

MAYOR
DONNIE L. HILLIARD

CLERK/TREASURER
WILLIA B. WRIGHT



COUNCIL MEMBERS

JOHN M. GILMORE
CLEVELAND GILMORE
GREGORY KING
SHERYL PATRICK

TOWN OF SANTEE

194 Brooks Blvd. • P. O. Box 424

Santee, SC 29142

Phone 803.854.2152 • Fax 803.854.3233

Website: www.santeetourism.com

November 5, 2014

The Honorable Jo-Ellen Darcy
Assistant Secretary of the Army
Department of the Army, Civil Works
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Darcy:

I write to endorse the Proposal for Modification of the LAKES MARION AND MOULTRIE, SC PROJECT (Lake Marion Regional Water Authority, LMWRA) for inclusion in the U.S. Army Corps of Engineers (USACE) Annual Report to Congress.

The LMRWA was authorized in the Water Resources Development Act of 1992 for wastewater treatment, water treatment, water supply, and water distribution systems in a multi-county, economically-disadvantaged area of South Carolina. It is an integral and key part of a large, regional and strategic infrastructure improvement effort in South Carolina designed to improve significantly the human and environmental conditions in the region and enhance the local, state and national economies through efficient transport and distribution of goods throughout the U.S. This regional project – and its Federal funding – have been made possible by the strong collaboration and cooperation of numerous public and private stakeholders – the U. S. Army Corps of Engineers, Santee Cooper, government and non-government entities, business and industry and many other concerned groups and individual citizens.

To the extent of the current authorization, LMRWA is enhancing the quality of life in a good portion of this decades-long underserved region by providing safe and reliable drinking water; improving other health, environmental and safety conditions; stabilizing water rates; leveraging public and private partnerships; and improving infrastructure to support economic development

The Honorable Jo-Ellen Darcy
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and job creation. However, the project is not complete. There still exist many more disadvantaged communities in the region that lack a clean, reliable, sustainable source of water of sufficient volume and pressure to promote good health, protect our environment, support fire suppression and other public safety services, as well as foster economic growth. Furthermore, a comprehensive study was undertaken in 2008 in partnership with the U. S. Economic Development Administration to evaluate numerous intersections along I-26 and I-95 for infrastructure capacity to support job creation. It was determined that this area, despite its close proximity to the Port of Charleston, is likely the most under-developed junction of primary interstate highway in the Eastern United States.

The Proposal for Modification is to bring the LMRWA multi-county water treatment and distribution system project to its fully-intended phasing. This is essential for the health and safety of the region and its citizens, as well as for the stability and future growth of the I-26/I-95 Corridor and the entire State of South Carolina. Infrastructure developments are underway at the Port of Charleston to prepare our state and nation for post-Panamax shipping opportunities, and this LMRWA Project is complementary to that effort.

Thank you for your consideration and support of this critically-needed Modification to bring the LMRWA Project towards completion.

Sincerely,



Donnie L. Hilliard
Mayor

DLH:wbw

Lake Marion Regional Water Agency



P.O.Box 2848101 M/C A204 ♦ Moncks Corner, S.C. 29461
November 24, 2014

The Honorable Jo-Ellen Darcy
Assistant Secretary of the Army
Department of the Army, Civil Works
108 Army Pentagon
Washington, DC 20310

Dear Assistant Secretary Darcy:

Please find enclosed the Proposal for Modification from LAKES MARION AND MOULTRIE, SC PROJECT (Lake Marion Regional Water Authority, LMRWA) for inclusion in the U.S. Army Corps of Engineers (USACE) Annual Report to Congress.

The Lake Marion Regional Water Authority (LMRWA) is a joint multi-county water system in the eastern portion of the State of South Carolina along the Interstate 95 and Interstate 26 corridors. It was created to provide the region's citizens with potable water. It also will replace the individual well systems throughout that region of the state.

Lakes Marion and Moultrie, SC – LMRWA, is authorized in the Water Resources Development Act (WRDA) for wastewater treatment, water treatment, water supply, and water distribution systems in an economically-disadvantaged area of South Carolina. This regional project has been possible by strong collaboration and cooperation of numerous public and private stakeholders – the U.S. Army Corps of Engineers, Santee Cooper, government and non-government entities, business and industry and many concerned groups and individual citizens. Through a phased approach, these collaborative efforts address critical infrastructure needs that face the I-95 Corridor area of South Carolina.

A Modification to the existing authorization for LMRWA's multi-county water supply treatment and distribution system is requested in order to achieve continued phasing toward the fully-intended operating system.

Thank you for your consideration and support of this critically-needed Modification to bring the LMRWA Project toward completion.

Sincerely,

A handwritten signature in black ink, appearing to read "Johnnie Wright, Sr.", written over a faint background map of South Carolina.

