

Investing in Georgia's Energy, Land, and Water Resources

House Rural Development Council

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December 17, 2019



Expand GEFA's funding capabilities to include broadband deployment

Investing in Georgia's Energy, Land, and Water Resources





Broadband Deployment

Expanding GEFA's funding capabilities to include broadband deployment would require:

- Constitutional amendment
- Enabling legislation statute change
- A funding source



Broadband Deployment

A proposed constitutional amendment would require a change under the Georgia Constitution, Article VII, Section IV.

STATE DEBT

Paragraph I. **Purposes for which debt may be incurred.** The state may incur:

(e) General obligation debt in order to make loans to counties, municipal corporations, political subdivisions, local authorities, and other local government entities for water or sewerage facilities or systems or for regional or multijurisdictional solid waste recycling or solid waste facilities or systems. It shall not be necessary for the state or a state authority to hold title to or otherwise be the owner of such facilities or systems. General obligation debt for these purposes may be authorized and incurred for administration and disbursement by a state authority created and activated before, on, or after November 8, 1960.

(f) Proposed amendment



Broadband Deployment

The proposed enabling legislation would require a statute change under O.C.G.A. Section 50-23-4.

Definitions

- (5) **"Environmental facilities"** means any projects, structures, and other real or personal property acquired, rehabilitated, constructed, or planned:
- (A) For the purposes of supplying, distributing, and treating water and diverting, channeling, or controlling water flow and head...
 - (B) For the purposes of collecting, treating, or disposing of sewage...
 - (C) For the purposes of collecting, treating, recycling, composting, or disposing of solid waste...
 - (D) For the purposes of carrying out a community land conservation project or a state land conservation project...
 - (E) ***Proposed change***



Broadband Deployment

GEFA's capacity in our federal loan programs—the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF)—are restricted by the eligibility requirements of both federal programs.

- The Safe Drinking Water Act (SDWA) provides that DWSRF financial assistance may be used by an eligible public water system only for expenditures of a type or category which the Environmental Protection Agency (EPA) Administrator has determined will facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of the Act.
- To be eligible for CWSRF assistance, a project must meet the criteria of one of the 11 CWSRF eligibilities in Section 603(c) of the Clean Water Act (CWA).



Broadband Deployment

The proposed constitutional amendment and statute change would allow for the creation of a state loan program funded by general obligation bonds.

- Bond funds cannot be used for grants or subsidization.

Water and Sewer Funding Priority

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Water and Sewer Funding Priority

EPA SRF program guidance:

“Disadvantaged community” defined:

“In this subsection, the term ‘disadvantaged community’ means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located. The [EPA] Administrator may publish information to assist States in establishing affordability criteria.”



Affordability Assessment Tool

In 2017, GEFA contracted with the Environmental Finance Center at UNC to create an affordability evaluation tool.

- Median Household Income
- % Unemployment
- % Not in labor force
- % of all people with income below poverty
- % with Social Security income
- % with Supplemental Security income
- % with cash public assistance
- % with Food Stamp/SNAP benefits
- Population change
- Population age



Affordability Assessment Tool

Table 1: General Utility Information			
Name of Utility:	Funston		
Geographic Service Area	Geographic Service Area #1	Geographic Service Area #2	Geographic Service Area #3
Percentage of Service Area	Funston		
		100%	

Table 5: Results for Income Metrics for each Geographic Area				Weighted Average	Points
MHI	\$	25,568		\$ 25,568	4
Unemployment Percent		4.7%		4.7%	3
Percentage not in the Labor Force		36.9%		36.9%	-
Poverty Rate		35.2%		35.2%	-
Percentage on Social Security		19.8%		19.8%	-
Percentage on SSI		9.1%		9.1%	-
Percentage with Cash Public Assistance		2.0%		2.0%	-
Percentage with SNAP		22.3%		22.3%	-
Age dependency ratio		74.9		74.9	-
Average Population Change		6.06%		6.06%	1



Affordability Criteria and Percentiles

Georgia Environmental Finance Authority 2019 CWSRF Affordability Criteria

GEFA's affordability criteria uses data on median household income, unemployment rate, and population trend 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 with projects ready to proceed.

