

# North Carolina Clean Water State Revolving Fund Intended Use Plan Fiscal Year 2020-2021

(Draft)

Division of Water Infrastructure

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## **1. Introduction**

The Division of Water Infrastructure (Division) is part of the North Carolina Department of Environmental Quality (NCDEQ). The Division administers financial assistance programs to assist local government units (LGUs) in constructing projects that both benefit water quality and improve the human environment.

In 2013 the North Carolina General Assembly created the State Water Infrastructure Authority (Authority) to determine the eligibility of projects for certain water infrastructure funding programs, including the Clean Water State Revolving Fund (CWSRF), consistent with federal law. The priorities reflected in this document have been approved by the Authority.

Specific to this document, the Division administers the federal-state CWSRF program as established by Title VI of the Federal Water Pollution Control Act (Clean Water Act) as amended in 1987. The CWSRF program offers loans to LGUs at interest rates lower than market rates for clean water infrastructure. As an LGU repays the loan, the monies are again loaned out, hence the revolving nature of the program. All loan repayments must go back into the CWSRF. The Intended Use Plan (IUP) explains how the capitalization grant will be used and how the CWSRF will operate.

The IUP is incorporated into the capitalization grant agreement and becomes the grant work plan. Combined, the operating agreement, grant agreement, IUP, Clean Water Act, Code of Federal Regulations, and state statutes set the program requirements for the CWSRF. The IUP identifies anticipated projects scheduled for loan commitments from the CWSRF. It also explains how the CWSRF will utilize a priority rating system to identify those projects that will address the greatest need and/or provide the greatest positive environmental impact on the water resources in North Carolina.

## **2. Financial History**

Congress appropriates an overall CWSRF funding level that is allocated to states based on percentages indicated in the Clean Water Act. This allocation has not been updated since the 1987 amendments that established the CWSRF. The North Carolina allocation is approximately 1.8 percent of the national appropriation. Capitalization grants, including the required state match, have provided \$998,264,633 for investment in the CWSRF since the inception of the program. However, since the CWSRF is a revolving program, these government funds have enabled \$2,113,344,292 in loan commitments through June 30, 2019. This is due to loan repayments being loaned again, thereby providing public benefits repeatedly through time. While providing substantial support, this infrastructure financing has only been able to meet a small percentage of the clean water infrastructure needs for LGUs in North Carolina. However, if capitalization grants continue (or are increased), the program will better be able to meet infrastructure financing needs for LGUs.

## **3. Programmatic Goals**

Pursuant to the Clean Water Act, the state must identify the goals and objectives of its water pollution control revolving fund (the CWSRF). The state has the following goals for its CWSRF program:

### **3.1. Overall CWSRF Program Goal**

Provide funding for clean water infrastructure while advancing the NCDEQ's mission to protect and enhance North Carolina's surface waters and groundwater resources for the citizens of North Carolina and future generations.

### **3.2. Short-Term Goal**

Continue efforts to inform local government units of the availability of funds, benefits of the CWSRF program, and funding process improvements.

### **3.3. Long -Term Goals**

- Goal #1: Continue efforts to streamline the funding process to ensure the funds are used in an expeditious and timely manner in accordance with Sec. 602(b)(4) of the Clean Water Act.
- Goal #2: Aid compliance with state and federal water quality standards by all funded, publicly owned wastewater treatment works.
- Goal #3: Ensure the technical integrity of CWSRF projects through diligent and effective planning, design, and construction management.
- Goal #4: Ensure the long-term viability of the CWSRF program through effective financial practices.
- Goal #5: Ensure the priority system reflects the NCDEQ's and the Authority's goals.

## **4. Information on Activities to be Supported**

North Carolina's program will continue to be one of low-interest loans, supplemented with principal forgiveness as allowed by Section 603(i)(3) of the Clean Water Act. The state intends to access 4 percent of the capitalization grant for the administrative costs associated with running the program. These costs include application review, engineering report and environmental document review, design review, loan processing, construction inspection, and repayment processing and accounting for funded projects. The following table provides a summary of the projected funds available as a result of the federal capitalization grant:

Historic Sources and Uses			(From CwNIMS)						Expenditures			Net For FY		Cumulative Net	
FY	Revenues Title VI Cap	State Match	Repayments	Principl	Repayments	Interes	Interest Earned	Project Disbursements	4% Admin						
1989	\$ 22,677,869	\$ 4,535,574						\$ 832,959	\$ 201,999	\$ 27,213,443	\$ 27,213,443				
1990	\$ 33,020,181	\$ 6,604,036						\$ 2,325,135	\$ 428,363	\$ 38,589,259	\$ 65,802,702				
1991	\$ 39,039,068	\$ 7,807,814	\$ 93,098	\$ 26,095				\$ 16,935,791	\$ 631,067	\$ 44,212,577	\$ 110,015,279				
1992	\$ 35,066,790	\$ 7,013,358	\$ 96,512	\$ 57,455	\$ 2,604			\$ 53,307,895	\$ 735,053	\$ 24,669,861	\$ 134,685,140				
1993	\$ 34,688,907	\$ 6,937,781	\$ 312,847	\$ 279,547	\$ 25,906			\$ 36,500,242	\$ 815,408	\$ (11,797,960)	\$ 122,887,180				
1994	\$ 21,523,986	\$ 4,304,797	\$ 2,031,416	\$ 1,149,187	\$ 82,487			\$ 41,628,927	\$ 1,078,750	\$ (8,223,777)	\$ 114,663,403				
1995	\$ 22,229,658	\$ 4,445,931	\$ 4,751,663	\$ 3,481,087	\$ 334,091			\$ 33,089,280	\$ 1,428,751	\$ 21,459,203	\$ 128,657,359				
1996	\$ 36,412,875	\$ 7,282,573	\$ 6,640,508	\$ 4,687,320	\$ 953,958			\$ 35,858,322	\$ 1,772,360	\$ (5,553,499)	\$ 123,103,860				
1997	\$ 11,247,984	\$ 2,249,596	\$ 10,694,842	\$ 6,122,694	\$ 1,762,067			\$ 32,646,756	\$ 1,667,740	\$ 15,853,581	\$ 138,957,441				
1998	\$ 24,302,619	\$ 4,860,523	\$ 12,266,033	\$ 5,877,291	\$ 2,861,611			\$ 19,434,231	\$ 1,609,647	\$ 34,964,553	\$ 173,921,994				
1999	\$ 24,304,599	\$ 4,860,919	\$ 15,416,998	\$ 7,474,609	\$ 3,951,306			\$ 43,995,537	\$ 1,549,377	\$ 11,652,425	\$ 185,574,419				
2000	\$ 24,222,231	\$ 4,844,446	\$ 16,091,644	\$ 6,976,287	\$ 5,062,731			\$ 52,275,405	\$ 1,601,947	\$ 4,461,828	\$ 190,036,247				
2001	\$ 24,006,906	\$ 4,801,381	\$ 17,073,660	\$ 7,133,702	\$ 5,323,531			\$ 60,898,838	\$ 1,464,268	\$ 622,067	\$ 190,658,314				
2002	\$ 24,060,366	\$ 4,812,073	\$ 20,133,928	\$ 8,759,606	\$ 5,219,200			\$ 49,986,344	\$ 1,363,979	\$ 12,869,616	\$ 203,527,930				
2003	\$ 23,903,946	\$ 4,780,789	\$ 21,082,695	\$ 9,061,238	\$ 5,391,271			\$ 40,675,883	\$ 1,373,264	\$ 26,786,485	\$ 230,314,415				
2004	\$ 23,918,400	\$ 4,783,680	\$ 24,881,118	\$ 10,516,594	\$ 4,735,840			\$ 67,022,666	\$ 1,774,524	\$ (4,728,542)	\$ 225,585,873				
2005	\$ 19,447,857	\$ 3,889,571	\$ 25,576,460	\$ 10,343,438	\$ 4,811,322			\$ 65,232,990	\$ 1,813,433	\$ (5,311,929)	\$ 220,273,944				
2006	\$ 15,804,261	\$ 3,160,852	\$ 27,163,010	\$ 10,053,528	\$ 5,552,843			\$ 89,612,981	\$ 1,950,049	\$ (18,205,039)	\$ 202,068,905				
2007	\$ 19,316,385	\$ 3,863,277	\$ 31,235,426	\$ 11,983,058	\$ 6,959,845			\$ 39,030,703	\$ 1,981,175	\$ 30,370,061	\$ 232,438,966				
2008	\$ 12,281,247	\$ 2,456,249	\$ 35,248,991	\$ 12,528,511	\$ 8,866,941			\$ 62,821,405	\$ 1,880,879	\$ 8,330,782	\$ 240,769,748				
2009	ARF \$ 70,729,100														
2010	\$ 36,773,000	\$ 7,354,600	\$ 40,793,762	\$ 13,011,181	\$ 3,737,429			\$ 89,278,230	\$ 2,829,164	\$ 9,562,578	\$ 250,332,326				
2011	\$ 26,650,000	\$ 5,330,000	\$ 44,499,092	\$ 13,343,726	\$ 2,544,846			\$ 75,822,573	\$ 1,225,767	\$ 15,319,324	\$ 265,651,650				
2012	\$ 25,507,000	\$ 5,101,400	\$ 50,747,102	\$ 13,961,676	\$ 1,997,212			\$ 92,326,265	\$ -	\$ 4,988,125	\$ 270,639,775				
2013	\$ 24,096,000	\$ 4,819,200	\$ 57,103,194	\$ 12,641,174	\$ 1,131,131			\$ 111,420,255	\$ 2,189,477	\$ (13,819,033)	\$ 256,820,742				
2014	\$ 25,304,000	\$ 5,060,800	\$ 52,085,979	\$ 14,244,396	\$ 1,031,247			\$ 96,624,370	\$ 1,502,219	\$ (400,167)	\$ 256,420,575				
2015	\$ 25,175,000	\$ 5,035,000	\$ 54,433,833	\$ 14,793,448	\$ 2,107,019			\$ 125,900,815	\$ 1,494,060	\$ (25,850,575)	\$ 230,570,000				
2016	\$ 24,113,000	\$ 4,822,600	\$ 66,280,242	\$ 15,049,112	\$ 591,974			\$ 102,943,029	\$ 1,007,000	\$ 6,906,899	\$ 237,476,899				
2017	\$ 23,928,000	\$ 4,785,600	\$ 63,243,272	\$ 14,019,493	\$ 6,144,737			\$ 110,022,818	\$ 964,520	\$ 1,133,764	\$ 238,610,663				
2018	\$ 28,967,000	\$ 5,793,400	\$ 65,069,666	\$ 16,058,602	\$ 5,480,830			\$ 65,751,180	\$ 957,120	\$ 54,661,198	\$ 293,271,861				
2019	\$ 28,676,000	\$ 5,735,200	\$ 66,676,292	\$ 15,430,220	\$ 8,194,850			\$ 46,725,169	\$ 1,158,680	\$ 76,828,713	\$ 370,100,574				
2020	\$ 28,676,000	\$ 5,735,200													
Totals	\$ 872,351,383	\$ 160,324,450	\$ 868,439,074	\$ 271,278,235	\$ 104,224,766			\$ 1,760,926,994	\$ 40,450,040	\$ 370,100,574					
<b>Projected Sources and Uses for FY 2020</b>															
(Based on Availability Model)															
	\$ 68,000,000	\$ 15,000,000	\$ 6,000,000		\$ 150,000,000	\$ 1,000,000		\$ (62,000,000)		\$ 308,100,574					
<b>Projected Uses for Active Projects beyond FY 2020</b>															
(Does not take into account future funding rounds or revenues which cover the negative)															
								\$ 394,283,806		\$ (394,283,806)					
										\$ (86,183,232)					

