products produced in the U.S. ("American Iron and Steel Requirement").
- Each CWSRF treatment works project must certify that a Fiscal Sustainability Plan has been developed and is being implemented for the project or certify that a Fiscal Sustainability Plan will be developed and implemented for the project.

6. ELIGIBLE ACTIVITIES

Recipients of GEFA financing may use GEFA funds for the following activities related to an eligible project:

- Feasibility analysis
- Project design
- Construction, grading, site preparation, dredging, etc.
- Land and easement acquisition needed for project implementation
- Stream or wetland mitigation
- Administrative and/or legal services
- System purchase

Engineering, Legal, and Administrative Costs – GEFA funds may be utilized for engineering, design, administrative costs, facilities planning, and land acquisition provided that these costs are necessary for the completion of the project defined by the scope of work and identified in the budget of the approved loan agreement. Such eligible costs incurred prior to the execution of a loan agreement are eligible for reimbursement with a GEFA loan. GEFA also offers engineering-only loans for these preliminary soft costs needed to facilitate the construction of an eligible project. GEFA will review and apply a standard to all project budgets.

Purchase of Existing Systems – An application that proposes to purchase an existing water and/or wastewater system must be accompanied by a certification of the value of the system by a registered professional engineer. GEFA will require other information as needed to document the content and costs of the purchase.

GEFA's loan agreement provides additional information about activities for which a borrower may or may not use

GEFA funds.

7. PROGRAM MAXIMUMS

Loans available from GEFA are subject to the following maximums.

Georgia Fund

- The maximum loan amount is \$3,000,000 per borrower per year.
- The maximum loan amount for emergency loans is \$500,000 per project.
- The standard amortization period is 20 years or the useful life of the project.

Georgia Reservoir Fund

- The maximum loan amount will be determined based on availability of funds.
- The length of the amortization period shall be determined on a case-by-case basis consistent with O.C.G.A. Section 50-23-28.
- The maximum amortization period is 40 years.

CWSRF

- The maximum loan amount is \$25,000,000 per borrower per year.
- The maximum loan amount for engineering loans is \$2,000,000 per project.
- The maximum amortization period is 30 years not to exceed the useful life of the project.

8. INTEREST RATES

GEFA indexes its interest rates to the true interest cost (to the nearest hundredth of one percent) received by the state on its 20-year, competitively-bid, general obligation bond issue. This is GEFA's benchmark rate; however, the interest rate adjustments described below may apply.

Federal Loans – For CWSRF and ASADRA loans, GEFA will charge an interest rate that is 50 basis points (0.50 percent) below GEFA's benchmark rate.

Interest Rate Concessions – GEFA provides the following interest rate concessions for eligible borrowers or eligible projects under the specified funding programs. Interest rate concessions shall not be used in combination.

- ***WaterFirst*** – Communities that receive the WaterFirst designation may receive an interest rate 100 basis points (1 percent) below the prevailing interest rate for the program through which it is to be funded.
- ***PlanFirst*** – Communities designated as a PlanFirst Community may receive an interest rate 50 basis points (0.50 percent) below the prevailing interest rate for the program through which it is to be funded.
- ***Conservation*** – Communities seeking financing for eligible energy, land, or water conservation projects may receive an interest rate 100 basis points (1 percent) below the prevailing interest rate for the program through which it is to be funded as outlined in GEFA's Water Conservation Financing guidance.

- *Special Loan Terms* – The GEFA board may approve loans with different interest rates or specialized terms, e.g., principal forgiveness, consistent with specific program objectives and/or relevant federal requirements.

9. FEES

GEFA may assess certain fees to loan recipients.

Origination Fee – GEFA will charge an origination fee of 1 percent pursuant to the loan agreement.

Loan Servicing Fees – Under specific circumstances, GEFA may charge the following loan servicing fees:

- GEFA may assess a non-sufficient funds fee (NSF) if the borrower fails to have sufficient funds in its designated bank account at the time the payment is drafted. The payment due may be for any type of payment due under the credit documents including origination fees, construction interest, monthly principal and interest payments, or any other fee. GEFA will charge the NSF fee to the borrower for each loan for which payment is due and not available.
- GEFA may assess a late fee for any payment not received by the 15th of the month in which the payment is due. This will be in addition to any NSF fees assessed in the same month.
- GEFA may assess a monthly Loan Continuation Fee in the event the borrower fails to draw funds within six months (180 days) of loan agreement execution.

For details about the fees, refer to the Loan Servicing Fee Schedule available at gefa.georgia.gov/loan-documents.

10. LOAN SECURITY

GEFA requires a revenue and full-faith-and-credit pledge of each borrower and any other special loan condition it may deem necessary, e.g., debt service reserve, etc. For borrowers, such as authorities, that lack taxation authority or lack adequate taxation authority to provide a full-faith-and-credit pledge equal to the value of the loan, GEFA will require those borrowers to sign an agreement with a local government that is willing and able to provide a full-faith-and-credit pledge to back the loan. In cases where the borrower is unable to secure such an agreement, GEFA may require additional security by other means.

13. RELEASE OF GEFA FUNDS DURING CONSTRUCTION

GEFA monitors construction and endorses GEFA payments in accordance with the loan agreement. To allow monitoring, the loan or grant recipient must notify GEFA prior to commencing construction.

14. LOAN EXECUTION DEADLINE

If the loan agreement is not fully executed within six months (180 days) from the date of board approval, GEFA reserves the right to terminate its commitment.

15. LOAN RESTRUCTURING

Loan restructuring is the changing of terms and/or conditions of an existing loan. The range of restructuring options may include adjusting the interest rate of a loan, changing the amortization period of a loan, or changing the repayment schedule to adjust allocation between interest and principal. GEFA will consider a borrower's request to restructure its existing GEFA loan(s) on a case-by-case basis if the borrower is experiencing financial hardship. In evaluating a restructuring request, GEFA will consider at a minimum the following indicators of financial hardship:

- The borrower's debt service coverage ratio history.
- The type and extent of efforts undertaken by the borrower to improve its financial condition, including enhancing revenues from rate increases or raising of ad valorem taxes and/or reducing costs.
- Emergency or exigent circumstances beyond the control of the borrower that impose a long-term and severe financial hardship.

Under no circumstances will loan principal be forgiven.

16. LOAN REFINANCING

Loan refinancing uses loan funds to pay off an existing debt obligation, thereby satisfying the terms of the existing debt agreement and cancelling the existing obligation. GEFA will consider requests to refinance existing GEFA debt on a case-by-case basis if one of the following conditions is met:

- The community is requesting a loan from GEFA to finance an eligible, time-sensitive, and critical project, but needs to consolidate existing GEFA debt into the new loan to afford the new project.
- The community has an engineering loan it would like to refinance with the proceeds of a construction loan from GEFA, thereby combining the engineering loan and the construction loan into one loan.

17. CREDIT ANALYSIS

GEFA requires a minimum debt service coverage of 1.05 times in the first year of repayment and each subsequent year of the outstanding GEFA debt.