

State Revolving Loan Fund

**South Carolina
Clean Water
State Revolving Fund**

**FY15 CWSRF
Intended Use Plan
for State FY16**

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



**May 29, 2015
DRAFT**

Table of Contents

I. Introduction..... 4

II. Goals 4

 A. Short Term Goals..... 4

 B. Long Term Goals 5

III. Transfer of Funds From/To the Clean Water State Revolving Fund..... 5

IV. Provisional Projects List 5

V. Method for Selecting Projects and Distribution of Funds 6

 A. Priority Ranking System..... 6

 B. Comprehensive Priority List of CWSRF Projects 6

 C. Selection of Projects & SRF Funding..... 6

 D. Bypass Procedure..... 7

 E. Adding Projects to the Provisional Project List..... 7

 F. Readiness to Proceed 7

 G. Sustainability Requirement..... 7

 H. Funding Terms and Rates for Eligible Projects 8

 I. Loan Application 8

VI. Eligibility Criteria 8

 A. Eligible Sponsors 8

 B. Water Quality Management (WQM) Plans 8

 C. Land 8

 D. Planning and Design Costs 9

 E. Legal and Appraisal Fees..... 9

 F. Construction Costs 9

 G. Contingencies..... 9

 H. Phasing of a CWSRF Project..... 10

 I. Projects Not Eligible for Funding..... 10

VII. Funds Available 10

 A. Amount of Capitalization Grant..... 10

 B. State Match Requirement..... 10

 C. Administration of the CWSRF Program..... 10

 D. Total Funds Available for Loans for State FY 2016..... 11

 E. Anticipated Cash Draw Ratio 11

 F. Interest Rates..... 11

 G. Fee Income..... 11

VIII. Assurances and Specific Proposals..... 11

IX. Additional Information / Requirements 12

 A. Federal Requirements 12

 B. Davis Bacon and Related Acts..... 12

 C. Additional Subsidies 12

 D. Fiscal Sustainability Plan..... 13

 E. Procurement 13

 F. Cost and Effectiveness..... 13

G. Green Project Reserve (GPR) 13
H. “American Iron and Steel” Requirement 14
I. Environmental Outcomes and Measures 14
J. Public Participation..... 14

I. Introduction

In 1987, Congress amended the federal Clean Water Act (CWA) authorizing the Clean Water State Revolving Fund (CWSRF), a low interest loan program, to assist public entities with the financing of publicly owned treatment facilities (Section 212) and non-point source management activities (Section 319). The 1987 CWA Amendments authorized the US Environmental Protection Agency (EPA) to award capitalization grants to states to provide seed money for the low interest loan program. While the 1987 Amendments only authorized funding for the first several years of the loan program, Congress continues to provide funding as part of its annual appropriations.

This Intended Use Plan (IUP), required under the CWA, describes how South Carolina intends to use available SRF funds for State Fiscal Year (SFY) 2016 – July 1, 2015 through June 30, 2016 - including federal funds allocated to South Carolina from the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235). South Carolina's allotment from the federal appropriations is \$14,385,000.

The South Carolina Department of Health and Environmental Control (DHEC) is the designated state agency to apply for and administer the capitalization grant for the CWSRF. The South Carolina Water Quality Revolving Fund Authority (Authority) is responsible for the financial functions of the CWSRF, including its financial policies, and executes loan agreements with project sponsors. The Office of Local Government (OLG), which conducts the staff functions of the Authority, will move to the Rural Infrastructure Authority (RIA) upon dissolution of the Budget and Control Board on June 30, 2015. As of July 1, 2015, the State Fiscal Accountability Authority will serve as the governing body of the Authority.

In 2014 the CWA was amended through the Water Resources Reform and Development Act with certain amendments affecting the CWSRF program. Attachment I summarizes SC's implementation of the actions required by the recent CWA amendments. CWSRF changes and requirements will be addressed later in this IUP.

Once prepared, an 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 <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 infrastructure and help ensure maximum environmental and public health benefits.

A. Short Term Goals

1. Promote the use of green practices and continue investment in green infrastructure, water and energy efficient improvements and environmentally innovative projects.
2. Work with potential sponsors to encourage and facilitate submission of eligible projects that are ready to proceed and to guide those projects toward binding commitments within one year of placement on the IUP.

3. Total Maximum Daily Load (TMDL) implementation through initiation (and completion) of projects that have received priority ranking points for a proposed project scope that reduces the level of a targeted pollutant or pollutants in a waterbody with an approved TMDL.