Johnnie Wright, Sr.
Chairman

————— *More Than A Water Project* —————

Proposal for Modification to Authorized Water Resources Development Project for Inclusion in the U.S Army Corps of Engineers (USACE) Annual Report, Section 7001 of the Water Resources Reform and Development Act of 2014 (WRRDA 2014) from non-federal interests to authorized USACE water resources development projects

Project Name: Lakes Marion and Moultrie, SC - Lake Marion Regional Water Authority (LMRWA)

1. Provide the name of all non-Federal interests planning to act as the sponsor, including any non-Federal interest that has contributed or is expected to contribute toward the non-Federal share of the proposed feasibility study or modification.

- The non-Federal interest acting as the sponsor is the Lake Marion Regional Water Authority (LMRWA) which includes Counties of Calhoun, Dorchester and Orangeburg, and the Town of Santee. Also, the South Carolina Rural Infrastructure Authority has contributed to the project.

2. State if this proposal is for a feasibility study or a modification to an authorized USACE project or feasibility study and, if a modification, specify the authorized project or study.

- This proposal is for a modification to the existing authorization for Lakes Marion and Moultrie, SC - Lake Marion Regional Water Authority (LMRWA). The project was authorized by Section 219 of the Water Resources Development Act of 1992 (P.L. 102-580).

3. State the project purpose of the proposed study or modification.

- The project purpose of this modification is to continue in phases the ultimate build-out of the regional multi-county/municipality water supply treatment and distribution project. *See Attachment A – Design Presentation*

4. Provide an estimate, to the extent practicable, of the total cost of the proposed study or modification.

- The estimate of the total cost of the proposed modification is \$31, 200,000. *See Attachment B - Cost Spreadsheet*

5. Describe, to the extent practicable, the anticipated monetary and non-monetary benefits of the proposal including benefits to the protection of human life and property; improvement to transportation; the national economy; the environment; or the national security interests of the United States.

- *Benefits to the protection of human life and property*

The LMRWA region is a cluster of counties where poverty results in poor housing and poor health, and economic conditions that limit opportunities for citizens to become healthy and

productive. This water system project is designed to address the instability of well water and the limitations that come with groundwater. It has long been recognized that this area along I-95 is in the heart of the "stroke belt," with higher incidence rates of diabetes, heart disease and hypertension than other areas. South Carolina also leads the nation in prostate cancer deaths for African Americans.

At the turn of the last century, life expectancy was less than 50 years. At the turn of this 21st Century, it was more than 70 years. According to researchers, the biggest contributor to this 20-year increase in life expectancy is the quality of drinking water. Many communities in South Carolina have water designated as unfit for human consumption, yet there has been no infrastructure improvement to reverse these conditions.

Providing safe water will help increase life expectancies and decrease the other health disparities that historically have plagued the residents along the I-95 Corridor when compared to other specific population groups in South Carolina and in the U.S. Research findings tell us that these abnormally high levels of health disparities are related to groundwater sources. As stated in the *Groundwater Uranium and Cancer Incidence in South Carolina* study by Sara E. Wagner, et al, "Rural areas rely heavily on groundwater sources. Approximately 40% of South Carolina residents regularly use ground water as their primary drinking water source. Certain areas have drinking water wells with elevated uranium concentrations exceeding the U.S. National Primary Drinking Water Standard (maximum contaminant level or MCL) of 30 µg/L by more than 50 times. This study applied groundwater modeling of robust uranium data and spatial analytical techniques to the hypothesis that South Carolina census tracts with more frequent groundwater use and elevated groundwater uranium concentrations have higher standardized cancer incidence ratios (SIRs) than tracts with lower groundwater uranium concentrations."

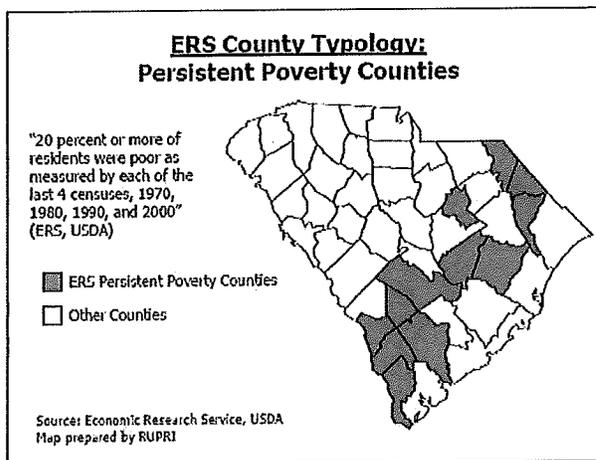
"This study used spatial techniques to elevate the relationship between population level groundwater use, predicted groundwater uranium, and cancer incidence in South Carolina. Census tracts with elevated groundwater uranium and more frequent use had elevated SIRs for colorectal, breast, kidney and total cancer."