Values in RED are approximate values.

## **5. Criteria and Methods for Distributing Funds**

### **5.1. Project List and Prioritization**

The Intended Use Plan Project List may be supplemented or replaced based on applications received as a part of future funding cycles (see 5.2., below). The state's priority rating criteria for categorizing and ranking projects for construction loans will be based on the Priority Rating System.

The prioritization system considers four elements of a project: (1) project purpose, (2) project benefit, (3) system management, and (4) affordability.

For project purpose, the Division places higher priority on projects that will consolidate nonviable systems, resolve issues associated with failed infrastructure, or rehabilitate or replace infrastructure. Projects that reduce nonpoint source pollution (e.g., stormwater best management practices) are also prioritized.

In terms of project benefits, the Division seeks to prioritize projects where replacement, repair, or merger will provide an environmental benefit. For example, the Division places a higher priority on projects that benefit impaired water and/or replace failing septic tanks. Additionally, projects that have a benefit of a system merger are highly prioritized by the Division.

In addition to correcting water quality issues, the Division desires to support those LGU systems that seek to be proactive in their system management, including prioritization points for having implemented asset management plans and appropriate operating ratios.

The Division also considers the ability of the applicant to afford projects. For example, applicants with a high poverty rate, high utility bills, lower population growth, lower median household incomes, and higher unemployment receive higher priority.

The Authority may adjust the rank of any application based on the Authority's analysis of a proposed project's value that is consistent with, but not evident in, the priority criteria system, provided it is consistent with federal law.

### **5.2. Application and Project Deadlines**

The CWSRF program operates on a priority basis and accepts funding applications semi-annually. Projects are allocated funding in priority order (as noted above) until available funds are exhausted and within special reserve requirements (e.g. Green Project Reserve, Principal Forgiveness Reserve, etc. as described herein). Funding availability is determined based on the 2020 capitalization grant and associated state match. Results will be posted on the program's website. Project funding is contingent on adherence to the schedule below in accordance with § 159G-41 (**times listed are measured from Letter of Intent to Fund except as noted otherwise**):

**5.2.1. Funding application and supporting information must be received by the application deadline to be considered for any given funding cycle.**

- 5.2.2. After the Authority provides final project rank eligibilities, the CWSRF program will issue Letters of Intent to Fund (LOIF) based on the projects' prioritization and the amount of funds available in the cycle.
- 5.2.3. Within four months of the issuance of the LOIF, a complete Engineering Report / Environmental Information Document must be submitted to the CWSRF program.
- 5.2.4. Within nine months, the Engineering Report / Environmental Information Document must be approved.
- 5.2.5. Within 15 months, complete plans and specifications must be submitted with copies of all required permits, encroachments, etc., or evidence that applications for remaining required permits have been submitted to the respective permitting agency.
- 5.2.6. Within 19 months, the plans/specifications and all required permits must be approved/issued.
- 5.2.7. Within 23 months, the following events/items must be completed/received:
  - 5.2.7.1. Advertisement of the project for bids
  - 5.2.7.2. Receipt of bids
  - 5.2.7.3. Submission of bid information to CWSRF staff
  - 5.2.7.4. Obtainment of the Division's Authority to Award Construction Contracts.
- 5.2.8. Within 24 months, construction contracts must be executed.

