



September 4, 2018

Re: 2019 Drinking Water State Revolving Fund (DWSRF) Project Solicitation

To Whom It May Concern:

The solicitation period for the 2019 DWSRF Intended Use Plan (IUP) is now open. The DWSRF program provides low-interest financing for publicly-owned drinking water systems. Types of projects for funding by the DWSRF include, but are not limited to, projects that:

- Maintain compliance with drinking water rules and regulations, and
- Improve drinking water supply.

To be eligible for funding, submit a DWSRF pre-application via GEFA's website by Monday, December 31, 2018. A pre-application does not obligate you to apply or guarantee funding. The pre-application and additional guidance are available at gefa.georgia.gov/state-revolving-fund-solicitation.

Please note the improvements to the affordability criteria on page six of the attachment. Criteria and formulas developed by the Environmental Finance Center at the University of North Carolina will be utilized in order to provide principal forgiveness to those communities with the greatest need.

Please contact a member of the Water Resources Division at 404-584-1000 or waterresources@gefa.ga.gov if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kevin Clark". The signature is written in a cursive, flowing style.

Kevin Clark
Executive Director

Enclosures

**Georgia Environmental Finance Authority
2019 DWSRF Project Solicitation
Project Submission Guidelines and Program Requirements**

All pre-applications must be submitted via gefa.georgia.gov/state-revolving-fund-solicitation.

| Deadline | Pre-application Website | Questions |
|------------------------------|--|--------------|
| 5:00 p.m., December 31, 2018 | gefa.georgia.gov/state-revolving-fund-solicitation | 404-584-1000 |

Who Can Apply for DWSRF Loans

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

Minimum Criteria for Eligibility

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

Eligible DWSRF Projects

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

Ineligible DWSRF Projects

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

DWSRF Water or Energy Conservation Projects

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

Project Priority and Rank

Project ranking is based on factors including readiness to proceed, public health compliance benefits, and project benefits. Projects will be listed in priority order on the DWSRF Fundable Priority List and incorporated into the IUP to be submitted to EPA. GEFA will score all pre-applications and rank projects in descending order. GEFA will fund as many eligible projects as financing is available. It is important that you complete the pre-application in its entirety, including all supplemental attachments, to ensure the proposed project is accurately scored.

DWSRF Interest Rates

Projects funded through the DWSRF program have the ability to borrow with various terms and interest rates. Please see page four for GEFA's current loan interest rates, loan terms, and project-based interest rate concessions.

DWSRF Project Deadlines

Projects awarded principal forgiveness must complete the following tasks by December 31, 2019 to maintain the principal forgiveness allotment. Further details on these milestone dates will be provided upon the 2019 grant award from EPA.

1. Submit application
2. State environmental review process (SERP) complete
3. Fully executed loan agreement

Georgia Environmental Finance Authority

Loan Program Interest Rates

GEFA charges the following interest rates by loan program. Six amortization periods are offered. A loan with an amortization period between the tiers receives the interest rate for the next highest amortization tier, e.g., a seven-year loan receives the 10-year rate. The minimum interest rate is 0.50 percent.

| Program | 5-Year Loan | 10-Year Loan | 15-Year Loan | 20-Year Loan | 25-Year Loan | 30-Year Loan | Annual Borrowing Maximum |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
| Benchmark Rate | 1.23% | 1.56% | 2.13% | 2.75% | 3.16% | 3.43% | |
| Georgia Fund | 1.23% | 1.56% | 2.13% | 2.75% | N/A | N/A | \$3,000,000 |
| Georgia Fund - Conservation or WaterFirst | 0.98% | 1.06% | 1.38% | 1.75% | N/A | N/A | \$3,000,000 |
| Georgia Fund - PlanFirst | 0.98% | 1.31% | 1.63% | 2.25% | N/A | N/A | \$3,000,000 |
| Clean Water State Revolving Fund (CWSRF) | 0.73%** | 1.06% | 1.63% | 2.25% | 2.66% | 2.93% | \$25,000,000 |
| CWSRF - Conservation or WaterFirst | 0.50%** | 0.50%** | 0.88% | 1.25% | 1.66% | 1.93% | \$25,000,000 |
| CWSRF - PlanFirst | 0.50%** | 0.81% | 1.13% | 1.75% | 2.16% | 2.43% | \$25,000,000 |
| Drinking Water State Revolving Fund (DWSRF) | 0.73%** | 1.06% | 1.63% | 2.25% | N/A | N/A | \$25,000,000 |
| DWSRF - Conservation or WaterFirst | 0.50%** | 0.50%** | 0.88% | 1.25% | N/A | N/A | \$25,000,000 |
| DWSRF - PlanFirst | 0.50%** | 0.81% | 1.13% | 1.75% | N/A | N/A | \$25,000,000 |

**0.50% Interest Rate Floor

Effective January 23, 2018



FEDERAL REQUIREMENTS

Davis-Bacon Wage Requirements

Davis-Bacon wage rate requirements apply to all projects funded by the DWSRF program. The Borrower shall insert in full in any contract in excess of \$2,000 that is entered into for actual construction, alteration and/or repair of a public treatment works, financed in whole or in part from the DWSRF program, and that is subject to the requirements of the Davis-Bacon Act, the document entitled "Supplemental General Conditions for Federally-Assisted State Revolved Fund," which can be located on the GEFA website at gefa.georgia.gov/loan-documents.