- ***Benefits to the improvement of transportation***

South Carolina's I-95 Corridor is a diverse and expansive region of nearly 1,000,000 people in 17 counties, stretching from North Carolina to Georgia. Despite advantages, such as, proximity to the coast and major transportation routes, the Corridor has long been underdeveloped. With that underdevelopment have come problems ranging from struggling schools, to cyclical poverty, to lagging health and social well-being indicators.

These 17 counties along the I-95 Corridor in South Carolina are home to some of the State's most entrenched financial and social woes. Building and maintaining its infrastructure – defined here, albeit rather narrowly, as roads and bridges and water and sewer systems – is critical to improving the quality of life in the region and enhancing its economic competitiveness. That the I-95 region has not fared as well as others with regard to state funding for infrastructure improvements is an impression on which a number of key actors agree but also for which key funding factors make no apologies.

Of the 46 counties in South Carolina, 12 are *persistent poverty* counties, according to the USDA Economic Research Service. The map below depicts their location along the I-95 Corridor.



Through development of regional strategies with local, state and federal partners, the I-95 counties are developing cohesive plans to address these issues and are beginning to make large strides in solving water problems. Working together with the numerous stakeholders, there are significant improvements underway to address the water quality and economic needs along the I-95 Corridor.

Local residents recognize the importance of infrastructure improvements in the area as generators of economic activity. Despite the region being among the poorest in the nation, they are willing to contribute to financing the improvements. The county governments, residents and other local partners – along with state and federal entities – have invested in funding this project through a number of activities, including an infrastructure sales tax.

- ***Benefits to the national economy***

As stated in a 2010 South Carolina Department of Commerce Report, entitled, *Economic Development in South Carolina's I-95 Corridor Region*, "Perhaps the greatest economic development asset of the I-95 region is the I-95 interstate itself. South Carolina is situated halfway between Miami and New York City; over 25 million people live within a two-hour drive from the state." Between 2002 and 2009, the report goes on, the Southeastern U.S. was the fastest growing region of the country, and South Carolina had the 9th fastest growing population. The report points out further that with I-95 and I-26, easy access to the Port of Charleston and dual rail service by CSX and Norfolk Southern, the region offers opportunities that are unparalleled in the state for successful transportation and distribution projects.

However, a comprehensive study undertaken in partnership with the U.S. Economic Development Administration demonstrated that those opportunities are being missed. Evaluating nine intersections along I-26 and I-95 for infrastructure development and job creation, the study found that it's likely to be the most underdeveloped junction of primary interstate highway in the eastern United States.

But **these opportunities can be realized** with continuation of the LMRWA Project toward its fully-intended completion. The benefits will be tied to the significant increase in demand for transportation services along the East Coast. The Port of Charleston is one of the few ports on the Atlantic Coast with the conditions needed to process cargo shipped using post-Panamax vessels, thus enabling it to capture a large increase in international trade. These new trade flows will require transportation and logistics services in order to reach their final destinations. Activity in these sectors is expected to increase significantly.

The LMRWA Project is complementary to infrastructure developments that are underway at the Port of Charleston to prepare our state and nation for post-Panamax shipping opportunities. The proximity of the LMRWA water system to the Port of Charleston represents a strategic advantage for firms trying to capture these new markets. This can be boosted significantly with the completion of other infrastructure improvements taking place, such as the I-95/US Hwy 301 Interchange Project.

- *Benefits to the environment*

For decades, the lack of adequate infrastructure has impacted adversely the quality of life in a good portion of this underserved region. LMRWA is addressing this critical need by providing safe and reliable drinking water; improving other health, environmental and safety conditions; stabilizing water rates; leveraging public and private partnerships; and improving infrastructure to support economic development and job creation.

The scope of the geographic service area – Lakes Marion and Moultrie, SC – addresses the intent of the authorization to provide efficiencies for operation and maintenance of the system. The project design has consisted of corridor studies for the lines, assessment of impacts on environmental and cultural resources, and use of computer hydraulic modeling for system planning. By tapping into one of the largest basins in the eastern U.S., the project maximizes the sustainability of the water source. When full phasing is complete, the LMRWA System will serve the Southeast Region, near the seaports in Charleston, South Carolina, and Savannah, Georgia.

- *Benefits to the national security interests of the United States*

It is important for the Nation to integrate security and economic goals in order to achieve economic growth and to maintain and improve global competitiveness. These improvements include: building healthy and resilient communities by reducing disparities in health associated with environmental factors; providing for adequate infrastructure including, improving transportation systems; and capturing economic benefits through job growth and development to ensure that our Nation is productive and prepared to best address issues of national concern.

