

2023
Intended Use Plan
Drinking Water
State Revolving Fund
Emerging Contaminants

Prepared by the
Georgia Environmental Finance Authority

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DRAFT



**2023 Intended Use Plan
Georgia Environmental Finance Authority
Drinking Water State Revolving Fund Emerging Contaminants**

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**Drinking Water State Revolving Fund Emerging Contaminants
Intended Use Plan
2023**

Introduction

Section 1452(b) of the Safe Drinking Water Act (SDWA) Amendments of 1996 requires each state to annually prepare an Intended Use Plan (IUP) identifying the use of funds from the Drinking Water State Revolving Fund (DWSRF) allotment to support the goal of protecting public health. With the Bipartisan Infrastructure Law (BIL) signed on November 15, 2021 by President Biden, funding has been allocated to reduce exposure to perfluoroalkyl and polyfluoroalkyl substances (PFAS) and additional emerging contaminants through their drinking water. This IUP outlines Georgia's proposed uses of the FY2023 DWSRF Emerging Contaminants allotment of \$20,716,000.

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 (GAEPD) provides professional services to the DWSRF. 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.

DWSRF Emerging Contaminants Project Solicitation Process

GAEPD began sampling for PFOS/PFOA in December 2021 in the northwestern region of the state. EPD identified communities as high priority with limits above the previous EPA Health Advisory. These communities included Chatsworth Water Works Commission, city of Calhoun, and the city of White.

EPD has initiated its Phase II PFAS sampling, prioritizing all large public water systems serving a population of greater than 100,000 and public water systems near significant Department of Defense installations. As in Phase I, EPD included public drinking water system and all groundwater public drinking water systems serving a population of 500 or more. Seven treatment plants from three public water systems had confirmed detectable levels of PFAS in the finished drinking water. Those communities were Clayton County Water Authority, city of Augusta, and Columbus Water Works.

DWSRF Emerging Contaminants Comprehensive List

The DWSRF emerging contaminants comprehensive list (Attachment 1) was created from the drinking water projects recommended by the GAEPD. The comprehensive list comprises the impacted community, their current population, the anticipated project funding costs, their current affordability score per SRF guidelines, and a detailed description of the project. 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 (e.g., 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). Additionally, if a qualified project becomes viable within the funding year, Georgia may amend its comprehensive list through a public meeting to accommodate those communities that decide to participate in the DWSRF emerging contaminants after the capitalization grant has been awarded. GEFA will collaborate with GAEPD to include any new projects on the comprehensive list. GEFA will also allocate at least twenty-five percent of the funds to disadvantaged communities or public water systems serving fewer than 25,000 persons.

DWSRF Emerging Contaminants Fundable List and Estimated Disbursement Schedule

The DWSRF project list with an estimated disbursement schedule is located in Attachment 2. GEFA created this disbursement schedule based on the eight quarters identified in the 2023 DWSRF payment schedule located in Attachment 3, which indicates the timeframe for requesting the DWSRF capitalization grant allotment from the EPA Automated Standard Application for Payments (ASAP) System.

The DWSRF Emerging Contaminants assistance includes financing as outlined in the applicable appropriations language. Assistance will be provided to municipalities and water/sewer authorities created by the Georgia legislature for the construction, expansion, and improvements to publicly owned drinking water facilities. 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

DWSRF Emerging Contaminants Financing Terms

For a project or activity to be eligible for funding under this appropriation, it must be otherwise DWSRF eligible, and the primary purpose must be to address emerging contaminants in drinking water, focusing on perfluoroalkyl and polyfluoroalkyl substances.

Four Percent Administration

Georgia intends to withhold use of the capitalization grant for administrative purposes. Based on the FY2023 allotment of \$20,716,000, \$0 are allocated for administrative support to manage and operate the DWSRF. A detailed account of the personnel costs associated with the 4 percent account are found in Attachment 4.

Sources and Use of Funds

Georgia is anticipating funding FY 2023 emerging contaminants projects using the EPA Bipartisan Infrastructure Law (BIL) Emerging Contaminants Capitalization Grant. Per the BIL, no state match is required for the EPA Emerging Contaminants Grant. The estimated sources and uses of funds in the FY 2023 DWSRF emerging contaminants program are as follows:

Sources:

2023 EPA DWSRF BIL Emerging Contaminants Cap Grant:	\$20,716,000
State Match:	\$0
	<hr/>
	Total: \$20,716,000

Uses:

Project Assistance:	\$20,716,000
Administrative Costs:	\$0
	<hr/>
	Total: \$20,716,000

Projects on the DWSRF Project List are ranked by their respective priority and will be funded according to availability of funds. Projects that are not funded from the Project List will be considered for funding in subsequent years. Georgia intends to manage its disbursements to borrowers to ensure that State funds are spent first in order to ensure that the proportionality requirement is met. This is necessary to ensure that borrowers that are funded from federal capitalization grants are able to receive requisitioned funds in a timely manner.

