

**State of Georgia
Drinking Water State Revolving Fund
Base and Supplemental Programs
State Fiscal Year 2024 Annual Report**



**Prepared by the
Georgia Environmental Finance Authority
for the
U.S. Environmental Protection Agency, Region IV
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Drinking Water State Revolving Fund Annual Report

Base and Supplemental Programs

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State of Georgia Drinking Water State Revolving State Fund Base and Supplemental Programs State Fiscal Year 2024 Annual Report

Introduction

The Drinking Water State Revolving Fund (DWSRF) program provides assistance to public water systems for capital improvement projects in Georgia. These projects protect public health through regulatory compliance, ensure adequate water supply, and promote the goals of the federal Safe Drinking Water Act of 1974 (SDWA), as amended. The 1996 amendments to the SDWA (Pub. L. 104-182) authorized the administrator of the U.S. Environmental Protection Agency (EPA) to establish a DWSRF loan program to assist states in financing local public water system infrastructure needed to achieve or maintain compliance with SDWA requirements in order to protect public health. In accordance with the DWSRF program guidelines published by the EPA Office of Water (816-R-97-005), each capitalization grant recipient must submit a biennial report on the activities of the DWSRF. This DWSRF program annual report covers both the program and set-aside activities for the state fiscal year ending June 30, 2024 (FY2024), and comparisons between these activities and those outlined in the FY2023 DWSRF Base and Supplemental Intended Use Plan (IUP).

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 serves as the central state agency for assisting 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 of Georgia. Under an interagency agreement, the Georgia Environmental Protection Division (EPD) provides professional services for the DWSRF.

These services include, but are not limited to:

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

Executive Summary

In June 2023, GEFA submitted applications and IUPs to the EPA for the 2023 DWSRF Base and Supplemental awards totaling \$13,389,000 and \$57,090.00, respectively. On September 13, 2023, GEFA was awarded a base grant of \$13,389,000. The EPA's allocation to Georgia's Base DWSRF as of June 30, 2024, cumulatively total \$954,357,061. Additionally, Georgia's mandatory state match has so far totaled \$168,679,262.

On December 26, 2023, GEFA was awarded a supplemental grant of \$57,090,000. The EPA's allocation to Georgia's Supplemental DWSRF as of June 30, 2024, cumulatively total \$99,490,000. Additionally, Georgia's statutory state match total \$9,949,000.

Attachment 1 shows the total sources of quarterly funds during state FY2024 including federal grant funds, state match contributions, repayments from direct federal loans, repayments from state match loans, interest earnings generated from these accounts, and closing fees collect. Attachment 2 shows the balances within these accounts as of June 30, 2024.

All DWSRF loans executed in state FY2024 are listed in Attachment 3, including 22 new loans a total of \$97,339,400.00. This total assistance amount includes \$20,038,160.00 in principal forgiveness (PF). Attachment 4 shows information about these projects in the NIMS format. The DWSRF funded \$47,085,900.00 to small water systems servicing fewer than 10,000 residents, while \$29,194,100.00 was funded to small water systems servicing fewer than 3,300 residents. Lastly, GEFA and EPD have entered all necessary information into the Drinking Water Public Benefits Reporting (PBR) database for projects funded through state FY2024.

All projects listed below were on the fundable list and are eligible public water systems. If the project was not the highest priority project, it bypassed those higher priority projects according to the IUP bypass procedures. All commitments were made to qualified local governments or water and sewerage authorities according to the requirements of the Georgia Department of Community Affairs (DCA), and all have a verified Service Delivery Strategy approved by DCA. Additionally, all loan recipients have the technical, managerial, and financial capability to operate a water system. Each project was also reviewed in accordance with the EPA-approved State Environmental Review Process (SERP) and was issued a NONSI or a CE. Below is a short description for each of the projects funded in state FY2024.

Additional Subsidization Projects

Waycross (DW2022007)

On December 20, 2023, Waycross signed a \$3,000,000 assistance agreement, including \$1,500,000 in principal forgiveness. This project will install water main and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Bowdon (DW2022013)

On January 26, 2024, Bowdon signed a \$2,180,000 assistance agreement, including \$763,000 in principal forgiveness. This project will upgrade the water distribution system and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Unified Government of Georgetown-Quitman County (DW2022017)

On August 4, 2023, Unified Government of Georgetown-Quitman County signed a \$767,000 assistance agreement, including \$383,500 in principal forgiveness. This project will replace manual-read water meters with an automatic meter reading (AMR) system and related appurtenances. As of the end of state FY2024, \$1,192.50 has been drawn.

Rabun County Water and Sewer Authority (DW2022031)

On July 6, 2023, Rabun County Water and Sewer Authority signed a \$1,800,000 assistance agreement including \$630,000 in principal forgiveness. This project will extend water main and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Shellman (DW2023009)

On June 4, 2024, Shellman signed a \$250,000 assistance agreement, including \$250,000 in principal forgiveness. This project will replace manual-read water meters with an automatic meter reading (AMR) system and related appurtenances. As of the end of state FY2024, \$12,690.00 has been drawn.

Royston (DW2023010)

On January 26, 2024, Royston signed a \$2,500,000 assistance agreement, including \$1,250,000 in principal forgiveness. This project includes improvements and renovations to the raw water withdrawal system, water treatment plant, critical water segments, and related appurtenances. As of the end of state FY2024, \$7,428 has been drawn.

Summerville (DW2023036)

On November 28, 2023, Summerville signed a \$2,000,000 assistance agreement, including \$1,000,000 in principal forgiveness. This project will install a new well and related appurtenances. As of the end of state FY2024 \$63,603.23 has been drawn.

Toccoa (DW2023033)

On April 11, 2024, Toccoa signed a \$1,253,500 assistance agreement, including \$626,750 in principal forgiveness. This project consists of improvements to the water treatment plant and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Culloden (DW2020016)

On August 9, 2023, Culloden signed a \$750,000 assistance agreement, including \$337,500 in principal forgiveness. This project will construct a new well, chemical feed building, SCADA system, and related appurtenances. As of the end of state FY2024, \$298,762.46 has been drawn.

Blue Ridge (DW2023032)

On March 21, 2024, Blue Ridge signed a \$600,000 assistance agreement, including \$300,000 in principal forgiveness. This project consists of improvements to the existing Eagles Nest booster pump station, installation of SCADA equipment, electrical control upgrades, and other related appurtenances. As of the end of state FY2024, no funds have been drawn.

Blue Ridge (DW2023031)

On March 21, 2024, Blue Ridge signed a \$350,000 assistance agreement, including \$175,000 in principal forgiveness. This project will rehabilitate the existing Mountain Tops booster pump station and install SCADA and VFD equipment, electrical control upgrades, and other related appurtenances. As of the end of state FY2024, no funds have been drawn.

Lavonia (DW2021009)

On September 5, 2023, Lavonia signed a \$2,500,000 assistance agreement, including \$900,000 in principal forgiveness. This project will upgrade the water distribution system and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Talbot County Board of Commissioners (DW2022036)

On March 21, 2024, Talbot County Board of Commissioners signed a \$720,800 assistance agreement, including \$360,420 in principal forgiveness. This project will replace manual read meters with an automatic meter reading (AMR) system, replace or rehabilitate the booster pump station, and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Sparta (DW2023034)

On February 23, 2024, Sparta signed a \$4,200,000 assistance agreement, including \$4,100,000 in principal forgiveness. This project will upgrade the water treatment plant, construct a new elevated storage tank, and related appurtenances. As of the end of state FY2024, \$27,000 has been drawn.

Cave Spring (DW2023046)

On June 21, 2024, Cave Spring signed a \$12,000,000 assistance agreement, including \$5,500,000 in principal forgiveness. This project will consist of replacement of waterlines, improvements to the water distribution system, and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Elberton (DW2023044)

On May 17, 2024, Elberton signed a \$2,500,000 assistance agreement, including \$1,250,000 in principal forgiveness. This project will improve the water system components and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Warrenton (DW2023030)

On May 21, 2024, Warrenton signed a \$791,100 assistance agreement, including \$711,990 in principal forgiveness. This project will consist of the improvements of TTHM reduction system, rehabilitation of pump stations, upgrades to telemetry equipment, and related appurtenances. As of the end of state FY2024, no funds have been drawn.

Base DWSRF Projects

McDonough (DW2021022)

On March 21, 2024, McDonough signed a \$9,671,000 assistance agreement. This project consists of upgrades to the water treatment plant and related appurtenances. As of the end of state FY2024, \$1,754,133.50 has been drawn.

Cumming (DW2023006)

On October 26, 2023, Cumming signed a \$19,000,000 assistance agreement. This project will install water main and related appurtenances. As of the end of state FY2024, \$258,262.50 has been drawn.

Clayton County Water Authority (DW2023037)

On February 4, 2024, Clayton County Water Authority signed a \$16,000,000 assistance agreement. This project consists of installing water main. As of the end of state FY2024, no funds have been drawn.

Winder (DW2023028)

On November 21, 2023, Winder signed a \$14,000,000 assistance agreement. This project will expand and improve the Highway 53 Water Treatment Plant and related appurtenances. As of the end of state FY2024, no funds have been drawn.

LaFayette (DW2019025A)

On December 14, 2023, Greenville signed a \$506,000 assistance agreement. The project consists of rehabilitating the water treatment plant and related appurtenances. As of the end of state FY2024, \$340,306.00 has been drawn.

Meeting DWSRF Base and Supplemental Program IUP Goals and Objectives

The 2023 DWSRF Base and Supplemental IUP listed four goals for the program.

1. **Long-Term Program Goal:** Consolidate multiple database management systems that will integrate Drinking Water project data with program management data.

Status: GEFA selected a comprehensive database management system that will allow staff to manage and track loan funds, repayments, set-aside spending, capital, and financial contributions. The long-term goal is to automate tasks and allow the borrowers to enter and view their current loan and grant information. The system went live internally on May 1, 2023. The water division reorganization provides a dedicated team to ensure the comprehensive database performs accordingly. Once GEFA staff is fully trained on the new system, GEFA will enter into the next phase of allowing borrowers to have access.

2. **Short-Term Program Goal:** Expand outreach initiatives to ensure that systems are aware of and understand DWSRF funding assistance options, application procedures, program requirements, which is inclusive of speaking at statewide seminars and conferences to popularize the DWSRF program.

Status: GEFA's Water Resources Division (WRD) works closely with the Public Affairs Division (PAD) to increase awareness surrounding the DWSRF program. Both divisions participated in conference presentations, webinars, workshops, training sessions, and meetings with potential borrowers. The WRD also seeks outreach opportunities to partner with agencies within the water industry, such as the Georgia EPD, the Georgia Association of Water Professionals (GAWP), the Georgia Rural Water Association (GRWA), the Department of Community Affairs (DCA), and the Georgia Municipal Association (GMA). GEFA is also contractually partnered with IB Environmental to host a variety of webinars, community engagement events, and advance DWSRF funding information to disadvantaged communities.

Additionally, GEFA's WaterFirst program recognizes local governments for achieving excellence in water resources management. Any community that demonstrates their commitment to responsible water stewardship for environmental and economic benefits can become a WaterFirst Community. Those communities that earn the designation are eligible for financial loan reductions and other benefits from the state of Georgia. In April 2024, GEFA honored the city of Thomasville for its WaterFirst designation, and for being the first community in Southwest Georgia to be granted this honor.

3. **Short-Term Program Goal:** Prioritize disadvantaged communities that have notice of violations or consent orders.

Status: The 2023 DWSRF base call for projects scored communities 30 points higher for projects that fully addressed documented deficiencies in which there was either an Emergency or an Administrative Order from EPA or EPD. Likewise, the 2023 DWSRF supplemental call for projects scored communities with similar project deficiencies 50 points higher, ensuring that such projects received top priority.

4. **Short-Term Program Goal:** Award PF based on affordability, project score, and the community's financial position.

Status: The combination of the affordability score and a project score analysis enables GEFA to assist those communities in the greatest need of public health benefits, while also ensuring that the community receives a sufficient amount of principal forgiveness to afford the project.

DWSRF Program Highlights – Loan Policy Changes

Within the past few months, GEFA has experienced an unprecedented demand for infrastructure financing, which has resulted in changes to the DWSRF loan program policy as a means of protecting the long-term sustainability of the loan funding program.

The following DWSRF loan policy changes were recommended by GEFA staff and approved by the GEFA board of directors:

- Per project limits were implemented for each new loan:
 - Drinking Water State Revolving Fund (DWSRF) Loans – \$10 million Cap (*previously \$25 million*)
 - DWSRF loans will receive an interest rate reduction of 10 basis points (*previously 50 basis points*).
 - The interest rate charged during project construction will be 200 basis points higher than the amortized interest rate.
 - The DWSRF funding will have an annual loan funding limit available to distribute each state fiscal year. The following funding limits apply to state FY2025 projects, which begins July 1, 2024.
- In particular, the per project limits and the annual fiscal year fund limits will have a direct impact on how GEFA processes loan applications. As a result, all loan applications will be prioritized for consideration and approval by the GEFA board of directors according to the following criteria:
 - Eligible loans on the fundable list for previous board meetings, but not yet approved;
 - Eligible loans that qualify for principal forgiveness in a previous Intended Use Plan (IUP);
 - Eligible loans that qualify for principal forgiveness in the current IUP;
 - Eligible loans for projects that focus on public health and/or environmental compliance; and
 - Eligible loans for projects for economic development and/or projects of regional significance (**not applicable to the DWSRF program funding requirements**).

DWSRF Loan Disbursements

The DWSRF disbursed funds to 66 active projects during state FY2024. Attachment 5 shows projects that received funds quarterly in state FY2024. The DWSRF disbursed a total of \$72,716,451.08 in state FY2024. Many of these projects received a mix of additional subsidization, base DWSRF funds, supplemental DWSRF funds, repayment dollars, and state match funds. Attachment 6 compares the projected disbursement schedules indicated within the 2021 and 2022 IUP's for state FY2024 against the actual disbursements made in state FY2024. The DWSRF disbursed 368 percent of projected disbursements in state FY2024.

DWSRF State Match

During state FY2024, projects that received federal capitalization grant dollars used a cash draw ratio of 77.53 percent federal dollars and 22.47 percent state match dollars. GEFA received general obligation bond funds in the amount of \$2,726,000.00 for the state to match the DWSRF base program at 20 percent and the DWSRF supplemental program match was \$5,709,000.00 at 10 percent. The state match dollars were used before drawing any of the funds from the base and supplemental cap grants. These bond funds will be deposited into the same DWSRF fund as grant payments are made. Attachment 1 shows the amount of state match funds provided during state FY2024 by quarter.

DWSRF Loan Repayments

In state FY2024, 21 projects closed in the DWSRF for a total of \$64,365,150.00 in commitments (Attachment 7). The total dollar value disbursed to these nine projects within state FY2024 was \$60,682,306.21, which equals 94.3 percent of the contracted amount. All projects completed the construction phase and entered the repayment phase of the DWSRF loan process. To maintain the revolving nature of the DWSRF, repayments including the principal, interest, and fees are credited to the DWSRF. The repayments credited to the DWSRF from federal and state match projects along with the interest earnings from these accounts totaled \$19,668,517.88 (Attachment 1).

Assurances and Specific Proposals

The DWSRF adheres to the certifications covered in the SDWA and those within Georgia's Operating Agreement with the regional EPA office. 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. 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. Public Benefits Reporting System

A copy of the state FY2024 unaudited financial data is provided under separate cover.