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%

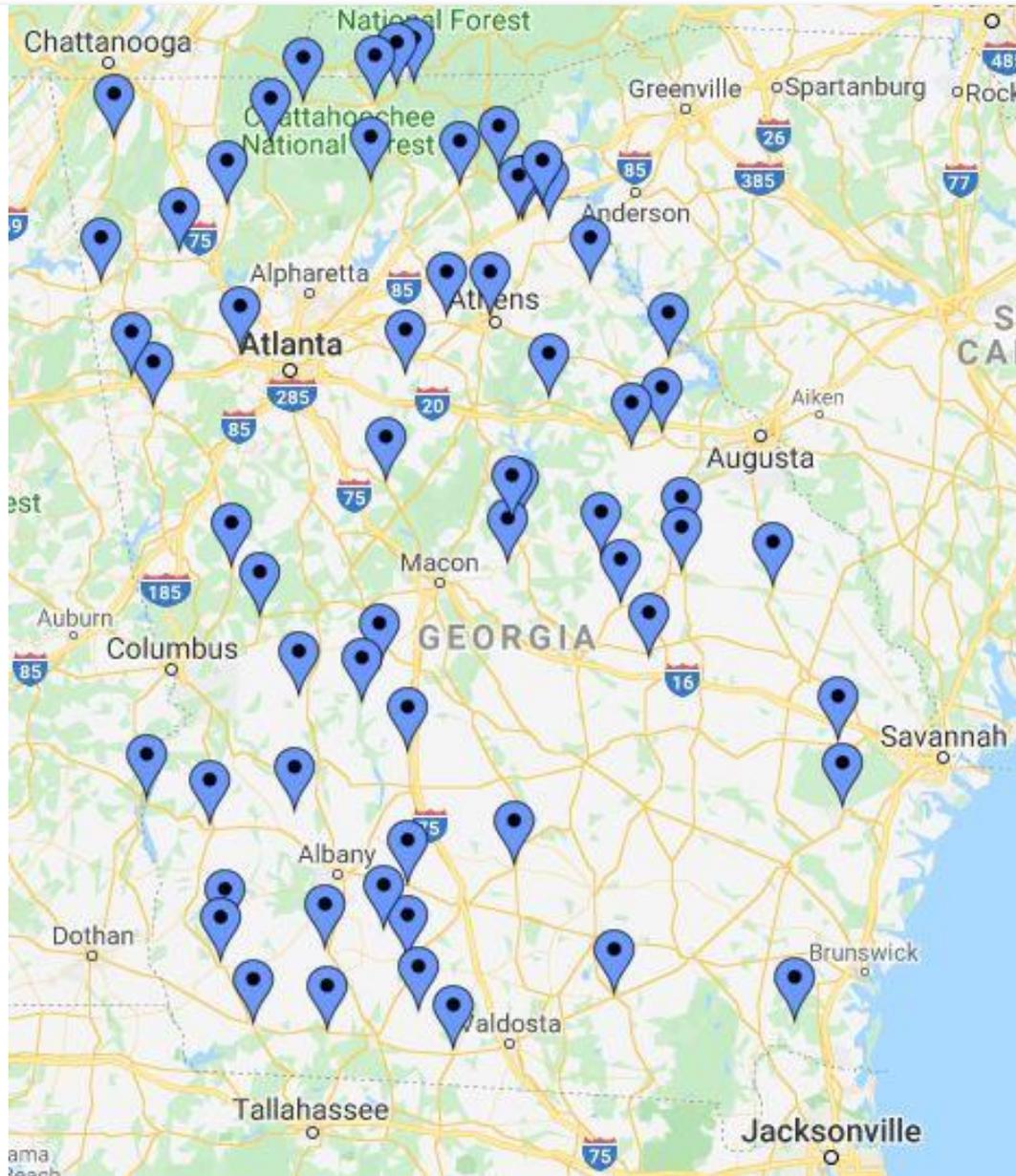
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Water and Sewer Funding Priority

Principal forgiveness under the SRF programs is awarded to disadvantaged communities.

