



2026 SRF NEW PROJECTS WEBINAR

Understanding the SRF Process

July 21, 2026

des.sc.gov/SRF 

Today's Speakers



Kim Forston

SRF Program Manager



Noel Hebert, CPA

RIA Finance Director



Gracie Leatherman

SRF Environmental Coordinator

Webinar Agenda



How the Process Works

Preliminary Engineering Reports

Permitting, Plans, and Specifications

Competitive Bidding and Approval

SRF Loan Application Process

Construction and Federal 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 program.



South Carolina
Rural Infrastructure Authority



SCDES & RIA • STATE REVOLVING FUND

State Revolving Fund Overview

1

Clean Water (CWSRF)

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

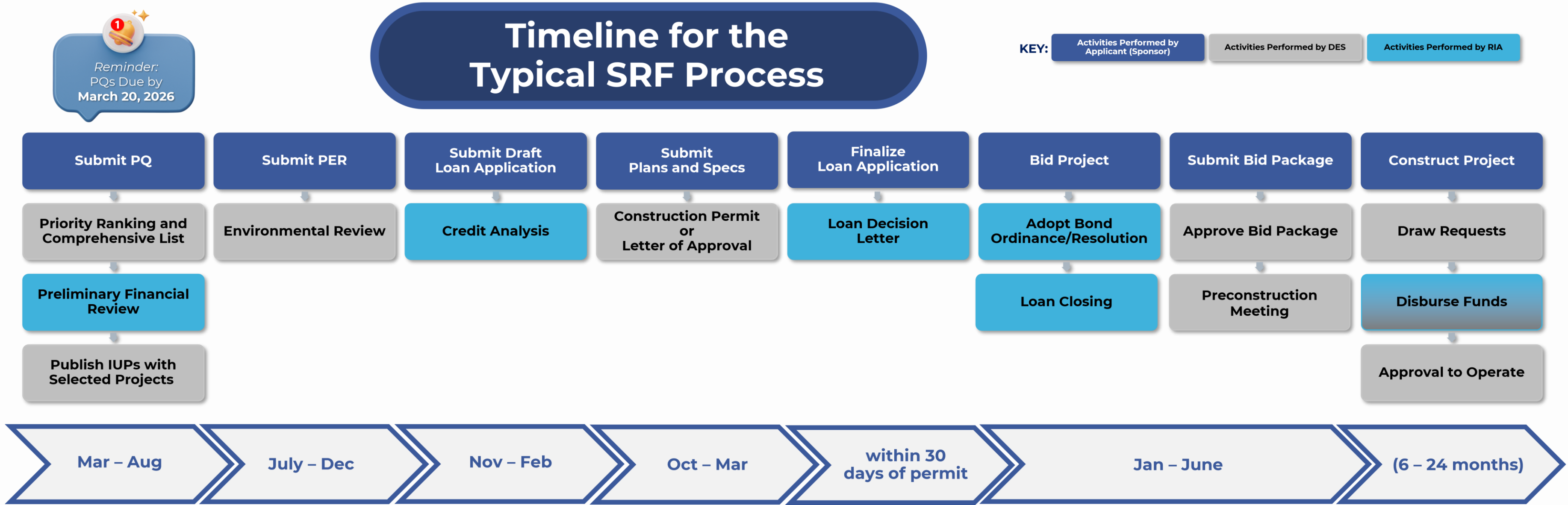
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Drinking Water (DWSRF)

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



Timeline for Typical SRF Process



SRF Process Timing



PQs are typically due in March but are accepted year-round for loan projects.



Loan projects may be added mid-cycle IF:

- Funds are available
- Project scores high
- Project can move quickly



Submit new PQs to: SRF-Info@des.sc.gov

Expected Timeliness of Projects

Loan Projects should have approved plans and specs by July 31, 2027, and an executed Loan Agreement by December 31, 2027

PF Projects should have an executed Loan Assistance Agreement by September 30, 2027

Projects that do not meet these deadlines may be administratively withdrawn from our program.



Know Your Project Type

Do you have a
CLEAN WATER
or
DRINKING
WATER
project?

Will your
project follow
EQUIVALENCY
or
GENERAL
requirements?

Is SRF
funding only
ENGINEERING
or is the project
only a
PLANNING
STUDY?

Does your
project
have
SIGNAGE
REQUIREMENTS?

Is your funding
a **LOAN**,
PRINCIPAL
FORGIVENESS,
or a
COMBINATION?

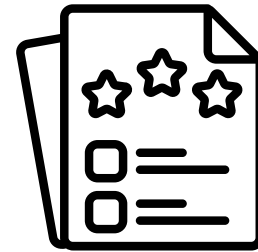
Are
OTHER
FUNDING
AGENCIES
involved?

Utility Sustainability Assessment (UtSA)



Utilities must be sustainable to receive SRF funding

- SCDES requires utilities to submit a UtSA form to evaluate sustainability



A satisfactory score is needed to remain eligible for SRF funding unless the funding for the project will help the utility achieve sustainability



