

Update to County Policy for Allocating Wastewater Capacity Credits

PREPARED FOR: DeKalb County

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1. Background

The policy governing the expiration of capacity credit allocations (Section 5.2) has been revised. The allowable time extension has been increased to two years from the previous one-year limit. The method for calculating thresholds to determine eligibility for developments to use existing available credits in the capacity credit bank (Section 4) has also been updated and now uses projections of annual credit deposits and withdrawals to determine annual eligibility threshold updates.

The Capacity Assurance Program (CAP), as part of the Modified Consent Decree (MCD) filed 9/22/2021, includes provisions that allow use of a capacity banking credit system to approve new connections or increases in flow from existing connections in cases where adequate capacity can not be certified under other CAP provisions. As described in Section 5 of the CAP, this banking credit system provides parameters and formulas for determining capacity credits associated with certain capacity enhancing projects including gravity sewer rehabilitation projects to reduce infiltration and inflow (I/I). These capacity credits may then be applied to offset the proposed additional peak flow contributions from new development, allowing for capacity approval in lieu of adequate capacity certification.

While the County's ongoing sewer rehabilitation and capacity improvement program generates capacity credits for use by development, it is recognized that the demand for capacity credits may be greater than the amount of capacity credits available at a given time. Additionally, larger developments require larger capacity credit allocations and apply more demand on the County's wastewater collection, transmission and treatment system and thus should be required to assist in funding of capacity improvements necessary to facilitate their capacity approval. Further, certain types of projects provide enhancements to underserved communities, and should be considered higher priority than other developments in need of capacity credits. For these reasons, the following policy establishes guidelines for allocating capacity credit allotments for new development.

Attachment 1 provides a flow chart of the developer capacity approval requirements described below.

2. Requirements for Developments to Increase Capacity of Receiving Wastewater Infrastructure

Proposed peak flow contributions from new developments shall be reviewed to determine the extent to which they comprise the total available capacity of the County's receiving wastewater collection and transmission system assets. The developer shall be required to participate in a project to increase the conveyance capacity of portions of the downstream gravity sewer or lift station(s) where the development's proposed peak flow contribution exceeds 50% of the capacity of these structures.

Projects to increase the capacity of the downstream gravity sewer or lift station(s) shall be governed by DeKalb County's Sanitary Sewer Main Extension Policy as per Section 25-177 of the DeKalb County Code of Ordinances.

Should the project to increase downstream conveyance capacity described above be insufficient to certify of adequate capacity under the terms of the CAP, capacity credits will be required to approve the development for connection.

3. Capacity Credits for Community Enhancement Developments

Developments which enhance their surrounding community will be given priority over other capacity requests which require capacity credits to gain connection approval.

3.1 Community Enhancement Criteria

Examples of developments which may be considered to enhance the surrounding community include, but are not limited to, the following:

- Low-income housing which qualifies for U.S. Department of Housing and Urban Development (HUD) subsidies
- Developments which qualify for the U.S. Department of Treasury New Markets Tax Credit Program such as grocery stores located in food deserts
- Government facilities which do not meet the requirements per Section 3.5.1 of the CAP to be defined as Essential Services
- Developments with funding participation from federal, state, or local government
- Developments which provide community enhancement and which are located in Economic Opportunity Zones

To qualify as a Community Enhancement Development, developers must submit community impact statements with their sewer capacity request submission. The community impact statement shall describe the nature of the community enhancement provided by the development, how the development meets the criteria listed above, and documentation to support the community enhancement claim. The County reserves the right to approve or disapprove designation of the project as a Community Enhancement Development and to request additional information.

3.2 Reservation of Capacity Credits for Community Enhancement Projects

The County shall reserve capacity credits for projects designated as Community Enhancement Developments. The capacity credits reserved within each Model Area shall be replenished annually. The amount of the capacity credit reserves available at the beginning of each year will be set as 2.5 percent of the capacity credits remaining at the end of the prior year with a minimum of 5,000 capacity credits for each Model Area.

$$\text{Community Enhancement Capacity Reserves (Rounded to Nearest 1,000)} = \text{Greater of 5,000 or } (2.5\% * [\text{Year End Remaining Capacity Credits}])$$

For a development that has been designated as Community Enhancement Development, the County may allocate up to 20% of the total capacity credit reserves listed above towards the amount of capacity credits required for approval of the development. Approval of Community Enhancement Developments require allocation of available capacity credits equal to the development's proposed peak flow rate. Additional capacity credits, beyond the amount credited from the County's Community Enhancement Development reserves, shall be allocated per Section 5 below.

