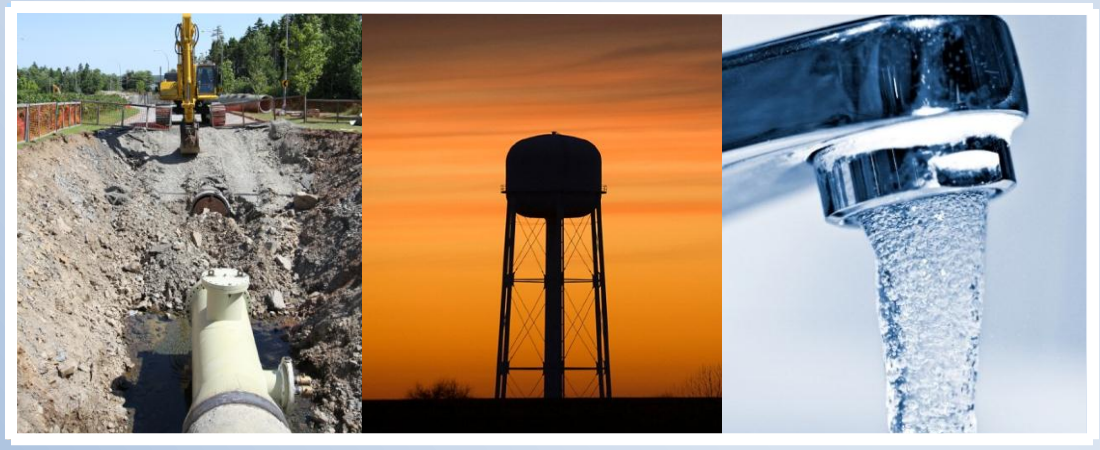
South Carolina
Rural Infrastructure
Authority

Impacting Rural Communities



Annual Report for Fiscal Year 2013

SC Rural Infrastructure Authority

Board of Directors

- Robert M. Hitt III — Chairman, SC Department of Commerce
- William H. O'Dell — Vice-Chairman, State Senator
- David A. Anderson — Anderson Brothers Bank
- William Clyburn — State Representative
- William Kellahan Jr. — Kellahan & Associates
- Michael A. Pitts — State Representative
- Jack W. Shuler — Palmetto Agribusiness Council

RIA

www.ria.sc.gov

Robert M. Hitt III
Chairman

Bonnie Ammons
Executive Director

South Carolina
Rural Infrastructure Authority

We are pleased to provide the inaugural report of the newly-created SC Rural Infrastructure Authority (RIA), an agency whose objective is to help rural communities in South Carolina make water and sewer infrastructure improvements necessary to ensure they are competitive and remain sustainable.

Aging infrastructure is a perennial concern for state and community leaders. Limited resources mean that budgets are stretched thin to cover the capital improvements needed. Yet, it is critical for residents and businesses to have access to reliable and adequate water and sewer systems. Access to reliable infrastructure serves as an important public health function, addresses environmental quality standards and encourages economic growth.

To help rural communities, the RIA offers a competitive grant program specifically targeting infrastructure needs in distressed and least developed areas of our state.

In its first year, more than 70 applications were received and 31 projects, totaling $9.6 million, were approved by the Board of Directors. These projects benefitted more than 30,000 residents.

Whether it is funding for new waterlines to serve communities that have been impaired by dry wells, making improvements to waste water treatment plants to ensure protection of environmental quality, or upgrading pump stations and storage tanks – the goal is to improve the lives of rural residents as well as to position them for new jobs and economic opportunities.

We look forward to being a part of the solution that builds the infrastructure necessary to encourage economic growth in rural South Carolina.

