

Guide for Study-Only SRF Projects



SC Department of Health and Environmental Control

This guide outlines the process for implementing study-only projects that are funded by the SC Clean Water (CW) and Drinking Water (DW) State Revolving Fund (SRF) programs. Study-only projects are wastewater, stormwater or drinking water projects where the CWSRF or DWSRF is funding only study activities and no construction activities will be funded as part of the project. Studies may include, but are not limited to, sewer system evaluations, leak detection studies, accessing treatment technologies, evaluating stormwater management options, and evaluating opportunities for system partnerships or regionalization. Because the types of studies and scope of the studies will vary, this guide provides a general outline of the process. The project sponsor and their engineer should work closely with the DHEC SRF project manager assigned to the project to initiate, design, and implement the project.

1) Project Initiation

DHEC SRF staff will notify the study-only sponsor that their project has been identified for CWSRF or DWSRF funding and identify the DHEC SRF project manager for the project. The DHEC SRF project manager will contact the project sponsor and/or the sponsor's engineer to request a detailed scope of work, a detailed cost estimate and a project schedule.

2) Loan Application and Completion

The DHEC SRF project manager will coordinate with the sponsor, the sponsor's consultant, and SRF staff with the SC Rural Infrastructure Authority (RIA) to prepare the Loan Agreement (LA - regular loan projects) or Loan Assistance Agreement (LAA - principal forgiveness projects). RIA staff will contact the sponsor about the bond ordinance or resolution that needs to be approved by the sponsor's governing body (e.g., town council, utility board, etc.). Once the bond ordinance or resolution is finalized, RIA staff will work with the sponsor to complete the LA or LAA.

3) Conduct study

The study will be consistent with the scope of work described in the Project Questionnaire and conducted in consultation with the DHEC SRF project manager.

4) Disbursements

The State Revolving Fund disbursements are reimbursements for expenditures by the sponsor. Because the funded project does not include construction, the sponsor can submit draw (disbursement) requests for eligible project costs once the LA or LAA has been signed and eligible costs have been incurred. Draw requests with supporting documentation are submitted to DHEC for review and approval. Reimbursements for approved draw requests are issued by RIA.

Before the first draw request will be processed, the sponsor must designate and authorize the individuals that will be responsible for administration of the LA or LAA and processing draw requests

(reimbursement). The names of the designated individuals must be provided in writing on the "Official Designation and Signature Form" (**DHEC 3586**). Execute two original forms and supply one to DHEC and the other to RIA.

- Designate a "Sponsor Representative" to attend to disbursements, payments and other matters pertaining to administration of the LA or LAA. This individual must be an official or employee of the project sponsor.
- Identify and provide signatures of the two persons authorized to sign draw requests. These two individuals should be the designated Sponsor Representative and the project engineer.

Draw requests must be submitted on the appropriate DHEC form: **DHEC 3585** for regular loan projects and **DHEC 2560** for principal forgiveness projects.

Draw requests shall include no less than one month of incurred costs and shall not be submitted more often than once per month.

The final draw request and disbursement for the project will be processed once the Engineering Report has been submitted to DHEC and approved by the DHEC SRF project manager.

***DHEC forms referenced in this document can be found at: <https://scdhec.gov/srfforms>.**

5) Engineering Report

The findings of the study and recommendations for system improvements based on the study must be submitted to DHEC in an Engineering Report. The Engineering Report must be signed by a South Carolina Registered Professional Engineer.

The report should include, at a minimum, the following:

- a) an introduction describing the purpose and scope of the study;
- b) a discussion of the investigation methods used and the data collection process;
- c) a map showing the study area;
- d) the study findings including data summary tables, maps showing areas needing future work, etc.;
- e) recommendations for system improvements based on the study findings (if significant work is needed for the system, it may be appropriate to separate the work into phases);
- f) a cost estimate to complete the recommended work to aid the sponsor with future planning and funding efforts (give a cost estimate for each phase of work, if appropriate); and
- g) an appendix of the test results, if appropriate (e.g., smoke testing results, manhole inspection results, CCTV assessment results).