Disadvantage Business Enterprise (DBE) Participation

GEFA regularly evaluates the Georgia SRF program compliance with the Six Good Faith Efforts set forth in 40 CFR 33, Subpart C. GEFA requires all Environmental Protection Agency (EPA) financial assistance recipients to ensure that all Disadvantaged Business Enterprises (DBEs) have the opportunity to compete for procurements funded by EPA financial assistance dollars. There has been a thorough and continuous effort to ensure compliance with the Six Good Faith Efforts. GEFA verifies and review call logs and emails regularly made to DBE subcontractors to encourage their participation in both the Clean Water and Drinking Water SRF programs. DBE's are further alerted to GEFA's approved projects as soon as they appear in the transmittal log. This allows subcontractors to inquire about and prepare for these projects prior to the bid date. Subcontractors are urged to pursue EPA, Department of Transportation (DOT) and Small Business Administration (SBA) certification. GEFA has made themselves available to answer questions and assist subcontractors in the application process.

In considering whether firms could subcontract with DBEs, GEFA encourages prime contractors to follow the Six Good Faith Efforts to solicit the services of minority and women-owned businesses. Approval for a project will be withheld if there is insufficient documentation submitted showing that the efforts were met. Prime contractors are supplied with a link for the available DBEs on the Georgia DOT website, names/addresses/numbers of contacts in the SBA, the Minority Business Development Agency, Department of Commerce and other related agencies/associations throughout the State. Guidance is provided in all related construction contracts to encourage prime contractors to divide work when feasible.

Within GEFA's agreement, recipients are required to encourage participation of small, minority and women owned businesses in all project subcontracts. The state's DWSRF percentage goal through September 30, 2024, is four percent for Minority Business Enterprises (MBE) and four percent for Women Business Enterprises (WBE). However, Georgia reached an actual percentage of 13.46% of DBE participation within state FY2024. A summary of GEFA's DBE utilization within state FY2024 is detailed within Attachment 9. The data provided in Attachment 9 is for the reporting period of October 1, 2022, through September 30, 2023, representing the most recent full fiscal year of data.

Program Administration (4 percent)

In state FY2024, GEFA and EPD spent \$535,560.00 on program administration from the DWSRF base cap grant and \$252,455.23 from the DWSRF supplemental grant. Administrative and programmatic services provided by EPD included: project reviews; planning; reviewing and uploading needs surveys; and issuing NONSIs and CEs (Attachment 8).

Small System Technical Assistance (2 percent)

During state FY2024, Georgia spent \$641,018.62 on small system technical assistance from the DWSRF base cap grant and \$768,561.38 from the DWSRF supplemental grant. via a contract with the GRWA to provide "circuit rider" type technical activities including technical and managerial assistance and Synthetic Organic Compound (SOC) sampling. Under the provisions of this contract, GRWA is required to provide up to ten percent of the visits within 48 hours of notification by EPD to quickly address problems posing an immediate threat to public health. The visits made by GRWA technicians fall into the following categories: actual compliance, potential compliance, water conservation, managerial, finance, operational maintenance, and water treatment. The variety of technical assistance provided by the circuit rider technicians include, but is not limited to, rate studies, water audits and leak detection surveys, pipe and valve location services, infrastructure assessments, source water protection, operation and maintenance programs, on-site operational assistance, troubleshooting and problem-solving, fluoridation equipment evaluations and inspections, and the identification of financing alternatives.

For the contract period from July 1, 2023, to June 30, 2024, a total of 2,860 visits were made to small water systems requiring technical assistance. This contract also requires GRWA to perform SOC sampling for public water systems throughout the state on a scheduled basis. During state FY2024, 464 visits were made in order to collect and submit the required SOC samples to the EPD laboratory.

Assistance to State Programs (10 percent)

States are allowed to use up to 10 percent of its capitalization grant to provide funding for certain activities that provide "Assistance to State Programs." These activities support Georgia's Public Water System Supervision Program (PWSS) and includes: operator training and certification; cross-connection control; EPD's Cryptosporidium Strategy; capacity development; source water assessment and wellhead protection; information management; and water conservation and efficiency. In state FY2024, GEFA and EPD spent \$3,498,709.65 on assistance to state program initiatives (Attachment 8). The following is a summary of activities funded under the 10 percent set-aside to assist in the implementation SDWA.

Public Water System Supervision Operator Training

The Georgia State Board of Examiners for the Certification of Water and Wastewater Treatment Plant Operators and Laboratory Analysts was created by legislation enacted in 1969 for the purpose of protecting the public health, safety, and welfare by establishing minimum qualifications for persons who operate public water supply treatment plants, water distribution systems, wastewater treatment plants, wastewater collection systems, or who conduct certain tests of water or wastewater samples in conjunction with the operation of public water system or wastewater treatment plants.

The Certification Board is part of the Professional Licensing Boards Division of the Office of the Secretary of State and is comprised of six members appointed by the governor. Five are active in the profession and one is a member from the public at large. At least two of the six board members must be operators. All members are appointed for terms of four years. The board meets six times per year.

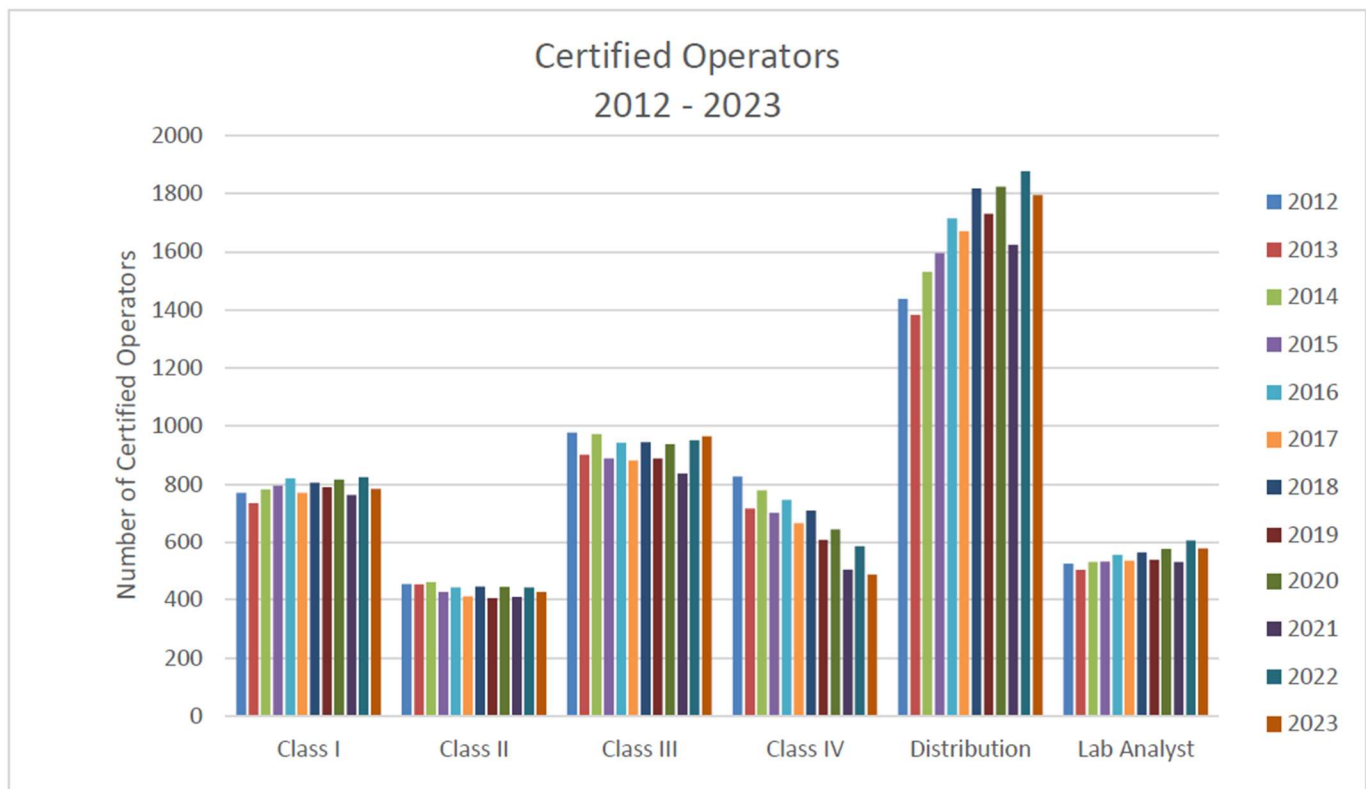
The board certifies six categories of licenses for public water system operators and laboratory analysts. Currently, 5,036 licensees hold certificates. Requirements for all categories include education, training, experience, and passage of a validated certification examination. Table 1 and Figure 1 below display the number of certified operators by classification level for the reporting period 2012-2023. The data is also used to establish a baseline for EPD to measure progress in operator training and certification.

Georgia's operator certification program was revised to include an exam for Class IV Water Operators in accordance with federal guidelines. The exam requirement for prospective Class IV Water Operators helps to ensure that these licensed operators will have the required knowledge and ability to successfully operate and maintain groundwater systems that serve populations of 25 to 999 people. The exams for all operator classification levels are developed and validated by the Association of Boards of Certification. In its capacity development program, EPD has utilized many resources and has placed a very high priority on operator training and certification. EPD realizes the importance of experienced, certified operators having the necessary knowledge and training to properly operate and maintain a public water system.

Table 1. Certified operators licensed in Georgia by year and classification level.

Operator License	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class I	771	735	783	796	821	771	806	790	817	764	825	785
Class II	454	452	461	427	442	412	446	405	444	409	442	427
Class III	978	903	973	890	943	882	946	890	939	837	951	965
Class IV	827	718	779	703	747	667	709	610	645	504	584	486
Distribution	1,438	1,383	1,531	1596	1715	1671	1817	1730	1823	1642	1877	1796
Laboratory	524	503	531	532	555	534	563	537	575	530	607	577
Total	4,992	4,694	5,058	4,944	5,223	4,937	5,287	4,962	5,243	4,668	5286	5036

Figure 1. Certified operators licensed in Georgia by year and classification level.



Cross Connection Control

EPD has worked with GAWP to establish a state certification and re-certification program for backflow assembly testers using the American Backflow Prevention Association's nationally-recognized certification program.

EPD requires that all backflow prevention devices connected to any public water system be tested annually by backflow prevention assembly testers that hold a valid certification from a tester certification program recognized by the EPD. GAWP has worked under contract to assist EPD in establishing and maintaining the Statewide Backflow-Prevention Tester Certification Program. GAWP has been designated by EPD to administer the certification program by utilizing exams provided by the Association of Boards of Certification. In addition, the American Backflow Prevention Association, the American Society of Sanitary Engineering, and the University of Florida/TREEO Center have been approved as official certification programs and are authorized to provide certification exam results to GAWP to license backflow assembly testers. A new guidance document for the backflow prevention certification program was posted with an effective date of September 1, 2021. The guidance document was revised with input from the stakeholders. Approximately 3,214 backflow prevention professionals have been certified since the beginning of the program.

EPD No Longer Implements Cryptosporidium Strategy

During state FY2024, EPD utilized 10 percent set-aside funding to continue the implementation of its Cryptosporidium Strategy Program. However, EPD maintains the following:

1. Continued implementation of the federal Surface Water Treatment Rule (SWTR);

2. Implementation activities associated with the Interim Enhanced Surface Water Treatment Rule (IESWTR) for surface water systems serving more than 10,000 people;
3. 3. Activities required under the Long-Term 1 Enhanced Surface Water Treatment Rule (LT1ESWTR) for surface water systems serving less than 10,000 people;
4. 4. Activities required under the Long-Term 1 Enhanced Surface Water Treatment Rule (LT1ESWTR) for surface water systems serving less than 3,300 people;

EPD continues conducting sanitary surveys, conducting system inspections and providing on-site technical assistance. EPD regularly conducts scheduled sanitary surveys for all public water systems in Georgia. The principal purpose is to identify and resolve problems that may potentially pose a threat to public health. The sanitary surveys address eight components required by the EPA including: water source, treatment, distribution system, finished water storage, pumps, pump facilities and controls, monitoring and reporting and data verification, system management and operation, and operator compliance with state requirements. The sanitary survey report provides official, written documentation to water system officials outlining the improvements that need to be made to their system.

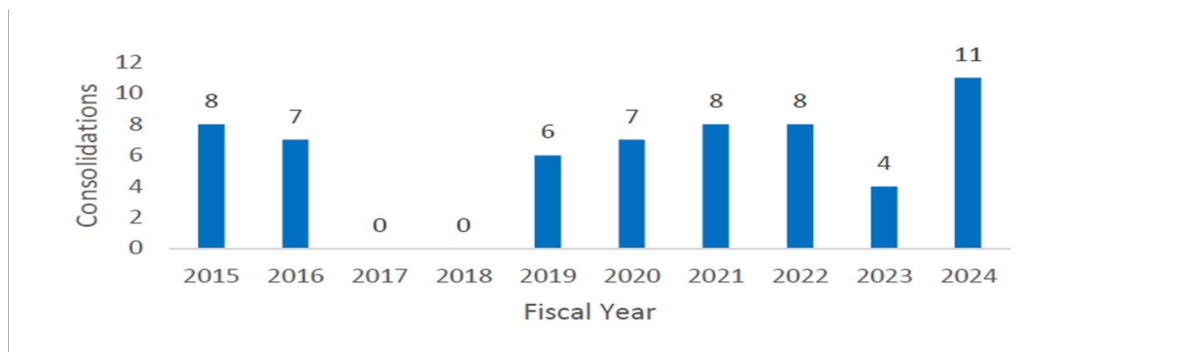
Capacity Development Program

During state FY2024, EPD utilized funds from the 10 percent set-aside for activities associated with the implementation of Georgia's capacity development strategy, which was approved by EPA on September 21, 2000. As an important part of Georgia's capacity development strategy, EPD continues to require all new community and non-transient non-community public water systems, and those undergoing ownership changes, to develop a business plan to demonstrate adequate managerial and financial capacity. The business plan, in most cases, is required prior to issuance of the initial permit to operate or prior to the transfer of the existing operating permit. As of June 30, 2024, a total of 1,514 business plans have been submitted to EPD. During State FY 2024, 40 business plans were received from 25 new public water systems, and 15 from existing public water systems.

In addition to this requirement, all surface water and Ground Water Under Direct Influence (GWUDI) treatment plants are required to develop Operation & Maintenance (O&M) Plans, in accordance with the latest edition of the Division's "Guidance Manual for Preparing Public Water Supply O&M Plans." The O&M Plan is required prior to the start-up and permitting of a new surface water plant or GWUDI treatment plant. In addition, if not already on file with EPD, existing surface water and GWUDI systems are required to prepare an O&M Plan within the compliance schedule established for this deficiency in the sanitary survey. Groundwater systems with significant violations must develop business plans and/or O&M Plans, as required by EPD. These actions are intended to help both new and existing systems to stay in compliance with existing and future regulations. As of June 30, 2024, 3 surface water or GWUDI systems have submitted detailed O&M Plans.

