

# *State Revolving Loan Fund*

## **South Carolina Drinking Water State Revolving Fund**

### **Intended Use Plan for the FY13 DWSRF Capitalization Grant**

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**April 30, 2014  
FINAL - Amended**



This Intended Use Plan (IUP) is required as part of DHEC's application for capitalization funds allocated from the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-06).

*Revised to document transfer of funds to the DWSRF from the CWSRF and update the Selected Project List with more current information.*

## **I. Introduction**

The Drinking Water State Revolving Fund (DWSRF) was created by the 1996 amendments to the federal Safe Drinking Water Act (SDWA) to assist public water systems with financing the cost of infrastructure needed to achieve or maintain compliance with the SDWA. Section 1452 of the SDWA authorizes the Administrator of the US Environmental Protection Agency (EPA) to award capitalization grants to states to provide seed money for the purpose of establishing a low-interest loan program (the DWSRF) and other types of assistance to eligible water systems.

This Intended Use Plan (IUP), required under the SDWA, describes how South Carolina proposes to use available SRF funds for State Fiscal Year (SFY) 2014 – July 1, 2013 through June 30, 2014 – including federal funds allocated to South Carolina from the Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-06), and how those uses support the objectives of the SDWA in the protection of public health. South Carolina's allotment from the FY2013 federal appropriations is \$8,421,000.

The South Carolina Department of Health and Environmental Control (DHEC) has primary enforcement responsibility (i.e. primacy) for carrying out the provisions of the SDWA. DHEC is the designated state agency to apply for and administer the capitalization grant for the DWSRF. The State Budget and Control Board (BCB) Office of Local Government conducts financial functions of the DWSRF, establishes financial policies and executes loans to project sponsors.

The Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-06) requires the DWSRF to provide additional subsidization and to apply Davis-Bacon requirements to all projects funded by the DWSRF. These requirements will be addressed later in this IUP.

The IUP must be noticed for a period of at least 30 days to accept comments from the public. Comments on all facets of the IUP are accepted. After considering comments received, the IUP is finalized and posted on DHEC's website at [www.scdhec.gov/srf](http://www.scdhec.gov/srf).

## **II. Goals**

South Carolina has identified several short- and long-term goals, designed to promote sustainable improvements to the state's drinking water infrastructure and help ensure maximum public health and environmental benefits.

### **A. Short Term Goals**

1. Increase participation of small water systems in the SRF loan program.
2. Assist public water systems with implementation of treatment strategies to comply with the Stage 2 Disinfection Byproducts Rule
3. Enhance technical assistance to small communities.

### **B. Long Term Goals**

1. Promote sustainable system capacity through consolidation of systems thereby taking advantage of the economies of scale to address technical, managerial and financial capacity problems.
2. Encourage investment in green infrastructure, water and energy efficient improvements and environmentally innovative projects.
3. Maintain a working relationship with other infrastructure funding authorities within the state to coordinate water quality funding.

4. Maintain the fiscal integrity of the DWSRF to ensure the perpetuity of the fund.

### **III. Transfer of Funds From/To the Clean Water State Revolving Fund**

The SC SRF program reserves the authority to transfer funds between the CWSRF and DWSRF program as provided for by federal authority. The ability to transfer funds from prior and current grants will assist in meeting demand for CWSRF and DWSRF funding.

In SFY 2014 \$2,778,930 will be transferred from CWSRF to the DWSRF. This amount is the maximum transfer amount allowed and is equal to 33% of the FY13 DW Capitalization Grant. The transfer funds are non-federal funds made available by loan repayments and interest on the CW fund balance. This transfer will help meet the demand for DW funds without adversely impacting the CW fund.

### **IV. Selected Projects List**

The DWSRF Selected Project List (Appendix A) lists projects that are considered to be fundable in the 2014 State Fiscal Year. The projects are subdivided into two Sections. Section I contains those projects that are currently in the process of meeting technical requirements to qualify for SRF funding but are not expected to complete all requirements by the SFY13 deadline of July 31, 2013. Section II is a list of projects that are newly submitted or whose sponsors have recently indicated a readiness to proceed during SFY 2014. Recognizing that projects in Section I were selected according to the methodology indicated in Section IV below and are already incurring costs to obtain DWSRF financing they will have primacy status over Section II projects.

