

**GEORGIA'S STATE REVOLVING LOAN FUND (SRF)**

**GUIDANCE FOR PROJECT REQUIREMENTS**

**CLEAN WATER SRF**



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## PLANNING DOCUMENT REQUIREMENTS

A brief planning document should be developed to compare and analyze feasible alternatives for wastewater treatment and other Clean Water SRF-funded projects. The document must compare the costs of each alternative as well as environmental and other relevant non-monetary issues.

Develop the planning document according to Title II requirements (lists attached) of the Clean Water Act using the following guidance. The document should include, but is not limited to, these items. Some items may not apply to a particular project and additional items may be necessary for a comprehensive engineering and environmental review of a project. Following this guidance is a section containing details of certain requirements.

Details of Planning Requirements:

1. Projects apply best practicable waste treatment technology (BPWTT). BPWTT is the effective technology that can treat wastewater, combined sewer overflows and nonexcessive infiltration and inflow in publicly owned or individual wastewater treatment works, to meet the applicable provisions of:
  - a. 40 CFR Part 133 - secondary treatment of wastewater.
  - b. 40 CFR Part 125, Subpart G - marine discharge waivers.
  - c. 40 CFR 122.44(d) - more stringent water quality standards and State standards.
  - d. 41 FT 6190 (February 11, 1976) - Alternative Waste Management Techniques for Best Practicable Waste Treatment (treatment and discharge, land application techniques and utilization practices, and reuse).
2. A demonstration of the nonexistence or possible existence of excessive infiltration/inflow in the related sewer system.
  - a. General - The applicant shall demonstrate to the State's satisfaction that each sewer system discharging into the proposed treatment works project is not or will not be subject to excessive infiltration/inflow. For combined sewers, inflow is not considered excessive in any event.
  - b. Inflow - If the rainfall induced peak inflow results or will result in chronic operational problems during storm events, the applicant shall evaluate feasibility of eliminating major inflow sources. If facilities are planned for storage and/or treatment of inflow, then a cost-effective analysis shall be performed.
  - c. Infiltration - If the flow rate at the existing treatment facility is 120 gallons per capita per day or less during periods of high groundwater, the applicant shall build the project including sufficient capacity to transport and treat any existing infiltration. For flows over 120 gallons per capita per day, a sewer rehabilitation program should be evaluated.

3. An analysis of the potential open space and recreational opportunities associated with the project must be included. For example, a park might be constructed on unused land adjacent to a treatment facility. If area recreational facilities are adequate for population needs, a statement should be included in the planning document.
4. A cost-effectiveness analysis must be developed considering the feasible conventional, innovative and alternative wastewater treatment works, processes and techniques capable of meeting the applicable effluent, water quality and public health requirements over the design life of the facility while recognizing environmental and other non-monetary considerations. The planning period for the cost-effectiveness analysis shall be 20 years. The monetary costs to be considered must include the present worth or equivalent annual value of all capital costs and operation and maintenance costs. The alternatives considered must be compared using the same interest rate. Population projections for the service life of the project must be justified if inconsistent with EPA or Bureau of Economic Analysis (BEA) projections. A cost effective analysis must include:
  - a. An evaluation of alternative flow reduction methods (If the Loan Applicant demonstrates that the existing average daily base flow (ADBF) from the area is less than 70 gallons per capita per day (gpcd), or if the State determines the area has an effective existing flow reduction program, additional flow reduction evaluation is not required).
  - b. A description of the relationship between the capacity of alternatives and the needs to be served, including capacity for future growth expected after the treatment works become operational. This includes significant industrial users and all known industries intending to increase their flows or relocate in the area. Document capacity needs and characteristics for existing or projected flows.
  - c. An evaluation of improved effluent quality attainable by upgrading the operation and maintenance and efficiency of existing facilities as an alternative or supplement to construction of new facilities.
  - d. An evaluation of the alternative methods for the reuse or ultimate disposal of treated wastewater and sludge resulting from the treatment process.
  - e. A consideration of systems with revenue generating applications.
  - f. An evaluation of opportunities to reduce use of, or recover energy.
  - g. Cost information on total capital costs, and annual operation and maintenance costs, as well as estimated annual or monthly costs to residential and industrial users.
5. Georgia has developed its own State Environmental Review Process (SERP) to conform with the National Environmental Policy Act (NEPA) requirements. CWSRF can be used to fund 212, 319 and 320 projects, as described below. An environmental assessment is necessary if the project is a 212 project, but it is necessary to demonstrate that the project meets all Federal Crosscutters regardless of project type. Lists of the planning, environmental, and Federal Crosscutter requirements that should

be addressed in the planning document are attached for 212 and 319 projects.

- a. Section 212 (Sec. 212, 33 USC 1292) projects are sewage collection and treatment works projects, combined sewer overflow projects, and sewer overflow correction projects. Projects that are also viewed under CWSRF as 212 projects include wet weather projects related to polluted runoff from MS4s with Phase I or II NPDES permits.
- b. Section 319 (Sec. 319, 33 USC 1329) projects are non-point source projects, and include activities such as best management practices (BMPs), stream bank restoration, and riparian buffer improvements. Wet weather projects related to polluted runoff from MS4s which do not have an NPDES permit are also considered 319 projects under CWSRF. To be eligible for CWSRF funding as a 319 project, the project must also be in accordance to Georgia's Non-Point Source Management Plan.
- c. Section 320 (Sec. 320, 33 USC 1330) projects are estuary projects. EPD should be consulted on the planning document requirements for 320 projects.

6. NEPA also requires public involvement in the project, as follows:

- a. SRF projects must have adequate public participation. As a minimum, there should be at least one public meeting held by the Loan Applicant to inform the public about the project. There must be at least 30 days prior notice to the public and the Loan Applicant must document evidence of advertisement and provide a summary of the meeting, including a list of attendees. If there is significant public controversy, then additional public meetings and/or changes to the project may be required.
- b. EPD submits the planning document to the State Clearinghouse for comments by other State agencies. These comments will be provided to the Loan Applicant if environmental concerns are noted.
- c. After the initial environmental review is completed and the proposed project appears to be environmentally acceptable, EPD will issue a "Notice of No Significant Impact" (NONSI), which is a public notice document. Copies of the NONSI will be sent to interested local, State and Federal officials, local news media and other interested persons. The NONSI solicits comments from the public during a 30-day period. If significant objections to the project are noted, then changes to the project may be required. If no changes are required, EPD will notify the Loan Applicant that the planning document is approved and the Loan Applicant should proceed with development of plans and specifications.

7. Executive Order 12898 (Final Guidance for Incorporating Environmental Justice Concerns in EPA's NEPA Compliance Analysis) must be addressed in the Planning Document. The following items must be addressed:
- a. Identification of any minority and low-income populations (EJ Communities) that exist in the overall planning area or which may be shown to be impacted by the project must be included.
  - b. Any impact on the EJ Communities must be addressed.
  - c. The following questions must be answered:
    - Does there exist a potential for disproportionate risk?
    - Have the identified EJ Communities been sufficiently involved in the decision-making process?
    - Do the identified EJ Communities currently suffer or have they historically suffered from environmental and health risks or hazards?
  - d. A map showing the EJ Communities and the location of other environmental management/public facilities, such as sites for wastewater treatment, sludge disposal, land treatment, landfills, recycling centers, incinerators, hazardous/nuclear disposal, and prisons must be included.

## **ENVIRONMENTAL REVIEW AND PLANNING DOCUMENT – 212 PROJECTS**

### **Wastewater Treatment and 212 Projects**

The document should include (\*):

- Summary, Conclusions, and Recommendations
- General
  - Study Purpose and Scope
  - Planning Area Description (including a map)
  - Project Name
  - Owner and Operator of the Facilities
  - Location of Facilities
- Current Situation and Trends
  - Effluent Limitations
  - Current Environmental Conditions
  - Wastewater Flows and Population
  - Location and Evaluation of Treatment Facilities
  - Infiltration/Inflow
- Future Situation
  - Population and Flow Projections
  - Land Use
  - Future Environment Without the Project
- Alternatives Considered
  - No Action
  - Maximum Operation of Existing Facilities
  - Regional Solutions
  - Innovative and Alternative Technologies
  - Reclaiming and Recycling of Wastewater
  - Evaluation of Alternatives (monetary, environmental, implementation)
  - Soil Suitability for Land Application
  - Energy Consumption
  - Capital Costs
  - Operation and Maintenance Costs
  - Present Worth Analysis
- Plan Selection
  - Comparison of Alternatives
  - Public Participation in Selection of Alternative
  - Reasons for Selection
  - Demonstration of Best Practicable Waste Treatment Technology
- Environmental Impacts
  - Compare with “No Action” Alternative
  - Historical Properties
  - Floodplain Management
  - Wetlands Protection
  - Noise
  - Air Quality

