

State Revolving Loan Fund



Drinking Water State Revolving Fund

South Carolina's Intended Use Plan for the FY12 DWSRF Capitalization Grant for State Fiscal Year 2013

SCDHEC
Bureau of Water
2600 Bull Street
Columbia, SC 29201
www.scdhec.gov/srf

**June 18, 2013
Final - Amended**

This Intended Use Plan (IUP) is required as part of DHEC's application for capitalization funds allocated from the Federal Fiscal Year (FY) 2012 Consolidated Appropriations Act (P.L. 112.74).

Revised to document transfer of funds from the CWSRF to the DWSRF, revise IX.C.1 and to update 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 intends to use available SRF funds for State Fiscal Year (SFY) 2013 - July 1, 2012 through June 30, 2013 – including funds allocated to South Carolina from the federal *Consolidated Appropriations Act, 2012*, and how those uses support the objectives of the SDWA in the protection of public health.

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.

Section 302 of the SDWA amendments and subsequent appropriations bills offer states the flexibility to meet the funding needs for drinking water and wastewater facilities by transferring funds from the DWSRF to the Clean Water SRF (CWSRF), or from the CWSRF to the DWSRF. Such transfers are limited to an amount up to 33% of the applicable DWSRF capitalization grant. In the case of funds-transfers between SRF programs, IUPs for both programs must reflect such transfers.

During the period covered by this IUP, DHEC plans to transfer a total of \$7,587,030 to the DWSRF from CWSRF repayment funds to accommodate sponsor demand for infrastructure project funding. This reflects a transfer of \$4,479,090 (33% of \$13,573,000, the federal FY10 DW capitalization grant amount) and a transfer of \$3,107,940 (33% of \$9,418,000, the federal FY11 DW capitalization grant amount).

In addition to the \$7,587,030 transfer described above, DHEC has requested permission from EPA to transfer an additional \$50,000,000 in repayment funds from the CWSRF to the DWSRF. As with the above-indicated transfer, this transfer will allow DHEC to meet the demand for funds shown in [Section 2 of] the amended DWSRF SFY2013 Selected Project List, Appendix A.

This revised IUP, circulated for public notice in accordance with established public participation procedures, reflects the proposed SRF transfer.

The FY 2012 Consolidated Appropriations Act (P.L 112-74) 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 along with the status of the previously required green project reserve.

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.

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. Work 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. State FY 2013 Selected Projects List

Appendix A is a list of projects that the SC SRF considers to be fundable over the next two State Fiscal Years. It consists of projects that the SRF program has been working with and projects whose sponsors¹ have indicated readiness to proceed during the 2013 State Fiscal Year. It also contains projects whose sponsors have indicated they want to proceed during SFY 2014.

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.

IV. 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.

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. 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

¹ Municipalities, counties, special purpose districts, or nonprofit corporations established under Title 33, Chapter 36 of the Code of Laws of South Carolina are eligible project sponsors.

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 list of projects on the Documents and Forms page within the SRF section of the DHEC Website at www.scdhec.gov/srf.

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

C. Selecting Projects for Funding

The selection of projects for funding is based on the projects' ranking and the sponsors' readiness to proceed at the time the IUP is drafted. A project is considered ready to proceed if the sponsor expects, by July 31, 2013, 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

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.
5. To select projects eligible for the Green Project Reserve that equal at least \$448,750 (5% of FFY 2012 allotment).

E. Addition of New Projects

The projects in Appendix A are listed based on readiness to proceed and other factors. The listing in the attachment does not preclude the opportunity for other projects to receive funding in SFY 2013. 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 2013.

F. Readiness to Proceed

To promote an expeditious use of funds, sponsors of projects on the SFY 2013 Selected Projects List will have until April 1 to 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. Sponsor Sustainability Requirement

The DWSRF may not provide any type of assistance to a project sponsor that lacks the technical, managerial or financial capability to maintain SDWA compliance (a non-viable system), 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 compliance over the long-term (Section 1452(a)(3)(B)(I) of the SDWA).

H. Significant Noncompliance

The DWSRF may not provide assistance to any system that is in significant noncompliance with any national drinking water regulation or variance 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 (Section 1452(a)(3)(B)(I) of the SDWA).

