



# American Relief Act, 2025 Supplemental Appropriation for Hurricanes Helene and Milton and Hawai'i Wildfires (SA-HMW) CWSRF Decentralized Systems Capitalization Grant Intended Use Plan

FINAL

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SC DEPARTMENT of  
**ENVIRONMENTAL  
SERVICES**

*Amended:  
X.F. Public Participation*

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## 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 funding established under the American Relief Act, 2025, P.L. 118-158 (“the Act”), which was signed into law on December 21, 2024. The Act allocates disaster relief funding to states impacted by Hurricane Helene, Hurricane Milton, and the Hawai’i wildfires via the 2025 Supplemental Appropriation for Hurricanes Helene and Milton and Hawai’i Wildfires (SA-HMW), which includes an appropriation specifically for decentralized systems. The SA-HMW CWSRF Decentralized Systems allotment for South Carolina is \$9,404,000. The areas eligible for SA-HMW CWSRF Decentralized Systems funding within South Carolina have been designated by the Federal Emergency Management Agency (FEMA) through the [South Carolina Hurricane Helene Disaster Declaration \(DR-4829-SC\)](#) announced on September 29, 2024 (updated on December 3, 2024), and are shown on the map included as Attachment 1. Eligibility for CWSRF loans and CWSRF program requirements, including any requirements of the applicable appropriations legislation are included in this IUP.

The South Carolina Department of Environmental Services (SCDES) 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 management functions of the CWSRF, including its financial policies, and executes loan agreements with project sponsors. The Office of Local Government within the South Carolina Rural Infrastructure Authority (RIA) 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 the SCDES SRF Reports and Publications web page at [des.sc.gov/srfreports](https://des.sc.gov/srfreports).

## II. Financial History

Congress appropriated funds to the State Revolving Funds in the Act in a one-time disaster relief supplemental funding. EPA has allotted \$9,404,000 in SA-HMW Decentralized Systems funds to South Carolina for the CWSRF Program. The State must apply to EPA to receive a grant award from this allotment. There is no state match required for the award of this grant.

As a new, one-time allotment of supplemental funding, a new financial history is being established. After receiving a grant award from EPA, funds may be disbursed to projects administered through the CWSRF Program.

### III. Goals

South Carolina has identified several short- and long-term goals designed to promote sustainable improvements to the infrastructure within the state and help ensure maximum environmental and public health benefits. These goals are reviewed annually and updated as needed.

#### A. Short Term Goals (Outputs)

1. Utilize SA-HMW CWSRF Decentralized Systems funding to assist eligible utilities within the disaster declaration area to improve the resilience of decentralized wastewater treatment systems to flooding, to assess the potential to connect homes served by decentralized wastewater treatment systems to centralized wastewater systems, and to fund such connections.

#### B. Long Term Goals (Outcomes)

1. Assist local communities in their recovery from the destructive forces of Hurricane Helene while reducing vulnerabilities and enhancing resiliency as they strive to achieve and maintain compliance with federal and state water quality standards by funding projects that improve or protect water quality through the reduction of pollutant loading to attain water quality standards.
2. Maintain a working relationship with other infrastructure funding authorities within the state to coordinate water quality funding.

### IV. Cross-Collateralization

The SC CWSRF fund is not leveraged and CWSRF funds will not be used for debt security. There is no cross-collateralization of programs.

### V. Provisional Projects List

The SA-HMW CWSRF Decentralized Systems Provisional Project List (PPL) (Appendix A) identifies projects that are considered to be eligible to receive SA-HMW CWSRF Decentralized Systems assistance.

Final funding decisions for each project are contingent on a review of the technical and managerial capacity of the project sponsor, a completed environmental review of the proposed project, and issuance of a SCDES construction permit (or letter of approval to construct) that meets SRF requirements.

All projects on the Provisional Project List will receive principal forgiveness (PF) funds. These funds are only available if the SA-HMW CWSRF Decentralized Systems Capitalization Grant is awarded by EPA and accepted by SCDES. Project listing is not a commitment of funding.