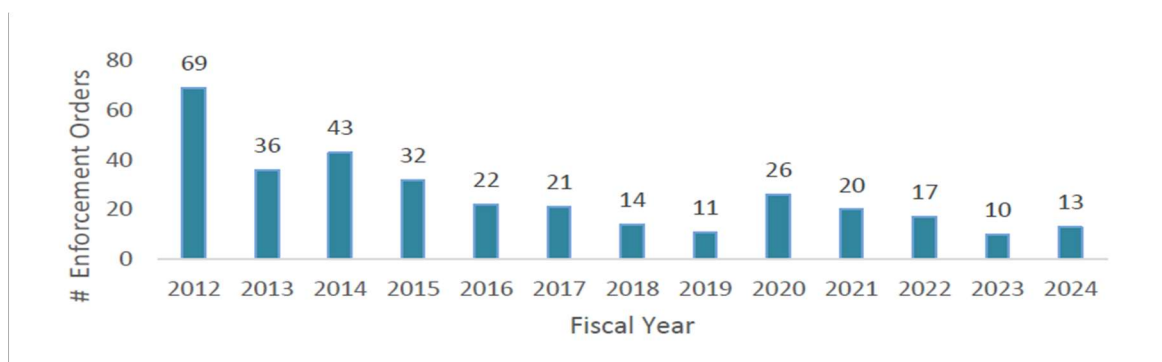
EPD continues to utilize informal and formal enforcement actions, such as written Notices of Violations (NOVs), Consent Orders, and Administrative Orders to promote compliance with federal and state drinking water regulations. Enforcement is an important tool in dealing with public water systems that lack adequate capacity. EPD's stringent enforcement program has been a significant factor in encouraging private public water systems with limited capacity to physically merge or consolidate with local governmentally-owned water systems or water authorities. Figure 2 below shows the number of consolidations for public water systems in Georgia. During state FY2024, the state had 11 consolidations with governmentally-owned water systems.

Figure 2. Consolidations with governmentally owned water systems or water authorities



The continued use of negotiated settlements in the form of consent orders seems to be the most effective enforcement mechanism, rather than mandatory fines or civil penalties. Consent Orders allow EPD the flexibility to set appropriate penalties based upon the level of deficiencies and the negotiated plan to correct individual system violations in a timely manner. Figure 3 provides the number of enforcement orders issued for violations of the SDWA and/or the permit to operate a public water system.

Figure 3. Enforcement Orders for public water systems



Source Water / Ground Water Investigations

During state FY2024, EPD performed activities associated with the implementation of Georgia's Source Water Assessment and Protection Plans. The funds utilized under this category supports salaries, travel, professional development and other associated miscellaneous expenses for the Geographic Information Systems (GIS) Specialist 3 and the Environmental Specialist 3 positions.

The GIS Specialist 3 position manages the GIS Public Water System (PWS) database by updating locational data for public water system withdrawal sources, including surface water intakes, groundwater wells, and springs. The work also includes updating and reviewing data for water-supply watersheds and associated Source Water Assessment Plan (SWAP) management zones. Information regarding the Wellhead Protection Program (WHPP) was also incorporated into this database, inclusive of spatial and tabular data derived from the WHPP plans, karst PWS source delineations, and potential pollution sources. This position also coordinates GIS tasks for the regional water planning activities and ongoing drought

conditions, which is inclusive of both spatial analysis and cartographic production that supports the EPD Director's Office and various other programs within the Watershed Protection Branch.

For privately-owned groundwater systems, SWAPs are being completed by the environmental specialist 3, as well as other in-house staff. To date, approximately 3,835 source water assessments have been prepared from July 1, 2001, through June 30, 2024. During state FY2024, 27 SWAPs were completed for privately-owned community ground water systems. Of those, 17 were for community groundwater systems, 1 was for transient non-community groundwater systems, and 9 were for non-transient non-community groundwater systems. This activity for the privately owned ground water systems will continue in the future. SWAPs are one-way EPD helps to ensure safe drinking water for not only large but small governmentally- and privately-owned public water systems around the state.

Georgia Association of Water Professionals (GAWP)

The GAWP Drinking Water System Capacity Development Support Program continues to field technical support requests for expertise advice and training. During this reporting period, GAWP sent numerous communication pieces, i.e. special advisories, utility notices, and regulatory updates, directly relevant to the regulated drinking water systems of Georgia. GAWP has an extensive electronic database that is available to the EPD for dissemination of critical information to Georgia's drinking water systems.

Under the contract, GAWP conducted numerous conferences and workshops focused on providing training and continuing education opportunities for professionals in the water industry. In addition, GAWP also conducted planning sessions for small, medium, and large utility directors, as well as district director meetings to better address needs of the profession around the state.

Local Assistance and Other State Programs (15 percent)

States may provide assistance, including technical and financial assistance, to public water systems as part of a capacity development strategy under Section 1420 (c) of the SDWA. States may also use the 15 percent set-aside to support the establishment and implementation of source water assessment and wellhead protection programs. The following provides a summary of the activities funded under the 15 percent set-aside category.

Capacity Development Program

EPD performed inspections and provided on-site technical assistance and training for public water systems. The on-site visits included, but were not limited to, the following: water treatment plant site visits, operator training, emergency assistance, laboratory inspections, unscheduled system inspections, on-site technical assistance, special sample collections, complaint investigations, construction inspections, record reviews, source water inspections, location specific data collection, cross-connection inspections or investigations, watershed evaluations, and public hearings. On-site technical assistance is beneficial since most drinking water violations result from water system owner/operator's failure to understand the complex monitoring regulations and failure to perform the required testing and reporting. EPD continues to target public water systems with poor compliance records and to visit these systems more frequently basis than those not exhibiting compliance issues or reporting problems.

During state FY2024, EPD's Watershed Compliance Program (WCP) conducted 33 sanitary surveys and performed no on-site inspection of public water systems treating surface water or groundwater under the direct influence of surface water. EPD's district offices conducted 561 sanitary surveys and performed 170 on-site inspections of public water systems using

groundwater. EPD personnel also provided 1,116 on-site technical assistance visits to water system owners and operators and responded to 123 citizen complaints.

The engineers in the DWP and EPD district offices continue to review and approve engineering plans and specifications and conduct inspections of public water systems, including those under construction, to ensure adequate technical capacity. During the period July 1, 2023, to June 30, 2024, there were over 1992 water system projects for both new and expanding public water systems reviewed and approved under EPD's regulatory authority, which includes the delegated authority. The approved projects included, but were not limited to, the design and construction of new water source facilities (intakes, wells, and purchased water connections), water treatment plants (surface water and ground water facilities), finished water storage tanks, pumping facilities, water plant sludge/waste handling and disposal facilities, and water main additions and extensions to existing water distribution systems. EPD environmental engineers also conducted inspections of public water systems, including those under construction, to help ensure these systems have adequate technical capacity.

Wellhead Protection

During state FY2024, wellhead protection plans continued to be updated for cities, counties, and water authorities when the permit to operate a public water system came up for renewal. Also, new wellhead evaluations were completed for proposed wells to identify potential sources of contamination and any deficiencies in locating the proposed source of supply. During state FY2024, 51 wellhead protection plans were updated, and 35 new wellhead evaluations were completed by EPD staff.

DWSRF-funded associates continued to support the state geologist and statewide water planning efforts by reviewing and updating drilling plans and estimates for an extensive well program proposed by the state to define critical aquifer conditions including capacity and reserves.

Another geologist in the Watershed Protection Branch identified existing wells for sampling, obtained ground water samples for analyses, evaluated ground water quality and documented results in reports. Other geologic personnel assisted the Drinking Water Program by ensuring that new water source locations comply with wellhead protection regulations.

Georgia Rural Water Association (GRWA)

During the year reporting period from July 1, 2023, to June 30, 2024, EPD used 2% and 15% set aside funds to contract with GRWA for small system technical assistance and operator training (refer to Attachments). Under this contract, GRWA collected a total of 240 SOC samples and delivered them to the EPD Laboratory for analysis. GRWA also conducted 2,860 on-site technical assistance visits to water system owners and operators. Under the same contracts, GRWA also conducted a total of 12 small water system rules and regulatory training workshops to train approximately 611 small water system personnel.

As part of their technical assistance, education and outreach efforts, GRWA also offered two educational conferences in Helen, Georgia and Jekyll Island this year. A total of 1,957 water and wastewater personnel and laboratory analysts attended these important training events.

Finally, during the period from July 1, 2023 to June 30, 2024, GRWA provided a total of 133 Water Operator classes to a total of 3249 individuals on the following topics: Class IV Operator Training, Basic Water Training, Advanced Water Training, Backflow Training, Water Distribution Training, Water Lab Training, Water Exam Review Training, Fluoride Training, Management Training and Basic and Applied Mathematics, Pumps, Safety, Confined Space Entry, O&M of Process Analyzers, and Emergency Preparedness and Response Training, Management Training and Basic and Applied

Mathematics, Pumps, Safety, Confined Space Entry, O&M of Process Analyzers, and Emergency Preparedness and Response Training.

Georgia Water and Wastewater Institute (GWWI)

The Georgia Water and Wastewater Institute (GWWI) was incorporated in 1993, and today provides the majority of water and wastewater training in the State of Georgia, operating with financial assistance provided through contracts with EPD and modest tuition fees.

During the reporting period from July 1, 2023, to June 30, 2024, GWWI conducted a total of 123 courses related to water, wastewater, and/or laboratory operations and successfully trained 1,918 operators.

In state FY2024, various training sessions and workshops were conducted within the spring, annual, and fall conferences. As a result, GWWI's Technical Assistance, Education and Outreach efforts reached over 4,770 water and wastewater treatment plant operators, maintenance personnel, laboratory analyst, design engineers, consultants, and other professionals concerned about Georgia water and wastewater issues. Training session topics included: water and wastewater treatment plant operations, predictive maintenance and design initiatives, federal regulatory guidelines, laboratory operations, security and safety measures, as well as timely discussions on policy issues such as drought contingency planning, wastewater re-use, and legislative policy.

EPA Program Evaluation Report – State FY2023

In accordance with the State FY2023 EPA Program Evaluation Report (PER), the following directives are underway to address EPA's findings and recommendations for the DWSRF Base and Supplemental program. GEFA is working with EPD on the timely and expeditious expenditure of set-asides funding. As a result, GEFA Staff is presently developing a funding strategy to redirect the unobligated set-aside funding to future DWSRF projects.

All other findings and recommendations within the following sections of the PER are additionally under resolution and will be provided under separate cover to EPA Region 4 within GEFA's financial audit.

SECTION VII: CASH DRAWS

SECTION XIII: RECOMMENDATIONS

SECTION XIV: FINDINGS

DWSRF Program Overall Financial Indicator – State FY2023

Based on EPA's financial review, EPA concluded within their FY2023 PER Annual Review that Georgia's DWSRF program was in sound financial condition. Note: Financial indicators data was provided by the OWSRF report for monitoring period ending on 6/30/2023. Attachment 11 references the DWSRF findings within the EPA PER for State FY2023.

Attachment 1A
Sources And Uses of Funds By Quarter
Drinking Water State Revolving Fund Base
FY 2024
July 1, 2023 - June 30, 2024

	Quarter 1 07/2023 - 09/2023	Quarter 2 10/2023 - 12/2023	Quarter 3 01/2024 - 03/2024	Quarter 4 04/2024 - 06/2024	Total
Sources					
Direct Capitalization Grant Funds (Accrual Basis)	322,015.02	8,529,926.30	5,281,728.63	2,385,365.99	\$ 16,519,035.94
State Match Funds (Accrual Basis)	48,200.00	2,677,800.00	-	-	\$ 2,726,000.00
Repayments					
DWSRF Federal & State Principal Repayments	3,610,728.98	3,630,061.20	4,185,309.19	3,840,628.12	\$ 15,266,727.49
DWSRF Federal & State Interest Repayments	1,080,202.62	1,086,899.93	1,104,877.50	1,129,810.34	\$ 4,401,790.39
DWSRF Federal & State Penalties	2,678.51	-	72.13	-	\$ 2,750.64
Fees Collected					
Closing Fee (program income)	427,783.79	281,734.00	333,369.95	437,191.25	\$ 1,480,078.99
Investment Earnings (Short & Long Term)					
DWSRF Federal & State Match Fund	2,125,318.47	2,223,753.54	2,301,762.04	2,394,549.73	\$ 9,045,383.78
Closing Fee (program)	74,564.89	75,970.49	78,332.75	82,785.97	\$ 311,654.10
Closing Fee (non-program)	3,725.57	3,831.69	3,839.06	3,894.95	\$ 15,291.27
Total Sources	\$ 7,695,217.85	\$ 18,509,977.15	\$ 13,289,291.25	\$ 10,274,226.35	\$ 49,768,712.60
Uses					
DWSRF Disbursements - Cap Grant	24,565.00	6,805,941.90	2,432,468.10	-	\$ 9,262,975.00
DWSRF Disbursements - State Match	48,200.00	2,677,800.00	-	-	\$ 2,726,000.00
DWSRF Disbursements - Repayments	-	4,642,261.70	-	-	\$ 4,642,261.70
DWSRF Program Income	68,692.27	423,396.43	466,203.52	331,984.19	\$ 1,290,276.41
DWSRF Non-Program Income	38.18	38.70	38.79	39.31	\$ 154.98
DWSRF Set-aside (2%)	-	352,395.00	288,623.62	-	\$ 641,018.62
DWSRF Administration (4%)	297,450.02	238,109.98	-	-	\$ 535,560.00
DWSRF Set-aside (10% & 15%)	-	1,133,479.42	2,560,636.91	2,385,365.99	\$ 6,079,482.32
Total Uses	\$ 438,945.47	\$ 16,273,423.13	\$ 5,747,970.94	\$ 2,717,389.49	\$ 25,177,729.03

Attachment 2A
DWSRF Repayment Accounts
Drinking Water State Revolving Fund
FY 2024
July 1, 2023 - June 30, 2024

Account	Balance*	Investment Earnings	Expected Uses of Funds
DWSRF State Revolving Repayment Fund	185,326,874.16	9,045,383.78	Project Funding
Closing Fee Account (Program)	6,956,947.93	311,654.10	DWSRF Activities
Closing Fee Account (Non - Program)	289,318.42	15,291.27	Water Supply Related Activities
Total	\$ 192,573,140.51	\$ 9,372,329.15	

*Balance as of 06/30/2024

Attachment 1B
Sources And Uses of Funds By Quarter
Drinking Water State Revolving Fund - BIL Supplemental
FY 2024
July 1, 2023 - June 30, 2024

	Quarter 1 07/2023 - 09/2023	Quarter 2 10/2023 - 12/2023	Quarter 3 01/2024 - 03/2024	Quarter 4 04/2024 - 06/2024	Total
Sources					
Direct Capitalization Grant Funds (Accrual Basis)	14,526,233.88	8,852,160.70	6,691,044.83	21,062,991.17	\$ 51,132,430.58
State Match Funds (Accrual Basis)	-	-	5,709,000.00	-	\$ 5,709,000.00
Repayments					
DWSRF Federal & State Principal Repayments	-	-	-	-	\$ -
DWSRF Federal & State Interest Repayments	-	-	-	-	\$ -
DWSRF Federal & State Penalties	-	-	-	-	\$ -
Fees Collected					
Closing Fee (program income)	-	-	-	-	\$ -
Investment Earnings (Short & Long Term)					
DWSRF Federal & State Match Fund	-	-	-	-	\$ -
Closing Fee (program)	-	-	-	-	\$ -
Closing Fee (non-program)	-	-	-	-	\$ -
Total Sources	\$ 14,526,233.88	\$ 8,852,160.70	\$ 12,400,044.83	\$ 21,062,991.17	\$ 56,841,430.58
Uses					
DWSRF Disbursements - Cap Grant	14,517,340.40	8,786,100.20	6,582,417.81	19,485,552.09	\$ 49,371,410.50
DWSRF Disbursements - State Match	-	-	5,709,000.00	-	\$ 5,709,000.00
DWSRF Disbursements - Repayments	-	-	-	-	\$ -
DWSRF Program Income	-	-	-	-	\$ -
DWSRF Non-Program Income	-	-	-	-	\$ -
DWSRF Set-aside (2%)	-	-	63,771.38	704,790.00	\$ 768,561.38
DWSRF Administration (4%)	8,893.48	66,060.50	44,855.64	132,645.61	\$ 252,455.23
DWSRF Set-aside (10% & 15%)	-	-	-	740,003.47	\$ 740,003.47
Total Uses	\$ 14,526,233.88	\$ 8,852,160.70	\$ 12,400,044.83	\$ 21,062,991.17	\$ 56,841,430.58

