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2019-2020 annual report

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RIA South Carolina
Rural Infrastructure Authority

2019-2020 Annual Report

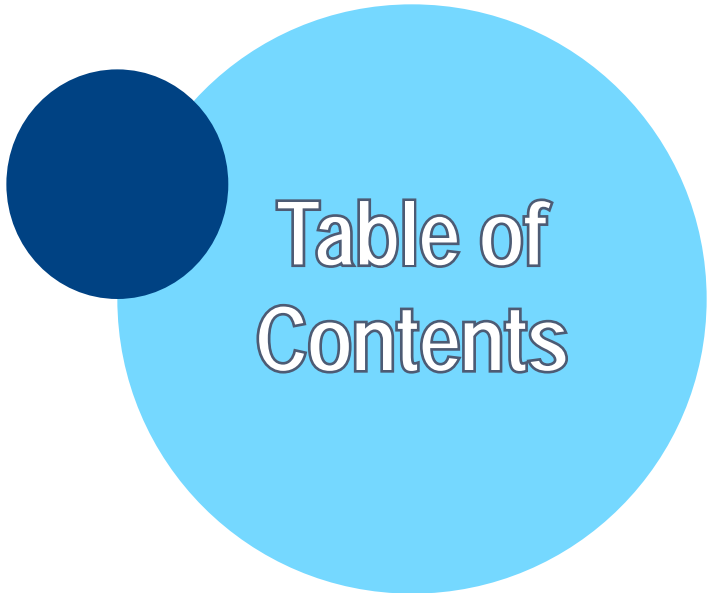


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The S.C. Rural Infrastructure Authority Annual Report for Fiscal Year 2020 is submitted by the S.C. Rural Infrastructure Authority in compliance with the S.C. Rural Infrastructure Act (S.C. Code of Laws §11-50-160). Additionally, Act 119 of 2005 mandates that agencies provide all reports to the General Assembly in an electronic format. This report represents activities between July 1, 2019 - June 30, 2020.

Agency Objectives

INCREASE

community sustainability by helping to maintain reliable and affordable infrastructure.

IMPROVE

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

CREATE

opportunities for economic impact by building the infrastructure capacity to support economic development.



About the S.C. Rural Infrastructure Authority

The S.C. Rural Infrastructure Authority (RIA) began operating in 2012 with a purpose to help close the gap in financial resources for infrastructure improvements statewide and lay the groundwork for economic opportunities. Learn more by visiting ria.sc.gov.

Board of Directors

Secretary Robert M. Hitt III,
Chairman
S.C. Department of Commerce

The Honorable Michael Gambrell,
Vice-Chairman
S.C. Senate

Mr. David E. Anderson,
Anderson Brothers Bank

The Honorable William Clyburn,
S.C. House of Representatives

Mr. William Kellahan,
Kellahan & Associates

Mr. Jasper Shuler,
S.C. Department of Agriculture

The Honorable Richard Yow,
S.C. House of Representatives

RIA Staff

Bonnie Ammons, Executive Director

James Absher, Senior Financial Analyst

Trish Comp, Loan Program Director

Pamela Gantt, Administrative Assistant

Noel Hebert, Senior Financial Analyst

Jackie Mack, Senior Grant Program Manager

Eric Melaro, Senior Grant Program Manager

Liz Rosinski, Senior Grant Program Manager

Holley Sparkman, Loan Administration

Kendra Wilkerson, Sustainability Program Manager



Preparing Infrastructure for the Future



Robert M. Hitt III

Secretary, S.C. Department of Commerce
Chair, S.C. Rural Infrastructure Authority

Our state is experiencing unprecedented times as the pandemic has impacted public health and the economy. Communities are playing a critical role in ensuring that the essential services of safe drinking water and sanitary sewer are available to all customers.

The S.C. Rural Infrastructure Authority (RIA) has programs and tools to help communities meet current conditions as well as prepare for the future:

Solve Infrastructure Problems through a grant program that allows water and sewer systems to address immediate needs while they make plans for long-term improvements and expansion. Since 2013, more than \$148 million has been awarded statewide for 364 projects. These grants have been a catalyst for \$430 million in additional funds used for infrastructure improvements.

Build Capacity through projects and initiatives that provide public health and economic benefits. Investing in infrastructure capacity helps maintain the quality of life for residents and opens the door to new economic opportunities. About 30% of all RIA grant funds have been used to enhance infrastructure in support of economic projects, resulting in \$2.88 billion in proposed capital investment and 7,852 jobs.