Water Supply/Water Quality (navigable waters, aquifers) (specific water body beneficially impacted; designated use of the water body; impairment if any; environmental benefit of the project to the water body)

Solid Waste Disposal

Coastal Areas (resources and management)

Endangered Species

Farmland Protection

Recreation & Open Space Potential

Wild and Scenic Rivers (currently only the Chattooga River)

Demographic Changes (including population projections and service life)

Displacement of Individuals

Financial Impact to the User

Conformance to Comprehensive Land Use Plans and Zoning

Erosion and Sedimentation

Hazards, Nuisances and Site Safety

Direct and Indirect Impacts

Present and Future Conditions

Social and Economic Factors

Primary and Secondary Impacts

Cumulative Impacts

- Preliminary Design

Description including a General Layout and Flow Schematic

Cost Estimates

- Arrangements for Implementation

Governmental Jurisdictions

Implementation Steps

Financial Requirements

Development of User Charge System

- Environmental Justice

EJ Communities Identification

Certification by Loan Applicant

Impacts of Project on EJ Communities

Other Locations Considered

Map of EJ Communities and Facilities

- Metropolitan North Georgia Water Planning District

Certification of Local Government Compliance with the MNGWPD Plans

- Service Delivery Strategy Compliance

Certification of Compliance of the Project with the DCA-Approved Service Delivery Strategy for the Local Government

\* Some items may not apply to a particular project and additional items may be necessary for a comprehensive engineering and environmental review of a project.

NOTE: See accompanying section for public participation requirements.



## **NON-POINT SOURCE PROJECT PLANNING DOCUMENT – 319 PROJECTS**

### **Non-Point Source (NPS) and 319 Projects**

The document should include (\*):

- Summary, Conclusions, and Recommendations
- General
  - Study Purpose and Scope
  - Planning Area Description (including a map)
  - Project Name
  - Owner and Operator of the Facilities
  - Location of Facilities
- Current Situation and Trends
  - Current Environmental Conditions
  - Current Population
  - Location of NPS Projects
  - Infiltration/Inflow
- Future Situation
  - Future Population
  - Future Environment Without the Project
- Alternatives Considered
  - No Action
  - Evaluation of Alternatives (monetary, environmental, implementation)
  - Costs of alternatives
- Plan Selection
  - Comparison of Alternatives
  - Public Participation in Selection of Alternative
  - Reasons for Selection
- Environmental Impacts
  - Justification of way the project is 319 and not 212
  - Statement demonstrating compliance with Georgia's Non-Point Source Management Plan
  - Historical Properties
  - Floodplain Management
  - Wetlands Protection
  - Noise
  - Air Quality
  - Water Supply/Water Quality (navigable waters, aquifers) (specific water body beneficially impacted; designated use of the water body; impairment if any; environmental benefit of the project to the water body; impact of construction and long term benefit of the project)
  - Solid Waste Disposal
  - Coastal Areas (resources and management)
  - Endangered Species
  - Wild and Scenic Rivers

- Demographic Changes (including population projections and service life)
  - Displacement of Individuals
  - Financial Impact to the User
  - Conformance to Comprehensive Land Use Plans and Zoning
  - Erosion and Sedimentation
  - Hazards, Nuisances and Site Safety
  - Preliminary Design
    - Description including a General Layout
  - Arrangements for Implementation
    - Governmental Jurisdictions
    - Implementation Steps
    - Financial Requirements
  - Environmental Justice
    - EJ Communities Identification
    - Certification by Loan Applicant
    - Impacts of Project on EJ Communities
    - Other Locations Considered
    - Map of EJ Communities and Facilities
  - Metropolitan North Georgia Water Planning District (MNGWPD)
    - Certification of Local Government Compliance with the MNGWPD Plans
- \* Some items may not apply to a particular project and additional items may be necessary for a comprehensive engineering and environmental review of a project

NOTE: See accompanying section for public participation requirements.

## ENVIRONMENTAL CATEGORY INFORMATION

1. **WETLANDS** - Will the action occur in a "wetlands" area? The definition of wetlands is included in the Federal Regulations, 33 CFR 32.93. The Department of Natural Resources (DNR) Rules for Environmental Planning, Chapter 391-3-16-.03, incorporates the federal definition as well as both acceptable and unacceptable uses of wetlands. Under current federal law and state policy, alterations or degradations of wetlands should be avoided unless it can be demonstrated that there will be no long-term impacts or net loss of wetlands. A Federal Permit is required for most wetland activities.
2. **FLOODPLAIN/RIVER CORRIDOR** - Will the action occur in a floodplain or a river corridor? Floodplains are designated areas of land that are flooded with water during periods of rainfall that increase the primary stream flow. Many floodplain areas are shown on Federal Floodplain Maps prepared in support of the National Flood Insurance Program. Additional maps and information on floodplains are available from the DNR's Environmental Protection Division (EPD). Most proposed government actions that occur directly in a floodplain area or which may alter the size or character of the floodplain area are considered significant. Under H.S. 643, by the 1991 Session of the General Assembly, lands adjacent to major rivers are protected from certain types of development.
3. **WATER SUPPLY/WATER QUALITY** - Does the proposed action have the potential for decreasing either the quality or quantity of water available for water supply? Water supply means a source of water that is used for drinking water in addition to other consumptive purposes. The DNR Rules, Chapter 391-3-16, contain criteria for water supply watersheds. These criteria establish a basis to allow development in a water supply watershed without contaminating the water source to a point where it cannot be treated to meet drinking water standards. EPD can provide information to state agencies as to whether their proposed projects lie within water supply watersheds.

EPA in conjunction with the States has developed a method of tracking the environmental benefit of CWSRF projects. To maintain this information, the name of the impacted water body, its 14-digit waterbody ID (NHD reach code), 10-digit HUC code or 8-digit HUC code, and designated use are needed. Also needed is a description of the current state of the water body (is it listed or proposed to be listed on Georgia's 305(b)/303(d) lists, or the subject of an existing or proposed Total Maximum Daily Load [TMDL]), and an evaluation of whether the proposed project improves or maintains water quality, allows the stream to be de-listed, or is required by a TMDL.

4. **WATER RESOURCES** - Will the proposed action result in large demand for water from the available water resources? Will the proposed action result in a degradation of the quality of waters of the state? The waters of the state include surface and groundwater that is not wholly confined to a single privately owned property. Water resources management is one of the most important issues facing Georgia now and in the future. A growing population and the potential for water shortages focus on the importance of adequate amounts of good quality water. The Georgia EPD's Rules for Surface Water Withdrawals, Chapter 391-3-6, provide the regulatory framework for withdrawal, diversion or impoundment of surface waters of the State. The EPD's Rules for Groundwater Use,

Chapter 391-3-2, establishes the regulatory procedures for withdrawing, obtaining or utilization of groundwaters of the State.

5. GROUNDWATER RECHARGE AREA - Will the action result in the disturbance or altering of a groundwater recharge area? Groundwater recharge areas are those portions of the earth's surface where water infiltrates into the ground to replenish an aquifer. The Significant Recharge Areas of the state are those areas mapped by the DNR in Hydrologic Atlas 18 (1989 Edition). The DNR Rules for Environmental Planning Criteria, Chapter 391-3-16, contain specific criteria for protection of groundwater recharge areas.
6. STORM WATER - Will the project result in increasing the amount of storm water runoff for downstream property owners? The primary concern related to storm water is the creation of impervious surfaces that contribute to an increase of the amount of storm water runoff to the point where there is damage or a threat to downstream property owners. Another very important issue is the potential contamination of stormwater through increased contact with contaminants.
7. WASTEWATER - Will the project produce wastewater that is discharged to a surface stream? Wastewater means contaminated water (sewage or other contaminants) that must be treated and disposed of either by direct discharge to a surface stream or indirect discharge to an existing municipal sewer system. Even if the wastewater from a state project is to be discharged to a municipal sewer system, the effect can be significant enough that the wastewater causes the municipality to have to expand its sewage treatment system. Does the existing wastewater treatment facility have the excess capacity to accommodate the potential increase in load that may be caused by this project?
8. AIR QUALITY - Will the action result in a release or discharge of contaminants into the ambient air? Any action that results in the release or discharge of contaminants into the air such that existing ambient air quality may be diminished is a significant action. All discharges or releases may be subject to regulation under the Georgia Air Quality Control Act and/or the U.S. Clean Air Act.
9. SOLID WASTES - Will the project result in the generation of solid wastes for disposal, or will the proposed actions occur near or in an active or closed landfill? Solid waste is defined in the Georgia Comprehensive Solid Waste Management Act. It includes different categories of wastes that exist in a solid form (household garbage, demolition material, land clearing debris, commercial non-hazardous waste material, etc). Whereas the amount of solid waste generated that requires disposal is of concern, another primary issue relates to a land disturbing in the vicinity of an active or closed landfill.
10. SOIL STABILITY/ERODIBILITY - Will the action displace soils that will be carried off site and pose a threat to surface waters or property? Under the Georgia Soil, Erosion and Sedimentation Act, local governments that have authorized management programs under the Act establish control procedures and issue a permit for the project. If the action takes place in a county or municipality that does not have such authorization, EPD is the

regulating agency. In either case, a technical guidance book is available from either the local government or EPD.