Sincerely,

Robert M. Hitt III

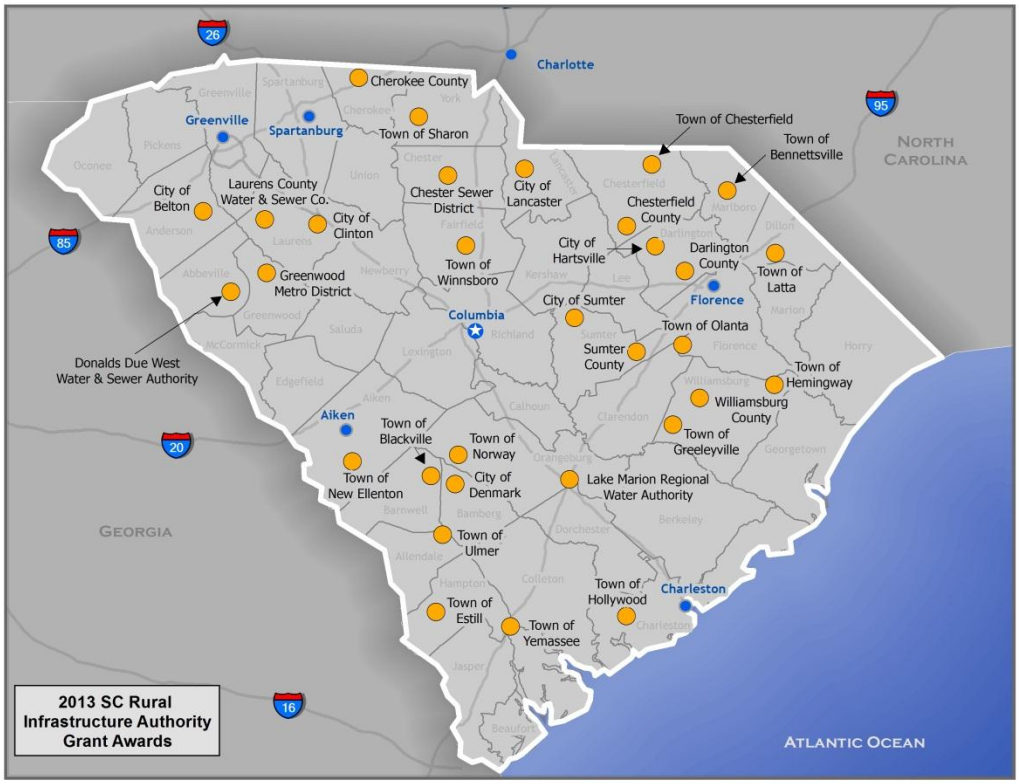
Executive Summary

Communities in South Carolina are preparing for the future by upgrading, improving and expanding their physical infrastructure. From the installation of pipes in the ground to the development of facilities that supply basic services, communities are taking steps to build the infrastructure necessary to support economic development and maintain a high quality of life for residents.

The SC General Assembly created the SC Rural Infrastructure Authority (RIA) under Title 11, Chapter 50 of the SC Code of Laws to help build the capacity of rural communities to compete for jobs and investment as well as to provide environmental facilities that protect public health and meet quality standards.

To achieve this purpose, the RIA offers competitive grants and other financial assistance to support qualified rural infrastructure projects in areas that are most in need.

In Fiscal Year (FY) 2013 (July 1, 2012 – June 30, 2013), this objective was achieved with the award of 31 water, sewer and drainage grants totaling $9.6 million. These grant awards were distributed in 25 South Carolina counties to benefit 30,000 residents. RIA funds leveraged an additional $33 million in local and other funds.