4. Allocation of Capacity Credits

Each Model Area shall have a threshold for determining a development's eligibility for use of available capacity credits in the County's Banking Credit System. The eligibility thresholds shall be updated annually with the aim at maintaining a balance in the credit bank over a 10-year horizon given the available capacity credits at year end and a projection of future annual credit deposits and withdrawals. The projection of future capacity credit deposits is calculated as 50% of the minimum annual amount deposited over the preceding three (3) year. The 50% discount is for conservativeness and is intended to account for potential future decreases in annual credit generation.

To determine the eligibility threshold, discharge requests from the last three (3) years are categorized into 5,000 gpd increments. The average annual total within each increment is calculated and the increment whose annual total most closely aligns with the projected annual withdrawal amount becomes the eligibility threshold (minimum threshold value = 10,000 gpd). Eligible Developments are defined as those with requested discharge rates less than or equal to the Model Area's eligibility threshold.

Definitions:

- [Year End Credit Balance] = Available credits at year end
- [Minimum Annual Amount Deposited] = minimum annual amount of credits deposited over last 3 years
- [Proposed Annual Credit Withdrawal Amount] = Annual withdrawal amount that will result in a 0 credit balance after 10 years
- [Annual Discharge Requested Per Discharge Category] = Annual total discharge requested for all requests below incremental discharge category

Example:

- Model Area A has 150,000 gpd in available credits at year end. The minimum annual amount of credits deposited over the last 3 years is 10,500. Evaluating prior discharge requests over the past 3 years provides the following:

Incremental Discharge Category	Average Annual Total Discharge Requested For Requests At or Below Discharge Category
5,000	5,230
10,000	13,650
15,000	19,650
20,000	26,320

- [Proposed Annual Withdrawal Amount] = ([Year End Credit Balance] + [Minimum Annual Amount Deposit]*50%*10)/10 = 20,250 gpd in credit withdrawals per year to result in a 0 balance after 10 years
- [Model Area Eligibility Threshold] = 15,000 gpd as determined from the table and represents highest incremental discharge category that is projected to have annual credit withdrawals less than the [Proposed Annual Withdrawal Amount]

Available capacity credits in the banking credit system shall be credited to Eligible Developments in the order in which their capacity requests are received. For Eligible Developments, the County shall require capacity credits equal to their proposed peak flow rate in order to gain approval for connection.

Ineligible Developments, those with peak flow rates exceeding the eligibility limits described above, shall be required to participate in the completion of capacity improvement projects. Ineligible Developments,

except for those designated as Community Enhancement Developments, shall require capacity credits equal to their proposed peak flow rate plus an additional 20% capacity credit contribution to provide further benefit to the community. If the banking credit system has more credits available than are required to approve Eligible Developments, the County may contribute a portion of the remaining, unallocated capacity credits to assist Ineligible Developments with meeting their capacity credit requirements.

4.1 Developer Participation in Capacity Improvement Projects

Capacity improvement projects include infiltration and inflow (I/I) projects such as rehabilitation of gravity sewers, repair of manhole defects, and replacement of vented manhole lids. Further information on these types of projects and their associated capacity credit calculations can be found in CAP Section 5.3.6. Below are requirements for identification and completion of capacity improvement projects where developer participation is required.

- The County shall identify the gravity sewer pipe segments (from manhole to manhole) eligible for inclusion in the capacity improvement project scope.
- Vented manhole lids identified at manholes adjacent to the gravity sewer pipes to be rehabilitated may also be included in the project scope upon County approval.
- Initial capacity credit estimates associated with the scope of rehabilitation as provided by the County are subject to change based upon field confirmations. The County's inventory of manholes with vented lids is not fully comprehensive and does not include all of the information required to calculate their related capacity credits.
- All work is to be completed in compliance with the County's standard specifications.
- Work requires County inspection and, upon completion, acceptance testing prior allocation of capacity credits to the development.
- Capacity credits generated by the project beyond that required to approve the development shall be deposited in the banking credit system for use at the sole discretion of the County.