**Notes:**

- 1) The milestones in the timeline above are absolute for all projects in a cycle and will not be extended except unless there is a demonstrated need for extension by the LGU. Projects may be able to meet these milestones ahead of schedule. However, if any milestone noted above is not met, work by the CWSRF staff may be suspended and all documents returned to the applicant until the proposed project is resubmitted for consideration during a future cycle.
- 2) If an applicant desires CWSRF funding and the applicant's project requires an Environmental Impact Statement (EIS), Division staff will manage the environmental review process. However, a funding application for the project will not be accepted in any funding cycle until a draft EIS has been sent to the State Clearinghouse (SCH). In the event that a fundable project is in process and the environmental review completed within the timeline results in the conclusion that an EIS is required, then the milestone deadlines for the project will be suspended until a draft EIS has been sent to the SCH. After the draft EIS is sent to the SCH, the project must adhere to the same time frames specified above.

### 5.3. Detailed Loan and Project Funding Criteria

#### 5.3.1. General:

- 5.3.1.1. To be eligible for CWSRF funding, a project must be on the Intended Use Plan Project List.
- 5.3.1.2. Funding can be provided for any eligible projects as provided for in the Clean Water Act and NCGS 159G, including wastewater treatment facilities, collection systems, stream restorations, stormwater BMPs, etc. that improve water quality.
- 5.3.1.3. Funding will be provided in priority order based on project score, Authority determination, and the amount of funds available with consideration of the principal forgiveness reserve detailed below. Projects cannot be substantively changed once funding is allocated.
- 5.3.1.4. The maximum CWSRF loan amount will be established at \$30 million per applicant per funding round.
- 5.3.1.5. The maximum CWSRF loan availability per applicant is not more than \$100,000,000 in outstanding debt to the CWSRF program.
- 5.3.1.6. Notwithstanding the limits in Items 5.3.1.4., and 5.3.1.5., if availability of funds exceeds project demand, these limits may be exceeded to ensure all available funds are utilized. Exceeding the maximum provided in Item 5.3.1.4. will be considered prior to Item 5.3.1.5.
- 5.3.1.7. A project may be funded with a targeted interest rate if the project is eligible for principal forgiveness as described in 5.3.2 below. For projects eligible for 75 percent or more principal forgiveness, the targeted interest rate will be 0 percent. For projects that are eligible for 50 percent or 25 percent grant funding, the targeted interest rate will be one percent lower than the Division's base interest rate.

5.3.2. Principal Forgiveness:

- 5.3.2.1. Communities eligible to receive principal forgiveness are defined as disadvantaged. Based on the current proposed appropriation, approximately 10 percent of the federal capitalization grant will be used to provide additional subsidization in the form of principal forgiveness to disadvantaged communities.
- 5.3.2.2. The Division will provide additional subsidization to projects in the categories provided in 5.3.2.2.1 – 5.3.2.2.2 in project priority order.
  - 5.3.2.2.1. Non-viable rescue: Projects that eliminate a non-viable system to benefit a disadvantaged community with a financial need consistent with the criteria in 5.3.2.2.2 and that are served by a public wastewater system will receive principal forgiveness for the full amount of the loan up to \$3,000,000. The disadvantaged community either meets the affordability criteria listed in 5.3.2.2.2 or is representative of the criteria.
  - 5.3.2.2.2. Affordability: Projects that receive project purpose points when the applicant has less than 20,000 residential wastewater connections, at least three of five LGU indicators worse than the state benchmark, an operating ratio (future) of less than 1.3, utility rates greater than the state median, and/or project cost per connection greater than \$1,150 per connection will receive principal forgiveness percentages that follow the affordability criteria grant percentage matrix found in Appendix E, and will range from 25 percent to 100 percent in increments of 25 percent up to \$500,000 per applicant per round, with the targeted interest rate as described under 5.3.1.7 applied to the remaining portion of the loan.
- 5.3.2.3. Principal forgiveness is not available for green projects.
- 5.3.2.4. Notwithstanding the above limits in Items 5.3.2.2.2, if availability of principal forgiveness funds exceeds project demand, the limits may be exceeded to ensure all available funds are utilized in the following order:
  - 5.3.2.4.1. Affordability limit of \$500,000 in item 5.3.2.2.2 may be exceeded up to the grant percentage determined in the affordability grant percentage matrix found in Appendix E.

5.3.2.4.2. Affordability percentages determined in 5.3.2.2.2 may be exceeded by 10 percent, not to exceed 100 percent for eligible projects in priority order. If funds remain after all eligible projects receive the percent increase, principal forgiveness percentages can be increased by additional 10 percent increments (not to exceed 100 percent) for eligible projects until principal forgiveness funds are utilized.