11. PROTECTED MOUNTAINS - Will the project involve the alteration of lands with high elevations and steep slopes? Under House Bill 643, which was passed by the 1991 Session of the General Assembly, lands which lie above 2,200 feet in elevation and have slopes of twenty-five (25%) or more, are identified as Protected Mountains. In accordance with the Act, Department of Natural Resources is charged with promulgating Rules for implementation of a "Mountain Protection" program.
12. PROTECTED SPECIES - Will the proposed action harm or reduce the population of any protected species? Endangered species is used in both the generic sense for protected species and in a more narrow definition sense under the U.S. Endangered Species Act. With respect to the Georgia Environmental Policy Act (GEPA), the term "protected species" is more applicable. Protected species includes those plant and animal species protected by the State in accordance with the Georgia Wildflower Preservation Act of 1973 and the Georgia Endangered Wildlife Act of 1973. DNR Rules, Chapter 391-4-10, provide more detailed criteria for the state's protected species.
13. CRITICAL HABITATS - Is the proposed action expected to involve any critical habitats? Critical habitats are those sites on which the State's protected species are dependent for their survival. They also include U.S. Forest lands, U.S. Wildlife Refugees, Wilderness Areas, and Wild or Scenic Rivers.
14. HISTORICAL - Will the proposed action involve disturbance of any historic property? GEPA requires consideration of any structure on or eligible for the Georgia Register of Historic Places. In addition, the regulations of the President's Advisory Council on Historic Preservation (36 CFR 800) which implements Section 106 of the National Historic Preservation Act of 1966 contains definitions and criteria of adverse effect for the protection of historic properties.

Below is a list of documentation required for the review of projects under Section 106 of the National Historic Preservation Act of 1966. The Historic Preservation Division (HPD) requires the following information.

- a. A letter describing the proposed undertaking, the federal agency involved (i.e. DWSRF, EDA, etc.) and language requesting HPD's review of the undertaking.
- b. A USGS topographic map indicating the location and area of potential effect (APE) of the proposed undertaking. Please indicate the "footprint" of the proposed project (i.e. the ground disturbing area).
- c. Original 35mm or high quality digital color photographs of all buildings that appear to be fifty years old or older, which are located on, immediately adjacent to and/or within view of the project area, as well as photographs of the surrounding area to document the "setting" of the proposed undertaking. All photographs must be keyed to a floor plan indicating the location and direction of view. (For projects involving rehabilitation, alteration, or

demolition of buildings, please provide interior and exterior photographs whenever possible, including all facades and significant details).

- d. For projects involving alteration or rehabilitation, include a detailed work write-up, existing floor plans and proposed floor plans.
- e. For projects involving the demolition of buildings that appear to be fifty years old or older, include alternatives to demolition that were considered and a discussion of why such alternatives were determined not to be feasible.
- f. For projects involving archaeological resources, include any cultural resources surveys or reports conducted on the site.

15. ARCHEOLOGICAL - Will the proposed action involve disturbance of any archeological property? Archeological properties are the physical remains of the past that can be studied by archaeologists and other scholars to answer questions about prehistory and history. In addition, the regulations of the President's Advisory Council on Historic Preservation (36 CFR 800), which implement Section 106 of the National Historic Preservation Act, contain definitions and criteria of adverse effect for the protection of archeological properties.

16. PARKS/RECREATION - Will the proposed action involve disturbance or otherwise have a significant impact on the State's cultural resources? GEPA includes cultural resources within the consider focus of a proposed government action. In addition to the archeological or historic value, cultural resources may also include parklands, preserves, and other public lands or areas of recognized scenic and/or recreational value.

17. ENERGY SUPPLIES - Will the proposed action have significant impact on the reduction in the available energy supplies? This primarily refers to the source of energy (electrical, gas/oil, solar, etc) that will be consumed by the project in relation to the total available in the area.

18. BEACHES - Will the proposed action involve the disturbance of any ocean beach area? The Georgia General Assembly has found that ocean beaches provide an unparalleled recreation resource vitally linked to the economy of Georgia's Coastal Zone and to that of the entire state. They are also part of the sand-sharing system that provides habitats and acts as a protective buffer for other areas. This natural resource system is costly, if not impossible to reconstruct or rehabilitate once adversely affected by man-related activities. Therefore, any action in these areas should be considered highly significant.

19. DUNES - Will the proposed activity alter coastal sand dunes? Coastal sand dunes, beaches, sandbars, and shoals, comprise a vital natural resource system, known as the sand-sharing system, which acts as a buffer to protect real and personal property and natural resources from the damaging effects of floods, winds, tides, and erosion. The coastal sand dunes are the most inland portion of the sand-sharing system and because they are a fragile product of shoreline evaluation, they are easily disturbed by action harming their vegetation or inhibiting their natural development. They are protected under the Georgia Shoreline Assistance Act of 1979.



20. **SHORELINE** - Will the project involve activities in the Georgia Coastal Shoreline area or in areas covered under the river corridor protection requirements of Georgia House Bill 643? In accordance with DNR Rules, Chapter 391-2-2, protective measures and procedures are provided for the implementation of the Georgia Shoreline Assistance Act. Construction, erection, or engaging in any shoreline engineering activity or land alteration that alters the natural topography or vegetation of any area is highly regulated under the Act. In addition, the 1991 General Assembly passed House Bill 643 that also provides for the protection of coastal river corridors. DNR is authorized to promulgate Rules for the implementation of House Bill 643.
21. **COASTAL MARSHLANDS (ESTUARY)** - Will the proposed action alter the Georgia coastal marshland environment? Georgia's coast contains the saltwater marshes. These marshes have been identified as one of the most extensive and productive marshlands systems in the United States. Georgia's marshes, sands, and near-shore ocean water produce more food and energy than any other estuarine zone on the eastern seaboard. They are also an essential life support system for Georgia's multi-million dollar seafood industry. Any activities that affect this area are closely regulated under the Georgia Coastal Marshlands Protection Act.
22. **FOREST LAND** - Will the proposed action involve changes in forested areas? GEPA specifically provides that a proposed government action includes the harvesting of five acres or more of trees over two inches in diameter at breast height. The secondary effects of tree removal as well as other land disturbing activities that may impact a forested area are of concern. Depending on the type of harvesting methods, tract locations and other variable criteria, there may exist a potential for erosion and sedimentation, habitat alteration, and other changes for concern. Manuals on Best Management Practices (common sense forestry associated practices which minimize the impact on the environment) are available from the Georgia Forestry Commission. These practices were developed by a statewide task force, appointed by the Governor, with input from all aspects of forestry in Georgia.
23. **BARRIER ISLAND** - Will the proposed action involve activities on or near a barrier Island? Along the Georgia Coast an extensive system of salt marshes, tidal estuaries, and sounds separate a chain of eight major and several smaller barrier islands from the mainland. Two-thirds of Georgia Barrier Islands are parks, refuges, or preserves. Sand beaches and dunes protect the islands from erosion and flooding. The islands shelter the marshes from the force of storms. Any proposed action that involves the barrier islands should be considered highly significant. **AQUATIC LIFE/ TROUT STREAMS** - Will the proposed action involve an action that significantly impacts freshwater aquatic life? Georgia has an abundance of freshwater lakes, streams, and bodies of water that support aquatic life. The freshwater fisheries are important for the total food chain. Primary and secondary trout streams should be protected.
24. **AQUATIC LIFE/ TROUT STREAMS** - Will the proposed action involve an action that significantly impacts freshwater aquatic life? Georgia has an abundance of freshwater lakes, streams, and bodies of water that support aquatic life. The freshwater fisheries are

important for the total food chain. Primary and secondary trout streams should be protected.