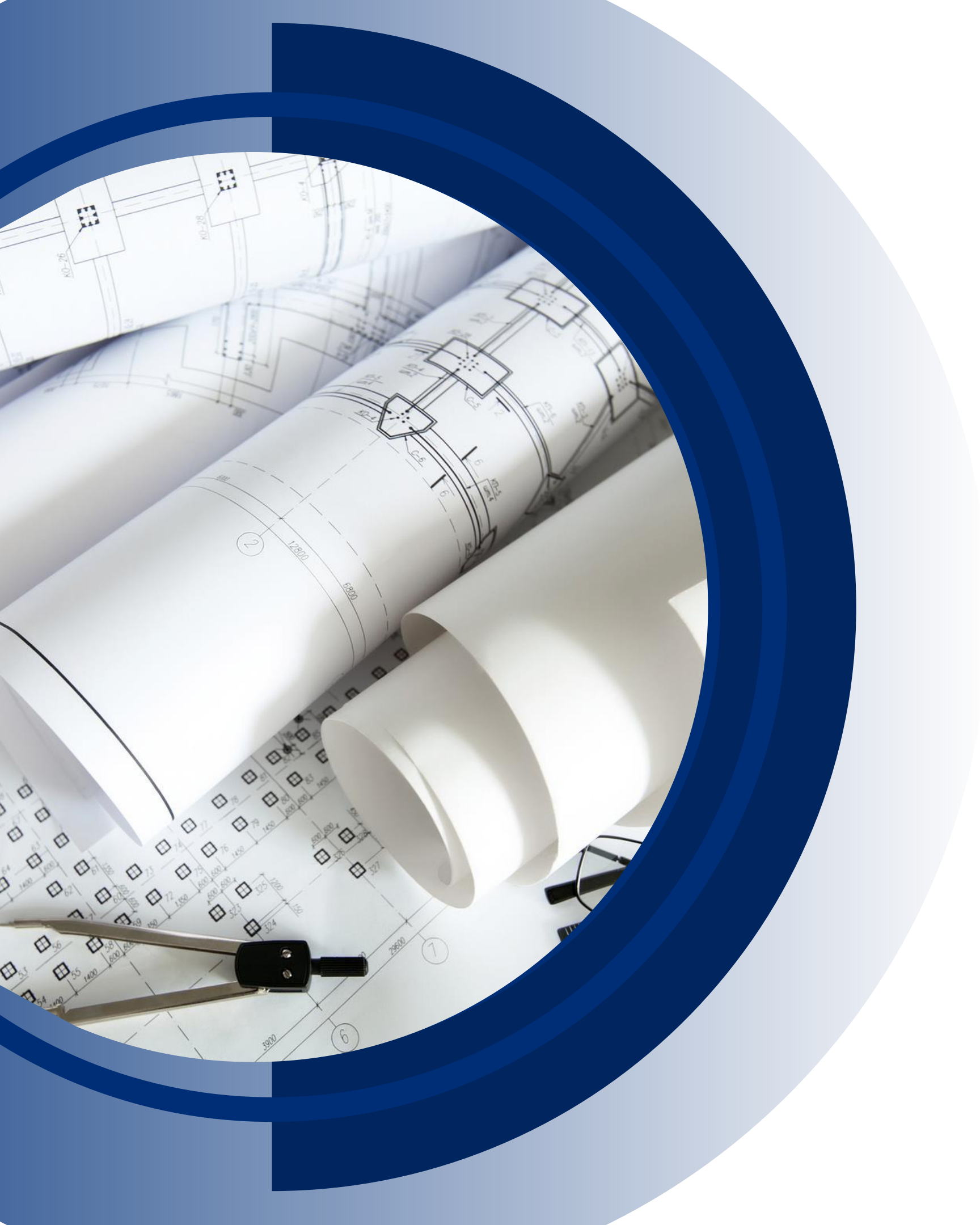
Form includes technical, managerial and financial questions (DES form 0574)

des.sc.gov/SRFforms

- UtSA scores are good for three years

S.C. DEPARTMENT of ENVIRONMENTAL SERVICES		Utility Sustainability Assessment		SOUTH CAROLINA SRF STATE REVOLVING FUND	
Please return a completed assessment along with 1) a copy of the utility's organizational chart, 2) rate schedule(s), and 3) the most recent comprehensive annual financial report (CAFR) or a currently active link to your most recent CAFR. If the system operates as a combined utility but the drinking water and wastewater programs function <i>separately</i>, fill out an assessment for the program that corresponds to the SRF project for which you are seeking funding.) System Name: _____ Combined Utility? ☐ No ☐ Yes - programs combined ☐ Yes - programs separate Unique Entity Identifier (UEI): _____ Drinking Water System #: _____ Wastewater System #: _____ Contact Name and Title: _____ Phone: _____ Email: _____ In addition to this assessment, utilities are encouraged to complete the "SC Utility Viability Tool", which can be found at ria.sc.gov/utility-viability/viability-toolkit/self-assessment.					
1. Facility and operator information. (Please attach additional information as needed.)					
Facility Name		Treatment/Distribution or Environmental Classification		Certification Required	
Operator Name		Operator Grade		PT/FT/Contract	
		Water Treatment	Water Distribution	Biological	Years Employed
2. Is there an Operations and Maintenance manual(s) for the system? ☐ Yes ☐ No ☐ Don't know					
3. Does the system's income exceed operating expenses? ☐ Yes ☐ No ☐ Don't know					
4. Does the system produce enough revenue to cover debt service? ☐ Yes ☐ No ☐ Don't know					
Please fill out the following table of the system's outstanding debt: (Attach additional information if necessary.)					
Outstanding Debt		Owed To		Term Remaining	
\$					
\$					
\$					

DES 0574 (7/2025) S.C. Department of Environmental Services Page 1



Preliminary Engineering Report (PER)

1

Basics of the PER

2

PER Submission Requirements

3

Discussion of Alternatives

4

Total Cost Estimates

Basics of the PER



**Sponsors along
with
Consultants
prepare the
PER**



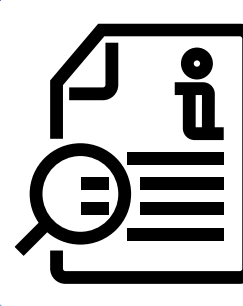
**Optional
technical
assistance
meeting with
SCDES**



**Must be
signed/sealed by
SC Professional
Engineer**



**Submit PER to
SCDES for review
and approval**



**Detailed PER
guidance for
CWSRF and
DWSRF
projects can be
found at:**

des.sc.gov/SRFguidance

Guide to PERs for Clean Water SRF



S.C. Department of Environmental Services

This guide provides information for developing a Preliminary Engineering Report (PER) under the Clean Water State Revolving Fund (CWSRF) that meets the requirements for funding construction projects covered by Section 212 of the Clean Water Act.

The first step the project sponsor must take in applying for a CWSRF loan is to submit a PER to the South Carolina Department of Environmental Services (SCDES). The PER will be reviewed by an SRF project manager, who will work closely with the engineer preparing the PER, to ensure that the PER contains the following relevant information:

1. **General Information:**

- Name, address and phone number of the project sponsor (i.e., town, utility, owner, or corporation), as well as the name, title, and email address of the responsible officer;
- Name, address, and phone number of the engineering firm, as well as the name and email address of the engineer responsible for the design;
- General description of the service area and surroundings (e.g., type of economy, estimated percentage residential, estimated percentage industrial, terrain, location, possible rate of development, etc.); and,
- Number and type of customers to be served (e.g., domestic, industrial, commercial, agricultural, etc.).

2. **Discussion of Need:** Describe in detail the need for the proposed project. Keep in mind that projects funded by the DWSRF must address issues that affect drinking water quality. Describe any current violations of the Safe Drinking Water Act, any potential problems (risk to human health, violations of the Safe Drinking Water Act, etc.) that may occur if corrective action is not taken, and/or any secondary water quality problems.