American Iron and Steel

American Iron and Steel (AIS) requirements apply to any project that is funded by the DWSRF program. The Borrower shall insert in full in any contract that is entered into for construction, alteration, and/or repair of a public treatment works, financed in whole or in part from DWSRF program, the document entitled "American Iron and Steel (AIS) Special Conditions," which can be located on the GEFA website at gefa.georgia.gov/loan-documents.

State Environmental Review Process

All projects funded by the DWSRF program must undergo an environmental review via the EPA-approved State Environmental Review Process (SERP). This environmental review is conducted by EPD through either a Categorical Exclusion (CE) or Notice of No Significant Impact (NONSI) process. This process is designed to address issues such as environmental impact, potential historical preservation issues, potential endangered species concerns, and permit compliance. Borrowers should review the "Guidance Document for Project Requirements" document, which can be located on the GEFA website at gefa.georgia.gov/loan-documents.

Disadvantaged Business Enterprise (DBE)

As a part of GEFA's loan agreement, loan recipients are required to encourage the participation of minority- and women-owned businesses in all project subcontracts. The state's DWSRF percentage goals through September 30, 2018, are 4 percent for Minority Business Enterprises (MBE) and 4 percent for Women Business Enterprises (WBE). Borrowers should review the "Supplemental General Conditions for Federally-Assisted State Revolved Fund," which can be located on the GEFA website at gefa.georgia.gov/loan-documents.

Proposed Timeline for Funding

September 4, 2018 – 2018 Solicitation opens

December 31, 2018 – Deadline to submit pre-application via GEFA's website at gefa.georgia.gov

February 25, 2019 – IUP posted on GEFA's website

March 26, 2019 – *Tentative* public meeting for the 2018 DWSRF IUP and Fundable Priority List

April 12, 2019 – IUP submission to EPA for approval

Georgia Environmental Finance Authority 2019 DWSRF Affordability Criteria

GEFA's affordability criteria uses data on median household income, unemployment rate, and population trends from the U.S. Census Bureau's American Community Survey. The borrower's data is categorized in percentiles. GEFA will award principal forgiveness to Georgia's most disadvantaged communities.

1. Median Household Income (MHI)

| State Percentiles | 25th Percentile | 50th Percentile | 75th Percentile |
|-------------------|-----------------|-----------------|-----------------|
| MHI | \$29,509 | \$37,108 | \$47,375 |

2. Unemployment Rate

| State Percentiles | 25th Percentile | 50th Percentile | 75th Percentile |
|-------------------|-----------------|-----------------|-----------------|
| Unemployment Rate | 3.30% | 4.80% | 6.60% |

3. Population Trend

The following will be the categories used for determining scoring for change in population from 2010 to 2016.

- Positive growth or no growth
- Between -0.01% to -1%
- Between -1.01% and -2%
- Greater than -2%

**Georgia Environmental Finance Authority
2019 DWSRF Project Solicitation
Project Ranking Criteria**

Projects will be rated in four categories to determine eligibility and selection for funding under the Drinking Water State Revolving Fund (DWSRF) Program.

DRINKING WATER SRF

Drinking Water State Revolving Fund Scoring System

1. Readiness to proceed (maximum of 40 points)
2. Public health compliance benefit (maximum of 50 points)
3. Project benefits
 - a. Energy conservation/production and efficiency benefit (maximum of 5 points)
 - b. Water efficiency benefit (maximum of 10 points)
4. Other applicant or project attributes (maximum of 5 points)

DWSRF Scoring System – Detailed Breakdown

1. **Readiness to Proceed**
CHECK ALL THAT APPLY (maximum of 40 points)
 - a. State Environmental Review Process (SERP) complete 40 pts
 - b. SERP in progress 30 pts

2. **Public Health Compliance Benefits**
CHECK ALL THAT APPLY (maximum of 50 points)
 - a. Project is needed to fully address deficiencies documented in an enforcement action, e.g. Notice of Violation, Consent Order, Administrative Order, etc. (Order # _____) 30 pts
 - b. Project will bring public water system into immediate compliance with Safe Drinking Water Act 20 pts
 - c. Project involves system and/or facility upgrades to create redundancy and enhance system reliability 10 pts
 - d. Project addresses a threat to public health from heightened exposure to lead in drinking water 20 pts

3. **Project Benefits**
CHECK ALL THAT APPLY WITHIN EACH CATEGORY (maximum of 15 points for project benefits category)

Energy Conservation/Production and Efficiency Benefit (maximum of 5 points)
CHECK ALL BELOW THAT APPLY

 - a. Project designed to reduce energy consumption by the utility via the replacement of pumps and/or motors, blowers, SCADA equipment, lighting upgrades or other energy savings products or processes. 5 pts
 - b. Energy management planning projects, including energy assessments, energy audits, optimization studies and other projects designed to determine high use energy areas. 5 pts

Water Efficiency Benefit (maximum of 10 points)

CHECK ALL BELOW THAT APPLY

- a. Project to replace leaking water lines in an attempt to identify and reduce system-wide real water loss. Project may include the purchase of leak detection equipment. 5 pts
- b. Project to replace old water meters and install a more efficient method [such as an automatic meter reading (AMR) system or an advanced metering infrastructure (AMI) system] to read, record and track water usage and reduce system-wide apparent water losses. 5 pts
- c. Project to create a water fixture or irrigation system retrofit or rebate program. 5 pts

4. Other Applicant or Project Attributes (maximum of 2 points)

CHECK ANY BELOW THAT APPLY

- a. Project benefits more than one system or community, e.g., interconnection of two or more public water systems. 1 pts
- b. Applicant maintains a central asset inventory (with descriptive information about assets such as age, size, construction materials, location, installation date, condition, and remaining useful life) and a complete water system map. 1 pts

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