25. NOISE - Will the proposed action have significant impact on the existing noise levels in the area? The potential effect of the noise associated with the machinery involved with the project such as pumps, aerators, blowers, etc. must be considered.
26. FARM LAND - Will the proposed action have a significant impact on land used for farm operation or will it be constructed on farmland?
27. SITE SAFETY - Will the characteristics of the proposed site have any effect on the safety of the work force or the surrounding residents?
28. ENERGY USE - Will the proposed action have significant impact on the reduction in the available energy supplies? This primarily refers to the source of energy (electrical, gas/oil, solar, etc) that will be consumed by the project in relation to the total available in the area. Is the proposed action the most energy efficient option? Energy efficient equipment, as well as low energy systems, must be considered.
29. WATER CONSERVATION - Is the proposed action the most acceptable option that will enhance the water conservation efforts? State law and DNR rules require that non-agricultural water users prepare and implement water conservation plans.
30. COASTAL ZONE MANAGEMENT AREA - If the proposed project is located in the Coastal Zone Management Area, will it comply with the EPD established strategy for managing salt-water intrusion in the Upper Floridan Aquifer of Coastal Georgia? The Upper Floridan Aquifer of Coastal Georgia is susceptible to salt-water intrusion. The aquifer is a primary source of drinking water and industrial process water throughout twenty-four counties of the region. In order to protect the Upper Floridan Aquifer from salt-water intrusion, EPD developed a strategy to address this problem. Projects in the coastal area must conform to this established ground water management strategy.
31. WATER WITHDRAWAL - Does the proposed action require the water system to obtain a permit to withdraw surface and/or groundwater, or modify an existing withdrawal permit to reflect an increase in the water withdrawal amount? State law requires any person that obtains or utilizes water in excess of 100,000 gallons per day for any purpose to obtain a permit, unless exempted or specified otherwise, by law or regulations.
32. SYSTEM OPERATIONS - Does the proposed action require the water system to obtain a permit to operate a public water system or modify an existing operating permit?
33. WASTEWATER LOAD - Will the proposed action have a significant impact on the treatment capability of the existing wastewater treatment facilities? If the proposed action will generate additional amounts of wastewater, then it must be ensured that the existing wastewater treatment facilities have adequate treatment capacity to handle the additional wastewater loads.



34. ENVIRONMENTAL JUSTICE - Will the proposed project impact minority and/or low-income populations? If so, will the proposed project pose a disproportionate risk to these populations? If minority and/or low-income populations are impacted, have these populations been offered decision making opportunities through public participation. Do these populations currently suffer or have historically suffered from environmental and health risks or hazards? If minority and/or low-income communities are affected and have not been sufficiently involved in the decision making process then additional public participation activities should be undertaken.

35. IMPACTS -

- a. Direct and Indirect Impacts – Direct impacts are caused by the action and occur at the same time and place. Indirect impacts are caused by the action and are later in time or farther removed in distance, but are still reasonably foreseeable.
- b. Primary and Secondary Impacts – The primary impact is the main impact of the action. Secondary impacts occur from the action but are less in importance and/or magnitude than the primary impact.
- c. Cumulative Impacts – A cumulative impact is the effect on the environment that results from the incremental impact of the action when added to other past, present, and reasonably foreseeable future actions. Cumulative impacts can result from individually minor but collectively significant actions taking place over a period of time.

## **PLANS AND SPECIFICATIONS FOR STATE REVOLVING LOAN FUND PROJECTS**

Construction plans and specifications must be prepared and submitted in accordance with State Rules and Regulations for Water Quality Control, Title II requirements of the 1987 Water Quality Act, and Attachment 1 (Exhibit C of the SRF Loan Contract). The following lists itemize the above requirements.

### **A. State Rules and Regulations for Water Quality Control**

1. Contents. Plans and Specifications submitted to the Division for a sewerage system shall include the following:
  - a. A map showing the area to be served by the sewerage system.
  - b. Profiles of proposed sewers;
  - c. Construction details of manholes and other special sewer structures;
  - d. General and detail plans for the sewer;
  - e. Complete design data;
  - f. Specifications for the construction of the sewerage system;
  - g. Such other plans and specifications as the Division may require.
  
2. General Map Plans. General map plans submitted to the Division for a sewerage system shall include the following:
  - a. A map plan that shows the entire area to be served, drawn to a scale of from 100 to 300 feet per inch. The map plan may be divided into sections, provided the sheets are bound together and indexed to show the area covered by each sheet.
  - b. All existing and proposed streets in the area to be served; surface elevations at all street intersections; the location of all existing sewers, separate or combined; the location of the treatment facility; the location of the existing and proposed sewer outlets or overflows; the elevation of the highest known stream water level at the outlets and the treatment facility; and clear identification of any areas from which sewage is to be pumped.
  - c. Clear designation on the plan by suitable symbols of all sewer appurtenances, including, but not limited to, manholes, siphons and pumps.
  
3. Sewer Plans and Profiles. Sewer plans and profiles submitted to the Division for a sewerage system shall include the following:
  - a. Sewers and force mains, drawn at a scale that shows the profile for all manholes, siphons, railroad crossings, street or stream crossings, elevations of stream beds, normal stream water levels, and sizes and grades of sewers which show surface elevations and sewer invert elevations.
  - b. Detailed drawings of all sewer appurtenances, including, but not limited to, manholes, siphons, lift stations, and any special structures to accompany the sewer plans. Detailed drawings shall be to a scale suitable to clearly show the design details.

4. Treatment Facilities Plans. Plans for treatment facilities submitted to the Division shall include the following:
  - a. A general plan that clearly identifies the exact location of the facilities, areas reserved for future expansion, access roads to the various units, and the point at which the access roads connect with existing road or street systems. It shall also show sufficient detail of the units, pipelines or any other features so as to make the proposed treatment process clearly and easily understood. The elevations of all units and water surfaces shall be shown.
  - b. Detail plans which show longitudinal and transverse sections sufficient to explain the construction of each treatment unit.
  - c. Flow measuring devices at appropriate points in the plan. Sampling and recording devices may be required by the Division when deemed necessary.
  - d. Specifications for the construction.
  - e. Complete design data.
  - f. Such other information as the Division may require.
5. Approval of Plans and Specifications. Both a Planning Document/Environmental Review and a Construction Review will be completed for plans and specifications for projects funded through the SRF program. Approval of the plans and specifications by the Division does not include or imply approval of the structural, electrical, or mechanical integrity of the sewerage system, treatment facilities, units or equipment.
6. Deviation from Approved Plans and Specifications. No deviations from approved plans and specifications shall be made during construction unless documentation showing proposed changes has been submitted to and approved by the Division.

**B. Additional Requirements from the 1987 Water Quality Act.** Copies of the forms, notices and orders cited below are included in EPD's Supplemental General Conditions. These Conditions must be incorporated into Specifications for projects, which receive SRF loan funding. Copies of the Supplemental General Conditions are available upon request from the Environmental Protection Division's Engineering and Technical Support Program.

1. Davis-Bacon Form 5720-4 (Rev. 5-87).
2. Certification Regarding Debarment, Suspension and Other Responsibility Matters (Rev. 10-88).
3. Special Notice #1 EEO Documentation Required by Executive Order 11246 As Amended.
4. Notice of Requirement For Affirmative Action To Ensure Equal Employment Opportunity (Executive Order 11246).
5. EPA-R4-0017 Certification By Proposed Prime or Subcontractor Regarding Equal Employment Opportunity.
6. Special Notices #2, #3 & #4.
7. Certification By Proposed Prime or Subcontractor Regarding Equal Employment Opportunity.

8. Utilization of Small, Minority and Women's Businesses.
9. Bonds and Insurance.
10. Standard Form 334, DBE Utilization Report.

**C. Requirements in Attachment 1, Bidding and Preconstruction Requirements.**

1. Competitive procurement by public bidding is required for construction, construction services, materials and equipment.
2. The governmental entity contracting the work (the Owner) must advertise for bids by conspicuously posting the notice in its office and by advertising in the local newspaper that is its legal organ or on its Internet website or on an Internet site designated for its legal advertisements.
3. Advertisements must appear at least twice. The first advertisement must appear at least four weeks prior to the bid opening date. The second must follow at least two weeks after the first advertisement. Website advertisements must remain posted for at least four weeks. Plans and specifications must be available for inspection by the public on the first day of the advertisement. The advertisement must include details to inform the public of the extent and character of work to be performed, any pre-qualification requirements, any pre-bid conferences, and any federal requirements.
4. The Owner must require at least 5% Bid Bond or certified check or cash deposit equal to 5% of the contract amount.
5. Sealed bids with a public bid opening are required.
6. The Owner must award to the low, responsive, responsible bidder or bidders with reservation of right to reject all bids.
7. The Owner may modify bidding documents only by written addenda with notification to all potential bidders not less than 72 hours prior to the bid opening, excluding Saturdays, Sundays and legal holidays.

