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INVESTING IN GEORGIA'S
ENERGY, LAND & WATER RESOURCES



SRF 101: Managing Set Asides

CIFA - Minneapolis

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Agency Responsibilities

GEFA

- Grant applicant/recipient
- Underwriters loans
- Project development
- Submits Intended Use Plans
- Submits annual reports
- Manages NIMS process
- Manages CBR/PBR process
- Manages all grants
- Manages 2% set-aside
- Manages 4% set-aside

EPD

- Performs SERP review
- Performs Need Surveys
- Provides construction management services
- Manages 10% set-aside
- Manages 15% set-aside
- Writes 10% & 15% work plans
- Issues design approval
- Assists with NIMS process
- Assists with CBR/PBR process



Set-Aside Breakdown

Project	Small System Technical Assistance set-aside	Administration set-aside	State Program Management set-aside	Local Assistance and other State Programs set-aside
69%	2%	4%	10%	15%

- Georgia typically takes all 31% of the set-asides
- GEFA and EPD work very closely to manage set-aside accounts
- GEFA has transferred unused set-aside funds back to the project account



69% - Project Account

Agency Practices

- GEFA has utilized F-I-F-O for many years
- GEFA does not tie principal forgiveness to cap grants
- GEFA does not tie projects to cap grants
- GEFA does not tie green projects to cap grants
- Borrower is allowed 6 months from the date the board of directors approves the project in order to sign the loan agreement or funds are lost
- Loan agreement allows 6 months from the date the loan agreement is signed to begin drawing funds or else begin to pay a “loan continuation fee.”



2% - Small System Account

Agency Practices

- This set-aside is used to fund an annual contract with Georgia Rural Water Association to provide technical assistance to small water systems.
- Annual contract by FY
- GEFA manages this set-aside and takes only the money needed to fund contracts

- Water Loss Abatement
- This set-aside has recently been utilized to fund a variety of small system water loss abatement programs
- Phase I – water loss audit training
- Phase II – water loss technical assistance projects
 - Finished water meter testing
 - Large customer meter testing
 - Leak detection



4% - Administrative Account

Agency Practices

- Both GEFA and EPD access this set-aside fund
- GEFA – funds staff salaries and travel
- GEFA and EPD sign a contract for EPD's use of this set-aside
- GEFA and EPD is set up as contract versus an MOU
- Contract includes deliverable, budgets and milestones

- GEFA's practice has been to transfer 4% set-aside funds to the Project account once all project funds have been drawn in order to close the grant quickly



10% - Public Water System Account

Agency Practices

- GEFA and EPD utilize F-I-F-O
- GEFA and EPD sign a contract for the use of the 10% set-aside funds
- Contract provisions
 - Contract allows EPD the ability to access 100% of all 10% funds available at the time the contract is executed
 - Because no more than 3 grants are allowed to be open at one time, funds not used are reverted back to the Project account

Activities:

- Capacity Development
- Cryptosporidium Strategy
- Information Management
- Source Water Assessment
- Water Conservation
- Statewide Water Planning



15% - Local Assistance Account

Agency Practices

- GEFA and EPD utilize F-I-F-O
- GEFA and EPD sign a contract for the use of the 15% set-aside funds
- Contract provisions
 - Contract allows EPD the ability to access 100% of all 15% funds available at the time the contract is executed
 - Because no more than 3 grants are allowed to be open at one time, funds not used are reverted back to the Project account

Activities:

- Capacity Development
- Wellhead Protection
- Statewide Water Planning*

*Georgia began a comprehensive statewide water planning effort in 2007 which utilized both state funds and federal set-aside funds. This effort increased the pace of 10% and 15% set-aside spending.



Grant Status

Capitalization Grant	2% Balance	4% Balance	10% Balance	15% Balance	Project Balance (69%)	TOTAL
2011	139,239	398,899	634,180	266,103	1,594,971	\$3,033,392
2012	424,160	848,320	2,047,196	2,288,330	14,633,520	\$20,241,526
2013	397,980	795,960	1,989,900	2,984,850	13,730,310	\$19,899,000
TOTAL	\$961,379	\$2,043,179	\$4,671,276	\$5,539,283	\$29,958,801	\$43,173,918
% of total	2%	5%	11%	13%	69%	-



Summary

- Always use F-I-F-O
- Transfer unused funds back to the project account
- Maintain definitive timetables for use of set-asides
- Only take what set-asides are needed
- Don't tie projects, additional subsidization or Green projects to grant
- Close grant quickly once all funds are drawn



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