Provide Affordable Financing through the State Revolving Funds (SRF) loan program that offers below-market interest rates to qualified borrowers. Since the program began more than 30 years ago, loans totaling over \$1.8 billion have been closed for 316 water, sewer and storm drainage projects. More than one-third of those loans (\$616 million) have been closed since the SRF program became part of RIA in 2016.

Deliver Customer Assistance with committed staff who work directly with local communities and leaders to help develop and implement projects, provide annual training on how to access RIA tools as well as coordinate with other programs and resources to address funding gaps and provide comprehensive solutions to the most pressing issues.

With more than \$100 million in grants and loans available each year for critical water, sewer and storm drainage needs, the RIA is ready to partner with communities to help address today's challenges in order to prepare for tomorrow's opportunities.



Bonnie Ammons

Executive Director,
S.C. Rural Infrastructure Authority

Fiscal Year 2020

At-A-Glance



\$180M

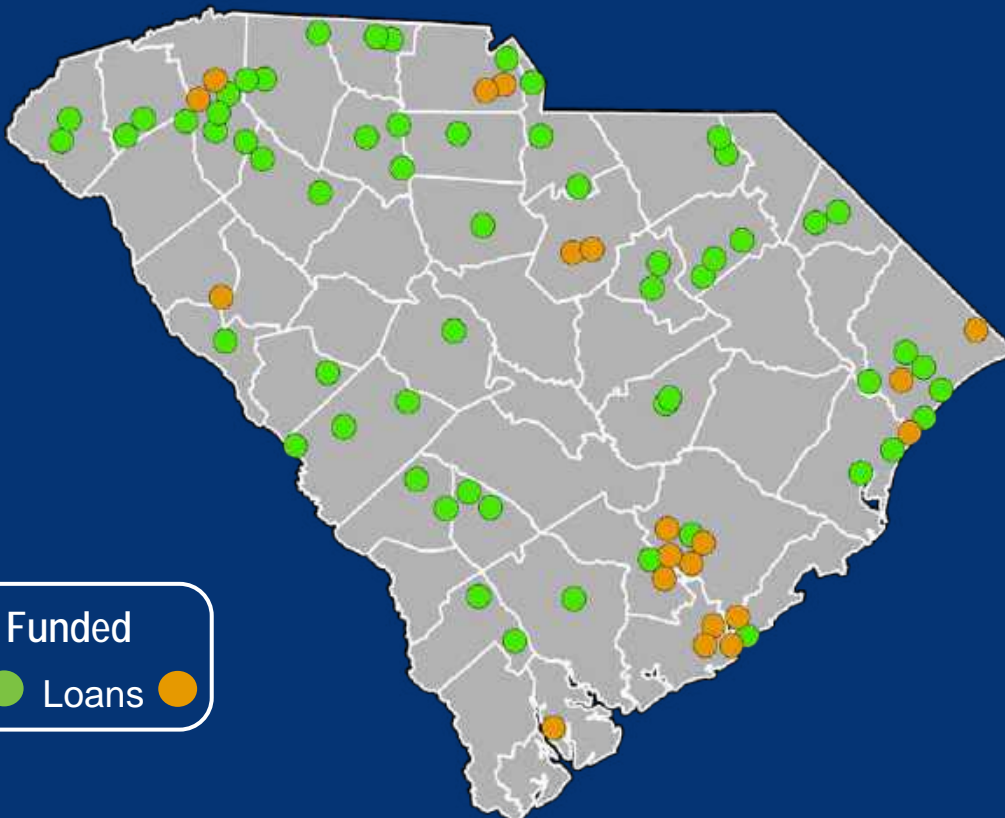
Total Grants and Loans

79

Water, Sewer and Drainage Projects

34

Counties Impacted



\$100M+ loans closed four years in a row

1 in 4 are first-time grantees



Grants

**\$25
Million**

Grants
Awarded

**59
Projects**

Statewide

**\$40
Million**

Other Funds
Leveraged

Customers Served

Residential: 57,542 * Businesses: 4,550



Loans

**\$154
Million**

Loans Closed

**20
Loans**

Statewide

**\$114
Million**

Loan Repayments

\$89M in Loan Disbursements

Solve Infrastructure Problems

For eight years, RIA has been awarding competitive grants semi-annually to local governments, special purpose and public service districts or public works commissions for the purpose of improving water, sewer and stormwater drainage infrastructure statewide.