If the total cost for all projects contained on the selected project list is less than total funds available to lend in FY 2014, any eligible sponsor with a project believed to be eligible for an SRF loan and for which a complete loan application (including an approved Preliminary Engineering Report and construction permit) could reasonably be expected to be completed by July 31, 2014 may fill out and submit for ranking a Drinking Water Project Questionnaire (DHEC 3463) that can be found under Documents and Forms in the SRF section of DHEC's Website at [www.scdhec.gov/srf](http://www.scdhec.gov/srf).

*Final funding decisions for each project* are contingent on a satisfactory review of the project sponsor's technical and managerial capacity, a completed environmental review of the proposed project, issuance of a DHEC SRF construction permit, and successful credit review by the BCB. The availability of a loan from the BCB will be based on the project sponsor's financial capacity and its ability to afford repayment on the requested amount of debt.

The Selected Project List includes projects that have been identified to receive principal forgiveness funds. These funds are only available if the FY13 DWSRF Capitalization Grant is awarded by EPA and accepted by DHEC.

### **V. Method for Selecting Projects and Distribution of Funds**

#### **A. Priority Ranking System**

DHEC has a Priority Ranking System for projects seeking funding from the DWSRF. A copy of the ranking system used to score and rank projects can be found on the Documents and Forms page within the SRF section of the DHEC Website at [www.scdhec.gov/srf](http://www.scdhec.gov/srf).

#### **B. Comprehensive Priority List of DWSRF Projects**

For a project to be considered for funding from the DWSRF, it must appear on the Comprehensive Priority List of DWSRF Projects. To be included in this list, an eligible project sponsor must complete a project questionnaire, DHEC-3463. A copy of this questionnaire may be found on the

Documents and Forms page within the SRF section of the DHEC Website at [www.scdhec.gov/srf](http://www.scdhec.gov/srf). A project sponsor may submit a completed questionnaire to the SRF section of DHEC's Bureau of Water at any time. Once the questionnaire is received, DHEC staff evaluate the project based on the DWSRF Priority Ranking System and the project receives a numeric score. The project is then added to the Comprehensive Priority List of DWSRF Projects in rank order. Projects with the same numerical score are ordered based on how the project addresses correcting risk to public health and compliance with the Safe Drinking Water Act and date received. DHEC maintains an updated Comprehensive Priority List on the Documents and Forms page within the SRF section of the DHEC Website at [www.scdhec.gov/srf](http://www.scdhec.gov/srf).

If a project remains on the comprehensive priority list for three years and is not ready to proceed, DHEC staff contact the sponsor and request that a revised project questionnaire be submitted that updates the cost estimate along with any changes to the project description. If DHEC does not receive a revised project questionnaire, the project is removed from the comprehensive priority list.

### **C. Selection of Projects for Funding**

The selection of projects for funding is based on the project's ranking and the sponsor's readiness to proceed at the time the IUP is drafted. A project is considered ready to proceed if the sponsor expects, by July 31, 2014, to have received a construction permit from the SRF Section and to have submitted a complete SRF loan application to the BCB. In the event the BCB receives complete applications for two or more projects on the same day, the highest-ranked project(s) will receive priority for funding. For large projects, DHEC and BCB reserve the right to impose a limit on the amount of any given DWSRF loan, regardless of ranking, and to consider a sponsor's ability to obtain financing from other sources.

### **D. Bypass Procedure**

When selecting projects for funding, DHEC may bypass projects on the Comprehensive Priority List:

1. To comply with Section 1452(a)(2) of the SDWA, which requires that at least 15% of DWSRF must be used for assisting small water systems (systems serving <10,000 population).
2. To fund a project where a viable system owner is willing to assume ownership of a non-viable or abandoned system.
3. To address an imminent hazard to public health declared by the DHEC Director.
4. To fund a project that corrects violations of primary drinking water standards through consolidation or regionalization.

### **E. Adding Projects to the Selected Project List**

The projects in Appendix A are listed based on readiness to proceed and other factors. The listing does not preclude the opportunity for other projects to receive funding in SFY 2014. (See also, Section F. below.) All prospective project sponsors are encouraged to contact DHEC as soon as possible to add their projects to the priority list and be considered for funding in SFY 2014.

