

State Revolving Loan Fund

Clean Water

SRF

*South Carolina's
Intended Use Plan
for
Fiscal Year 2009*

**June 8, 2009
Final**



PROMOTE PROTECT PROSPER
South Carolina Department of Health
and Environmental Control

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Introduction

The federal Clean Water Act (CWA) amendments of 1987 authorized a Clean Water State Revolving Fund (CWSRF) to assist sponsors with the financing of publicly owned treatment facilities (Section 212) and nonpoint source management activities (Section 319). Title VI, Section 601 of the CWA authorizes the Administrator of the US Environmental Protection Agency (EPA) to award capitalization grants to states for the purpose of establishing a low-interest loan program to assist eligible CWSRF project sponsors.

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 State Budget and Control Board (BCB) Office of Local Governments conducts financial functions of the CWSRF, establishes financial policies and executes loans to project sponsors.

The CWA requires that an annual Intended Use Plan (IUP) be developed, reviewed by the public and submitted as part of the state's grant application package to EPA. The purpose of this IUP is to describe how the state intends to use funds allocated to South Carolina from the Fiscal Year (FY) 2009 Federal Appropriations for the CWSRF program.

South Carolina's annual allotment of FY 2009 funds is \$6,941,600.

In addition to the annual allotment of funds from Congress South Carolina's CWSRF program will receive additional funds from the American Recovery and Reinvestment Act of 2009 (ARRA), which was signed by the President on February 17, 2009. South Carolina's CWSRF allotment from the ARRA is \$40,148,200. The primary objective of the ARRA is to preserve and create jobs to promote the nation's economic recovery. Key provisions of the Act related to the CWSRF program are:

- ❑ Priority should be given to projects ready to start construction within 120 days of enactment (June 17, 2009);
- ❑ At least 50% of the allotted funds must be used to provide addition subsidies (e.g. principal forgiveness);
- ❑ Within 1 year of enactment, all funds must be committed to projects under construction or having awarded contracts for construction;
- ❑ 20% of the allotted funds must address "green" infrastructure (please refer to EPA's ARRA guidance concerning "green" infrastructure. A link to this guidance can be found on DHEC's web site at http://www.scdhec.gov/environment/water/srf_stimulus.htm);
- ❑ All steel, iron and manufactured goods used in ARRA funded projects, whether funded in whole or in part by ARRA, must be produced in the United States unless a waiver is granted by the EPA. EPA will have additional guidance on this condition as it becomes available; and
- ❑ Davis-Bacon Act wage rules will apply to all ARRA funded projects, whether funded in whole or in part with funds appropriated under the ARRA.

II. Goals

South Carolina has identified several short and long term goals, designed to guide development of the CWSRF program and ensure maximum public health benefits, that are programmatic historical goals, but new goals for this IUP are expanded to promote economic recovery while making long-term improvements to the State's infrastructure. This IUP will discuss related "environmental outcome" goals and the means to which those will be measured.

A. Short Term Goals

1. The State of South Carolina is committed to using the ARRA funds to assist projects which will proceed quickly to construction, thereby creating jobs and furthering the water quality objectives of the Clean Water Act, with 50% of the funds being committed by June 17, 2009 and the remaining funds to be committed and under construction no later than February 17, 2010.

South Carolina recognizes that the goal of the ARRA is to expeditiously fund eligible projects that simultaneously will create jobs, promote economic recovery and generate long-term benefits from infrastructure investment.

2. Increase the number of non-point source SRF projects by communicating interest rate incentives to potential sponsors.
3. Provide additional subsidization, either in the form of principal forgiveness or significantly reduced interest rates or a combination of these to encourage viable wastewater systems to take on and manage abandoned plants or systems. The ARRA requires at least 50% of its assistance to be passed along in this form.
4. Allow additional project points for those applications that offer 'green' infrastructure characteristics or environmentally innovative concepts to promote water or energy efficiency.

B. Long Term Goals

1. Continue the implementation of the CWSRF Program in perpetuity.
2. Establish and manage an effective and efficient CWSRF loan program by developing and implementing administrative rules and guidance that support the functioning of the program while ensuring compliance with the intent of the CWA.
3. Support the meeting of final effluent limits by all municipal facilities (POTWs).
4. Satisfy, in general, water quality standards of all water bodies in the State.
5. Ensure that the CWSRF generates sufficient earnings such that the fund principal is not adversely affected by inflation.