Criteria and Method for Distribution of Funds

Attachment 8 explains Georgia's criteria used to distribute funds to DWSRF emerging contaminants focused 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 DWSRF 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 DWSRF 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 funding 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.

GEFA Outputs and Outcomes

GEFA anticipates reducing the number of public water systems that face real or potential public health threats due to emerging contaminants. GEFA's primary objective is to ensure clean and safe drinking water for all communities by meeting the following goals:

DWSRF Goals and Objectives

Long—term Goals

1. Ensure PFOS/PFOA impacted communities have the funding needed to implement remediation strategies.

Short—term Goals

1. Collaborate with GAEPD to determine PFOS/PFOA impacted communities.
2. Collaborate with other agencies to determine funding options for impacted communities.
3. Expand the outreach activities to ensure that systems are aware of and understand DWSRF assistance options and the application process by presenting at statewide workshops and conferences to publicize the DWSRF program.

20 Percent State Match Requirement

President Biden signed the Bipartisan Infrastructure Law (BIL) on November 15, 2021. With this law's enactment, these funds must be distributed to communities entirely as forgivable loans or grants. States are not required to provide matching funds.

Assurances and Specific Proposals

In addition to the assurances that accompany the capitalization grant application (Standard Form 424) for the 2023 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 the 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 no less than quarterly, training opportunities, attendance at regional and national conferences, workshops, and various administrative program efforts.

Public Participation – to be updated after public meeting

This IUP is subject to review and comment by the public prior to incorporation into the 2023 capitalization grant application. A public notice was placed in the *Fulton Daily Report* on Thursday, XXXX, 2023, announcing a public meeting on the DWSRF Emerging Contaminants IUP on Day, Month Date, 2023, at 10:00 a.m. via conference call. A summary for the public meeting can be found within Attachment 6.

Attachment 1 – Comprehensive List (Drinking Water Projects)

**Attachment 2
Drinking Water State Revolving Fund
2023 Comprehensive List**

Community	2020 Pop.	Total Project Cost	Affordability Score	Est. Notice to Proceed	Est. Construction Start	Est. Project Completion	Project Description
Clayton County	297,595	\$14,000,000	22	8/2023	9/2023	3/2025	Clayton County operates three drinking water plants. PFAS levels exceed MCL in all three plants. One plant is to be decommissioned and a new plant will be built. The other two plants will need to be upgraded to include PFAS treatment equipment.

**Attachment 2 - Fundable List and Estimated Disbursement Schedule
GEFA
Fundable Priority List of Anticipated Loan Recipients**

Attachment 2 Drinking Water State Revolving Fund Estimated Disbursement Schedule													
PROJECT	GRANT AMOUNT	NOTICE TO PROCEED DATE	CONSTR. START DATE	TARGET COMPL. DATE	1st Qtr 7/23-9/23	2nd Qtr 10/23-12/23	3rd Qtr 1/24-3/24	4th Qtr 4/24-6/24	1st Qtr 7/24-9/24	2nd Qtr 10/24-12/24	3rd Qtr 1/25-3/25	4th Qtr 4/25-6/25	TOTAL DISBURS.
Clayton County WA	\$14,000,000	8/2023	9/2023	03/2024	0	1,000,000	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000	-	\$14,000,000
TOTAL	\$14,000,000				\$0	\$1,000,000	\$1,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$0	\$14,000,000

**Attachment 3 - ASAP DWSRF Payment Schedule
Drinking Water State Revolving Fund**

Attachment 3 ASAP Payment Schedule Drinking Water State Revolving Fund Emerging Contaminants			
Payment No.	Federal Fiscal Year		Amount (\$)
	Quarter	Date	
1	3 rd	7/2023 - 9/2023	\$0
2	4 th	10/2023 - 12/2023	\$20,716,000
3	1 st	1/2024 - 3/2024	\$0
4	2 nd	4/2024 - 6/2024	\$0
5	3 rd	7/2024 - 9/2024	\$0
6	4 th	10/2024 - 12/2024	\$0
7	1 st	1/2025 - 3/2025	\$0
8	2 nd	4/2025 - 6/2025	\$0
TOTAL			\$20,716,000

Attachment 4 - DWSRF 2 Percent, 4 Percent, 10 Percent, and 15 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 its set-asides, the state may transfer the monies to the DWSRF project account.