**NOTE: Contractor must be approved by EPD prior to award of contract. Documentation on the potential contractor should be submitted as soon as possible.**

8. The Owner must require 100% payment and performance bonds.
9. Change orders may not be issued to evade the purposes of required bidding procedures. Change orders may be issued for changes or additions consistent with the scope of the original construction contract documents.
10. Prior to disbursement of funds, provide EPD with copies of the following:
  - a. Proof of advertising
  - b. Certified detailed bid tabulation
  - c. Engineers award recommendation
  - d. Governing Body's award resolution
  - e. Executed contract documents, including plans and specifications
  - f. Construction and payment schedules
  - g. Notice to proceed
  - h. Contractor's written oath in accordance with O.C.G.A. 36-91-21 (e). (This is an oath required by law to be provided to the Owner by the contractor. In short, this must state that the Contractor has not acted alone or otherwise to prevent or attempt to prevent competition in bidding by any

- means and must be signed by appropriate parties as defined by law.)
- i. Summary of plans for on-site quality control to be provided by the Owner or Engineer - name and brief qualifications of construction inspector(s) and approximate hours per week of inspection to be provided.
11. If other funding sources are involved which have stricter bidding requirements or if applicable law or ordinance require stricter requirements, these stricter requirements shall govern.
  12. If the loan recipient wishes to fund work that may not fully meet the bidding requirements of this loan contract, then prior to bidding this work, it shall submit a written request to the Georgia Environmental Facilities Authority (GEFA) that specific requirements be waived. Based on specific circumstances of the request, GEFA will require submission of additional information necessary to document that State laws and local ordinances are not violated and that the intent of the loan contract bid procedures (public, open, competitive procurement) is satisfied through alternate means.
  13. The Owner is required to notify the Construction Management Unit of the Environmental Protection Division at least two weeks prior to pre-construction conferences for work funded under this loan contract and to schedule these conferences so that a representative of this Unit may participate.
  14. It is the policy of the State Revolving Loan Fund (SRF) to promote a fair share award of subagreements to small and minority and women's businesses on contracts performed under the SRF. If the successful bidder plans to subcontract a portion of the project, the bidder must submit to EPD, with copy to the owner within 10 days after bid opening, evidence of the positive steps taken to utilize small, minority and women's businesses. Such positive efforts shall include:
    - a. Including qualified small and minority and women's businesses on solicitation lists;
    - b. Assuring that small and minority and women's businesses are solicited whenever they are potential sources;
    - c. Dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation of small and minority and women's businesses;
    - d. Establishing delivery schedules, where the requirements of the work permit, which will encourage participation by small and minority and women's businesses;
    - e. Using the services and assistance of the U.S. Small Business Administration and the Office of Minority Business Enterprise of the U.S. Department of Commerce; and
    - f. Requiring each party to a subagreement to take the affirmative steps outlined in paragraphs a) through e) of this section.

**D. Construction Incentive Clause.** Project owners may include a Construction Incentive (CI) clause in any construction bid package. However, the clause may not be added after bids have been received. The CI clause allows a contractor or subcontractor to propose cost saving changes in a project and share the cost savings with the owner.

Details and guidance for the CI clause may be found in the U.S. Environmental Protection Agency publication, "Construction Incentive Guidance." This publication may be obtained directly from EPA or through the Engineering and Technical Support Program of the State EPD.

## **CLEAN WATER STATE REVOLVING LOAN FUND PROGRAM POLICIES (WATER QUALITY PROJECTS)**

### **POLICY 1: QUALIFIED LOCAL GOVERNMENTS AND STATE AUTHORITIES**

Only those counties and municipalities certified as Qualified Local Governments by the Department of Community Affairs, the water and sewer authorities within those certified governments, and state authorities may receive GEFA loan commitments. In addition, only borrowers within counties that have current DCA-certified Service Delivery Agreements may receive GEFA loan commitments, and the project(s) proposed for financing must be consistent with the verified strategy. Communities within the Metro North Georgia Water Planning District must be certified by the Director of the Environmental Protection Division as either being in compliance or making a good faith effort to comply with all District Plans.

GEFA provides loans to local governments and other state entities, including authorities. GEFA's general policy is to obtain adequate revenues to ensure repayment of GEFA debt:

- 1) dedicated source of revenue - in the event of insufficiency, GEFA may compel the Borrower to raise rates to increase its revenue stream, and
- 2) other alternative revenue streams - in the event of insufficiency, GEFA may compel the Borrower to raise ad valorem rates, viz. its full faith and credit pledge. An authority's ability to raise rates serves to satisfy the first of these requirements. In the event of no or insufficient taxing power, the authority must partner with a relevant local county or city. Specifically, GEFA requires an inter-governmental agreement between the local county or city and the authority in which the local county or city (or both) provides an assignment of revenue from its taxing power to the authority for the repayment of GEFA debt. In certain limited circumstances, GEFA may waive this requirement in lieu of other security interest provisions it deems sufficient

### **POLICY 2: PROGRAM PARTICIPATION**

The review process for any new project shall include an evaluation of the progress made on the implementation of any previous project(s). The phasing of projects over multi-years is an acceptable practice. However, each project application must identify a "stand-alone" project that will be "environmentally acceptable" immediately upon the completion of construction. The Environmental Protection Division (EPD) of the Georgia Department of Natural Resources (DNR) will be responsible for determining environmental acceptability. Applications will not be approved if they are contingent upon obtaining any future funding. Jurisdictions proposing to use additional funds from other sources to complete a project, must identify the source and provide proof of its availability in such form as GEFA may require. Every qualified local government will be allowed to participate regardless of need.

### **POLICY 3: PROCUREMENT**

Procurement of construction contracts, construction services, materials, and equipment in GEFA financed projects must be public, open, and competitive, as defined by both state and federal law and the procurement requirements of GEFA funding contracts. Funded construction must meet the requirements of both state and federal law and GEFA funding contracts.

### **POLICY 4: RATING AND SELECTION CRITERIA - PRIORITY POINT SYSTEMS**

GEFA-CWSRF will use the rating and selection criteria priority point system to rank all projects in order of priority. These criteria were established by the Georgia EPD and meet the requirements of the Federal Clean Water Act, as amended and subsequent regulations. The rating system outlined in Exhibit A will be used for traditional water quality (wastewater or sewer) projects. The rating system outlined in Exhibit B will be used for Non-point Source Projects. The principal elements of the rating system are: Facilities Planning Requirements, Project Readiness; Environmental Benefit; Compliance Bonus and State Match. No funding commitment will be made to a project until sufficient environmental review and financial requirements have been met. Projects will be ranked against all other projects competing for funds. Any ties will be broken by the project that is the most ready to proceed with construction.

The principal elements of the rating and selection criteria for Non-point Source projects are Planning Requirements, Environmental Benefit; and Bonus Points. A project must have 400 priority points in order to be considered for financial assistance under the GEFA-CWSRF. The funding of Non-point Source Projects will come from the repayments of Clean Water Act CWSRF loans. Projects will be ranked against all other projects competing for funds. Any ties will be broken by the project that is the most ready to proceed with construction.

**POLICY 5: CWSRF LOAN PROGRAM FUNDING MAXIMUM**

The maximum loan amount per community for sewer projects per calendar year under the GEFA-CWSRF Loan Program is \$25,000,000.

The maximum amortization period is 20 years.

**POLICY 6: INTEREST RATE**

The interest rate for GEFA-CWSRF funds will be at a fixed rate of 3.0% for sewer infrastructure projects unless the GEFA Board of Directors sets a higher rate and/or different term in the event that GEFA is unable to obtain both a dedicated source of revenue and a full faith and credit pledge from the Borrower. The interest rate for GEFA-CWSRF funds will be at a fixed rate of 2.0% for land conservation projects when the project is located in a One Georgia Authority eligible or conditionally eligible county. The cumulative maximum loan amount eligible for interest rate concession(s) per land conservation project is \$10,000,000. The interest rate for GEFA-CWSRF funds will be at a fixed rate of 2.0% for eligible water conservation projects identified within CWSRF program literature.

**POLICY 7: CONSTRUCTION PERIOD INTEREST RATE**

Interest accrued during the construction period of the project will accrue only on the portion of funds disbursed beginning on the date in which the disbursement was made. Interest will be billed monthly and will be due and payable by the 15<sup>th</sup> of the month following. The interest will be based upon simple interest and will fluctuate according to the changes in balance and the number of days in the month and will be calculated according to the Note's provisions. There will be only one interest rate applicable during both the construction period and the amortization period.

**POLICY 8: LOAN CLOSING FEE**

A loan closing fee of two percent (2%) of the principal loan amount will be charged to each borrower for sewer infrastructure projects. Loan closing fees for land conservation projects will be 0.25% for loans with a term of 2 years or less, 0.5% for loans with a term of 2-5 years, 1% for loans with a term of 5-10 years, and 2% for loans with a term of greater than 10 years. These loan closing fees are payable on the dates specified by the GEFA with no less than thirty (30) days prior written notice.

**POLICY 9: ENTERPRISE FUND ANALYSIS**

For most applications, GEFA's financial capacity analyses are based primarily on the soundness of the coverage ratios of the enterprise fund that services the water/sewer system. Additional consideration is given to GEFA loan history, operating efficiency and capital structure. The enterprise fund is the primary source of fiscal support for operating the system and servicing of the system debt. While the enterprise fund may be supported by transfers (subsidies) from other funds of the city or county, it is the revenues of the system that constitute the main source of repayment of the GEFA loan. In some instances, there may not be an enterprise fund for GEFA to analyze; in those cases GEFA will consider all relevant financial capability of the applicant in determining their ability to repay the note and may need to alter normal loan rates and term or require special conditions for receiving the loan.