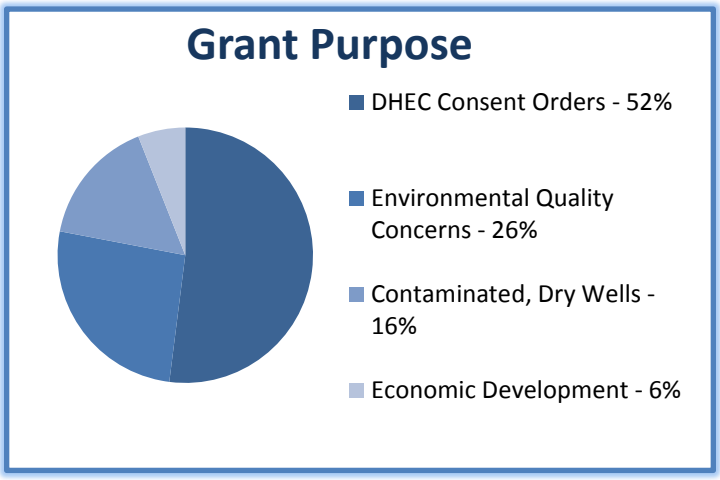
Top 10 Accomplishments in FY2013

1. The SC Rural Infrastructure Authority (RIA) awarded grants for environmental facilities that propose to impact more than **30,000** residents and create **500** jobs.

2. The Board of Directors approved **31 grants** in **25 counties** totaling **$9,635,617.**

3. About **84%** of RIA funding went to distressed or least developed counties.

4. **94%,** or **29 projects** that were approved, addressed health and environmental quality, and two were for economic development purposes.



5. More than **$4.5 million** was awarded for **16 projects** that focused on consent orders from the SC Department of Health and Environmental Control (DHEC), and another **$800,000** went to **five projects** that targeted residential wells that were contaminated or had gone dry.

6. Nearly **60%** of all projects funded were for upgrades or expansions to water systems.

7. About **224,000** linear feet of pipe (water or sewer) was upgraded or expanded, helping to make **16** rural communities more sustainable.

8. RIA leveraged nearly **$33 million** from local and other resources. In addition, the average applicant match represented 32% of the total project budget.

9. RIA managed 33 grants transferred from the SC Budget and Control Board's Office of Local Government. Of the grants carried over, **27 are closed or pending close-out** and six are still active. The remaining grants are expected to close in FY2014.

10. The Authority's seven member Board of Directors was appointed, and the agency was established with a staff of four. Qualified rural infrastructure projects were determined based on the competitive application process of the Basic Infrastructure Grant Program. Information was made available to the public via a **new website**.

RIA
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Overview

Governing Board

The SC Rural Infrastructure Authority (RIA) is governed by a Board of Directors (Board) consisting of six members and the chairman. Each of the six members reside in or represent counties that are designated by the SC Department of Revenue (DOR) as distressed or least developed, and the Secretary of the SC Department of Commerce (Commerce) serves as chairman. One appointment each is made by the President Pro Tempore of the Senate, Speaker of the House of Representatives, Chairman of the Senate Finance Committee, Chairman of the House Ways and Means Committee, as well as two appointments made by the Governor.

The Board is responsible for approving grants, establishing funding priorities and ensuring guidelines are established for administering grants with adequate financial controls.

$9,635,617

was awarded to infrastructure projects in FY2013.

An inaugural meeting of the RIA was held in August 2012, and the Board met four times during FY2013. The Board completed a number of tasks including: organizing and staffing of the agency, implementing a Basic Infrastructure Competitive Grant Program and developing a program strategy for FY2014. An executive director was hired in November 2012, followed by staff in January and April 2013.

Applicant Eligibility

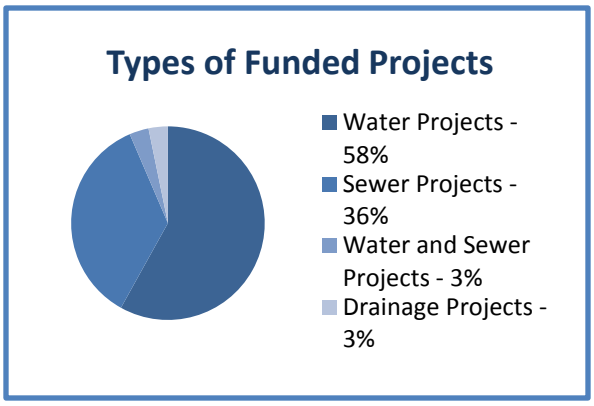
The SC Rural Infrastructure Act (Act) directs that financial assistance be primarily targeted to projects in distressed and least developed counties or to projects in counties that otherwise meet these requirements. For FY2013, the following counties were considered eligible applicants because they were designated as Tier III and IV counties by DOR.