3. **Discussion of Alternatives Considered for Meeting the Need:** Describe in detail the alternatives available, including the discussion of a "no action" alternative. The number and types of alternatives depend upon the scope and complexity of the project. For alternatives analysis, use a minimum planning period of five (5) years, and a maximum planning period not to exceed the useful life of the project, usually twenty (20) years.

4. **Presentation of Cost and Effectiveness (C&E) Analysis:** For the alternatives listed in Item 3 below.

Guide to PERs for Drinking Water SRF



S.C. Department of Environmental Services

This guide provides information for developing a Preliminary Engineering Report (PER) for funding construction projects under the Drinking Water State Revolving Fund (DWSRF).

Once a construction project has been identified for funding by the Drinking Water Intended Use Plan, the first step the project sponsor must take in securing a loan from the DWSRF is to submit a PER to the South Carolina Department of Environmental Services (SCDES). The PER will be reviewed by an SRF project manager, who will work closely with the engineer preparing the PER, to ensure that the PER contains the following relevant information:

1. **General Information** [required by Section R.61-58.1(C)(1) of the State Primary Drinking Water Regulations (SPDWR)]:

- Name, address and phone number of the project sponsor (i.e., town, utility, owner, or corporation), as well as the name, title, and email address of the responsible officer;
- Name, address and phone number of the engineering firm, as well as the name and email address of the engineer responsible for the design;
- General description of the service area and surroundings (e.g., type of economy, estimated percentage residential, estimated percentage industrial, terrain, location, possible rate of development, etc.); and,
- Number and type of customers to be served (e.g., domestic, industrial, commercial, agricultural, etc.).

2. **Discussion of Need:** Describe in detail the need for the proposed project. Keep in mind that projects funded by the DWSRF must address issues that affect drinking water quality. Describe any current violations of the Safe Drinking Water Act, any potential problems (risk to human health, violations of the Safe Drinking Water Act, etc.) that may occur if corrective action is not taken, and/or any secondary water quality problems.

3. **Discussion of Alternatives Considered for Meeting the Need:** Describe in detail the alternatives available, including the discussion of a "no action" alternative. The number and types of alternatives depend upon the scope and complexity of the project. For alternatives analysis, use a minimum planning period of five (5) years, and a maximum planning period not to exceed the useful life of the project, usually twenty (20) years.

4. **Discussion of the Rationale for the Alternative Selected:** Describe in detail the rationale for the alternative selected. Both non-monetary and monetary factors should be addressed by the rationale. Non-monetary factors may include, but are not limited to, environmental effects, implementability, operability, performance reliability and institutional issues. Monetary factors should include capital costs and operation and maintenance costs.

PER Submission Requirements

1. General Information:

- Sponsor and Engineer Contact information
- Service area description

2. Discussion of Work:

- Existing conditions, regulatory violations
- Potential problems if no action is taken



PER Submission Requirements

3. Discussion of Alternatives

- Describe alternatives, including “no action”
- When appropriate, evaluate regionalization and land treatment (CWSRF only)
- Planning period should not exceed useful life of the project, usually 20 years

4. Presentation of Cost and Effectiveness (C&E): (*Clean Water Only)

- Present Worth Cost Analysis
- Water and energy conservation considered
- Include [DES form 3152](#) with PER to certify C&E analysis was performed



PER Submission Requirements

5. Discussion of the Rationale for Alternatives

- Address both monetary and non-monetary factors
- Provide rationale for selected alternative
- Must be consistent with 208 Water Quality Management Plan (CWSRF only)

6. Cost Estimate of Selected Alternative

- Planning and Design Engineering
- Land
- Legal and Appraisal
- Construction & Construction Contingency
- Equipment, Materials, & Materials Contingency (sponsor direct purchase)
- Construction Engineering
- Loan Closing Fee



This estimate must include all project costs and funding sources – not just SRF eligible.

SRF Land Eligibility

- Land purchase is eligible for SRF funding when:
 - needed for the project
 - it has been purchased less than 1 year from the complete loan application date
 - the purchase is land only – structures are not eligible
 - for DW projects, land must be obtained from a willing seller

- Appraisal of property by qualified appraiser is required to determine fair market value (if >\$2,500 value)
- Purchase price may not exceed fair market value for fee simple title)

- Owners may waive right to an appraisal (in writing) by donating property
- Submit land acquisition form with first draw request

SRF Land Eligibility – Equivalency

- Equivalency projects must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies (URLAP) Act
- If relocation is involved, inform owner of rights under URLAP
- Sponsor submits URLAP certification [DES form 3594](#)
 - Even when no relocation
 - Even if SRF loan doesn't pay for the land
 - Even when no land is purchased

PER Submission Requirements

7. Design Parameters & Calculations of Alternatives

- Calculations in enough detail to show: proper design, costs reasonable, project needs met

8. Location Map

- Must include the location of the proposed project and any relevant information

9. Planning Area Map

- Must include the boundaries of the area that will be served by the proposed project

10. Other info required by R.61-58 & R.61-67



PER Submission Requirements

11. Environmental Evaluation

- Description of current environmental conditions
- Potential environmental impacts of project on the considered proposed alternatives
- Discuss minimizing potential impacts identified
- Agency consultation will be conducted by SRF
- List of State and Federal Agencies is in PER Guide

12. Federal Flood Risk Management

- Evaluate the potential impact on floodplains
- If, after evaluation of all practicable alternatives, the proposed project will be located in or will affect a floodplain, a floodplain assessment must be prepared and submitted to SRF with the PER
- This assessment must document the mitigating measures or design modifications that will be taken to reduce the threats from locating the project in the floodplain



PER Submission Requirements

13. Public Participation

- Public meeting not required for Categorical Exclusion projects
- A public meeting and/or hearing must be held for FNSI projects
 - 30-day public notice of meeting
 - Can be included in regular council or board meeting
 - Meeting discussion must include need for project, alternatives evaluated, rationale for selected alternative and the environmental and financial impacts of project
- Include comments received and discuss mitigation measures proposed





SRF Requirements for Permitting and Bidding

1

Construction Permit

2

Bidding Specifications

3

Disadvantaged Business Enterprise

4

Bid Package Requirements

Construction Permit



- Complete Construction Permit Application for Water/Wastewater Facilities ([DES form 1970](#))
- Include final cost estimate
- Proposed schedule for construction ([DES form 3588](#))
- Submit digital set of plans and specifications
 - Material and construction specifications and contract documents, including mandatory SRF contract documents (Appendix A)

Routine maintenance projects may not require a construction permit
(e.g., line rehabilitation when line size remains the same)



Bidding Specifications

Mandatory SRF Contract Documents:

Appendix A

- Insert complete copy of applicable Appendix A (Equivalency or General SRF) from Permit Guidance: des.sc.gov/SRFguidance
- Sponsor must locate and insert proper Davis-Bacon Wage Determination

APPENDIX A — EQUIVALENCY

Mandatory Supplemental Conditions

For The

South Carolina State Revolving Fund Program

February 2023

Following is the standard language that must be incorporated into all solicitations for offers and bids for (1) construction contracts, (2) subcontracts, (3) equipment, and (4) material to be funded by the Federally assisted State Revolving Fund Program.