## VI. Method for Selecting Projects and Distribution of Funds

### A. Priority Ranking System

SCDES 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 Reports and Publications web page at [des.sc.gov/srfreports](https://des.sc.gov/srfreports). The priority ranking system is reviewed on an annual basis and updated as needed.

### B. Comprehensive Priority List of CWSRF Projects

For a project to be considered for funding by the CWSRF, it must appear on the State 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), DES 3561 or a similar funding request application approved by SCDES. The DES 3561 form can be found on the SRF Forms web page at [des.sc.gov/srfforms](https://des.sc.gov/srfforms). A project sponsor may submit a completed PQ to the SRF Division of the SCDES Bureau of Water at any time. Once the PQ is received, SCDES 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 303(d) list” and then by date the project questionnaire was received. SCDES maintains an updated Comprehensive Priority List on the SRF Reports and Publications web page at [des.sc.gov/srfreports](https://des.sc.gov/srfreports).

If a project remains on the Comprehensive Priority List for two years and does not proceed, the project will be removed from the list unless the sponsor provides an updated PQ.

### C. Selection of Projects and SRF Funding

The selection of projects for the Provisional Project List (Appendix A) is based on the requirements for the SA-HMW CWSRF Decentralized Systems grant, project rank and cost, availability of funds, consideration of the bypass procedures in Section VI.D., and an indication from the sponsor on readiness to proceed with a project. Ready to proceed 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 completing the SRF loan assistance agreement (PF) requirements. Due to the nature of this one-time emergency appropriation for disaster relief, all projects will be expected to have a signed SRF loan assistance agreement on an expedited timeline.

## D. Bypass Procedure

When selecting projects for SA-HMW CWSRF Decentralized Systems funding, SCDES 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 or receivership of a non-viable or abandoned system;
2. To address an imminent hazard to public health as determined by SCDES;
3. To fund projects that will eliminate a point source discharge, which is violating effluent limits, by a connection to a regional system;
4. To fund an equitable geographic distribution of projects;
5. To fund projects allowing the SRF to meet the federal expeditious and timely use of funds requirement; and
6. To fund projects that do not receive direct federal allotments in order to distribute funds more evenly. Additionally, the SRF may choose to not fund projects that appear on the PPL that later receive a direct federal allotment.

## E. Expeditious Use of Funds

To promote timely commitment and use of SRF funds, SCDES will determine 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 on the PPL, the project sponsor should meet these milestones to ensure funds will not be committed to other projects. SCDES will take into account the complexity of the project and work with project sponsors in setting, and revising if appropriate, project milestones. It is the goal of the program to have projects on the PPL that have a signed loan assistance agreement (PF projects) within 12 months of the date of each quarterly payment in the EPA grant award. With current resource shortages for materials and qualified engineers and contractors, SCDES realizes that it may be challenging for sponsors to meet this goal. Additionally, sponsors with active PF projects that have not met established timeliness criteria may be bypassed as discussed in Section VI.D.

Sponsors with projects on the PPL will be encouraged to bid project alternatives, if feasible. A PF project may be considered for additional funding above the budgeted amount on the PPL if justified, approved by SCDES, and funds are available. Available funds and loan budgets are discussed in Section VIII.E.

## 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 the SCDES Utility Sustainability Assessment (UtSA) (DES 0574). The UtSA is a written system assessment completed by the Sponsor

and reviewed and scored by SCDES that includes operational issues, managerial issues, and limited financial information. Unless an acceptable score was received on a UtSA within the previous three years, a UtSA is requested of sponsors with projects on the Provisional Project List. Additional financial assessment is performed by RIA as part of the preliminary financial review and loan application process.

### G. Interest Rates and Funding Terms for Eligible Projects

The SA-HMW CWSRF Decentralized Systems Capitalization Grant requires that the funds be used for 100% additional subsidization, which the SC CWSRF Program provides as PF loans. Therefore, interest rates are not applicable to the projects funded by this grant.