In summary, the LMRWA System supports regional economic development and job growth in one of our country's most economically disadvantaged areas. LMRWA is an integral and large part of a regional and strategic infrastructure improvement effort along the I-95 Corridor area of South Carolina. The planning was designed to improve significantly the human and

environmental conditions in the area, as well as to enhance the local, state and national economies through efficient transport and distribution of goods in the United States.

However, the Project is not complete. There still exist many more disadvantaged communities in the region that lack a clean, reliable, sustainable source of water of sufficient volume and pressure to promote good health, protect the environment, support fire suppression and other public safety, as well as foster economic growth. Particularly in areas the proposal is addressing, such as protection of human life and property, anticipated monetary benefits are difficult to measure. However, completing the water project will provide opportunities to address issues such as preservation of life and property through improved fire protection.

According to the Insurance Services Office, Inc., (ISO) a community must have sufficient water supply for fire suppression beyond daily maximum consumption in order to be safe. The Lake Marion Water System has been modeled and designed to meet the maximum daily demand (MDD) for water and to provide additional water pressure for fire suppression. As a result, all of the communities served by the Lake Marion Regional Water System will benefit from increased water pressure and water lines that will be equipped with fire hydrants. Lower ISO ratings for Public Protection can be obtained by installing fire hydrants that are no more than 1,000 feet from residences, businesses, and industries, in accordance with the ISO Fire Suppression Rating Schedule. Lower ISO ratings will provide the monetary benefit of lower insurance premiums for citizens. Annually, savings from lower insurance premiums are often in the hundreds of dollars for residents and in the thousands of dollars for businesses and industry that are served by reliable water systems like the Lake Marion Regional Water Authority.

The LMRWA Project seeks to improve quality of life through the following: providing safe and reliable drinking water for the future; addressing health and environmental and public safety concerns; stabilizing water rates/economy of scale; leveraging existing public and private partnerships; and improving infrastructure to promote economic development.

The Proposal for Modification is to bring the LMRWA multi-county water treatment and distribution system project toward its fully-intended phasing. This is essential for the health and safety of the region and its citizens, as well as for the stability and future economic growth of the I-26/I-95 Corridor and the entire State of South Carolina.

6. Describe if local support exists for the proposal.

- The request for the modification of this significant regional project has been made possible by strong collaboration, support and cooperation among numerous public and private stakeholders; S.C. Ports Authority, U.S. Army Corps of Engineers, Santee Cooper, South Carolina Rural Infrastructure Authority, South Carolina Department of Commerce, County government, Municipal government and non-government entities, business, industry and many concerned groups and individual citizens.
- Local letters of support include the following: Governor Nikki R. Haley, South Carolina Ports Authority, South Carolina Department of Commerce, Dorchester County Legislative Delegation (Representative Christopher J. Murphy, Chairman),

Senator John W. Matthews, Senator Sean Bennett, Senator Brad Hutto, Representative Jenny A. Horne, Representative Russell Ott, Representative Patsy G. Knight, Calhoun County Development Commission, Orangeburg County Development Commission, Dorchester Economic Development Board, Orangeburg County Chamber of Commerce, The Chamber Greater Summerville/Dorchester County Chamber of Commerce, Tri-County Regional Chamber of Commerce, Lower Savannah Council of Governments, Berkeley-Charleston-Dorchester Council of Governments, Central SC, Charleston Regional Development Alliance, Medical University of South Carolina, The Boeing Company, Santee Cooper, The Electric Cooperatives of South Carolina, Inc., Edisto Electric Cooperative, Inc., Tri-County Electric Cooperative, Dorchester County Fire Rescue, Fort Motte Volunteer Fire Department, Orangeburg County Fire District, MeadWestvaco Corporation, Comact USA, Holcim (US) Inc., Trident Technical College, Orangeburg/Calhoun Technical College, The Honorable David Wilkins, Former Speaker, House of Representatives, South Carolina and Former Ambassador - Canada and The Honorable Richard W. Riley, Former Governor of South Carolina and Former U.S. Secretary of Education. *See Attachment C – Letters of Local Support*

7. State if the non-Federal interest has the financial ability to provide for the required cost share.

- Lake Marion Regional Water Authority with Orangeburg County, Dorchester County, and Calhoun County have the financial ability to provide the required cost share. *See Attachment D – Statements on Cost Share*

8. Submit a letter or statement of support from each associated non-Federal interest.

- Lake Marion Regional Water Authority including Orangeburg County, Dorchester County, Calhoun County, and Town of Santee. *See Attachment D – Letters and Statements of Support from Associated Non-Federal Interests*