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. Assist local communities as they strive to achieve and maintain compliance with federal and state water quality standards by funding projects that improve or protect water quality by reducing pollutant loading in order to attain water quality standards.
3. Maintain a working relationship with other infrastructure funding authorities within the state to coordinate water quality funding.
4. Work collaboratively to direct CWSRF funds to areas where additional DHEC and EPA resources are already invested (i.e. Priority Watersheds and 319 grants).
5. Maintain the fiscal integrity of the CWSRF 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 can assist in meeting demand for CWSRF and DWSRF funding.

In SFY 2016 \$2,918,850 will be transferred from CWSRF to the DWSRF. This amount is the maximum transfer amount allowed and is equal to 33% of the FY15 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. Provisional Projects List

The Clean Water Provisional Project List (Appendix A) identifies projects that are considered to be eligible and ready to proceed in the 2016 State Fiscal Year. It consists of projects that the SRF program has been working with and new projects.

All loan projects on this list must complete the process detailed in Section V(C) to receive funding.

If the total cost for the projects contained on the SFY 2016 Provisional Projects List is less than the funds available to loan for SFY 2016, any eligible sponsor with a project that they believe is eligible and for which a complete loan application (including an approved Preliminary Engineering Report and construction permit) would be in-hand by July 31, 2016 may fill out and submit for ranking a Clean Water Project Questionnaire (DHEC Form 3561). DHEC-3561 is available on the SRF Documents and Forms webpage, <http://www.scdhec.gov/srfforms>.

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 a successful final credit review by the

RIA/OLG for the Authority. The availability of a loan from the Authority will be based on the project sponsor's financial capacity and its ability to afford repayment on the requested amount of debt.

The Provisional Project List includes projects that have been identified to receive principal forgiveness funds. These funds are only available if the FY15 CWSRF Capitalization Grant is awarded by EPA and accepted by DHEC. Project listing is not a commitment of funding.

V. Method for Selecting Projects and Distribution of Funds

A. Priority Ranking System

DHEC SRF uses an integrated priority system for ranking section 212 treatment work projects as well as eligible nonpoint source projects. A copy of the ranking system used to score and rank projects can be found on the SRF Documents and Forms webpage at <http://www.scdhec.gov/srfforms>.

B. Comprehensive Priority List of CWSRF Projects

For a project to be considered for funding from the CWSRF, it must appear on the State's Comprehensive Priority List of CWSRF Projects. To be included in this list, an eligible project sponsor (municipalities, counties or special purpose districts) must complete a project questionnaire, DHEC-3561. DHEC-3561 may be found on the SRF Documents and Forms webpage, <http://www.scdhec.gov/srfforms>. 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 CWSRF Priority Ranking System and assign the project a numeric score. The project is then added to the Comprehensive Priority List of CWSRF Projects in rank order. Any projects with the same numerical score are ordered based on how the project addresses water quality priority issues (1st – score for “implement an approved TMDL”, 2nd – score for “impairment(s) addressed on current 303d list”) and date project questionnaire received. DHEC maintains an updated Comprehensive Priority List on the SRF Documents and Forms webpage, <http://www.scdhec.gov/srfforms>.

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. Selection of Projects & SRF Funding

The selection of projects for the Provisional Project List (Appendix A) is based on project ranking and the sponsor's indicated readiness to proceed with a project during SFY16. Ready to proceed in SFY16 means that a project will have received a construction permit from the SRF Section and submitted a complete SRF loan application to the RIA/OLG by July 31, 2016.

The successful completion of a preliminary financial review is required before a project may proceed with the RIA/OLG loan application. After notice that the preliminary financial

review was successful a project may request a loan application from RIA/OLG. To proceed as an SFY16 SRF project a project must receive a construction permit and submit a complete loan application to RIA/OLG by July 31, 2016. In the event that RIA/OLG 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 RIA/OLG reserve the right to impose a limit on the amount of any given CWSRF 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 fund a project where a viable system owner is willing to assume ownership of a non-viable or abandoned system;
2. To select Green Project Reserve eligible projects that equal at least \$1,438,500;
3. To address an imminent hazard to public health declared by DHEC, and;
4. To fund projects that will eliminate a point source discharge, which is violating effluent limits, and connect to a regional system.