Attachment 2B
DWSRF Repayment Accounts
Drinking Water State Revolving Fund - BIL Supplemental
FY 2024
July 1, 2023 - June 30, 2024

Account	Balance*	Investment Earnings	Expected Uses of Funds
DWSRF State Revolving Repayment Fund	-	-	Project Funding
Closing Fee Account (Program)	-	-	DWSRF Activities
Closing Fee Account (Non - Program)	-	-	Water Supply Related Activities
Total	\$ -	\$ -	

*Balance as of 06/30/2024

Attachment 3
Communities Receiving DWSRF Financial Assistance
Drinking Water State Revolving Fund
FY 2024
July 1, 2023 - June 30, 2024

Community	Project Number	Population	Zip Code	Project Type	Total Assistance Agreements	Loan Amount	Principal Forgiveness Amount	Binding Commitment Date	Projected Loan Closeout Date	Loan Interest Rate	Fees (%) Collected Outside the Principal of the Loan
City of McDonough	DW2021022-L	6,145	30253	Base	9,671,000.00	9,671,000.00	-	3/21/2024	6/1/2026	2.90%	1.25%
City of Waycross	DW2022007-L	7,585	31501	Additional Sub	3,000,000.00	1,500,000.00	1,500,000.00	12/20/2023	3/1/2025	1.08%	1.25%
City of Bowdon	DW2022013-L	2,418	30108	Additional Sub	2,180,000.00	1,417,000.00	763,000.00	1/26/2024	2/1/2025	1.60%	1.25%
Unified Government of Georgetown-Quitman County	DW2022017-L	2,100	39854	Additional Sub	767,000.00	383,500.00	383,500.00	8/4/2023	1/1/2024	1.21%	1.25%
Rabun County Water and Sewer Authority	DW2022031-L	196	30568	Additional Sub	1,800,000.00	1,170,000.00	630,000.00	7/6/2023	9/1/2024	2.45%	1.25%
City of Cumming	DW2023006-L	21,613	30040	Base	19,000,000.00	19,000,000.00	-	10/26/2023	1/1/2026	1.92%	1.25%
City of Shellman	DW2023009-L	861	39886	Additional Sub	250,000.00	-	250,000.00	6/4/2024	1/1/2025	0.00%	1.50%
City of Royston	DW2023010-L	2,649	30662	Additional Sub	2,500,000.00	1,250,000.00	1,250,000.00	1/26/2024	1/1/2025	1.29%	1.25%
City of Summerville	DW2023036-L	4,543	30747	Additional Sub	2,000,000.00	1,000,000.00	1,000,000.00	11/28/2023	9/1/2024	0.92%	1.25%
Clayton County Water Authority	DW2023037-L	87,124	30260	Base	16,000,000.00	16,000,000.00	-	2/4/2024	3/1/2026	1.63%	1.25%
City of Toccoa	DW2023033-L	11,361	30577	Additional Sub	1,253,500.00	626,750.00	626,750.00	4/11/2024	12/1/2024	2.21%	1.25%
City of Culloden	DW2020016-L	122	31016	Additional Sub	750,000.00	412,500.00	337,500.00	8/9/2023	12/1/2024	1.13%	1.00%
City of Blue Ridge	DW2023032-L	3,230	30513	Additional Sub	600,000.00	300,000.00	300,000.00	3/21/2024	8/1/2024	1.71%	1.25%
City of Blue Ridge	DW2023031-L	3,230	30513	Additional Sub	350,000.00	175,000.00	175,000.00	3/21/2024	6/1/2024	1.50%	1.25%
City of Lavonia	DW2021009-L	3,198	30553	Additional Sub	2,500,000.00	1,600,000.00	900,000.00	9/5/2023	4/1/2024	2.19%	1.25%
City of Winder	DW2023028-L	18,435	30680	Base	14,000,000.00	14,000,000.00	-	11/21/2023	8/1/2026	1.63%	1.25%
Talbot County Board of Commissioners	DW2022036-L	4,105	31827	Additional Sub	720,800.00	360,380.00	360,420.00	3/21/2024	8/1/2024	1.52%	1.25%
City of Sparta	DW2023034-L	1,330	31087	Additional Sub	4,200,000.00	100,000.00	4,100,000.00	2/23/2024	9/1/2025	0.44%	1.25%
City of Cave Spring	DW2023046-L	3,226	30124	Additional Sub	12,000,000.00	6,500,000.00	5,500,000.00	6/21/2024	7/1/2026	1.57%	1.50%
City of LaFayette	DW2019025A-L	2,820	30728	Base	506,000.00	506,000.00	-	12/14/2023	12/1/2024	2.18%	1.25%
City of Elberton	DW2023044-L	4,678	30635	Additional Sub	2,500,000.00	1,250,000.00	1,250,000.00	5/17/2024	11/1/2025	0.86%	1.50%
City of Warrenton	DW2023030-L	1,806	30828	Additional Sub	791,100.00	79,110.00	711,990.00	5/21/2024	1/1/2025	0.44%	1.50%
					\$ 97,339,400.00	\$ 77,301,240.00	\$ 20,038,160.00				

*Indicates loans funded by BIL Supplemental

Attachment 4
Binding Commitments By Category, Population, and Dollar Value
Drinking Water State Revolving Fund
FY 2024
July 1, 2023 - June 30, 2024

Commitment by Category	# of Binding Commitments*	Assistance Amount (\$)	Commitment by Population Size	# of Binding Commitments	Assistance Amount (\$)
Planning and Design Only	2	\$ 17,051,100	Less Than 501	2	2,550,000
Construction:			501 to 3,300	11	26,644,100
Treatment	6	\$ 27,687,000	3,301 to 10,000	5	17,891,800
Transmission & Distribution	9	\$ 46,778,400	10,001 to 100,000	4	50,253,500
Source	2	\$ 3,722,900	100,001 and above	0	0
Storage	3	\$ 2,100,000	Total	22	\$ 97,339,400.00
Purchase of System					
Restructuring					
Land Acquisition					
Other					
Total	22	\$97,339,400.00			

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

Attachment 5
Disbursement of DWSRF Funds By Quarter
Drinking Water State Revolving Fund
FY 2024
July 1, 2023 - June 30, 2024

Community	Project Number	Quarter 1 7/2023 - 9/2023	Quarter 2 10/2023 - 12/2023	Quarter 3 1/2024- 3/2024	Quarter 4 4/2024 - 6/2024	Total
Warwick, City of	90822	\$43.15	\$0.00	\$0.00	\$0.00	\$43.15
Baldwin, City of	DW13016	\$0.00	\$17,356.02	\$0.00	\$0.00	\$17,356.02
Cochran, City of	DW15019	\$0.00	\$0.00	\$0.00	\$9,500.00	\$9,500.00
Hiawassee, City of	DW15030	\$0.00	\$704,844.17	\$351,996.54	\$998,643.92	\$2,055,484.63
Hiawassee, City of	DW15030A	\$0.00	\$0.00	\$0.00	\$538,522.33	\$538,522.33
Coweta County Water & Sewerage Authority	DW2016012	\$592,865.99	\$0.00	\$219,836.28	\$0.00	\$812,702.27
Homer, City of	DW2016014	\$158,397.39	\$48,700.60	\$0.00	\$256,299.40	\$463,397.39
McRae-Helena, City of	DW2016018	\$110,236.67	\$6,999.05	\$0.00	\$0.00	\$117,235.72
Thomson, City of	DW2017008	\$0.00	\$0.00	\$0.00	\$22,850.00	\$22,850.00
Newton Co BOC	DW2017023	\$0.00	\$898,135.61	\$21,000.00	\$23,940.00	\$943,075.61
Talbot County BOC	DW2018012	\$121,382.98	\$34,993.46	\$24,948.13	\$10,764.04	\$192,088.61
Coosa Water Authority	DW2018016	\$126,726.69	\$3,160.55	\$0.00	\$0.00	\$129,887.24
Doerun, City of	DW2019003	\$119,205.00	\$101,289.93	\$71,897.73	\$0.00	\$292,392.66
Montezuma, City of	DW2019013	\$41,045.68	\$119,357.03	\$0.00	\$0.00	\$160,402.71
Lincolnton, City of	DW2019015	\$0.00	\$129,566.72	\$0.00	\$0.00	\$129,566.72
Pavo, City of	DW2019020	\$215,831.25	\$0.00	\$0.00	\$8,640.00	\$224,471.25
Carroll Co Water Authority	DW2019024	\$103,548.82	\$252,819.23	\$0.00	\$471,493.80	\$827,861.85
LaFayette, City of	DW2019025	\$0.00	\$0.00	\$94,817.64	\$0.00	\$94,817.64
LaFayette, City of	DW2019025A	\$0.00	\$0.00	\$340,306.00	\$0.00	\$340,306.00
Walker Co WSA	DW2019026	\$2,247,933.30	\$3,141,780.18	\$1,655,947.52	\$1,130,649.59	\$8,176,310.59
Walker Co WSA	DW2019026A	\$0.00	\$0.00	\$0.00	\$3,587,761.09	\$3,587,761.09
Ashburn, City of	DW2020005	\$4,675.00	\$0.00	\$175,261.26	\$470,784.55	\$650,720.81
Warwick, City of	DW2020007	\$55,447.26	\$0.00	\$0.00	\$0.00	\$55,447.26
Waycross, City of	DW2020009	\$0.00	\$33,156.25	\$0.00	\$0.00	\$33,156.25
Iron City, City of	DW2020010	\$280,921.40	\$179,885.81	\$0.00	\$49,588.01	\$510,395.22
Meansville, City of	DW2020012	\$0.00	\$144,606.96	\$777,729.97	\$110,654.69	\$1,032,991.62
Ochlocknee, City of	DW2020013	\$145,977.90	\$0.00	\$0.00	\$0.00	\$145,977.90
Barwick, City of	DW2020018	\$0.00	\$42,078.14	\$0.00	\$0.00	\$42,078.14
Flowery Branch, City of	DW2020020	\$0.00	\$0.00	\$1,841,651.68	\$275,541.75	\$2,117,193.43
Villa Rica, City of	DW2020024	\$0.00	\$13,216.02	\$0.00	\$4,752.50	\$17,968.52
Greenville, City of	DW2020026	\$0.00	\$288,317.01	\$1,912.96	\$0.00	\$290,229.97
Greenville, City of	DW2020026A	\$0.00	\$46,655.26	\$17,207.74	\$0.00	\$63,863.00
Twin City, City of	DW2020027	\$139,430.28	\$0.00	\$0.00	\$0.00	\$139,430.28
Hogansville, City of	DW2020028	\$737,471.03	\$584,478.28	\$621,616.35	\$208,870.14	\$2,152,435.80

Attachment 5
Disbursement of DWSRF Funds By Quarter
Drinking Water State Revolving Fund

Community	Project Number	Quarter 1 7/2023 - 9/2023	Quarter 2 10/2023 - 12/2023	Quarter 3 1/2024 - 3/2024	Quarter 4 4/2024 - 6/2024	Total
Forsyth Co BOC	DW2020029	\$5,237,791.00	\$2,385,594.09	\$925,011.97	\$0.00	\$8,548,397.06
Columbus WW, City of	DW2020030	\$808,331.85	\$327,361.15	\$1,021,624.14	\$1,767,324.42	\$3,924,641.56
Gainesville, City of	DW2020032	\$28,184.00	\$379,391.28	\$705,715.60	\$105,756.27	\$1,219,047.15
Dade Co WSA	DW2020035	\$36,045.50	\$0.00	\$82,453.20	\$0.00	\$118,498.70
Macon Water Authority	DW2020039	\$0.00	\$0.00	\$0.00	\$274,788.07	\$274,788.07
Brunswick-Glynn Co Joint WSC	DW2020040	\$438,805.00	\$696,662.45	\$0.00	\$0.00	\$1,135,467.45
Carrollton, City of	DW2020042	\$1,953,838.88	\$6,461,638.86	\$2,644,350.63	\$2,976,978.57	\$14,036,806.94
Culloden, City of	DW202016	\$124,017.00	\$0.00	\$174,745.46	\$0.00	\$298,762.46
East Point, City of	DW2021001	\$0.00	\$0.00	\$0.00	\$1,407,626.92	\$1,407,626.92
McCaysville, City of	DW2021003	\$41,510.11	\$11,388.60	\$29,654.13	\$0.00	\$82,552.84
Eastman, City of	DW2021004	\$0.00	\$0.00	\$643,287.00	\$391,083.04	\$1,034,370.04
Sylvania, City of	DW2021008	\$117,588.45	\$42,085.53	\$105,182.10	\$28,748.90	\$293,604.98
Sasser, Town of	DW2021010	\$111,792.21	\$0.00	\$0.00	\$0.00	\$111,792.21
Sardis, City of	DW2021015	\$80,091.71	\$20,198.30	\$0.00	\$0.00	\$100,290.01
Monroe, City of	DW2021017	\$0.00	\$0.00	\$0.00	\$77,674.95	\$77,674.95
Cumming, City of	DW2021018	\$0.00	\$1,989,604.38	\$488,823.92	\$299,843.21	\$2,778,271.51
Dawson, City of	DW2021019	\$336,407.40	\$660,139.14	\$258,004.24	\$11,896.52	\$1,266,447.30
Fargo, City of	DW2021021	\$0.00	\$0.00	\$58,900.00	\$0.00	\$58,900.00
McDonough, City of	DW2021022	\$0.00	\$0.00	\$0.00	\$1,753,668.56	\$1,753,668.56
McDonough, City of	DW2021022-L	\$0.00	\$0.00	\$0.00	\$464.94	\$464.94
Temple, City of	DW2021023	\$226,744.31	\$0.00	\$239,241.08	\$0.00	\$465,985.39
Blakely, City of	DW2022003	\$461,893.00	\$274,285.99	\$481,819.98	\$0.00	\$1,217,998.97
Georgetown-Quitman County, Unified Government of	DW2022017	\$0.00	\$0.00	\$0.00	\$39,000.00	\$39,000.00
Lumpkin, City of	DW2022019	\$0.00	\$0.00	\$11,142.00	\$0.00	\$11,142.00
Harris County Water Works	DW2022023	\$0.00	\$0.00	\$0.00	\$757,087.78	\$757,087.78
Cumming, City of	DW2022025	\$0.00	\$1,308,636.41	\$68,875.60	\$372,500.00	\$1,750,012.01
Coweta County Water & Sewerage Authority	DW2022030	\$553,768.65	\$1,702,414.65	\$531,675.06	\$414,623.01	\$3,202,481.37
Clayton County Water Authority	DW2022033	\$0.00	\$1,192.50	\$0.00	\$0.00	\$1,192.50
Cumming, City of	DW2023006	\$0.00	\$40,000.00	\$37,250.00	\$181,012.50	\$258,262.50
Shellman, City of	DW2023009	\$0.00	\$0.00	\$0.00	\$12,690.00	\$12,690.00
Sparta, City of	DW2023034	\$0.00	\$0.00	\$0.00	\$27,000.00	\$27,000.00
Summerville, City of	DW2023036	\$0.00	\$0.00	\$0.00	\$63,603.23	\$63,603.23