### H. Loan Application

Loan applications are not applicable to this grant.

## VII. Eligibilities

### A. SA-HMW CWSRF Decentralized Systems Eligible Sponsors

Municipalities, counties, special purpose districts and other public entities that were impacted by Hurricane Helene and are located within the area designated by FEMA via the [South Carolina Hurricane Helene Disaster Declaration \(DR-4829-SC\)](#) are eligible SA-HMW CWSRF Decentralized Systems project sponsors. A map of the defined eligible area is included as Attachment 1.

### B. SA-HMW CWSRF Decentralized Systems Eligible Activities

Activities that are eligible for SA-HMW CWSRF Decentralized Systems funding are restricted to specific project types, as outlined within the "[Award and Implementation of the 2025 State Revolving Fund Supplemental Appropriation for Hurricanes Helene and Milton and the Hawai'i Wildfires \(SA-HMW\)](#)" memorandum dated March 13, 2025:

- Protection of decentralized wastewater treatment systems from rising waters;
- Protection of decentralized wastewater treatment systems from the power risks associated with flooding;
- Risk reduction of a decentralized wastewater treatment system failure associated with flooding;
- Increasing decentralized wastewater treatment system capacity to handle flood risks;
- Consolidation of decentralized wastewater treatment systems to reduce flood risk;
- Planning and assessment of the potential to connect homes served by decentralized wastewater treatment systems to centralized wastewater treatment systems due to vulnerability of flood damage, providing the planning work is reasonably expected to result in a capital project;

- Planning projects that analyze the best approach to integrate system and community sustainability / resiliency priorities in the face of a variety of uncertain futures, including natural disasters and more frequent and intense extreme weather events, providing the planning work is reasonably expected to result in a capital project; or
- Connecting homes served by decentralized wastewater treatment systems to centralized wastewater treatment systems.

In an effort to increase overall resiliency and reduce the risk of system failure during flooding or a natural disaster, the State will also expend SA-HMW CWSRF Decentralized Systems funds on projects by eligible sponsors within the disaster declaration area shown in Attachment 1 to eliminate small, neighborhood-scale wastewater treatment systems located in areas where the terrain and/or remote location of the system creates an elevated risk of flooding or failure due to a prolonged power outage during extreme weather events or a natural disaster. For these systems, a power outage often extends beyond the length of time that a generator can operate to maintain system functionality and the terrain and/or limited access due to the remote location prevents fuel delivery to secure the continuous operation of a generator. To best address the low resiliency and high risk of failure these wastewater treatment systems face, the system will be replaced with individual engineered systems designed to operate at a higher level of resiliency and a reduced risk of failure due to flooding or a natural disaster than the current wastewater treatment system. Increased resiliency and a lower risk of failure due to flooding is achievable in these situations through the siting of the individual engineered systems, as each will be located at a higher elevation than the current wastewater treatment system. Additionally, these engineered systems will not require electricity to operate, eliminating the need for a generator and a fuel delivery during an extended power outage that is a common following a natural disaster.

### C. 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 found at [des.sc.gov/programs/bureau-water/wastewater/208-wastewater-water-quality-management](https://des.sc.gov/programs/bureau-water/wastewater/208-wastewater-water-quality-management).

### D. Land

Land needed in support of construction and for collection, transport, treatment, and stormwater 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 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. For land with structures or other improvements, only the appraised value of the land is CWSRF loan eligible, not the appraised value of the land with the structures or improvements. In the CWSRF Program, land may be acquired under proper eminent domain procedures when necessary.

### **E. Planning and Design Costs**

A CWSRF loan assistance agreement 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 assistance agreement to RIA are eligible for funding under the CWSRF Program.

### **F. Legal and Appraisal Fees**

In general, legal and appraisal costs associated with obtaining land (rights-of-way and easements) 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 a complete loan assistance agreement to RIA.

### **G. 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, oversight of contractors, shop drawings, record drawings, concrete or soil testing, Davis-Bacon, American Iron and Steel administration (as needed), 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 CWSRF 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.