I. 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.

J. 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.

K. Loan Applications

Sponsors of selected projects apply to the BCB for SRF loan financing. Application packages are accepted from October 1 through July 31.

The issuance by DHEC of a permit to construct the project as a DWSRF project, which includes a complete environmental review, is required before a loan application is considered complete.

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

V. Eligibility Criteria

A. 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 also eligible if they are needed to maintain compliance or further the public health protection goals of the Act. Examples of these 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;
5. 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.

B. 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.

C. 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.

D. 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.

E. 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.

F. 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.

G. 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.

H. 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.

VI. 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.

VII. Funds Available

A. Amount of Capitalization Grant

South Carolina's allotment from the FFY 2012 federal appropriations law is \$8,975,000.

B. Transfer of Funds To/From Clean Water SRF

DHEC has elected to transfer a total of \$7,587,030 of CWSRF repayment funds to the DWSRF to help meet the high demand for DW funds as shown in *the attached revised Selected Project List*. This amount is the sum of the maximum eligible amount of transfer allowed against the FY2010 and FY2011 DW capitalization grants².

In addition to the \$7,587,030 transfer described above, DHEC has requested permission from EPA to transfer an additional \$50,000,000 in repayment funds from the CWSRF to the DWSRF. As with the above-indicated transfer, this transfer will allow DHEC to meet the demand for funds shown in the amended DWSRF SFY2013 Selected Project List, Appendix A.

C. 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 \$8,975,000 DWSRF allotment, the BCB will deposit \$1,795,000 in the DWSRF to comply with state match requirements.

D. 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 2013 the State will bank four percent (4%) of the FFY 2012 capitalization grant, or \$359,000.

E. 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 bank two percent of its DWSRF allotment amounting to \$179,500 from FFY 2012 federal appropriations.

² Up to 33% of an annual DWSRF capitalization grant (cap grant) may be transferred from DWSRF to CWSRF or from CWSRF to DWSRF. The FY10 DW cap grant amount was \$13,573,000 and the FY11 cap grant amount was \$9,418,000.

The SRF program has used existing TA set-aside funds and may use SRF non-program income funds to enter into contract(s) with South Carolina Rural Water Association 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.

F. 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 bank \$300,000, or approximately 3.34% of the 2012 Federal capitalization grant for use on future well-head protection activities.

G. 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 set-aside \$500,000, which represents approximately 5.57%, of the state's FFY 2012 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.

H. Total Funds Available for Loans for State FY 2013

Total funds available as of June 30, 2012	\$52,629,196
Cost of projects that have closed a loan after June 30, 2012	(\$15,937,156)
Estimated SFY 13 repayments (July through June)	\$7,497,000
Estimated SFY 13 investment earnings (July through June)	\$1,200,000
FFY 2012 federal capitalization grant	\$8,975,000
Funds to be received by transfer from CWSRF	\$57,587,030
Value of set-asides from FFY2012 capitalization grant	(\$500,000)
State match for FFY 2012 capitalization grant	<u>\$1,795,000</u>
Estimated Total Funds Available for SFY 2013 Loans	\$113,246,070

I. Anticipated Cash Draw Ratio

Cash draws from the capitalization grant will use a cash draw ratio of 80% Federal funds and 20% State match funds.

J. Interest Rates

The Budget & Control Board establishes interest rates for the DWSRF program prior to September 30th of each year. For detailed information on current SRF interest rates, visit the BCB web site at <http://www.olg.sc.gov/programs.aspx>.

VIII. 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.

IX. 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 2012 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 2012 federal appropriations act requires the SRF program to provide additional subsidies. At least \$1,795,000 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 \$2,692,500.

Due to the limited amount of principal forgiveness funds for SFY 2013, no one project may receive more than \$1,000,000 of this subsidy.

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.

Principal forgiveness projects for SFY 2013 were chosen to maximize the use of limited funds while encouraging the following priorities:

1. To correct water quality violations of primary drinking water standards [and/or potential public health concerns](#), preferably through consolidation or regionalization;

2. Where a viable system owner is willing to assume ownership of a non-viable or abandoned system.
3. To assist small systems with projects to augment regionalization or interconnection.
4. To enhance the sustainability of small systems by fixing existing infrastructure.

