



DeKalb County Government

Manuel J. Maloof Center
1300 Commerce Drive
Decatur, Georgia 30030

Agenda Item

File ID: 2020-0938

Substitute

8/25/2020

Public Hearing: YES ☐ NO ☒

Department: Watershed Management

SUBJECT:

Commission District(s): All Commission Districts

GEFA Water and Sewer Loans

Information Contact: Reginald Wells and Dianne McNabb

Phone Number: 770-621-7208

PURPOSE:

To authorize the 1% loan origination fee to be paid to Georgia Environmental Finance Authority (GEFA) in connection with the application for GEFA Loan DW2020036 in the amount of \$25,000,000 and GEFA Loan CW2020026 in the amount of \$50,000,000, which loans will to be presented to the Board of Commissioners for approval once approved by the GEFA board . The County has submitted a Georgia Environmental Finance Authority (GEFA) loan application for funding to support the construction of several water main improvement projects in DeKalb County, including but not limited to Briarcliff Area, Reindeer Drive Area, and Buford Highway as well as sewer infrastructure rehabilitation and replacement projects associated with Priority Areas Sewer Assessment and Rehabilitation Program (PASARP) throughout DeKalb County.

NEED/IMPACT:

The full construction will require a total of \$48 million for the water replacement projects and \$162 million for the PASARP sewer rehabilitation and replacement projects. We recommend borrowing \$75 million now and an additional \$75 million for the sewer and water projects in the next calendar year (2021) as is expected to be available from GEFA.

The loan is part of a long-term strategy to maximize the benefits of leverage with GEFA as well as other federal funding sources. The water replacement projects included are necessary due either to high priority ranking due to frequency of breaks, hydraulic improvement needs for the system or due to pending GDOT projects in the area. The sewer projects included in the loan are scheduled for rehabilitation or replacement following previous assessments and prioritization and are a requirement of the County's Sewer Consent Decree (CD) with U.S. EPA. These projects are reflected in the attached detail.

FISCAL IMPACT:

GEFA's loan origination fee is 1% of the loan amount, or \$750,000 for the upcoming loans totaling \$75 million. The blended interest rate is expected to be 1.55% for GEFA versus a market rate of 2.96%, saving approximately \$20 million, when compared to a similar issuance of 30-year revenue bonds. Interest cost is incurred only as funds are drawn, eliminating negative arbitrage.



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RECOMMENDATION:

To authorize the 1% loan origination fee to be paid to Georgia Environmental Finance Authority (GEFA) in connection with GEFA Loan DW2020036 in the amount of \$25,000,000 and GEFA Loan CW2020026 in the amount of \$50,000,000, which loans will be presented to the Board of Commissioners for approval once approved by the GEFA board. The GEFA loans will be used as described above.

MEMORANDUM

Chief Executive Officer
Michael Thurmond

Board of Commissioners

District 1
Nancy Jester

District 2
Jeff Rader

District 3
Larry Johnson

District 4
Stephen Bradshaw

District 5
Mereda Davis Johnson

District 6
Kathie Gannon

District 7
Lorraine Cochran-Johnson

TO: PWI Commissioners

CC: CEO Michael Thurmond
Board of Commissioners

FROM: Reginald Wells, Director – Department of Watershed Management

DATE: August 21, 2020

RE: Responses to information requests on proposed DWM CIP GEFA Loan from the
Public Works and Infrastructure (PWI) Committee meeting Tuesday, August 18, 2020

Commissioners:

Thank you for your time, attention and questions during the discussion of the Georgia Environmental Finance Authority (GEFA) loan at the Public Works and Infrastructure (PWI) Committee meeting Tuesday, August 18, 2020. The GEFA loans will partially fund the proposed Department of Watershed Management (DWM) CIP Program for the years 2021-2030. The following documents are attached for your reference:

1. A description and four maps of the four water projects proposed for inclusion in the 2020 GEFA Water loan.
2. A description and map of PASARP rehabilitation work, defined by the Consent Decree, for inclusion in the 2020 GEFA Sewer loan.