C. Environmental Outcomes and Measures

In authorizing the Clean Water Act and its amendments, Congress found that safe and clean water is essential to the protection of public health. DHEC is participating in EPA's Clean Water SRF Benefits Analysis.

III. Project Selection

A. Priority Ranking System

The CWA requires states to develop a comprehensive list of potential projects to be funded from the CWSRF and rank them in priority order. Originally, the primary focus of the CWSRF was to fund "treatment works" projects; therefore, the ranking system focused primarily on municipal wastewater collection and treatment systems. After the EPA issued a policy document entitled *The Clean Water State Revolving Fund Funding Framework: Funding to Solve Our Nation's Water Quality Problems*, South Carolina chose to incorporate an integrated priority ranking system for ranking projects.

This ranking system is outlined in DHEC's document entitled *CWSRF Integrated Priority Ranking System for Wastewater and Non-point Source Projects* [IPRS] and can be found on DHEC's web site at <http://www.scdhec.gov/environment/water/docs/prscw.pdf>. This system ranks potential CWSRF projects by equally evaluating municipal wastewater and non-point source projects according to priorities established to improve water quality.

B. Comprehensive Priority List of CWSRF Projects

Using the IPRS, DHEC developed a comprehensive priority list of CWSRF projects that is also located at the above listed web site; this is also based on the ranking system mentioned above. An eligible project may be added to the list at any time by completing a project questionnaire (can be found on DHEC's website at <http://www.scdhec.gov/environment/water/docs/cwpriority.pdf>) then forwarding it to DHEC's SRF Section for review. For more information on how an eligible project sponsor may add a project to the list, please refer to the IPRS document and the preamble to the *Priority List of CWSRF Projects*.

Note: To be considered for funding, a project must appear on the *Comprehensive Priority List of CWSRF Projects*.

C. Selecting Projects for Funding

1. Selection Process for Projects funded from ARRA Funds and Base SRF Program

The State of South Carolina is committed to using the ARRA funds to assist projects which will proceed quickly to construction, thereby creating jobs and furthering the water quality objectives of the Clean Water Act, with a goal of 50% of the funds being committed by June 17, 2009 and the remaining funds to be committed and under construction no later than February 17, 2010. Appendix A of this IUP reflects DHEC's and the Budget & Control Board's efforts to identify projects that can quickly proceed to construction while also complying with the ARRA's 'green' infrastructure requirement (20% of funds).

For large projects, DHEC and BCB 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.

2. Bypass Procedure

DHEC may bypass projects on the comprehensive priority list to fund a project where a viable system owner will be taking over a non-viable or abandoned system or to address an imminent hazard to public health declared by the DHEC Commissioner.

IV. Eligibility Criteria

A. Project Sponsors

Municipalities, counties or special purpose districts are eligible 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 WQM plan. In general, CWSRF project sponsors must have the status of designated WQM management agencies. In certain cases, the WQM management agency-designation process may be pursued concurrently with the CWSRF project.

C. Land

Land is eligible for a CWSRF project only if it is an integral part of the wastewater treatment process, as in the case of a land application project. Land acquired merely to be *sites* for treatment works and pump stations, rights-of-way, easements, etc., is not eligible. In the CWSRF program land may be acquired under proper eminent domain procedures, where necessary.

Note: Land is not eligible for funding with ARRA funds.

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, 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 CWSRF program.

ARRA funds can be used for planning and design costs only if they were incurred after October 1, 2008.

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 package.

F. Construction costs

Construction costs include the estimated 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, and draw requests.

Equipment that is directly purchased by the sponsor, 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.

G. Contingency

The SRF program allows a contingency of 2.5% for materials that are directly purchased by the sponsor.

The SRF program allows a contingency for construction of 10% over the original construction bid price.

There is no contingency allowed on equipment; therefore, it is recommended the engineer obtain current price quotes in estimating the equipment costs.