Financial assistance is made available through two programs, Basic and Economic Infrastructure.

The Basic program targets projects that will: support regionalization efforts; help to resolve consent orders and regulatory violations impacting water and sewer systems; assist with other health and environmental issues or emergencies; as well as update aging infrastructure that has reached the end of its useful life and no longer provides quality service.

The Economic program is designed to: address financial gaps for infrastructure projects that will directly result in job creation and capital investment; build system capacity to support economic opportunity; or provide infrastructure solutions to publicly-owned industrial sites and parks.

RIA funds must be used for project-related construction costs. Applicants are responsible for engineering, property acquisition or easement/ROW and other non-construction related costs. There is a 25% construction match requirement for projects located in Tier I and II counties, as designated by the S.C. Department of Revenue.

Applications are reviewed on a comparative basis with consideration of the relative need, feasibility and impact of each project. Funding decisions are made by the RIA's Board of Directors.

Once grant awards are announced, staff pivot their assistance from project development to detailed project management by helping with implementation of grant-funded projects.

Nearly all of RIA's active grantees have been impacted by COVID-19, and staff spent considerable time working with them to ensure that projects could be carried out in a timely manner, with the safety of customers and staff being a priority.





Solving Consent Orders:

RIA gives a high priority to projects which will address DHEC Consent Orders that identify serious non-compliance with public health or environmental standards. This year, RIA staff worked with DHEC to evaluate whether grants were effective in resolving such Consent Orders. Between 2013 and 2019, 28 grant projects were awarded for this purpose, and 71% were found to have contributed (in whole or in part) to the closure of the Consent Orders. Those not yet resolved are mostly due to outstanding non-construction or operational issues, which RIA does not fund.

These collaborative efforts have a positive and measurable impact on the systems and the customers they serve. It reflects an ongoing need for additional investment to correct the deficiencies and prevent them in the future by upgrading aging infrastructure.

Fiscal Year 2020 Grant Recipients

Grantee	County	Project	Award
Aiken County/New Holland Rural Community Water	Aiken	Water System Improvements	\$60,000
Aiken, City of	Aiken	Economic Sewer Infrastructure	\$500,000
Bamberg Board of Public Works	Bamberg	Economic Sewer Infrastructure	\$450,000
Berkeley County	Berkeley	Sewer System Improvements	\$350,000
Bishopville, City of	Lee	Sewer System Improvements	\$500,000
Bishopville, City of	Lee	Economic Water Infrastructure	\$500,000
Blacksburg, Town of	Cherokee	Water System Improvements	\$500,000
Carlisle, Town of	Union	Sewer System Improvements	\$500,000
Central, Town of	Pickens	Sewer Line Upgrades	\$151,997
Cheraw, Town of	Chesterfield	Water System Improvements	\$187,000
Cheraw, Town of	Chesterfield	Economic Sewer Infrastructure	\$500,000
Cherokee County/Draytonville Water Works	Cherokee	Water System Improvements	\$407,500
Chester County Wastewater Recovery	Chester	Economic Sewer Infrastructure	\$500,000
Clinton, City of	Laurens	Sewer System Improvements	\$500,000
Darlington, City of	Darlington	Sewer System Improvements	\$500,000
Darlington County Water & Sewer Authority	Darlington	Water System Improvements	\$494,000
Denmark, City of	Bamberg	Water System Improvements	\$1,650,000
Dillon County	Dillon	Economic Sewer Infrastructure	\$300,000
Dillon, City of	Dillon	Water Tank Improvements	\$479,500
Dorchester County Water Authority	Dorchester	Water Line Improvements	\$360,000
Edgefield County Water and Sewer Authority	Edgefield	Water Line Upgrades	\$227,024
Elko, Town of	Barnwell	Water System Improvements	\$488,207
Fort Mill, Town of	York	Sewer System Improvements	\$500,000
Fountain Inn, City of	Greenville	Sewer System Improvements	\$500,000
Georgetown, City of	Georgetown	Water Tank Improvements	\$341,438
Gray Court, Town of	Laurens	Water System Improvements	\$500,000
Greenville Water	Greenville	Water Line Upgrades	\$500,000
Greenville, City of	Greenville	Sewer System Improvements	\$360,000
Greer Commission of Public Works	Spartanburg	Economic Sewer Infrastructure	\$500,000
Hilda, Town of	Barnwell	Water System Improvements	\$356,507
Horry County	Horry	Drainage System Upgrade	\$229,702
Horry County	Horry	Economic Water and Sewer Infrastructure	\$300,000

