



Spring 2020

Application Workshop
Division of Water Infrastructure



Agenda

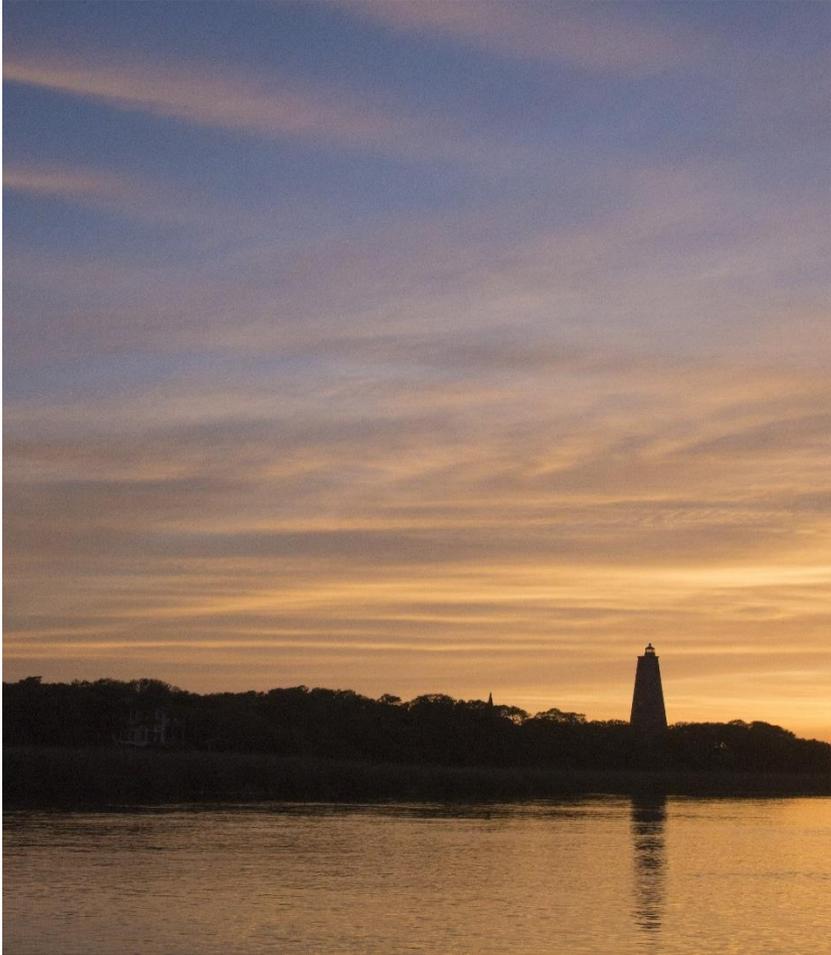
- Introductions
- Program overview
- Division application and additional forms
- Project priority system for the State Revolving Fund
- Individual project discussion (optional)



Training Handout Packet

- Agenda
- NCDEQ Division application packet
 - Application
 - Project Financial Information
 - Fund Transfer Certification Form
 - Supplemental guidance for additional consideration
- Priority points system guidance and priority rating system for State Revolving Fund
- Evaluation form
- Guidance and other documents can be found on our website at:
<https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources>





Program Overviews



Funding Overview

- State Revolving Fund (SRF)
 - Clean Water State Revolving Fund (CWSRF)
 - Drinking Water State Revolving Fund (DWSRF)
 - Additional Supplemental Appropriations for Disaster Relief Act, 2019 (ASADRA) (New! Spring 2020 only)
- Low-interest loan programs
 - Rate set at $\frac{1}{2}$ market (20-Year Bond Index)
 - Current base interest rate is approximately 1.27% (will be set at application due date)
 - 20-year maximum term for base rate
 - 30-year maximum term possible for targeted interest rates
 - Debt approved by Local Government Commission
- Applications due on April 30

Regular SRF Funding Availability

- CWSRF – Approximately \$70 million available
- DWSRF – Approximately \$50 million available
- Loan Maximums
 - CWSRF – \$30 million per Applicant
 - DWSRF – \$20 million per Applicant
 - Can exceed if funds are available