## H. Contingency

The SRF Program allows a contingency on eligible construction cost for projects as follows: ten percent (10%) of the construction line item for the first \$10 million dollars of construction cost and five percent (5%) for the construction amount that exceeds \$10 million.

The SRF Program allows a contingency of two and a half percent (2.5%) for materials that are directly purchased by the sponsor. There is no contingency allowed on equipment.

## I. 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.

## J. Projects Not Eligible for Funding

The SA-HMW CWSRF Decentralized Systems Capitalization Grant will not provide funding assistance for the following projects and activities:

1. Projects for systems that are not within the area described by FEMA in the [South Carolina Hurricane Helene Disaster Declaration \(DR-4829-SC\)](#);
2. 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 or will promote sustainability and compliance over the long-term;
3. Projects exclusively correcting operation and maintenance deficiencies;
4. Projects for systems in NPDES noncompliance, unless funding will help a system achieve compliance; or
5. Projects for systems when consolidation or regionalization is the most feasible alternative for a system to maintain sustainability unless the project addresses or supports consolidation or regionalization.

# VIII. Funds Available

## A. Amount of Capitalization Grant

The South Carolina allotment from the SA-HMW CWSRF Decentralized Systems Capitalization Grant is \$9,404,000.

## B. State Match Requirement and Cash Draw

The state match requirement has been waived for the SA-HMW CWSRF Decentralized Systems Capitalization Grant. The State will draw funds from this capitalization grant

according to the payment schedule (timeline) submitted with the grant application and presented in the grant award.

**C. Administration of the CWSRF Program**

The CWA allows a state to use an amount equal to four percent (4%) of its capitalization grant to fund the administration of the CWSRF Program. SCDES plans to retain the authority to use \$376,160, or approximately 4.0%, of the SA-HMW CWSRF Decentralized Systems Capitalization Grant for administration of the CWSRF Program. Administrative funds will be drawn from CWSRF recycled funds and accounted for in the FFY 2026 CWSRF Base IUP.

**D. Technical Assistance**

The CWA allows states to set reserve up to two percent (2%) of each capitalization grant to fund technical assistance (TA) services to rural, small, and tribal publicly owned treatment works. The State does not plan to take funding for TA from the SA-HMW CWSRF Decentralized Systems Capitalization Grant.

**E. Estimated Funds Available — SA-HMW CWSRF Decentralized Systems**

SA-HMW CWSRF Decentralized Systems Capitalization Grant	\$9,404,000
State Match for the SA-HMW CWSRF Capitalization Grant	\$0
Estimated total funds available for SA-HMW CWSRF Decentralized Systems Projects*	\$9,404,000

\*The project funding needs identified in the PPL are equal to the amount identified in the table above for the SA-HMW CWSRF Decentralized Systems Capitalization Grant.

**F. Equivalency to Account for Federal Funds**

SCDES will use equivalency projects to account for the federal funds awarded to the SC CWSRF Program through this capitalization grant. The amount that must be accounted for includes the total federal grant award minus any set-aside funds received from the grant. Every SA-HMW CWSRF Decentralized Systems Capitalization Grant project will be categorized as an equivalency project. As such, every SA-HMW CWSRF Decentralized Systems Capitalization Grant project will be required to meet all of the federal requirements listed in Section X.A.

The equivalency projects that have binding commitments (signed loan assistance agreements) and are selected to account for the federal funds received from this capitalization grant will be identified in the CWSRF Annual Report (deliverable) and reported to the federal government pursuant to the requirements of the Federal Funding Accountability and Transparency Act (FFATA; deliverable).

**G. Fee Income**

Not applicable to PF projects.

## IX. Assurances and Specific Proposals

SCDES 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 100% of the amount of each quarterly payment under the capitalization grant within one year of each such payment.
3. Expeditious and Timely Expenditures: The State will expend all funds in the CWSRF in an expeditious and timely manner as previously discussed.