In addition to the attached electronic copies, the above will be provided in printed form and delivered to your office at the Maloof Building by the end of this week. We trust this provides the information requested at the PWI meeting on Tuesday.

Additionally, as detailed on the last slide of Tuesday's PWI presentation, there are a variety of decisions that are required over the next few months to approve the projects and funding of CIP 2021, including:

1. Master Plan Review
2. CD Modification
3. CIP 2021
4. Funding plan
5. Review billing system improvements

Further, as promised during the PWI meeting, we are preparing both a binder and a secure SharePoint file repository where we will store materials for your review. The binder is titled "Capital Improvement Projects (CIP) Program - CIP 2021 - Commissioner Information Package". We will provide additional updates on these items next week.

Ms. LeTitia Sloan will contact your office to schedule a one-on-one follow up call, should you wish.

DeKalb GEFA 2020 Sewer Loan Project Description

DeKalb County's Priority Area Sewer Assessment & Rehabilitation Program (PASARP), which is a collection of repair and rehabilitation sub-projects or work packages, evolved out of the need to rehabilitate and repair an aging wastewater collection and treatment system which allowed sanitary sewer overflows (SSOs). As a result, the County entered into a Consent Decree in December 2011. The County identified areas within the system that required immediate attention (PASARP). Condition assessments were performed on approximately a third of DWM's sewer system in the PASARP areas; e.g. 5 million linear feet of sewer and 27,000 manholes over a two-year period from January 2015 through December 2017. Hydraulic modeling, used to determine sewer capacity, is also being performed on essentially the entire system which includes approximately 12 million linear feet of sewer; 77,000 manholes; and 63 pump stations/force mains. It is estimated 15 to 30 percent of the components will need to receive rehabilitation or capacity upsizing. The PASARP rehabilitation work is shown on Exhibit 5.

The PASARP rehabilitation work was commenced under CIP 2010, line item 44, and will be complete as part of the proposed CIP 2021. The work described below will be completed through multiple work packages and various delivery methods, only a portion of which are included in the GEFA 2020 loan.

Sewer Consent Decree related projects and costs recommended for inclusion in this initial \$50 Million GEFA Sewer Loan, each at various phases of design/construction, include the following:

Table of Recommended Projects for Inclusion in GEFA Sewer Loan¹

Project/Task	Project Cost in GEFA Sewer Loan	Cost to be Reimbursed by GEFA Sewer Loan	Status
Consent Decree (CD) Program Management Services (PMS) (Jacobs)	\$26.4M	\$8.1M	Contract underway since 2014
Capital Improvement Projects (CIP) PMS (AECOM)	\$12.7M	\$3.9M	Contract underway since 2015
Cooperative Agreement with	\$5.7M	\$1.8M	Construction ongoing since July 2019

Rockdale County for IPR Southeast			
Cooperative Agreement with Savannah for Insituform Technologies	\$14.9M	\$4.6M	Construction ongoing since October 2019
Gravity Sewer Rehabilitation and Replacement (GSRR) Contracts	\$61.3M	\$19.3M	BOC approved in July 2020
GSRR Construction Management (CM) Contracts	\$4.8M	\$2.3M	BOC approved in April 2020
Potential future GSRR 2 Contracts	\$35.3M	\$9.7M	Future procurement
Engineering Design Task Orders through Existing DWM Annual A/E Services Contract	\$0.9M	\$0.3M	Design is near completion for priority upsizing sewer projects
Total	\$162M	\$50M	

Note: 1. The above table includes the projects that are expected to be funded through this loan. These projects, or others, will be as approved by the BOC.

The above contracts are underway with the exception of the GSRR construction and GSRR Construction Management contracts, both of which the Board has approved.

Details about each of the above costs included in the GEFA Sewer Loan are summarized below:

1) CD Program Management Services:

Commencing in 2014 and continuing through the present, Jacobs (formerly CH2M) conducts Program Management Services related to the CD Program. This includes a range of services and activities performed over the years in order to meet the County's requirements to achieve CD compliance.

