



2025 SRF CALL FOR PROJECTS

January 29, 2025



Today's Speakers



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Webinar Agenda



Overview and Funding Available



Who and What is Eligible?



What is Required?



Understanding the Process



Program Updates



Financial Requirements



Q & A



Partnership in Program Management



SC DEPARTMENT *of*
**ENVIRONMENTAL
SERVICES**

DES is the EPA grantee and
manages the technical
aspects of the program

RIA's Office of Local
Government (OLG) handles
the financial responsibilities
of the Fund



South Carolina
Rural Infrastructure Authority



RIA & DES • STATE REVOLVING FUND

State Revolving Fund Overview



Clean Water (CWSRF)

- Clean Water Act
- Wastewater & Stormwater Projects
- Low-Interest Loans and Principal Forgiveness Funding



Drinking Water (DWSRF)

- Safe Drinking Water Act
- Drinking Water Projects, including PFAS and lead service line replacements
- Low-Interest Loans and Principal Forgiveness Funding



SRF Funding Available



Clean Water "All Eligible"

About the same \$\$ available
for Loans

Around \$15 million available for
Principal Forgiveness



Drinking Water "All Eligible"

About the same \$\$ available
for Loans

Around \$18 million available for
Principal Forgiveness

Emphasized Types of Projects

- Large line projects (>\$5 Million)
- Large Planning and Design Engineering projects

Other Funding Available



Drinking Water Specialized Funding

- **SRF Lead Service Line Replacement Funding** (\$40M)
(1/2 loan, 1/2 principal forgiveness)
 - **SRF PFAS Principal Forgiveness** (\$11M)
 - **PFAS Federal Grant Funding for Small and Disadvantaged Communities** (\$20M)

CW Eligible Sponsors

Assistance for Public Entities:

- Municipalities
- Counties
- Special Purpose Districts
- Joint Regional Entities



CW Eligible Activities



Publicly-Owned Treatment Works (POTW)

- New WWTPs, upgrades or expansions to WWTPs including residuals handling and disposal
- New or rehabilitation of pump stations
- Sewer line rehabilitation or replacement
- Relocation of sewer lines due to road widening
- System evaluations and planning projects
- Resiliency projects

Non-Point Source Pollution (NPS) projects

- Improvements to stormwater management and conveyance systems
- Watershed improvements such as land use controls
- Projects to address groundwater discharging to surface water and causing a negative impact to surface water quality

DW Eligible Sponsors

- **Community Water Systems owned or operated by:**
 - Municipalities
 - Counties
 - Special Purpose Districts
 - Joint Regional Entities
- **Non-Profit, Community Systems established under state law**



DW Eligible Activities

Two main categories:

- (1) Drinking water treatment, storage, and distribution projects**
- (2) Water conservation projects**

Project Examples:

- New water treatment plants and upgrades or expansions to existing plants
- Water storage facilities such as elevated storage tanks
- New or rehabilitation of water lines
- Infrastructure to interconnect drinking water systems
- New wells
- Relocation of water lines due to road widening
- System evaluations and planning
- Lead Service Line Replacements
- PFAS-related projects
- Resiliency projects





CW & DW Project Funding Federal Requirements



General

- Utility Sustainability Assessment
- Civil Rights
- Environmental Review
- Davis-Bacon
- American Iron and Steel
- Debarment and Suspension
- Cost and Effectiveness (*CW Only*)
- Fiscal Sustainability Plan (*CW Only*)

Equivalency

All General requirements PLUS:

- Build America, Buy America (BABA)
- Prohibition on Telecommunications & Video Surveillance
- URLAP (Land acquisition)
- DBE (MBE/WBE)
- EEO (Affirmative Action)
- Single Audit Act
- FFATA Reporting
- Signage (only if Construction)
- A/E Procurement (*CW Only*)

Davis - Bacon Act

- Administered by U.S. Department of Labor (DOL) - Wage and Hour Division (WHD)
- Establishes local prevailing wages for laborers and mechanics on public works projects
- Applies to all contracts > \$2,000
- Applies to entire project regardless of any other funding sources
- Find and include the correct Wage Determination (WD) online at sam.gov/content/wage-determinations