The requirements in these Supplemental Conditions shall not relieve the participants in this project of responsibility to meet any requirements of other portions of this contract or of other agencies, whether any other requirements are more or less stringent. The

Bidding Specifications



AGREEMENT

THIS AGREEMENT, made this _____ day of _____, 20____ by and between _____ hereinafter called "OWNER" and _____ doing business as (an individual), or (a partnership), or (a corporation) hereinafter called "CONTRACTOR".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

1. The CONTRACTOR will commence and complete the construction of _____
2. The CONTRACTOR will furnish all of the material, supplies, tools, equipment, labor and other services necessary for the construction and completion of the PROJECT described herein.
3. The CONTRACTOR will commence the work required by the CONTRACT DOCUMENTS within _____ calendar days after the date of the NOTICE TO PROCEED and will complete the same within _____ calendar days unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS.
4. The CONTRACTOR agrees to perform all of the WORK described in the CONTRACT DOCUMENTS and comply with the terms therein for the sum of \$_____, as shown in the BID schedule.
5. The term "CONTRACT DOCUMENTS" means and includes the following:
 - a. Advertisement for Bids
 - b. Information for Bidders
 - c. Bid
 - d. Bid Bond

Optional Format SRF Contract Documents:

Appendix B: from Permit Guidance:

des.sc.gov/SRFguidance

- Bid Bond
- Performance/Payment Bonds
- Contract Change Order
- Notice of Award
- Notice to Proceed
- Bid/Bid Schedule
- Agreement

NOTE: Bid Specifications must include these documents; however, you may use your own forms as long as all information is included.

Competitive Bidding



Required for the following activities:

- Architectural and Engineering (A/E) Procurement for Clean Water Equivalency Projects (if seeking SRF reimbursement for engineering services)
- Construction (Prime Contractor)

Construction Bid Advertisement



- Complete statement of work to be performed
- Place, date and time of public bid opening
- Location of bid documents with instructions and cost to purchase a bid set
- Statement that project is being funded by a State Revolving Fund loan and bidders must comply with all applicable state and federal requirements identified in the bid documents, including Davis-Bacon, American Iron and Steel, and Build America, Buy America provisions (if applicable)
- Statement that Disadvantaged Business Enterprise (DBE) requirements must be met (equivalency projects)
- Minimum 30-day advertisement period

SRF project manager must review the ad prior to advertisement for completeness

Construction Bid Requirements



- Hold a public bid opening
- Use competitive sealed construction bidding
- 5% bid bond or certified check
- 100% payment and performance bonds
- Documentation of fire, extended coverage, vandalism and malicious mischief insurance
- Documentation of Davis-Bacon provisions including appropriate Wage Decision
- Bidder's certification of American Iron and Steel compliance
- Bidder's certification of Build America, Buy America compliance (if applicable)

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

Disadvantaged Business Utilization

Six Good Faith Efforts

Outreach
and
recruitment;
Solicit from
DBE list

Solicitations
posted at least
30 calendar
days,
when possible,
before bid
opening

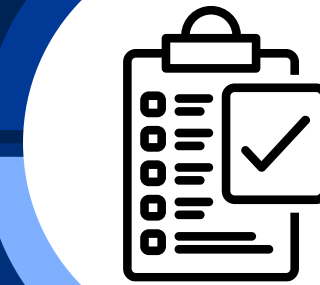
Consider
dividing contract
into smaller tasks to
permit participation
by DBE firms, when
economically
feasible

Encourage
contracting with
group of DBE firms
when contract is
too large for one
small firm to
handle

Use
Small Business
Administration and
Minority Business
Development
Agency of the US
Dept. of
Commerce

If prime
contractor
awards
subcontracts,
prime contractor
must make good
faith efforts

Bid Package Required Documents



Project Construction Summary – General

SRF Project Number _____

Project Name _____

Project Sponsor _____

1. Have there been any changes in the project since the plans and specifications were approved? If yes, list below (or on separate sheet if more than three (3) addenda):

Addendum No. _____	Approved _____
Addendum No. _____	Approved _____
Addendum No. _____	Approved _____

2. Please list any other sources of funding necessary to finance this project. Are additional funds necessary to finance ineligible construction or other ineligible expenditures?

3. Bid Information:

Bid Advertisement Date _____

Bid Opening Date _____

Bid Expiration Date _____

4. Submit the following (Bid Package Items):

- This *Project Construction Summary Form* (DES 1295) signed by the Project Representative.
- A certified copy of the advertisement with date of publication.
- A copy of the Project Sponsor's Bidders list.
- A copy of the detailed bid tabulation certified by the Project Sponsor's engineer.
- Proposal of the successful bidder(s).
- A copy of the Bid Bond and associated Power of Attorney.
- A copy of the Davis-Bacon wage rate used in bidding the project.

DES 1295 (7/2024) S.C. Department of Environmental Services

Project Construction Summary – Equivalency

SRF Project Number _____

Project Name _____

Project Sponsor _____

1. Have there been any changes in the project since the plans and specifications were approved? If yes, list below (or on separate sheet if more than three (3) addenda):

Addendum No. _____	Approved _____
Addendum No. _____	Approved _____
Addendum No. _____	Approved _____

2. Please list any other sources of funding necessary to finance this project. Are additional funds necessary to finance ineligible construction or other ineligible expenditures?

3. Bid Information:

Bid Advertisement Date _____

Bid Opening Date _____

Bid Expiration Date _____

4. Submit the following (Bid Package Items):

- This *Project Construction Summary – Equivalency Form* (DES 3589) signed by the Project Sponsor's Representative.
- A certified copy of the advertisement with date of publication.
- A copy of the Project Sponsor's Bidders list.
- A copy of the detailed bid tabulation certified by the Project Sponsor's engineer.
- Proposal of the successful bidder(s).
- A copy of the Bid Bond and associated Power of Attorney.
- A copy of the Davis-Bacon wage rate used in bidding the project.
- A copy of the engineer's certified award recommendation of low bidder(s) to the Project Sponsor listing the proposed contract amount. If the award is recommended to anyone other than the low bidder(s), provide justification for this decision.