### **F. Readiness to Proceed**

To promote an expeditious use of funds, sponsors of projects on the SFY 2014 Selected Projects List will have until April 1 to receive a construction permit and submit a complete loan application to insure funding priority. After April 1, loan applications will be accepted on a first-come, first-served basis until the available funds are exhausted or until July 31, whichever occurs first.

## **G. Sustainability Requirement**

The DWSRF may not provide any financial assistance to a system that has failed to maintain a satisfactory level of SDWA compliance as enumerated by EPA's Enforcement Targeting Tool (ETT) unless the State conducts a review and determines that the project will enable the system to return to compliance and the system will maintain an adequate level of technical, managerial and financial capability to maintain compliance. Nor may assistance be provided to any project sponsor that lacks the technical, managerial or financial capability to maintain SDWA compliance, unless the sponsor agrees to undertake feasible and appropriate changes in operation or if the use of the financial assistance from the DWSRF will ensure sustainability and compliance over the long-term (Section 1452(a)(3)(B)(I) of the SDWA).

Sponsor sustainability is evaluated using DHEC's Utility Sustainability Assessment (UtSA) (DHEC form 0574). The UtSA is a written system assessment that includes operational issues, managerial issues and limited financial information. Additional financial assessment is performed by the BCB as part of the loan application process.

## **H. Growth**

The DWSRF cannot provide assistance to finance the expansion of any drinking water system solely in anticipation of future population growth (Section 1452(g)(3)(C) of the SDWA). However, assistance may be provided to address population growth expected to occur over the useful life of the facility to be funded. In determining whether or not a project is eligible for assistance, DHEC will determine the primary purpose of the project. If the primary purpose is to supply or attract growth, the project is not eligible to receive DWSRF funds. If the primary purpose is to solve a compliance or public health problem, the entire project, including the portion necessary to accommodate a reasonable amount of growth over its useful life, is eligible.

## **I. Funding Terms and Rates for Eligible Projects**

Loans for projects eligible to participate under the DWSRF usually have a term of 20 years at an interest rate published by the BCB in October. The loan term may be increased up to 30 years in some cases for qualifying systems (see also Section VI. Disadvantaged Community Systems).

Interest rates are classified as *standard*, *small system*, *hardship*, *green*, or *takeover rate*. Visit the BCB website, <http://www.olg.sc.gov/programs.aspx>, to view current rates, find out more about the loan program and read about costs and qualifications for receiving an SRF loan. Rates for SFY2014 are expected to be published by the BCB in early October 2013.

## **J. Loan Applications**

Sponsors of selected projects apply to the BCB for SRF loan financing. Application packages are accepted from October 1 through July 31. In the event the BCB receives complete applications for two or more projects on the same day, the highest-ranked project(s) will receive priority for funding.

The sponsor of a project receiving a 100% principal forgiveness loan must contact DHEC to determine required application information.

The issuance by DHEC of a *Permit to Construct* (as a DWSRF project), *which includes a complete environmental review*, is required before an application package is considered complete.

## **VI. Eligibility Criteria**

### **A. Eligible Sponsors**

Municipalities, counties, special purpose districts, or nonprofit corporations established under Title 33, Chapter 36 of the Code of Laws of South Carolina are eligible SRF project sponsors.

### **B. Compliance and Public Health**

According to Section 1452(a)(2) of the SDWA, the DWSRF may only provide assistance for expenditures (not including monitoring, operation and maintenance expenditures) of a type or category which will facilitate compliance with national primary drinking water regulations applicable to the system under section 1412 of the Act or otherwise significantly further the health protection objectives of the Act.

Projects to address SDWA health standards that have been exceeded or to prevent future violations of the rules are eligible for funding. This includes projects to maintain compliance with existing regulations for contaminants with acute health effects (i.e. the Surface Water Treatment Rule, the Total Coliform Rule, and nitrate standard) and regulations for contaminants with chronic health effects (i.e. Lead and Copper Rule, Phases I, II, and V rules, total trihalomethanes, etc.).

Projects to replace aging infrastructure are eligible if they are needed to maintain compliance or further the public health protection goals of the SDWA. Examples include projects to:

1. Rehabilitate or develop sources (excluding reservoirs, dams, dam rehabilitation and water rights) to replace contaminated sources;
2. Install or upgrade treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary standards;
3. Install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system;
4. Install or replace transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipe, or to improve water pressure to safe levels;

Projects to consolidate water supplies—for example, when a public water supply is contaminated, or the system is unable to maintain compliance for financial or managerial reasons—are eligible for DWSRF assistance.