- GEFA works with disadvantaged communities to help get them eligible to qualify for a loan.
- The passage and funding of Georgia Outdoor Stewardship Program provides local governments a method to receive grant funds for land conservation projects. In order to avoid redundancy, GEFA has removed land conservation projects from the list of eligible projects to receive principal forgiveness.



Providing Expertise to Rural Communities

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Expertise to Rural Communities

Georgia Rural Water Association Technical Assistance Contract

- Provide on-site technical assistance for 10 systems to develop asset management plans (AMPs). The AMPs will be for small water systems serving a population of under 10,000 with a targeted focus on systems serving less than 3,300.
- Purchase of equipment to assist in the development of the AMPs. This includes metering equipment and technological monitoring equipment that will assist the systems with evaluation of certain assets.
- Provide assistance for small systems to help locate and repair water leaks.
- Provide on-site wastewater lagoon inspections and conduct sludge judge survey for solids accumulation for small wastewater systems out of compliance with GA EPD rules and regulations.
- Source Water Protection evaluations and plans for water systems, business plans for water and wastewater systems, leak detection surveys, hydrant testing / repairs, valve locate, water distribution system assessments, water audits, metering and water billing solutions, conservation plans, and vulnerability assessments.
- Provide small rural wastewater collection systems with smoke testing and manhole inspection and an assessment plan to correct Inflow/Infiltration.



Expertise to Rural Communities

Risk Assessments and Emergency Response Plans for Water Systems serving 3,300 to 49,999 people

GEFA to provide technical assistance for communities in response to updates within America's Water Infrastructure Act (AWIA) requiring community water systems serving more than 3,300 people to develop or update their risk assessments and emergency response plans (ERPs).

- Each community public water system serving a population of greater than 3,300 persons shall assess the risks to, and resilience of, its system.
- No later than six months after certifying completion of its risk and resilience assessment, each system must prepare or revise, where necessary, an emergency response plan that incorporates the findings of the assessment.



Expertise to Rural Communities

Water Supply and Redundancy Contract

GEFA will provide a detailed study identifying opportunities for water supply redundancy for qualified water systems within the 10 Water Planning Councils. This study will identify water supply sources and opportunities for supply redundancy.

- Evaluate sources of water supply capable of providing redundant water supply for back-up for each qualified system.
- Produce a list of potential projects to achieve the purposes of the water supply redundancy report.



Expertise to Rural Communities

UNC Dashboard Water Rate Survey and Online Comparison Tool

- Survey has 98% participation rate
- Data can be analyzed using different categories, such as:
 - Similar sized system - “similar number of accounts”
 - Similar operating revenue – “similar revenue generation” (provided financial data is available)
 - Same river basin (HUC6 Watersheds) – “My Watershed”
 - “Same Water Source Type” (surface, ground, purchased)
 - “Using Same Rate Structure” (uniform, increasing block, decreasing block, etc.)
 - Similar customer income”
 - “Same Ownership Type” (municipal, county, authority)
 - “Same Water Planning Region” (12 state-wide water planning regions)
 - Similar geographic location



Expertise to Rural Communities

Architectural and Engineering Services Procurement Templates

- Section 602(b)(14) of the Federal Water Pollution Control Act requires competitive procurement of architectural and engineering (A/E) services through a qualifications-based selection (QBS) process. This requirement applies to contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or other engineering-related services.
- **To help borrowers meet the requirement, GEFA developed templates with instructions outlining the essential elements and steps of a QBS procedure and how it can be performed.**

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