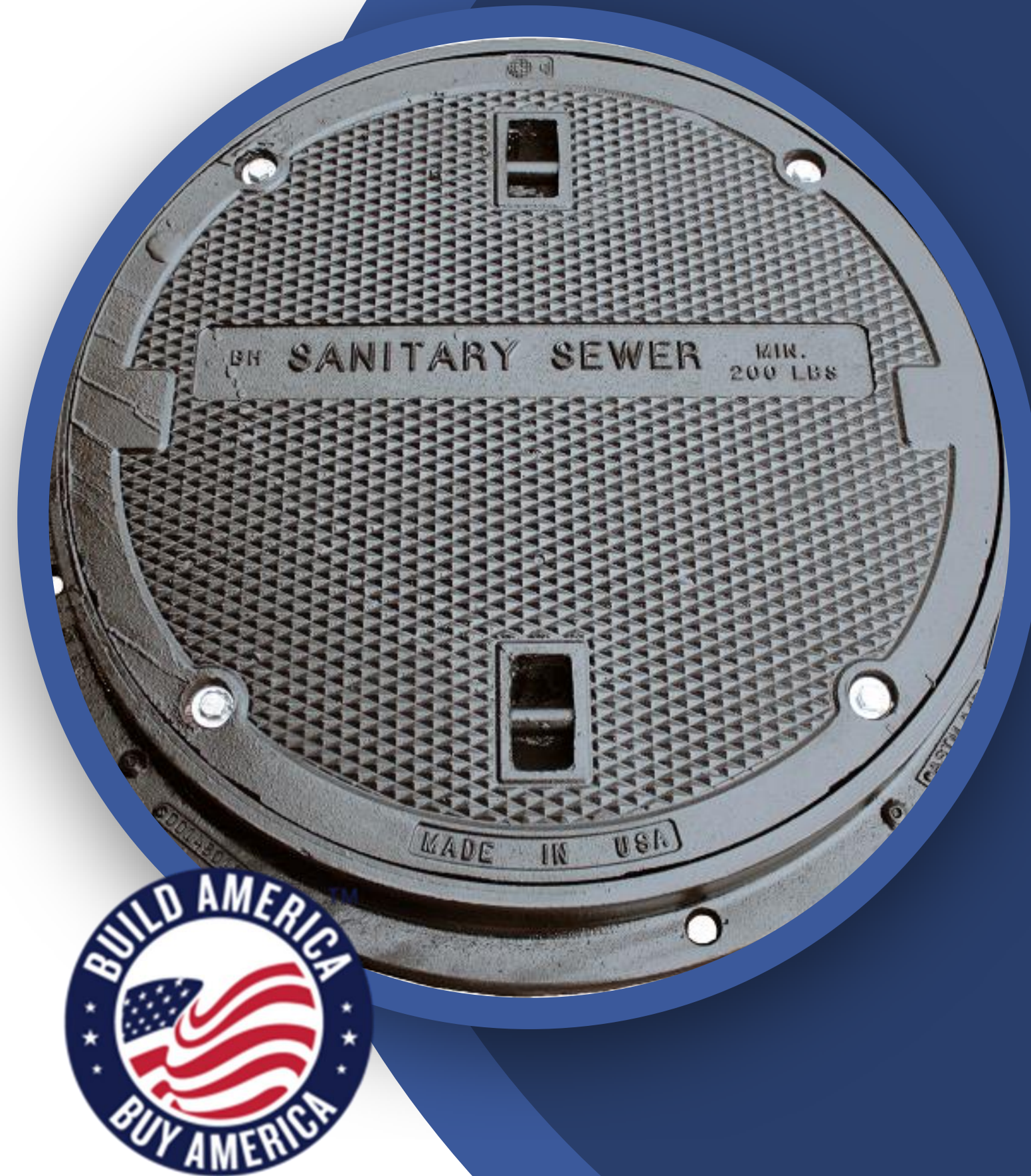
Build America, Buy America (BABA)

- BABA applies to all SRF equivalency projects (unless a waiver has been granted):

“...none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.”

- Recently published implementation guidance from EPA on November 3, 2022 (Q&A format)

epa.gov/cwsrf/build-america-buy-america-baba



Disadvantaged Business Enterprise (DBE) Compliance

- All projects should encourage use of small and disadvantaged businesses (including women and minority-owned businesses)
- Sponsors and contractors with equivalency projects need to:
 - Follow the Six Good Faith Efforts
 - Create and maintain a bidders list
 - Submit required DBE documentation for bid approval
 - Supply required reports during project implementation

