

Infrastructure Funding Programs Update

Government Finance Officers of Association SC May 1, 2023



Agenda

- RIA's Mission
- SCIIP Program Awards
- RIA State Funding Opportunities
- SRF Funding Opportunities
- Partnerships/Coordination



Community Sustainability

Increase community sustainability by helping to maintain reliable and affordable infrastructure

Quality of Life

Improve quality of life by addressing public health, environmental and regulatory concerns

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Economic Impact

Create opportunities by building the infrastructure capacity to support economic growth

Mission

Help close the financial gap for infrastructure improvements and lay the groundwork for economic opportunities.



South Carolina Infrastructure Investment Program



South Carolina Rural Infrastructure Authority

Creation of SCIIP



Purpose

To utilize funds for critical infrastructure projects that will have transformational impact on community needs

- Transformational Impact
- Additional Investment
- Rural Outreach
- Cooperative Solutions
- Accountability
- Transparency

ARPA Funds Available





	Round 1 2022	Round 2 2023	Totals
Competitive Grants	\$783M	\$486M	\$1.269B
Special Economic Development Grants	\$100M	\$100M	\$200M
Admin/ Other Costs	\$17M	-	\$17M
Totals	\$900M	\$586M	\$1.486B

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Competitive Programs of Assistance

S C I P South Carolina Infrastructure Investment Program

INFRASTRUCTURE GRANTS

- Water, Sewer, Stormwater
- \$10 million grants
- Local Investment:
 - 25% Large Utilities (30,000+ population)
 - **15% Small Utilities** (<30,000 population or Tier III/IV counties)

REGIONAL SOLUTIONS GRANTS

- Capital improvements for multiple systems to implement regional partnership solutions
- \$10 million grants
- 15% local investment

PLANNING GRANTS

- Studies to evaluate
 system needs and
 identify capital projects
 to achieve viability for
 smallest systems
- \$1 million grants
- No match

Community Impact Grants Priorities for Assistance

- 1. Regional Solutions
- 2. Water Quality
- 3. Resilience & Storm Protection
- 4. Other Aging Infrastructure
- 5. Capacity