### **C. Land**

Land is eligible only if it is integral to a project that is needed to meet or maintain compliance and further public health protection. In this instance, land that is integral to a project is only the land needed to locate eligible treatment or distribution projects. In addition, the acquisition must be from a willing seller.

### **D. Planning and Design Costs**

A DWSRF loan may include the costs of project planning and services incurred prior to construction (e.g. costs associated with preparing the PER, plans and specifications, advertising, pre-bid conference, bidding procedures, pre-construction conference, loan application, administration). Only those costs for which there is clear documentation of expenses incurred solely for the proposed project and are dated no earlier than 36 months prior to the date of a complete loan application to the BCB are eligible for funding under the DWSRF program.

#### **E. Legal and Appraisal Fees**

In general, legal and appraisal costs associated with obtaining land (rights-of-way and easements) and attorney fees associated with the SRF loan application and loan closing process are eligible. **Please note** that only the legal and appraisal costs associated with obtaining land from a willing seller are eligible for funding under the DWSRF program if incurred no earlier than one year prior to the date of submission of a complete loan application package to the Budget and Control Board.

#### **F. Construction Costs**

Construction costs include the costs associated with the construction of the project by a contractor. The DWSRF may provide assistance for the costs associated with engineering services during construction, such as inspections, change orders, overview of contractors, shop drawings, record drawings, concrete or soil testing, Davis-Bacon administration, and draw requests.

Equipment that is directly purchased by the sponsor for the project, such as pumps, generators, etc., is eligible.

Materials such as pipe, valves, brick, mortar, etc., that are directly purchased by the sponsor are eligible. The materials may be installed either by a contractor or by the sponsor using its own employees and equipment: Eligibility is limited to the **costs** of materials. The costs of supplies such as fuel, oil and tools used by the sponsor to install the materials are not eligible for funding under the DWSRF program. Additionally, force account labor is not eligible.

#### **G. Contingency**

- The SRF program allows a contingency for construction of 10% over the original construction bid price.
- The SRF program allows a contingency of 2.5% for materials that are directly purchased by the sponsor.
- There is no contingency allowed on equipment.

#### **H. Phasing of a Drinking Water Project**

To make construction and/or funding more manageable, a project may be divided into separately funded phases or segments at the option of the sponsor. However, to be DWSRF-eligible, any such phase or segment must be of reasonable size and scope; must feasibly address a water quality, public health or compliance deficiency; and, when constructed must have the capability of being placed into immediate full operation, without its full operation being dependent on a subsequent project phase, segment or other outside operation yet to be completed. After a given project phase is funded, subsequent phases must stand separately in competing with other projects for priority list ranking in later fiscal years.

#### **I. Projects and Activities Not Eligible for Funding**

The DWSRF will not provide funding assistance for the following projects and activities:

1. Dams, or rehabilitation of dams;
2. Reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located;
3. Laboratory fees for monitoring;
4. Operation and maintenance expenses;

5. Projects needed mainly for fire protection;
6. Projects for systems that lack adequate technical, managerial and financial capability, unless assistance will ensure compliance;
7. Projects for systems in significant noncompliance, unless funding will ensure compliance;
8. Projects primarily intended to serve future growth;
9. Refinancing of existing debt;
10. Projects that would not result in the consolidation or regionalization of water systems when consolidation or regionalization is the most feasible alternative.

## **VII. Disadvantaged Community Systems**

Projects will normally be funded at the applicable interest rate for a maximum term of 20 years; however, loan applicants who are considered disadvantaged community systems may be offered loans at extended terms. To qualify as a Disadvantaged Community System, the 2006-2010 five-year American Community Survey (ACS) median household income (MHI) for the applicant's entire service area must be less than \$43,939 (the South Carolina ACS 2006-2010 MHI). If the applicant meets this criterion, the term of the loan may be extended up to 30 years (but not to exceed the project's useful life) and the project would be funded at the applicable interest rate.

## **VIII. Funds Available**

### **A. Amount of Capitalization Grant**

South Carolina's allotment from the FY 2013 federal appropriations law is \$8,421,000.

### **B. State Match Requirement**

One condition of receiving the annual allotment is the State must deposit to the DWSRF an amount equal to at least 20% of the total capitalization grant. Based on the \$8,421,000 DWSRF allotment, the BCB will deposit \$1,684,200 in the DWSRF to comply with state match requirements.