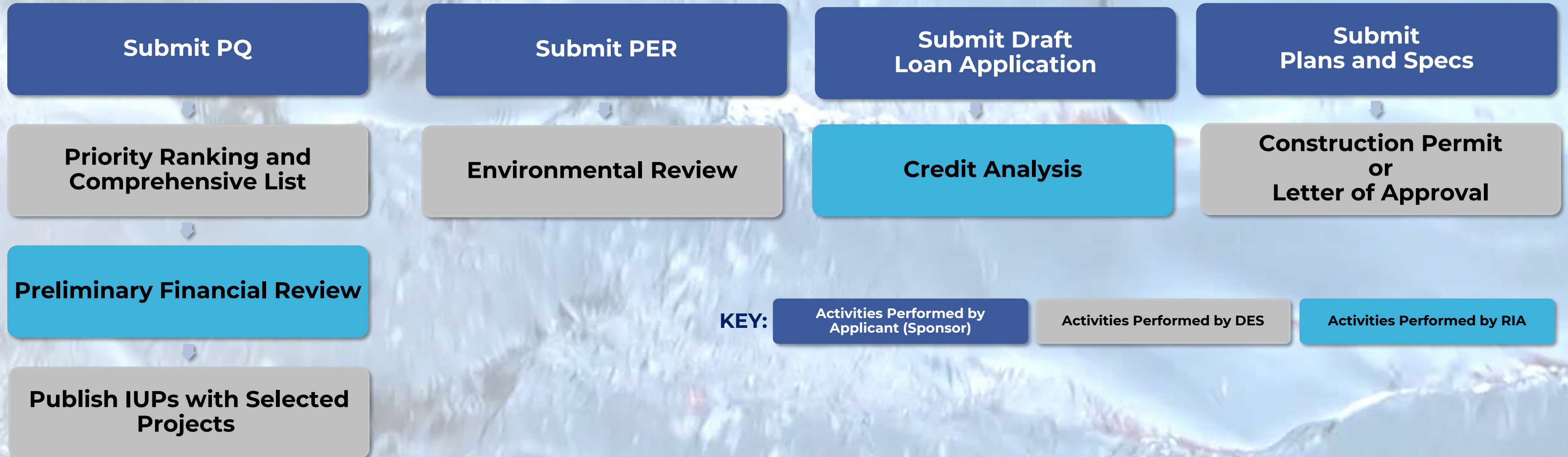


The SRF Process

From Start ...



Reminder:
PQs Due by
March 14, 2025



The SRF Process

... To Finish.

KEY:

Activities Performed by Applicant (Sponsor)

Activities Performed by DES

Activities Performed by RIA

Finalize Loan Application

Bid Project

Submit Bid Package

Construct Project

Loan Decision Letter

Adopt Bond Ordinance/Resolution

Approve Bid Package

Draw Requests

Loan Closing

Preconstruction Meeting

Disburse Funds

Approval to Operate

within 30 days of permit

Jan – June 2026

March 2026 + (6 – 24 months)

Project Questionnaires and the Selection Process



PQs



Selection Priorities and Ranking



Intended Use Plans



Selected Projects



Project Questionnaires (PQ)