Regular CWSRF & DWSRF Targeted Funding

- Principal forgiveness (PF)
 - Approximately \$2 million in Spring 2020 for CWSRF
 - Approximately \$12 million in Spring 2020 for DWSRF
 - PF percentage based on affordability criteria
 - Must receive priority points for Category 1 - Project Purpose
- Up to 100% PF for nonviable utility consolidation and failing wastewater systems (New!)
- Targeted interest rates for PF-qualified applicants (New!)
 - PF eligibility $\geq 75\%$ \Rightarrow 0%
 - PF eligibility $< 75\%$ \Rightarrow 1% less than base rate
- CWSRF only – 1% less than base rate for green projects (New!)



ASADRA Funding Specifics

- Funding Availability from legislation
 - CWSRF – Approximately \$23 million available
 - DWSRF – Approximately \$82 million available
- Federal law allows for transfers between programs
- All funds will be awarded in July 2020
- Same SRF requirements as for regular SRF funds
- Projects must be eligible for ASADRA



Principal Forgiveness – ASADRA Only

- Between 20% to 30% available for both programs
- Approximately \$26 million available for both programs

Category	Criteria	Max \$ PF	Max % PF
Non-viable Rescue	Non-viable &, disadvantaged	\$3,000,000	100%
Resiliency	Received 2.N.2 or 2.N.3 points	\$1,000,000	25%
Affordability	Affordability Criteria	\$1,000,000	affordability criteria %
Flood Plain	Received 2.N.1 points	\$3,000,000	100%



ASADRA Eligibilities

- Be otherwise eligible for the SRF
- System had impacts related to Hurricanes Florence and / or Michael
- Project serves at least one of the following purposes:
 - Facilitates preparation for, adaption to, or recovery from rapid hydrologic change (flooding) or any other type of natural disaster
 - Reduces likelihood of damage to systems
 - Reduces susceptibility to system damage from flood, fire, or earthquake
 - Facilitates preparation for, adaptation to, or recovery from flooding
- > 50% of construction costs ⇒ eligible for ASADRA

Questions?



Department of Environmental Quality





Application and Additional Forms



Division Application Packet

- Division application
- Project Financial Information Form
- Fund Transfer Certification Form (New!)
- Resolution
- Applicable rate sheets
- Priority points sheet and narrative
 - Wastewater
 - Drinking water



Division Application



Division Application

	North Carolina Department of Environmental Quality	
	Division of Water Infrastructure	
	Application for Funding <small>(Last updated: January 2020)</small>	

- Revised in Winter 2020
- One application for all programs
- Best funding fit
- All sections completed
- Note: Application comes with instructions



Division Application

- Applications not funded in previous round considered for Spring 2020
- Reconsideration?
 - No additional information allowed
 - Application reconsidered as-is
 - Adding information? ⇒ Submit completely new application



Division Application – Section 1

1. General Information		
Applicant Name	County	DUNS Number
<input type="text"/>	<input type="text"/>	<input type="text"/>
Project Name	Total Project Cost	Total Funding Requested
<input type="text"/>	<input type="text"/>	<input type="text"/>
Applicant Type		
<input type="checkbox"/> Municipality <input type="checkbox"/> County <input type="checkbox"/> Water and Sewer District <input type="checkbox"/> Water and Sewer Authority	<input type="checkbox"/> Sanitary District <input type="checkbox"/> Non-Profit Water Corporation <input type="checkbox"/> Other (Specify: <input type="text"/>)	
Funding Type(s) Requested		
<input type="checkbox"/> Asset Inventory and Assessment Grant <input type="checkbox"/> Merger/Regionalization Feasibility Grant	<input type="checkbox"/> Community Development Block Grant for Infrastructure [†] <small>†All CDBG-I grants are 100% grants.</small>	
<input type="checkbox"/> Construction Project <ul style="list-style-type: none"> <input type="checkbox"/> Drinking Water (all funding except CDBG-I) <input type="checkbox"/> Wastewater (all funding except CDBG-I) <input type="checkbox"/> Stormwater, stream restoration 	LMI determination method: <input type="checkbox"/> Survey <input type="checkbox"/> ACS LMI Percentage: <input type="text"/>	