To assist with priority #2 above, DHEC's SRF program will make available up to \$100,000 of additional subsidy funds for studies to assess drinking water systems that are in receivership. Funding can be provided even though the project sponsor does not own the system for which it is a receiver.

Up to \$50,000, per study, may be used to fund an engineering review and evaluation of drinking water systems in receivership. The study would determine the feasibility of the sponsor system taking ownership of the receivership system and upgrading the system to the point where it will be a sustainably operated drinking water system, either by interconnecting the two systems, or by operating the receivership system as a stand-alone system.

D. Green Project Reserve (GPR)

The *Consolidated Appropriations Act, 2012* allows, rather than requires, 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 activities³. South Carolina has chosen to continue to fund projects or portions of projects that qualify as "green" using 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. For SFY 2013, DHEC hopes to fund projects or partial projects in an amount equal to at least 5% of the FFY 2012 capitalization grant, or \$448,750.

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 2 projects, which have been identified as possible GPR projects for SFY 2013 to meet the EPA requirement.

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.

F. Public Participation

A "Notice of Availability" of this draft IUP was mailed or e-mailed to each project sponsor on the comprehensive priority list and other interested parties. In addition, a notice was published in The State, The Greenville News, The Post and Courier, and the Sun News newspapers on October 7, 2012. During the public notice period, the notice and draft SFY 2013 IUP was posted on the DHEC Website, www.scdhec.gov/srf. Interested parties were invited to review the documents and submit written comments regarding the draft IUP by the deadline established in the "Notice of Availability".

³ Appropriations made in FFY2011, FFY2010 and under the American Reinvestment and Recovery Act of 2009 required States to use an assigned percentage of the capitalization grant to fund GPR eligible projects.

Comments received on the SFY2013 IUP either requested revision of project information on the Selected Project List. DHEC addressed these requests, which are reflected on the Selected Project List in Appendix A. Additionally, minor typographical errors were corrected throughout the document and editing of verbiage and additions of text for clarification was performed in the following sections of the IUP: I; IV.K; VII. G; and, IX.F.

A “Notice of Availability” regarding this draft-amended IUP, the draft-amended FY10 CW IUP, and the draft-amended SFY12 CW IUP - as amended June 2013 to reflect the funds-transfer from the CWSRF to the DWSRF, revision of additional subsidy priority #1 and an updated Selected Project List – is being mailed or emailed to each project sponsor on the priority list, and to other interested parties. In addition, a public notice regarding these documents will be published in the above daily newspapers on June 20&21, 2013. During the 30-day public notice period, the public notice and amended IUPs are also posted on DHEC’s Website at <http://www.scdhec.gov/srf>. Interested parties are invited to review and submit written comments on the draft amended IUPs by COB July 22, 2013.

