With ARPA Funding, Counties Should Partner in Critical Water, Sewer and Stormwater Infrastructure Projects

By Liz Rosinski and Kendra Wilkerson South Carolina Rural Infrastructure Authority

ith passage of the American Rescue Plan Act (ARPA) last spring, South Carolina counties now have access to funds that can lay the foundation for a strong recovery from the pandemic. One of the primary ways that counties may invest those dollars is in critical water, sewer and stormwater infrastructure projects.

Why is such infrastructure critical? Much of the current water and sewer infrastructure is old and outdated South Carolina
Rural Infrastructure Authority

public health issues or support economic development. By partnering with these utility service providers, counties can be part of the process as capital improvement plans are developed that prioritize

funding needs.

As counties and providers work together, it is important

and lacks the capacity to serve residents and businesses. Now is the time to make investments that will modernize and upgrade water and sewer infrastructure, leading to future success for all South Carolina counties.

By cooperating with the municipalities and other utilities that provide residents and businesses access to water and wastewater services, counties can play a crucial leadership role in these investments. Coordination among local

governments is key to directing this funding to the highest-impact projects, which are often large and can benefit multiple jurisdictions through careful planning.

In addition to the local fiscal recovery funds directly allocated to counties and local governments by the American Rescue Plan Act, the state of South Carolina will receive \$2.5 billion in state fiscal recovery funds that can also be used on water infrastructure projects. There are still many details to be settled by the South Carolina General Assembly in terms of how much money will be dedicated to this purpose, what types of projects will be eligible and what the timeline will be. But we can be certain that this will be a once-in-a-lifetime opportunity to make transformational impacts on the infrastructure that provides critical water, sewer and stormwater services to residents across South Carolina.

What does that mean for your county? How do you prepare to take advantage of opportunities while you are waiting on more information? The first step—which you should start now—is planning. The South Carolina Rural Infrastructure Authority (RIA) is encouraging counties to meet with their water and sewer providers, which may be

to think about how grant-funded improvements will be maintained and upgraded over time. Consider large, transformational projects that will address critical long-term needs or encourage economic opportunities. Be sure that for each identified project, there are upto-date cost estimates, timelines and maps that reflect current pricing, potential material delays and any necessary right of way or easement acquisition. You should also evaluate additional sources and amounts of funding that can supplement grants. Even if matching funds are not required, leveraging of additional funds—including the county's allocation of local fiscal recovery funds—demonstrates local commit-

local cities, towns, special purpose districts or not-for-profit utilities.

Counties can offer guidance and assistance in identifying the needs of

the community—whether it is to encourage regionalization, address

ment to the project and multiplies the impact of the grant dollars.

As an agency that finances water, sewer and stormwater projects, RIA has been closely following news of this federal funding that is

on its way to our local communities so that we can be informed and prepared together. The General Assembly is expected to determine how these funds will be allocated in the next few months.

RIA is here to help you make the most of any

federal funds available to you. As you think about projects that could be eligible for ARPA funding—either local or state fiscal recovery funds—it may be helpful to learn more about the federal legislation. ARPA-funded projects are subject to the eligibility requirements established for the State Revolving Fund (SRF) programs. These are detailed on the EPA's web pages for the two programs: drinking water (epa.gov/dwsrf) and clean water (epa.gov/cwsrf), which addresses both sewer and stormwater. It is important to note that drinking water projects



that are solely for growth are ineligible under these guidelines. Sewer and stormwater projects focused on growth, however, are allowed.

ARPA also establishes an important deadline: projects must be completed no later than December 2026. It is vital to establish realistic project timelines that allow for delays in order to meet this deadline. It may not be possible to complete some of the largest, most complex projects in that timeframe. The U.S. Department of the Treasury is administering the funds and its website is the primary source for official information and regulations. Other organizations, such as the Environmental Finance Center at the University of North Carolina – Chapel Hill, have published helpful information on their websites. If you have trouble finding information you need, contact RIA staff who can direct you to the appropriate resources.

Separate from ARPA, the Infrastructure Investment and Jobs Act (signed this past fall) will significantly increase the funding for the SRF programs. It is estimated that the funding increase to South Carolina's SRF programs could be more than \$100 million per year for five years.

With additional infrastructure funding on the horizon, counties have an opportunity to partner with their municipalities and other utilities to make long-overdue investments in water, sewer and storm drainage. Please monitor **ria.sc.gov** for updates, and do not hesitate to contact us at (803) 737-0390 or **info@ria.sc.gov** with any questions. Together, we can make the necessary investments to transform our state's critical infrastructure and continue to protect the health of our residents and quality of our environment for years to come.



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michael@kingkozlaw.com Michael E. Kozlarek, SCCED



Chris King

201 Riverplace | Suite 500 | Greenville, SC 29601