Division Application – Section 2

2. System Parameters		
Residential Sewer Connections	Residential Water Connections	
<input type="text"/>	<input type="text"/>	
Non-Residential Sewer Connections	Non-Residential Water Connections	
<input type="text"/>	<input type="text"/>	
Sewer Bill per 5,000 gallons	Water Bill per 5,000 gallons	
<input type="text"/>	<input type="text"/>	
Percentage of Utility Bills and Rate Increase Percentages		
Year	Percentage of Utility Bills Collected	Rate Increase Percentage
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
Complete only if applying for construction projects or CDBG-I (Questions #2 and #3 <u>do not apply</u> to CDBG-I only applicants).		
1. I am willing to accept funding that includes federal conditions. <input type="checkbox"/> Yes <input type="checkbox"/> No		
2. Estimated grant percentage:		
<input type="checkbox"/> 0% <input type="checkbox"/> 25% <input type="checkbox"/> 50% <input type="checkbox"/> 75% <input type="checkbox"/> 100%		
3. If grant funding is not available at the percentage provided above, I am willing to accept a minimal grant amount of*:		
<input type="checkbox"/> 0% (100% Loan) <input type="checkbox"/> 25% <input type="checkbox"/> 50% <input type="checkbox"/> 75% <input type="checkbox"/> 100%		
*If available grant amount is below the percentage listed above, project will not be funded.		

Division Application – Sections 3, 4, and 5

3. Applicant Contact Information	
Authorized Representative Name:	<input type="text"/>
Authorized Representative Title:	<input type="text"/>
Mailing Address Line 1:	<input type="text"/>
Mailing Address Line 2:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text"/>
Zip Code:	<input type="text"/>
Physical Address Line 1:	<input type="text"/>
Physical Address Line 2:	<input type="text"/>
Physical Address City:	<input type="text"/>
Physical Address State:	<input type="text"/>
Physical Address Zip Code:	<input type="text"/>
Phone Number:	<input type="text"/>
E-Mail Address:	<input type="text"/>
4. Application Preparer Contact Information	
Firm Name:	<input type="text"/>
Contact Name:	<input type="text"/>
Mailing Address Line 1:	<input type="text"/>
Mailing Address Line 2:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text"/>
Zip Code:	<input type="text"/>
Physical Address Line 1:	<input type="text"/>
Physical Address Line 2:	<input type="text"/>
Physical Address City:	<input type="text"/>
Physical Address State:	<input type="text"/>
Physical Address Zip Code:	<input type="text"/>
Phone Number:	<input type="text"/>
E-Mail Address:	<input type="text"/>
5. Engineer Contact Information	
Is the engineering firm different from the application preparer?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Engineering Firm Name:	<input type="text"/>
Contact Name:	<input type="text"/>
Mailing Address 1:	<input type="text"/>
Mailing Address 2:	<input type="text"/>
City:	<input type="text"/>
State:	<input type="text"/>
Zip Code:	<input type="text"/>
Physical Address Line 1:	<input type="text"/>
Physical Address Line 2:	<input type="text"/>
Physical Address City:	<input type="text"/>
Physical Address State:	<input type="text"/>
Physical Address Zip Code:	<input type="text"/>
Phone Number:	<input type="text"/>
E-Mail Address:	<input type="text"/>



Division Application – Section 6

6. Project Description

Number of New Connections Served by Project (if applicable):



Division Application – Section 7

7. Additional Information for Consideration
<input type="text"/>

- For use with information to add beyond the priority points system
- Use supplementary guidance
- Must fit into the space provided



Division Application – Section 8

8. Information Related to the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (ASADRA)

Which storm(s) impacted your system(s)? Hurricane Florence Hurricane Michael Neither (not applying for ASADRA)

My project will:

- Enable my facility to prepare for, adapt to or recover from natural disasters
- Reduce the likelihood of damage to my facility
- Reduce my facility's susceptibility to physical damage or ancillary impacts caused by floods, earthquakes, or fires
- Prepare for, adapt to, or recover from a sudden unplanned change in the amount of and movement of water near my facility

Describe the impacts these storms had on your system.