## X. Additional Information / Requirements

### A. Federal Requirements

Sponsors will be notified of all environmental and social cross-cutter requirements, as well as other applicable federal requirements once their project is identified as a candidate for funding. Guidance on federal requirements can be found at [des.sc.gov/srfguidance](https://des.sc.gov/srfguidance). 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
- Disadvantaged Business Enterprise (DBE) compliance
- 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
- SRF Signage (for construction projects)
- Telecommunications and video surveillance prohibition

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

### B. Annual Report and Annual Review

An annual report (deliverable) will be submitted by September 30, 2026, that will quantify the results and present the milestones of the capitalization grants.

CWSRF participated in the 2024 EPA Annual Review held January 7 - 8, 2025. The state did not have any audit findings during SFY 2024. CWSRF anticipates receiving and responding to the EPA Program Evaluation Report (PER) for FFY 2025 funding in SFY 2026 during and following the Annual Review/PER.

### C. Additional Subsidies

The Act requires that one hundred percent (100%) of the SA-HMW CWSRF Decentralized Systems Capitalization Grant be used to provide additional subsidy. South Carolina will use assistance agreements with 100% forgiveness of principal to satisfy this requirement. Section 603(i) of the CWA outlines conditions under which additional subsidy may be offered to a project.

The SC SRF Program ensures that systems and project sponsors that receive additional subsidy have the technical, managerial, and financial capacity to maintain compliance with federal and state regulations. The Utility Sustainability Assessment mentioned in Section VI.F. above is one tool used by the SRF to evaluate the technical, managerial, and financial capacity of a potential SRF additional subsidy recipient. 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 or if the use of the financial assistance from the CWSRF will promote sustainability and compliance over the long-term. The sponsor may not be eligible for additional subsidies on future projects until the agreed upon operational changes have been fully implemented. Also, systems that ask to be considered for principal forgiveness funds must not be delinquent on submission of annual financial audits to the Office of the State Treasurer as required by SC state law.

The SC SRF Program plans to utilize additional subsidy funds, provided as principal forgiveness (PF), for ready-to-proceed projects, to encourage sustainability through project planning, design, and construction. Appendix A indicates the amount of PF that has been assigned to projects for the SA-HMW CWSRF Decentralized Systems funding on a preliminary basis. The SRF Program reserves the right to adjust PF amounts. PF funds are only available if EPA awards the SA-HMW CWSRF Decentralized Systems Capitalization Grant and it is accepted by SCDES. Project listing is not a commitment of PF funding.

### D. Environmental Outcomes and Measures

SCDES will update the EPA SRF Data System at least quarterly to report financial information about the program and projects, loan information, and project activities and benefits.

### E. Project Descriptions and Justifications

Each project identified to receive this SA-HWM CWSRF Decentralized Systems funding must satisfy the eligibility requirements, which includes a relevant statement of impact and improvements aligned with one or more SA-HWM CWSRF Decentralized Systems eligibility categories. Information on the selected projects is included below.

**i. Project Sponsor**

*Renewable Water Resources (ReWa)*

**Project Title**

*Altamont Forest WWTP Replacement*

**Project Cost**

*\$2,118,800*

**Project Description**

*As the receiver of the Altamont Forest WWTP, ReWa proposes the installation of engineered septic systems at individual existing homesites currently discharging to the WWTP. The existing low-head manifold collection system that discharges to the WWTP would be abandoned in place. The Altamont Forest WWTP would be demolished and removed from the site. Homeowners would be deeded the completed septic systems and be responsible for ongoing operations and maintenance. There would be no discharge to Mountain Creek.*

**Impact Experienced**

*A nine-day power outage from September 27, 2024 to October 6, 2024 was experienced during and after Hurricane Helene. In total, 30 of the 35 utility poles along Altamont Road leading to the Altamont Forest WWTP were destroyed by the hurricane and required complete replacement. October 2, 2024 was the first day ReWa staff were able to access the WWTP. Delivery of a portable diesel generator was hampered by the narrow roadway, downed trees and limbs, and washed out areas of the road itself along the way.*