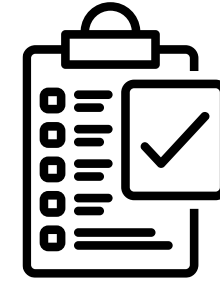
DES 3589 (12/2025) S.C. Department of Environmental Services Page 1

Submit Project Construction Summary (DES form 3589 for equivalency projects or DES form 1295 for general SRF projects) with the following documents:

- Certified copy of advertisement
- Project sponsor's bidders list
- Certified bid tab
- Proposal of the successful bidder
- Copy of the bid bond and power of attorney
- Davis-Bacon wage decision
- Engineer's award recommendation letter
- Project sponsor's tentative award resolution (include contractor name and contract amount)
- Bidder's American Iron and Steel Certification – DES form 2556
- Bidder's Build America, Buy America Certification (if applicable) – DES form 4360
- Project Inspection Designation Form – DES form 2324

NOTE: All SRF forms available at des.sc.gov/SRFforms

Bid Package Required Documents



Equivalency projects also submit:

- Prime Contractor's Sub-agreement Certification form (DES form 3591)
- Certification Regarding Debarment, Suspension and Other Responsibility Matters (DES form 3590)
 - Applicable to prime and subcontractors with contracts over \$25,000
- Prime's DBE Compliance Documentation (including evidence of implementation of "Good Faith Efforts" strategies to recruit Minority and Women Owned Businesses)

NOTE: All SRF forms available at des.sc.gov/SRFforms

Prime Contractor's Subagreement Certification

SRF Project Number _____

Project Sponsor _____

Project Name _____

Prime Contractor's Name and Address _____

Prime Contractor's Telephone _____

CERTIFICATION

I, as the authorized representative of the prime contracting firm name _____,

☐ Plan to subcontract a portion of this project. (Please fill out tentative subcontractor and/or any uncommitted work.)

☐ Do not elect to subcontract any portion of this project.

Printed Name and Title of Prime Contractor's Representative _____

Signature of Prime Contractor's Representative _____

Submit by email to SCDES project manager or by mail to: State Revolving Fund Division, SCDES, 2600 Bull Street, Columbia, SC 29201

DES 3591 (9/2025) S.C. Department of Environmental Services

Certification Regarding Debarment, Suspension, and Other Responsibility Matters*

SRF Project Number _____

Project Name _____

Project Sponsor _____

*See Instructions for who must submit this form and where/when it should be submitted.

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default; and
5. Will not contract with an entity that is presently debarred, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 U.S.C. Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Name of Prospective Participant (Town, Utility, Contractor, Subcontractor) _____

Printed Name and Title of Authorized Official _____

Signature of the Authorized Official _____ Date _____

I am unable to certify the above statements. Attached is my explanation.

Submit by email to SCDES project manager or by mail to: State Revolving Fund Division, SCDES, 2600 Bull Street, Columbia, SC 29201

DES 3590 (12/2025) S.C. Department of Environmental Services Page 1



SRF Loan Process

1

Principal Forgiveness Funds

2

Loan Application Steps

3

Loan Terms and Closings

4

Tips for Your Loan Application

All Principal Forgiveness Funds

- Ensure a copy of your most recent audit has been submitted to RIA
- No loan application necessary
- Complete your DES requirements first – including bidding
- DES will request your funding from RIA
- 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.

All Principal Forgiveness Funds

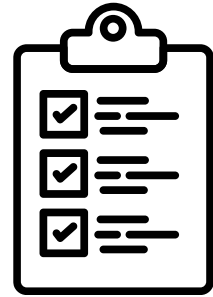
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- All principal forgiveness funding is required as a condition of the federal capitalization grants the SRF program receives each year.
 - Capitalization Grants are anticipated to be received in the 3rd or 4th quarter of the calendar year.
- Loan Assistance Agreements cannot be signed until the capitalization grants are received.
 - Please keep this in mind when considering your project schedule.

SRF Loan Application Steps



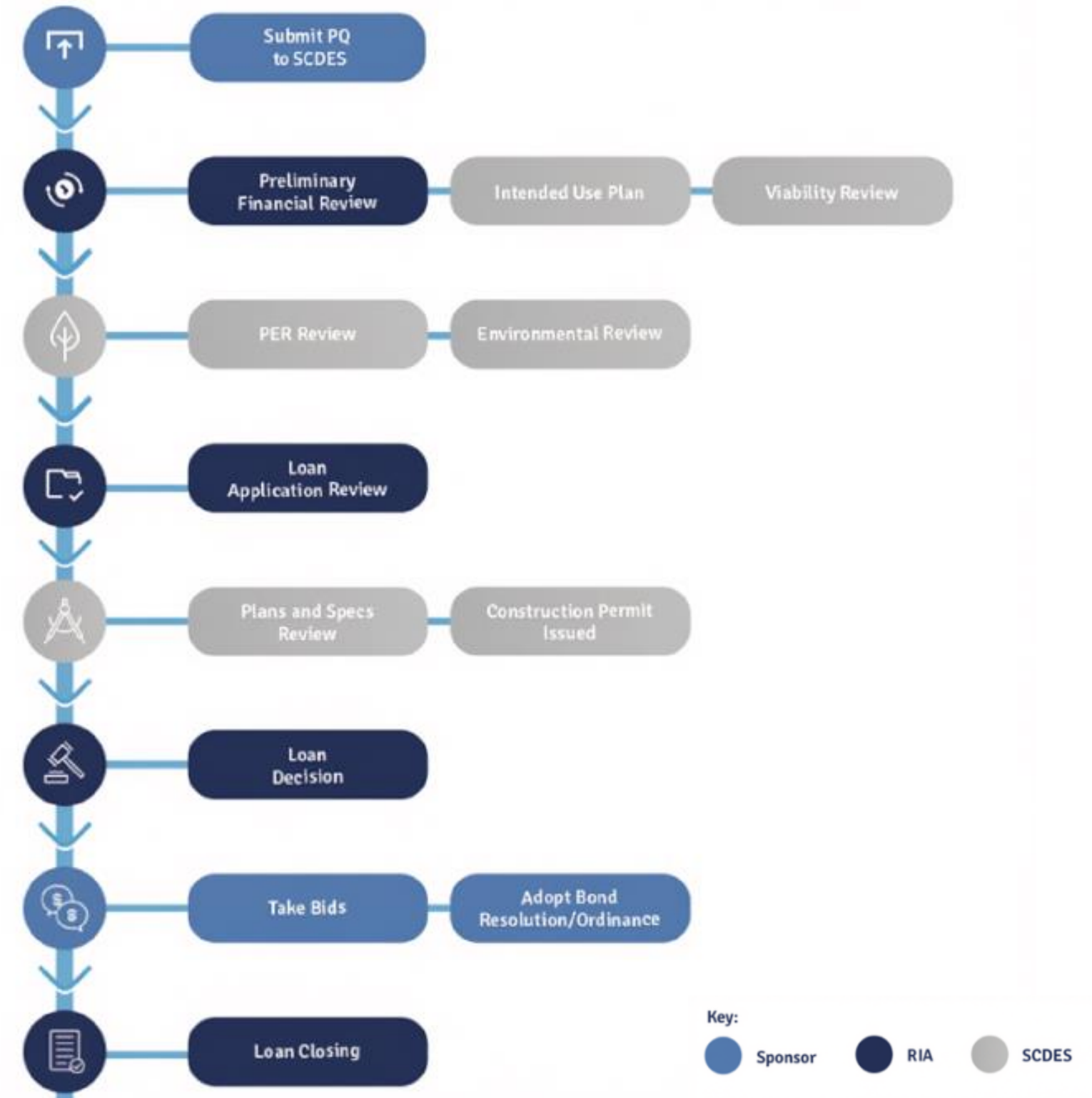
- Preliminary Financial Review of Sponsor following submission of PQ to SCDES
- RIA sends fillable application form (accepted October 1 to July 31 each FY)