2) CIP Program Management Services:

Commencing in 2015 and continuing through the present, AECOM conducts Program Management Services related to the CIP Program. This includes a range of services and activities performed over the years in order to develop and deliver the DWM's CIP Program. Only the portion of AECOM's funds associated with CD program activities (e.g. project development and delivery, etc.) are included in this GEFA Sewer Loan scope.

3) Coop IPR Southeast

Through a Cooperative Agreement with Rockdale County, the County awarded this contract for sewer rehabilitation services for approximately 100,000 LF of sewer. The work started in July 2019 and is expected to continue through the end of 2020.

4) Coop Insituform

Through a Cooperative Agreement with the City of Savannah, the County awarded this contract for sewer rehabilitation services for approximately 140,000 LF of sewer. The work started in October 2019 and is expected to continue through the end of 2020.

5) GSRR Construction and CM Contracts:

The primary construction contracts to be funded with this loan are the GSRR contracts which are task-order-based contract bid by DeKalb County in October 2019, awarded by DeKalb BOC in July 2020 and are currently in the contract execution phase. It is structured with a Section 1 bid for rehabilitation of sewers (lining and point repairs) and Section 2 bid which is replacement of sewers (open cut and pipebursting). Two contractors were awarded for each Section. Bid quantities for Section 1 are approximately 200,000 LF of lining and for Section 2 are approximately 63,500 LF of upsizing of sewer mains involving open cut and 8,200 LF of pipebursting. As noted, should remaining rehabilitation and priority sewer upsizing be required following completion of the GSRR contracts, an additional GSRR style contract may be required for bidding depending upon remaining footages within the CD requirements.

The CM Contracts specific to the above GSRR contract work were awarded by the BOC to two firms in April of 2020. Contract execution is underway for each.

6) Engineering Design Task Orders for Sewer Upsizing:

Through CD PMT assessments and sewer modeling activities, a number of priority upsizing projects were scoped in order to meet CD requirements. These projects required full engineering design conducted through DWM's existing on-call A/E services contracts. Over the course of the previous 2 years, designs have achieved near 100% on these priority upsizing projects. The design fees for the four A/E task orders are included within the scope

of this loan. The construction will take place over the course of the next several years through the GSRR construction contract mentioned above.

DeKalb GEFA Water Loan Project Descriptions

The County's water distribution system includes aging water distribution pipelines that urgently require replacement. The replacement of aging water pipelines was commenced under CIP 2010, line item 82, and will be continued as part of the proposed CIP 2021. The projects described below were prioritized as the most urgent based on user complaints, break history or system pressures, and an analysis of the likelihood of failure and the consequences of failure.

The following projects are recommended for the \$25 Million GEFA Water Loan, and are at various phases of design/construction execution:

Table of Recommended Projects for Inclusion in GEFA Water Loan¹

Project	Project Cost in GEFA Water Loan	Cost to be Reimbursed by GEFA Water Loan	Status
Briarcliff South	\$13.9M	\$4.3M	Construction underway
Briarcliff North	\$17.9M	\$6.0M	60% design underway
Reindeer Drive Area	\$5.1M	\$4.8M	100% design completed; P&C process initiated
Buford Highway Water Mains (from Afton Lane to Clairmont Road)	\$9.9M	\$9.9M	100% design completed; with GDOT for bidding
Total	\$46.8M	\$25M	

Note: 1. The above table includes the projects that are expected to be funded through this loan. These projects, or others, will be as approved by the BOC.