5.3.3. Green Projects:

- 5.3.3.1. Not less than 10 percent of the 2020 federal capitalization grant appropriations will be provided for green projects, provided there are enough applications to utilize this reserve. Funding may bypass a higher priority project to satisfy the Green Project Reserve. Any such bypassing will be shown in the Intended Use Plan Project Priority List. If enough applications are not received to utilize this reserve after two cycles of funding applications, funds may be utilized for non-green projects. However, the state will continue to conduct outreach to promote green project funding opportunities. Green projects funded through the Green Project Reserve will receive targeted interest rates.
- 5.3.3.2. Notwithstanding the above paragraph, the state will offer targeted interest rates to green projects beyond the requirements of the capitalization grant, consistent with the priority rating system.
- 5.3.3.3. A green project will be eligible for a one percent reduction from the targeted interest rate.
- 5.3.3.4. Principal forgiveness is not available for green projects

5.3.4. Miscellaneous Criteria/Provisions:

- 5.3.4.1. Davis-Bacon prevailing wage rates apply to all loans as required by grant agreements/conditions.
- 5.3.4.2. American Iron and Steel provisions will apply to all loans as required by Federal mandates.
- 5.3.4.3. Brooks Act requirements will be applied to projects in a dollar amount equal to or exceeding the capitalization grant.
- 5.3.4.4. The CWSRF loan interest rate is based on one half of The Bond Buyer's 20-Bond Index except as specifically allowed herein. The maximum interest rate for each loan will be set at the time of application with a lower interest rate, if available, set at the time of the award offer.

- 5.3.4.5. Approval of a CWSRF loan is contingent on approval by the Local Government Commission (LGC).
- 5.3.4.6. CWSRF loan terms are set by the LGC.
- 5.3.4.7. The maximum CWSRF loan term is determined by state statute and federal requirements.
- 5.3.4.8. A two percent loan fee is required. The loan fee cannot be financed by the CWSRF fund.
- 5.3.4.9. Loan repayments are due in May (principal and interest) and November (interest only) of each year.
- 5.3.4.10. Interest begins accruing on date of completion in the Notice to Proceed.
- 5.3.4.11. The first loan repayment is due no sooner than six months after the completion date as established in the Notice to Proceed.

## 6. Programmatic Conditions

### 6.1. Assurances and Specific Proposals

Pursuant to Section 606(c)(4) of the Clean Water Act, the State of North Carolina certifies that:

- 6.1.1. The state will enter into binding commitments for 120 percent of the amount of each payment received under the capitalization grant within one year after receipt of each payment.
- 6.1.2. The state will expend all funds in the CWSRF in an expeditious and timely manner.
- 6.1.3. The state will conduct environmental reviews of treatment works projects according to procedures set forth in its Operating Agreement between the state and US Environmental Protection Agency.

### 6.2. Federal Requirements

- 6.2.1. The state will ensure that all federal requirements are met as noted in the CWSRF Operating Agreement between the state and US Environmental Protection Agency and the Grant Agreement, including Single Audit, Disadvantaged Business Enterprise compliance, federal environmental crosscutters, and Federal Funding Accountability and Transparency Act (FFATA) reporting requirements.

- 6.2.2. The state will enter all required reporting information into respective federal databases, including FFATA, CWSRF National Information Management System (NIMS), and the CWSRF Benefits Reporting (CBR) system.
  - 6.2.3. The state will ensure that all applicants to the CWSRF program certify that they meet the fiscal sustainability planning requirements. Such certifications will be received by the time of loan offer.
- 6.3. Transfer between CWSRF and Drinking Water State Revolving Fund

Transfer of funds between the CWSRF and the Drinking Water State Revolving Fund are authorized by federal statutes. This IUP does not propose any such transfer of funds. However, the Division reserves the ability to make transfers in managing cash flow. If such transfer takes place, a subsequent transfer will be made by transferring that amount back from the receiving fund to the providing fund (e.g., no permanent transfers) as soon as possible.

## 7. Public Review and Comment

***Note:*** *This section will be updated after completion of the public comment period.*

## 8. Budget and Project Periods

- 8.1. The budget and project periods requested for the capitalization grants are shown in Appendix B and on EPA Form SF 424.
- 8.2. The anticipated cash draw ratio will be 100 percent state and, after all state matching funds are withdrawn, 100 percent federal for disbursements made from the capitalization grant. Alternatively, the state may elect a cash draw ratio of 83.3 percent federal and 16.7 percent state for all withdrawals.
- 8.3. State match funds are sourced from appropriations and supplemented by loan fees as needed. State match funds will be deposited into the CWSRF before drawing any federal funds.
- 8.4. Loan fees (two percent of loan) on loans from the grant and fees from loans from repayment funds will be deposited into separate account centers. Fees will be used to administer the program. In addition, fees considered non-program income will also be used for other water quality purposes within the Divisions of Water Resources and Water Infrastructure, including funding for positions.