Division Application – Section 9

9. Project Budget (for Construction Projects Only)			
	Division Funding Requested	Other Secured Funding Source(s)	Total Cost Amount
Indicate construction costs by line item (e.g., linear feet of different-sized lines)			
Construction Costs			
<i>Contingency (10% of construction costs):</i>			
Construction Subtotal:			
Engineering Costs			
Engineering Design			
Permitting			
Land Surveying Costs			
Engineering Subtotal:			
Administration Costs			
Planning			
Easement Preparation			
Grant Administration (if applicable)			
Loan Administration (if applicable)			
ER Preparation			
Environmental Documentation Preparation			
Legal Costs			
Other			
Administration Subtotal:			
TOTAL PROJECT COST:			
A PE Seal for the estimate <i>must be provided</i> in the space to the right for the application to be considered complete.			

Budget examples – ASADRA Only

- 10,000 l.f. 8-inch pipe (60% ASADRA-eligible)

Line Item	Division Funding Requested
ASADRA 6,000 l.f. 8-inch pipe	XXXXXXXX
4,000 l.f. 8-inch pipe	YYYYYYYY

- 10,000 l.f. 8-inch pipe (60% old)

Line Item	Division Funding Requested
OLD 6,000 l.f. 8-inch pipe	AAAAAAA
4,000 l.f. 8-inch pipe	BBBBBBB

- 10,000 l.f. 8-inch pipe (70% ASADRA-eligible, 65% old)

Line Item	Division Funding Requested
ASADRA – OLD 5,000 l.f. 8-inch pipe	LLLLLLL
ASADRA – 2,000 l.f. 8-inch pipe	MMMMMMM
OLD – 1,500 l.f. 8-inch pipe	NNNNNNN
1,500 l.f. 8-inch pipe	PPPPPPP

Certifications

- 9 items
- Read each
- Initial each
- Not applicable? N/A



Application – Completeness Checklist

Completeness Checklist*	
<i>In addition to this application, the following items must be included for a complete application package; please initial that each item is included in this submittal.</i>	
	Resolution by Governing Body of Applicant with Certification by Recording Officer
	Division Financial Information
	Division Fund Transfer Certification
	Applicable Priority Rating System Form with supporting narratives and documentation
	Current Rate Sheets
	PE Seal on project budget (construction projects only)
*All forms are available separately on the DWI website.	
**For each application, please provide copies that are bound (e.g., report cover with fasteners, plastic report combs, spiral or 3-ring binders.) No paper clips, staples or binder clasps, for each application. **	

- Initial to show complete package
- Submit 1 original and 1 copy
- Bind applications
- Strongly recommend that you either hand deliver or send via FedEX or UPS to physical address

Application – Signature

<u>Application Signature</u>		
Please note: Original signatures are required for each application.		
SIGNATURE OF AUTHORIZED REPRESENTATIVE		
TYPED NAME	TYPED TITLE	DATE

- Application must be signed
- Authorized Representative



Additional Forms



Additional Forms – Financial Information Form

- Split out the Financial Information Form and Fund Transfer Form
- Three years of information
- Remember transfers
- No Payment in lieu of taxes



Additional Forms – Fund Transfer Certification

- Now a separate form
- Must be completed and signed
- Go back to FY 2014
- Must be signed

	<p>North Carolina Department of Environmental Quality Division of Water Infrastructure Fund Transfer Certification (Not needed for <u>CDBG-I</u> only projects) <small>(revised June 2019)</small></p>	
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§ 159G-37.(b) requires that all local governments applying for funding from the Clean Water State Revolving Fund, the Wastewater Reserve, the Drinking Water State Revolving Fund, or the Drinking Water Reserve for water or wastewater projects certify that no funds received from water or wastewater utility operations have been transferred to the local government's general fund for the purpose of supplementing the resources of the general fund since July 1, 2014. The prohibition contained in § 159G-37.(b) shall not be interpreted to include payments made to the local government to reimburse the general fund for expenses paid from that fund that are reasonably allocable to the regular and ongoing operations of the utility, including, but not limited to, rent and shared facility costs, engineering and design work, plan review, and shared personnel costs.