**Eligibility Category**

*II. Projects that protect decentralized wastewater treatment systems from power risks associated with flooding.*

**ii. Project Sponsor**

*Renewable Water Resources (ReWa)*

**Project Title**

*Lookup Forest Home Assoc WWT Lagoon Replacement*

**Project Cost**

*\$5,332,508*

**Project Description**

*ReWa proposes the installation of engineered septic systems at individual existing homesites in Lookup Forest and at individual buildings at Lookup Lodge Camp currently discharging to the treatment lagoon. The lagoon would be abandoned and the site stabilized. The existing collection system that discharges to the lagoon would be abandoned in place. Homeowners and the camp would be deeded the completed septic systems and be responsible for ongoing operations and maintenance. There would be no discharge to McKinney Creek.*

**Impact Experienced**

*Power outages and challenging road conditions due to downed trees and limbs resulted in significant struggles in maintaining the proper operation of the Lookup Forest system during Hurricane Helene and its aftermath. This system was without power for nine days between September 27, 2024 and October 6, 2024.*

**Eligibility Category**

*II. Projects that protect decentralized wastewater treatment systems from power risks associated with flooding.*

**iii. Project Sponsor**

*Beaufort – Jasper Water and Sewer Authority*

**Project Title**

*Alljoy Low Pressure Sewer System – Phase 2*

**Project Cost**

*\$1,952,692 (of the \$4,000,000 total project need)*

**Project Description**

*Beaufort-Jasper Water and Sewer Authority (BJWSA) is expanding its sanitary sewer system to serve the Alljoy community, located along the May River downstream of the Town of Bluffton in unincorporated Beaufort County. Currently, Alljoy relies on aging private septic systems to treat wastewater before it is released into the environment. Many of these systems are several decades old and increasingly prone to failure, contributing to significant environmental and public health concerns. These problems were exacerbated during Hurricane Helene, when heavy rainfall flooded homes and rendered roads impassable. A major concern was the overflow of septic tanks, which allowed untreated waste to contaminate floodwaters and residential yards, creating a serious health hazard. To address these challenges, Phase 2 of the Alljoy Sewer Extension Project will decommission at least 84 septic systems and connect affected*

*properties to a more sustainable and environmentally responsible public sewer system. Each single-family residence will be equipped with a simplex grinder pump, which will discharge into a proposed low-pressure sewer system. This system will connect to existing BJWSA infrastructure and ultimately convey wastewater to the treatment plant.*

**Impact Experienced**

*During Hurricane Helene, heavy rainfall blanketed the area, flooding homes and roadways. This rainfall resulted in numerous homeowners being faced with inundated septic systems in the area. Contamination from these septic systems was spread by floodwaters across residential yards, creating a significant public health hazard.*

**Eligibility Category**

*VII. Projects that make connections from homes served by decentralized wastewater treatment systems to centralized wastewater treatment systems.*

