AGENCY NAME:	RURAL INFRASTRUCTURE AUTHORITY		
AGENCY CODE:	P450	SECTION:	54

Fiscal Year 2013-14
Accountability Report

SUBMISSION FORM

AGENCY MISSION	The mission of the SC Rural Infrastructure Authority (RIA) is to assist in financing qualified rural infrastructure projects that will build the capacity of rural communities to compete for jobs and investment and provide environmental facilities that protect public health and meet quality standards.

Please identify your agency's preferred contacts for this year's accountability report.

	Name	Phone	Email
PRIMARY CONTACT:	Bonnie Ammons	803-737-0226	bammons@ria.sc.gov
SECONDARY CONTACT:	Chris Huffman	803-737-0462	chuffman@sccommerce.com

I have reviewed and approved the enclosed FY 2013-14 Accountability Report, which is complete and accurate to the extent of my knowledge.

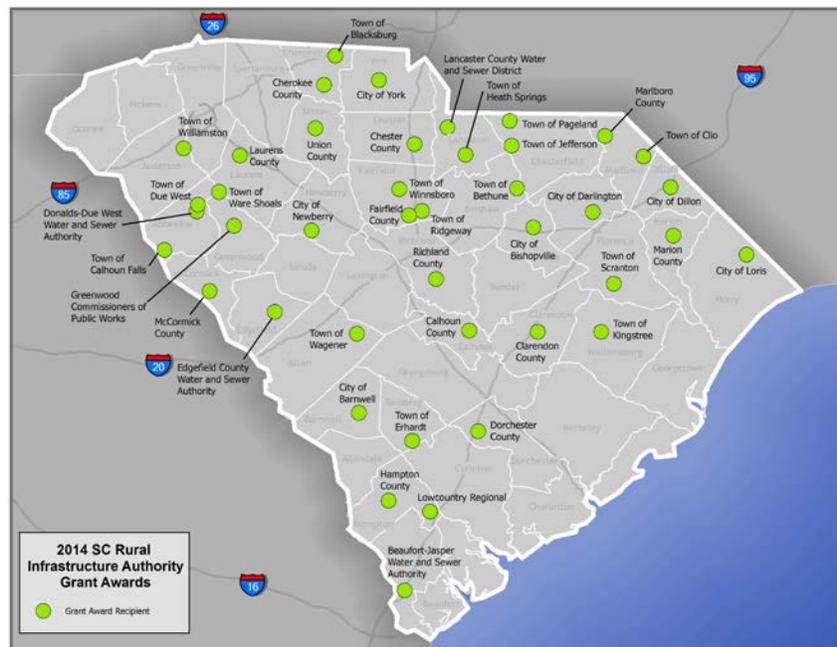|		
AGENCY DIRECTOR (SIGN/DATE):	*Bonnie Ammons*	9-12-14
(TYPE/PRINT NAME):	Bonnie Ammons	
BOARD/CMSN CHAIR (SIGN/DATE):	*signature*	9/12/14
(TYPE/PRINT NAME):	Robert M. Hitt III	

AGENCY'S DISCUSSION AND ANALYSIS

Performance Results

The Rural Infrastructure Authority (RIA) partners with rural communities to help meet critical infrastructure needs (water, wastewater and storm water facilities) while protecting public health and the environment and building the capacity of rural communities to compete for jobs and investment. In its second year of operation, the RIA's efforts to achieve this purpose have resulted in the following accomplishments for Fiscal Year (FY) 2014:

- The Board of Directors (Board) approved 42 new grants in 31 counties totaling $11,754,189 and awarded $206,900 for an existing project for total funds awarded of nearly $12,000,000.
- The grants awarded propose to impact more than 15,694 residents and result in 1,700 new jobs.
- About 87% of RIA funding was awarded for projects in distressed or least developed counties, also defined as Tier III and IV counties by the SC Department of Revenue (DOR).
- Approximately 56% of funds awarded will address health and environmental quality concerns and 44% will be used to build or improve economic infrastructure.
- RIA funds leveraged more than $65 million dollars from local and other resources.