### **C. Set-Aside for Administration of the DWSRF Program**

The SDWA allows states to use four percent of each capitalization grant to fund the administration of the State's DWSRF program and other non-project activities. For SFY 2014 the State will take four percent (4%) of the FY 2013 capitalization grant, or \$336,840.

### **D. Set-Aside for Technical Assistance for Small Systems**

The SDWA allows states to set aside up to two percent (2%) of its annual DWSRF allotment to fund technical assistance (TA) services to small water systems that serve populations of less than 10,000 persons. DHEC will take two percent of its DWSRF allotment amounting to \$168,420 from FFY 2013 federal appropriations.

The SRF program may use TA set-aside funds to enter into contract(s) with South Carolina Rural Water Association or other entities to help small public water systems address technical, managerial and financial capacity. Priority for such TA will be given to those entities that have requested financial assistance from the loan fund but currently lack the technical, managerial and/or financial capacity to ensure long-term sustainability.



**E. Set-Aside for Well-Head Protection Program**

The SDWA allows states to set aside up to 10% of its annual DWSRF allotment to fund the its well-head protection program. DHEC will take \$300,000, or approximately 3.56% of the 2013 Federal capitalization grant for use on future well-head protection activities.

**F. Set-Aside for Assistance to State's Programs**

The SDWA allows states to set aside up to 10% of its annual DWSRF allotment to assist with the funding of States Drinking Water Programs. However, the use of the funds for this purpose requires a one to one state match.

DHEC will take \$550,000, which represents approximately 6.53%, of the state's FY 2013 allotment to fund its public water system supervision (PWSS) program activities. These funds will help fund the State's drinking water program activities which are necessary to ensure that public water systems are constructed, monitored, operated and maintained in accordance with federal and state laws and regulations.

**G. Total Funds Available for Loans for State FY 2014**

Estimated funds available as of June 30, 2013	\$56,865,267
Funds transfer from Clean Water SRF <sup>#</sup>	\$13,327,710
Estimated SFY14 repayments (7/1/13 to 6/30/14)	\$8,620,176
Estimated SFY14 investment earnings (7/1/13 to 6/30/14)	\$1,080,000
FY13 federal capitalization grant	\$8,421,000
State match for FY13 capitalization grant	\$1,684,200
Total cost of SFY13 loans to close by July 31, 2013	(\$35,503,153)
Cost of Appendix A, Section I projects	(\$19,836,000)
Value of set-asides from FY13 capitalization grant	<u>(\$1,355,260)</u>
<b>Estimated Total Funds Available for SFY 2014 Loans</b>	<b>\$33,303,940</b>

**H. Anticipated Cash Draw Ratio**

Since the advent of requiring additional subsidy – accomplished in SC through principal forgiveness - in FY 2010 and its attachment to specific capitalization grants, all state match is deposited in the DW fund and fully expended before then drawing federal money at 100%.

**I. Interest Rates**

Interest rates are classified as *standard*, *small system*, *hardship*, *green*, or *takeover rate*. Visit the BCB website, <http://www.olg.sc.gov/programs.aspx>, to view current rates, find out more about the loan program and read about costs and qualifications for receiving an SRF loan. Rates for SFY2014 are expected to be published by the BCB in early October 2013.

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<sup>#</sup> Expected transfer of funds from SC's Clean Water SRF fund (as allowed by federal authority against the following Drinking Water Capitalization Grants - FY10 (allows \$4,479,090 to transfer), FY11 (allows \$3,107,940 to transfer), FY12 (allows \$2,961,750 to transfer) and FY13 (allows \$2,778,930 to transfer).

## **J. Amended SFY 2013 IUP**

The SFY 2013 DWIUP for the FY12 Cap Grant was amended in August 2013 to reflect the current status of requested funds transfers between the Clean Water SRF and the DWSRF. The SFY13 DWIUP (for FY12 grant) as amended in June 2013 indicated a transfer of funds (\$50,000,000) in addition to the transfer of 33% against two open DW Cap Grants. This transfer was intended to provide additional funds into the DWSRF to help meet a high demand for DWSRF loans for SFY13. EPA denied that request. The most recent Amended SFY13 (FY12) DWIUP indicates the intent to transfer \$10,548,780 against the three most recent DW Cap Grant amounts.