Submit a two-page Project Questionnaire (PQ) to DES



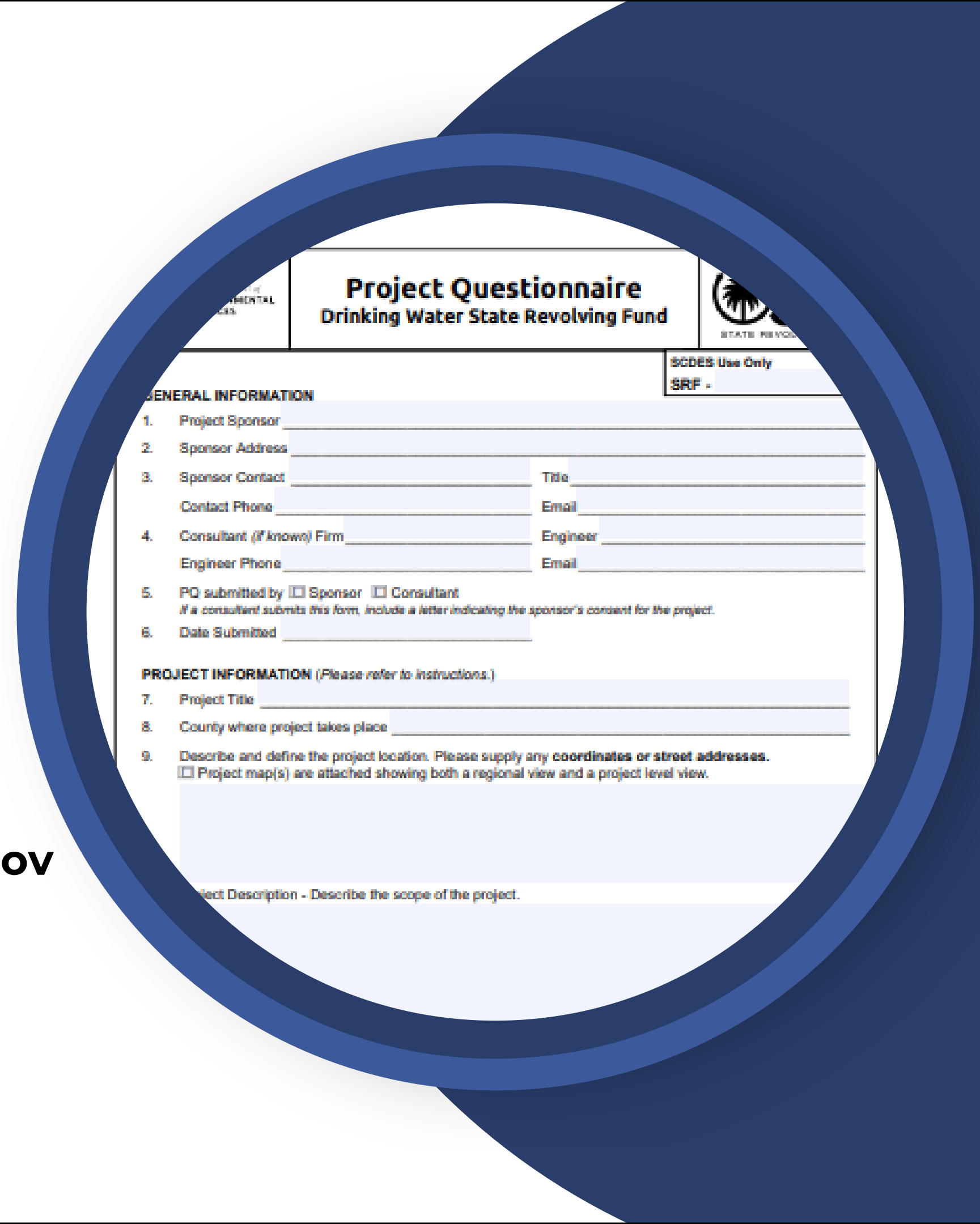
Document download available at des.sc.gov/SRFcall



PQs are due by March 14, 2025



Email completed PQs to SRF-Info@des.sc.gov and include supporting documentation



Intended Use Plans (IUP)

SOUTH CAROLINA
DWSRF
STATE REVOLVING FUND
DRINKING WATER

Federal FY 2024 DWSRF
General Supplemental Grant
Intended Use Plan
For State FY 2025

FIN
June 26, 2

Water



Describes program goals, priorities and how funds are used



Describes eligibility and method for selecting projects



Identifies selected projects for coming fiscal year



Provides a 30-day public comment period



Project Priority List is developed



Available at des.sc.gov/SRFreports

Program Update #1: Expected Timeliness of Projects

PF Projects should have an executed Loan Assistance Agreement by September 30, 2026



Loan Projects should have approved plans and specs by July 31, 2026, and an executed Loan Agreement by December 31, 2026



Projects that do not meet these deadlines may be administratively withdrawn from our program.

Program Update #2: Principal Forgiveness Increase

Projects eligible for principal forgiveness will now be able to apply for up to \$2 million in PF funds.



Program Update #3: EnABLE SRF Software

- DES and RIA will begin using a new software in FY25
- PQs will still be emailed to SRF-Info@des.sc.gov for this year
- Water system users will be added at a later date



New Software

EnABLE



Users

DES and RIA



Start Date

Spring/Summer
2025





SRF Financial Requirements and Project Funding



SRF Loan



Principal Forgiveness

All Principal Forgiveness Funds

- No loan application necessary
- Submit a copy of your most recent audit (not delinquent)
- Complete your DES requirements first – including bidding
- DES will request your funding from the RIA
- The RIA will contact you regarding the necessary paperwork
- Paperwork includes the adoption of a resolution with your governing body
- A Loan Assistance Agreement will be drafted and signed by the official designated in your resolution
- You may draw on your funds once the Loan Assistance Agreement is fully executed by the RIA office.