The RIA has served as a resource to assist rural and distressed areas by pro-actively providing outreach and technical assistance in identifying solutions and resources for critical infrastructure needs. Since February 2013, 140 applications totaling over $40 million in application requests were received and 73 projects totaling $21 million were awarded. RIA funds are leveraging $98 million in additional infrastructure investments. Over 45,000 residential customers and more than 1500 business customers are being impacted by RIA-funded projects. These projects improve the quality of life for rural residents, help communities become more sustainable and boost the opportunity for economic development.

FY14 RIA Grants Awarded by Location

FY14 RIA Grant Recipients

Grant Recipient	County	Project	Grant Amount
Barnwell, City of	Barnwell	Water Line Upgrade	$313,000
Beaufort-Jasper Water & Sewer Authority	Jasper	Water Line Upgrade	$350,000
Bethune, Town of	Kershaw	Elevated Water Tank	$55,350
Bishopville, City of	Lee	Gravity Sewer Line Replacement	$350,000
Blacksburg, Town of	Cherokee	Sewer System Improvements	$350,000
Calhoun County	Calhoun	Elevated Water Tank	$282,000
Calhoun Falls, Town of	Abbeville	Elevated Water Tank	$306,000
Cherokee County	Cherokee	Water Line Upgrade	$350,000
Chester County	Chester	Sewer Improvements	$2,000,000
Clarendon County	Clarendon	Water Line Extension	$280,000
Clio, Town of	Marlboro	Water System Improvements	$208,150
Darlington, City of	Darlington	Water Line Upgrade	$239,480
Dillon, City of	Dillon	Pump Station Upgrade	$350,000
Donalds-Due West Water & Sewer Authority	Abbeville	Water Line Upgrade	$89,400
Dorchester County	Dorchester	Pump Station Upgrade	$51,180
Due West, Town of	Abbeville	Sewer System Improvements	$271,000
Edgefield County Water & Sewer Authority	Edgefield	Regional Sewer Line Upgrade	$350,000
Ehrhardt, Town of	Bamberg	Sewer System Extension	$350,000
Fairfield County	Fairfield	Sewer Line Extension	$350,000
Greenwood Commissioner of Public Works	Greenwood	Water Line Upgrade	$350,000
Hampton County	Hampton	Water and Sewer Infrastructure	$349,865
Heath Springs, Town of	Lancaster	Water Line Upgrade	$160,000
Jefferson, Town of	Chesterfield	Sewer System Improvements	$328,805
Kingstree, Town of	Williamsburg	Sewer System Improvements	$50,000
Lancaster County Water & Sewer District	Lancaster	Sewer System Improvements	$349,990
Laurens County	Laurens	Water and Sewer Line Extension	$350,000
Loris, City of	Horry	Pump Station Upgrade	$100,000
Lowcountry Regional Water System	Hampton	Emergency Well Replacement	$9,444
Marion County	Marion	Water and Sewer Infrastructure	$350,000
Marlboro County	Marlboro	Water Line Extension	$61,650
McCormick County	McCormick	Sewer Pump Replacements	$126,000
Newberry, City of	Newberry	Water Treatment Plant Upgrades	$350,000
Pageland, Town of	Chesterfield	Sewer System Improvements	$350,000
Richland County	Richland	Sewer System Extension	$350,000
Ridgeway, Town of	Fairfield	Sewer Treatment Upgrade	$220,000
Scranton, Town of	Florence	Water Line Extension	$60,000
Union County	Union	Water Line Upgrade	$63,500
Wagener, Town of	Aiken	Elevated Water Tank	$98,500
Ware Shoals, Town of	Greenwood	Water Line Upgrade	$241,500
Williamston, Town of	Anderson	Gravity Sewer Line Replacement	$25,875
Winnsboro, Town of	Fairfield	Pump Station Upgrade	$241,000
York, City of	York	Water Line Upgrade	$272,500
TOTAL – 42 projects			**$11,754,189**
Sumter, City of	Sumter	Rembert Water Amendment	$206,900
TOTAL AMOUNT AWARDED			**$11,961,089**

