

# **CIP 2021 DEFINITION & FUNDING REPORT**



## **GEFA UPDATE**

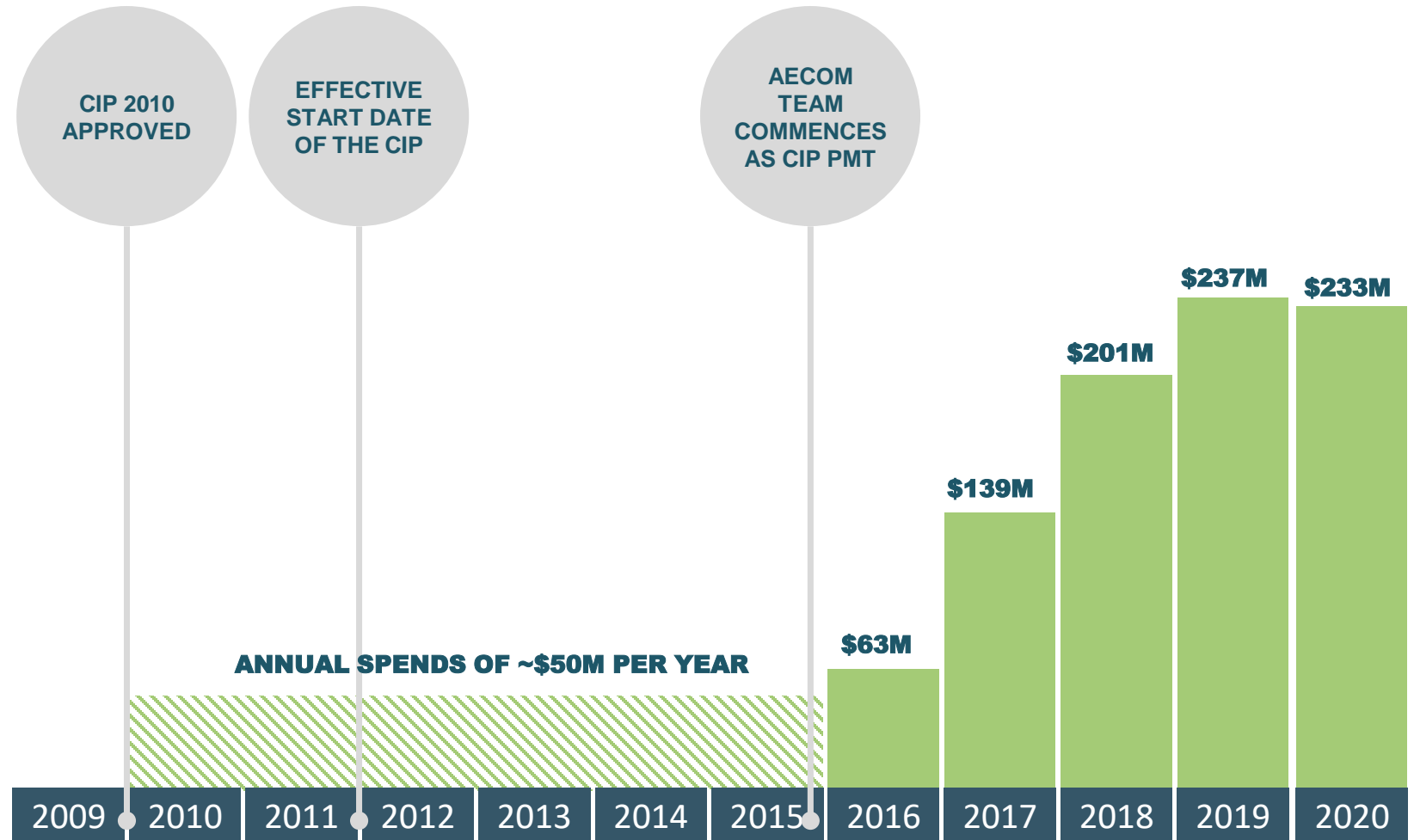
*August 2020*

# CIP 2010 – A MISSED OPPORTUNITY

