



CLEAN WATER

# Federal FY 2017 CWSRF Intended Use Plan For State FY 2018

DRAFT

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## Table of Contents

|       |  |    |
|-------|--|----|
| I.    | Introduction .....   | 3  |
| II.   | Goals .....  | 3  |
| A.    | Short Term Goals .....   | 3  |
| B.    | Long Term Goals .....  | 4  |
| III.  | Transfer of Funds From/To the Clean Water State Revolving Fund ..... | 4  |
| IV.   | Provisional Projects List .....                                      | 5  |
| V.    | Method for Selecting Projects and Distribution of Funds.....         | 5  |
| A.    | Priority Ranking System .....  | 5  |
| B.    | Comprehensive Priority List of CWSRF Projects.....                   | 5  |
| C.    | Selection of Projects & SRF Funding .....                            | 6  |
| D.    | Bypass Procedure .....   | 6  |
| E.    | Expeditious Use of Funds .....                                       | 7  |
| F.    | Sustainability Requirement .....                                     | 7  |
| G.    | Funding Terms and Interest Rates for Eligible Projects .....         | 7  |
| H.    | Loan Application .....   | 7  |
| VI.   | Eligibilities.....   | 8  |
| A.    | Eligible Sponsors.....   | 8  |
| B.    | Water Quality Management (WQM) Plans .....                           | 8  |
| C.    | Land .....   | 8  |
| D.    | Planning and Design Costs.....                                       | 8  |
| E.    | Legal and Appraisal Fees .....                                       | 8  |
| F.    | Construction Costs .....   | 9  |
| G.    | Contingency .....  | 9  |
| H.    | Phasing of a CWSRF Project .....                                     | 9  |
| I.    | Projects Not Eligible for Funding .....                              | 9  |
| VII.  | Funds Available .....  | 10 |
| A.    | Amount of Capitalization Grant.....                                  | 10 |
| B.    | State Match Requirement.....   | 10 |
| C.    | Administration of the CWSRF Program .....                            | 10 |
| D.    | Estimated Funds Available - State Fiscal Year (SFY) 2018 .....       | 10 |
| E.    | Anticipated Cash Draw Ratio.....                                     | 11 |
| F.    | Fee Income.....  | 11 |
| VIII. | Assurances and Specific Proposals .....                              | 11 |
| IX.   | Additional Information / Requirements .....                          | 12 |
| A.    | Federal Requirements.....  | 12 |
| B.    | Additional Subsidies .....   | 12 |
| C.    | Green Project Reserve (GPR).....                                     | 13 |
| D.    | Environmental Outcomes and Measures .....                            | 13 |
| E.    | 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) 2018 (July 1, 2017 through June 30, 2018) including federal funds allocated to South Carolina from the Consolidated Appropriations Act, 2017. South Carolina's expected allotment from the federal appropriations is \$13,583,000. Final allotments to state CWSRF programs for federal fiscal year (FFY) 2017 have not been announced by EPA before publication of this draft IUP. If the amount allocated to SC's CWSRF by EPA is different than indicated here, the actual allotment will be indicated in the Final IUP. Funding amounts will be adjusted as needed if the final allocation differs from the expected allocation used for the draft IUP. Eligibility for CWSRF loans and CWSRF program requirements, including any requirements of the applicable appropriations legislation are included in the IUP.

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 Rural Infrastructure Authority (RIA) Office of Local Government (OLG) conducts the staff functions of the Authority.

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 DRAFT 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. Increase participation of small wastewater systems in the SRF loan program.
2. 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. Promote the use of green practices and investment in green infrastructure, water and energy efficient improvements and environmentally innovative projects.
6. 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 ability to transfer funds between the CWSRF and Drinking Water (DW) SRF program as provided for by federal law. The law allows the SRFs to transfer an amount equal to 33% of the annual Drinking Water capitalization grant. SC SRF would transfer non-federal funds made available by loan repayments. The ability to transfer funds based on the current year's grant and prior grants can assist in meeting the demands for CWSRF and DWSRF funding.