5. Capacity Credit Allocation Requirements

The following requirements apply to all developments which are approved for wastewater connection through the use of capacity credit allocations.

5.1 Private Property Plumbing and Service Line Requirements

Sections 25-45 through 25-49 of DeKalb County's Code of Ordinances require the use of water conserving plumbing fixtures for all properties in unincorporated DeKalb County. All developments which require capacity credit allocations in order to gain wastewater connection approval, in both incorporated and unincorporated areas of the County, shall be required to install or retrofit of all plumbing within the development with water conserving, low-flow plumbing fixtures in order to gain approval.

Additionally, all developments which make use of capacity credit allocations to gain approval shall be further required to maintain their wastewater service line by preventing discharge of fats, oils, and grease (FOG), keeping cleanout caps in place, repairing any deteriorated portions of their wastewater service line, and disconnecting roof, foundation, and area drains from the wastewater system.

In order to receive a Certificate of Occupancy, the development shall be required to submit certification from a licensed plumber that the property's plumbing and service line comply with the following sections from the County's Code of Ordinances:

- Code Section 25-45 – 25-49: Inefficient plumbing fixtures replacement
- Code Section 25-218: Prohibition from connection, directly or indirectly, of roof, foundation, and area drains to the public sewer system
- Code Section 25-251: Service line in good order and free of defects which may allow the discharge of stormwater, surface runoff, or groundwater to the public sewer system

5.2 Expiration of Capacity Credit Allocations

Sewer capacity approvals granted through the use of capacity credit allocations are valid for two (2) years from the date of the capacity approval. The development must establish a connection to the County's wastewater system during this time. After such time, the County reserves the right to cancel the development's connection approval and deposit the allocated capacity credits into the County's banking credit system. The developer may request a time extension of up to two (2) additional years for circumstances beyond the developer's control including but not limited to delays in processing permits by various agencies. The request must be submitted, in writing, to the DeKalb Watershed Management Planning and Development Department no less than 60 days prior to the capacity credit allocation deadline. Granting of such extension is at the discretion of the County.

5.3 Transferability of Capacity Credit Allocations

Capacity credits shall only be assigned to the property associated with the original capacity approval and may not be transferred to any other property. Following receipt of capacity approval from the County, any changes made to the development's proposed use require submission of an updated Sewer Capacity Request.

5.3.1 Reduction of Development's Proposed Peak Flow

The following applies to updates to the Sewer Capacity Request which result in a decrease in the development's proposed peak flow:

- The excess portion of the previous capacity credit allocation shall be returned to the banking credit system for use at the sole discretion of the County.
- For developments which are required to participate in capacity improvement projects, the scope of such projects shall be reduced according to the development's updated proposed peak flow only to the extent such projects have not yet been completed.

5.3.2 Increase in Development's Proposed Peak Flow

The following applies to updates to the Sewer Capacity Request which result in an increase in the development's proposed peak flow:

- Resubmission of the Sewer Capacity Request shall result in cancellation of the development's previously allotted capacity credits held in the County's credit banking system and the process for determining the extent of capacity credits available to approve the development shall begin again according to the flow chart in Attachment 1.
- For developments which are required to participate in capacity improvement projects, the capacity credits previously allotted to the development from such projects shall remain allocated to the development. Further, the scope of the capacity improvement projects requiring the developer's participation shall be increased according to the increase in the development's updated proposed peak flow contribution.

Annual Update of Community Enhancement Reserves and Impacting Development Thresholds
 For 2025-2026
 Updated 9/18/2025

Modelshed	Current Large Development Threshold	Minimum Credit Reserves	Community Enhancement Reserves (Minimum = 5,000)	Large Development Threshold (Minimum = 10,000)
Intrenchment Creek	10,000	10,000	5,000	10,000
Miscellaneous Model	10,000	5,000	5,000	10,000
Nancy Creek	10,000	10,000	10,000	10,000
North Fork Peachtree Creek	47,000	10,000	39,000	40,000
Pole Bridge	10,000	10,000	5,000	10,000
Snapfinger	15,000	10,000	24,000	25,000
South Fork Peachtree Creek	18,000	10,000	15,000	10,000