E. Adding Projects to the Provisional Project List

The projects in Appendix A are listed based on readiness to proceed and other factors identified in Section IV. The listing does not preclude the opportunity for other projects to receive funding in SFY16. (See also, Section V.F.) All prospective project sponsors are encouraged to contact DHEC as soon as possible to add their projects to the Comprehensive Priority List and be considered for funding in SFY16. All loan projects added to the Provisional Project List must complete the process detailed in Section V(C) to receive funding.

F. Readiness to Proceed

To promote an expeditious use of funds, sponsors of projects on the SFY 2016 Provisional Projects List will have until April 1, 2016 to receive a construction permit and submit a complete loan application to insure funding priority. After April 1, 2016, loan applications will be accepted on a first-come, first-served basis until the available funds are exhausted or until July 31, 2016, whichever occurs first.

G. Sustainability Requirement

The CWSRF will not provide any type of assistance to a project sponsor that lacks the technical, managerial or financial capability to operate sustainably, unless the sponsor agrees to undertake feasible and appropriate changes in operation or if the use of the financial assistance from the CWSRF will ensure compliance over the long-term.

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 RIA/OLG as part of the preliminary financial review and loan application process.

H. Funding Terms and Rates for Eligible Projects

Up to 30 year financing is available for all borrowers not to exceed the useful life of the project components. Pipe and items constructed of concrete or steel qualify for a 30-year term, while mechanical and electrical components are limited to 20 years. Blended amortizations will be provided for loans with differing terms.

SFY 15 interest rates are classified as standard, small system, hardship, green (including non-point source), or takeover rate. Visit the RIA/OLG website, <http://www.ria.sc.gov/> (effective July 1, 2015)¹, to view current rates, find out more about the loan program and information about costs, and qualifications for receiving an SRF loan. Rates for SFY16 are expected to be published by the RIA/OLG in early October 2015.

I. Loan Application

Sponsors of Provisional Projects who successfully complete RIA/OLG's preliminary financial review may apply to the Authority through RIA/OLG for SRF loan financing at the same time as the construction permit application is submitted to DHEC. Authorization to construct the project, either through an SRF issued Permit to Construct or Letter of Approval, both of which require a completed environmental review, is required before a loan application is considered complete.

Loan applications are accepted from October 1 through July 31. In the event the RIA/OLG receives complete applications for two or more projects on the same day, the highest-ranked project(s) will receive priority for funding.

VI. Eligibility Criteria

A. Eligible Sponsors

Municipalities, counties, special purpose districts and other public entities are eligible SRF project sponsors.

B. Water Quality Management (WQM) Plans

Pursuant to Section 208 of the Clean Water Act, Section 212, CWSRF projects must not conflict with the applicable Water Quality Management (WQM) plan. The sponsor of a CWSRF project must be a designated management agency, which is any municipality, county or special purpose district that accepts the responsibilities associated with implementing an applicable WQM plan. The management agency designation process may be pursued concurrently with the CWSRF project if necessary. More information about management agency responsibilities and the designation process can be found in the 208 Water Quality Management Plan for the Non-designated Area of South Carolina.

C. Land

The 2014 Clean Water Act Amendments made land needed in support of construction and for collection, transport or treatment projects, eligible for CWSRF loan participation. The purchase price of all land, rights-of ways, and easements may be included in the loan when

¹ Prior to July 1, 2015 visit, <http://www.olg.sc.gov/programs.aspx>, to view SFY 15 interest rates.

obtained less than one year prior to the date of submission of a complete loan application and an appraisal, prepared by a qualified appraiser, is submitted on each parcel, right-of-way and easement with the loan application. In the CWSRF program land may be acquired under proper eminent domain procedures where necessary.

D. Planning and Design Costs

A CWSRF 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, watershed-based plans, loan application, administration, creating a watershed-based plan). 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 RIA/OLG are eligible for funding under the CWSRF 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. Legal and appraisal costs associated with obtaining land are not eligible for funding under the CWSRF program if incurred earlier than one year prior to the date of submission of a complete loan application.

F. Construction Costs

Construction costs include the costs associated with the construction of the project by a contractor. The CWSRF 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 Clean Water SRF program. Additionally, force account labor is not eligible.

Service connections are eligible for funding from the SRF but only that portion of a service connection that will be owned and maintained by the project sponsor and installed as part of an SRF funded sewer line project.