The revenue coverage analysis will extend to four (4) years history as well as four (4) years projected revenues and expenses, including potential revenue from proposed rate increases, population growth, increased operating expenses from the proposed new facility, and increased debt service required to



defray new GEFA and/or other debt (including required capital lease payments. Financial history is derived from audit reports of the applicant. Projected years' cash flows are based on information in the applicant's loan application, engineering reports, historical trends, population growth projections, discussions with community representative, and new ordinances.

Audit reports having adverse opinions by the applicant's auditor may subject the application to denial. An applicant with an audit report containing any significant audit findings may not be offered a loan until the applicant provides written, corroborated documentation that the audit finding has been rectified. An applicant will not be offered a loan if they are not in compliance with the State Department of Audits' requirement to complete an audit within six months of the applicant's fiscal year end or a letter from the Department of Audits granting an extension.

If revenues are projected to be insufficient to adequately cover the operating expenses plus debt service into the future, the applicant may not be offered a loan without qualification. Qualifications which may be required include, but are not limited to, a required increase to water and/or sewer rates, creation of a debt service reserve account, or curtailment of transfers out of the fund.

The minimum requirement for satisfaction of the financial capacity threshold is a pro forma coverage ratio of at least 105% in the first full year of loan repayment. Where applicable, system revenues constitute a substantially higher level of importance than general fund soundness.

GEFA recommends that in the event a Local Government does not meet typical Debt Service Coverage of 105%, the loan may be approved by the Board under the following conditions:

1. The Board feels there are extenuating circumstances which would permit the Local Government to meet its repayment obligations, or
2. The Board would approve the loan based upon the condition that the Local Government raise rates sufficient to generate revenue which would cause the Debt Service Coverage to exceed 105% by the time the Local Government's loan would go into repayment, or
3. The Board accepts a letter of credit with GEFA a named beneficiary on the Letter Of Credit or other suitable credit enhancement, which, in combination with Local Government's revenue stream would meet the Debt Service Coverage requirement of 105%. Refer to GEFA's "Letter of Credit (LOC)" policy for specific details related to the requirements of this policy.

#### **POLICY 10: GEFA WATCH LIST**

GEFA will maintain a "Watch List" to include those borrowers that: fall below the required debt service coverage (DSC) ratio as established in the GEFA loan agreement; have recent late payments; fail to pay their GEFA debt service or violate any covenant of the loan agreement.

GEFA requires that any Borrower on the Watch List either be removed from the list prior to any additional loan commitment(s) or provide GEFA with its plan to become compliant according to the GEFA loan agreement.

In the event GEFA must take action against a Borrower that fails to maintain adequate DSC or fails to make its payments or any other default condition, GEFA will require the Borrower to raise rates sufficient to meet its payment obligations; failing that GEFA may also require the Borrower to raise ad valorem taxes in an amount to meet its debt obligations to GEFA. While GEFA reserves its rights under the loan agreement to take whatever enforcement action it deems prudent in such circumstances, generally, it would look first to the Borrower to raise rates sufficiently for the respective enterprise fund to meet GEFA debt obligations or otherwise to improve cash flow sufficient to meet its debt obligations.

#### **POLICY 11: RELEASE OF GEFA FUNDS**

GEFA will pay out its funds in accordance with the project budget in the loan agreement on a reimbursement basis. Drawdown requests will not be paid until a notice to proceed has been issued.

GEFA may, at its option and on request by the Borrower, pay out funds for eligible land acquisition before the notice to proceed has been issued, but after the award of construction contracts. In all loan drawdowns, GEFA's payment will reflect the same anticipated total percentage relationship that GEFA-CWSRF funds bear to the total cost of any particular item as contained in the approved project budget, unless otherwise agreed upon by GEFA, EPD and the Borrower. EPD will monitor construction and endorse GEFA payments in accordance with observed progress. Payments will be conditional on compliance with loan agreement requirements and applicable project approvals issued by EPD. To allow monitoring, the Borrower must notify EPD prior to commencing construction.

#### **POLICY 12: MONTHLY DRAWDOWN OF LOAN FUNDS DOCUMENTATION**

Borrowers may request a payout of funds on a monthly basis, with only one draw request permitted per calendar month. Requests must be submitted on GEFA drawdown forms. All requests must be accompanied with appropriate support documentation (i.e. invoices).

#### **POLICY 13: LOAN AGREEMENT POLICIES**

Refer to the loan agreement and promissory note for specific details related to the items below:

1. If the loan agreement and/or promissory note are not executed within six months (180 days) from the date of the Board commitment, GEFA reserves the right to terminate its commitment and request the Borrower to provide, in writing, a reason why the loan agreement has not been executed.
2. If the Borrower does not draw funds within six months (180 days) of the date the loan agreement is executed by GEFA, the Borrower will incur a "Loan Continuation Fee."
3. All Borrowers are required to repay only the amount actually disbursed according to the terms of the loan documents. Monthly payments will be made by ACH debit, unless otherwise agreed to by both parties.
4. Repayment of the loan will begin on the first day of the calendar month following the earlier of:  
a) "Completion Date" defined as the date in which funds have been fully disbursed or EPD certifies that the project is complete; b) "Commitment Expiration" established by GEFA as an estimation of the completion date of the project via the loan agreement's construction schedule; or c) Once the loan is fully disbursed.

#### **POLICY 14: ALLOWANCE FOR LOAN LOSS**

It shall be the policy of GEFA to require the establishment of an allowance for loan loss whenever:

1. The total GEFA loan commitment(s) for a Borrower exceed 10% of the total loan commitments to all GEFA borrowers, or
2. In the event a Borrower becomes 6 months delinquent.

With respect to #1 above, the Borrower must establish a specific reserve for the repayment of GEFA debt as a result of its cumulative obligation to GEFA exceeding 10% of GEFA's total portfolio commitment. The reserve will equal or exceed at all times the lesser of an amount equal to the actual amount (upcoming calendar year basis) debt service coverage ("DSC") or 20% of the annual DSC when the Borrower is fully funded with all executed commitments to date.

#### **POLICY 15: LOAN SERVICE FEES**

GEFA will assess certain fees to its Borrowers:

1. GEFA will assess a "Late Fee" on all late payments.
2. GEFA will assess a "Late Processing Fee" in the event the Borrower fails to have sufficient funds in its designated ACH account at the time the payment is due. The Late Processing Fee will be assessed in addition to the Late Fee identified above.
3. GEFA will assess all out-of-pocket administrative or legal costs to the Borrower associated with restructuring, refinancing or modifying a loan.
4. In the event the Borrower fails to draw funds within six (6) months of loan agreement

execution, GEFA will assess a “Loan Continuation Fee” as published in the Lender Fee Schedule. The “Loan Continuation Fee” will be assessed every month thereafter until the Borrower makes an initial draw of funds from the loan for the project.

Refer to the most recently published “Lender Fee Schedule” for specific details related to these fees.

**POLICY 16: NO FORCE ACCOUNT LABOR**

GEFA will not allow force account labor costs to be paid with GEFA-CWSRF funds. Force account labor, for the purposes of this policy, is defined as any employee labor costs by employees of the jurisdiction receiving the loan.

**POLICY 17: ENGINEERING, LEGAL AND ADMINISTRATIVE COSTS**

GEFA-CWSRF funds may be utilized for engineering, design, administrative costs, facilities planning, and land acquisition provided that these costs are necessary for the construction of the project defined by the scope of work and identified in the budget of the approved loan agreement. GEFA will not fund projects solely for the purpose of planning, conducting studies, design, engineering, or administration. GEFA will not reimburse engineering, design, or planning related expenses for projects, or portions of projects, that are not constructed by the community. GEFA-CWSRF funds should not be applied to such costs in greater proportion than GEFA-CWSRF funds are applied to construction costs. GEFA and EPD will monitor project budgets to ensure that to the maximum extent feasible, GEFA-CWSRF funds are utilized in construction.

**POLICY 18: PURCHASE OF EXISTING SYSTEMS**

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

**POLICY 19: WATER CONSERVATION CODES**

In order to be eligible for a GEFA-CWSRF loan, applicants receiving commitments after April 1, 1992 are required to submit copies and proof of adoption of local construction codes which mandate the use of certain water saving devices as outlined in O.C.G.A. §8-2-1 to 8-2-3.