Attachment 6
Comparison of Projected Versus Actual Disbursements
Drinking Water State Revolving Fund
FY 2024
July 1, 2023 - June 30, 2024

Projected Disbursements	Quarter 1 7/2023 - 9/2023	Quarter 2 10/2023 - 12/2023	Quarter 3 1/2024 - 3/2024	Quarter 4 4/2024 - 6/2024	Total
Projected FY 2023 DW Disbursements from 2021 IUP	\$3,524,798.00	\$2,133,600.00	\$0.00	\$0.00	\$ 5,658,398.00
Projected FY 2023 DW Disbursements from 2022 IUP	\$110,000.00	\$1,910,000.00	\$3,930,000.00	\$8,135,000.00	\$ 14,085,000.00
Total Projected Disbursements for FY 2022	\$ 3,634,798.00	\$ 4,043,600.00	\$ 3,930,000.00	\$ 8,135,000.00	\$ 19,743,398.00
Actual FY 2023 DWSRF Disbursements	\$ 15,757,948.86	\$ 23,091,989.61	\$ 14,723,885.91	\$ 19,142,626.70	\$ 72,716,451.08
Percent Disbursed of Projected	434%	571%	375%	235%	368%

Attachment 7
Projects Closed
Drinking Water State Revolving Fund
FY 2024
July 1, 2023 - June 30, 2024

Community	Project Number	DWSRF Assistance Amount	Assistance Amount Used	Percentage Used	Loan Execution Date	Final Close Date	Loan Interest Rate
Town of Sasser	DW2021010-L	162,500	137,124	84.4%	11/17/2022	10/1/2023	0.07%
City of Baldwin	DW13016-L	1,634,000	1,634,000	100.0%	2/26/2015	12/1/2023	2.03%
City of Clayton	DW14011-L	1,750,000	739,852	42.3%	3/18/2015	2/26/2024	0.52%
Coweta County Water and Sewerage Authority	DW2016012-L	8,800,000	8,800,000	100.0%	4/6/2018	4/1/2024	0.89%
Town of Homer	DW2016014-L	750,000	750,000	100.0%	6/21/2018	5/1/2024	0.88%
City of Thomson	DW2017007-L	1,694,000	1,694,000	100.0%	7/30/2019	7/1/2023	1.25%
City of Colquitt	DW2017027-L	266,000	266,000	100.0%	11/17/2020	7/1/2023	0.94%
City of Damascus	DW2019006-L	50,000	50,000	100.0%	6/8/2020	7/1/2023	0.94%
City of Waleska	DW2019012-L	1,080,000	1,080,000	100.0%	4/4/2019	7/1/2023	1.25%
City of Lincolnton	DW2019015-L	1,068,650	1,061,237	99.3%	10/15/2020	1/1/2024	1.53%
City of Pavo	DW2019020-L	450,000	450,000	100.0%	11/24/2021	5/1/2024	1.86%
Walker County Water and Sewerage Authority	DW2019026-L	11,400,000	11,400,000	100.0%	12/9/2020	5/1/2024	1.60%
City of Thomasville	DW2019033-L	2,500,000	2,191,196	87.6%	7/28/2020	1/1/2024	0.94%
City of Warwick	DW2020007-L	356,000	321,087	90.2%	2/2/2021	6/1/2024	0.13%
City of Elberton	DW2020017-L	2,500,000	2,495,000	99.8%	9/29/2020	7/1/2023	1.64%
City of Barwick	DW2020018-L	500,000	493,045	98.6%	2/5/2021	1/1/2024	0.13%
City of Blackshear	DW2020025-L	1,264,000	1,260,026	99.7%	1/11/2022	7/1/2023	0.13%
City of Greenville	DW2020026-L	315,000	315,000	100.0%	10/13/2021	4/1/2024	0.13%
Macon Water Authority	DW2020039-L	9,300,000	9,300,000	100.0%	2/5/2021	6/1/2024	0.04%
Brunswick-Glynn County Joint Water and Sewer Commission	DW2020040-L	18,200,000	15,976,951	87.8%	1/5/2021	5/1/2024	0.07%
City of Sardis	DW2021015-L	325,000	267,789	82.4%	11/2/2021	1/1/2024	0.07%
	Total	\$64,365,150.00	\$60,682,306.21	94.3%			

Attachment 8
Administrative & Set-Aside Expenses By Category
Drinking Water State Revolving Fund
FY 2024
July 1, 2023 - June 30, 2024

Set-aside Category	SRF Amount Expended
2% Small System Tech Assistance Setaside	
Technical Assistance Contracts	641,018.62
Subtotal	\$ 641,018.62
4% Administrative Funds Setaside	
Personnel	111,841.09
Fringe Benefits	70,766.06
Travel	7,692.85
Contractual	108,528.72
Operating Expenses	36,162.83
Indirect Costs	155,216.08
Shared Services	45,352.37
Subtotal	\$ 535,560.00
10% State Program Management Setaside	
Capacity Development Strategy	892,771.08
EPD Crypto Strategy	1,173,456.96
Information Management Pilot Project	469,799.05
Source Water Assessment/Petition	111,756.09
Water Resource Management	110,923.00
Subtotal	\$ 2,758,706.18
15% Local Assistance & Other State Programs Setaside	
Wellhead Protect Implement	-
Wellhead Protection	1,243,896.07
Capacity Development Strategy	2,076,880.07
Subtotal	\$ 3,320,776.14
Total	\$ 7,256,060.94

Attachment 8
Administrative & Set-Aside Expenses By Category
Drinking Water State Revolving Fund - BIL Supplemental
FY 2024
July 1, 2023 - June 30, 2024

Set-aside Category		SRF Amount Expended
2% Small System Tech Assistance Setaside		
Technical Assistance Contracts		768,561.38
Subtotal	\$	768,561.38
4% Administrative Funds Setaside		
Personnel		77,266.50
Fringe Benefits		44,461.85
Travel		-
Contractual		16,981.96
Operating Expenses		3,815.57
Indirect Costs		103,469.10
Shared Services		6,460.25
Subtotal	\$	252,455.23
10% State Program Management Setaside		
Capacity Development Strategy		255,917.18
EPD Crypto Strategy		399,735.75
Information Management Pilot Project		72,421.60
Source Water Assessment/Petition		11,928.94
Water Resource Management		-
Subtotal	\$	740,003.47
15% Local Assistance & Other State Programs Setaside		
Wellhead Protect Implement		-
Wellhead Protection		-
Capacity Development Strategy		-
Subtotal	\$	-
Total	\$	1,761,020.08

Attachment 9
DBE Utilization
Drinking Water State Revolving Fund
October 1, 2022 - September 30, 2023*

Semi-Annual Dates	Summaries		
	MBE (\$)	WBE (\$)	TOTAL (\$)
October 1, 2022 - September 30, 2023	1,538,631.02	6,102,215.94	\$ 7,640,846.96
TOTAL	\$ 1,538,631.02	\$ 6,102,215.94	\$ 7,640,846.96
PERCENTAGE GOAL	4.00%	4.00%	8.00%
PERCENTAGE ACTUAL**	2.71%	10.75%	13.46%

*DBE information is provided on an annual basis to EPA

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

Attachment 10
DWSRF Capitalization Grants Available & Spent
Drinking Water State Revolving Fund - Base
As of June 30, 2024

Capitalization Grant	Project Funds	2% Set-aside	4% Set-aside	10% Set-aside	15% Set-aside	Total Funds
2023 Funds Available	9,238,410.00	267,780.00	535,560.00	1,338,900.00	2,008,350.00	13,389,000.00
2023 Funds Spent	9,238,410.00	-	535,560.00	-	-	9,773,970.00
% of Funds Spent	100.00%	0.00%	100.00%	0.00%	0.00%	73.00%
2022 Funds Available	11,393,970.00	330,260.00	660,520.00	1,651,300.00	2,476,950.00	16,513,000.00
2022 Funds Spent	11,393,970.00	330,260.00	660,520.00	1,651,300.00	1,000,533.68	15,036,583.68
% of Funds Spent	100.00%	100.00%	100.00%	100.00%	40.39%	91.06%
2021 Funds Available	18,128,560.00	518,480.00	1,036,960.00	2,592,400.00	3,888,600.00	26,165,000.00
2021 Funds Spent	18,128,560.00	518,480.00	1,036,960.00	2,592,400.00	3,888,600.00	26,165,000.00
% of Funds Spent	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total Funds Available	\$ 38,760,940.00	\$ 1,116,520.00	\$ 2,233,040.00	\$ 5,582,600.00	\$ 8,373,900.00	\$ 56,067,000.00
Total Funds Spent	\$ 38,760,940.00	\$ 848,740.00	\$ 2,233,040.00	\$ 4,243,700.00	\$ 4,889,133.68	\$ 50,975,553.68
Total % of Funds Spent	100.00%	76.02%	100.00%	76.02%	58.39%	90.92%

Attachment 10
DWSRF Capitalization Grants Available & Spent
Drinking Water State Revolving Fund - BIL Supplemental
As of June 30, 2024

Capitalization Grant	Project Funds	2% Set-aside	4% Set-aside	10% Set-aside	15% Set-aside	Total Funds
2023 Funds Available	49,834,634.00	1,141,800.00	850,000.00	2,871,835.00	2,391,731.00	57,090,000.00
2023 Funds Spent	26,067,969.90	-	-	-	-	26,067,969.90
% of Funds Spent	52.31%	0.00%	0.00%	0.00%	0.00%	45.66%
2022 Funds Available	36,193,486.00	848,000.00	1,696,000.00	1,819,229.00	1,843,285.00	42,400,000.00
2022 Funds Spent	36,193,486.00	768,561.38	252,455.23	740,003.47	-	37,954,506.08
% of Funds Spent	100.00%	90.63%	14.89%	40.68%	0.00%	89.52%
Total Funds Available	\$ 86,028,120.00	\$ 1,989,800.00	\$ 2,546,000.00	\$ 4,691,064.00	\$ 4,235,016.00	\$ 99,490,000.00
Total Funds Spent	\$ 62,261,455.90	\$ 768,561.38	\$ 252,455.23	\$ 740,003.47	\$ -	\$ 64,022,475.98
Total % of Funds Spent	72.37%	38.63%	9.92%	15.77%	0.00%	64.35%

Attachment 11
EPA Program Evaluation Report - State FY2023



U. S. ENVIRONMENTAL PROTECTION AGENCY
REGION 4
PROGRAM EVALUATION REPORT
SEPTEMBER 12, 2024

Georgia Drinking Water State Revolving Fund
State Fiscal Year 2023
July 1, 2022 – June 30, 2023

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EXECUTIVE SUMMARY

This Program Evaluation Report (PER) reviews the performance of the Georgia Environmental Finance Authority's (GEFA's) Drinking Water State Revolving Fund program (DWSRF) for GEFA's fiscal year (FY) 2023, which runs from July 1, 2022, to June 30, 2023. The U.S. Environmental Protection Agency (EPA) is required by 40 CFR § 35.3570 to annually assess the success of GEFA's performance of activities to determine compliance with the terms of the capitalization grant agreement. In part, the EPA utilized GEFA's FY22 DWSRF Intended Use Plans (IUPs) and FY23 annual reports in its review.

On November 15, 2021, the President signed P.L. 117-58, the "Bipartisan Infrastructure Law (BIL), also known as the "Infrastructure Investment and Jobs Act of 2021" (IIJA) into law. EPA awarded BIL supplemental capitalization grants through the state DWSRF programs for water infrastructure projects.

The EPA Federal FY22 Base capitalization grant provided Georgia with \$16,513,000 in drinking water assistance. This required a 20 percent state match, \$3,302,600. When added to the DWSRF capitalization grant the total available for assistance is \$19,815,000.

The EPA Federal FY22 BIL General Supplemental (GS) capitalization grant provided Georgia with \$42,400,000 in drinking water assistance. This required a 10 percent state match, \$4,240,000. When added to the DWSRF capitalization grant the total available for assistance is \$46,640,000.

The EPA Federal FY22 BIL Lead Service Line Replacement (LSLR) capitalization grant provided Georgia with \$66,808,000 in drinking water assistance. There was no required state match, this amount is the total available for assistance. No LSLR assistance agreements were executed during GEFA's FY23.

The EPA Federal FY22 BIL Emerging Contaminants (EC) capitalization grant provided Georgia with \$17,804,000 in drinking water assistance. There was no required state match, this amount is the total available for assistance. No EC assistance agreements were established during GEFA's FY23.

During state FY23, GEFA made 18 new loans to local governments totaling \$91,191,763. One of the metrics the EPA utilizes in evaluating state programs is "pace", which is defined as cumulative amount of loans issued as a percentage of all funds available. As of June 30, 2023, the reported pace of GEFA's program was 100 percent, a decrease from GEFA's FY22 program pace of 109 percent. The national average for DWSRF in FY23 is 95 percent.

The Georgia DWSRF has been administered in accordance with Section 1452 of the Safe Drinking Water Act (SDWA) as amended. The program is following all terms, schedules, provisions/assurances of the IUP, the operating agreement between GEFA and the EPA, and the conditions of the capitalization grant agreements.

SECTION I: PURPOSE AND SCOPE

The EPA Region 4 began the FY23 annual review of the Georgia DWSRF with an opening meeting on December 12, 2023. The review concluded with a closing conference on July 17, 2024. This review process was conducted as prescribed in Section 1452 of the SDWA, 40 CFR § 35.3575 and in the Annual Review Guidance issued October 2023. The review was conducted in a hybrid approach, both virtually and in person.

The purposes of the annual review are to:

1. Evaluate the success of the state's performance in achieving goals and objectives identified in the IUP, and the state's annual report;
2. Evaluate the state's compliance with regulations, operating agreement, and capitalization grant agreement;
3. Assess the financial status and performance of the fund;
4. Review the program in accordance with EPA's SRF Annual Review Guidance;
5. Review the status of resolution of prior year PER findings; and
6. Examine and follow up on any open audit findings and recommendations.

In attendance at the on-site opening conference for GEFA were Jenerrah Byron, Amanda Carroll, Kelvin Castro, Benoit Causse, Jill Causse, Jamelle Cherry, James Fletcher, David Gipson, Lisa Golphin, Jammie Harden, Vince Harvey, Hunter Hill, Susan Lucki, Peter Nwogu, Manny Patel, Virginia Thom, and Brian Woodham. Attending from the EPA Region 4 were Chris Bruegge, Rose Degner, Amy Kuhs, Matthew Lagod, Mara Lindsley, Tracy Williams, and Monique Wyatt.

During the review period, EPA Region 4 examined project files, loan agreements, any additional supporting documents, EPA Headquarters Contractor-tested financial transactions, and met with GEFA staff to better understand issues and exchange information.

At the completion of the review, a virtual exit briefing was held to review the observations made by the EPA and to clarify any outstanding issues. Attending the exit conference for GEFA were Hunter Hill, Judy Adler, Amanda Carroll, Jammie Harden, Lisa Golphin and Susan Lucki. Attending from the EPA Region 4 were Katie Butler, Johnnie Purify, Mara Lindsley, Chris Holliday, Chris Bruegge, Amy Kuhs, Matthew Lagod, Tracy Williams, Jill Causse, and Ronekisha Oliver.