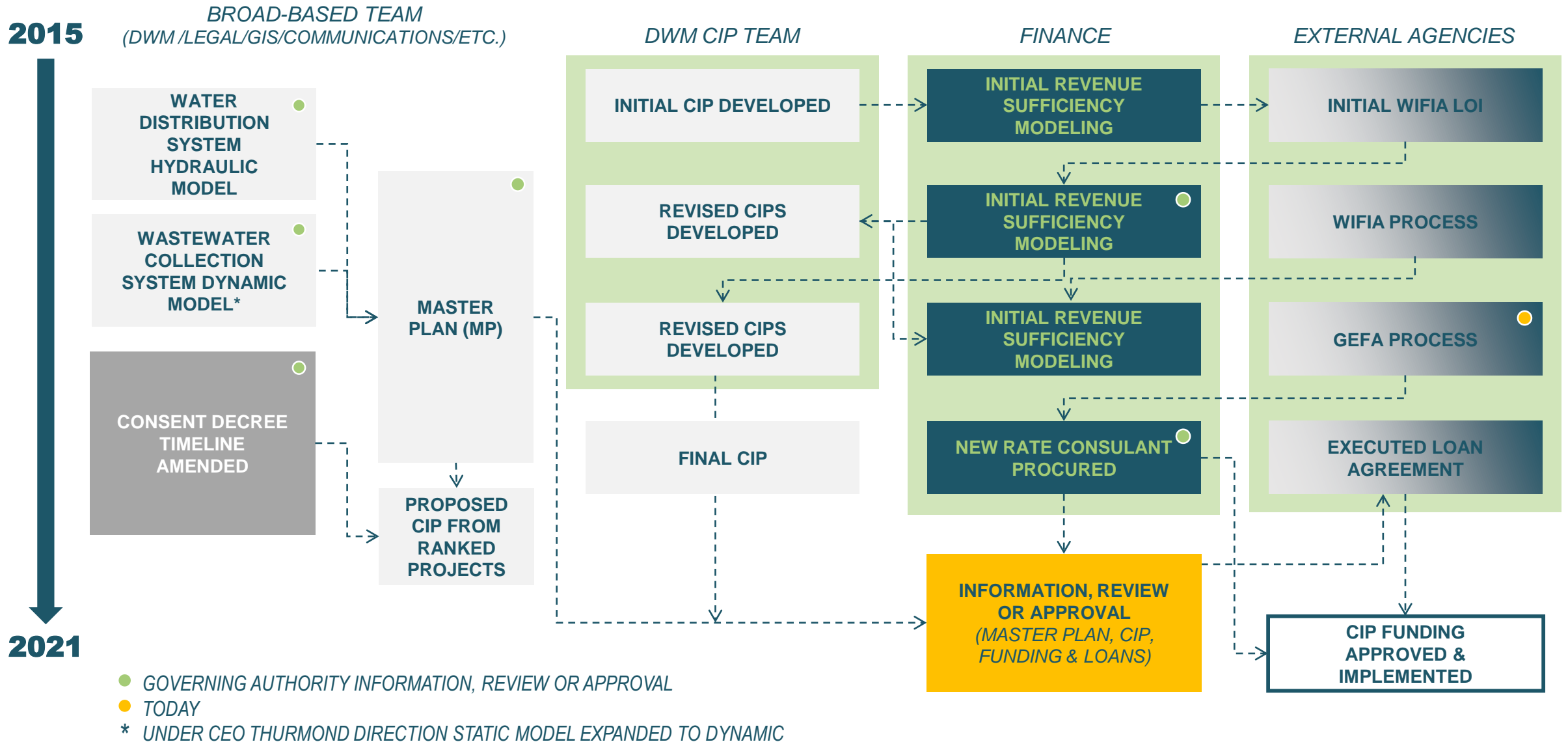
- ▶ CD and CIP Program Managers not contracted until 2014 and 2015
- ▶ Only 27% of the 5-year CIP 2010 completed through 2016 (planned horizon)

