

Request for Board of Commissioners' Action

From: Faye Hughes, County Administrator **Date:** 9/15/2017

Subject: GEFA Document Landfill Cells 15-18 **Item Number:** VIII-D

In order to construct Landfill Cells 15-18 to increase the capacity of our landfill, Cook County has to finance the construction. The financing mechanism we are using is GEFA. GEFA is using two funding sources in order to make the loan, one is through GEFA's Georgia Fund \$1.4 million the other is \$2,691,000 from the Clean Water State Revolving Fund.

Due to the PlanFirst Designation the interest rate is the lowest possible at .67% and .56%,

These loans will be repaid with SPLOST receipts.

I spoke with Kelvin Seagraves, Hofstadter and Associates on Friday. The plans are a little delayed due to power outages; no the less we will be able to go to bid toward the end of the year.

Motion made by _____

Second made by _____

Any discussion: _____

Votes _____ yes _____ no

Motion carried/ failed



Nathan Deal
Governor

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

Kevin Clark
Executive Director

August 22, 2017

Ms. Faye Hughes
County Manager
Cook County Board of Commissioners
1200 Hutchinson Ave
Adel, GA 31620

Re: Cook County Board of Commissioners – GF2017009

Dear Ms. Hughes:

The board of directors of the Georgia Environmental Finance Authority (GEFA) approved your loan application for a Georgia Fund loan in the amount of \$1,400,000 on August 22, 2017. GEFA looks forward to working with you on this loan. Enclosed is a checklist to assist you in executing the loan agreement.

Carefully read the loan agreement, promissory note and all related documents before completing, signing and returning them. We are happy to answer questions that you may have. Based on the questions we most commonly receive we've prepared the following list of important terms for your convenience.

1. Origination Fee. The origination fee is payable in one payment of \$14,000 by the 15th day of the second month following the date that GEFA executes the loan agreement. An electronic bill will be sent prior to the payment being debited from the bank account indicated on the ACH debit agreement.
2. Loan Continuation Fee. Section 4(c) of the loan agreement states that in the event the Borrower fails to draw funds within six months of loan agreement execution, GEFA will assess a Loan Continuation Fee as published in the Lender Fee Schedule, which is available on GEFA's website. The Loan Continuation Fee will be assessed every month thereafter until the Borrower makes an initial draw of funds from the loan for the project or reverts the loan commitment.
3. Federal Requirements. Carefully review with your engineer, consultants and counsel as necessary the federal requirements listed in Exhibit D of the loan agreement.
4. Construction Interest. Interest accrued on funds drawn during construction will be billed and collected monthly during construction by use of electronic debit transactions. Construction interest will be charged and collected monthly only on the outstanding balance of funds disbursed to date.
5. Amortization Schedule. The monthly installment amount is not provided within the loan documents because the Borrower may drawdown less than the entire loan amount. As a courtesy to our customers, GEFA provides an estimated installment amount based on information provided within

customers, GEFA provides an estimated installment amount based on information provided within the loan documents. If the full amount of funds indicated in the loan documents is disbursed to the project and all requirements for this project are met, the installment amount will be approximately \$23,732.87 per month throughout the life of repayment.

6. Future Audits and Financial Compliance. Within six months after the end of each fiscal year, the Borrower will deliver to GEFA a copy of the Borrower's financial statements as required under the state audit requirements (O.C.G.A. § 36-81-7) and a compliance certificate stating the Borrower is meeting the 1.05 times debt service coverage ratio, as detailed in the Loan Agreement.

If you have any questions, please contact me at 404-450-8381 or acarroll@gefa.ga.gov.

Sincerely,



Amanda Carroll
Program Manager

Enclosures

cc: Kelvin Seagraves, P.E./ Hofstadter & Associates, Inc. (w/o enclosures)



Nathan Deal
Governor

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

Kevin Clark
Executive Director

August 22, 2017

Ms. Faye Hughes
County Manager
Cook County Board of Commissioners
1200 Hutchinson Ave
Adel, GA 31620

Re: Cook County Board of Commissioners – CW2017010

Dear Ms. Hughes:

The board of directors of the Georgia Environmental Finance Authority (GEFA) approved your loan application for a Clean Water State Revolving Fund loan in the amount of \$2,691,000 on August 22, 2017. GEFA looks forward to working with you on this loan. Enclosed is a checklist to assist you in executing the loan agreement.

Carefully read the loan agreement, promissory note and all related documents before completing, signing and returning them. We are happy to answer questions that you may have. Based on the questions we most commonly receive we've prepared the following list of important terms for your convenience.

1. Origination Fee. The origination fee is payable in one payment of \$26,910 by the 15th day of the second month following the date that GEFA executes the loan agreement. An electronic bill will be sent prior to the payment being debited from the bank account indicated on the ACH debit agreement.
2. Loan Continuation Fee. Section 4(c) of the loan agreement states that in the event the Borrower fails to draw funds within six months of loan agreement execution, GEFA will assess a Loan Continuation Fee as published in the Lender Fee Schedule, which is available on GEFA's website. The Loan Continuation Fee will be assessed every month thereafter until the Borrower makes an initial draw of funds from the loan for the project or reverts the loan commitment.
3. Federal Requirements. Carefully review with your engineer, consultants and counsel as necessary the federal requirements listed in Exhibit D of the loan agreement.
4. Construction Interest. Interest accrued on funds drawn during construction will be billed and collected monthly during construction by use of electronic debit transactions. Construction interest will be charged and collected monthly only on the outstanding balance of funds disbursed to date.
5. Amortization Schedule. The monthly installment amount is not provided within the loan documents because the Borrower may drawdown less than the entire loan amount. As a courtesy to our

customers, GEFA provides an estimated installment amount based on information provided within the loan documents. If the full amount of funds indicated in the loan documents is disbursed to the project and all requirements for this project are met, the installment amount will be approximately \$23,064.00 per month throughout the life of repayment.