H. Phasing of a CWSRF Project

To make construction and/or funding more manageable a project may be divided, at the option of the sponsor, into separately funded phases or segments. 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. Refinancing of any existing debt;
2. Projects for systems that lack adequate technical, managerial and financial capability;
3. Projects exclusively correcting operation and maintenance deficiencies;
4. Projects for systems in NPDES noncompliance, unless funding will ensure compliance;
5. Projects that are not placed into active operation within a reasonable period of time (not to exceed one year from the date construction is completed).
6. Projects or project components that are receiving principal forgiveness assistance that are not

considered reasonable in light of the demand for the use of ARRA funds.

J. Special Requirements of the ARRA

1. Costs Incurred Prior to October 1, 2008

ARRA Funds may only be used to fund costs incurred after October 1, 2008. Any costs incurred prior to October 1, 2008, including planning and design, may only come from the base SRF program. Therefore, any projects receiving 100% funding from ARRA cannot request funding reimbursement for costs incurred prior to October 1, 2008.

2. Green Infrastructure Project Reserve

The ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20% of the funds provided for projects must be used for water or energy efficiency, green infrastructure or other environmentally innovative activities. The attached project list shows that at least 20% of the total ARRA funds allotted to the South Carolina DWSRF are for projects or portions of projects meeting one or more of the specific objectives required by this provision.

3. Prohibition on Purchase of Land or Easements

ARRA funds may not be used for the purchase of land or easements

K. Loan Applications

For the SRF loan program the Budget and Control Board will accept loan applications each fiscal year from October 1 through July 31. The issuance by DHEC of a permit to construct the project as a CWSRF project, which includes the required environmental review, is required before a loan application is considered complete. The loan application process for ARRA funds is further explained in Section VI.A below.

L. Projects applying for 100% Additional Subsidization Funds from the ARRA

Projects receiving funds from the CWSRF in the form of 100% principal forgiveness must complete the Construction Permitting process as a CWSRF project, which includes the required environmental review, by July 31, 2009.

V. Public Participation

A "Notice of Availability" of this IUP was mailed or e-mailed to each project sponsor on the comprehensive priority list and other interested parties. In addition, a notice of availability was published in *The State*, *The Greenville News*, *The Post and Courier*, and the *Sun News*. During the public notice period, the notice and draft FY 2009 IUP were posted on the Department's Internet web site at 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". Please refer to Appendix B of this IUP for comments received during the public notice period.

VI. Stimulus Funds under the ARRA

Pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA), South Carolina will use at least 50% of its ARRA CWSRF funds for additional subsidization in the form of principal forgiveness and the remaining 50% will be used for loans. The maximum amount available to any one project sponsor from any type of ARRA funds through one or more projects is \$4 million. Generally these funds will not be used to fund projects in the process of applying for funding the same scope of work from other grant or grant/loan programs.

A. Methodology for Using ARRA Loan Funds

The interest rate for ARRA loan funds will be 0% and blended with base program loan funds on a 50/50 basis up to the ARRA cap of \$4 million to enhance the number of borrowers that are able to receive benefit from the ARRA loan funding. Base program funds will complete the balance of any project costs exceeding \$8 million. All project sponsors with the financial capacity to borrow funds, as further described below, will only receive loan funds unless principal forgiveness funding would be used to take over a nonviable or abandoned system, address an imminent hazard to public health or to meet the 20% green infrastructure goal of the ARRA.

If a project sponsor is interested in borrowing for a project but the entire cost is not affordable through debt financing, then a matrix (shown below) based on the criteria of population and Level of Effort (LOE) Index (annual cost of 6,000 gallons monthly usage/system median household income) will be used to determine the split of ARRA principal forgiveness and base loan program. Each component of the matrix has a maximum point value of 25 and each point is equal to one percentage point of principal forgiveness. Based on the matrix results for principal forgiveness (0 to 50%), financial affordability will be reassessed. If the SRF program determines that the loan is still not affordable, then consideration will be given to funding entirely through principal forgiveness up to the cap based on ranking and availability of funds.

Service Area Population	PF %	LOE	PF %	Total PF %
> 100,000	0	< .90	0	
75,000 - 99,999	5	.90 - 1.04	5	
50,000 - 74,999	10	1.05 - 1.14	10	
25,000 - 49,000	15	1.15 - 1.24	15	
10,000 - 24,999	20	1.25 - 1.34	20	
< 10,000	25	> 1.35	25	

The funding list for ARRA loan funds has been developed by including those projects that were already in the process of meeting requirements for a base program CWSRF loan plus going down the priority list and selecting projects that were capable of borrowing, interested in borrowing, large enough to be economical for a loan and meeting all federal requirements and able to proceed expeditiously to construction. Consideration was also given to the by-pass procedure specified in Section C.3 above.