Due to the demand for funds for the DWSRF program, SC SRF proposes to transfer funds from CWSRF to DWSRF. \$2,719,530, which is 33% of the expected FFY 2017 DWSRF capitalization grant, will be transferred during SFY 2018. This transfer will help meet the demand for DW funds without adversely impacting the CW fund.

In the FFY 2016 CWSRF IUP, the SC SRF program proposed to transfer available-for-transfer funds that were not previously transferred from the CWSRF to the DWSRF to address the SFY 2017 demand for DWSRF funds. For the SC SRF program, the total amount not previously transferred from CWSRF to DWSRF is \$37,431,852, representing capitalization grants for FFY 1997 through FFY 2009. No transfer based on capitalization grants from FFY 1997 – FFY 2009 took place in SFY 2017. The SC SRF program reserves the right to transfer all or a portion of the available-to-transfer funds covering FFY 1997 - FFY 2009 from the CWSRF to the DWSRF for SFY 2018 or in future years when funding needs for DWSRF projects warrant a transfer and the transfer will not adversely impact the CWSRF fund. As with any transfers from the CWSRF to the DWSRF, the EPA will receive written notification prior to the transfer occurring.

A “retroactive” transfer from CWSRF to DWSRF in the amount of \$15,220,585 is shown in Section VII.D. for SFY 2018 budgeting purposes. This transfer would encompass funds available-to-transfer covering FFY 1997 – FFY 2009 capitalization grants. The actual transfer amount will depend on the DWSRF needs once CWSRF and DWSRF project costs and completion time-frames are better defined later in SFY 2018.

## IV. Provisional Projects List

The Clean Water Provisional Projects List (PPL) (Appendix A) identifies projects that are considered to be eligible and ready to proceed in the SFY 2018. The list consists of projects that are in the process of meeting SRF program requirements and new projects.

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

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 (or construction approval letter), 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 FFY 2017 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 (PQ), 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 PQ to the SRF section of DHEC’s Bureau of Water at any time. Once the PQ is received, DHEC staff will 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 in the following order: 1) first – score for “implement an approved TMDL” and 2) second – score for “impairment(s) addressed on current 303d list”) and then by date the project questionnaire was 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 does not proceed, DHEC staff will contact the sponsor and request that a revised PQ be submitted within 30 days that updates the cost estimate along with any changes to the project description. A revised PQ is scored to determine priority rank and remains on the Comprehensive Priority List. If DHEC does not receive a revised PQ, the project is 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 SFY 2018. Ready to proceed in SFY 2018 means that a project will be in compliance with the SRF schedule for submission of an acceptable preliminary engineering report and construction permit application as well as a complete SRF loan application to the RIA/OLG.

The successful completion of a preliminary financial review should occur before a project sponsor proceeds with meeting the technical requirements for a loan. Based on the schedule established for a project, RIA/OLG will send the sponsor a loan application package. To proceed as an SFY 2018 SRF project, a project must receive a construction permit, or letter of approval to construct, and submit a complete loan application to RIA/OLG by July 31, 2018. 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**

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

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 or portions of projects that equal at least \$1,358,300 (10% of the capitalization grant amount);
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, by a connection to a regional system.

## **E. Expeditious Use of Funds**

Due to an increase in expected utilization of SRF funding and in order to promote timely commitment and use of SRF funds, DHEC will set milestones for each project related to the completion of the PER and submission of plans and specifications to obtain a construction permit or letter of approval to construct. For the projects listed in Appendix A, the project sponsor must meet these milestones to ensure funds will not be committed to other projects. DHEC will take into account the complexity of the project and work with project sponsors in setting project milestones.

## **F. 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 promote sustainability and 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 completed by the Sponsor and reviewed and scored by DHEC that includes operational issues, managerial issues and limited financial information. Unless an acceptable score was received on an UtSA within the previous three years, an UtSA is requested of sponsors with projects on the Provisional Projects List. Additional financial assessment is performed by the RIA/OLG as part of the preliminary financial review and loan application process.