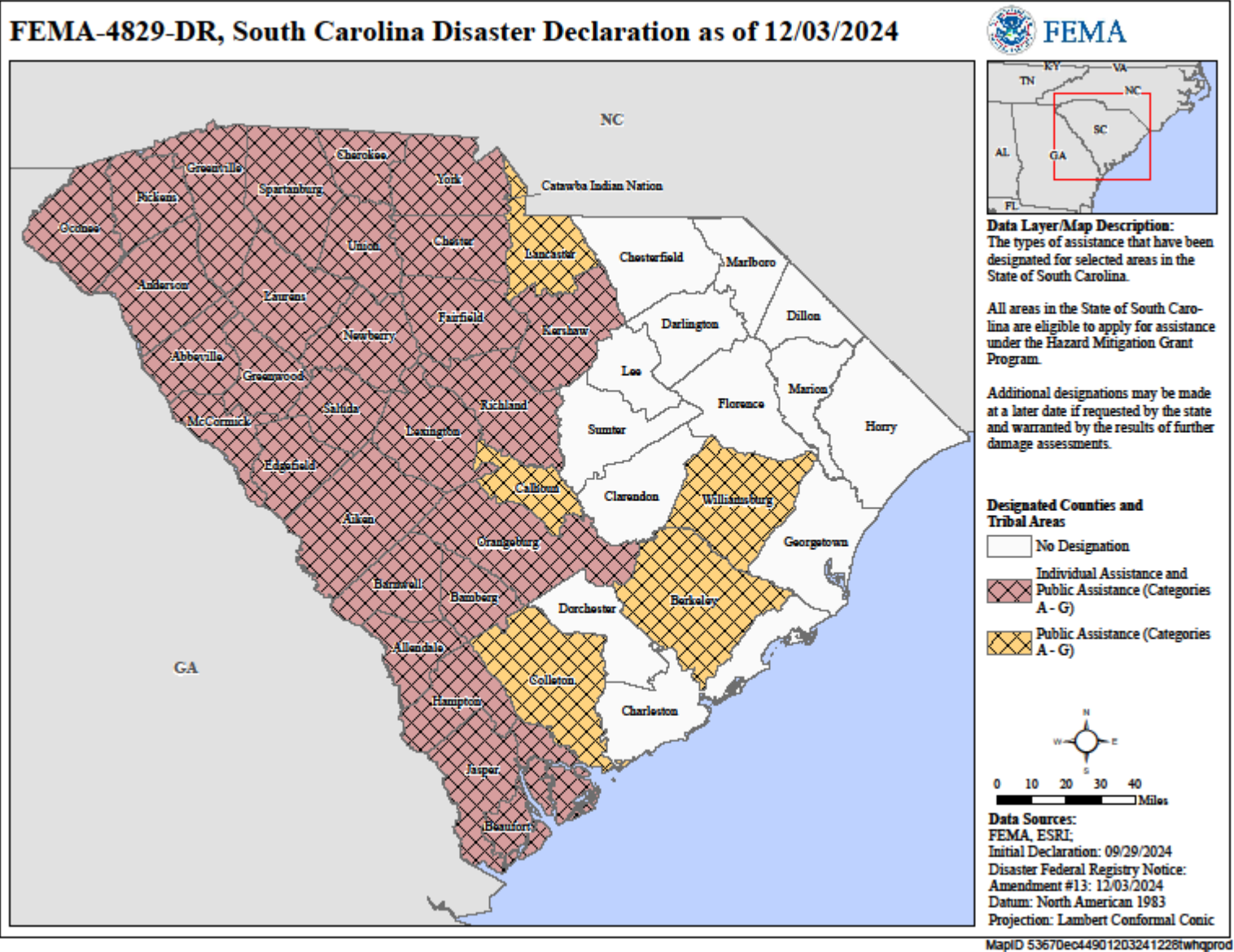
**F. Public Participation**

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

During the public notice period (30-day minimum), the Draft IUP notice and Draft SA-HMW CWSRF Decentralized Systems Capitalization Grant IUP are available from the SCDES SRF Reports and Publications web page at [des.sc.gov/srfreports](https://des.sc.gov/srfreports). Revised IUPs with significant changes must also have a public notice period (14-day minimum). Interested parties are invited to review the documents and submit written comments by the deadline established in the Draft IUP notice. Major comments received on the Draft IUP during the public notice period are addressed within this Final SA-HWM CWSRF Decentralized Systems IUP below.

The Draft SA-HWM CWSRF Decentralized Systems Capitalization Grant IUP was posted to the SCDES website on November 5, 2025. Notice of the Draft IUP was emailed to SRF contacts, Rural Infrastructure Authority contacts, SCDES watershed stakeholders, and included in communications to members of the SC Rural Water Association, the South Carolina Association of Counties, and the Municipal Association of South Carolina. Comments were accepted until 5:00 PM on December 4, 2025. No major comments were received.