Details about each of the above projects recommended for the GEFA Water Loan are summarized below:

1) Briarcliff Area Water Mains:

- a) South phase - DeKalb County replaces ~8 miles of existing 60-100 year old water mains in the Briarcliff Road/North Decatur Road area of DeKalb County. The mains run along Briarcliff Road between Virginia Avenue Northeast and Clifton Road and within an adjacent residential area east of Briarcliff Road (see attached Exhibit 1). The purpose of the

replacement is to address an area of low pressure and low flow within the system that is a result of aging infrastructure that is under capacity. The residential area is generally bounded on the west by Briarcliff Road, the east by Lullwater Drive, the north by Emory Road and the south by The by Way. Total footage of water mains that require replacement is approximately forty-five thousand (45,000) feet. Contractors will install an 8", 12" and 16" water main within the road right-of-way with a single lane closure in place as work progresses. The disturbed road area will be repaved following completion of installation of the new pipelines. The large majority of the existing pipe in the project area is 6" cast iron pipe. Proposed improvements provide increased capacity with new 8", 12", and 16" ductile iron pipe. This work is currently underway.

- b) North phase - A second phase of the work to be constructed prior to a planned GDOT road project extends the main replacement from Clifton Road north along Briarcliff Rd to North Druid Hills Road (see attached Exhibit 2). This includes an additional ~9,000 LF of 12" and 24" water main installation. This work is currently under design with expected 100% drawings by ~October 2020.