Considerably more projects are on the Selected Projects List for Fiscal Year 2009 (FY 09 List) for ARRA loan funds than there are total ARRA funds available for such purpose. Projects to receive the ARRA funds will be on a 'first come - first served' basis, defined as a complete loan application which includes a DHEC CWSRF construction permit or DHEC approval letter for the plans and specifications, property acquisition, evidence of agreement to acquire or condemnation

action initiated for all land parcels necessary for the project and the ability to advertise the project for bid within 2 weeks of submitting a complete loan application. Any project that does not bid within the two-week period will forgo the opportunity to receive stimulus monies until the project is advertised. Projects on the FY 09 List with complete loan applications and able to bid will receive ARRA loan funds until all such funds are exhausted. If two or more projects are determined to have complete applications on the same day and there are not sufficient ARRA loan monies remaining to fully fund the ARRA portion of each, a proportionate share will be made available to each, assuming each is able to bid within 2 weeks. Adjusted funding levels based on bid amounts may require adjustments to the amount of ARRA loan funds available to the last project(s) qualifying for participation in such funding.

B. Methodology for Using 100% ARRA Principal Forgiveness Funds

Additional subsidization in the form of principal forgiveness will not be available to project sponsors that have a service area median household income (MHI) greater than the 2000 Census State MHI of \$37,082 or a service area population exceeding 100,000 except when needed for the takeover of a non-viable or abandoned system, correct an imminent health hazard or to meet the 20% green infrastructure goal of the ARRA. Projects will be selected for 100% principal forgiveness funding based on: (1) Total points assigned from the CWSRF priority ranking system and bypass procedure outlined in Section III.C of this IUP; (2) The sponsor's inability to afford a loan as described in Section VI.A above, except for green infrastructure projects; and, (3) the ability to quickly proceed to construction while meeting the permitting requirements of the SRF program.

The funding list for ARRA Principal Forgiveness funds has been developed by first considering any projects where a viable system is willing to take over a non-viable or abandoned system or to address an imminent hazard to public health. The next step was to consider any projects currently in the process of meeting the requirements for a CWSRF loan that are ready to proceed to construction but are unable to afford a loan or partial loan for the project. The next step in the selection process was to review the priority list and select projects that are not able to afford a loan or partial loan but are able to proceed to construction quickly.

VII. Distribution of Funds

A. Amount of Capitalization Grant & Stimulus Funds for FY 2009

South Carolina's annual allotment of the CWSRF funds appropriated by Congress for FY 2009 is \$6,941,600.

The ARRA will provide an additional allotment of \$40,148,200 for CWSRF projects.

B. State 20% 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 state will deposit to the CWSRF fund the required amount of \$1,388,320 to comply with the state match requirement. The ARRA funds do not require a state match.

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%), or \$277,664, of its capitalization grant amount for program management, including hiring staff, paying operational expenses and providing technical assistance to potential loan applicants.

The ARRA also allows DHEC to use an amount equal to 4% of those funds for CWSRF program administration. DHEC will therefore retain the authority to use \$1,605,928 for CWSRF administration in the future. Retaining the authority for future years allows more ARRA funds to be used for projects that will help job growth in the short term.

D. Total Funds Available for Loans for FY 2009

Balance of funds available as of Dec. 30, 2008	\$101,112,553
FY 2009 capitalization grant less Admin. set-aside	6,663,936
FY 2009 state matching funds	1,388,320
Estimated repayments for FY 2009	18,693,722
Estimated investment earnings for FY 2009	3,450,000
American Recovery & Reinvestment Act	<u>40,148,200</u>
Total Funds Available	\$171,456,731

E. Interest Rates

Interest rates for the base CWSRF program are established by the Budget & Control Board 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/interest-rates.html> or go to the DHEC SRF web site and click on “*See our current interest rates*”.