Fiscal Year 2020 Grant Recipients

Grantee	County	Project	Award
Joint Municipal Water and Sewer Commission	Lexington	Sewer Line Upgrades	\$500,000
Lamar, Town of	Darlington	Sewer System Improvements	\$500,000
Lancaster County	Lancaster	Economic Infrastructure	\$500,000
Lancaster County Water & Sewer District	Lancaster	Water Line Upgrades	\$470,000
Lancaster, City of	Lancaster	Water Line Improvements	\$363,000
Liberty, City of	Pickens	Sewer System Improvements	\$187,200
Liberty-Chesnee-Fingerville Water District	Spartanburg	Water Line Improvements	\$500,000
Lockhart, Town of	Union	Water Line Improvements	\$500,000
Lowcountry Regional Water System	Hampton	Water Tank Improvements	\$402,000
Lowcountry Regional Water System	Hampton	Economic Sewer Infrastructure	\$250,000
Manning, City of	Clarendon	Water System Improvements	\$465,000
Manning, City of	Clarendon	Water System Improvements	\$321,420
McCormick County	McCormick	Water System Improvements	\$260,000
Metropolitan Sewer Subdistrict	Greenville	Economic Sewer Infrastructure	\$376,922
Myrtle Beach, City of	Horry	Sewer Line Upgrades	\$500,000
North Augusta, City of	Aiken	Drainage System Upgrade	\$300,000
Powdersville Water District	Anderson	Economic Water Infrastructure	\$500,000
Rural Community Water District of Georgetown County	Georgetown	Water Tank Improvements	\$198,000
Startex-Jackson-Wellford-Duncan Water District	Spartanburg	Water Line Upgrades	\$500,000
Sullivan's Island, Town of	Charleston	Sewer System Improvements	\$500,000
Surfside Beach, Town of	Horry	Drainage System Upgrade	\$500,000
Union, City of	Union	Sewer System Improvements	\$500,000
Walhalla, City of	Oconee	Sewer System Improvements	\$500,000
Walterboro, City of	Colleton	Sewer System Improvements	\$483,450
Westminster, City of	Oconee	Sewer Line Upgrades	\$340,000
Winnsboro, Town of	Fairfield	Water Line Improvements	\$409,640
59 Projects			\$25,519,507
Grant Adjustments			
Abbeville, City of	Abbeville	Sewer System Improvements	\$212,000
Great Falls, Town of	Chester	Sewer System Improvements	\$28,564
Swansea, Town of	Lexington	Water Line Improvements	\$25,000
Total Funds Awarded			\$25,785,071

Build Capacity

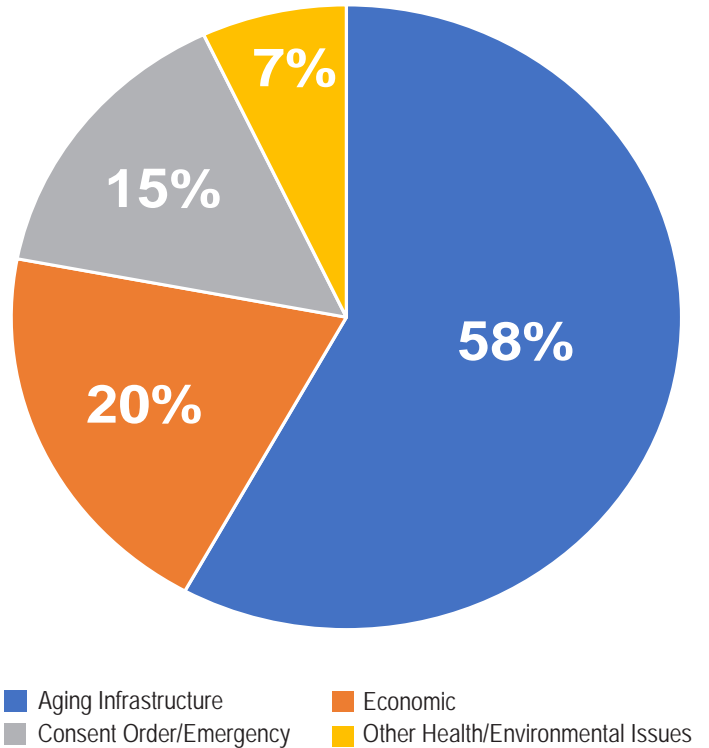
RIA-financed projects help build and strengthen water, sewer and stormwater infrastructure capacity, serving residential and business customers across the state. These infrastructure investments contribute to long-term sustainability for the water and sewer systems as well as the communities they serve. Customers benefit from the accessibility of safe drinking water and sanitary sewer services. Businesses gain access to reliable services that have the capacity to meet their operational and expansion needs.