2) Reindeer Drive Area Water Main Replacement

Currently, DWM provides water service to residential properties located within the following proposed project area between Lavista Road and North Druid Hills also known as the Merry Hills Area. DWM and Master Planning efforts have identified and prioritized this specific area for water main replacement under this proposed contract. Most of the pipes in these areas have reached or exceeded their expected useful life and have had multiple failures and service interruptions. DWM Master Planning efforts using a risk-based analysis indicate this project to be the highest priority for replacement.

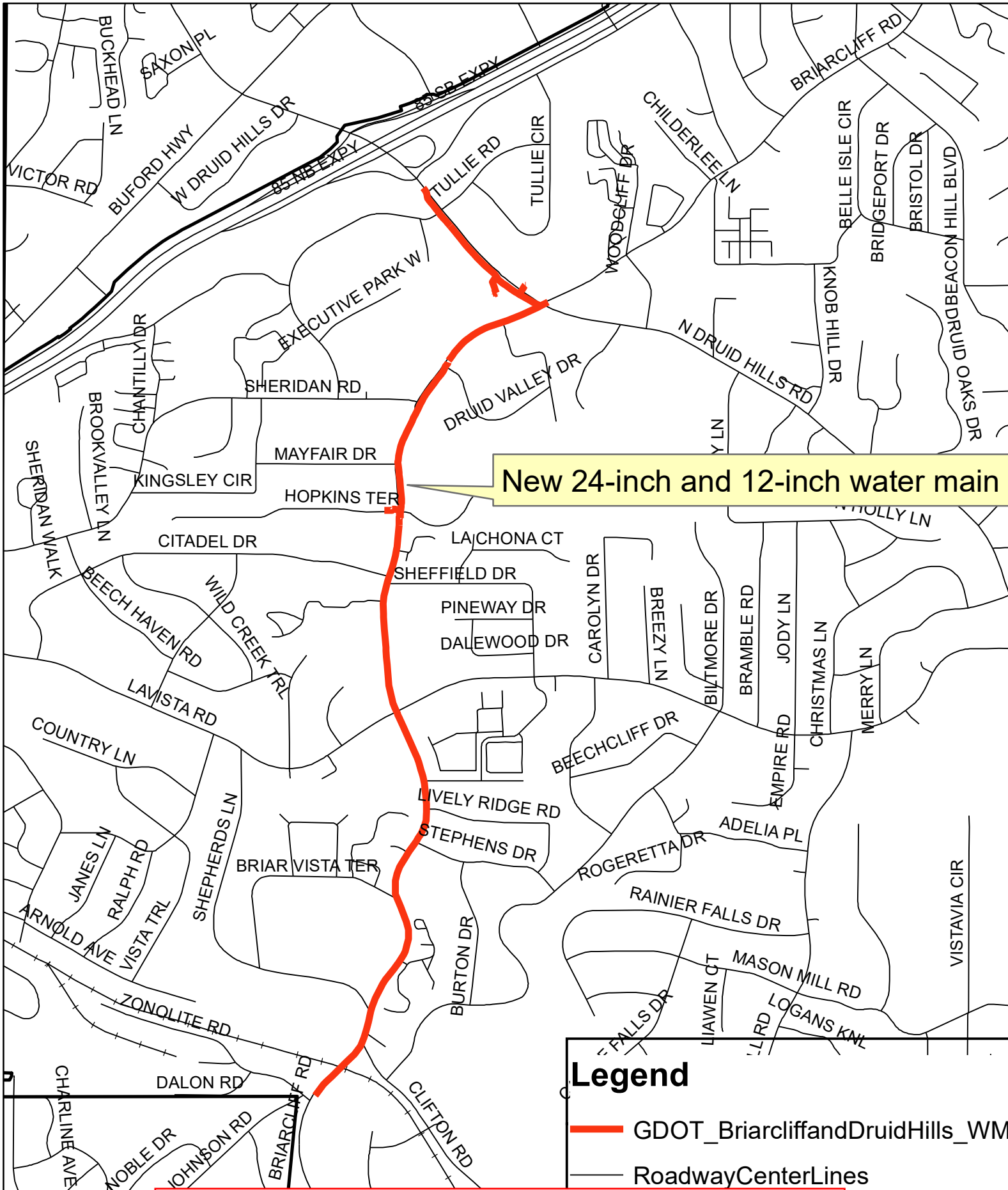
The existing 2- to 6-inch water mains providing service in the area are asbestos cement (AC) material and account for about 15,485 linear feet, and the 16-inch steel transmission main along North Druid Hills Road, between Knob Hill and Lavista Rd accounts for about 3,600 linear feet (see attached Exhibit 3). These pipelines have reached or exceeded their average useful service lives and are underperforming at the minimum standard level of service required. The scope of work is for the bidding and construction of new 8-inch DIP water mains to replace these older pipelines and a new 16-inch DIP to replace the old transmission main along North Druid Hills.