## **G. Funding Terms and Interest 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.

Visit the RIA/OLG website, <http://www.ria.sc.gov/> to view current SRF loan rates and policies. Interest rates for SFY 2018 are expected to be published by the RIA/OLG in early October 2017.

## **H. 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 by submitting a loan application approximately 30 days prior to submitting plans and specifications as required for a DHEC/SRF construction permit or letter of approval. 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 an SRF loan application is considered complete.

Loan applications are accepted from October 1 through July 31.

## VI. Eligibilities

### 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, <http://www.scdhec.gov/library/CR-010129.pdf>.

### C. Land

Land needed in support of construction and for collection, transport or treatment projects, is eligible for CWSRF loan participation. The purchase price of all land, rights-of ways, and easements, not to exceed the appraised value, may be included in the loan when: 1) the land is obtained less than one year prior to the date of submission of a complete loan application, and 2) 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 when 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, loan application, administration, or 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 to the RIA/OLG.



## 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 and American Iron and Steel 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. Contingency

- The SRF program allows a contingency of 10% of the construction line item where the construction cost of an SRF loan is \$10 million dollars or less. When the construction cost is greater than \$10 million dollars the contingency will be limited to 5%.
- 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), unless the project is needed to address a high-priority environmental or human health concern;

2. Projects exclusively correcting operation and maintenance deficiencies;
3. Projects for systems in NPDES noncompliance, unless funding will help a system achieve compliance.

## VII. Funds Available

### A. Amount of Capitalization Grant

South Carolina's expected allotment from the FFY 2017 federal appropriation is \$13,583,000.

### 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 expected capitalization grant. The RIA/OLG will deposit to the CWSRF fund the required amount of \$2,716,600 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 expected capitalization grant amount (\$543,320 for program management, including funding staff, paying operational expenses and providing technical assistance to potential loan applicants.

DHEC plans to use a portion of its administration funding to maintain a contract with a technical assistance provider to assist CWSRF loan recipients in meeting the Fiscal Sustainability Plan requirement as set forth in the CWA amendments of 2014.

### D. Estimated Funds Available - State Fiscal Year (SFY) 2018

|   |                      |
|---|----------------------|
| Estimated Amount of Funds to be available as of 6/30/17                 | \$124,674,748        |
| FFY 2017 federal capitalization grant                                   | \$13,583,000         |
| State match for FFY 2017 capitalization grant                           | \$2,716,600          |
| Estimated SFY 18 repayments (7/1/17 to 6/30/18)                         | \$35,922,536         |
| Estimated SFY 18 investment earnings (7/1/17 to 6/30/18)                | \$5,400,000          |
| Expected transfer of funds to DWSRF fund <sup>1</sup>                   | -\$2,719,530         |
| Estimated retroactive funds transfer to Drinking Water SRF <sup>2</sup> | -\$15,220,585        |
| CWSRF administrative set-aside  | -\$543,320           |
| <b>Estimated Total Funds Available for SFY 2018 Loans</b>               | <b>\$163,813,449</b> |

<sup>1</sup> Expected transfer of CW repayment funds to SC's Drinking Water SRF fund as allowed by federal law against the FFY 2017 Drinking Water Capitalization Grant.

<sup>2</sup> DHEC anticipates the need to transfer retroactive funds from the CWSRF to the DWSRF to meet the funding demands in the DWSRF program. The actual transfer amount will depend on the DWSRF needs once project costs and completion time-frames are better defined and will be a portion of the maximum eligible funds that were not previously transferred in any given year in which the state received a DWSRF capitalization grant (see Section III).