Strategic Goals and Objectives

The RIA is governed by a Board of Directors (Board) that includes six members who reside in or represent distressed and/or least developed counties. The Secretary of the SC Department of Commerce serves as Chairman. The Board establishes programs, sets priorities, selects qualified projects to receive grant funds and reviews performance. Through a strategic planning process, the Board identified programs and objectives that are directly aligned to the agency mission and developed an annual strategy for addressing rural infrastructure needs. For FY14, the program objectives were identified as follows:

- Address infrastructure that is subject to public health and environmental concerns;
- Build capacity for economic opportunity and job creation;
- Target distressed areas that lack adequate resources; and
- Leverage local efforts and other investments.

See the attached Strategic Planning and Performance Measurement Templates which reflect program objectives and outcomes to date.

Key Program Areas – Current Efforts

Financial assistance for qualified rural infrastructure projects is made available to eligible applicants in two competitive funding rounds which offer multiple opportunities to access funds. For FY14, the Board approved four grant categories to address various types of infrastructure needs:

- **Basic Infrastructure** – address environmental concerns and public health issues.
- **Emergency Infrastructure** – address imminent threats to public health or the environment.
- **Economic Infrastructure** – build local capacity to support economic development.
- **Economic Impact** – provide publically owned infrastructure or facilities that will have an impact through job creation and private investment.

Eligibility for RIA Assistance

The SC Rural Infrastructure Act (Act) specifies that financial assistance is for projects that are primarily located in distressed and least developed counties or in a county with a project that otherwise meets these criteria. For FY14, the following counties were considered eligible applicants because they were designated as Tier III and IV counties by the SC Department of Revenue (DOR).

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

While the RIA targets projects in distressed and least developed counties for assistance, the Board approved the qualification of projects in other areas including distressed census tracts located outside of urban areas or projects which share a service area with a currently approved US Department of Agriculture Rural Development (RD) infrastructure grant or a State Community Development Block Grant (CDBG) infrastructure grant.

Project Selection and Grants Management

The RIA has established a process for the submission of applications and selection of projects to be funded (see chart at right.) The process involves technical assistance to potential applicants, preparation of a user-friendly application, and prioritization of requests based on published criteria for need, feasibility and impact. The RIA Board makes all funding decisions and applicants are notified of the results.

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

A grant agreement is issued for all approved grants specifying the grant amount, a description of the project and an 18 month grant period for completing the project. The grant agreement includes terms to ensure compliance and accountability for public funds including financial management, audits, procurement, contracts, reports, record-keeping and monitoring. The staff tracks progress and ensures compliance and accountability of all expenditures. RIA staff is assigned projects to provide technical assistance throughout the grant period.
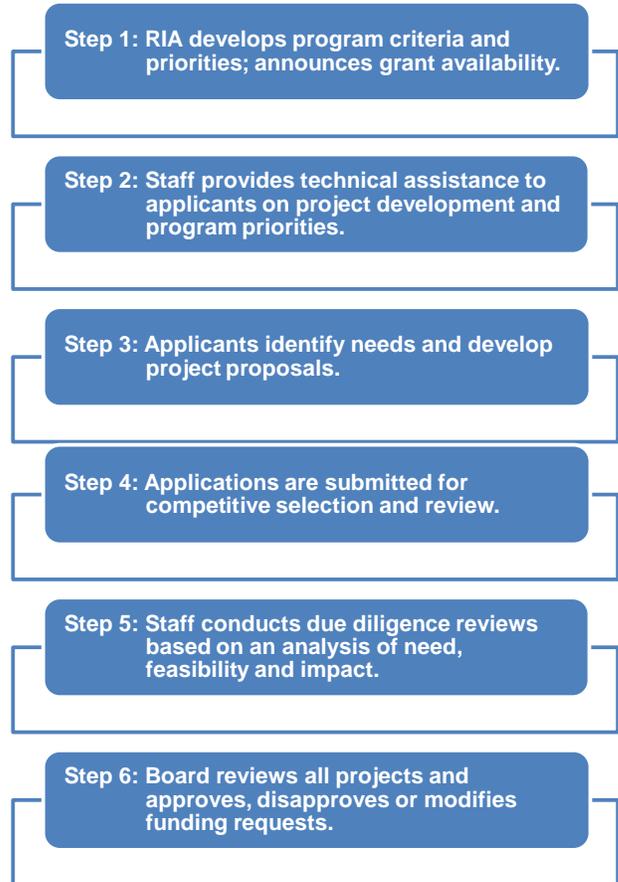
> **Step 2: Staff provides technical assistance to applicants on project development and program priorities.**