3) Buford Highway Water Mains from Afton Lane to Clairmont Road Replacement

In coordination with GDOT on a planned paving project, DWM has developed plans for replacement of water mains in the area along Buford Drive from Afton Lane, north to Clairmont Road (see attached Exhibit 4). The project includes approximately 12,100 LF of

12-inch and 5,400 of 24-inch water main. The project design is complete and plans have been submitted to GDOT for inclusion in their bid documents. It is expected that GDOT will let the project in November 2020.

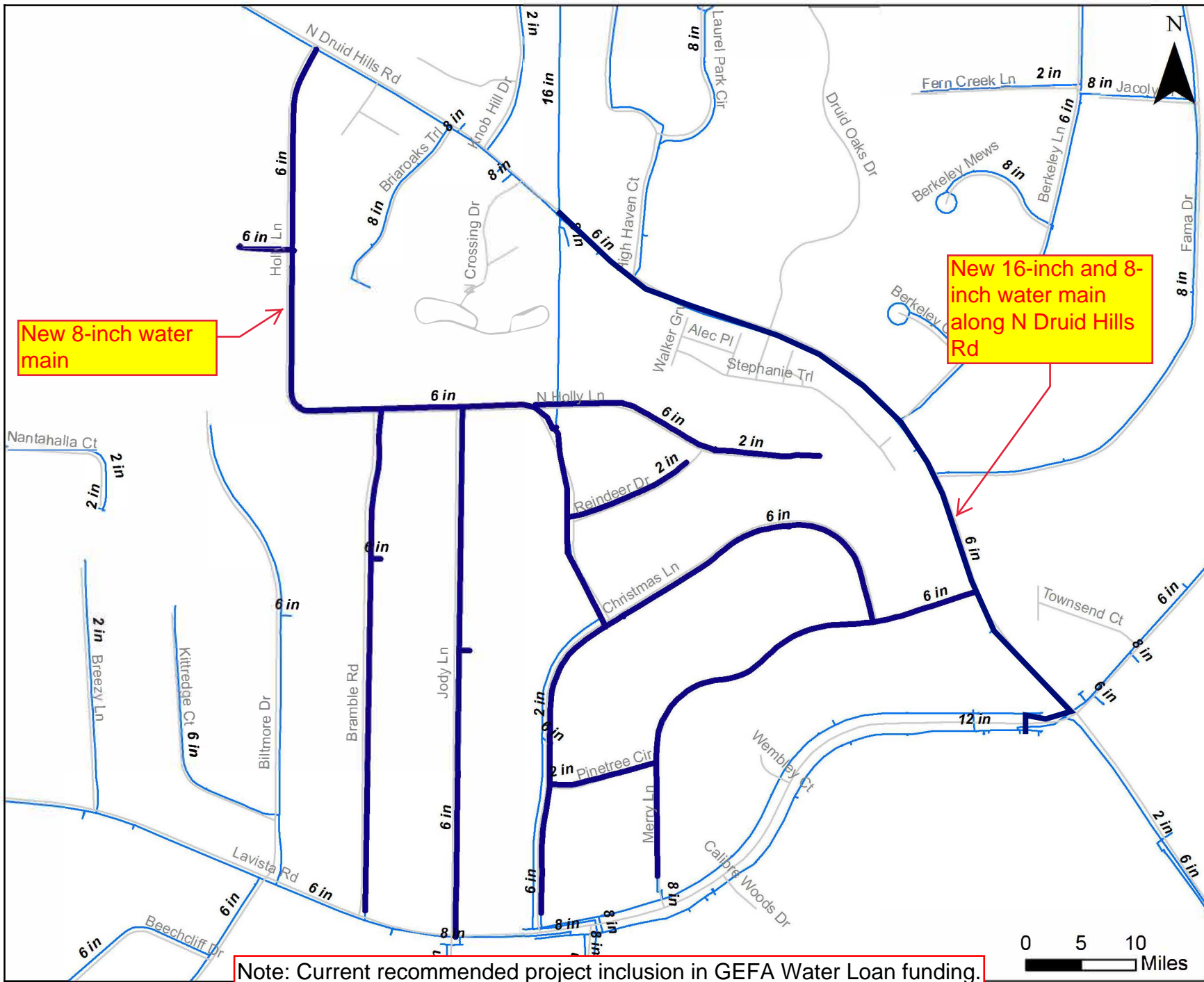
DeKalb County CIP Program - Briarcliff Road North (GDOT) Clifton to N Druid Hills



Note: Current recommended project inclusion in GEFA Water Loan funding.

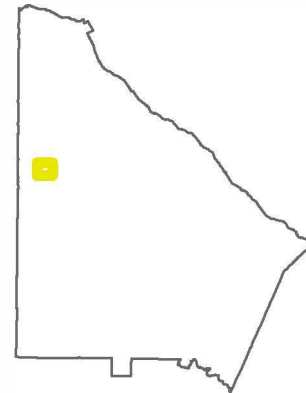
Reindeer Drive Area Water Main Replacement Project

DWM CIP Program



Note: Current recommended project inclusion in GEFA Water Loan funding.