**POLICY 20: REFINANCING/RESTRUCTURING**

Applications to refinance outside GEFA debt will not be considered under the CWSRF Program. Refinancing refers to the payoff of outside debt with CWSRF funds. This is due in part to the federal requirements surrounding refinancing using CWSRF funds. However, GEFA will consider a community’s request for restructuring its CWSRF indebtedness on a case-by case basis. Restructuring refers to any revisions to the original terms or conditions of CWSRF commitments. A community seeking to restructure its CWSRF indebtedness must demonstrate financial hardship, defined as a situation where two of the following conditions are present:

1. The debt service coverage ratio has fallen below 85% and the community has exhausted all means to boost revenues from rate increases or raising of ad valorem taxes.
2. There is an emergency or exigent situation beyond the control of the community imposing a severe financial hardship.
3. There is a documented history of prudent fiscal and operational management and expense control.

In the event that GEFA grants a concession or alters the term(s) of the loan agreement and/or promissory note, GEFA reserves the right to make such concession for a limited period of time and to revert to the original term(s) of both documents at its sole discretion.

Under no circumstances will the existing note be extended beyond 20 years or the existing principal be forgiven.

**POLICY 21: AMERICAN RECOVERY AND REINVESTMENT ACT**

For the purpose of implementing the American Recovery and Reinvestment Act of 2009 (ARRA), GEFA approves and authorizes limited availability financing terms and conditions that include, but are not limited to, additional subsidization as described in the ARRA and support of green infrastructure projects, water and energy efficiency projects at eligible facilities and other environmentally innovative activities. This policy expires when the relevant financing terms and conditions cease to apply.

Revised 5-13-2011

N:/Water Resources/Program Policies/CWSRF Program Policies 5-13-2011

## DISADVANTAGE BUSINESS ENTERPRISES (DBE) SOLICITATION GUIDELINES

A. It is the policy of the State Revolving Loan Fund (SRF) to promote a fair share award of subagreements for goods and/or services to minority and women's businesses on contracts performed under the SRF. The contractor must identify areas, goods and/or services, within the project that will be used to attain the goals specified in the Standard Conditions. The successful bidder must submit to EPD, with copy to the owner within 10 days after bid opening, evidence of the positive steps taken to utilize minority and women's businesses. Such positive efforts shall include:

1. Including qualified minority and women's businesses on solicitation lists;
2. Assuring that minority and women's businesses are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation of minority and women's businesses;
4. Establishing delivery schedules, where the requirements of the work permit, which will encourage participation by minority and women's businesses;
5. Using the services and assistance of the U.S. Small Business Administration and the Office of Minority Business Enterprise of the U.S. Department of Commerce;
6. Requiring each party to a subagreement to take the affirmative steps outlined in paragraph A, items 1 through 5, of this section.

B. The following **guidelines** are provided in order to maximize the solicitation of DBE subcontractors in the State Revolving Loan Fund program and aid in complying with the requirements.

1. A copy of the plans and specifications should be submitted to the Minority Business Development Center in the project area.
2. The fair share policy and any local project goals should be included in the bid specs.
3. In addition to the Dodge report, advertisement should also appear in a newspaper of broad circulation. The Dodge report is expensive and some DBE's may not subscribe. Also advertise in other minority publications.
4. When the prime contractor sends solicitation letters to perspective subcontractors, complete statements of work should be provided and ample response time (15 days) should be given for bid submission.
5. Small subcontracting jobs should not attach heavy insurance and bonding requirements.
6. Notify contractors that the Environmental Protection Division will hold the first loan payment request until all EEO/DBE documentation has been submitted to EPD.
7. Contractors should be made aware of Georgia House Bill 653, which allows a 10% tax credit to majority firms doing business with minority firms.
8. Notify minority trade organizations regarding the subcontracting work that is available.
9. Advise the contractor to call EPD's DBE coordinator at 404/675-6232 for assistance if needed, and if any approved subcontracts are not awarded.

## DBE REVIEW

The purpose of the State Revolving Loan Program is to make loans to municipalities to construct, rehabilitate or upgrade wastewater treatment facilities, land application systems, and other eligible projects.

All loan recipients participating in the program are required by contract condition to make "**positive effort**" to solicit and award subcontracts to **minority** and **women** owned businesses. This contract condition is also passed on to the prime contractor. These subcontracts are for services and/or supplies.

The State Revolving Loan Program does not include a quota or set aside for minority or women owned businesses. However, a goal is established for **DBE** participation each program year, which is noted on the cover of the Supplemental General Conditions, available from the Environmental Protection Division. Solicitation must be made to secure DBE participation. The solicitation must be made for **minority and women's** businesses; compliance cannot be satisfied through solicitation of one or the other category.

If the goal objectives are not met, the prime contractor is required to submit documentation of all efforts undertaken to achieve the goals. The following are examples of documentation required:

1. Copies of solicitation letters mailed to **certified DBE's**. The letters should specifically state the type of work to be subcontracted and encourage inquiries for further details. Such letters should be sent out in time to allow sufficient time to develop quotes or proposals (postmarked approximately 15 days before bids are due).
2. If public notices are used, a copy should be submitted.
3. An analysis of **all** quotes (including non **DBE** firms) received to document that the subcontractor selected has the lower price and that all quotes are for the same scope of work.
4. Copy of phone logs providing names and phone numbers of **DBE's** contacted.
5. Copies of solicitation letters mailed to Minority Business Development centers.
6. Names of **DBE's** solicited but did not respond or declined to submit a quote.

Once **DBE** documentation has been submitted, a review is made to determine compliance. If deficiencies are found, the State notifies the city, consulting engineer and the prime contractor. The proposed construction contract award will not be approved until the deficiencies are corrected.

After approval to award has been issued, the prime contractor must submit to the State a copy of each executed subcontract with a minority or women owned business. EPA Form 334 must be submitted for each quarter the prime contractor awards to a **DBE**. Instructions are included in the Supplemental General Conditions package.

When prime contractors have received compliance approval, they must report any changes in **DBE** subcontractors and make efforts to solicit replacement **DBE** subcontractors.

It is the responsibility of the loan recipient to insure that the contractor addresses all aspects of the "**positive solicitation effort.**" Failure to adhere to these requirements may result in a determination of SRF ineligibility for a particular subcontract where positive effort is not made.

The EPD project Engineer or **DBE** Coordinator should be contacted at 404/675-6232 if there are any questions. Submissions should be sent to:

Engineering and Technical Support Program  
4220 International Parkway  
Suite 101  
Atlanta, Georgia 30354

## LAND ACQUISITION REQUIREMENTS

### General Requirements

State Revolving Loan Fund recipients must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended by the Uniform Relocation Act Amendments of 1987, and with 49 CFR, Part 24, for any land purchased with SRF funds. Only land that is an integral part of the treatment process (i.e., land application, overland flow, constructed wetlands) is eligible for SRF funding. **Sewer easements and treatment plant sites are not eligible.** The basic requirements are:

1. The public shall be informed by the recipient of the acquisition policies, requirements and payments which apply to the project.
2. Property is to be acquired by negotiations, if at all possible, rather than by litigation.
3. Fair treatment and protection of the rights of those from whom property is acquired is mandatory.
4. Recipient must inform the owner of his rights under law and must furnish the owner with a copy of 49 CFR, Part 24.
5. Property to be acquired shall be appraised before initiation of negotiations. The appraisal shall be updated if it is more than 6 months old. The owner or the owner's designated representative shall be given an opportunity to accompany the appraiser during the inspection of the property.
6. The owner shall be paid no less than the fair market value as established by the appraisal.
7. A statement of Just Compensation must be furnished to the seller.
8. Property owners will be reimbursed for necessary expenses.
9. If the acquisition of any part of a property would leave the owner with an uneconomic remnant, an offer shall be made to include that remnant in the acquisition.
10. The owner shall not be required to surrender possession of real property until the recipient pays the agreed purchase price, or the appraised price is deposited with the Court in the case of condemnation, and no person shall be required to move from his dwelling or move his business or farm, generally, before 90 days.

### Appraisals

A licensed or certified and qualified professional appraiser shall be engaged to perform the appraisal. The required qualifications for appraisers are:

1. Adequate training, education and experience.
2. Training and experience shall be consistent with the level of difficulty of the appraisal assignment.
3. Experience in appraising the type of property to be acquired (farm, commercial residential, easements, etc.).
4. Is a member of the Institute of Real Estate Appraisers (MAI) and has a current certificate from American Institute of Real Estate Appraisers, and/or Society and Real Estate Appraisers (SREA). Can also be members of other appraisal organizations that provide training which includes training in appraising for federal or federally assisted



land acquisition.

5. Spends at least 51% of his or her time doing real estate appraisals.

The appraiser's qualifications must be approved by the State prior to performing the appraisals. An appraisal must contain sufficient documentation, including valuation data and the appraiser's analysis of that data to support his or her opinion of value. At a minimum, a detailed appraisal shall contain the following items:

1. Purpose and or the function of the appraisal.
2. An adequate description of the physical characteristics of the property being appraised and at least a 5-year sales history of the property.
3. All relevant and reliable approaches to value consistent with commonly accepted professional appraisal practices.
4. A description of comparable sales.
5. A statement of the value of the real property to be acquired.
6. The effective date of valuation, date of appraisal, signature and certification of the appraiser.