vestment Program

All Applications





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Total Requests vs Awards



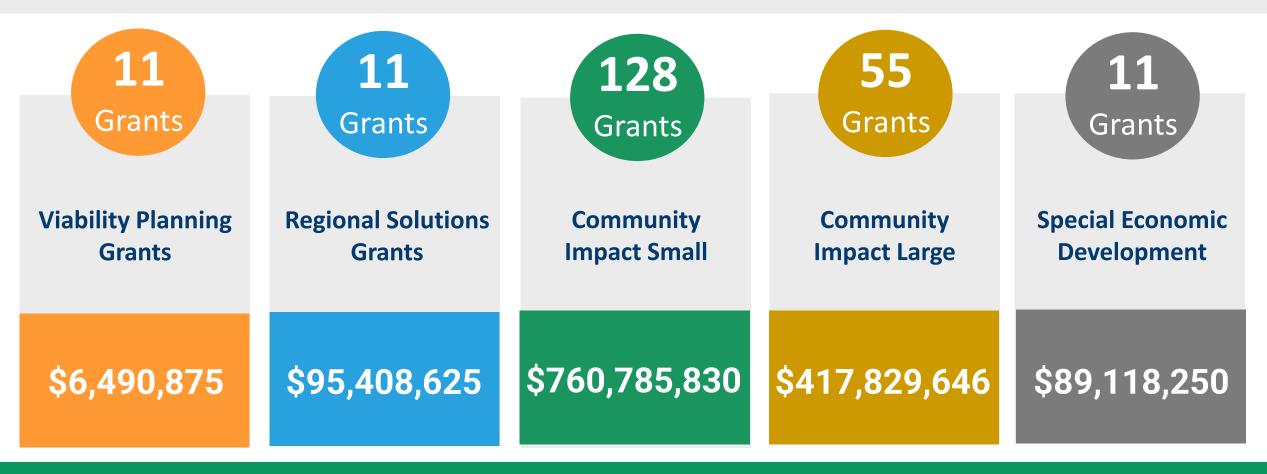


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Total SCIIP Awards

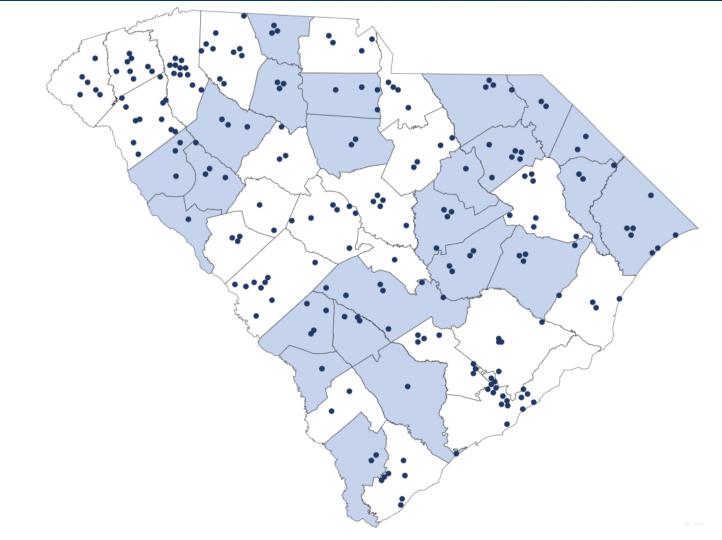


216 Grants | \$1.369B SCIIP Grant Dollars



Awards by Location

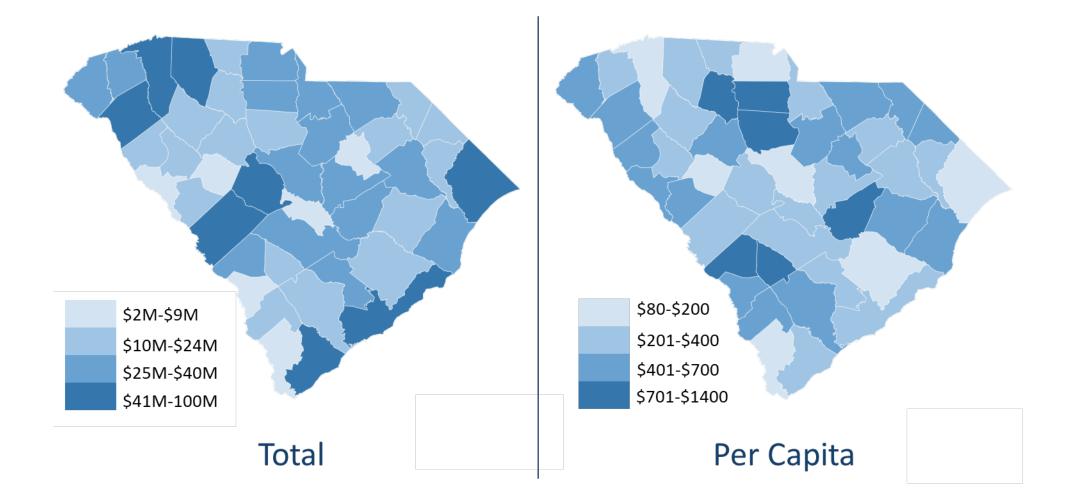




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Funds Awarded & Per Capita





South Carolina Infrastructure Investment Program (SCIIP)

\$1.369 billion in federal infrastructure funding for water, wastewater and stormwater systems in South Carolina communities

American Rescue Plan Act (ARPA) Funding to States via State and Local Fiscal Recovery Funds

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> S.C. General Assembly Allocations to State Agencies

S.C. Rural Infrastructure Authority Board of Directors' Award Decisions

SCIIP Grant Awards across South Carolina

Water, Wastewater and Stormwater Infrastructure Projects in Local Communities

Timeline



Federal Obligation

Deadline: December 31, 2024 Met: April 24, 2023

Federal Expenditure

Deadline: December 31, 2026

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Federal Requirements

Acceptance of SCIIP Grant Awards requires compliance with the following:

- US Treasury Final Rule for ARPA, and other Treasury rules, policies, procedures, and directives;
- Uniform Guidance (2 CFR 200), including Uniform Administrative Requirements, Cost Principles, and Audit Requirements; and
- SCIIP Grant Agreement, Program Management Procedures and other state or federal directives



Agency Coordination



SC Office of Regulatory Staff

Implementation of a "dig once" plan for incorporation of broadband conduit during SCIIP construction

SC Department of Transportation

Agency commitment and coordination for SCIIPidentified projects that require DOT ROW

SC Department of Health & Environmental Control

Agency commitment and coordination for SCIIPidentified projects that require DHEC permits

