

RECEIVED

JUN 29 2016

BUREAU OF WATER
WATER QUALITY DIVISION



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

JUN 24 2016

Ms. Heather Preston
Director, Water Quality Division
Bureau of Water
South Carolina Department of Health
and Environmental Control
2600 Bull Street
Columbia, South Carolina 29201

Subject: FY15 Determination of South Carolina's Nonpoint Source Management Program
and Performance of Clean Water Act Section 319 Grants

Dear Ms. Preston:

The U.S. Environmental Protection Agency Region 4 has reviewed South Carolina's progress in meeting the goals and objectives specified in the South Carolina Nonpoint Source (NPS) Management Program dated October 2014. South Carolina has made satisfactory progress in FY15 in meeting the schedule specified in its management program and is therefore eligible to receive FY16 319(h) funding.

Satisfactory Progress Determination

This review is required under Section 319(h)(8) of the Clean Water Act, which states that "no grant may be made under this subsection in any fiscal year to a state which in the preceding year received a grant under this subsection unless the Administrator determines that such state made satisfactory progress in such preceding fiscal year in meeting the schedule specified by such state under subsection 319(b) (2) of this section." The Satisfactory Determination Checklist was used to determine adequacy of the program and is provided as an enclosure.

Several sources of information were used to complete this review, including South Carolina's NPS Management Program Plan, South Carolina's 319(h) base and incremental grant workplans, the South Carolina NPS Management Program 2015 Annual Report and South Carolina's data entered into the EPA's Grants Reporting and Tracking System (GRTS).

Additional Performance and Progress Review

Nonpoint Source Management Plans

The identified priorities and milestones are consistent and guided the direction of the FY15 319 program workplans for the next five years. South Carolina updated their 1999 NPS Management Plan and submitted a draft document to the Region in July 2014. The EPA coordinated the review of the document with your staff and the revised plan was finalized and approved by the EPA in August 2014.

FY15 Determination of South Carolina's Nonpoint Source Management Program and Performance of Clean Water Act Section 319 Grants

Prepared by Yolanda Brown, Nonpoint Source Project Officer for South Carolina

Meeting Statutory and Regulatory Requirements and Demonstrating Water Quality Results

1. Section 319(h)(8) requires EPA to determine if a state has made satisfactory progress in meeting a schedule of milestones to implement its Nonpoint Source (NPS) Management Program.

- i) Does the state's updated NPS Management Program include relevant, up-to-date trackable annual milestones for program implementation?

Yes, South Carolina's Management Program adequately addresses all key elements, including trackable performance milestones, required for Section 319(h) funding and outlined in the 2014 National 319 Guidance for the NPS Management Program.

The State's NPS Management Program document describes 17 long-term goals and guiding principles that promote the State's efforts to manage NPS pollution over a five year period beginning in 2015. The South Carolina NPS Management Plan provides a framework for addressing the major causes and sources of NPS pollution in the state. It outlines the state's goals and objectives for mitigating NPS pollution and the strategies, management measures, partnerships, funding sources and evaluation tools necessary to achieve their goals. Action strategies, including short term goals, implementing mechanisms and agency(s) support the long term goals. The action strategies are supported by milestones associated with the implementation of 319 projects. South Carolina's NPS program focuses on identifying water quality problems and implementing projects to improve impaired and threatened waterbodies identified on their 303(d) list, in priority watersheds.

- ii) If the state does not yet include up-to-date milestones in its NPS Management Program, in what document(s) is this included?

N/A.

- iii) Has the State reported its progress in meeting the schedule of milestones, in the annual report, required under Clean Water Act 319(h)(11) in meeting its milestones under the preceding fiscal year?

Yes, the Annual Report, GRTS and the final grant closure report serve as the main documents for reporting the State's progress toward their stated goals. The Annual Report contains progress made in the past year for achieving State goals and milestones for all open grants.

Overall GRTS Reporting

For this question, it is sufficient to report on the results of previously conducted post-award grants monitoring. No additional monitoring may be needed.

- i) To ensure that the state meets the reporting requirements in Section 319(h)(11), did the state enter all mandated data elements into GRTS (including geo-locational tags where available) for all applicable projects in the previous Section 319 grant award?

Yes, the South Carolina NPS Program has projects listed in GRTS with no mandated elements errors and no projects with geo-referenced data. They routinely update the GRTS database and consistently meet the annual February 15th deadline for active projects that have NPS project implementation. Load reductions are reported for all projects implementing BMPs.

Yes, South Carolina consistently allocates all funding awarded within the one year timeframe. This information is verified by the State presenting a final workplan to the State Coordinator to review, provide comments, and approve potential projects for funding usually within three to six months from the grant award.