An appraisal and a review appraisal are required for a tract of land with an estimated value of \$150,000 or less. Two appraisals and a review appraisal are required for a tract of land with an estimated value in excess of \$150,000.

### Relocation

If relocation is necessary as a result of acquisition, a relocation program, which meets the following guidelines, must be developed:

1. Informs the person that he or she may be displaced and generally describes the relocation procedures and benefits the owner is entitled to.
2. Informs the person that he or she will be given reasonable relocation advisory services including referrals to replacement properties and help in filing payment claims.
3. Informs the person that he or she will not be required to move in less than 90 days and that at least one comparable replacement has been made before the owner can be required to move.
4. Describes the person's right to appeal the recipient's decision regarding assistance eligibility.

The recipient should contract with professional relocators to accomplish relocation of persons, businesses and farm operations in accordance with 49 CFR, Part 24, subparts C, D, E and F.

## Eligible Costs

The following costs relating to acquisition of land for land treatment are eligible with prior State approval:

1. Land Survey.
2. Title search, but not the owner's cost of providing a title.
3. Appraisal(s).
4. Transfer of title expenses - loan recipient/owner.
5. Legal and Court costs (owner's cost subject to requirements of 49 CFR, Part 24.107).
6. Costs of acquiring land by Leasehold.
7. Negotiated price and/or amount awarded by Court in condemnation proceeding (if not reasonable, loan recipient should appeal).
8. Costs of acquired improvements on land.
9. Relocation and related expenses.
10. Costs of land that must be acquired to avoid inverse condemnation, if supported and if adjacent to land treatment site.
11. Costs of acquiring an uneconomic remnant when land is acquired for land treatment.

## Records

The recipient shall maintain a record of the following documents and information concerning each acquisition of any interest in real property acquired for the SRF supported project:

1. Project identification and purpose.
2. Identification of the property and the estate or interests acquired including improvements and identification of owners and occupants.
3. Evidence that owner was informed of his or her rights under the Uniform Act.
4. The appraisal(s).
5. Evidence that owner was given opportunity to accompany appraiser.
6. The offer (Statement of Just Compensation).
7. The date and method of acquisition.
8. The date, amount, and purpose(s) of payment to owners and others.
9. Records of real property acquisition administrative activities.
10. All relocation records.
11. All information on leases.

**ATTACHMENT 1**  
**BIDDING AND PRECONSTRUCTION REQUIREMENTS**  
**(Exhibit C of the SRF Loan Contract)**

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**BIDDING AND PRECONSTRUCTION REQUIREMENTS**  
(Exhibit C of the SRF Loan Contract)

**Recipient:**

**Loan Number:**

- I. Competitive procurement by public bidding is required for construction, construction services, materials, and equipment.
- II. The Borrower must advertise for bids by conspicuously posting the notice in its office and by advertising in the local newspaper that is the legal organ or on its Internet website or on an Internet site designated for its legal advertisements.
- III. Advertisements must appear at least twice. The first advertisement must appear at least four weeks prior to the bid opening date. The second advertisement must follow at least two weeks after the first advertisement. Website advertisements must remain posted for at least four weeks. Plans and specifications must be available for inspection by the public on the first day of the advertisement. The advertisement must include details to inform the public of the extent and character of work to be performed, any pre-qualification requirements, any pre-bid conferences, and any federal requirements.
- IV. The Borrower must require at least a 5% bid bond or certified check or cash deposit equal to 5% of the contract amount.
- V. Sealed bids, with a public bid opening, are required.
- VI. The Borrower must award the contract to the low, responsive, and responsible bidder or bidders, with reservation of right to reject all bids.
- VII. The Borrower may modify bidding documents only by written addenda with notification to all potential bidders not less than 72 hours prior to the bid opening, excluding Saturdays, Sundays, and legal holidays.
- VIII. The Borrower must require 100% payment and performance bonds.
- IX. Change orders may not be issued to evade the purposes of required bidding procedures. Change orders may be issued for changes or additions consistent with the scope of the original construction contract documents.

- X. Prior to disbursement of funds, the Borrower shall provide the EPD with copies of the following:
- a. Proof of advertising;
  - b. Certified detailed bid tabulation;
  - c. Engineer's award recommendation;
  - d. Governing body's award resolution;
  - e. Executed contract documents, including plans and specifications;
  - f. Construction and payment schedules;
  - g. Notice to proceed;
  - h. Contractor's written oath in accordance with O.C.G.A. Section 36-91-21 (e). (This is an oath required by law to be provided to the Borrower by the contractor. In short, this oath must state that the contractor has not acted alone or otherwise to prevent or attempt to prevent competition in bidding by any means and must be signed by appropriate parties as defined by law.);
  - i. Summary of plans for on-site quality control to be provided by the Borrower or the Engineer - name and brief qualifications of construction inspector(s) and approximate hours per week of inspection to be provided.
- XI. If other funding sources are involved that have stricter bidding requirements or if applicable laws or ordinances require stricter requirements, these stricter requirements shall govern.
- XII. If the Borrower wishes to fund work that may not fully meet the bidding requirements of this Agreement, then, prior to bidding this work, it shall submit a written request to the Lender that specific requirements be waived. Based on specific circumstances of the request, the Lender may require submission of additional information necessary to document that State laws and local ordinances are not violated and that the intent of the bid procedures set forth in this Exhibit C (public, open, and competitive procurement) is satisfied through alternate means.
- XIII. The Borrower is required to notify the Construction Management Unit of the EPD at least two weeks prior to pre-construction conferences for work funded under this Agreement and to schedule these conferences so that a representative of this unit may participate.

**ATTACHMENT 2**  
**SAMPLE PROJECT BUDGET FROM LOAN AGREEMENT**

**GEORGIA STATE REVOLVING LOAN FUND**  
**SAMPLE PROJECT BUDGET OUTLINE**

ITEM	TOTAL COST	FUNDING SOURCE I  (LOCAL)	FUNDING SOURCE II  (SRF)	FUNDING SOURCE III*  (OTHER SOURCE)
CONSTRUCTION	\$739,000	\$340,000	\$80,888	\$318,112
CONTINGENCIES	74,000	17,000	-0-	57,000
ENGINEERING/INSPECTION	78,000	39,000	39,000	-0-
ADMIN/LEGAL	37,000	4,000	-0-	33,000
<b>TOTAL</b>	<b>\$928,000</b>	<b>\$400,000</b>	<b>\$119,888</b>	<b>\$408,112</b>

Applicant will be charged a closing fee equal to 2% of the SRF loan amount. This amount is equal to \$2,398.

**This is a sample of what a contract budget will look like. Your loan budget may include more or less funding sources.**

**ATTACHMENT 3**  
**SAMPLE PUBLIC MEETING ADVERTISEMENT**



## PUBLIC MEETING

The City of Anytown (*insert APPLICANT'S NAME*) hereby gives notice that a public meeting will be held to discuss a wastewater improvement project funded by Georgia's Clean Water State Revolving Fund (CWSRF) on (*insert DATE*) at (*insert TIME*) in the (*insert PLACE, i.e. Anytown City Hall at 101 Anytown Main Street*).

The proposed project includes (*insert DETAILED PROJECT DESCRIPTION AND THE NEED FOR THE PROJECT*) a new pump station and gravity sewer system, providing sanitary sewer service to a previously unsewered portion of the service area. A force main will be constructed from the pump station to a new gravity sewer to the WPCP. The pump station will receive gravity flows from the new sewer along Highway X, and will receive pumped flow via a new force main designed to serve the area across the Highway X to the north. The anticipated cost of the project is \$ 7,000,000).

The purposes of the public meeting are to:

1. Inform the public of the need for improvements to the City's wastewater system.
2. To comply with Section 391-3-6-.02 of Georgia's Water Quality Control Rules (and amendments thereto).
3. To encourage public involvement in the development of a plan to improve the wastewater system.

During the public meeting the City will attempt to identify public preferences for alternative methods of improving the City's wastewater facilities. These alternatives will be evaluated and included in the City's Facilities Planning and Environmental Review Document, the major planning document covering the wastewater system (*insert PROJECT TYPE*). These documents are available for public inspection through the date of the public meeting at (*insert ADDRESS OF THE PLACE*) during the normal business hours.

Your participation is encouraged and considered essential to the selection and development of the final plan to be adopted prior to its approval by the State of Georgia, Department of Natural Resources.

For additional information, contact (*insert NAME, i.e. Anytown City Hall*) at (area code) – (phone number).

**(THIS IS A SAMPLE)**