As communities face increasing challenges to ensure the safety of their residents, RIA financial assistance is available to help fill financial gaps. Of the \$25 million in grant funds awarded this year, about \$14 million will be used to improve aging sewer collection and treatment facilities, upgrade water supply, storage and distribution systems as well as mitigate neighborhood flooding by improving drainage structures. Nearly \$6 million in grant funds will target projects needing to address Consent Orders, emergencies and other critical system issues impacting customers.

RIA projects are also designed to support economic opportunities by providing the infrastructure necessary to help new or existing businesses to grow and prosper. This year, \$5 million in grants will be used to install or improve infrastructure serving new businesses that will create jobs or serve publicly-owned industrial sites that are made ready for industrial prospects. Additionally, program investments increase a system's overall capacity to accommodate new growth and development.

Building capacity is about improving the quality of life for residents. It's about ensuring that infrastructure has the resiliency to weather storms and other environmental challenges. It's about installing infrastructure that will meet existing and future needs. It's about building a future that can accommodate economic opportunity and sustain communities. These are investments in our future.

Fiscal Year 2020 Grant Funding by Priority



Why Infrastructure Matters



Case In Point Supporting Economic Development

Colleton County received a \$500,000 RIA Economic grant in 2019 to expand water and sewer service to Venture Park, an 81-acre, publicly-owned industrial park that did not have adequate utilities to attract development. Colleton County used RIA funds to leverage a \$891,072 grant from the U.S. Economic Development Administration. The availability of on-site infrastructure significantly increased the marketability of the area to industrial prospects. Since this grant was awarded, two companies have announced plans to locate in Venture Park and create a combined total of 130 new jobs.



"Our mission is to work in partnership with communities to make them stronger and more sustainable by investing in their infrastructure foundation."

- RIA Executive Director
Bonnie Ammons

Provide Affordable Financing



The State Revolving Funds (SRF) are federally capitalized loan programs which are jointly administered by the RIA and the S.C. Department of Health and Environmental Control (DHEC). RIA manages the financial and loan components of the program for the S.C. Water Quality Revolving Fund Authority (WQRFA). These responsibilities include credit reviews, loan agreements, disbursements and repayments. DHEC serves as the federal recipient and handles the technical aspects of the program, including selection of projects that meet water quality priorities and compliance with federal requirements.

The two agencies work collaboratively to administer the Clean Water (wastewater and storm drainage projects) and the Drinking Water SRF programs. These programs are often used to finance large and complex infrastructure projects.

Low-interest loans are made available to municipalities, counties and special purpose districts statewide. In addition to “below market” interest rates, the program offers a number of other advantages which translate into savings for rate-paying customers. The program provides low closing costs (.35%), fixed rate financing and extended terms up to 30 years. To be eligible, the borrower must have a sufficient revenue stream to repay the loan and show viability.

RIA annually reviews and updates the program’s loan policies for the WQRFA with a goal of ensuring the perpetuity of the funds for future loans.

At the beginning of FY20, the standard interest rate was set at 2.2%. The interest rate was lowered to 1.8% in the second half of the year, following the dramatic drop in interest rates in the municipal bond market, which was due in part to COVID-19. The lower municipal bond market rates also resulted in \$54.9 million in early pay-offs of SRF loans with remaining terms of ten years or less.

Additional SRF Funds Allocated For Disaster

The SRF program has been allocated \$17 million in funding from the U.S. Environmental Protection Agency for use in counties that suffered damage from Hurricane Florence. The funds will be used for improvements to drinking water, sewer and stormwater infrastructure to protect drinking water supplies and the environment from future natural disasters. RIA worked with customers to identify 19 projects that qualify for 1% loans and other assistance made available from this SRF disaster appropriation.