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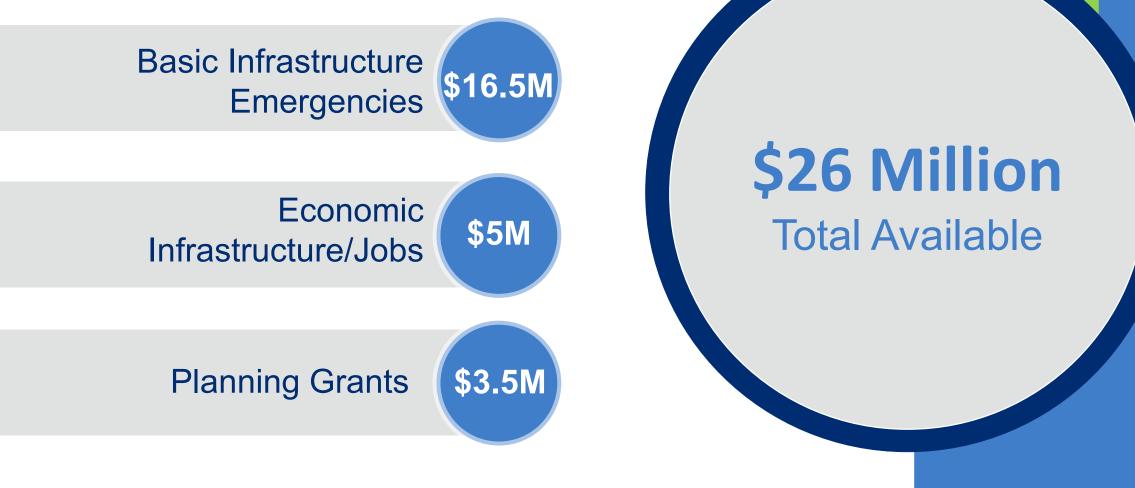
Increasing efficiencies to meet the SCIIP expenditure deadline





RIA State Grant Program

State Grants Estimated Funding Available 2024





Basic/Emergencies

Funding to assist communities in complying with environmental quality standards, protecting public health, and improving capacity.

RIA State Grant Programs



Economic/Jobs

Funding to help build or enhance local infrastructure to support economic development that will create jobs and boost opportunities for future economic impact.



Planning Grants

Funding to support water and sewer systems in planning for long-term viability including regional solutions.

Who is Eligible

Local Governments Special Purpose & Public Service Districts Public Works Commissions



What is Eligible

RIA State Grant Programs

Eligibility

Build, upgrade, improve or extend publicly owned water, sewer and storm drainage infrastructure. Planning activities related to water, sewer and stormwater.

Activities/Thresholds

Construction Activities Only One Applicant per Program Category One Approved RIA Grant per Category Applicant Must Own/Maintain Facilities

Requirements by County

Tier I & Tier II Counties Construction/Planning Cost





25%

Grantee Match Requirement RIA State Grant Programs

Meeting Local Match

- ✓ Source may be federal, state, local or private
- ✓ Must be associated with RIA project
- Can be used on RIA non-eligible construction activities



Basic/Economic

Current: \$500,000 Could be increased to \$1,000,000

Maximum Allowable Grant Amounts



Planning

Current: \$100,000 Could be increased to \$250,000



Viability Strategies

Utility Viability Identification

RIA will focus on creating a partnership of stakeholders to make recommendations for coordination of assistance and new programs. Leveraging Partnerships

3

4

Targeted Financial Assistance



RIA South Carolina Rural Infrastructure Authority

State Revolving Fund (SRF)



DHEC is the EPA grantee and manages the technical aspects of the program Partnership in Program Management



RIA

South Carolina Rural Infrastructure Authority

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



State Revolving Fund (SRF)

Clean Water (CWSRF)

• Wastewater & Stormwater Projects

Drinking Water (DWSRF)

• Drinking Water Projects

Financing Solutions

Since 2016:

104 loans | \$748M

An Affordable Financing Tool



Below-market interest rates



Terms up to 30 years



Fixed rate financing



100% financing of eligible costs

State Revolving Fund (SRF) Current Interest Rates for FY23:

Small System 1.2%

Standard 1.4%

Green 1.2%

Infrastructure Investment and Jobs Act

- Bipartisan Infrastructure Law (BIL)
- Significant increases for SRF loans and principal forgiveness funds for 5 years
- Funding provided for:
- All SRF-eligible drinking water, wastewater, and stormwater projects
- Emerging contaminants
- Drinking water lead service line replacement