The estimated total funds for SFY 2018 loans may change from the figure quoted above due to: 1) the allocation amount of federal funds for FFY 2017 differs from the expected amount (see Section I. Introduction) and/or 2) the ongoing administration of SFY 2017 projects where bids have not been opened. It should be noted that the estimated total costs for projects identified for SFY 2018 CWSRF funds as shown in Appendix A (\$185,447,568) is approximately thirteen percent (13%) greater than the estimated total funds available as shown in the table above (\$163,813,449). Past experience in CWSRF program indicates that identifying projects for funding with total estimated costs slightly greater than the estimated funds available is reasonable due to projects being delayed or withdrawn and because most project funds actually will be spent in SFY 2019 and several years beyond SFY 2019. Therefore, any additional funds that may be needed for projects identified in this year's CWSRF IUP can be accounted for in future CWSRF IUPs.

### **E. Anticipated Cash Draw Ratio**

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

### **F. 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 CWSRF SFY 2018 closing fee is expected to be published in early October 2017 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.
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

Sponsors will be notified of all applicable federal requirements once their project is identified as a candidate for funding. Several federal requirements are required of all SRF loan recipients as follows:

- Environmental review of the project
- Compliance with Civil Rights Laws
- Davis-Bacon prevailing wage rates
- American Iron and Steel
- Fiscal sustainability plans for project components
- Cost and effectiveness analysis of the project

Additional 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 include but are not limited to:

- Disadvantaged Business Enterprise compliance (DBE)
- Equal Employment Opportunity
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards: Title 2 CFR, Parts 200 and 1500 ("Uniform Guidance" – governs single audit requirements)
- Architectural and Engineering Procurement

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

### B. 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. However, the FFY 2017 appropriations requires that at least 10% (not to exceed 30%) of the capitalization grant be used to provide additional subsidy to CWSRF projects. Section 603(i) of the CWA, states the conditions under which additional subsidy may be offered to a project.

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 promote sustainability. The sponsor may not be eligible for additional subsidies on future projects until the agreed upon operational changes have been fully implemented. 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;
- 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 SFY 2018, no one sponsor 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 A indicates the amount of PF that has been assigned to projects for SFY 2018 on a preliminary basis. The SRF Program reserves the right to adjust PF amounts. PF funds are only available if EPA awards the FFY 2017 CWSRF Capitalization Grant and it is accepted by DHEC. Project listing is not a commitment of PF funding.

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

The Consolidated Appropriations Act, 2017 requires to the extent there are eligible projects, not less than 10% of the State's expected FFY 2017 CWSRF allotment be used for green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. South Carolina's "Green Project Reserve" (GPR) amount is \$1,358,300. Any project or project portion wanting to be considered for the GPR must submit documentation outlining the benefits of the *green* components of the project. EPA's GPR guidance is posted on the SRF Guidance webpage <http://www.scdhec.gov/srfguidance>.

At the time this IUP was drafted, no projects had been identified to satisfy the GPR. To reach the minimum of 10%, projects currently on the Provisional Project List will be reviewed to see if any project, or part of a project, qualifies for the GPR.

DHEC reserves the right to give funding priority to all or a portion of GPR qualifying projects through the bypass procedures.

### **D. 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 CWSRF program. For more information, go to EPA's Clean Water SRF Performance webpage, [http://water.epa.gov/grants\\_funding/cwsrf/cwnims\\_index.cfm](http://water.epa.gov/grants_funding/cwsrf/cwnims_index.cfm).

## **E. Public Participation**

Notice of this draft IUP is e-mailed or mailed to each project sponsor on the Comprehensive Priority List of CWSRF Projects and other interested parties.

During the 30-day public notice period, the notice and DRAFT FFY2017 CWSRF 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  
CWSRF SFY 2018 Provisional Project List\*