Focus on Watershed-Based Implementation

1. Is the State implementing nine-element watershed-based plans – or approved alternative plans - at required grant expenditure levels in accordance with EPA guidelines for CWA 319(h) grants? That is, in fiscal year 2014 and subsequent years, was 50% of the state's grant used to implement watershed based plans, unless the state provided funding for watershed projects equal to its total Section 319 allocation? If no, please explain.

In South Carolina's 2015 Request for Proposal (RFP), it states their plan to use a minimum of 75% of FY15 319 watershed funds to implement nine-element watershed-based plans, for waterbodies with an approved Total Maximum Daily Load (TMDL). The South Carolina FY15 RFP sought proposals of water pollution control projects that reduce NPS contributions and are designed to achieve measureable water quality results. Highest priority was given to the implementation of a watershed based plan for waterbodies with an approved TMDL. Seven priority watersheds have been established across the state and South Carolina is selecting projects from these watersheds.

In previous years, South Carolina experienced challenges in the development of watershed plans. In FY13 and FY14, five watershed plans were developed. South Carolina should continue to focus on maintaining and strengthening existing/developing new partnerships with state, local, public and private entities to leverage funds, resources and authorities to achieve the State's water quality goals of abating and preventing water quality problems. In FY15, South Carolina implemented a system/coordination for developing additional 9-key element WBPs, by utilizing funding from a Drinking Water State Revolving Fund (DWSRF) set aside. Per the DWSRF

Carolina monitors their NWQI sites, along with the monitoring for their 319 projects, on a monthly basis. They are testing multiple parameters for the NWQI watersheds listed below:

Little Saluda - E. coli, TP, DO, pH, Temp, Turb, NO2/NO3, NH3, TKN

Big Swamp - E. coli, DO, pH, Temp, Turb

Polk Swamp - E. coli, DO, pH, Temp, Turb

Chinquapin Creek - E. coli, DO, pH, Temp, Turb

Ensuring Fiscal Accountability

For this section, it is sufficient to briefly report on the results of previously conducted grants management and oversight required of all project officers.

1. *Tracking and Reporting.* For all active 319(h) grants using existing post-award monitoring or best professional judgment:

- i) Does the State have adequate tracking and fiscal reporting practices in place for financial accountability?

Yes, South Carolina has an adequate tracking and fiscal reporting practice in place for financial accountability. Grantees are required to submit quarterly invoices and project reports. Fiscal accounting is documented by project and by grant. The Project Officer conducts reviews of projects and overall grant progress with respect to grant financial reports. Financial tracking, reporting and accountability is also evaluated utilizing project and grant close out reports.

- ii) Is the State's RFP process efficient and timely for selecting and funding projects within the work plan timeframe?

Yes, South Carolina consistently obligates all 319(h) awards and contracts within one year from date of grant award.

The current RFP process is efficient but offers a considerable risk of not meeting the one year obligation requirement, if revision and additional review is required. Remaining under the present schedule offers a considerable risk of not meeting the one year obligation requirement. Including an additional two to three months would allow time in the event of needed revisions.

Considering PPG Priorities and Commitments

If a State puts part or all of its 319 grant funding in a PPG, using best professional judgment, has the state adequately documented progress consistent with its Priorities and Commitments.

NA.

Identifying and Addressing Performance Issues/Progress Concerns

- 1) Briefly describe any significant outstanding 319 grant performance issues or progress concerns, including if any corrective actions are underway.**

Currently, Region 4 begins their RFP process and receives South Carolina's projects for review after the annual regional federal grant is awarded. In FY15, grantees submitted final workplans to South Carolina by May 1st. South Carolina conducted its review and forwarded workplans to the EPA by July 1st, for final review. The present schedule allowed only one month for South Carolina to process the workplan contract. Remaining under the present schedule offers a considerable risk of not meeting the one year obligation requirement, if revision and additional review is required.

It is proposed that South Carolina begin their RFP, review and award process in the January/February timeframe, to avoid such a critical schedule of fulfilling the one year contract obligation requirement. The additional two to three months would allow sufficient time, in the event of needed revisions, if the project workplan does not meet 319(h) requirements.

The 2013 NPS guidelines require workplans to be reviewed concurrently with their respective watershed plans, prior to grant award. If South Carolina begins its solicitation process two to three months sooner, it would allow an appropriate amount of time for the EPA to review project proposals, prior to the federal grant award cycle; thus, minimizing the need for grant conditions on pending watershed base plan and workplan review. The change would minimize the risk of the State losing grant funds, not obligated within one year of the grant award.