> **Step 3: Applicants identify needs and develop project proposals.**

> **Step 4: Applications are submitted for competitive selection and review.**

Opportunities and Challenges:
Factors Impacting Performance

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

With the creation of the RIA, the General Assembly identified challenges to rural development and opportunities to provide additional financial mechanisms to fill the gaps as follows:

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

- Adequate infrastructure is an essential element in promoting economic growth and development that will provide jobs for the citizens of South Carolina.
- Traditional infrastructure financing methods cannot generate the resources necessary to fund the cost of rural infrastructure which are required for economic development.
- The State has the ability to provide for additional methods of financing rural infrastructure which, when combined with existing financing sources and methods, will allow the State to address its rural infrastructure needs in a more timely and responsive manner.

One of the RIA's strategic objectives is to serve as a resource for rural areas, whether it is for technical or financial assistance. Information about the available resources is communicated to eligible applicants, and other interested entities through electronic outreach, workshop presentations and newsletter articles. Three application workshops were held during the year and more than 275 participants were trained. In addition, one-on-one project development assistance is provided to potential applicants while current grantees receive help with administration and management of approved grants.

An important initiative to improve coordination with other state and federal funding was undertaken this year. A SC Infrastructure Funders Coordinating Committee was organized with representatives from

various federal and state funding agencies. The goal is to leverage resources, address funding gaps, avoid duplication and streamline procedures, wherever feasible. An Infrastructure Funding Resources list was compiled by the group and widely distributed. RIA also works with other state agencies on common goals and shares technical and administrative resources to ensure effective and efficient services are provided. By taking a collaborative approach and building partnerships, limited resources can be leveraged and maximized for the greatest return on investment.
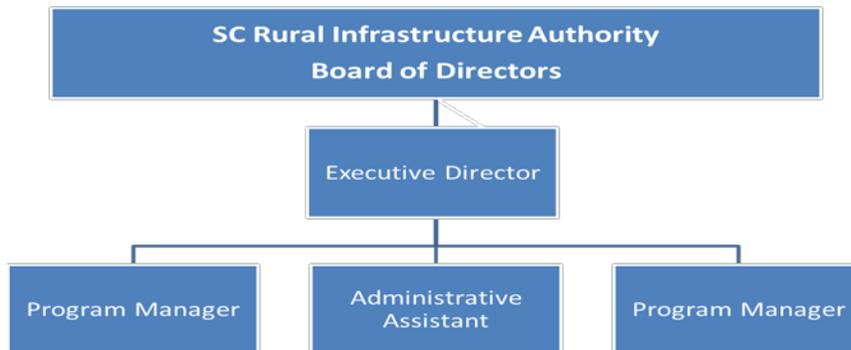
RIA receives input and feedback through regular communication with stakeholder groups. This feedback is used to design programs that are responsive to customer needs. Based on the feedback received in the RIA's first year of operations, several key program features were updated. Two key program adjustments based on stakeholder feedback included: expanded eligibility to additional rural distressed areas and expanded programs to include economic development.

As a direct result of coordination with other funding agencies and feedback received during this year, the RIA is simplifying its program offerings for FY15 in order to maintain flexibility and be responsive to various project needs. Programs will be reduced from four categories to two that are directly aligned with the dual mission of addressing health and environmental issues as well as economic infrastructure capacity building. The attached Strategic Planning Template reflects the streamlined program objectives.