**BUT**

- ▶ Project delivery capability developed four-fold 2016 – 2019

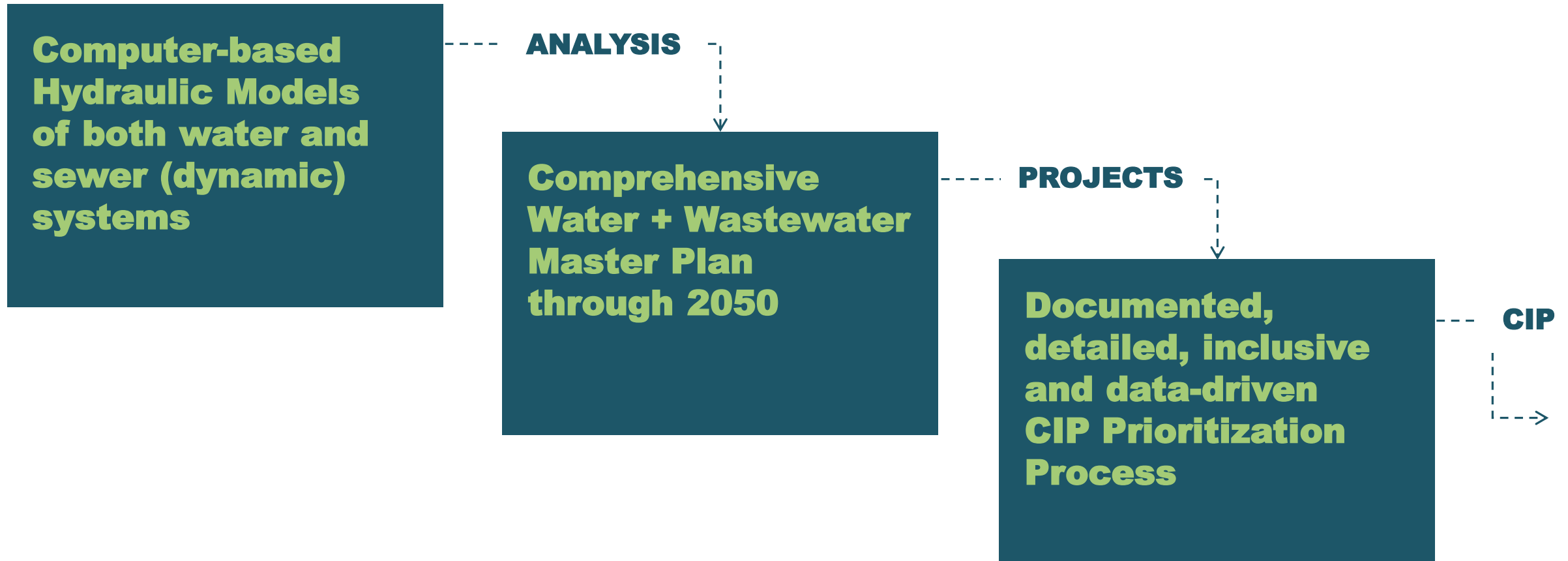


# CIP 2021 TIMELINE – A MULTI-YEAR EFFORT



# PIVOTING TO CIP 2021

*STATE-OF-THE-ART TOOLS ALLOW  
BEST-PRACTICE PLANNING & PRIORITIZATION*



# PROJECT PRIORITIZATION

- ▶ Multi-criteria tool allows competing priorities to be systematically evaluated by a broad group of stakeholders
- ▶ 44 water and 105 wastewater projects identified to meet level of service, prioritized and ranked - with ~80% in CIP 2021

FACTORS	FACTOR WEIGHT	CRITERIA	CRITERIA WEIGHT
<b>COMPLIANCE</b>	<b>50%</b>	Water Quality / Surface Water Quality	5%
		Tighten of System	5%
		Public Health & Safety	30%
		Regulatory Compliance	30%
		Resilience	30%
<b>FINANCIAL</b>	<b>20%</b>	Cost Recovery	25%
		Reduction of Operational Cost	25%
		Concurrence w/ Other CIP Projects	25%
		Life Extension of Asset	25%
<b>SOCIAL &amp; ENVIRONMENTAL STEWARDSHIP</b>	<b>30%</b>	Employment (More Jobs)	10%
		Economic Growth / Development (Social Justice)	30%
		Quality of Life / Customer Satisfaction	30%
		Impacts to Natural Resources	10%
		Energy Efficiency Lower Carbon Footprint	20%



# PROJECTS DEFINED & SCORED

DWM CIP Program - Project Information

Project Manager:

Project Name	Project Number	Proposed Planning Budget	Date Created	Commissioner District	Project Manager
Dunwoody Ground Tank Replacement	W - DS GT01	\$6,733,000		XXXXX	

Design Schedule (anticipated)

Duration

100% Design Submittal

Bid Document to P&C

Procurement Schedule (anticipated)