They include: Abbeville, Allendale, Bamberg, Barnwell, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Fairfield, Greenwood, Hampton, Jasper, Lancaster, Laurens, Lee, Marion, Marlboro, McCormick, Orangeburg, Sumter, Union and Williamsburg.

Types of Projects Eligible

According to the Act, a rural infrastructure project is the construction or upgrade of environmental facilities and services that serve a public purpose to address public health and environmental standards as well as to aid economic development.

Eligible activities include upgrades, improvement or extension of water, sewer or drainage infrastructure; projects are expected to be completed within 18 months. Applicants are required to cost-share in project activities. As a result, non-construction related costs are the responsibility of the applicant. For FY2013, grantees matched RIA funds with 32% of the total project costs.



Funding Priorities

The FY2013 Basic Infrastructure Grant Program was the initial program offered by the RIA to address environmental quality standards and public health concerns and to thereby ensure that infrastructure systems had the necessary capacity to support economic development. A total of $6 million was allocated to this program.

In addition, the Board agreed to prioritize applications and provide additional funds for projects that had been submitted to the SC Budget and Control Board's Office of Local Government (OLG) before the RIA was organized.

WATER TANK IMPROVEMENTS: TOWN OF YEMASSEE

This project consists of the construction of a new 150,000 gallon elevated water tank to replace the existing 70 year old Zahler Street tank. The town is currently under a consent order by DHEC because of deficiencies in the water system. This project allows the town to correct the longstanding water quality problem and address the DHEC standards. The project will benefit 2,200 existing customers and will aid in the development of trade, commerce and industry in the community.

Application Process & Selection of Qualified Projects

Step 1. RIA develops program criteria and priorities; announces grant availability.

Step 2. Staff provides technical assistance to applicants on project development and program priorities.

Step 3. Applicants identify needs and develop project proposals.

Step 4. Applications are submitted for competitive selection and review.

Step 5. Staff conducts due diligence reviews based on an analysis of need, feasibility and impact.

Step 6. Board reviews all projects and approves, disapproves or modifies funding requests.

EXPOSED SEWER LINE – CITY OF HARTSVILLE

The City of Hartsville's sanitary sewer force main that carries all of the sewage from the city to the waste water treatment plant was installed under Black Creek, a major tributary in the area.

Over the years, the location of Black Creek has shifted, exposing a portion of the 16" cast iron piping. The daily volume through this pipe is 1.5 million gallons. RIA provided a grant to replace the existing line with a high density pipe bored under Black Creek. This project will prevent a potentially catastrophic sewage spill that would contaminate the entire Black Creek system, impacting several additional communities.

Projects Awarded

Grant Recipient	County	Type of Project	Grant Amount
Belton, City of	Anderson	Water	$29,900
Bennettsville, City of	Marlboro	Water	$200,000
Blackville, Town of	Barnwell	Sewer	$350,000
Cherokee County	Cherokee	Water	$124,000
Chester Sewer District	Chester	Sewer	$350,000
Chesterfield County	Chesterfield	Sewer	$350,000
Chesterfield, Town of	Chesterfield	Water	$315,000
Clinton, City of	Laurens	Water	$150,000
Darlington County	Darlington	Drainage	$600,000
Denmark, City of	Bamberg	Water	$350,000
Donalds Due West W&S Authority	Abbeville	Water	$94,525
Estill, Town of	Hampton	Sewer	$350,000
Greeleyville, Town of	Williamsburg	Water	$320,650
Greenwood Metro District	Greenwood	Sewer	$500,000
Hartsville, City of	Darlington	Water	$332,000
Hemingway, Town of	Williamsburg	Sewer	$350,000
Hollywood, Town of	Charleston	Water	$29,000
Lake Marion Regional Water Authority	Orangeburg	Water	$1,555,600
Lancaster, City of	Lancaster	Sewer	$350,000
Latta, Town of	Dillon	Water & Sewer	$344,828
Laurens County W&S Commission	Laurens	Water	$347,239
New Ellenton, Town of	Aiken	Sewer	$350,000
Norway, Town of	Orangeburg	Sewer	$350,000
Olanta, Town of	Florence	Water	$50,589
Sharon, Town of	York	Water	$350,000
Sumter County	Sumter	Water	$227,194
Sumter, City of	Sumter	Water	$90,100
Ulmer, Town of	Allendale	Water	$150,000
Williamsburg County	Williamsburg	Sewer	$150,000
Winnsboro, Town of	Fairfield	Sewer	$272,492
Yemassee, Town of	Hampton	Water	$252,500
TOTAL – 31 projects			**$9,635,617**