G. Contingencies

- The SRF program allows a contingency of 10% of the construction line item.
- 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 CWSRF 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 CWSRF-eligible, any such phase or segment must be of reasonable scope 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 or segment or another 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 Not Eligible for Funding

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

1. Projects for systems that lack adequate technical, managerial and financial capability (i.e. non-viable systems);
2. Projects exclusively correcting operation and maintenance deficiencies;
3. Projects for systems in NPDES noncompliance, unless funding will ensure compliance.

VII. Funds Available

A. Amount of Capitalization Grant

South Carolina's allotment from the FY 2015 federal appropriations law is \$14,385,000.

B. State Match Requirement

One condition of receiving the annual capitalization grant allotment is the State must deposit into the CWSRF an amount equal to at least 20% of the total amount of the capitalization grant. The RIA/OLG will deposit to the CWSRF fund the required amount of \$2,877,000 to comply with the state match requirement.

C. Administration of the CWSRF Program

The CWA allows each state to use an amount equal to 4% of its capitalization grant to fund the administration of the CWSRF program. DHEC plans to retain the authority to use four percent (4%) of its capitalization grant amount (\$574,560) plus draw \$50,440 from unused CW administration funds to provide a total of \$625,000 for program management, including hiring staff, paying operational expenses and providing technical assistance to potential loan applicants.

DHEC plans to contract with a consultant/technical assistance provider to develop resources for asset management to assist CWSRF loan recipients in meeting the Fiscal Sustainability Plan requirement as set forth in the CWA amendments of 2014.

D. Total Funds Available for Loans for State FY 2016

Estimated Amount of Funds available as of 6/30/15	\$279,500,000
FY 2015 federal capitalization grant	\$14,385,000
State match for FY 2015 capitalization grant	\$2,877,000
Estimated SFY 16 repayments (7/1/15 to 6/30/16)	\$34,479,345
Estimated SFY 16 investment earnings (7/1/15 to 6/30/16)	\$4,500,000
Estimated amount of SFY 15 loans to be closed	(\$53,822,265)
Expected transfer of funds to DWSRF fund ²	(\$2,918,850)
CWSRF Administrative set-aside	(\$625,000)
Estimated Total Funds Available for SFY 2016 Loans	\$278,375,230.00

E. 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 CW fund and fully expended before then drawing federal money at 100%.

F. Interest Rates

SFY 15 interest rates are classified as standard, small system, hardship, green (including non-point source), or takeover. Visit the RIA/OLG website, <http://www.ria.sc.gov/> (effective July1, 2015)³, to view current rates, find out more about the loan program and information about costs and qualifications for receiving an SRF loan. The RIA/OLG expects to publish rates for SFY16 in early October 2015.

G. Fee Income

A loan closing fee is charged to loan recipients to support RIA/OLG’s operating costs. This fee is not eligible for inclusion in the loan.

The loan closing fee for SFY 15 is 0.25% of the amount borrowed. The closing fee for SFY16 is expected to be published in early October 2015 on the RIA website, <http://www.ria.sc.gov/>.

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 CWSRF 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.

² Expected transfer of CW repayment funds to SC’s Drinking Water SRF fund as allowed by federal authority against the FY 15 Drinking Water Capitalization Grant.

³ Prior to July 1, 2015 visit, <http://www.olg.sc.gov/programs.aspx>, to view SFY 15 interest rates.

3. Expeditious and Timely Expenditures: The State will expend all funds in the CWSRF in an expeditious and timely manner.

IX. Additional Information / Requirements

A. Federal Requirements

Various federal requirements are tied 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
- Architectural and Engineering Procurement (see Section IX.E)

The projects that meet these requirements will be identified in the CWSRF Annual Report.

B. Davis Bacon and Related Acts

The 2014 CWA Amendments made permanent the provision that CWSRF projects comply with Davis-Bacon requirements. Davis-Bacon prevailing wage rates apply to construction contracts over \$2,000 for projects funded in whole or *in part* by the CWSRF that meet the definition of treatment works as defined in the CWA, Section 212; Davis-Bacon may not apply to some nonpoint source projects.

C. Additional Subsidies

The 2014 CWA Amendments made the use of additional subsidization funds optional for State CWSRF programs and set forth that no more than 30% of the annual capitalization grant could be used for additional subsidy to projects. Section 603(i) of the CWA, states the conditions under which additional subsidy may be offered to a project. DHEC must establish affordability criteria that comply with Section 603(i)4 by September 30, 2015 to use in the event that “hardship” is considered as a condition for assigning additional subsidy to a project. Additional subsidization funds may be assigned by other acceptable criteria listed below prior to the development of the affordability criteria deadline.