Loan Policies and Terms

- Updated in October
- Published on website:
www.ria.sc.gov
- Policies
 - Interest rates
 - Loan terms
 - Loan fees
 - Security
 - Repayment policies
- Maximum of 30 years
- Shorter Terms Available
 - 8-14 years: 30 basis points less than the standard rate
 - Up to 7 years: 50 basis points less than the standard rate



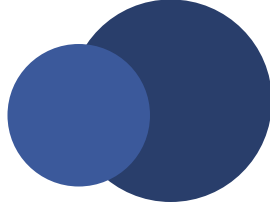
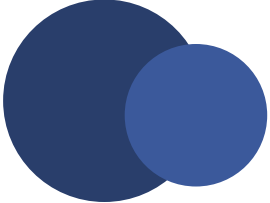
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TERMS AND CONDITIONS

...s apply whatever the purchaser's general purchasing conditions stipulated in the order, will only be considered as accepted. The order is considered as final only after our acknowledgment.

of the Offer

... apply exclusively to the supply of services. The purchaser in no case will be allowed to...



Current Interest Rates for FY25

1.8%

Small System Rate

2.3%

Standard Rate

1.8%

Green Rate



Security

- **One or more dedicated sources of revenue:**
 - Revenue pledge: user charges or special assessments
 - General Obligation pledge: general taxes
- **When SRF loan is on parity with existing revenue bond debt:**
 - Rate covenant of the governing Bond Ordinance/Resolution applies, unless less than 110%
- **Minimum SRF Debt Coverage:**
 - 110% of debt secured by or paid from revenues of the system



Debt Service Reserve Fund

- May be required for loan secured by system revenues
- Not required for borrowers with underlying revenue rating in at least the "A" category by S&P and/or Moody's
- Not required for a GO loan
- DSRF held by trustee bank or State Treasurer, if permitted by governing Bond Ordinance/Resolution



Loan Closing Fees



Example:

	\$1,000,000	Loan
X	.50%	Closing fee
<hr/>		
	\$5,000	Cost Due at Closing

* Fees are not eligible for inclusion in the loan.



Loan Applications



General Information

- System service area
- Largest employers

Proposed Project

- Description
- Budget
- Schedule
- Land/Easements

System Information

- Existing facilities/Capacity
- Rate structure/Average usage
- Customer data/Trends
- Revenues
- Operating Budgets
- Capital Improvement Plan
- System transfers
- Debt
- Audits

Key Credit Review Factors



Local socio/economic conditions



Top customers as a % of total user charges revenue



Rates compared to MHI
Recent or planned rate increases



Debt service coverage



Cash resources



System transfers



Loan Closing



- Loan agreement between the borrower and the SC water quality revolving fund authority
- Loan agreement becomes part of the bond ordinance/resolution adopted by the governing body to authorize debt
- Bond and local counsel opinions
- Trustee/custodian agreement
- Additional bonds test of governing bond ordinance/resolution for parity debt
- Title opinion for land, right-of-way (ROW) or easements, if required
- The loan agreement will detail the % split between principal forgiveness and loan.

SRF Call for Projects Recap



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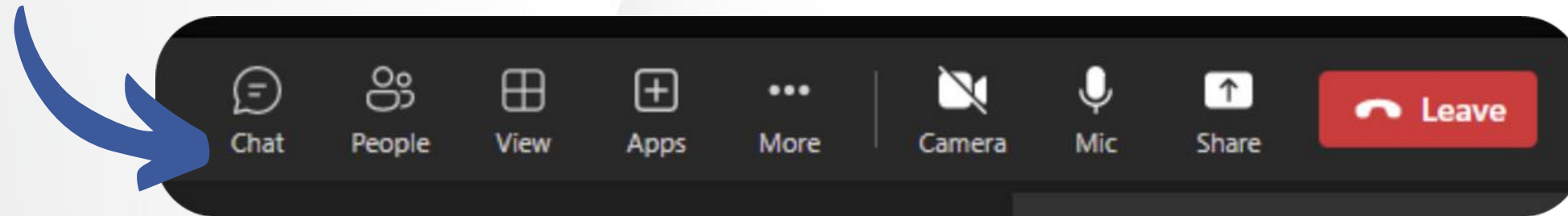


Due by March 14, 2025



QUESTIONS?

LOOK FOR THE CHAT BUTTON:



Visit Our Website:
des.sc.gov/SRF



Email Us Questions:
SRF-Info@des.sc.gov