## **IX. Assurances and Specific Proposals**

DHEC has provided assurances and specific proposals as part of the Operating Agreement between South Carolina and EPA. The Operating Agreement provides a framework of procedures for operation and administration of the DWSRF including:

1. **Environmental Reviews:** The State will conduct environmental reviews according to the procedures identified in its Operating Agreement.
2. **Binding Commitments:** The State will enter into binding commitments for 120% of the amount of each payment received under the capitalization grant within one year of receipt of payment.
3. **Expeditious and Timely Expenditures:** The State will expend all funds in the DWSRF in an expeditious and timely manner.

## **X. Additional Information / Requirements**

### **A. Federal Requirements**

Many federal requirements apply in an amount equal to the capitalization grant, and will be required of any project receiving a loan made with federal capitalization funds. These requirements are:

- Federal Environmental Crosscutters
- Disadvantaged Business Enterprise compliance (DBE)
- Single Audit Act (OMB A-133)
- Federal Funding Accountability and Transparency Act (FFATA) reporting

### **B. Davis-Bacon Act**

The 2013 Consolidated and Further Continuing Appropriations Act requires the application of Davis-Bacon prevailing wage rates to all projects funded in whole or in part by the DWSRF. Davis-Bacon applies to construction contracts over \$2,000.

### **C. Additional Subsidies**

The 2013 federal appropriations act requires the SRF program to provide additional subsidies for eligible recipients. At least \$1,684,200 will be used to provide additional subsidies, which DHEC will award as principal forgiveness; however, the SRF program may provide up to the maximum amount allowed the act, which is \$2,526,300.

EPA encourages that these additional subsidy funds go to projects in communities that cannot otherwise afford a loan and/or to fix existing infrastructure, EPA is also expecting the SRF program to ensure the project's sponsor has technical, managerial or financial capability to maintain compliance (i.e., must be a viable entity), or the sponsor agrees to undertake feasible and appropriate changes in operation that will ensure long term sustainability.

Due to the limited amount of principal forgiveness funds for SFY 2014, no one project may receive more than \$1,000,000 of this subsidy.

Potential principal forgiveness projects for SFY 2014, shown in Appendix A, were chosen to maximize the use of limited funds while encouraging the following priorities:

- To correct water quality violations of primary drinking water standards and potential health concerns, preferably through consolidation or regionalization;
- Where a viable system owner is willing to assume ownership of a non-viable or abandoned system.
- To assist small systems with projects to augment regionalization or interconnection.
- To enhance the sustainability of small systems by fixing existing infrastructure.

Principal forgiveness funds are only available if the FY13 DWSRF Capitalization Grant is awarded by EPA and accepted by DHEC. Project listing is not a commitment of funding.

#### **D. Green Project Reserve (GPR)**

The Consolidated and Further Continuing Appropriations Act, 2013, allows State Drinking Water SRFs to use funds made available by the Act to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities<sup>1</sup>. South Carolina plans to identify and fund projects or portions of projects that qualify as “green” under the previously published EPA Guidance for DWSRF Green Project Reserve. DWSRF GPR Guidance is posted to the SRF Documents and Forms page of the DHEC Website at [www.scdhec.gov/srf](http://www.scdhec.gov/srf). For SFY 2014, DHEC would like to fund projects or partial projects in an amount equal to at least 5% of the FY2013 capitalization grant, or \$421,050.

Projects that are deemed eligible for the GPR may receive an interest rate of 1% for the project or the portion of the project that is *green*. Any project or project portion wanting to be considered for the GPR must submit documentation or, when applicable, a business case outlining the benefits of the green components of the project. Guidance on GPR documentation, and example business cases are posted to the Documents and Forms page of the SRF section of the DHEC website.

The Selected Projects List in Appendix A indicates 1 project that has been identified as eligible GPR projects for SFY 2014. It is possible that upon review of the technical aspects of other SFY 2014 selected projects additional GPR eligible project costs may be identified.

DHEC reserves the right to move any GPR eligible water efficiency projects to the Clean Water program and provide funding out of the CW SRF as allowed under GPR Clean Water Guidance.

#### **E. Environmental Outcomes and Measures**

DHEC will update EPA’s Drinking Water Benefits Reporting database, a web-based project tracking system used to gather information to assess the environmental outcomes and measures for meeting the objectives of the DWSRF program. EPA uses the information provided to develop reports to the US Congress concerning activities funded by the SRF program.