EPA expects the SRF program to ensure that systems and project sponsors who receive additional subsidy have the technical, managerial and financial capacity to maintain compliance with federal and state regulations. Systems that do not have adequate technical, managerial and financial capacity may receive additional subsidy funds if the system/sponsor agrees to undertake needed changes in operation that will ensure long term sustainability.

The SRF program plans to utilize additional subsidy funds, provided as principal forgiveness (PF), to encourage project planning, design and construction that encourages sustainability. This includes projects:

- That enhance the sustainability of systems by fixing existing infrastructure;

4 Affordability criteria shall be based on income and unemployment data, population trends, and other data determined relevant by the State.

- Where a sustainable system owner is willing to assume ownership of an unsustainable or abandoned system;
- To provide a long-term solution to ongoing surface water or groundwater contamination problems from the discharge of treated or untreated wastewater or sludge.

To make maximum benefit of PF funds for SFY16, no one project may receive more than \$1,000,000 of this subsidy unless PF funds remain unassigned or are not committed to an identified project as expected.

Appendix I indicates the amount of PF that has been assigned to projects for SFY16 on a preliminary basis. The SRF Program reserves the right to adjust PF amounts. PF funds are only available if EPA awards the FY15 CWSRF Capitalization Grant and it is accepted by DHEC. Project listing is not a commitment of funding.

D. Fiscal Sustainability Plan

The 2014 CWA Amendments require CWSRF loan recipients to develop and implement a Fiscal Sustainability Plan (FSP). The FSP must include an asset management plan and consider water and energy conservation. CWSRF loan recipients with projects submitted on a Project Questionnaire after October 14, 2014 will be required to develop and execute an FSP.

DHEC plans to contract with a consultant or technical assistance provider to develop resources for asset management to help project sponsors comply with the FSP requirement.

E. Procurement

The State Procurement Code process must be followed for procurement of Architectural and/or Engineering service contracts for federally designated projects. This is to satisfy the procurement requirement introduced into the CWSRF through the 2014 CWA Amendments. New solicitations, significant contractual amendments, and contract renewals initiated on or after the effective date of October 1, 2014 are subject to this requirement.

F. Cost and Effectiveness

The 2014 CWA Amendments require CWSRF loan recipients to evaluate cost and effectiveness as well as water and energy efficiency. Potential SC CWSRF loan recipients will need to evaluate cost and effectiveness, and water and energy efficiency for any projects submitted on a Project Questionnaire after October 1, 2015.

G. Green Project Reserve (GPR)

The Consolidated and Further Continuing Appropriations Act, 2015 requires to the extent that there are eligible projects, funds equal to an amount of at least 10% of the FY15 CWSRF loan allotment must be used for green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. South Carolina's GPR amount is \$1,436,400. EPA's GPR guidance has been posted to the SRF Guidance page within the SRF Section of the DHEC Website at <http://www.scdhec.gov/srf>. At the time this IUP was finalized no projects had been identified as qualifying for the GPR. To reach the minimum of 10%, projects currently on the Provisional Project List will be reviewed to see if any qualify for the GPR and projects will continue to be solicited for SFY16 to be GPR eligible projects.

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 SRF Guidance page of the SRF section of the DHEC website.

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

H. “American Iron and Steel” Requirement

American Iron and Steel (AIS) requirements were made permanent for CWSRF projects with passage of the CWA Amendments of 2014. AIS requires that all iron and steel products used in SRF projects permitted after January 17, 2014 be produced in the United States unless a waiver is granted by the EPA. More information is available at the American Iron and Steel (AIS) webpage: http://water.epa.gov/grants_funding/aisrequirement.cfm.

I. Environmental Outcomes and Measures

DHEC will update EPA’s Clean Water Benefits Reporting (CBR) database and enter data into the CWSRF National Information Management System (NIMS). CBR collects project level information and anticipated environmental benefits associated with CWSRF projects, while NIMS produces annual reports that provide a record of progress and accountability for the program. EPA uses the information provided to oversee the CWSRF State programs and develop reports to the US Congress concerning activities funded by the SRF program. For more information, go to EPA’s Clean Water SRF Performance webpage, http://water.epa.gov/grants_funding/cwsrf/cwnims_index.cfm.