|                     | Sponsor & Project   | SRF Project Number | Project Description   | NPDES Permit Number | Estimated Total Project Cost | Estimated SRF Loan Amount | Estimated Principal Forgiveness Assistance <sup>1</sup> | Estimated Green Project Reserve Amount <sup>2</sup> | Total Points |
|---------------------|---|--------------------|---|---------------------|------------------------------|---------------------------|---|---|--------------|
| <b>New Projects</b> |   |                    |   |                     |                              |                           |   |   |              |
| 1                   | <b>Berea Public Service District</b><br>Sanitary Sewer Rehabilitation Program- Phase 2                    | 735-02             | Repair and rehabilitate 8" sewer lines through point repairs and cured-in-place pipe, and repair and apply cementitious lining to hundreds of manholes to address numerous issues that have contributed to varying degrees of infiltration and inflow throughout the collection system. |                     | \$2,400,000                  | \$2,400,000               |   |   | 70           |
| 2                   | <b>Sumter, City of</b><br>Town of Mayesville WWTP Connection  | 442-33             | Eliminate the Mayesville WWTP along with a pump station and force main to connect the Mayesville collection system to the City of Sumter' collection system.  | ND0069787           | \$1,505,000                  | \$755,000                 |   |   | 60           |
| 3                   | <b>Richland County Utilities</b><br>Gadsden Elementary Pump Station and Force Main                        | 574-24             | Construction of a duplex pump station and installation of 12,500 LF of 6" forcemain to eliminate a treatment facility under DHEC Consent Order for failure to meet NPDES permit limits for ammonia.   | SC0031526           | \$791,900                    |                           | \$423,000   |   | 50           |
| 4                   | <b>Anderson County</b><br>5 Mile Interceptor, Phase III   | 724-03             | Third and final phase of replacement of aging interceptor - to include installation of ~12,950 LF of 18", 24" or 30" ductile iron pipe and polymer concrete manholes, with subsequent abandonment of existing interceptor in place.   |                     | \$7,178,800                  | \$7,178,800               |   |   | 50           |
| 5                   | <b>ReWa</b><br>Saluda 4 Pump Station Elimination  | 370-81             | Replace Saluda 4 PS with gravity sewer  |                     | \$1,300,000                  | \$1,300,000               |   |   | 50           |
| 6                   | <b>ReWa</b><br>Saluda Lake Pump Station 2 & 3 Upgrade   | 370-79             | Upgrade existing 40 year old pump stations at high risk for failure.  |                     | \$3,000,000                  | \$3,000,000               |   |   | 50           |
| 7                   | <b>ReWa</b><br>State Park Road Pump Station Elimination   | 370-90             | Replace State Park Road PS with gravity sewer   |                     | \$550,000                    | \$550,000                 |   |   | 40           |
| 8                   | <b>Lyman, Town of</b><br>Startex Sewer Main Rehabilitation  | 462-09             | Rehabilitation of the 60-90-year old collection system in the Startex Mill Village (~7319 linear feed of 8-inch sewer main and line and ~210 manholes). The Town of Lyman is currently the court-appointed receiver of the Startex system.  | SC0021300           | \$973,000                    |                           | \$973,000   |   | 40           |
| 9                   | <b>ReWa</b><br>FY18 Gravity Sewer & Manhole Rehabilitation  | 370-97             | Lining existing sewers with Cured in Place Piping & lining of existing manholes with cementitious material to reduce the potential for wet weather sanitary sewer overflows resulting from inflow and infiltration and limit exfiltration into the environment.                         |                     | \$5,000,000                  | \$5,000,000               |   |   | 40           |
| 10                  | <b>ReWa</b><br>Mauldin Rd WWRF Wet Weather Flow Pump Station Upgrade                                      | 370-75             | Assessment and rehabilitation of existing pump station at the Mauldin Road WRRF   |                     | \$2,900,000                  | \$2,900,000               |   |   | 40           |
| 11                  | <b>Rock Hill, City of</b><br>Manchester Creek Wastewater Treatment Plant Upgrades and Expansion - Phase 1 | 393-32             | Phase 1 of upgrades to improve plant performance and efficiencies, implement additional nutrient removal and to construct additional treatment capacity at the Manchester Creek WWTP.   | SC0020443           | \$54,700,000                 | \$54,700,000              |   |   | 40           |