Advertisement

Pre-Proposal Conference

Proposal Openig

BOC Date

NTP

Design Schedule (anticipated)

Duration Days

Substantial Completion

Final Completion

Description

10 ft of 8-inch Water Main  
8-inch FCV and valve vault  
Dunwoody Existing Ground Tank Decommission  
Dunwoody Ground Storage Tank - 1 x 3 MG GST

Implementation Considerations

implementation Considerations test

Details

details test

Benefits

benefits test

Legend

Project Location

Existing Water Main

<= 12 inch Diameter

> 12 inch Diameter

Dunwoody Ground Storage Tank

DeKalb County

GEORGIA

DWM Project Prioritization  
CIP Program

Project Name

Dunwoody Ground Tank Replacement

Overall Score

3.3/5

Class	Criteria	Score	Justification
Environmental	Drinking Water Quality	Low	
	Leak Reduction	Medium	
	Energy Efficiency	Medium	
	Impact to Natural Resources	Medium	
	Permittability/ Regulatory Complexity	Medium	
Financial	Revenue Generation	Medium	
	Reduction of Operational Cost	Medium	
	Concurrence with Other CIP Projects	Medium	
Social	Employment (Job Creation)	Medium	
	Supporting Growth & Development	Medium	
	Quality of Life/Customer Satisfaction /Resilience	High	
	Public Health/Safety (Fire Protection)	High	

An aerial photograph of a construction site, overlaid with a semi-transparent blue filter. The image shows a residential area with houses on the left and a large excavation pit in the center. A yellow excavator is visible in the bottom right corner, and a dump truck is in the upper center. The text "FINANCIAL MANAGEMENT" is prominently displayed in white, bold, sans-serif capital letters on the left side of the image.

# FINANCIAL MANAGEMENT

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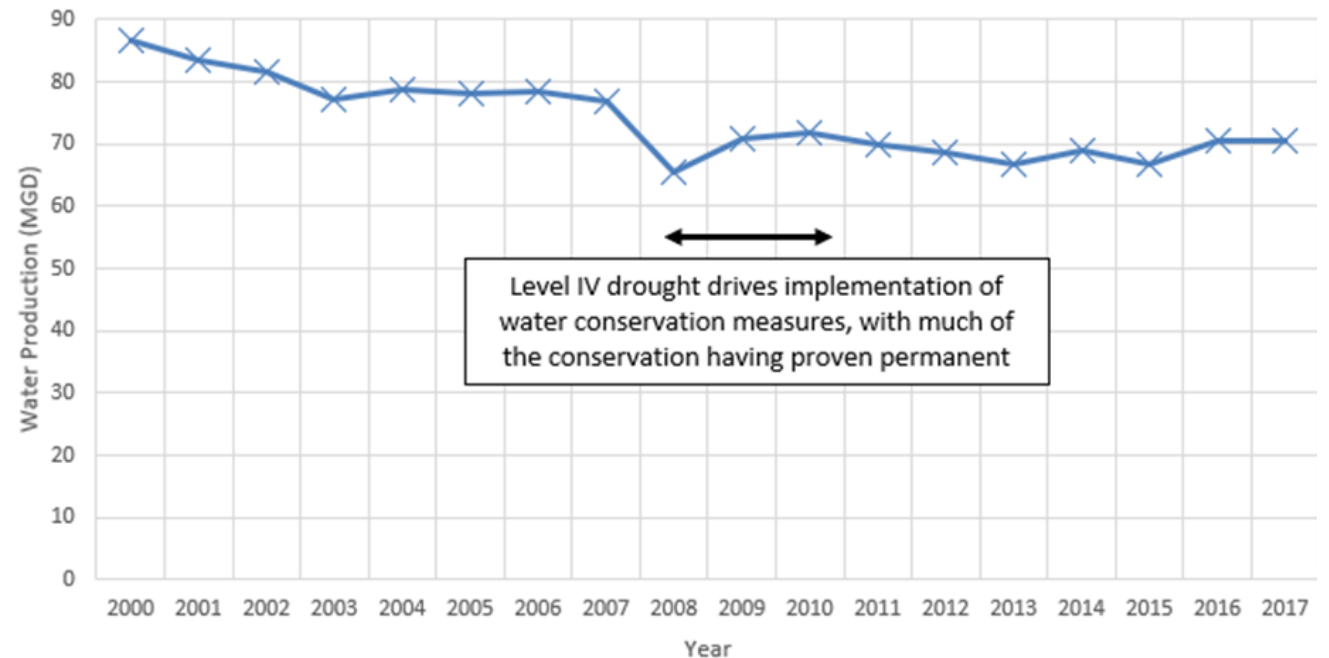
# CIP 2010 FUNDING STATUS