**SOUTH CAROLINA CLEAN WATER SRF IUP
Selected Projects List for Fiscal Year 2009**

	Sponsor/ Project Name	DHEC Project Number	Date Project Questionnaire Received	PROJECT DESCRIPTION	TOTAL PROJECT COST ESTIMATE	Regular SRF Loan Amount	ARRA Loan Amount *	ARRA Principal Forgiveness	Green Project Reserve Amount	Total Points
1	WCRSA Piedmont Regional WWTP	370-48	10/12/2007	Construction of a 4 MGD WWTP to take the place of Piedmont Plant and Grove Plant.	\$32,000,000	\$20,000,000				85
2	Newberry ,City of Bush River WWTP Expansion and Upgrade	320-01	6/4/2008	Bush River WWTP Upgrade/Expansion	\$15,885,000	\$11,885,000	\$4,000,000			85
3	Town of West Pelzer WWTP Elimination	518-02	2/26/2009	Elimination of WWTP and discharge to the Saluda River. Installation of facilities to transfer the wastewater to transfer the wastewater to Western Carolina for disposal.	\$1,406,000			\$1,406,000		85
4	Town of Pelzer WWTP Elimination	513-02	2/26/2009	Elimination of WWTP and discharge to the Saluda River. Installation of facilities to transfer the wastewater to transfer the wastewater to Western Carolina for disposal.	\$3,107,500			\$3,107,500		85
5	Metropolitan Sewer Subdistrict Slater Sewer System Rehab	530-02	3/2/2009	Rehabilitation and replacement of approximately 18,840 LF of sewer in the Slater collection system. Inaccessible areas of the system will be relocated. Remaining portion of the system will be rehabilitated with CIPP.	\$2,550,000			\$2,500,000	\$2,500,000	85
6	ReWa Richland Creek Trunk Sewer Improvements	370-51	1/26/2009	Installation of a new 48" sewer to eliminate parallel sewers of 18" and 30" diameter.	\$2,900,000	\$2,900,000				75
7	Mt. Pleasant Waterworks RRR WWTP Disinfection	511-34	2/6/2009	This project will replace chlorine gas with a new sodium hypochlorite feed system.	\$1,000,000	\$500,000	\$500,000			75
8	Lancaster , City of WWTP Disinfection System Upgrade and Chemical Feed System	497-13	2/9/2009	Conversion of existing disinfection system from chlorine gas to onsite generation of disinfectant and installation of chemical feed equipment.	\$1,400,000			\$1,400,000		75
9	Laurens County WSC Hwy. 76/Clinton Area PS Rehab	540-08	2/9/2009	Rehab of four pump stations in the city of Clinton.	\$1,165,000			\$1,165,000		75
10	Aiken , City of Sand River Restoration	549-04	2/25/2009	Project includes downtown "green retrofits" and bank stabilization of the Sand River.	\$16,000,000			\$3,340,000	\$3,340,000	75
11	Cayce, City of 25 MGD WWTP expansion	315-11	4/23/2008	25 MGD WWTP	\$70,000,000	\$20,000,000				65
12	Orangeburg , City of Rehab of 24" Interceptor Gravity Sewer	345-01	2/6/2009	Rehab of approximately 2900 LF of 24" gravity sewer and 8 manholes	\$800,000	\$400,000	\$400,000			65
13	Orangeburg , City of Rehab of Outfall Gravity Sewer To WWTP	345-02	2/6/2009	Rehab of approximately 1,115 Lf of 42" gravity sewer, 2700 Lf of 36" gravity sewer and 12 manholes.	\$1,500,000	\$750,000	\$750,000			65
14	Orangeburg, City of WWTP Upgrade	345-03	2/6/2009	WWTP Upgrade	\$2,450,000	\$1,225,000	\$1,225,000			65
15	Oconee Joint Regional Sewer Authority Martin Creek Relief Pump Station 0033553	366-16	9/23/2004	Construction of a new Martins Creek Relief Pump Station (.8 - 1.1 MGD) and force main. Also parallel gravity sewer for Lower Martins Creek and Upper Perkins Creek Basins.	\$4,500,000	\$2,250,000	\$2,250,000			55
16	Florence ,City of Equipment Replacement/Upgrade	378-19	2/2/2009	Rehabilitation of influent pump station, headworks, clarifiers, chlorine contact chamber, post aeration basin, waste sludge holding tank, construct new sodium hypochlorite feed facility, miscellaneous yard piping improvements and demolition of existing structures	\$18,882,000	\$14,882,000	\$4,000,000			55