SOUTH CAROLINA  
CWSRF SFY 2018 Provisional Project List\*

|    | Sponsor & Project  | SRF Project Number | Project Description   | NPDES Permit Number | Estimated Total Project Cost | Estimated SRF Loan Amount | Estimated Principal Forgiveness Assistance <sup>1</sup> | Estimated Green Project Reserve Amount <sup>2</sup> | Total Points |
|----|--|--------------------|---|---------------------|------------------------------|---------------------------|---|---|--------------|
| 12 | <b>Myrtle Beach, City of</b><br>Upgrades to the Bear Branch Pump Station                           | 494-17             | Replace 34 year old pump station to include replacing pumps, coating the wetwell and horizontal storage, addition of control manholes, new controls and safety equipment  | SC0039039           | \$1,159,765                  | \$1,159,765               |   |   | 30           |
| 13 | <b>ReWa</b><br>Mayberry Park Sewer Upgrade   | 370-98             | Replacement of a 20-inch sewer with a 36-inch sewer to address hydraulic issues and reduce the potential for sanitary sewer overflows.  |                     | \$2,800,000                  | \$2,800,000               |   |   | 30           |
| 14 | <b>ReWa</b><br>Rock Creek Interceptor  | 370-99             | Replacement of a 24-inch sewer with a 36-inch sewer to address hydraulic issues and reduce the potential for sanitary sewer overflows.  |                     | \$11,069,000                 | \$11,069,000              |   |   | 30           |
| 15 | <b>Clemson, City of</b><br>Cochran Road WWTP Upgrade and Expansion                                 | 267-03             | Upgrade and expand the existing Cochran Road WWTP to maintain compliance with permitted limits.   | SC0020010           | \$13,990,000                 | \$13,990,000              |   |   | 30           |
| 16 | <b>Georgetown, City of</b><br>West End Sewer Rehabilitation  | 412-15             | Rehabilitation of ~40,000 LF of aging gravity sewer lines in the City's West End. Project will reduce infiltration and inflow of rainwater and reduce the potential for sewer backups and overflows               | SC0040029           | \$3,422,850                  | \$3,172,850               |   |   | 20           |
| 17 | <b>ReWa</b><br>Gilder Creek WRRF Secondary Clarifier and RAS PS Rehabilitation                     | 370-91             | Demolition and replacement of an existing RAS building and demolition and replacement of two existing secondary clarifier mechanisms.   | SC0040525           | \$3,500,000                  | \$3,500,000               |   |   | 20           |
| 18 | <b>ReWa</b><br>Lower Reedy Digester Capacity Evaluation and Improvements                           | 370-84             | Assessment of existing anaerobic digester system, evaluate alternatives for reliability improvement and install the selected alternative.   | SC0024261           | \$12,000,000                 | \$12,000,000              |   |   | 20           |
| 19 | <b>Aiken, City of</b><br>Critical Stormwater Rehabilitation - Phase 1                              | 549-07             | Repair or replace aging stormwater ponds and conveyance pipes using conventional construction and trenchless technology.  | SCR030301           | \$2,548,125                  | \$2,548,125               |   |   | 20           |
| 20 | <b>Richland County</b><br>Cedar Cove and Stoney Point Sanitary Sewer Upgrades                      | 574-25             | Installation of gravity sewer to replace the low pressure sewer system in the Cedar Cove and Stoney Point Subdivisions.   | SC0046621           | \$2,500,000                  | \$2,500,000               |   |   | 20           |
| 21 | <b>James Island PSD</b><br>Fort Johnson and Dills Bluff Trunk Sewer CIPP Lining and Manhole Lining | 543-14             | Assess and rehabilitate, by lining or point repair, 3100 LF of 21" gravity trunk sewer line and 8 manholes to address aging infrastructure with a history of joint failure and to reduce infiltration and inflow. | SC0021299           | \$722,093                    | \$722,093                 |   |   | 10           |
| 22 | <b>Myrtle Beach, City of</b><br>Upgrades to the Briarcliff Mall Pump Station                       | 494-18             | Replace 39 year old pump station to include replacing pumps, install new wetwell, addition of control manhole, new controls and safety equipment.   | SC0039039           | \$687,380                    | \$687,380                 |   |   | 10           |
| 23 | <b>Myrtle Beach, City of</b><br>Upgrades to the Dunes Club #1 Pump Station                         | 494-19             | Replace 48 year old pump station to include replacing pumps, new wet well, rehab existing wetwell into a collective handler and new piping valves.  | SC0039039           | \$641,795                    | \$641,795                 |   |   | 10           |
| 24 | <b>Myrtle Beach, City of</b><br>Upgrades to the Dunes Club #2 Pump Station                         | 494-20             | Replace 43 year old pump station by constructing a duplex submersible pump station.   | SC0039039           | \$605,230                    | \$605,230                 |   |   | 10           |