SOUTH CAROLINA DRINKING WATER SRF IUP 2013 Two-year Projects List

June 18, 2013
FINAL - Revised

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	Total Points
Fundable projects for SFY 2013									
1	Meansville-Riley Water Company 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			2,340	135
2	Richland County Utilities * Allbene Park	SRF-4020002-01	Project will replace system taken over through receivership by constructing a new water distribution system to replace deteriorating asbestos cement pipe in the Allbene Park system. Project will install ~1150 LF of 10" pipe and 2900 LF of 6" pipe, 3 hydrants and 40 service lines with meters.	\$423,681	\$304,025	\$304,025 FY11 Cap Grant		1,500	120
3	High Hills Rural Water Company * Booster Pump and Water Line	SRF-4320003-01	Installation of a booster pump station and ~1,300 LF of 12" water main. The project is needed to supply water purchased from Sumter County to Wateree Correctional Facility.	\$985,000	\$960,000	\$960,000 FY11 Cap Grant		11,000	105
4	Florence, City of Timmonsriver Water System Improvements	SRF-2110005-01	Improvements to the Timmonsriver 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.	\$2,756,000	\$2,756,000			2,221	105
5	Seneca Light and Water * WTP Onsite Disinfectant and Chem Feed Upgrade	SRF-3710002-03	Replace chlorine gas disinfection system with onsite generation disinfection. Also upgrade and relocate remaining chemical feed systems and upgrade site security, electrical and instrumentation.	\$13,020,000	\$13,000,000			25,000	100
6	Gilbert-Summit Rural Water District * Radium removal system for Wells 10 & 11	SRF-3220001-03	Install a radium removal system to remove radium 226/228 in exceedance of the MCL.	\$766,375	\$766,375	\$766,375 FY11 Cap Grant		5,826	95
7	Yemassee * Water Tank Replacement	SRF2510006-01	Replace existing elevated storage tank to address deficiencies in operation of the existing tank that impacts the town's supply of drinking water.	\$1,002,500	\$750,000	\$750,000 FY11 Cap Grant		2,200	90
8	Aiken, City of Shiloh Springs Upgrade	SRF-0210001-02	Install an Ion Exchange filter system to remove Radium from the finished water.	\$1,635,000	\$1,000,000	\$1,000,000		40,553	90
9	Pamplico, Town of 200,000 Gal. Elevated Tank	SRF-2110010-03	Installation of a 200,000 gallon elevated tank in the community of Hyman, to supplement the existing elevated tank.	\$860,000	\$860,000	\$860,000		1,266	90

SOUTH CAROLINA DRINKING WATER SRF IUP 2013 Two-year Projects List

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FINAL - Revised

	SPONSOR	DHEC PROJECT NUMBER	Project Description	Estimated Total Project Cost	Estimated SRF Loan / Assistance	Estimated Principal Forgiveness Amount	Estimated Green Project Reserve Amount^	Population	Total Points
10	Fort Mill, Town of Fort Mill Southern Bypass Water Line	SRF-4610003-04	Installation of ~28,100 linear feet of 24" ductile iron force main adjacent to the Fort Mill Southern Bypass Highway to decrease the age of the water and reduce the levels of TTHM and HAA5 in the distribution system.	\$6,480,000	\$6,480,000			11,000	80
11	North Augusta, City of Raw Water Storage 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
12	Hilton Head PSD 1 Water System Upgrade	SRF-0720006-04	1 million gallon per day expansion of an existing 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
13	Georgetown County Water and Sewer District * Water System Improvements Division 3 (Black River WTP)	SRF-2220004-03	Construction of 18,900 LF of 12" and 18" water line to connect the new groundwater tank and high service pumps installed in Phase 1 to existing lines to the north on Choppee Road (Plantersville System).	\$1,641,613	\$1,541,613			23,000	50
14	Clio, Town of Water Tank Renovation and Fencing	SRF-3410002-02	Exterior renovation of 100,000 gal. Water tank and washout of tank interior. Installation of new perimeter fencing.	\$82,500	\$82,500	\$82,500		966	35
15	Union, City of Meter Replacement, Filter Control Console Replacement and Water System Improvements	SRF-4410001-01	This project addresses aging infrastructure to include replacing: ~2600 water meters with new automatic read meters; 6 filter control consoles; 16 gate valves; 13 fire hydrants; and ~2150 LF of galvanized water line. A small amount of water line will be installed in Monarch Village as well as abandoning an old line and tying in the Monarch system.	\$1,627,920	\$1,627,920		\$949,676 water efficiency	c 8,800	25
16	Dillon, City of 1 MG Elevated Storage Tank	SRF-1710001-02	Construction of a 1 MG elevated storage tank in an area of low pressure. Will bring the City system in conformance w/ DHEC regulations.	\$1,500,000	\$1,500,000			3,337	25
17	Georgetown, City of * Water System Improvements	SRF-2210001-02	To include replacement of 8,700 LF water lines, new 250,000 gallon elevated storage tank, and new groundwater supply well.	\$1,319,925	\$1,319,925			9,381	25
18	Rock Hill, City of Laurel Street Elevated Tank Replacement	SRF-4610002-05	Construction of a composite water tank to replace an aging tank in need of complete overhaul of interior and exterior coatings.	\$2,900,000	\$2,900,000			65,000	20
19	Laurens CPW (City of) * 2010 Water System Improvements	SRF-3010001-01	This project includes a 3 MGD booster pump station, a 750,000 gallon elevated water tank, 12,000LF of 16 inch water line and a 2 MG booster pump station.	\$2,958,000	\$1,935,000			14,706	15