J. Public Participation

Notice of this draft IUP is mailed or e-mailed to each project sponsor on the Comprehensive Priority List of CWSRF Projects and other interested parties. In addition, a notice (legal advertisement) 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 FY 2015 IUP are posted on the DHEC website, <http://www.scdhec.gov/srf>. Interested parties are invited to review the documents and submit written comments by the deadline established in the Draft IUP notice.

SOUTH CAROLINA CLEAN WATER SRF IUP Provisional Projects List for State Fiscal Year 2016

Project Sponsors listed here are eligible to be recipients of SRF funding assistance in State Fiscal Year 2016. 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 Rural Infrastructure Authority - Office of Local Government.

FY16	Sponsor & Project	DHEC Project Number	Project Description	NPDES Number(s) Associated with Project	Total Project Cost Estimate	Estimated SRF Loan Amount	Estimated Principal Forgiveness Assistance ¹	Estimated Green Project Reserve Amount ²	Total Points
1	Laurens County WSC North Creek Lift Station Rehabilitation	540-11	Replace existing pumps, valves, and interior piping of lift station. Replace pump motor and level controls. Add standby power generator. Rehab existing concrete wetwell and drywell.	SC0037974	\$ 750,000		\$ 400,000		60
2	Pendleton, Town of Main Line Sewer Upgrades	472-08	Replace ~6,500 linear feet of 60-year old 10" clay sewer main and associated brick manholes with 18" PVC pipe and precast concrete manholes to reduce sanitary sewer overflows.	SC0035700	\$ 865,000		\$ 865,000		60
3	Florence, City of Timmons ville Sewer System Improvements -Phase 2	378-23	Continued collection system rehabilitation to assist takeover and complete WWTP rehabilitation/upgrade to include lagoon liner replacements, disposal of WWTP primary lagoon solids, rebuild influent pumps, headworks improvements and SCADA improvements.	SC0025356	\$ 4,000,000	\$ 4,000,000			50
4	Florence, City of Timmons ville Sewer Collection System Rehabilitation	378-25	Rehabilitation of wastewater lines identified to be in need of repair to assist in the takeover of the Town of Timmons ville collection system.	SC0025356	\$ 1,687,000	\$ 687,000	\$ 1,000,000		50
5	East Richland County Public Service District New 64-inch Interceptor Sewer	524-26	Installation of a new 64-inch interceptor to replace aging parallel 54-inch and 42-inch interceptors.	SC0038865	\$ 3,500,000	\$ 3,500,000			50
6	Lancaster, City of West Arch St. Sewer Service Area Rehabilitation	497-19	Sewer rehab of ~16,500 LF of gravity sewer through CIPP lining, point repair, sewer line enhancements, manhole lining and service lateral lining to reduce sanitary sewer overflows affecting nearby impaired waterbodies.	SC0046892	\$ 6,000,000	\$ 5,000,000	\$ 1,000,000		50
7	Winnsboro, Town of McCulley Creek Sewer Rehabilitation Project	326-01	Replace ~5,000 linear feet of existing 8" gravity sewer with 10" or 12" pipe and modify existing sludge handling system at the Water Treatment Plant to reduce sanitary sewer overflows into McCully Creek.	WTP - SCG646041; WWTP - SC0020125	\$ 888,000		\$ 325,000		40
8	GSWSA Force Main from Pee Dee to City of Marion	381-74	Installation of s sewer pump station and 12" force main to serve an industrial site.	SC0046230	\$ 3,600,000	\$ 3,600,000			30
9	Camden, City of Gravity Sewer Main Rehabilitation - Camden Truck Route	433-04	Rehabilitate ~4,600 LF of sewer mains, 8 manholes and service laterals to reduce inflow and infiltration.	SC0021032	\$ 1,361,030	\$ 356,090			20

SOUTH CAROLINA CLEAN WATER SRF IUP Provisional Projects List for State Fiscal Year 2016