SRF Funding Increase for FY22

- Year 1 of 5 for increased funding
- Increase from \$16M to \$32M

All Eligible Projects* Loans \$20M | Principal Forgiveness \$11M

Emerging Contaminants Principal Forgiveness **\$1M**

* Includes Base and BIL General Supplemental Funds

Clean Water (CWSRF)

SRF Funding Increase for FY22

- Year 1 of 5 for increased funding
- Increase from \$14M to \$79M

All Eligible Projects* Loans \$19M |Principal Forgiveness \$14M

Emerging Contaminants Principal Forgiveness **\$10M**

Lead Service Line Replacement Loan \$18M | Principal Forgiveness \$18M

*Includes Base and BIL General Supplemental Funds

Drinking Water (DWSRF)

SRF Principal Forgiveness Eligibility

Eligible sponsors must meet three criteria

- Small System (pop. <10,000)</p>
- Median Household Income (MHI) less than the State MHI
- Sponsor does not qualify for an SRF loan

Also, viable system taking ownership of nonviable or abandoned system

IMPORTANT NOTE:

Federal requirements apply to any project funded in whole or in part by SRF Lead Service Line Replacements

Project Funding:

Loan

Minimum 49% All Principal Forgiveness



Program Requirements

 SRF loan must be taken out for the portion of the project not funded through SRF Principal Forgiveness.

• Must be a loan eligible system

 Each draw request must consist of a loan and PF portion by ratio. The ratio will be set in the Loan Agreement.

• The loan portion will be no greater than 51%

 ≥67% of the work must be in disadvantaged areas as demonstrated in a socio-economic study.

* Disadvantaged criteria must include a Median Household Income of less than the state average but may consider other factors

Program Requirements

 Must have lead service line inventory completed for the proposed replacement areas Must replace the entire lead service line up to building inlet*

 * Unless a portion has previously been replaced (includes private side work)

- All projects must comply with SRF equivalency requirements including:
 - Build America, Buy America (BABA);
 - Davis-Bacon Wages; and
 - Disadvantaged Business Enterprise (DBE)

Project Questionnaires (PQ)

- Submit a two-page Project Questionnaire (PQ) to DHEC
- Available at: scdhec.gov/srfcall
- LSLR PQs are due by March 31, 2023
- Email completed PQs to <u>SRF-</u> <u>Info@dhec.sc.gov</u> and include any supporting documentation you may have (PER, etc.)
- Priority ranking system

SPONSOR INFORMATION SCDHEC Use Only SRF - 1. Project Sponsor 2. Sponsor Address 3. Sponsor Contact Contact Phone Title Contact Phone Email PROJECT INFORMATION (Please refer to instructions) 4. Project Title 5. County where project takes place 6. Describe and define the project location. Please supply any coordinates or street addresses. [] Attach a project map, or, maps, showing both a regional view and a project level view. 7. Project Description - Describe the scope of the project.	Ý	dhec	Drinking Water State Revolving Fund Project Questionnaire	STATE REVOLVING FUND		
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with drinking water standards. (Attach evidence of deficiencies.

Other Infrastructure Grant Programs







Healthy People. Healthy Communities.

Wayne Shealy, P.E.

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Contact Information



General Questions srf-info@dhec.sc.gov RIA

South Carolina Rural Infrastructure Authority

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We are here to help!



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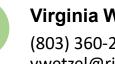
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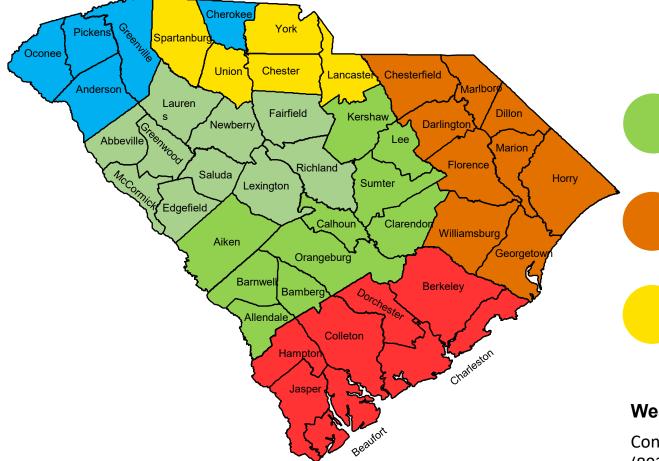
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Questions?