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	Sponsor/ Project Name	DHEC Project Number	Date Project Questionnaire Received	PROJECT DESCRIPTION	TOTAL PROJECT COST ESTIMATE	Regular SRF Loan Amount	ARRA Loan Amount *	ARRA Principal Forgiveness	Green Project Reserve Amount	Total Points
17	Greenwood Metro. Dist. Spring Street Line Replacement	368-18	2/6/2009	Installation of 4,000 LF of 18" gravity trunk sewer to replace existing 12" sewer line	\$750,000	\$375,000	\$375,000			55
18	Greenwood Metro. Dist. Panola Branch Trunk Line Replacement	368-20	2/6/2009	Installation of 6000 LF of 24" gravity trunk line to eliminate 12" and 18" sewer line	\$1,500,000	\$750,000	\$750,000			55
19	James Island PSD Pump Station No. 33 Upgrade and New Force Main	543-04	2/25/2009	Rehabilitation and upgrade of PS No. 33 from 700 gpm to 1225 gpm and replacement of approximately 2597 of existing 10" FM.	\$1,346,400	\$673,200	\$673,200			55
20	Pendleton, Town of WWTP Upgrade - Phase 1-A	472-05	6/7/2005	Plant modifications to meet more stringent limits. Modifications include new headworks, screening and grit removal, upgrade influent pump station, new rapid mix basin, upgrade of existing clarifier, new filter equipment.	\$3,000,000	\$1,650,000		\$1,350,000		45
21	Pendleton, Town of WWTP Upgrade - Phase 1-B	472-06	6/7/2005	Equalization basin, UV disinfection	\$1,800,000			\$1,800,000		45
22	BJWSA Consolidation of Marine Corp Airbases and Parris Island WWTP's to PRIWRF	520-20	9/2/2005	Marine Corp Airbase - .6 MGD pump station; 34,400 LF 10"-12"-18" force mains; demolition MCA's WWTP. Parris Island - 2.5 MGD pump station; 2.5 MG equalization tank; 49,170 LF 16" force main; demolition PI WWTP	\$16,000,000	\$16,000,000				45
23	GSWSA Sellers-Latta Sewer System Collection	381-70	1/21/2009	Upgrade existing pump station at Sellers treatment facility and install approximately 27900 LF of 8" force main to divert flows from the Sellers facility to GWSA 's Latta sewer system. This project will address an imminent health hazard.	\$1,495,300	\$747,650	\$747,650			45
24	Dorchester County Water and Sewer Department Sewer system rehab	542-01	2/17/2009	Rehab of 5 developments constructed in the 60's and 70's to include replacement of 70,000 LF of aging sewer line.	\$3,850,000	\$1,925,000	\$1,925,000			45
25	Aiken County Upgrade of Avondale Sewer System	712-01	2/26/2009	Project will include camera inspection to determine stoppages and I/I areas and replacement or relining. Pump stations will be upgraded. Owner ship transfer to Aiken County.	\$4,000,000			\$4,000,000		45
26	Walterboro , City of Collection System Rehab and pump station upgrade	441-06	2/5/2009	This project will focus on rehab of approximately 50,000 LF of concrete pipe in various areas throughout the system. In addition, this project includes the Bells Hwy. pump station upgrade.	\$3,110,000	\$1,555,000	\$1,555,000			35
27	James Island PSD Lighthouse Point, Phase IA Sewer Line	543-02	7/22/2008	Installation of approximately 2500 LF of gravity sewer along Schooner Road	\$750,000	\$750,000				25
28	GSWSA Vereen WWTP ICWW Discharge	381-68	1/21/2009	Approximately 6000 LF of 30" effluent discharge pipe and diffuser. Pipe will reroute treated effluent from the Vereen WWTP to the ICWW.	\$2,000,000	\$1,000,000	\$1,000,000			25
29	Myrtle Beach, City of 4th Avenue North Landward Outfall Drainage Project	494-07	8/5/2008	Non Point Source improvements between 6th Avenue South to 16th Avenue North and Kings Highway to the Atlantic Ocean.	\$5,000,000	\$2,500,000	\$2,500,000			15
30	Clemson ,City of Cochran Road WWTP sludge digester	267-01	10/23/2008	Construction of a new 300,000 gallon aerobic digester with site work, piping and appurtenances.	\$800,000	\$400,000	\$400,000			15
31	Anderson, City of Orr Street Drainage Project	379-10	1/26/2009	The project includes daylighting an existing 72" culvert to a natural channel. Flow restrictors will be placed every 500 feet. One hundred acres of urban drainage basin will be restored.	\$503,000	\$469,000				15
32	Anderson, City of Lake Hunnington Restoration Project	379-11	1/26/2009	Phase 1 of this project will excavate approximately 50% of the existing lade 5 feet deeper, removing about 20000 cubic yards of material. Phase 2 of the project will restore the dam by installing a weir.	\$1,090,000	\$1,000,000				15