Project Location



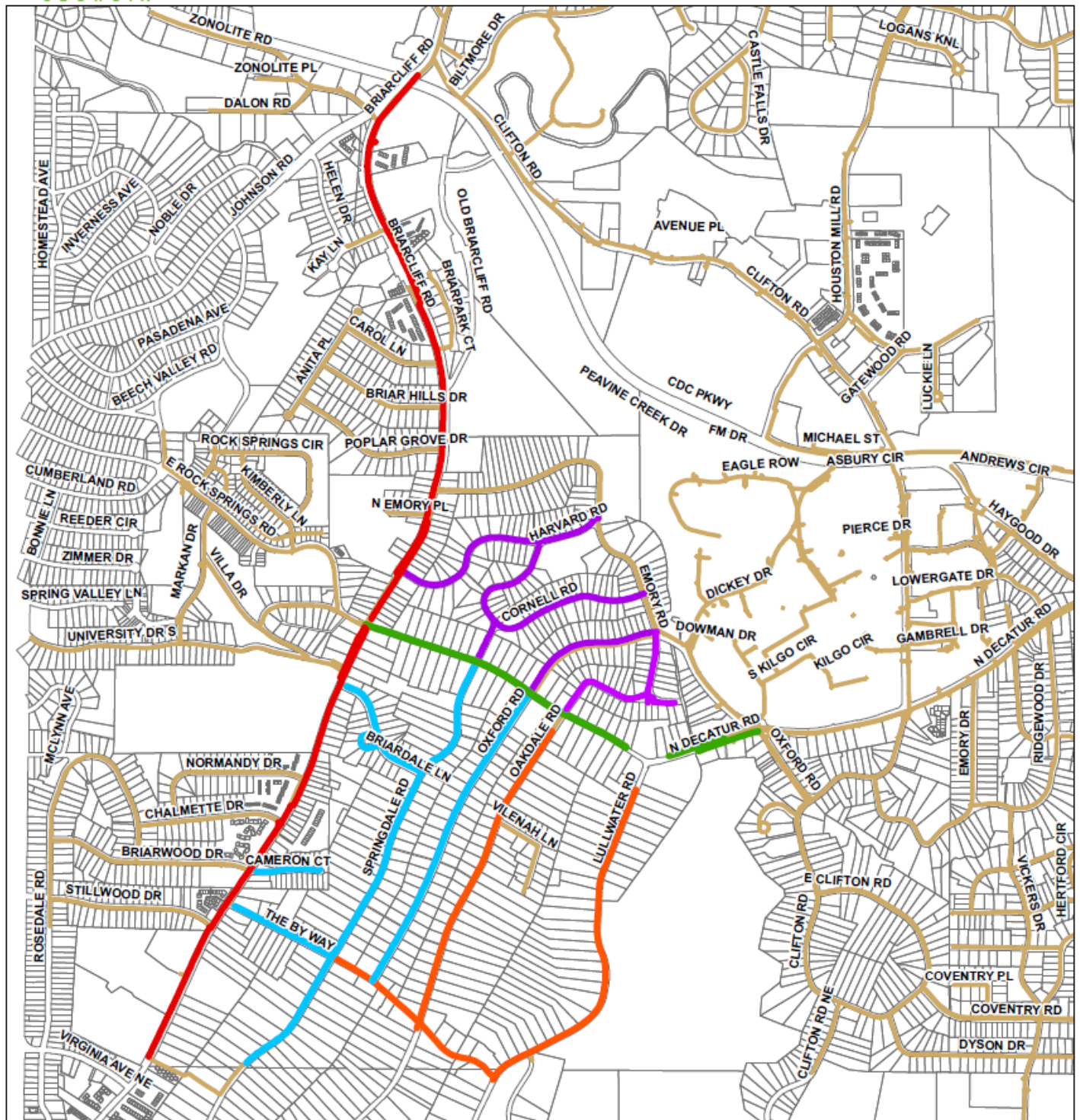
Legend

- Reindeer Dr Water Main Replacement
- Water Mains



DeKalb County
GEORGIA

Briarcliff Corridor Water Infrastructure Replacement Project South



Legend

Area 1 Area 2 Area 3 Area 4 Area 5 Water Main

0 0.3 0.6 Miles



Note: Current recommended project inclusion in GEFA Water Loan funding.