**Appendix A**  
**Intended Use Plan Project List**  
**North Carolina Clean Water State Revolving Fund State Project List\***

Applicant Name	Project Name	County	Total Funding Request	Green Project Reserve	Principal Forgiveness	Base CWSRF	Priority Points	Estimated Binding Commitment
<b>April 2020 Application Round Funded Projects (To be updated after fund allocation by the Authority)</b>								

October 2019 Application Round Funded Projects								
Applicant Name	Project Name	County	Total Funding Request	Green Project Reserve	Principal Forgiveness	Base CWSRF	Priority Points	Estimated Binding Commitment
Bailey	Sewer Collection System Replace.	Nash	\$1,481,500		\$500,000	\$0	58	2/1/21
Albemarle	Sewer Rehabilitation, Phase 3	Stanly	\$6,156,000		\$0	\$6,156,000	55	2/1/21
Lucama	Sewer Line Replacement & Pump Station Rehabilitation	Wilson	\$1,467,500		\$500,000	\$967,500	55	2/1/21
Winterville	Sewer System Rehabilitation	Pitt	\$1,974,200		\$500,000	\$1,474,200	55	2/1/21
Pembroke	Wastewater Treatment Plant Improvements	Robeson	\$1,542,000		\$385,500	\$1,156,500	55	2/1/21
Murfreesboro	Sewer System Rehabilitation	Hertford	\$1,839,475		\$500,000	\$1,339,475	52	2/1/21

Landis	S. Upright Street Basin Sanitary Sewer Rehabilitation	Rowan	\$2,288,120		\$500,000	\$1,788,120	47	2/1/21
Whiteville	Phase 2 Sewer Improvements	Columbus	\$2,958,814		\$500,000	\$2,458,814	47	2/1/21
Swepsonville	Sanitary Sewer Outfalls Rehab.	Alamance	\$1,500,000		\$0	\$1,500,000	46	2/1/21
Sharpsburg	2019 Sanitary Sewer Improvements	Nash	\$1,451,234		\$500,000	\$951,234	43	2/1/21
Whitakers	Sewer Collection System Rehab.	Nash	\$3,11,600		\$500,000	\$2,615,600	43	2/1/21
Yadkin Valley Sewer Authority	Wastewater Treatment Plant Aeration Blower Replacement	Surry	\$657,500	\$657,500			42	2/1/21
Walnut Creek	Lift Station Replacement/ Sewer Rehab.	Wayne	\$1,754,500		\$0	\$1,754,500	41	2/1/21
Clayton	Neuse River Water Reclamation Facility	Johnston	\$138,750,000		\$0	\$30,000,000	30	2/1/21
Cape Fear Public Utilities	PS-14 Force Main Replacement	New Hanover	\$7,845,575		\$0	\$7,845,575	21	2/1/21
Gastonia	Southeast Sewer Project	Gaston	\$30,357,571		\$0	\$14,000,000	18	2/1/21

**April 2019 Application Round Funded Projects**

Brevard, City of	Gallimore Road Sewer Basin Rehabilitation	Transylvania	\$2,083,000		\$500,000	\$1,583,000	63	7/1/20
Pilot Mountain, Town of	WWTP and Sewer Lift Stations Improvements Project	Surry	\$1,350,000		\$500,000	\$850,000	58	7/1/20
Waynesville, Town of	Wastewater Treatment Plant Improvements Phase I	Haywood	\$17,400,000		\$500,000	\$16,900,000	53	7/1/20

Rutherfordton, Town of	Rutherfordton Sewer to RS Central HS	Rutherford	\$990,994		\$495,497	\$495,497	53	7/1/20
Manteo, Town of	Shallowbag Sewer Pump Station Replacement	Dare	\$1,106,660		\$606,660	\$1,106,660	47	7/1/20
Aulander, Town of	2019 Wastewater System Improvements	Bertie	\$690,000			\$690,000	45	7/1/20
Winterville, Town of	Sanitary Sewer System Rehabilitation	Pitt	\$1,573,000			\$1,573,000	45	7/1/20
Contentnea Metropolitan Sewerage District	NC Hwy 11 Pump Station Improvements	Pitt	\$6,839,000			\$6,839,000	41	7/1/20
Fayetteville Public Works Commission	Big Rockfish Sanitary Sewer Outfall - Lift Station Elimination	Cumberland	\$6,255,105	\$6,255,105			41	7/1/20
Murphy, Town of	Hiwassee River Sewer Repair	Cherokee	\$794,250			\$794,250	38	7/1/20
Hickory, City of	Murray Hill Sewer Project	Catawba	\$5,182,700			\$5,182,700	37	7/1/20
Benson, Town of	Town of Benson WWTP Solar PV + Storage Energy Reduction	Johnston	\$2,497,000	\$2,497,000			36	7/1/20
Onslow Water & Sewer Authority	NWRWRF Electrical Building Repair/Long Term Plant Mitigation Improvements	Onslow	\$3,202,800			\$3,202,800	33	7/1/20
Biltmore Forest, Town of	Greenwood Park Stream Restoration	Buncombe	\$292,600	\$2,497,000		\$292,600	25	7/1/20