- ▶ Rate changes implemented from 2009 – 2014
- ▶ **BUT** Class IV drought brought permanent conservation measures that reduced water sales by ~ 20%
- ▶ New funding plan needed for CIP 2021

HISTORICAL WATER & SEWER RATE CHANGES  
(January 2009 - January 2018)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
% CHANGE	16%	16%	16%	11%	11%	11%	0%	0%	0%	0%

Historical Water Production by Year





# NEW FUNDING SOURCES IDENTIFIED

## WIFIA

- ▶ The Water Infrastructure Finance and Innovation Act (WIFIA) loan program through U.S. EPA

## GEFA

- ▶ Georgia Environmental Finance Authority (GEFA)

## GENERAL LOAN DETAILS/ STATUS

- ▶ Letter of Interest submitted July 2018
- ▶ NEPA complete
- ▶ Contracts converted to Federal-compliant
- ▶ Loan agreement being negotiated and finalized with anticipated closing September 2020.
- ▶ Loan will fund sewer projects + Briarcliff.

## BENEFITS:

- ▶ Amount: \$265 Million
- ▶ Interest Rate: ~1.13%\*
- ▶ Amortization: Up to 35 years
- ▶ Payment: Defer up to 5 years after the completion of each project
- ▶ Interest may be capitalized

\* As of 8/14/2020

# ADDITIONAL WIFIA BENEFITS ...

**WIFIA has ability to  
reimburse already  
expended funds ...**

**Hopeful of being  
reimbursed up to  
~\$60M in already  
expended funds**

**Potential for cash  
immediately  
following close.**

# WIFIA – SECOND APPLICATION

## GENERAL LOAN DETAILS/ STATUS

- ▶ New 2020 round of ~\$5 billion in available funds
  - ▶ Due 10/15/20
  - ▶ AECOM preparing new Letter of Interest
  - ▶ Requesting ~\$200-\$250 Million loan
- ▶ Will fund water projects through 2027, including:
    - ▶ Scott Candler WTP clear well and electrical redundancy
    - ▶ Pipe replacement
    - ▶ New tanks
    - ▶ Pressure zones
    - ▶ System development including new transmission mains



## GENERAL LOAN DETAILS/ STATUS

- ▶ Low-interest financing for drinking water, reservoir and water supply, water quality, stormwater and solid waste infrastructure
- ▶ Initial meeting of CEO Thurmond with GEFA's Director in March 2020
- ▶ 2020 loan applications submitted in June
- ▶ GEFA Board Meeting August 25, 2020.

Water Loan - Projects include Briarcliff South (underway), Briarcliff North, Reindeer Drive Area, Buford Hwy

Sewer Loan Details – Funds remaining 31% of WIFIA sewer loan funding

## LOAN FINANCE INFORMATION

- ▶ 2020: \$50M Sewer Projects\*
- ▶ \$25M Water Projects
- ▶ 2021: \$50M Sewer Projects\*
- ▶ \$25M Water Projects
- ▶ Interest Rate (blended): 1.55%
- ▶ On sewer projects can be added to WIFIA funding with up to 80% Federal funding allowed

\* GEFA loans in excess of standard limitation of \$25 Million/year

# WIFIA/GEFA REQUIREMENTS

- ▶ All contracts included must be “Federal compliant”:
  - ▶ Davis-Bacon
  - ▶ American Iron and Steel
  - ▶ State and Federal DBE versus DeKalb LSBE
  - ▶ NEPA process
- ▶ Board approvals of contract changes in place
- ▶ Converting contracts nearly complete

# COMBINED BENEFITS OF WIFIA & GEFA

## WIFIA

- ▶ For each **\$100 Million** of CIP funded through WIFIA, projected interest payment savings are \$34 Million over the life of the WIFIA loan compared to a traditional bond