SOUTH CAROLINA  
CWSRF SFY 2018 Provisional Project List\*

|  | Sponsor & Project   | SRF Project Number | Project Description  | NPDES Permit Number    | Estimated Total Project Cost | Estimated SRF Loan Amount | Estimated Principal Forgiveness Assistance <sup>1</sup> | Estimated Green Project Reserve Amount <sup>2</sup> | Total Points |
|--|---|--------------------|--|------------------------|------------------------------|---------------------------|---|---|--------------|
| 25                                     | Myrtle Beach, City of<br>Upgrades to the Myrtle Manor Pump Station                | 494-21             | Replace 39 year old pump station to include replacing pumps, install new wetwell, addition of control manhole, new controls and safety equipment   | SC0039039              | \$726,260                    | \$726,260                 |   |   | 10           |
| 26                                     | Myrtle Beach, City of<br>Upgrades to the Northwoods Pump Station                  | 494-22             | Replace 38 year old pump station to include replacing pumps, reline wetwell, addition of control manhole, new controls and safety equipment.   | SC0039039              | \$732,750                    | \$732,750                 |   |   | 10           |
| 27                                     | Myrtle Beach, City of<br>Upgrades to the Forest Pump Station                      | 494-23             | Replace 42 year old pump station to include replacing pumps, new wetwell lining horizontal storage, convert existing wetwell into a collection manhole, new controls and safety equipment.   | SC0039039              | \$840,920                    | \$840,920                 |   |   | 10           |
| 28                                     | James Island PSD<br>Pump Station 2 Diversion Force Main                           | 543-15             | Installation of ~9450 linear feet of 14" and 16" force main to replace existing pipes that are in poor condition and have the potential to fail. To be constructed in two phases - Phase 1 ~3500 LF & Phase 2 ~5950 LF.  | SC0021229              | \$6,000,000                  | \$6,000,000               |   |   | 10           |
| 29                                     | Hilton Head Biosolids<br>Dewatering Improvement                                   | 509-06             | Install biosolids dewatering equipment (centrifuge and supplemental equipment) to replace existing equipment at the end of its useful life.  | SC0046191<br>ND0068462 | \$1,660,000                  | \$1,660,000               |   |   | 10           |
| 30                                     | GSWSA<br>Longs WWTP Upgrade to 0.95 MGD   | 381-75             | Upgrade WWTP from .2MGD to .95 MGD by adding additional complete mix and partial mix lined lagoons, intermittent sand filters, headworks structure, UV disinfection and effluent pump station.   | SC0040878              | \$11,400,000                 | \$11,400,000              |   |   | 0            |
| 31                                     | Kershaw, Town of<br>WWTP Improvements   | 595-01             | Repair and replacement of various components of the sequential batch reactors to maintain current treatment capacity and prepare for future plant expansion.   | SC0025798              | \$860,000                    | \$780,000                 |   |   | 0            |
| 32                                     | Dillon, Town of<br>Highway 9 Force Main Relocation                                | 424-08             | Relocation of 2 parallel 18" force mains due to DOT bridge replacement.  | SC0021776              | \$1,399,000                  | \$1,399,000               |   |   | 0            |
| Totals: New Projects                   |   |                    |  |                        | \$159,563,868                | \$156,718,968             | \$1,396,000   |   |              |
| <b>Continuing Projects<sup>3</sup></b> |   |                    |  |                        |                              |                           |   |   |              |
| 1                                      | Union, City of<br>Regional Wastewater Facility along Hwy. 176 Corridor            | 373-02             | This project will eliminate the Town of Jonesville WWTP and transfer the Wastewater to the City of Union Tosch's Creek WWTP.   |                        | \$6,055,000                  | \$6,055,000               |   |   | 80           |
| 2                                      | GSWSA<br>South Wastewater Transmission System Upgrade                             | 381-77             | Installation of ~35,500 LF of force main to interconnect sections of the sewer system to address reliability and redundancy in handling sewer flows. A pump station will be constructed at the headworks of the Schwartz WWTP to intercept the influent flows from the multiple force mains.   | SC0037753              | \$10,000,000                 | \$10,000,000              |   |   | 70           |
| 3                                      | Rock Hill, City of<br>Stormwater Improvements - Cavendale Drive and College Downs | 393-29             | Replace existing under-road culvert and restore the channel of a feeder stream to Wildcat Creek to address flooding that occurs during a 10-year rain event. Alleviate flooding in the College Downs area through stream restoration and/or enhancements using natural stream design techniques and possible improvements of the flood plain corridor. |                        | \$4,000,000                  | \$4,000,000               |   |   | 50           |