Applicant's Certification:

I, as a representative of _____, hereby certify that since July 1, 2014,
(Local Government Unit)
funds received from the water and/or wastewater utility have: *(choose one)*

- been transferred from the water and/or sewer enterprise fund to the general fund AND were reasonably allocable to the regular and ongoing operations of the utility in accordance with § 159G-37 (b), **OR**
- not been transferred from the water and/or sewer enterprise fund to the general fund.

Any transfers must be consistent with the information provided in the Division's Water & Sewer Financial Information Form and must be accurately reflected in the audits as reported by the Local Government Unit the Local Government Commission since July 1, 2014.

SIGNATURE OF AUTHORIZED REPRESENTATIVE	DATE
TYPED NAME	TYPED TITLE



Additional Forms – Resolutions and Rate Sheets

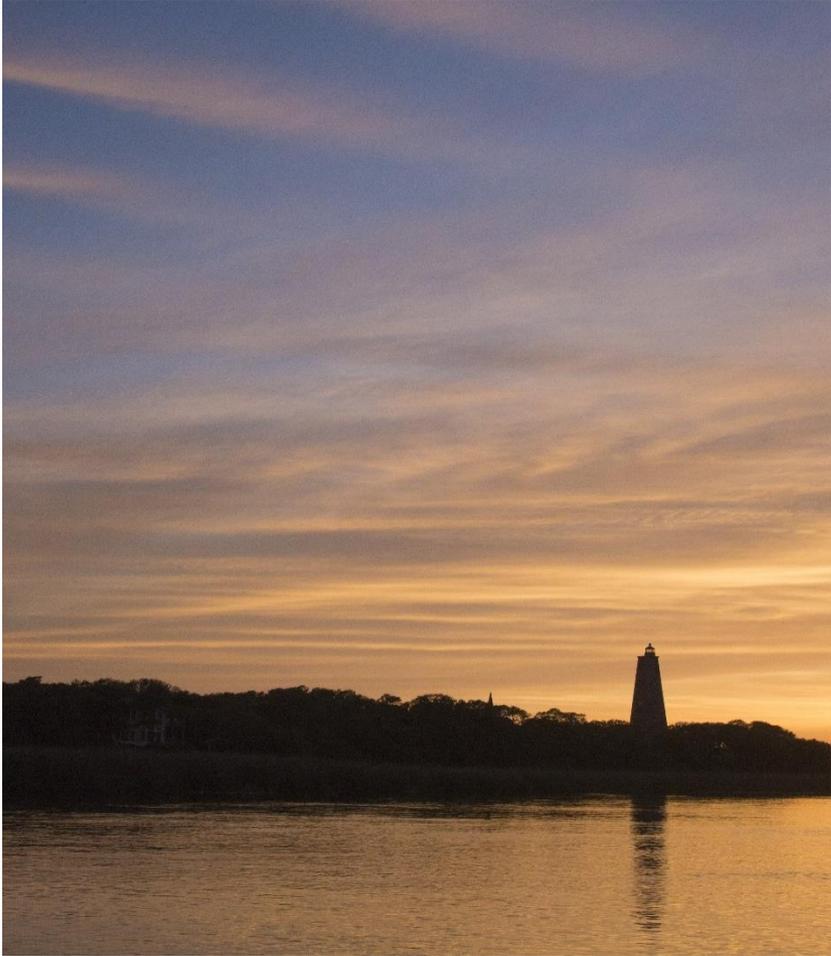
- Resolution
 - Template available
 - List Authorized Representative
 - Due at time of application
- Rate sheets – Be sure to include LGU rate sheets



Questions?