SECTION II: COMPLIANCE REQUIREMENTS

GEFA provided the EPA with the most recent financial audit for the year ending June 30, 2023. This audit, dated October 5, 2023, contained no findings.

GEFA is in compliance with the Disadvantaged Business Enterprise (DBE) requirement detailed in their capitalization grant award. GEFA's DBE goal for FY23 was eight percent. GEFA's DBE participation in the DWSRF for the most recent reporting year (FFY 2022) was 6.24 percent. GEFA provides assurances that borrowers follow the six affirmative steps for DBE participation.

GEFA is in compliance with the 13 assurances stated in the grant agreement, including capacity development and operator certification requirements. These assurances have their basis in 40 CFR § 35.3550.

Based on the review, the following items describe the activities and observations of interest:

1. Assurance that the state has the authority to establish a fund and to operate the DWSRF program in accordance with the SDWA.

Status: GEFA provided the required Attorney General certification with the grant application.

2. Assurance that the state will comply with state statutes and regulations and abide by state law.

Status: GEFA certified this in the FY22 IUP.

3. Assurance that the state has the technical capability to operate the program.

Status: GEFA has provided an assurance to this effect in its Operating Agreement, which recalls that Georgia has authorized GEFA to administer a state revolving fund in compliance with Title XIV of the Safe Drinking Water Act, and that GEFA has established an agreement with the Environmental Protection Division for technical and environmental management services. GEFA is in compliance with this assurance.

4. Assurance that the state will accept capitalization grant funds in accordance with a payment schedule.

Status: GEFA certified this in the FY22 IUP.

5. Assurance that the state will deposit all capitalization grant funds in the fund or set-aside account.

Status: GEFA has deposited the capitalization grant appropriately.

6. Assurance that the state will provide an amount equal to 20 percent of base capitalization grant and 10 percent of BIL General Supplemental capitalization grant (state match) in the fund.

Status: The FY22 base capitalization grant was \$16,513,000. The 20 percent state match amount of \$3,302,600 was provided through state appropriation funds. The FY22 BIL General Supplemental capitalization grant was \$42,400,000. The 10 percent state match amount of \$4,240,000 was provided through state appropriation funds.

7. Assurance that the state will deposit net bond proceeds, interest earnings and repayments into the fund.

Status: GEFA did not leverage. All repayments and interest earnings are credited to the fund.

8. Assurance that the state will utilize Generally Accepted Accounting Principles.

Status: As noted in the FY23 state audit, GEFA has complied with this assurance.

9. Assurance that the state will have the fund and set-aside account audited annually in accordance with Generally Accepted Government Auditing Standards.

Status: The DWSRF is audited annually. 40 CFR § 35.3570(b) states that audits are due within one year after the end of the FY.

10. Assurance that the state will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments (or in the case of a privately-owned system, demonstrate that there is adequate security).

Status: GEFA has complied with this assurance in loan agreements to borrowers.

11. Assurance that the state will commit and expend funds as efficiently as possible and in an expeditious and timely manner.

Status: The overall pace percentage for GEFA for FY23 is 100 percent, a decrease from GEFA's FY22 program pace of 109 percent. GEFA disbursed a total of \$73,245,773 from the DWSRF in FY23.

12. Assurance that funds will be utilized in accordance with the IUP.

Status: The annual report documents that GEFA is in compliance with this assurance.

13. Assurance that the state will provide the EPA with a Biennial Report.

Status: GEFA has elected to provide an annual report to the EPA for the GEFA's DWSRF program. The annual report was received by September 30, 2023, for the state FY ending June30, 2023. The report contained adequate and accurate information.

SECTION III: PROGRAM GOALS

GEFA has a number of long-term and short-term goals in their IUPs. The EPA evaluated one long-term and one short-term goal. GEFA is working toward meeting each of the goals evaluated. GEFA's status in meeting these goals is discussed in the DWSRF annual report. The goals and accomplishments reviewed for the FY23 PER include:

Long term goal and status:

Goal: Consolidate multiple database management systems that integrate drinking water project data with program management data.

Status: GEFA implemented a comprehensive database management system that will allow borrowers to manage and track loan funds, repayments, set-aside spending, capital, and financial contributions. The goal is to automate tasks and allow the borrowers to enter and view their current information. This comprehensive database will reduce errors and increase efficiency in program management. The system went live internally on April 1, 2023.

Short term goal and status:

Goal: Increase the scope of onsite technical assistance provided to small water systems to include the management of assets, and the identification and remediation of failing system components.

Status: GEFA contracted with the Georgia Rural Water Association (GRWA) to provide onsite small system water technical assistance by performing 500 field visits. The objective of each field visit is to ensure that the water system is in compliance with state and federal regulations. GRWA performed a minimum of 240 visits during the contract period to perform Synthetic Organic Compound (SOC) sample collection. The Georgia Environmental Protection Division provided the list of systems and sources that need SOC monitoring performed. Lastly, GRWA performed 25 emergency preparedness technical assistance visits for water systems. Twenty-two visits were provided to systems serving a population of 10,000 or less and three visits will be provided to systems serving a population greater than 10,000 but less than 25,000. These emergency field visits assist the owners and/or operators of the system with disaster mitigation, emergency preparedness, and emergency response and recovery.

SECTION IV: PROJECT FILES REVIEWED

1. *One Drinking Water SRF Base program equivalency project and one Drinking Water SRF BIL General Supplemental equivalency project:*

Loan Reviewed	Environmental Review Determination	Loan Amount
Clayton County Water Authority Water Meter Replacement Loan Agreement Signed: 5/15/2023	<u>Categorical Exclusion</u> issued: 11/15/2022	Loan Amount: \$25,000,000 Loan Term: 20-year Loan Interest Rate: 1.92% Principal Forgiveness: \$0

The project was eligible for DWSRF funding and followed the environmental review, Davis Bacon, American Iron and Steel, Build America-Buy America, and procurement requirements. GEFA initially intended to utilize Clayton County Water Authority, to apply equivalency requirements for both the FY22 DWSRF Base and DWSRF BIL General Supplemental capitalization grants. The state has since made changes and will designate a new equivalency project for the remainder of the BIL cap grant.

2. *One additional Drinking Water SRF Base program project with a disadvantaged community receiving additional subsidization:*

Loan Reviewed	Environmental Review Determination	Loan Amount
City of Blakely Water Meter Replacement Loan Agreement Signed: 1/19/2023	<u>Categorical Exclusion</u> issued: 10/26/2021	Loan Amount: \$1,680,000 Loan Term: 15-year Loan Interest Rate: 0.73% Principal Forgiveness: \$1,008,000

The project was eligible for DWSRF funding and followed the environmental review, Davis Bacon, American Iron and Steel, and procurement requirements.

SECTION V: ENVIRONMENTAL BENEFITS REPORTING

FY23 Loans	Public Benefit	Total Investment
18 New Loans	Improvements to public water systems promoting compliance, ensuring water supply, and protecting public health.	\$91,191,763

GEFA updated the Office of Water State Revolving Fund (OWSRF) database in a timely fashion as required by the grant agreement. All necessary information about projects funded in FY23 was entered in the OWSRF system. Some additional subsidy information for the projects was not linked properly to capitalization grants in the database.

SECTION VI: ADDITIONAL SUBSIDIZATION AND POPULATION SERVED

	Assistance for Small Systems (<10,000)	Additional Subsidization Disbursed	Number of Projects that received Additional Subsidization
FY22 Disbursement Totals	\$19,468,265	\$7,674,212	11
FY23 Disbursement Totals	\$35,712,663	\$3,937,410	8

Additional Subsidy Assigned from Executed Loan Agreements*

	Grant Award Amount (\$)	Required Subsidy min (%)	Assigned Subsidy (\$)	Assigned Subsidy (%)
FY22 Base	\$16,513,000	26%	\$3,640,500	22.05%
FY22 General Supplemental	\$42,400,000	49%	\$6,572,410	15.50%

*Data obtained from OWSRF on 8/12/24. This is an ongoing process; state will assign additional subsidy as loan agreements are executed.

Base Additional Subsidy Requirements

The terms and conditions of the grant award require additional subsidy to borrowers of the DWSRF loan program. In addition to the disadvantaged community additional subsidy assistance that must be provided as described in Section 1452(d) of the SDWA in an amount between 12 percent and 35 percent, an additional 14 percent of the capitalization grant must be provided as additional subsidization under the 2022 Congressional Add-Sub authority to eligible borrowers. Georgia's FY22 and FY23 Capitalization Grants were open and making principal forgiveness disbursements at the time of this review. Region 4 will confirm that the program's additional subsidy requirements were met before closing its grants.

Bipartisan Infrastructure Law Additional Subsidy Requirements

General Supplemental

The terms and conditions of the grant award require additional subsidy to borrowers of the DWSRF loan program that meet state-defined disadvantaged community criteria. As described in the Bipartisan Infrastructure Law, additional subsidy assistance must be provided in an amount of 49 percent. Georgia's FY22 and FY23 Capitalization Grants are open and making additional subsidy disbursements at the time of this review. Region 4 will confirm that the program's additional subsidy requirements were met before closing its grants.

Lead Service Line Replacement

The terms and conditions of the grant award require additional subsidy to borrowers of the DWSRF loan program that meet state-defined disadvantaged community criteria. As described in the Bipartisan Infrastructure Law, additional subsidy assistance must be provided in an amount of 49 percent. Georgia's FY22 LSLR capitalization grant is open and making additional subsidy disbursements at the time of this review. Region 4 will confirm that the program's additional subsidy requirements were met before closing its grant.

Emerging Contaminants

The terms and conditions of the grant award require 100 percent additional subsidy provided to borrowers of the DWSRF EC program. States must direct at least 25 percent of these funds to disadvantaged communities or to public water systems serving fewer than 25,000 persons. Georgia's FY22 and FY23 Capitalization Grants are open and making additional subsidy disbursements. Region 4 will confirm that the program's additional subsidy requirements were met before closing its grant.

SECTION VII: CASH DRAWS

Draw ID Number	Draw Date	Draw Amount
23AS1454271	06-27-2023	\$2,169,339.38
23AS1421617	11-23-2022	\$872,251.68
23AS1447013	05-23-2023	\$4,323,802.15
23AS1465938	09-12-2023	\$9,149,138.45
23AS1466477	09-14-2023	\$7,758.66

Five cash draws were reviewed by EPA headquarters' contractors. All invoices reviewed in the selection were found to be eligible DWSRF expenditures and were appropriately recorded. Two improper payments were identified by EPA during the annual review. An improper payment is defined under the Improper Payments Elimination and Recovery Act (IMPERA) as any payment "that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible recipient, any payment of an ineligible good or service, or any duplicate payment".

The table below lists the improper payments identified by the EPA during the review:

Draw ID Number	Improper Payment Amount	Reason for Improper Payment
23AS1465938	\$0.05	<ul style="list-style-type: none"> Disbursement is \$0.04 less than total cash draw amount. \$0.01 IP on Coosa disbursement, \$126,726.69 was disbursed. Based on invoiced amount & adjustments, the disbursement should have been \$126,726.68 so \$0.01 overpayment
N/A	\$222,648.04	Disbursement to ineligible account/recipient due to cyber-attack incident.

EPA R4 identified an improper payment that occurred on March 27, 2023. In this instance, a cyberattack resulted in GEFA disbursing \$222,648.04 to an ineligible account and ineligible third-party recipient rather than the City of Midway, their loan recipient. Payment to an ineligible account and ineligible recipient is an improper payment.

Actions required to correct improper payments are discussed in the Findings section of this report.

SECTION VIII: PROGRAM HIGHLIGHTS

PROGRAM HIGHLIGHT 1

GEFA partnered with GRWA to provide Asset Management Plans (AMPs) for small water systems serving populations under 10,000 with a targeted focus on systems serving less than 3,300 people. GRWA provided on-site technical assistance and formal classroom style training events to educate and assist water system personnel with the implementation or enhancement of their AMPs. GRWA used metering equipment and technological monitoring equipment to assist the subject systems with evaluations of certain assets and to help locate and repair water leaks.

PROGRAM HIGHLIGHT 2

GEFA contracted with Wood Environment and Infrastructure Solutions, Inc. to conduct an analysis of water supply sources throughout Georgia. The purpose of the Water Supply Redundancy Study is to increase Georgia's water supply solvency and reliability. This study evaluates drinking water supply, demand, treatment, storage, distribution, and interconnectivity to identify redundant water supply sources capable of providing backup water supply for qualified water systems outside the Metropolitan North Georgia Water Planning District. Wood has completed the initial summaries of data (captured through surveys) for all 10 water planning regions. Additionally, Wood has identified sufficient water supply sources for nine regions and developed a potential project list based on the information they gathered and analyzed for seven regions.

SECTION IX: FINANCIAL INDICATORS

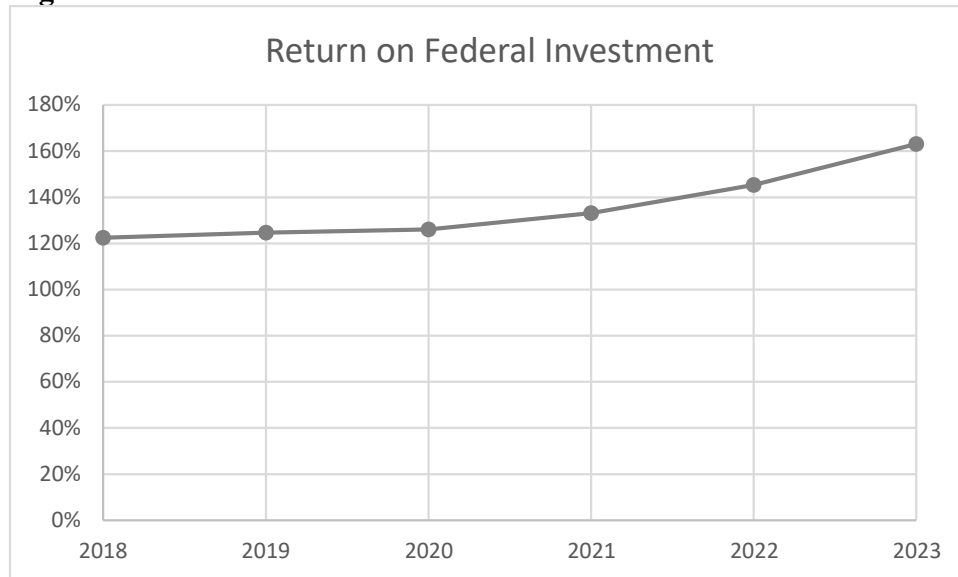
Financial Indicators Activity	2022	2023
Return on Federal Investment	145%	163%
Assistance Provided as a % of Funds Available	109%	100%
Disbursements as a % of Assistance Provided	74%	74%
Set-Aside Spending Rate	91%	83%
Uncommitted Balances	\$0	\$0

Based on EPA's financial review, EPA concludes that the GEFA DWSRF is in sound financial condition. Note: Financial indicators data was provided by the OWSRF report for monitoring period ending on 6/30/2023.