SOUTH CAROLINA  
CWSRF SFY 2018 Provisional Project List\*

|   | Sponsor & Project   | SRF Project Number | Project Description   | NPDES Permit Number | Estimated Total Project Cost | Estimated SRF Loan Amount | Estimated Principal Forgiveness Assistance <sup>1</sup> | Estimated Green Project Reserve Amount <sup>2</sup> | Total Points |  |
|---|---|--------------------|---|---------------------|------------------------------|---------------------------|---|---|--------------|--|
| 4 | <b>Easley Combined Utilities</b><br>Alice Mill Sewer Improvements       | 711-06             | Install ~17,700 linear feet of 8" PVC sewer line, 87 manholes and new service laterals to 225 residences to replace an aging sewer collection system that is poorly sited and subject to failure. |                     | \$5,000,000                  | \$5,000,000               |   |   | 40           |  |
| 5 | <b>Bamberg Board of Public Works</b><br>New Bridge Sewer Rehabilitation | 278-01             | Installation of new sewer line to replace existing poorly sited sewer line. Rehabilitation of existing sewer lines in the area as determined by CCTV inspection.                                  | ND0063398           | \$2,277,600                  | \$2,277,600               |   |   | 20           |  |
|   |   |                    | Totals: Continuing Projects   |                     | \$27,332,600                 | \$27,332,600              |   |   |              |  |
|   |   |                    | Totals: New Projects  |                     | \$159,563,868                | \$156,718,968             | \$1,396,000   |   |              |  |
|   |   |                    | <b>SFY 2018 Total of SRF Loan + Principal Forgiveness Loan Amount</b>   |                     |                              | <b>\$185,447,568</b>      |   |   |              |  |

- \* Projects that appear on the Provisional Project List are ranked based on priority for funding. However a loan offer is dependent on the financial capacity of the sponsor, which may not have been evaluated to date.
- 1 Principal forgiveness funds are subject to change and are only available if the FY17 CWSRF Capitalization Grant is awarded by EPA and accepted by DHEC. Project listing is not a commitment of funding.
- 2 FY17 federal appropriations require that to the extent there are eligible projects, the CWSRF identify GPR eligible projects or parts of projects in an amount equal to at least 10% of the expected capitalization grant amount, or \$1,358,300, as GPR eligible (see Section IX.C. of the CWSRF IUP). Projects on this Provisional Project List have not submitted documentation, but may qualify in whole or in part for the GPR. If any projects are identified as GPR eligible the project or portion of the project will be reported in the CWSRF SFY18 Annual Report.
- 3 SFY17 projects that are **not** expected to have a complete CWSRF application by July 31, 2017.