- Sponsor submits loan application to RIA at least 30-60 days prior to plans and specs submission to SCDES
- Short form for repeat "AA" rated customers



- Loan Application is complete
- Project Sponsor bids the project
- Bond Ordinance/Resolution by Sponsor
- Loan Closing



Loan Application Information



General and Project Information

- Sponsor Information
- Loan Terms and Interest Rate Requested
- Easements
- Project Information
- Budget
- Schedule
- Bond Counsel Letter
- Application Resolution

System and Service Area Information

- Include for all utilities securing the loan
- Paints a picture of the service area, system components, and their condition.
- Customer trends and largest users are also requested
- Rate information

Financial Information

- Rate Studies
- Capital Improvements Plans
- Operating budget
- 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 rates)

Debt service coverage



Cash resources

System transfers

Loan Policies and Terms



Published on website: www.ria.sc.gov

Updated in October

Policies:

- ✓ Interest Rates
- ✓ Loan Terms
- ✓ Loan Fees
- ✓ Security
- ✓ Repayment Policies

Terms:

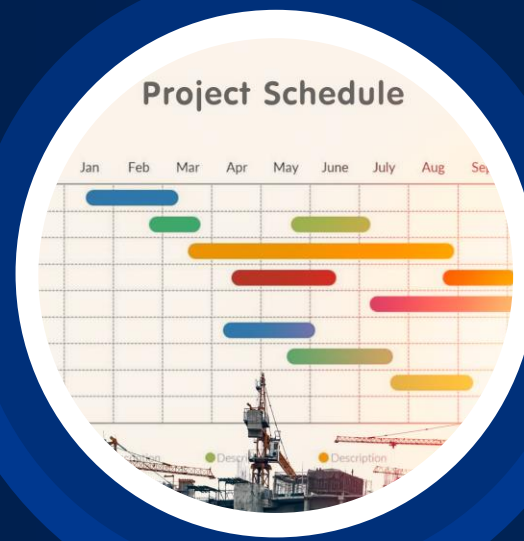
- ✓ Most popular loan term is 20 years; Maximum term of 30 years
- ✓ Length of loan term is based on “useful life” of the construction items
 - 20-year examples: motors, pumps, chemical feed systems
 - 30-year examples: piping, concrete structures, steel
- ✓ Shorter Terms Available at a discount from standard rate
- ✓ Contact your SRF Project Manager to pursue a loan term other than 20 years

Loan Closing

- Loan agreement, created by RIA, between borrower and 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
- All Land, Rights-of-way (ROW) or Easements, have been recorded and the recorded deed has been provided to RIA



Tips for Your Loan Application



- Read the line-by-line instructions provided in the application package
- Inform your finance staff about the timing and estimated loan needed for the project
- Update your project schedule throughout the loan application process
- Begin Land/Easement Acquisition process early to avoid delays in loan closing



Construction and Federal Requirements

1

Davis-Bacon & Related Acts

2

American Iron and Steel (AIS)

3

Build America, Buy America (BABA)

4

Compliance Inspections

Pre-Construction Conference

- Project Sponsors and engineers hold a pre-construction conference with contractors, typically, prior to issuance of a Notice to Proceed
- SCDES SRF Project Manager will participate and discuss the SRF Requirements



Davis-Bacon & Related Acts



- 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 www.sam.gov/content/wage-determinations

For basic information, visit:

www.dol.gov/agencies/whd/government-contracts/construction/faq

and

www.sam.gov

Davis-Bacon & Related Acts

- Wage Classifications: General laborers, operators, pipe layers, pipefitters, truck drivers, etc.
- Certified payroll must be collected weekly and the sponsor, prime contractor and all subcontracts must retain them for 3 years after completion of the project

- Worker classifications not on WD must be "Conformed"
- "Conforming" a wage requires sending proposed pay rate to the DOL-WHD through DES and obtaining a response – use form SF 1444

- For more information, visit:
www.dol.gov/agencies/whd/government-contracts/construction/forms
and
www.sam.gov

American Iron and Steel (AIS)

- Applies to all projects not covered by Build America Buy America (BABA)
- Applies to Contractor and Sponsor purchases regardless of cost of item
- Applies to entire project regardless of any other funding sources
- For more information, visit: www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement and <https://www.epa.gov/cwsrf/american-iron-and-steel-requirement-guidance-and-questions-and-answers>



AIS

- Requires all primarily* iron and steel products used in CW and DW projects be of domestic origin (Made in USA)

* Greater than 50% iron or steel measured by material cost

- Covers cast or forged iron and steel products:
 - Pipes and valves
 - Plates and fitting
 - Rebar and fencing

- Does not include motorized or electrical equipment such as pumps, motors, control panels, and generators
- Not applicable to products temporarily installed on project
- Made in USA includes all manufacturing processes from melting ore, refining, forming, rolling, drawing, finishing, fabricating and coating

- AIS certification letters are required for each iron and steel product permanently installed to certify compliance
- Track small items of unknown origin on a de minimis list – All products included in the project under the de minimis waiver must total less than 5% of the total materials cost of the project.