4 Percent Administration (2023 - \$0)

Set-Aside Activity	Activity	Cost	Comments
DWSRF Administration	Activities include project reviews and approvals; planning; project development; information tracking; information gathering and development of the National Needs Survey; project ranking; issuing Notices of No Significant Impact (NONSI) and Categorical Exclusions (CE); construction management; MBE/WBE requirements; project inspections; assistance with the National Information Management System (NIMS); and administration of EPD's set-aside activities all programmatic, financial, and legal aspects of making loans with DWSRF funds.	EPD Contract: \$0 GEFA administration: \$0	EPD and GEFA administration cost to be incorporated in DWSRF General Supplemental application.
	Total	\$0	

2 Percent Small System Technical Assistance (2023 - \$0)

Set-Aside Activity	Activity	Cost	Comments
Small System Technical Assistance	Georgia Rural Water Association (GRWA): technical assistance field visits to governmentally owned and non-governmentally owned public water systems, perform visits during the contract period to provide assistance. Assistance to provide statewide technical support to small systems.	GRWA Contract: \$0 \$0	GRWA technical assistance cost to be incorporated in DWSRF General Supplemental application.
	Total	\$0	

10 Percent Assistance to State Programs (2023 - \$0)

Set-Aside Activity	Activity	Cost	Comments
Assistance to State Programs		EPD Contract: \$0	EPD contract cost to be incorporated in DWSRF General Supplemental application
	Total	\$0	

15 Percent Small System Technical Assistance (2023 - \$0)

Set-Aside Activity	Activity	Cost	Comments
Technical Assistance and Financial Assistance		EPD Contract: \$0	EPD contract cost to be incorporated in DWSRF General Supplemental application.
	Total	\$0	

Attachment 5 - 2023 DWSRF Affordability Criteria



Drinking Water State Revolving Fund Affordability Criteria

1. Median Household Income (MHI)

State Percentiles	25th Percentile (4 points)	50th Percentile (3 points)	75th Percentile (2 points)	100th Percentile (1 point)
MHI	\$32,699	\$42,444	\$54,555	\$54,556 and higher

2. Unemployment Percent

State Percentiles	25th Percentile (1 point)	50th Percentile (2 points)	75th Percentile (3 points)	100th Percentile (4 points)
Unemployment Percent	2.0%	3.1%	4.6%	4.7% 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	36.9%	43.5%	50.3%	50.4% 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	12.3%	20.0%	27.4%	27.5% 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	29.2%	36.1%	43.3%	43.4% 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%	10.4%	10.5% 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	0.2%	1.3%	2.3%	2.4% 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	10.8%	18.8%	25.2%	25.3% 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	58.6	67.4	77.3	77.4 and higher

10. Population Trend

The following will be the categories used for determining scoring for change in population from 2011 to 2019.

- 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 6 - Public Meeting Summary IUP



Georgia Environmental Finance Authority
IUP Meeting Minutes
Atlanta, Georgia 30303
Day Month Date, 2023
10:00 a.m.

To be updated after public meeting Call to Order

The Georgia Environmental Finance Authority (GEFA) and the Georgia Environmental Protection Division held a public meeting on Month Date, 2023, at 10:00 a.m. in the GEFA boardroom. GEFA is located at 47 Trinity Ave SW, Fifth Floor, Atlanta, GA 30334. The purpose of the public meeting was to present and receive comments on the FY2023 Drinking Water State Revolving Fund Emerging Contaminants (DWSRF EC) IUP.

Members of the public were also invited to participate via the following toll-free conference call number, 1-886-705-2554, and conference code 645112.

GEFA staff present at the meeting were:

Amanda Carroll

Public participants present at the meeting were:

None

Amanda Carroll welcomed everyone and introduced the staff in attendance. After discussing the purpose for the public meeting was to present and receive comments on the drafted 2023 DWSRF EC IUP, she opened the floor for comments.

Comments from Speakers

No other comments were made.

The meeting was adjourned at 11:00 a.m.

Attachment 7 – Deliverables and Milestones

Clayton County Water Authority Project Need

Clayton County Water Authority (CCWA) operates three water production facilities (WPF), with a total capacity of 70 MGD. PFAS has been detected in all three plants at levels above EPA's new Maximum Contamination Level (MCL/ 4ppt). CCWA will have to upgrade two of the existing plants and rebuild one of the plants to meet the new PFAS limits.

CCWA plans to issue a RFP for a Progressive Design Build project that would include the following components:

- PFAS Treatment at Hooper WPF (20 MGD)
- PFAS Treatment at Hicks WPF (30 MGD)
- New plant at Hicks WPF site (20 MGD)

The planning-level cost estimate for the project is provided as a range and will depend on the technology selected. The estimated cost of the project is:

- PFAS Treatment at Hooper WPF (20 MGD) and PFAS Treatment at Hicks WPF (30 MGD) is estimated between \$133,000,000 to \$293,000,000
- New plant at Hicks WPP site (20 MGD) is estimated to be between \$145,000,000 to \$160,000,000
- Total project cost is estimated to be between \$278,000,000 to \$453,000,000

CCWA is budgeting \$30,000,000 for Phase 1 of the Design-Build project. This is for design activities only. CCWA will fund Phase 1 of the Design-Build with a combination of DWSRF FY23 Emerging Contaminants Grant funding and a DWSRF Loan. To fund Phase 2 of the Design-Build, CCWA will be utilizing sources outside of GEFA.

The proposed project timeline is below:

- November 2023 – Issue RFP
- April 2024 – Begin Phase 1 (design)
- May 2025 – Begin Phase 2 (design and build)
- December 2027 – Finalize construction