Fayetteville Public Works Commission	Big Rockfish Sanitary Sewer Outfall	Cumberland	\$16,162,109			\$16,162,109	21	7/1/20
Bailey, Town of	2019 CWSRF Application	Nash	\$2,727,000				58	
Lucama, Town of	2019 Sanitary Sewer System Improvements	Wilson	\$2,167,000				55	
Pembroke, Town of*	Wastewater Treatment Plant Improvements	Robeson	\$1,538,600			\$1,538,600	45	
Woodland, Town of*	2019 Wastewater Collection System Improvements	Northhampton	\$2,035,206			\$2,035,206	43	
Lumberton, City of*	Northwest Sewer System Improvements	Robeson	\$1,366,700			\$1,366,700	41	
Charlotte Water**	McAlpine Creek WWMF Reliability and Process Improvements Project (RPI)	Mecklenburg	\$7,633,916				24	
Charlotte Water**	Mallard Creek WRF Reliability and UV Improvements	Mecklenburg	\$24,877,892				21	
Johnston County	4 MGD WWTF	Johnston	\$8,837,146				20	
Gastonia, City of	Southeast Sewer Project	Gaston	\$30,357,571				18	
Johnston County	Landfill Equalization and Pumping Improvements	Johnston	\$5,000,000				17	
Asheboro, City of	Sanitary Sewer Lift Station No. 3 Improvements Project	Randolph	\$2,438,800				14	

Brunswick County	Northwest WTP Reverse Osmosis Concentrate Discharge Pipeline	Brunswick	\$7,780,000				7	
Whitakers, Town of***	Sewer Collection System Rehabilitation	Nash/Edgecombe	\$2,697,495				43	

\*Applicant indicated the project would not move forward without grant funds. There are not enough grant funds available; therefore, the project is not funded.

\*\*Applicant exceeds indebtedness cap with previous applications; therefore, the project is not funded.

\*\*\* Applicant indicated the project would not move forward without grant funds. The project is not eligible for grant funds; therefore, the project is not funded.

**Appendix B**  
**2020 CWSRF Proposed Payment Schedule**  
(Dependent on timing of state match and award of federal grant)

<b><u>Payment Quarter</u></b>	<b><u>2020 CW Payment Amount</u></b>
April 1, 2020 – June 30, 2020	
July 1, 2020 - September 30, 2020	\$28,676,000
October 1, 2020 - December 31, 2020	
January 1, 2021 - March 31, 2021	
April 1, 2021 - June 30, 2021	
July 1, 2021 - September 30, 2021	
October 1, 2021 - December 31, 2021	
January 1, 2022 - March 31, 2022	
April 1, 2022 - June 30, 2022	
Total	\$28,676,000

## Appendix C

<b>PRIORITY RATING SYSTEM for Wastewater Projects</b>			
<p><b>Instructions:</b> For each line item, mark “X” to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each Category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Project Total in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.</p>			
Line Item #	Category 1 – Project Purpose	Claimed Yes/No	Points
1.A	Project will consolidate a nonviable drinking water or wastewater utility		25
1.B	Project will resolve failed infrastructure issues		15
1.C	Project will rehabilitate or replace infrastructure		15
1.C.1	Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, <b>OR</b> water/sewer lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		10
1.D	Project will expand infrastructure		2
1.D.1	Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, <b>OR</b> lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		10
1.E – 1.E.2	Reserved for Other Programs		
1.F	Project will provide stream/wetland/buffer restoration		15

PRIORITY RATING SYSTEM for Wastewater Projects			
Line Item #	Category 1 – Project Purpose (Continued)	Claimed Yes/No	Points
1.F.1	Restoration project that includes restoration of a first order stream and includes stormwater infiltration BMPs		5
1.F.2	Restoration project that includes restoration and / or protection of riparian buffers to at least 30 feet on both sides of the stream		5
1.G	Project will provide stormwater BMPs to treat existing sources of pollution		20
1.G.1	Project that includes BMPs or BMPs in series that achieve at least 35 percent nutrient reduction (both TN and TP) and 85 percent TSS reduction		10
1.H	Project will provide reclaimed water/usage or rainwater harvesting/usage		15
	<b>Maximum Points for Category 1 – Project Purpose</b>		25
	<b>Subtotal claimed for Category 1 – Project Purpose</b>		
Line Item #	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.B	Reserved for Other Programs		
2.C	Project provides a specific environmental benefit by replacement, repair, or merger; includes replacing failing septic tanks		15
2.D	Project addresses promulgated but not yet effective regulations		10
2.E	Project directly addresses enforcement documents		