SOUTH CAROLINA CLEAN WATER SRF IUP
Selected Projects List for Fiscal Year 2009

	Sponsor/ Project Name	DHEC Project Number	Date Project Questionnaire Received	PROJECT DESCRIPTION	TOTAL PROJECT COST ESTIMATE	Regular SRF Loan Amount	ARRA Loan Amount *	ARRA Principal Forgiveness	Green Project Reserve Amount	Total Points
33	Bennettsville ,City of Sewer System Rehab	406-01	7/27/2007	Sewer system rehab for city of Bennettsville	\$1,354,000	\$677,000	\$677,000			5
34	West Columbia, City of Sewer System Rehabilitation	523-01	9/12/2007	Sewer system improvements for the City of West Columbia to include sewer lines, manholes and pump stations.	\$9,200,000	\$9,200,000				5
35	GSWSA Hwy. 501 to 544 Force Main	381-69	1/21/2009	Approximately 20200 LF of 30" force main to interconnect and divert existing flows from an existing force main serving the Carolina Forest Area.	\$4,500,000	\$2,250,000	\$2,250,000			5
36	ReWa Phase 1, I/I correction	370-50	1/26/2009	Installation of approximately 30,000 LF of cured-in-place pipe.	\$5,000,000	\$2,500,000	\$2,500,000		\$2,500,000	5
37	James Island PSD Harbor View Circle Emergency Forcemain Replacement	543-03	1/28/2009	Replacement of approximately 1800 LF of 14" PVC force main.	\$625,000	\$625,000				5
38	Georgetown County W&SD EnVessel Lime Pasteurization Facility	548-01	2/6/2009	Process to allow for increased sludge processing capacity.	\$3,110,000	\$1,555,000	\$1,555,000		\$1,555,000	5
39	ReWa Phase 2, I/I correction	370-52	2/24/2009	Rehabilitation of approximately 10,000 LF of c-l-p pipe ranging in size from 36" to 8" in diameter. Installation of approximately 500 manholes and 10 point repairs.	\$3,000,000	\$1,500,000	\$1,500,000		\$1,500,000	5
40	Greeleyville, Town of Greeleyville Sewer Phase 3	719-01	4/2/2009	Construction of sewer lines to address an imminent health hazard and to assist in completing a partially funded project by CDBG.	\$618,120			\$235,000		5
41	Greer Commission of Public Works Pump Station Replacement	463-12	1/28/2009	Replacement of 1250 GPM pump station with a 2500 GPM pump station, construction of a 200000 gallon equalization tank, installation of a 2500 GPM standby pump, extension of an existing 14" force main.	\$6,000,000	\$6,000,000				0
42	Hilton Head PSD Squire Pope Road Sewer Improvements	509-04	2/17/2009	Installation of approximately 3200 LF of low pressure sewer force mains, 30 low pressure pump stations and all related appurtenances.	\$300,000	\$300,000				0
TOTAL					\$256,247,320	\$129,193,850	\$31,532,850	\$20,303,500	\$11,395,000	

Response to Comments Received on the Draft Clean Water SRF Intended Use Plan

The following comments were received during the public notice period of the IUP. DHEC's responses to each comment are indicated in *italics*.