Project Management and Monitoring

The grant agreement serves as a contract between the RIA and the grantee. In addition, there are guidelines to ensure compliance and accountability for public funds, including but not limited to financial management, audits, procurement, contracts, reports, record-keeping and monitoring.

RIA staff is assigned projects (typically by geographic region) to provide technical assistance throughout the grant period. Staff monitors the progress of all projects, reviews invoices prior to issuing grant payments and ensures compliance requirements are completed before a grant is closed and accomplishments are met.

The RIA also managed 33 grants transferred from the OLG totaling $2 million. Of the grants carried over, 27 have been closed or are pending close-out.

Outreach and Coordination

One of the most important roles of the RIA is to serve as a resource for rural areas, whether it is technical or financial assistance. Information about the mission and purpose of the RIA was communicated to eligible applicants and other interested entities through electronic outreach and other methods. Presentations were made to affiliated organizations and associations that share an interest in improving South Carolina's rural infrastructure.

An easy-to-use website was developed to disseminate important grant information and funding opportunities. In addition, one-on-one project development assistance was provided to potential applicants while current grantees received help with administration and management of approved grants. Efforts were also made to coordinate with other state and federal funding agencies to ensure that resources were maximized and used effectively.

WATER LINE EXTENSION: LAKE MARION

The Lake Marion Regional Water Authority (LMRWA) is comprised of Berkeley, Calhoun, Dorchester and Orangeburg counties as well as the Town of Santee. The members are collaborating to construct a $100 million water system over a four-county region.

Approximately $65 million of the project has been completed to date, including a state-of-the-art water treatment plant that is located on Lake Marion near the Town of Santee. The remaining element of the project includes the construction of water transmission mains to deliver water to customers.

The RIA funded portion of the project – known as the Wells Crossroads to Holly Hill and the Holly Hill to Harleyville Reach - will extend water transmission lines from Orangeburg County to Dorchester County.

RIA assistance helped to secure $2.5 million in federal funds. This will facilitate delivery of water to residential, commercial and industrial customers.

The completion of the project will positively impact the rate structure and sustainability of the entire four-county service area.

In addition, it will facilitate development of several high priority sites for economic development in Orangeburg and Dorchester counties.

Summary

In its first year, the SC Rural Infrastructure Authority has successfully implemented a Basic Infrastructure Grant program by conducting two rounds of competitive funding as well as managing the grant program transferred from the SC Budget and Control Board's Office of Local Government. Together, these programs are having a significant impact on rural South Carolinians. A combined $11.5 million is being spent to assist these communities in implementing water and sewer projects. This effort improves the lives of residents and businesses by upgrading infrastructure, bringing clean water to those in need and building capacity to encourage economic growth.

The "SC Rural Infrastructure Authority Annual Report for Fiscal Year 2013" is submitted by the SC Rural Infrastructure Authority in compliance with the SC Rural Infrastructure Act (SC Code of Laws § 11-50-160). Additionally, Act 119 of 2005 mandates that agencies provide all reports to the General Assembly in an electronic format.

RIA South Carolina Rural Infrastructure Authority

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