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<sup>1</sup> Appropriations made under the American Reinvestment and Recovery Act of 2009 through FY11 required States to use an assigned percentage of the capitalization grant to fund GPR eligible projects. Starting in FY12 States have been encouraged, but not required, to solicit and fund projects under the GPR for the DWSRF.

## **F. Public Participation**

A “Notice of Availability” of this draft IUP is mailed or e-mailed to each project sponsor on the comprehensive priority list and other interested parties. In addition, a notice is published in The State, The Greenville News, The Post and Courier, and the Sun News newspapers. During the 30-day public notice period, the notice and draft FY13 IUP are posted on the DHEC Website, [www.scdhec.gov/srf](http://www.scdhec.gov/srf). Interested parties are invited to review the documents and submit written comments regarding the draft IUP by the deadline established in the “Notice of Availability”.

Comments received on the SFY2013 IUP either requested project deletion, project addition or revision of project information on the Selected Project List. DHEC addressed these requests, which are reflected on the Selected Project List in Appendix A.

# SOUTH CAROLINA DRINKING WATER SRF IUP

## Selected Projects List for State Fiscal Year 2014

April 2014  
FINAL-Amended

Final funding decisions for each project will depend on a satisfactory review of the project sponsor's technical and managerial capacity, a completed environmental review of the proposed project, issuance of a DHEC SRF construction permit, and successful credit review by the BCB. The availability of a loan from the BCB will be based on the project sponsor's financial capacity and its ability to afford repayment on the requested amount of debt.

	SPONSOR	DHEC PROJECT NUMBER	Project Description	Estimated Total Project Cost	Estimated SRF Loan / Assistance	Estimated Principal Forgiveness Amount #	Estimated Green Project Reserve Amount^	Population Affected by Project	Total Points
<b>Section I for SFY 2014</b>									
1	<b>Meansville-Riley Water Company</b> Woodruff-Roebuck Connections	SRF-4420001-01	Installation of ~20,000 LF of water line, 2 master meters, back flow prevention, SCADA monitoring and all appurtenances to connect the MRWS to Woodruff-Roebuck Water System. MRWS is currently under enforcement for excess Total Trihalomethanes.	\$836,000	\$836,000	\$800,000		2,340	135
2	<b>North Augusta, City of</b> Raw Water Tank	SRF-0210003-01	Construct a pre-stressed 30 million gallon concrete raw water storage tank and raw water transfer pump station to help the system meet Stage 2 Disinfection Byproducts rule.	\$12,000,000	\$12,000,000			26,273	80
3	<b>Newberry, City of</b> Finished Water Storage Additions to Water Plant and Distribution System	SRF-3610001-01	Install new concrete clearwell, upgrade high service pumping facility and add to the residuals handling facility along with new carbon feed equipment and replacing rapid and post mixers, filters 1-4 and sedimentation basin 1& 2 valves and liquid lime feed facility at the WTP. Also, construct a new elevated storage tank.	\$7,000,000	\$7,000,000			10,288	10
Total				\$19,836,000	\$19,836,000	\$800,000	\$0		
<b>Section II for SFY 2014</b>									
1	<b>Calhoun Falls, Town of</b> Water Extension to Country Lane Area	SRF-0110002-04	Installation of waterlines to serve a community currently under an indefinite boil water notice for contamination of a well with E. coli. Project will allow Calhoun Falls to takeover the non-viable system.	\$400,000	\$400,000	\$400,000		60	150
2	<b>Florence, City of</b> Timmons ville Water System Improvements	SRF-2110005-01	Improvements to the Timmons ville water distribution system to include the addition of 2 booster pump stations, upgrades for 3 elevated storage tanks and replacement of 1000 meters with AMR meters to address pressure problems and system operation.	\$3,528,750	\$3,528,750	\$1,000,000		2,221	105
3	<b>Edisto Beach, Town of</b> Reverse Osmosis Project	SRF-1510006-03	Installation of a Reverse Osmosis Treatment Plant to produce 1.2 MGD of treated water to address high concentrations of fluoride, chloride and sodium that exceed National Secondary Drinking Water Standards. Also install a new supply well and possibly an ASR well for storage.	\$8,462,250	\$8,462,250			5,856	95
4	<b>Heath Springs, Town of</b> Elevated Water Tank Restoration	SRF-2910002-01	Restoration of College Street water tank to include cleaning and coating of interior, preparation and painting of exterior and repair holes on tank riser, water level indicator and control probes.	\$100,000	\$100,000	\$100,000		850	95
5	<b>Pamplico, Town of</b> Shirley Road Water Line	SRF-2110010-04	Installation of ~10,200 LF of 6" water line to extend water lines to 18 residences with wells located in an area with a high water table and septic tanks with a high potential of failure.	\$193,371	\$193,371	\$193,371		45	90