DeKalb County CIP Program - Buford Highway from Afton Lane to Clairmont Rd Water Main



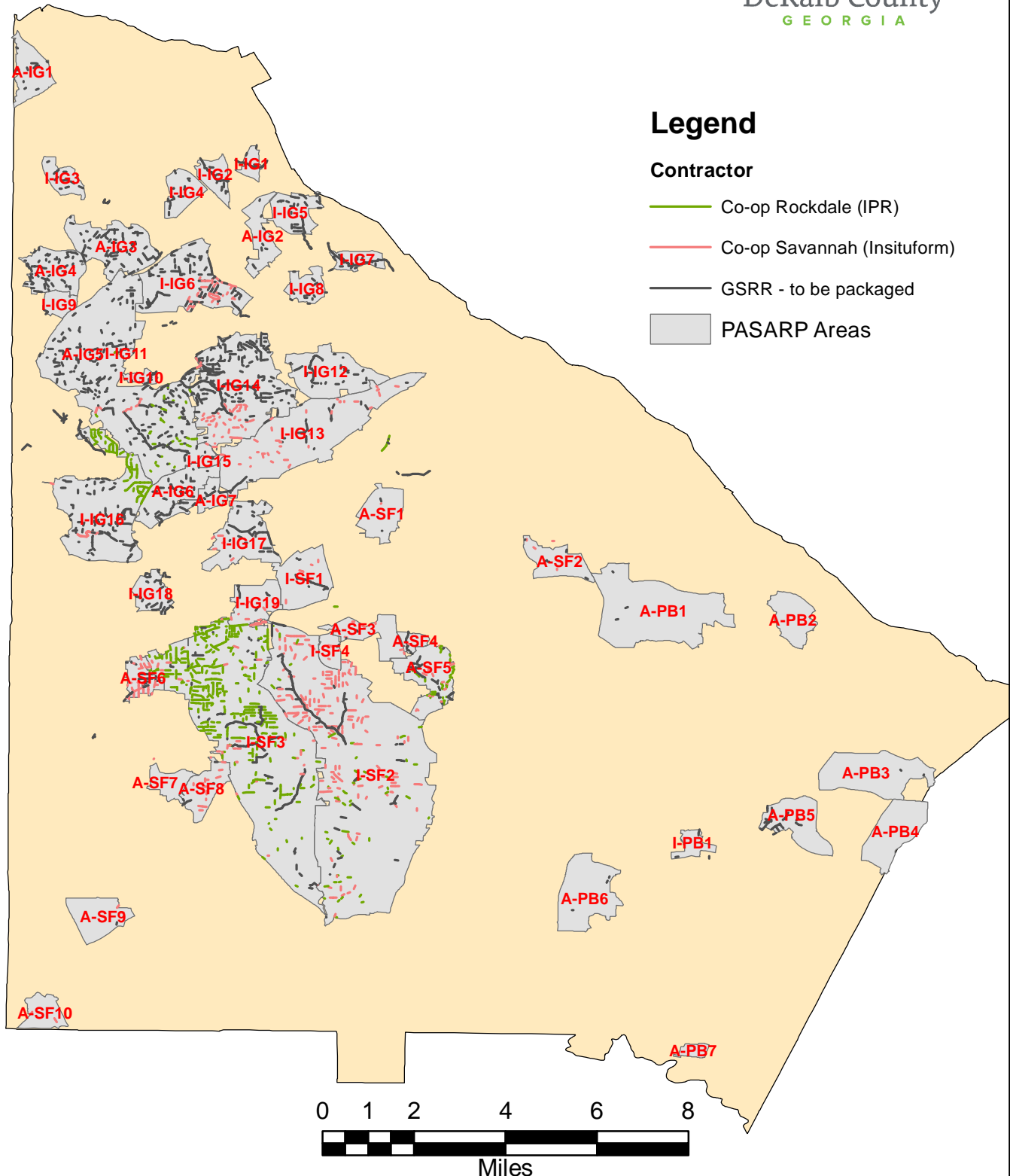
PASARP Rehabilitation



Legend

Contractor

- Co-op Rockdale (IPR)
- Co-op Savannah (Insituform)
- GSRR - to be packaged
- PASARP Areas



Note: Current recommended project inclusion in GEFA Sewer Loan funding.