Build America, Buy America (BABA)

- BABA applies to all SRF equivalency projects:

"...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)

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

BABA

- BABA applies to items consumed in, incorporated into, or permanently affixed to a project
 - Iron and Steel – 100% must be manufactured domestically, like AIS
 - Manufactured Products – 100% manufactured domestically, OR cost of components manufactured in US for a product must be >55% cost
 - Construction Materials (non-ferrous) – 100% must be manufactured domestically

- Some aggregates not considered construction materials under section 70917(c):
 - Cement
 - Sand
 - Gravel

- Does not apply to items brought to and removed from site prior to project completion OR equipment/furnishings used at the finished project

BABA Certification Letters



Each product must have a project specific certification letter. Each letter must:

- Be on manufacturer's letterhead
- Reference the specific SRF project and the sponsor
- Reference the specific product delivered to the project site
- State the location of the manufacturing facility (city and state)
- Reference "Build America, Buy America" and BABA category as mandated by the EPA
- Include the signature of a company representative

NOTE: The SRF example can be found in the Preconstruction Conference Report available at [Preconstruction Conference Report with BABA](#).

The following information is provided as a sample letter of certification for BABA compliance for Manufactured Products. Documentation must be provided on company letterhead.

Date

Company Name

Company Address

City, State Zip

Subject: Build America, Buy America Act Certification for state the water/wastewater system name, location, and/or project name and recognizable enough to easily associate it with this project

I, (company representative), certify that the manufactured product(s) for the subject project is/are in full compliance with the Build America, Buy America Act as mandated in the Infrastructure Investment and Jobs Act of 2021, Public Law 117-58, and in EPA's State Revolving Fund Programs (if applicable) and that the 55 percent component cost test, where the cost of components manufactured in the United States is greater than 55 percent and final manufacturing occurred in the United States.

Items, Products and/or Materials and relevant Product Service Code and Industry Classification System (NAICS) code:

1. XXXX
2. XXXX
3. XXXX

Final product manufacturing process(es) took place at the following US locations:

1. XXXX
2. XXXX
3. XXXX

If any of the above compliance statements change, we will immediately notify the supplier, prime contractor, consulting engineer, or project owner.

Signature of company representative
Printed name of company representative
Professional title of company representative
Email address
Phone number



Build America, Buy America

Manufacturer's Certification Letter

Requirements

- ☐ On manufacturer's letterhead
- ☐ Reference the specific SRF project and sponsor/owner
- ☐ Reference the specific product delivered to the project site
- ☐ State the location of the manufacturing facility (city and state)
- ☐ Reference "Build America, Buy America" and BABA category as mandated by the EPA
- ☐ Include the signature of a company representative

SC Iron & Steel, Inc.

2700 Bull Street
Columbia, SC 29100
(803) 777-8888

MATERIAL CERTIFICATION

April 5, 2023

Job Name: Anytown WWTP, Pleasantville, SC – 2022 State Revolving Fund Project
SRF Project Number 555-01

I certify that the processes for manufacturing or fabricating the following products and/or materials provided for the project noted above took place at the following US locations:

Quantity	Description and Identifier	Manufacturing Process	Location of Manufacturing Facility
30	Reinforced concrete manhole XYZ1234-56	Melted, rolled, fabricated	Columbia, SC
30	Manhole Cover ABC123456	Melted, cast, finished	Charleston, SC
1000 linear feet	4" Ductile Iron Water Pipe 12345AB	Melted, rolled, finished	Greenville, SC

BABA category reference

I further certify that the products and/or materials are in full compliance with the Build America, Buy America requirements as a _____ product, as mandated in the Environmental Protection Agency's State Revolving Fund Programs. If any of the compliance statements change while providing material to this project, we will immediately notify the supplier, prime contractor, consulting engineer, or project owner.

Jane Smith

Product Quality Manager

Signature of representative

Compliance Inspections



**SCDES will
conduct at
least one
compliance
inspection
during the
construction of
your project**



**SCDES will
specifically be
looking for
compliance with
AIS, BABA, and
Davis Bacon**



**SCDES will
provide the
sponsor with
notice
beforehand
and schedule a
mutually
agreeable time
for
the inspection**

Monthly Construction Inspection Report — for Projects without BABA Requirements

Project Name _____
Division _____
Phone/Email _____
Actual Complete (%) _____
Inspection Number _____

SRF Project Number _____ Project Name _____
Sponsor Name _____
Contractor _____ Division _____
Scheduled Construction Complete (%) _____ Actual Complete (%) _____
Inspection Month and Year _____ Inspection Number _____

Brief Description of Monthly Construction Activity: _____
Overall Project Performance (Deficiencies, Quality of Construction): _____
Comments and/or Recommendations: _____

Subcontractors On-site & Construction Type (if no subs on-site write "none")	Change Order Number	Date Submitted to SCDES	Date Approved by SCDES

The applicable Davis-Bacon wage determination(s), any wage conformance replies, and WH-1321 (Employee Rights Under Davis-Bacon) are posted on-site (and visible to workers). ☐ Yes ☐ No ☐ No Workers On-site

Certified payrolls were submitted weekly and monitored for classifications, pay rates and overtime compensation. ☐ Yes ☐ No ☐ No Workers On-site

After consultation with the contractor and to the best of my knowledge, all materials covered by Build America, Buy America (BABA) provisions and received at the site during the above referenced inspection month are in compliance with BABA requirements. ☐ Yes ☐ No ☐ No BABA-covered Materials Received

Inspector's Signature _____ Date _____

Submit by email to SCDES project manager or by mail to:
State Revolving Fund Division, SCDES, 2600 Bull Street, Columbia, SC 29201

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Signage Requirements

For Equivalency Projects



Signage Guide for Equivalency Projects

SOUTH CAROLINA
SRF
STATE REVOLVING FUND
S.C. Department of Environmental Services

An initiative of the United States Environmental Protection Agency (EPA) to enhance public awareness of EPA assistance agreements nationwide has been passed through to State Revolving Fund (SRF) programs. The EPA "signage requirement" applies to S.C. SRF projects identified as having equivalency requirements. If you do not know if your project has equivalency requirements, contact your SRF project manager for assistance. Complying with the signage requirement is an eligible SRF expense.