Comment # 1

Metropolitan Sewer Sub-District (MSSD) requested that funds allocated to their Altamont WWTP Elimination project (\$750,000) be reallocated to the Slater Sewer System Rehabilitation project. The Slater project is ranked higher on the comprehensive priority list and documentation was provided during the comment period that additional funds would be needed for the project to proceed. MSSD also stated that the funds allocated to the Altamont project were inadequate and suggested that a more environmentally friendly and less costly solution could be determined in time for future SRF funding opportunities.

Because of the high ranking of the Slater project and that a viable system will be taking over a non-viable system, DHEC elected to provide an additional \$750,000 to the Slater project.

Comment # 2

The IUP's indicate that the ARRA funds will be distributed on a "first come–first served" basis, which is defined as a completed loan application:

- ❑ How will those projects that miss this requirement be re-introduced in the Selected Projects List?
- ❑ How will lower tiered project representatives be notified that they have moved on to the list, up in the list or more funds may now be available for their designated project?

The ARRA funds available for loans at a reduced interest rate are limited to \$19,844,700 for clean water projects and \$8,970,000 for drinking water projects. To insure that ARRA funds are committed as soon as possible, the Selected Projects Lists identify more projects requesting ARRA funds for low interest loans than there are funds available: This creates a competitive environment for project sponsors to complete the loan application process in a timely manner. Those projects that miss out on receiving ARRA funds will still be eligible to receive an SRF loan at the standard interest rate of 3.5%.

For any new projects to be added to the Selected Projects Lists, the IUP will be revised with a new list and a public notice with a 30-day public comment period will be issued. In revising the selected project list DHEC will contact the projects' sponsors on the Comprehensive Priority List in priority order to determine which projects are ready to proceed. New projects will be selected based on the same criteria listed in the IUP with priority on readiness to proceed.

Comment # 3

In a March 2, 2009 EPA memorandum to the Water Management Division Directors Regions I-X, EPA urges States to address their SRF loan terms with the suggestion being to cut their interest rate on standard State SRF money by up to 75%. The commenter recommended incorporating this suggestion into the IUP. For instance if a project on the IUP list only receives State SRF money and no ARRA matching funds the commenter suggested that the standard rate be applied at 75% of the annual average Bond Buyers 25 index.

The Budget and Control Board establishes the standard interest rates for the SRF program prior to September 30th of each year. This suggestion has been forwarded to the Budget and Control Board for their consideration when they establish the interest rates for the next year.

Comment # 4

Mount Pleasant Waterworks (MPW) requested a second review of DHEC Project # 511-31, Snowden Gravity Wastewater Extension – Phase 2. After submitting the project questionnaire and while being reviewed by DHEC, the Snowden community has been identified as number 71 on the Updated Priority List of Environmentally Distressed Communities for Sewer Needs and A list of Communities Water Availability. Snowden “Phase I” received Federal Earmark Funds through EPA in 2002. MPW would like to complete this needed project, but must emphasize the need for grant funds or loan forgiveness to make this project feasible.

DHEC has reviewed the MPW request and assigned a point total of 75 in accordance with CWSRF Integrated Priority Ranking System. The Comprehensive Priority List of CWSRF projects has been revised to reflect this change. Unfortunately there are no additional funds available for a principal forgiveness loan at this time.

Comment # 5

One commenter noted several typographical errors such as the use of CWSRF in the DWSRF IUP.

These errors have been corrected.

Comment # 6

One comment suggested that use of SRF money for dischargers on the Saluda River upstream of Lake Greenwood be conditioned on "appropriate phosphorus controls" being implemented.

The need for specific improvements is a by-product of NPDES requirements and those NPDES permit reissuances in the future may require phosphorus controls. However, this is premature in the context of this Intended Use Plan. This suggestion will be considered in future revisions to the priority ranking system, however. Regardless, an applicant is free to apply for SRF money to implement a phosphorus reduction project at their own initiative.

Comment # 7

Several requested that DHEC consider funding additional projects.

Unfortunately funds are limited and we had to work within the current ranking system with consideration given to those projects ready to proceed. While the CWSRF has an estimated total of \$172 million available for projects the demand for funding exceeded \$636 million. Should any of the projects selected withdraw from consideration, DHEC will add new projects to the Selected Projects List then revise and public notice the IUP.