SECTION X: PROGRAM HEALTH ANALYSIS DISCUSSION

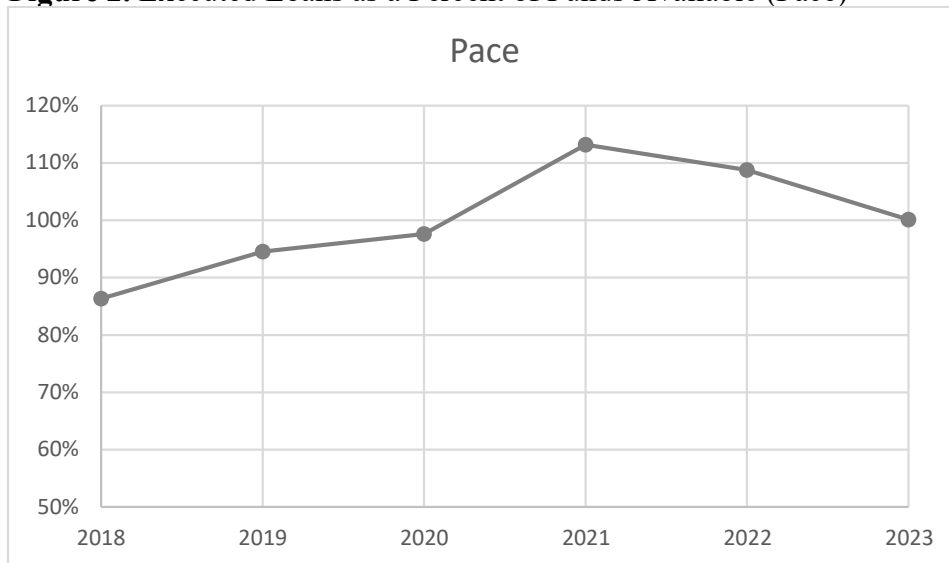
The **Federal Return on Investment** indicator shows how many dollars of assistance were disbursed to eligible borrowers for each federal dollar drawn. The State of Georgia is disbursing funds at a rate of 163 percent. This indicates that for every federal dollar expended, approximately \$1.63 of assistance is disbursed through Georgia's DWSRF program. This indicator has increased for GEFA over the last three years, emphasizing the success of GEFA's DWSRF program to revolve in perpetuity and maximize assistance to borrowers.

Figure 1. Federal Return on Investment



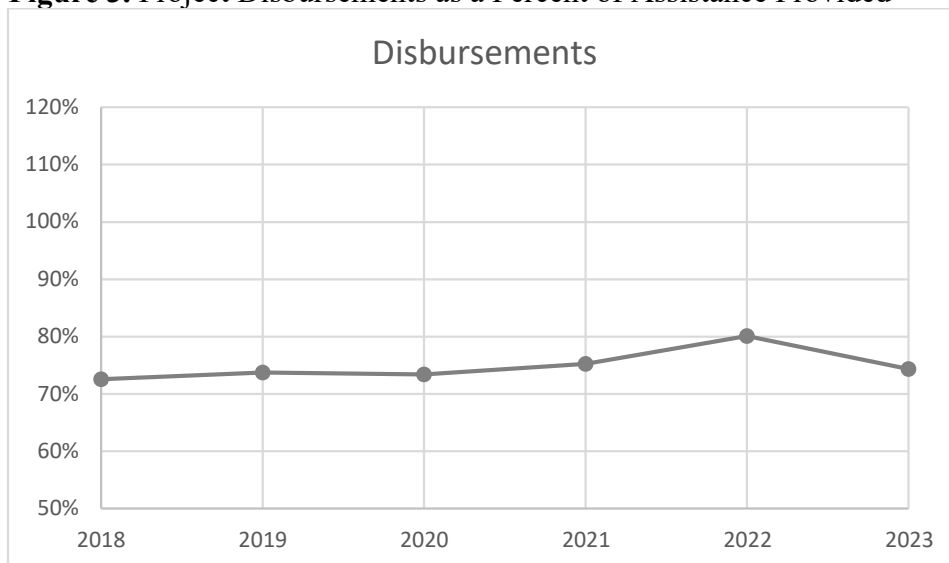
The **Executed Loans as a Percent of Funds Available** indicator measures the dollar amount of executed loan agreements to the cumulative dollar amount of funds available for loans. It is one indicator that measures the *Pace* of the program by gauging how quickly funds are made available to finance DWSRF projects. This indicator has a wide range of values and can exceed 100 percent for those states that have adopted an advanced loan approval approach, which makes use of the lag time between the signing of loan agreements and the disbursement of monies to complete the projects. Georgia is proceeding to convert its DWSRF available funds into executed loans at a rate of 100 percent. GEFA's pace for FY23 has declined slightly from FY21 and FY22; however, that is expected with the influx of new BIL funding and implementation of new requirements. GEFA is committed towards maintaining a high pace for their program.

Figure 2. Executed Loans as a Percent of Funds Available (Pace)



The **Project Disbursements as a Percent of Assistance Provided** indicator measures the speed at which projects are proceeding to completion. This indicator shows the relationship between loan disbursements and the total amount of funding provided. This indicator has a wide range of values but will not exceed 100 percent as that would indicate disbursing more funds than have been committed. During FY23, Georgia proceeded at a 74 percent rate, a decrease from the FY22 disbursement rate of 80 percent. The decrease was anticipated by the state as various factors may have resulted in construction delays and therefore invoices for costs incurred.

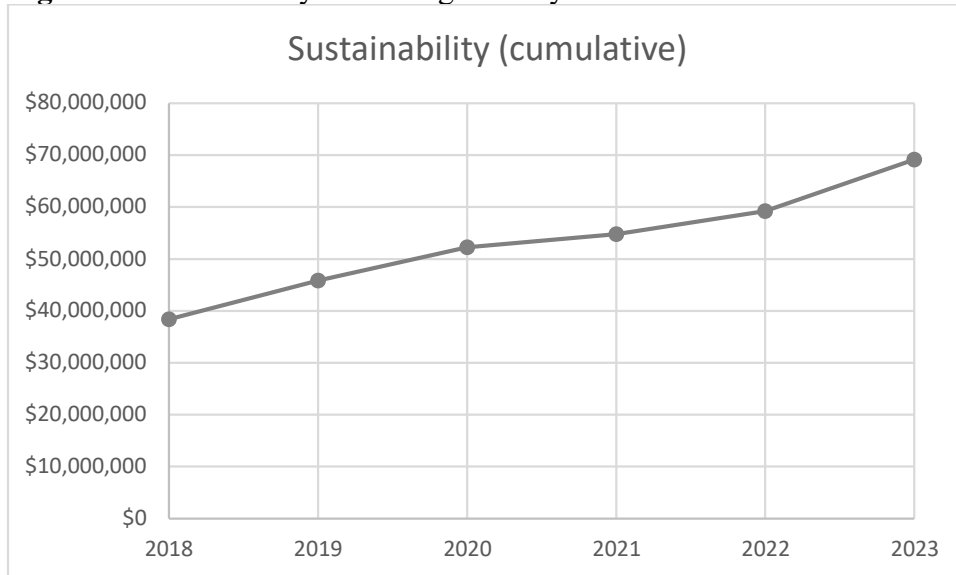
Figure 3. Project Disbursements as a Percent of Assistance Provided



The **Sustainability Excluding Subsidy** indicator seeks to gauge how well the State's DWSRF fund is maintaining the invested capital, without adjusting for loss of purchasing power due to inflation.

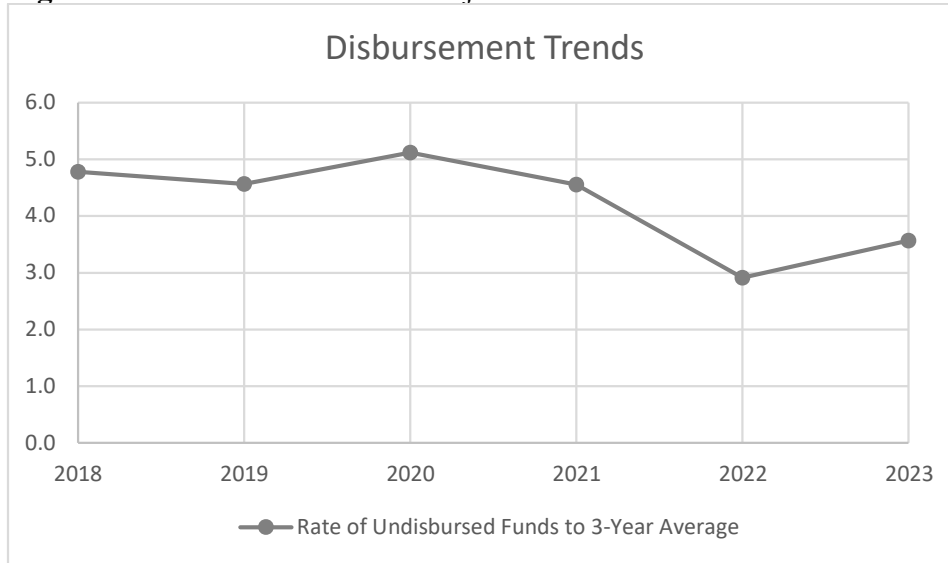
Sustainability is a measure of Perpetuity, which is a measure of the amount of net earnings that have been generated by the operations of the DWSRF program. This indicator measures the dollars that have been returned to the DWSRF over and above the initial federal grants and state match deposits. These will contribute to the viability of the DWSRF and enable it to exist in perpetuity as intended by Section 1452 of the SDWA. This value should be greater than \$0 (no net earnings). The Sustainability indicator for the State of Georgia has reached over \$69 million in SFY 2023.

Figure 4. Sustainability Excluding Subsidy



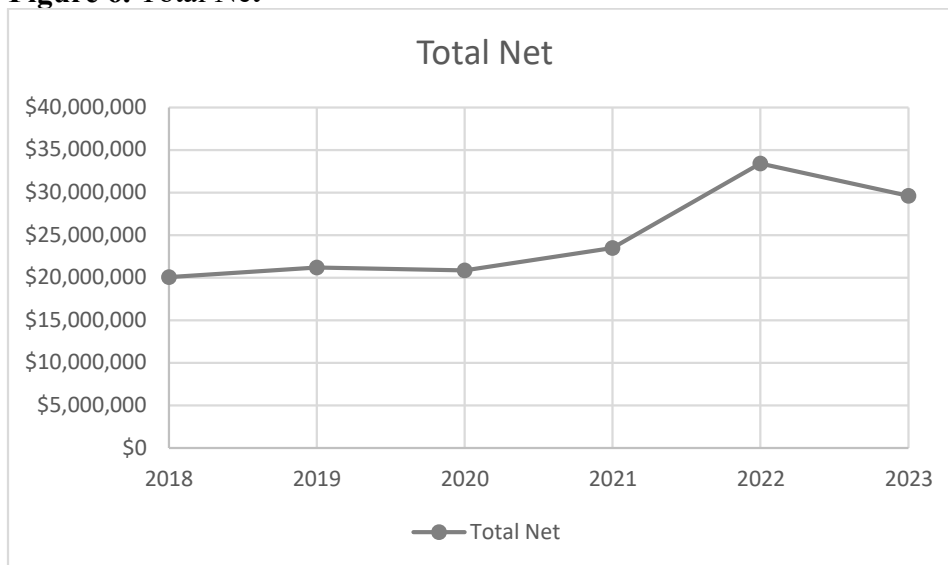
The **Ratio of Undisbursed Project Funds to Disbursements** evaluates how efficiently SRF funds are revolving by examining a program's disbursement rate over a set period and comparing it to the amount of cash on hand. The results of this measure reflect the number of years it would take to spend the cash on hand, assuming the future disbursements are consistent with average annual disbursements over the past three years. The State of Georgia has approximately 3.6 years' worth of undisbursed funds on hand in SFY23. The ratio is calculated by taking the amount of all available undisbursed funds at the end of the fiscal year and determining how many years it would take to draw down that amount based on the average drawdown rate over the last three years of disbursements. The unofficial goal is to have a ratio less than 2.0, which represents having less than two years of undisbursed funds. As of June 30, 2023, Georgia has \$246,339,210 in undisbursed funds with a three-year average annual disbursement amount of \$69,012,456 equating to an undisbursed fund ratio of 3.6. GEFA is continuing its effort to decrease the undisbursed fund ratio towards the less than two-year goal by ensuring that the prioritization of ready-to-proceed projects and processing disbursements to eligible borrowers in a timely and expeditious manner.

Figure 5. Ratio of Undisbursed Project Funds to Disbursements



Total Net measures the extent by which internal growth is generating additional funding for new projects. It accomplishes this by taking the total cash inflows generated by ongoing loan and investment activity and subtracting out debt service payments from outstanding match and leveraged bonds. New federal capitalization grants and leveraged bond issues are also excluded from this calculation. This measure reflects the amount of new annual project funding generated solely from net repayments. Georgia's total net is \$29 million, which is indicative of the state continuing to grow its program.

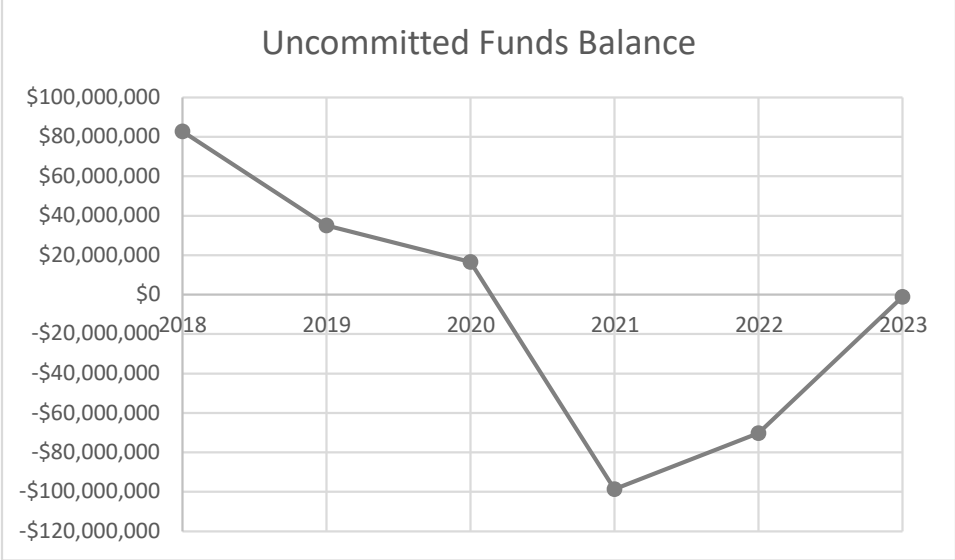
Figure 6. Total Net



Uncommitted Funds measures the amount of funds that have not been committed to projects via loan agreements. This indicator includes all capitalization grants, state match, revolved funds, and fees deposited into the fund where applicable. This indicator has a wide range of values and can fall below \$0

for those states that have adopted an advanced loan approval approach, which makes use of the lag time between the signing of loan agreements and the disbursement of monies to complete the projects. As of June 30, 2023, GEFA’s DWSRF uncommitted fund balance for FY23 was –\$1,062,367 indicating that there are no uncommitted funds. GEFA has committed roughly \$1 million in project assistance than available funds cumulatively. GEFA did not leverage the SRF program during FY23.

Figure 7. Uncommitted Funds



Georgia DWSRF Program Health Narrative

During the FY23 Annual Review, Region 4 reviewed financial indicators derived from data submitted to the SRF Data System. Based on this review, an analysis of the overall program financial health has been developed to further inform the annual review cycle.

Commitments and Disbursements

Georgia has displayed a strong ability to commit funds to loans, maintaining a negative cumulative uncommitted funds balance and a pace of 100 percent or greater for the past three years. Georgia DWSRF disbursements are an opportunity for improvement within the program. Per the *Maximizing Water Quality and Public Health Benefits by Ensuring Expedious and Timely Use of All State Revolving Fund Resources* memorandum, the EPA will gauge disbursement performance as adequate when the three-year cash-to-average-annual-disbursement ratio is at or below two years. While the three-year average annual disbursements have risen, it is recommended that the state continue to improve its fund disbursements to bring the average annual disbursement ratio to the metric goal of two years.