### Attachment 1. Map Associated with SC FEMA Disaster Declaration 42829-DR



CWSRF Decentralized Systems Supplemental Appropriation for Hurricanes Helene and Milton and Hawai'i Wildfires (SA-HMW)<sup>1</sup>

Rank	Sponsor & Project Name	SRF Project Number	Project Description	NPDES, SSS, or ND Permit Number	Estimated Total Project Cost	Estimated SRF Loan Amount	Estimated Principal Forgiveness Assistance <sup>2</sup>	Estimated Green Project Reserve Amount	Total Points
1	<b>Beaufort-Jasper Water and Sewer Authority</b> - Alljoy Low Pressure Sewer System - Phase 2 <sup>3</sup>	520-31	Beaufort-Jasper Water and Sewer Authority (BJWSA) is expanding its sanitary sewer system to serve the Alljoy community, located along the May River downstream of the Town of Bluffton in unincorporated Beaufort County. Currently, Alljoy relies on aging private septic systems to treat wastewater before it is released into the environment. Many of these systems are several decades old and increasingly prone to failure, contributing to significant environmental and public health concerns. These problems were exacerbated during Hurricane Helene, when heavy rainfall flooded homes and rendered roads impassable. A major concern was the overflow of septic tanks, which allowed untreated waste to contaminate floodwaters and residential yards, creating a serious health hazard. To address these challenges, Phase 2 of the Alljoy Sewer Extension Project will decommission at least 84 septic systems and connect affected properties to a more sustainable and environmentally responsible public sewer system. Each single-family residence will be equipped with a simplex grinder pump, which will discharge into a proposed low-pressure sewer system. This system will connect to existing BJWSA infrastructure and ultimately convey wastewater to the treatment plant.	SC0047279 ND0074004	\$ 4,000,000	\$ -	\$ 1,952,692		40
2	<b>Renewable Water Resources</b> - Altamont Forest WWTP Replacement <sup>3</sup>	370-142	It was reported that 30 of the 35 utility poles along Altamont Road leading to the Altamont Forest WWTP were destroyed by Hurricane Helene and required complete replacement. As the receiver of the Altamont Forest WWTP, ReWa proposes the installation of engineered septic systems at individual existing homesites currently discharging to the WWTP. The existing low-head manifold collection system that discharges to the WWTP would be abandoned in place. The Altamont Forest WWTP would be demolished and removed from the site. Homeowners would be deeded the completed septic systems and be responsible for ongoing O&M. There would be no discharge to Mountain Creek.	SC0034398	\$ 2,118,800	\$ -	\$ 2,118,800		10
3	<b>Renewable Water Resources</b> - Lookup Forest Home Assoc WWT Lagoon Replacement <sup>3</sup>	370-143	As a result of Hurricane Helene, Lookup Forest Lagoon had challenging road conditions and damage due to downed trees and limbs and power outages. ReWa proposes the installation of engineered septic systems at individual existing homesites in Lookup Forest and at individual buildings at Lookup Lodge Camp currently discharging to the treatment lagoon. The lagoon would be abandoned and the site stabilized. The existing collection system that discharges to the lagoon would be abandoned in place. Homeowners and the camp would be deeded the completed septic systems and be responsible for ongoing O&M. There would be no discharge to McKinney Creek.	SC0026379	\$5,332,508	\$ -	\$ 5,332,508		0
Totals:					\$ 11,451,308	\$ -	\$ 9,404,000		
<b>Totals of SRF Loan + Principal Forgiveness Amount<sup>4</sup>:</b>					<b>\$</b>		<b>\$ 9,404,000</b>		

1 Projects on the Provisional Project List are ranked based on priority for funding.

2 As discussed in Section X.C. of this IUP, the required Additional Subsidy is 100% of the capitalization grant. SC uses Principal Forgiveness Assistance to satisfy the Additional Subsidy requirement. The total Estimated Principal Forgiveness Assistance is shown on the table above.

3 Equivalency project.

4 See available funds discussions in Section VIII.E. of this SA-HMW CWSRF Decentralized IUP.

Note: The project funding needs identified in the PPL are equal to the estimated total funds available for SA-HMW CWSRF Decentralized Systems Projects.