Factors for an SRF Project Sponsor to consider when choosing a signage option include the complexity and location of the project and the nature of the community. There are a number of implementation options listed below. **Regardless of the option you choose, contact your SRF project manager to request the S.C. Department of Environmental Services (SCDES) and EPA logos that should be included.**

- **Standard Signage:** Use of a traditional physical sign should include: the name of the facility, project, and community; project cost; the SCDES logo; the EPA logo; and a statement that the funding is provided through (or in part through) EPA. Other information could be included as space allows. This option may be selected for large infrastructure projects where the sign would be easily visible, such as near a major road or thoroughfare or where the facility is in a location where this would effectively publicize the project.

Alternative signage options that are listed below may advertise SRF assistance in different formats, but each option should share the following information:

1. *Name of facility, project and community*
2. *Project administered by SCDES's State Revolving Fund Division*
3. *Project is [wholly / partially] funded with EPA funding*
4. *Brief description of the project*
5. *Brief listing of water quality benefits to be achieved*

- **Online and Social Media Publicity:** Many communities are increasingly finding that the online forum is the most cost-effective approach to publicize their programs and reach a broad audience of stakeholders. Online publicity may appear on the town, community, or facility website if available. Social media sites such as Facebook or Twitter can also be used. This option could be a more cost-effective option than traditional signs or print media. Since the web offers a visual platform, pictures and other visual elements could be incorporated when sharing the information listed above. In the case of some projects, such as nonpoint source projects, there might be additional opportunities for online publicity through partner agencies or organizations.

- The EPA "signage requirement" applies to S.C. SRF projects identified as having equivalency requirements.
- If you do not know if your project has equivalency requirements, contact your SRF project manager for assistance.
- Complying with the signage requirement is an eligible SRF expense.



Fiscal Sustainability Plan (FSP)

- **CWSRF only**
- Required for portion of system financed by SRF
- FSP Certification Form ([DES form 3236](#)) must be completed prior to last draw (note: some projects exempt so review form instructions)
- Requirements on DES form 3236
 - Inventory critical assets and evaluate condition
 - Include plan for maintaining, repairing and replacing assets and how these activities will be funded
 - Certify water and energy conservation were evaluated and will be implemented, as appropriate

SC DEPARTMENT OF ENVIRONMENTAL SERVICES	Fiscal Sustainability Plan Certification	SOUTH CAROLINA SRF STATE REVOLVING FUND
SRF Project Number _____ Project Name _____		
Project Sponsor _____		
• Please see "Instructions" on Page 3 to determine if Item 1 or Item 2 applies to the project. • Check the box and sign Item 1 if Section 603(d)(1)(E) of the Federal Water Pollution Control Act (FWPCA) applies to the project. Be sure to complete the "FSP Summary" on Page 2. • Check the box and sign Item 2 if Section 603(d)(1)(E) does not apply to the project.		
Section 603(d)(1)(E) of the Federal Water Pollution Control Act (FWPCA) states: (E) for a treatment works** proposed for repair, replacement, or expansion, and eligible for assistance under subsection (c)(1), the recipient of a loan shall— (i) develop and implement a fiscal sustainability plan that includes— (I) an inventory of critical assets that are a part of the treatment works; (II) an evaluation of the condition and performance of inventoried assets or asset groupings; (III) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and (IV) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities; or (ii) certify that the recipient has developed and implemented a plan that meets the requirements under clause (i). ** "Treatment Works" is defined in the Federal Clean Water Act; see Instructions, General Information.		
☐ Item 1. The FSP Requirement Applies to This Project Pursuant to Section 603(d)(1)(E) of the FWPCA, I certify that: 1) the Project Sponsor has developed and implemented a fiscal sustainability plan (FSP) that meets the minimum requirements under clause (i) above and that the FSP will be updated as necessary; and 2) the loan recipient has evaluated and will be implementing water and energy conservation efforts as part of the FSP. The Project Sponsor agrees to make FSP documentation available for review upon request of the Environmental Protection Agency (EPA) or the South Carolina State Revolving Fund (SRF) Program.		
Signature of Project Sponsor's Representative _____ Date _____		
Printed Name of Project Sponsor's Representative _____		
☐ Item 2. The FSP Requirement Does Not Apply to This Project As the authorized representative of the Project Sponsor indicated above, I certify that the project does not require development of a fiscal sustainability plan. (See discussion in "Instructions" on Page 3.)		
Signature of Project Sponsor's Representative _____ Date _____		
Printed Name of Project Sponsor's Representative _____		

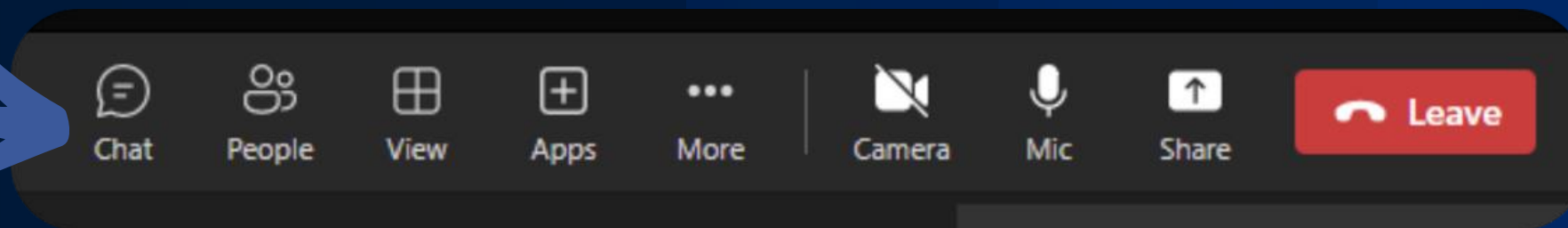
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Draw Requests

- SRF Disbursement Package provided at Pre-construction conference
 - Submit authorized signature form with first draw ([DES form 3586](#))
 - No more than one Draw Request per month
- Be sure to refer to correct checklist so that you know what should be submitted
 - [DES form 3585](#) – Draw Request Form
 - ***SRF requires first and interim draw requests to be a minimum of \$5,000. This requirement will not apply to final draw requests.***

QUESTIONS?

LOOK FOR THE CHAT BUTTON:



Contact Us:



Visit Our Website:
des.sc.gov/SRF



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