Administration

The RIA has an Executive Director and three full time staff. In order to foster administrative collaboration, RIA contracts with the SC Department of Commerce to provide office space, legal, financial and human resources services. In addition, RIA has an agreement with the SC Department of Health and Environmental Control to share technical services. These agreements allow for more efficient use of staff and resources available to the RIA.

RIA Organizational Chart

Agency expenditures are divided into two categories: I. Administration and II. The Rural Infrastructure Fund, and are detailed in the attached Program Template.

Type	Goal	Strat	Object	Description
G	1			**Provide assistance for improving the infrastructure capacity of rural communities**
S		1.1		**Conduct an annual competitive grants program to determine qualified projects**
O			1.1.1	*Offer two application funding cycles*
O			1.1.2	*Select projects for funding based on relative need in distressed areas, impact and feasibility*
S		1.2		**Address critical rural infrastructure needs**
O			1.2.1	*Provide funding for projects that address public health or environmental concerns*
O			1.2.2	*Provide funding for infrastructure improvements that can enhance economic opportunities*
S		1.3		**Build the capacity of rural communities to address infrastructure needs**
O			1.3.1	*Provide technical assistance on accessing financial resources and identifying solutions*
O			1.3.2	*Coordinate and leverage resources with local efforts and other federal and state programs*
G	2			**Manage agency assets to achieve agency goals and objectives**
S		2.1		**Operate the agency in an efficient an effective manner**
O			2.1.1	*Allocate resources to achieve agency goals and objectives*
O			2.1.2	*Conduct monthly budget and expenditure reviews*

Item # — column headers: Goal, Strat, Object

Performance Measurement Template

Item	Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
1	Total Grants awarded	$9,635,617	$11,961,089	$12,000,000	July 1-June 30	RIA data	annual	Target value set by Board - Actual value of approved grant requests	1.1.1, 1.1.2, 1.2.1, 1.2 2., 1.3.1, 2.1.1, 2.1.2
2	Grants awarded to address health/environmental concerns	$8,985,617	$6,768,094	$6,500,000	July 1-June 30	RIA grant requests	annual	Target value set by Board - Actual value of approved grant requests	1.1.2, 1.2.1,2.1.1
3	Grants awarded to support economic opportunities	$650,000	$5,192,995	$5,500,000	July 1-June 30	RIA grant requests	annual	Target value set by Board - Actual value of approved grant requests	1.1.2, 1.2.2, 2.1.1
4	Grants to distressed and least developed counties (DOR defined Tier III & IV counties)	$8,826,128	$10,208,784	$6,000,000	July 1-June 30	RIA grant requests	annual	Target value based on 51% of amount awarded- Actual value based on approved grant requests	1.1.2, 2.1.1
5	Customers trained/ technical assists		550	150	July 1-June 30	RIA data	annual	Number of participants + number of technical assists	1.3.1, 2.1.1
6	Resources leveraged	$32,953,207	$65,100,424	$12,000,000	July 1-June 30	RIA grant requests	annual	Target $1 for $1 of grant funds - Actual value based on approved grant requests	1.3.2, 2.1.1

Agency Name:	Rural Infrastructure Authority										

Agency Code:	P45	Section:	054

Program Template

Program/Title	Purpose	FY 2012-13 Expenditures				FY 2013-14 Expenditures				Associated Objective(s)
		General	Other	Federal	TOTAL	General	Other	Federal	TOTAL	
I. Administration	Administer RIA Programs and Operations	$ 118,251	$ 69,849		$ 188,100	$ 20,391	$ 436,868		$ 457,259	2.1.1, 2.1.2
II. Rural Infrastructure Fund	Assist with financing qualified rural infrastructure projects	$ 1,794,261	$ -		$ 1,794,261	$ 2,219,032			$ 2,219,032	1.1.1,1.1.2, 1.2.1, 1.2.2, 1.3.1,1.3.2
		$ 1,912,512	$ 69,849	$ -	$ 1,982,361	$ 2,239,423	$ 436,868	$ -	$ 2,676,291	