PRIORITY RATING SYSTEM for Wastewater Projects			
Line Item #	Category 2 – Project Benefits (Continued)	Claimed Yes/No	Points
2.E.1	Project directly addresses an EPA Administrative Order for a local government Applicant located in a Tier 1 county, or addresses an existing or pending SOC, or a DEQ Administrative Order, <b>OR</b>		5
2.E.2	Project directly resolves a Notice of Violation or Notice of Deficiency		3
2.F	Project includes system merger		10
2.G – 2.H	Reserved for Other Programs		
2.I	Project improves treated water quality by adding or upgrading a unit process		3
2.J – 2.M	Reserved for Other Programs		
2.N	Project provides resiliency for critical system functions		
2.N.1	Project relocates infrastructure out of a floodplain <b>OR</b>		5
2.N.2	Project fortifies or elevates infrastructure within floodplain, <b>OR</b> Project improves ability to assure continued operation during flood events <b>OR</b> Project downsizes infrastructure related to buyouts <b>OR</b>		4
2.N.3	Project provides redundancy/resiliency for critical treatment and/or transmission/distribution system functions including backup electrical power source.		3
2.O	Project <u>directly benefits</u> subwatersheds that are impaired as noted on the most recent version of the Integrated Report		20

PRIORITY RATING SYSTEM for Wastewater Projects			
Line Item #	Description	Claimed Yes/No	Points
2.P	Project <u>directly benefits</u> waters classified as HQW, ORW, Tr, SA, WS-I, WS-II, WS-III* or WS-IV* (* these classifications must be covered by an approved Source Water Protection Plan to qualify)		10
2.Q	Project will result in elimination of an NPDES discharge		3
2.R	Primary purpose of the project is to achieve at least 20 percent reduction in energy use		5
	<b>Maximum Points for Category 2 – Project Benefits</b>		35
	<b>Subtotal claimed for Category 2 – Project Benefits</b>		
<b>Line Item #</b>	<b>Category 3 – System Management</b>	<b>Claimed Yes/No</b>	<b>Points</b>
3.A	Capital Planning Activities		
3.A.1	Applicant has implemented an Asset Management Plan as of the date of application <b>OR</b>		10
3.A.2	Applicant has a current Capital Improvement Plan (CIP) that spans at least 10 years and proposed project is included in the plan		2
3.B	System Operating Ratio is greater than or equal to 1.00 based on a current audit, or is less than 1.00 and unit cost is greater than 2.5 percent		5
3.C – 3.E	Reserved for Other Programs		
	<b>Maximum Points for Category 3 – System Management</b>		15
	<b>Subtotal claimed for Category 3 – System Management</b>		
<b>Line Item #</b>	<b>Category 4 – Affordability</b>	<b>Claimed Yes/No</b>	<b>Points</b>
4.A	Residential Connections		

PRIORITY RATING SYSTEM for Wastewater Projects			
Line Item #	Description	Claimed Yes/No	Points
4.A.1	Less than 10,000 residential connections <b>OR</b>		2
4.A.2	Less than 5,000 residential connections <b>OR</b>		4
4.A.3	Less than 1,000 residential connections		8
<b>4.B</b>	Current Monthly Single Utility Rates at 5,000 Usage		
4.B.1	Greater than \$33 <b>OR</b>		4
4.B.2	Greater than \$40 <b>OR</b>		6
4.B.3	Greater than \$47		8
4.B.4	Greater than \$58		10
<b>Line Item #</b>	<b>Category 4 – Affordability (Continued)</b>	<b>Claimed Yes/No</b>	<b>Points</b>
<b>4.C</b>	Local Government Unit (LGU) Indicators		
4.C.1	3 out of 5 LGU indicators worse than state benchmark <b>OR</b>		3
4.C.2	4 out of 5 LGU indicators worse than state benchmark <b>OR</b>		5
4.C.3	5 out of 5 LGU indicators worse than state benchmark		7
<b>4.D – 4.E</b>	Reserved for Other Programs		
	<b>Maximum Points for Category 4 – Affordability</b>		25
	<b>Subtotal claimed for Category 4 – Affordability</b>		
	<b>Total of Points for All Categories</b>		

## **Appendix D**

### **Grant Percentage Matrix**

**WATER OR SEWER MONTHLY BILL FOR 5,000 GALLONS**

		PROJECT COST PER CONNECTION		
		NC MEDIAN		
		LOWER-THAN-MEDIAN PROJECT COST PER CONNECTION	HIGHER-THAN-MEDIAN PROJECT COST PER CONNECTION	
>\$58		100%	100%	100%
>\$47 TO ≤ \$58		75%	75%	100%
>\$40 TO ≤ \$47		50%	50%	75%
>\$33 TO ≤ \$40		25%	25%	50%
≤ \$33		0%	25%	25%
		≤ \$1,150	> \$1,150 TO ≤ \$4,750	> \$4,750
		<b>HIGHER-THAN-MEDIAN BILL FOR 5,000 GALLONS</b>		
		<b>LOWER-THAN-MEDIAN BILL FOR 5,000 GALLONS</b>		