Fiscal Year 2020 Loan Recipients

Clean Water			
SPONSOR	COUNTY	PROJECT	AMOUNT
Abbeville, City of	Abbeville	Long Cane Creek Wastewater Treatment Plant (WWTP) Upgrade	\$948,620
Berkeley County	Berkeley	Pump Station (001) Force Main Replacement	\$8,344,437
Berkeley County	Berkeley	Jedburg/I-26 Interchange Improvements - Sewer Line Relocation	\$1,106,425
Berkeley County	Berkeley	Pump Station (002) Renovation	\$7,248,127
Berkeley County	Berkeley	Central Berkeley WWTP Upgrade	\$10,230,776
Camden, City of	Kershaw	Kirkwood, Ancrum & Ehrenclou Community Sewer Improvements	\$2,051,531
Grand Strand Water & Sewer Authority	Horry	Longs WWTP Upgrade and Expansion	\$15,014,426
James Island, Town of	Charleston	Pump Station (2) Upgrade and Conversion	\$1,793,128
James Island, Town of	Charleston	Pump Station (22 and 34) Upgrades	\$1,067,757
James Island, Town of	Charleston	Pump Station (1) Downgrade and Conversion	\$994,971
Mt. Pleasant, Town of	Charleston	Pump Station Conversion and Rehabilitation	\$5,574,130
Renewable Water Resources	Greenville	Gravity Sewer and Manhole Rehabilitation	\$2,852,613
Renewable Water Resources	Greenville	Unity Park Trunk Sewer Improvements	\$10,664,665
Rock Hill, City of	York	Manchester Creek WWTP Headworks Replacement	\$55,300,000
Rock Hill, City of	York	College Downs and Cavendale Drive Stormwater Improvements	\$4,848,432
15 Clean Water Loans Closed			\$128,040,038

Drinking Water			
SPONSOR	COUNTY	PROJECT	AMOUNT
Beaufort-Jasper Water & Sewer Authority	Beaufort	Hwy 170 Water Line	\$6,542,800
Berkeley County	Berkeley	Jedburg/I-26 Interchange Improvements - Water Line Relocation	\$1,113,538
Camden, City of	Kershaw	Kirkwood & Ehrenclou Community Water Improvements	\$1,995,195
Georgetown County Water & Sewer District	Georgetown	Murrells Inlet Elevated Storage Tank and Distribution Improvements	\$3,104,820
Grand Strand Water & Sewer Authority	Horry	Highway 701 to Highway 544 Water Transmission Line Improvement	\$14,081,787
5 Drinking Water Loans Closed			\$26,838,140

Deliver Customer Assistance

RIA is focused on the needs of our customers. Our staff take a proactive approach with water and sewer systems and the communities they serve. Training is provided through four annual workshops and webinars to inform potential applicants of available resources and how to access them.

One-on-one assistance is also provided to help communities identify eligible projects, determine available resources and coordinate with other funders as well as assist with project implementation. This year, such assistance was more important than ever as communities were faced with new challenges including new public health and safety concerns. RIA's programs helped to bridge gaps as utilities were stretched thin and required help from more than one resource.

● 216 cases of technical assistance

● 201 outstanding loans

● 245 participants in training

● 130 active grant projects

To assist communities in addressing needs in a comprehensive way, RIA has developed a partnership with representatives from other federal and state agencies known as the S.C. Infrastructure Funders Coordinating Committee. The goal of this cooperative effort is to make it easier to access and coordinate multiple funding sources. Activities include:

- meet with prospective applicants on potential projects;
- address funding gaps;
- coordinate jointly funded projects;
- identify solutions to infrastructure challenges; and
- promote sustainability and encourage regional approaches.



Other members include: U.S. Department of Agriculture (Rural Development); U.S. Economic Development Administration (EDA); S.C. Department of Commerce (Community Development Block Grant and Appalachian Regional Commission); and S.C. Department of Health and Environmental Control (DHEC).

RIA launches sustainability initiative

In May 2020, the RIA was awarded a \$240,000 grant from EDA to fund a statewide infrastructure assessment of water and sewer system sustainability factors. Working with our infrastructure partners and stakeholders, the study will identify common challenges within water and sewer systems that impact their ability to address infrastructure needs in a timely and sustainable manner.