SOUTH CAROLINA DRINKING WATER SRF IUP 2013 Two-year Projects List

June 18, 2013
FINAL - Revised

	SPONSOR	DHEC PROJECT NUMBER	Project Description	Estimated Total Project Cost	Estimated SRF Loan / Assistance	Estimated Principal Forgiveness Amount	Estimated Green Project Reserve Amount^	Population	Total Points
20	* GSWSA Bull Creek/ Myrtle Beach Water System Interconnection	SRF-2620004-21	Construction of 30,500 LF of 30" waterline to increase flows and pressures in the Myrtle Beach and GSWSA Bull Creek Water Systems. Project is the first phase of construction to interconnect the two water systems.	\$5,009,994	\$5,009,994			137,955	10
21	Rock Hill, City of Rock Hill Water Plant High Service Pumping Improvements	SRF-4610002-06	Construction of a high service pumping facility at the Rock Hill water treatment plant. Will include 3 high efficiency pumps and VFDs	\$2,600,000	\$2,600,000		%	16,380	10
22	Lexington County Joint Municipal WSC Elevated Storage Tanks	SRF-3220003-03	Construction of two 500,000 gallon elevated storage tanks to address existing system deficiencies.	\$3,000,000	\$3,000,000			35,000	10
23	Newberry, City of 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
24	Joint Municipal WSC (Lexington County) Highway 378 Water Main Connector	SRF-3220003-06	Installation of ~ 10,000 LF of 24" ductile iron pipe water main with hydrants, valves and necessary appurtenances	\$2,100,000	\$2,100,000			35,000	10
SFY2013 Project Costs				\$75,754,508	\$73,579,352	\$1,942,500	\$949,676		
Fundable projects for SFY14									
1	Edisto Beach, Town of 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			5,500	95
2	Heath Springs, Town of 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	90
3	Pamplico, Town of Shirley Road Water Line	SRF-2110010-04	Construction of ~12,000 LF of 6" water line to loop the system to improve pressures. Project will also extend water service to 18 residences served by shallow wells susceptible to contamination.	\$193,371	\$193,371	\$193,371		1,226	90
4	North Augusta, City of Water Treatment Plant Replacement	SRF-0210003-02	Replace aging portions of the existing water treatment plant to enhance regulatory	\$8,000,000	\$8,000,000			26,273	80
5	Greenwood CPW Harless-Seymour (Franklin S/D) Water System Replacement	SRF-2410001-08	Installation of ~3,300 LF of 12 inch water main, ~2,800 LF of 6 inch water main, fire hydrants and related appurtenances. The project will replace the Harless-Seymour Water System and allow Greenwood CPW to take over operations of the currently non-viable system.	\$371,250	\$326,700	\$326,700		205	50

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June 18, 2013
FINAL - Revised

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6	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
7	Clemson, City of Substandard Line Replacement	SRF-3910004-03	The project replaces waterlines ranging in size from 1.5" to 10". The lines have a historical failure rate. The new material will be predominately DIP with some PVC in the smaller line sizes. The total replacement will be 36,290 LF.	\$1,600,000	\$1,600,000				14,410	20
8	GSWSA Automatic Meter Reading System for Town of Lake View	SRF-1710003-01	Installation of automatic meter reading system to include upgrading 500 meters a network interface and two towers.	\$694,000	\$694,000		\$694,000 water efficiency	%	137,955	10
9	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 water efficiency	c	16,000	10
			SFY2013 Project Costs	\$24,170,871	\$24,126,321	\$620,071				
			Two-year projected project costs		\$97,705,673					

* Indicates project was on the Selected Projects List for SFY 2012 but has not yet met all requirements for an SRF loan.

^ GPR projects are classified as "c" for categorical" or "bc" for business case. DWSRF does not have a requirement for GPR projects for FFY2012, however, South Carolina has elected to identify at least 5% of the capitalization grant as GPR projects. % indicates a project that has the potential of being classified in whole or in part as GPR eligible but that has not yet received "green" approval.