## GEFA

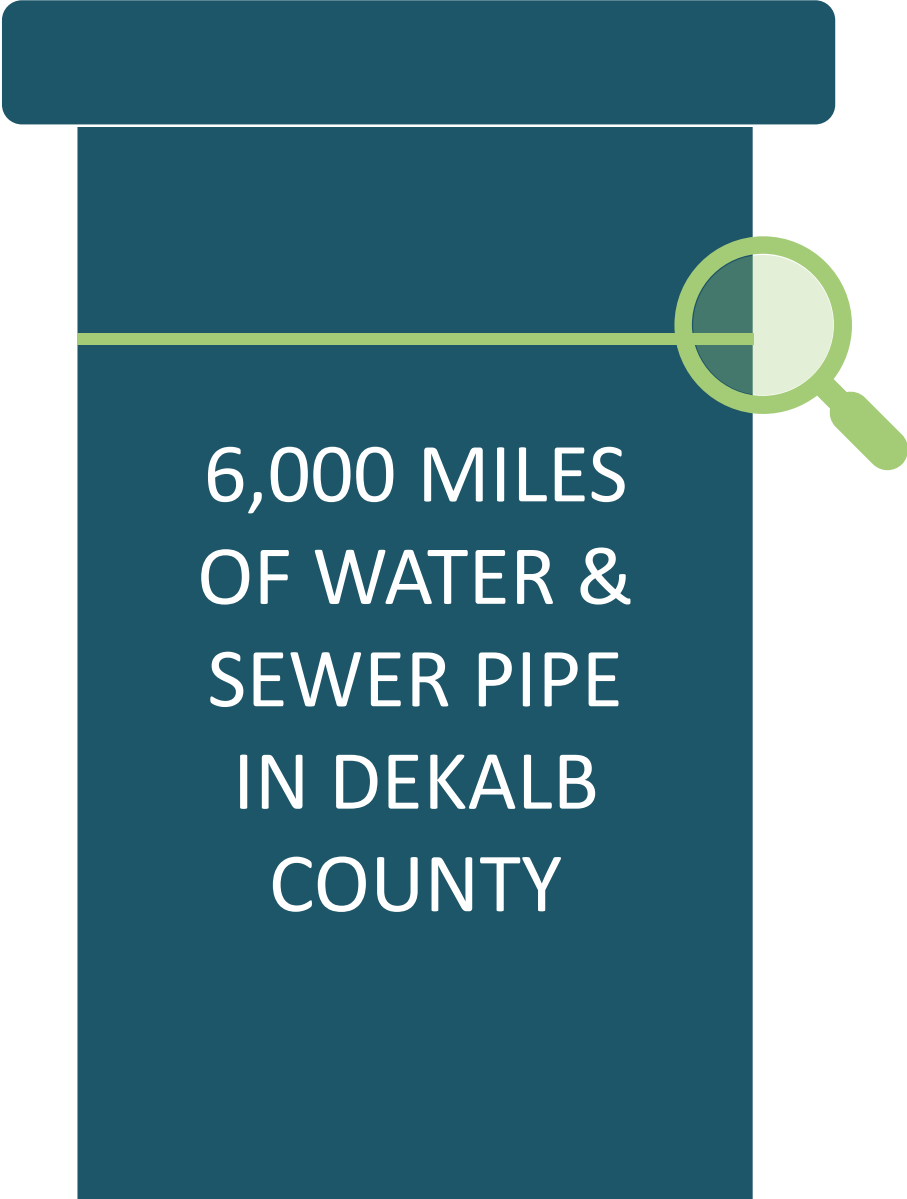
- ▶ For each **\$100 Million** of CIP funded through GEFA, projected interest payment savings are \$26.6 Million over the life of the GEFA loan compared to a traditional bond

**Both WIFIA and GEFA are subordinate lien debt**

# RULES OF THUMB

## ONCE THE SYSTEM IS STABILIZED ... CAN MOVE TO 1% RULE ON PIPES

- ▶ Pipe lifespan: ~100 years
- ▶ Minimum 1% of pipe needs to be replaced per year