This new initiative will identify various tools and resources to help with asset management, capital improvement planning, rate setting and operations. Alternative solutions will be explored including regional and other cooperative partnerships. Given the additional challenges brought on by COVID-19, this effort is designed to increase water and sewer system capacity, enhance resiliency following disasters and strengthen the ability to respond to long-term needs.

The RIA is providing a match of \$60,000 to assist in project implementation and has assigned a new staff person to lead this effort.

Case In Point Addressing Funding Gaps

For the City of Abbeville, a well-planned and coordinated effort was necessary to address DHEC requirements at its wastewater treatment plant. After discussions and meetings with various funding sources, the city received an RIA grant of \$500,000, an SRF loan of \$948,620 and an EDA grant of \$2.5 million. The partnership between these three funding sources, combining state and federal dollars, is an example of how working together can lead to a successful outcome. Construction began on the \$4 million project in May 2020.

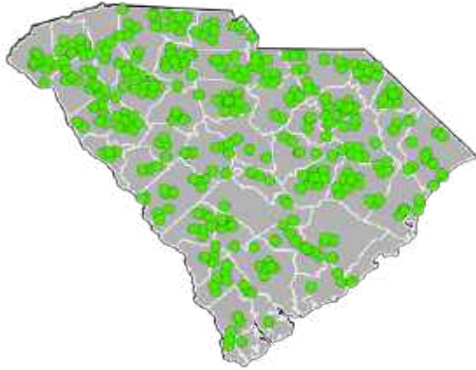


“This has been a collaborative process which started a few years ago when the need for the wastewater treatment plant upgrades became apparent. For small communities and utility systems, these funding sources are invaluable and offer us the ability to make the necessary improvements which will best serve our customers.”

Mike Clary
Community Development Director
City of Abbeville

Highlights

Grants 2013 - 2020



• 79% of all grant projects funded to date are located in rural and distressed areas

\$148M

Grants Awarded

\$2.8B

Capital Investment

364

Projects

7,852

Proposed Jobs

\$407,340

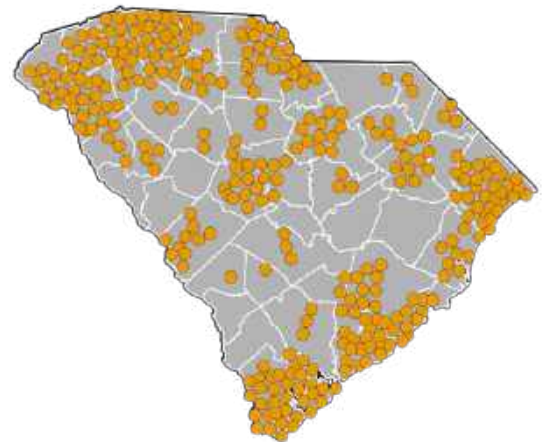
Average Grant

\$430M

Other Funds Leveraged

Data included in this report reflects grants at time of award and does not include grant adjustments or terminations. This primarily only applies to cumulative numbers and not FY20.

SRF Loans 2016 - 2020



\$616M

Loans Closed

77

Projects

\$8M

Average Loan

\$1.25B

Current Loan Portfolio

\$734M

Outstanding Principal Balance

• \$1.8B in loans since 1989
• Zero defaults in program history



Case In Point Planning for Storm Resiliency

In 2016, the City of Darlington received a \$448,870 RIA grant to address a long-standing drainage issue on the southwest side of the city. Due to poorly functioning stormwater infrastructure and open ditches running through the area, odors and mosquitos from standing water were often a problem. With the help of the RIA grant, the city was able to commit another \$2.3 million to make substantial drainage improvements. The infrastructure upgrades reduced flooding and improved the quality of life for residences and businesses.

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Case In Point Building Future Capacity

Renewable Water Resources (ReWa), the public regional wastewater collection and treatment provider, determined the need for additional sewer conveyance capacity through downtown Greenville. The Reedy River Basin Sewer Tunnel will provide a sustainable solution to avoid excess wet-weather related sanitary sewer overflows and accommodate future growth. The mile-long tunnel (aka Dig Greenville) is under construction and scheduled to be completed in 2021. It was made possible by a \$42 million Clean Water SRF loan in FY18.



RIA