Sustainability and Total Net Earnings

Program sustainability takes in to account the state’s ability to balance interest earnings from both loans and interest earning accounts, which grow the overall loan capacity of the SRF, with interest and principal payments made by the SRF on match bonds, which will reduce the SRF loan capacity. The goal is for the sustainability metric to be positive. The sustainability indicator for GEFA details a program that is growing. This view is bolstered when looking at the total net performance. Total net earnings consider the sustainability as well as principal repayments made to the SRF from borrowers and the payments by the

SRF on leverage bonds. Because GEFA does not currently have match or leverage bonds that require repayment, all interest and principal repayments made to the SRF continue to grow the loan capacity of the program.

While the overall performance is good, two areas of discussions arose during review: the rise in interest earnings on investments and the decrease in loan principal repayments. An SRF is expected to achieve growth, but a rapid rise in investment earnings can indicate that cash is accumulating in SRF account very quickly or is sitting in the account long enough to accrue significant interest. Additionally, principal repayments on SRF loans fell by 32 percent over the last year. GEFA explained that a series of principal payoffs, extra principal repayments, and principal reductions occurred in FY22 when interest rates made it more favorable for local governments to go to the bond market than FY23. GEFA also explained that with the increase of funding through BIL, the state did not have to rely on repayment dollars for recipient reimbursements and was able to instead keep the repayment funds in investment accounts, earning more interest.

SECTION XI: SET ASIDE PERFORMANCE

Section 1452(g)(2) of the SDWA allows the DWSRF program the option of using up to 31 percent of their capitalization grant for activities that protect sources of drinking water, enhance water systems management, and capacity development strategies. This is provided through a mechanism known as the DWSRF set asides. For the FY22 DWSRF Base capitalization grant, GEFA obligated \$5,119,030, or 31 percent, for set-aside activities. For the FY22 DWSRF BIL General Supplemental capitalization grant, GEFA obligated \$6,206,514, or 15 percent, for set-aside activities. GEFA used their set-asides in the following manner:

Base

Small System Technical Assistance – 2 percent

The SDWA allows funds for technical assistance and training to help small systems build the capacity they need to provide safe drinking water. For the FY22 capitalization grant, GEFA reserved \$330,260 for this set aside. During state FY23, Georgia spent \$573,350 via a contract with the Georgia Rural Water Association to provide "circuit rider" type technical activities, including technical and managerial assistance and Synthetic Organic Compound (SOC) sampling. For the contract period from July 1, 2022, to June 30, 2023, a total of 2,440 visits were made to small water systems requiring technical assistance, and 320 visits were made to collect and submit the required SOC samples to the Environmental Protection Division (EPD) laboratory.

Program Administration – 4 percent

Program Administration may be four percent of the capitalization grant, \$400,000, or 1/5 percent of the current valuation of the fund (whichever the state chooses) to cover the reasonable costs of administration of the DWSRF programs. For the FY22 capitalization grant, the State of Georgia obligated \$660,520 for administration expenses to GEFA administration for personnel. During state FY23, GEFA disbursed \$79,279.99 of its reserved authority for this set-aside.

State Program Management – 10 percent

The State Program Management set-aside is generally used to support a state's Public Water System Supervision (PWSS) Program. For the FY22 capitalization grant, GEFA reserved \$1,651,300 for this set-aside for Georgia's PWSS Program. During state FY23, GEFA did not have disbursements of this activity from the FY22 cap grant, however GEFA disbursed \$2,859,142 from this set aside from prior capitalization grants to support operator training and certification; cross-connection control; capacity development; source water assessment and wellhead protection; information management; and activities to promote water conservation and efficiency.

Local Assistance – 15 percent

The SDWA allows the local assistance set-aside to provide assistance, including technical and financial assistance, to public water systems as part of a capacity development strategy and for source water protection activities. For the FY22 capitalization grant, GEFA obligated \$2,476,950 for this set-aside. During state FY23, GEFA disbursed a total \$3,508,177 for capacity development from prior capitalization grants, including EPD's inspections and onsite technical assistance for public water systems; wellhead protection, including through the update of 19 wellhead protection plans and 75 new wellhead evaluations; contracts with the Georgia Rural Water Association for technical assistance to small systems and operator training; and support to the Georgia Water and Wastewater Institute for the delivery of a 140 courses related to water, wastewater, and/or laboratory operations and the training of 2,684 operators.

Bipartisan Infrastructure Law – General Supplemental**Small System Technical Assistance – 2 percent**

The SDWA allows funds for technical assistance and training to help small systems build the capacity they need to provide safe drinking water. For the FY22 capitalization grant, GEFA obligated \$848,000 for this set-aside for a contract with the Georgia Rural Water Association to carry out technical assistance activities with small public water systems, including sampling of Synthetic Organic Compounds. During state FY23, GEFA did not make any disbursements from this capitalization grant for this set-aside.

Program Administration – 4 percent

Program Administration may be four percent of the capitalization grant, \$400,000, or 1/5 percent of the current valuation of the fund (whichever the state chooses) to cover the reasonable costs of administration of the DWSRF programs. For the FY22 capitalization grant, GEFA reserved \$1,696,000 for this set-aside for GEFA and EPD to carry out activities supporting project reviews, planning, information tracking, development of the National Needs Survey, project ranking, environmental reviews, assistance with data entry for the SRF Data System, and administration of the DWSRF funds, amongst other activities. During state FY23, GEFA did not make any disbursements from this capitalization grant for this set-aside.

State Program Management – 10 percent

The State Program Management set-aside is generally used to support a state's Public Water System Supervision (PWSS) Program. For the FY22 capitalization grant, GEFA reserved \$1,819,229 for this set-aside for Georgia's PWSS Program to support operator training and certification; cross-connection control; capacity development; source water assessment and wellhead protection; information management; and activities to promote water conservation and efficiency. During state FY23, GEFA did not make any disbursements from this capitalization grant for this set-aside.

Local Assistance – 15 percent

SDWA allows the local assistance set-aside to provide assistance, including technical and financial assistance, to public water systems as part of a capacity development strategy and for source water protection activities. For the FY22 capitalization grant, GEFA reserved \$1,843,285 for a contract with EPD to implement the state's Capacity Development Strategy and wellhead protection program activities, amongst other activities. During state FY23, GEFA did not make any disbursements from this capitalization grant for this set-aside.

SECTION XII: FOLLOW UP ON PRIOR YEAR PROGRAM EVALUATION REPORT

There were three EPA recommendations in the FY22 DWSRF PER.

1. EPA Region 4 recommends GEFA continue in its effort to minimizing unliquidated obligations within the set-aside program.
 - a. Activities funded under the SRF Set-aside contracts accomplish invaluable work for the state's water systems. At the time of this report, GEFA's set-aside balances totaled \$14,287,849.38 with a spending rate of 92 percent. Approaches to address the unliquidated balances include transferring excess funds to the drinking water project fund account.

Status: GEFA is making progress towards minimizing their unliquidated obligations (ULO) within the set-aside program. As of 6/30/23, GEFA's set-aside balances for capitalization grants FY21-FY22 totaled \$28,482,534 with a spending rate of 83 percent. While this balance has increased, it is due to the additional obligations of set-asides for the additional general supplemental DWSRF Bipartisan Infrastructure Law (BIL) funding. Putting aside the BIL funding, GEFA has made improvements regarding their existing ULOs for FY21-FY22 base funding decreasing the balance to \$11,586,740.59. During the review, EPA discussed additional approaches to decreasing ULOs including the transfer of the unused funds back to projects. GEFA continues to track their set-aside spending and coordinate with GA EPD regarding the timely and expeditious expenditures of set-asides.

2. EPA Region 4 recommends that the state update internal documents related to the environmental review and permitting process to take into account the following:
 - a. The 2021 reinstatement of Executive Order 13690 regarding the Federal Flood Risk Management Standard; and
 - b. The potential for streamlining the state's categorical exclusion workflow by removing the requirement for a 30-day public comment period, a change that would be in line with the 2007 revisions to EPA's procedures for implementing the National Environmental Policy Act. EPA recommends that, while not required, the state continue to provide public notice of categorical exclusions. In any case, the state should

be prepared to make a copy of the determination document for the categorical exclusion available to the public upon request.

Status: Following the FY22 annual review, GEFA worked with EPD to update application materials for SRF applicants to require them to evaluate floodplain risks for projects on the basis of (i) the 500-year floodplain elevation, or (ii) the 100-year flood elevation + 3ft freeboard (i.e., two of the approaches approved by EPA for compliance with the reinstated Federal Flood Risk Management Standard).

No change has been made to the 30-day public comment period for DWSRF projects that are eligible for a Categorical Exclusion (CE), although EPD did decide to implement this change for CWSRF projects that are eligible for a CE.

3. EPA Region 4 recommends that the state utilize the significant increase in SRF funding for infrastructure projects that make water systems more resilient to all threats—whether it is natural disasters, climate change, or threats such as bioterrorism and cyber-attacks.

Status: GEFA has made measurable progress on this recommendation by requiring all SRF applicants to evaluate floodplain risks for their projects using the approaches that EPA has approved for compliance with the Federal Flood Risk Management Standard. At the same time, GEFA continues to promote project eligibilities related to resiliency and climate change, including generators at pump stations, installation of solar arrays at water and wastewater treatment facilities, the use of Supervisory Control and Data Acquisition systems, stormwater management (especially for disadvantaged communities which are often located in low elevation areas) and the creation of stormwater utilities. Furthermore, GEFA also limits the use of coastal groundwater wells (to minimize risks of seawater intrusion in coastal aquifers) and promotes regional solutions using surface water. In terms of other measures to improve resiliency, GEFA has expressed interest in working with EPA to identify low or no-cost practical cybersecurity measures that its assistance recipients could adopt, and this will be explored in the coming year.

SECTION XIII: RECOMMENDATIONS

1. EPA recommends GEFA continue in its efforts to maximize timely and expeditious expenditures and use of all SRF funds available to increase their disbursement ratio and decrease rate of Undisbursed Funds to three-year average. GEFA's DWSRF disbursement ratio at the end of the fiscal year was 74 percent, a decrease from the FY22 disbursement ratio of 80 percent. The DWSRF rate of Rate of Undisbursed Funds to three-year average was 3.6. EPA encourages the state to work towards a goal of one to two years. Approaches to address the disbursement ratio include executing binding commitments within one year after the award and ensuring that projects are ready to proceed.
2. EPA recommends that GEFA ensure that all relevant data for assistance agreements are consistently entered in the OWSRF Data System, including the associated fiscal year appropriation grant, and the assigned additional subsidization.

3. In loan agreements for the DWSRF equivalency projects, EPA recommends that GEFA require assistance recipients to comply with the following requirements:
 - Appropriate State Revolving Fund base or Bipartisan Infrastructure Law signage requirements.
 - Prohibition on certain telecommunication and video surveillance services or equipment (2 CFR 200.216).
 - The Uniform Relocation Assistance and Real Property Acquisition Policies Act. Loan agreements for projects for land acquisition should specify that any land acquired through the DWSRF program must be from a willing seller, in keeping with Safe Drinking Water Act (SDWA §1452(a)(2)).
4. For all DWSRF projects, EPA recommends that GEFA consider having the assistance recipient's engineer certify that the useful life of a project does not exceed the loan term, rather than accepting the self-certification of the assistance recipient on the loan application. In this way, GEFA can ensure that a qualified expert is making this important determination.
5. EPA recommends that GEFA revise its Operating Agreement to reflect updates to the SRF program and to incorporate new changes introduced by the Bipartisan Infrastructure Law, such as the Build America, Buy America Act, and enhancing public awareness for BIL SRF signage requirement.
6. EPA recommends that GEFA update and expand its State Environmental Review Process (approved 1/10/1989) for the DWSRF program.
7. EPA recommends that GEFA consider streamlining their review of federal environmental cross-cutting authorities by implementing the guidance in the 2013 EPA Memo "Procedures for Implementing Environmental Federal Cross-Cutting Authorities in the Clean Water and Drinking Water State Revolving Fund Programs".
8. Regarding DWSRF equivalency projects for which GEFA intends to apply the Build America Buy America design planning waiver (i.e., those projects that initiated design planning prior to May 14, 2022), EPA recommends that GEFA maintain a list that includes for each project:
 - Project name
 - Assistance agreement identification number
 - Description of significant manufactured products or construction materials likely subject to the waiver (up to 10 items)
 - Date of initiated and documented design activity qualifying project for waiver

SECTION XIV: FINDINGS

GEFA's disbursement of \$222,648.04 to an ineligible account on March 27, 2023, was an improper payment. As noted in the SRF Fund Management Handbook dated March 2018, sound accounting and reporting practices are key components in the management and administration of the SRF Program. 40 CFR § 35 Subpart L requires that SRF programs be managed in a fiscally prudent manner and have policies and processes that promote the long-term financial health of the fund. Cyber security is paramount and multiple review affirmations will increase security and greatly reduce the occurrence of improper payments. In addition, one transaction testing resulted in an improper payment that was due to an accounting error in the total amount of \$0.05. To correct the improper payment EPA R4 requested that GEFA:

1. Update their financial internal control policies and procedures to include multistep affirmations prior to loan disbursement, consistent with EPA's "Zero Trust" (Never Trust, Always Verify) policy for all financial SRF transactions as stated in the Term and Conditions for SRF capitalization grants.

Status: *As of the date of this report, GEFA has since updated their Financial Internal Controls Standard Operating Procedures (SOPs) to implement new electronic bank processing procedures for all SRF financial transactions. The new policy applies to all GEFA employees who directly or indirectly interact with payees or payors of the authority. The updated state procedures now include an additional measure of verbal verification of all financial account information both initially and prior to any account changes consistent with EPA's "Never Trust, Always Verify" Term and Condition for SRF financial transactions. EPA R4 has reviewed the new SOP and found the updates adequate to satisfy the Region's request.*

2. Repay the ineligible costs in an amount totaling \$222,648.04, using state funds, back to the SRF revolving fund.

Status: *GEFA corrected the improper payment that occurred from a cybersecurity breach resulting in a disbursement to an ineligible account. The state made a refund payment in an amount of \$222,648.04 using state funds (GEFA DW fee account) to the State's DWSRF Recycled Loan Account (GEFA's DW Repay fund account). Transaction transfer was completed on 12/29/2023. EPA Region 4 reviewed the transaction documents, confirmed that the improper payment disbursement was not made from a federal capitalization grant but rather from GEFA's DW Repay account, which is their DWSRF revolving fund account, and noted confirmation of payment completion. The improper payment finding for FY23 has been closed.*

3. Reconcile the accounting errors for cash draw 23AS1465938 where the total disbursement amount is \$0.04 less than cash draw amount and the \$0.01 overpayment on the Coosa disbursement, \$126,726.69 disbursed on 8/18/23. Based on invoiced amount and adjustments, the disbursement should have been \$126,726.68. This resulted in an improper payment totaling \$0.05. EPA requires that the improper payment be corrected on future invoices and documentation of reconciliation provided to EPA Region 4.

SECTION XV: STATEMENT OF COMPLIANCE WITH SRF ANNUAL REVIEW GUIDANCE

EPA Region 4 has conducted an annual review of Georgia's Drinking Water State Revolving Fund Program for FY23 in accordance with EPA's SRF Annual Review Guidance.