FY16	Sponsor & Project	DHEC Project Number	Project Description	NPDES Number(s) Associated with Project	Total Project Cost Estimate	Estimated SRF Loan Amount	Estimated Principal Forgiveness Assistance ¹	Estimated Green Project Reserve Amount ²	Total Points
10	Mount Pleasant, Town of Snee Farm Stormwater Rehabilitation Project	511-40	Survey and design stormwater rehabilitation work; replace and improve lake outfall structure; rehabilitate/replace drainage pipe for flood mitigation; restore/stabilize primary drainage canals; clean, inspect, rehabilitate/replace drainage pipe.	SCR031906	\$ 8,481,083	\$ 8,481,083			20
11	BJWSA Hardeeville WWTP Upgrade and Expansion	520-29	Upgrade the Hardeeville Wastewater Treatment Plant to comply with the new Savannah River TMDL to be accomplished by upgrading the plant's secondary treatment process by adding a new headworks, and additional oxidation ditch with anoxic basin.	SC0034584	\$ 19,700,000	\$ 19,700,000			20
12	Aiken County Horse Creek Pollution Control Facility Improvements	321-30	Upgrade the Horse Creek Pollution Control Facility to meet NPDES limits for BOD and ammonia through improvements to pump stations 1 & 3, flow equalization, influent screens/grit chambers, aeration basins, chlorination system, sludge holding tank and dewatering.	SC0024457	\$ 25,000,000	\$ 25,000,000			20
13	Pamplico, Town of Wastewater Treatment Plant Upgrade and Expansion	564-01	Upgrade the WWTP by adding another Sequencing Batch Reactor and appurtenances and change the current UV disinfection system to a chlorine contact chamber to improve effluent processing to address to allow the WWTP to meet NPDES limits.	SC0021351	\$ 1,084,000	\$ 542,000	\$ 542,000		20
14	Re-Wa Mauldin Road FOG and Septage Handling Enhancements	370-68	Construction receiving facility for fats, oils, grease (FOG) and septage to allow for separation of FOG to increase digester gas production and provide holding/isolation to prevent possible contamination of the biosolids product due to any illegal discharges by haulers.	SC0041211	\$ 4,500,000	\$ 4,100,000			20
15	Camden, City of Sewer System Rehabilitation 2015	433-03	Assess and rehabilitate ~19,200 LF of aging sewer line.	SC0021032	\$ 5,825,500	\$ 5,825,500			10
16	Chapin, Town of WWTP Expansion and Upgrade	732-01	Construct a 2.4 MGD wastewater treatment plant to replace the current 1.2 MGD lagoon system and provide treatment able to meet NPDES limits.	SC0040631	\$ 12,000,000	\$ 10,000,000			0
Total					\$ 99,241,613	\$ 90,791,673	\$ 4,132,000	\$ -	
SFY 2016 Total of SRF Loan + Principal Forgiveness Amounts						\$94,923,673			

1 Principal forgiveness funds are subject to change and are only available if the FY15 CWSRF Capitalization Grant is awarded by EPA and accepted by DHEC.

2 GPR projects are classified as "c" for categorical" or "bc" for business case.

SC CWSRF Implementation of the 2014 Amendments to the Clean Water Act

- 30-year Financing

Beginning with FY15 loans, up to 30 year financing is available for all borrowers, not to exceed useful life of the project components. Items constructed of concrete or steel qualify for a 30-year term, while mechanical and electrical components are limited to 20 years. Blended amortizations will be provided for loans with differing terms.

- Land

The purchase price of all land, rights-of-way and easements needed in support of construction or for collection, transport and treatment projects may be included in a loan.

- Fiscal Sustainability Plan (Asset Management Plan)

CWSRF loan recipients with projects submitted on a Project Questionnaire after October 1, 2014 are required to develop and implement a fiscal sustainability plan (FSP) that includes an asset management plan and consideration of water and energy conservation. At this time the FSP needs only to be for the SRF construction project.

- Additional Subsidization

The use of Additional Subsidization (provided as Principal Forgiveness (PF) funds) is now optional, not required. PF funds, if used, must implement a process, material, technique, or technology that: encourages sustainable project planning, design, and construction; addresses water-efficiency or energy-efficiency goals; mitigates stormwater runoff; or funds may be applied to projects that meet SRF-specific affordability criteria.

- Procurement

The State Procurement Code process must be followed for procurement of Architectural and/or Engineering service contracts for federally-designated projects.

- Cost and Effectiveness

CWSRF loan recipients must evaluate cost and effectiveness as well as water and energy efficiency for any projects submitted on a Project Questionnaire after October 1, 2015.

- Existing requirements made permanent by the Amendments

- Davis-Bacon applies on all Section 212 (public treatment works) CWSRF projects.
- American Iron and Steel is required on all CWSRF projects, absent a waiver approved by EPA.