# SOUTH CAROLINA DRINKING WATER SRF IUP

## Selected Projects List for State Fiscal Year 2014

April 2014  
FINAL-Amended

	SPONSOR	DHEC PROJECT NUMBER	Project Description	Estimated Total Project Cost	Estimated SRF Loan / Assistance	Estimated Principal Forgiveness Amount #	Estimated Green Project Reserve Amount^		Population Affected by Project	Total Points
6	Jackson, Town of Town of Jackson 2012 Water System Improvements	0210002-05	Install ~16,265 LF of 10" PVC water main, 2,445 LF of 8" water main, 835 LF of 6" PVC water main and all necessary appertenances to result in better water pressure in the affected area.	\$984,996	\$984,996				679	90
7	Ware Shoals, Town of Smith Street Water Improvements	SRF-2410003-04	Replace ~2950 LF of old 2 & 4-inch galvanized and asbestos waterlines with new 6-inch PVC pipe.	\$308,850	\$308,850				50	85
8	North Augusta, City of Water Treatment Plant Replacement	SRF-0210003-02	Replace aging portions of the existing water treatment plant to enhance regulatory compliance with Stage2 disinfection By-Products Rule.	\$8,000,000	\$8,000,000				26,273	80
9	Hilton Head PSD 1 Water System Upgrade	SRF-0720006-04	1 million gallon per day expansin of an exisiting Reverse Osmosis treatment plant to 4.0 mgd and the upgrade of three supply wells. Also an interconnect of the PSD's 24" water main from the mainland and construction of a booster pump station.	\$3,250,000	\$3,250,000				16,000	80
10	Goose Creek, City of Water System Improvments	SRF-0810004-01	Construct a 1.0 MG elevated storage tank and install transmission main and distribution piping to bring the water storage system up to DHEC minimum standards and to address water quality issues.	\$7,900,000	\$6,000,000				38,000	80
11	Cayce, City of Highway 321 Waterline Replacement	SRF-3210003-01	Installation of ~5,500 LF of 30" DIP water main and ~3,500 LF of 24" DIP water main with hydrants, valves and necessary appurtenances.	\$3,300,000	\$3,300,000				17,000	80
12	Orangeburg, City of Rehabilitation and Upgrade of Clearwell #2)	SRF-3810001-02	Improvements to clearwell #2 to include replace concrete roof with aluminum roof, electrical and instrumentation system improvements, safety improvements and miscellaneous site work.	\$2,500,000	\$2,500,000				60,000	40
13	Clemson, City of Substandard Line Replacement	SRF-3910004-03	Replace ~36290 linear feet of waterlines ranging in size from 1.5" to 10" that have a historical failure rate with DIP and some PVC in the smaller line sizes.	\$1,600,000	\$1,600,000				14,410	20
14	Hilton Head PSD 1 Automatic Meter Reading / Advanced Metering Infrastructure	SRF-0720006-05	Retrofit of ~12,000 water meters for automatic read and installation of tower base stations and automatic read/advance metering infrastructure software.	\$2,250,000	\$2,250,000		\$2,250,000	c	16,000	10
Total				\$42,378,217	\$40,478,217	\$1,693,371	\$2,250,000			
Total Section I and Section II				\$62,214,217	\$60,314,217	\$2,493,371	\$2,250,000			

# Principal forgiveness funds are only available if the FY13 DWSRF Capitalization Grant is awarded by EPA and accepted by DHEC. Project listing is not a commitment of funding.

^ GPR projects are classified as "c" for categorical" or "bc" for business case. FY13 Appropriations do not require DWSRF to identify GPR projects, however, South Carolina has elected to identify at least 5% of the capitalization grant amount, or \$421,050 as GPR projects.