6. Future Audits and Financial Compliance. Within six months after the end of each fiscal year, the Borrower will deliver to GEFA a copy of the Borrower's financial statements as required under the state audit requirements (O.C.G.A. § 36-81-7) and a compliance certificate stating the Borrower is meeting the 1.05 times debt service coverage ratio, as detailed in the Loan Agreement.

If you have any questions, please contact me at 404-450-8381 or acarroll@gefa.ga.gov.

Sincerely,



Amanda Carroll
Program Manager

Enclosures

cc: Kelvin Seagraves, P.E./ Hofstadter & Associates, Inc. (w/o enclosures)



Nathan Deal
Governor

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

Kevin Clark
Executive Director

DOCUMENTS AND INFORMATION NEEDED FOR LOAN EXECUTION

As part of our efforts to promptly make funds available to borrowers and to manage lending capacity efficiently, we require that each borrower execute their loan agreement within six months of approval by the board of directors of the Georgia Environmental Finance Authority (GEFA). In order to execute these loan documents in a timely manner, please utilize the checklist below and follow the instructions provided therein.

- ☐ Loan Agreement. Two copies of the loan agreement are enclosed. Each copy is an original counterpart and each must be executed. **Do not** fill in the date on page one of the loan agreement. Have the appropriate official sign each loan agreement and the appropriate person attest the signature. Once signed, return **both** loan agreements with the other documents to GEFA for execution. We will return your counterpart to you. **Do not sign the "specimen" promissory note in Exhibit B of the loan agreement.**
- ☐ Exhibit E – Opinion of Borrower's Attorney. Exhibit E is a sample letter that must be prepared by the borrower's attorney on the attorney's letterhead. This letter ensures that the documents have been properly reviewed. On the signature page of the loan agreement (page 14) and the signature page of the promissory note, the borrower's attorney must also sign on both documents where indicated "Approved as to form."
- ☐ Exhibit F – Resolution of Governing Body. This resolution must be passed at a meeting of the borrower's governing body. It authorizes one chief elected official of the borrower to sign and another official of the borrower to attest both copies of the loan agreement, the promissory note, and any related documents necessary to execute the loan agreement.
- ☐ Promissory Note (blue paper backing). The note, as now drafted, assumes that all dates and dollar amounts found in Exhibit A are correct. The promissory note must be signed, dated, and returned to GEFA prior to a draw being approved. A specimen of this note is located in Exhibit B of the loan agreement. **Do not** sign the specimen note found in Exhibit B.
- ☐ Signature Card (blue card stock). All draw requests must be signed by a designated official(s) of the borrower. It is the borrower's option to decide who signs and how many signatures are required. On this blue card, you may designate up to four individuals and indicate whether one or two signatures are required. Draws will not be processed without the appropriate signature(s); therefore, we suggest that more than one person be authorized to sign the draw form. The attesting signature at the bottom of the card must **not** be from an individual who is being given authorization to sign a drawdown request.

- ☐ Vendor Authorization Agreement for ACH Credits. This form designates the financial institution, the routing number, and account number to which GEFA will transfer funds. Return the completed form with a voided check or deposit slip for account number verification.
- ☐ Authorization Agreement for ACH Debits. This form provides GEFA the information needed to initiate the electronic debit transactions for the origination fee and other fees that may be charged from time to time in accordance with the loan agreement. The borrower's federal employee identification number (EIN) should be included on this form. Return the completed form with a voided check or deposit slip for account number verification.
- ☐ 8038-G and Tax Certificate. Complete, sign and attest as required the 8038-G form for Tax-Exempt Governmental Obligations and tax certificate. Refer to the enclosed sheet for further instructions concerning the completion of these forms.
- ☐ GEFA Fiscal Sustainability Plan (FSP) Certification. Section 603(d)(1)(E) of the Clean Water Act requires the development of a Fiscal Sustainability Plan (FSP) for any loan that will repair, replace, or expand a treatment works. The borrower must select one of two certification options included on the third page of the FSP Certification document.
- ☐ Accountant's Letter. Your accountant should complete the enclosed form of the accountant's letter. This letter should cover: (1) all completed annual audits and (2) the period starting immediately after the last annual audit through the most recent interim operating statements. A copy is also available on GEFA's website at: http://gefa.georgia.gov/sites/gefa.georgia.gov/files/related_files/document/Accountants-Letter.pdf
- ☐ Project Performance Worksheet. Use the following link to enter the project-related information: <https://georgiaenvironmentalfinanceauthority.quickbase.com/db/bjnv3ccc5?a=nwr>. Read the instructions prior to completing this project performance worksheet.