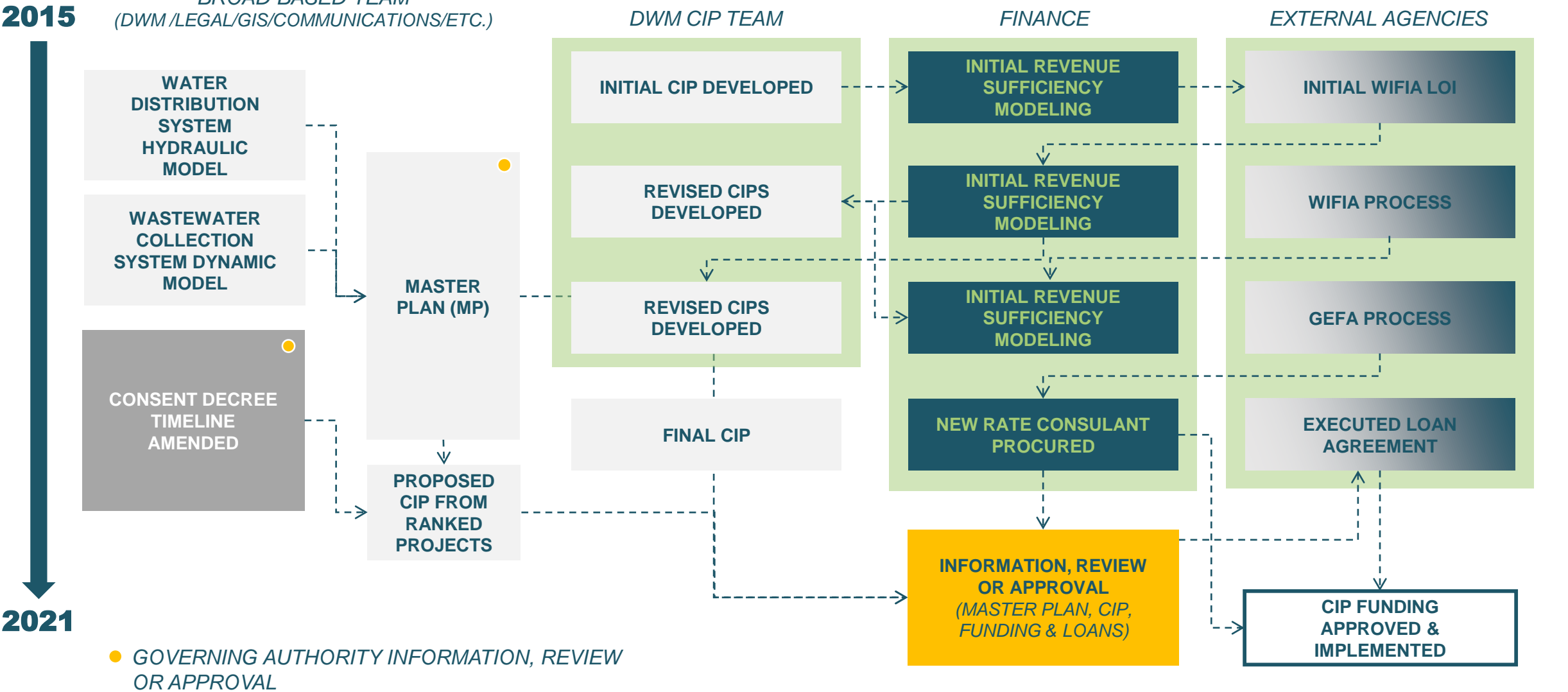
A diagram of a vertical pipe. The pipe is dark blue. A horizontal green line runs across the middle of the pipe. A magnifying glass with a green handle and frame is positioned over the right side of the pipe, focusing on the green line. The text '6,000 MILES OF WATER & SEWER PIPE IN DEKALB COUNTY' is written in white inside the pipe.

6,000 MILES  
OF WATER &  
SEWER PIPE  
IN DEKALB  
COUNTY

**1% = 60 MILES**  
**60 MILES =**  
**~\$100 M/YR**



# COMING INFORMATION, REVIEW OR APPROVAL POINTS



# TIMELINE DATES

**INFORMATION  
SESSION ON  
MASTER PLAN**

LATE AUGUST

**APPROVE CD  
MODIFICATION**

TBD

**APPROVE  
CIP 2021**

LATE AUGUST OR  
EARLY SEPTEMBER

**WIFIA LOAN**

EARLY SEPTEMBER

**GEFA LOAN**

EARLY SEPTEMBER

**APPROVE  
FUNDING PLAN**

MID SEPTEMBER

**REVIEW  
BILLING  
IMPROVEMENTS**

OCTOBER