Construction Project Funding



Project Priority Systems

Wastewater

Drinking Water



Priority Rating System

- Used to rank projects for funding
- Read guidance carefully – describes the required narratives, maps, and documentation
- Claim the points you can document
- Provide ALL the required documentation
- Additional information will NOT be requested
- Ask questions if unsure



Today's Discussion

- Categories
 - Category 1 – Project Purpose
 - Category 2 – Project Benefits
 - Category 3 – System Management
 - Category 4 – Affordability
- Scoring same regardless of program (one column only)
- Presentation focus on problem areas and new line items



ASADRA Eligibilities

- Must be SRF-eligible
- System impacted by Hurricane(s) Florence and / or Michael
- Majority of project construction costs for ASADRA activities
- If eligible, may claim Line Items 2.N (both DW & WW), 2.N.1, 2.N.2, and 2.N.3
- ASADRA points listed in guidance



Priority Rating System

Category 1 – Project Purpose



1.A Consolidate Nonviable Systems

Two situations

- Failing systems
 - Drinking water
 - Wastewater (New!)
- Nonviable systems (New!)
 - Drinking water
 - Wastewater



1.A Consolidate Nonviable Systems – Failing Drinking Water Systems (DW)

- Rescue a failing system designated by Chief of Public Water Supply Section of DWR
- Documentation
 - Letter from PWS Section Chief calling it a failing system,
 - Letter identifies the Public Water Supply System by name and PWSID Number, and
 - Agreement between failing system and rescuer
- **Generally initiated by the Public Water Supply Section of DWR**
- **Call regional office**



1.A Consolidate Nonviable Systems – Failing Wastewater Systems (WW)

- Failing – DWR has determined the system is
 - An unapproved or “grandfathered” wastewater system that is not able to maintain compliance with current standards or limits
 - An approved system that is continuously out of compliance with the system owner demonstrating an ability to resolve the violation due to a lack of technical, financial, and/or managerial capacity.
- Document eligibility
- Document willingness of both failing and acquiring system



1.A Consolidate Nonviable Systems – Other Nonviable Systems

Nonviable system – A public water supply system or wastewater system owned by a local government unit (LGU) that the Division has determined is nonviable **prior to the application deadline.**



1.A Consolidate Nonviable Systems – Other Nonviable Systems

- Meet with Division at least 30 days prior to application deadline to discuss system current condition and proposed application
- Documentation examples
 - Interlocal agreement between the two systems (can be draft)
 - Minutes of joint meeting between the two systems
 - Memorandum of Understanding between the two systems
 - A letter of interest from the acquiring system
- Resolution by governing board of nonviable system stating that the system is nonviable and why
- Documentation must make clear that the nonviable system will be eliminated by consolidating with acquiring system



1.B Resolve Failed Infrastructure

- Expanding capacity is limited to replacing failed infrastructure – not future growth
- Narrow definition of failed infrastructure:
 - Failed Septic Systems or DWR-permitted single-family spray/drip irrigation system
 - Failed non-discharge permitted disposal area, such as a failed spray/drip irrigation field or infiltration basin
 - Failed (dry or contaminated) well
- No other infrastructure failure counts
- Documentation depends on type of failure



1.B Resolve Failed Infrastructure

- Failed Septic Systems or DWR-permitted single-family spray/drip irrigation system must earn points and provide documentation under 2.C
- Failed non-discharge permitted disposal area, such as a failed spray/drip irrigation field or infiltration basin
- Provide:
 - Copy of non-discharge permit
 - Letter from DEQ RO stating disposal field/basin has failed and any NOVs
 - Map



1.C Rehab/Replace Infrastructure

- Rehab or Replace cannot expand capacity
- New pump station / treatment plant with same capacity as old being decommissioned
- Like for like replacement
- Includes new unit operations that don't increase capacity to treat
 - EQ basin, UV disinfection, solids handling, SCADA, VFD, generator



1.C Rehab/Replace Infrastructure – Common Errors

- We are replacing existing 10-inch gravity sewer.
- We are increasing pumping capacity to meet current flows but not to provide any additional capacity.
- Missing supporting calculations when replacing a pump station with gravity sewer.
- The 1 MGD unit we are replacing is under-sized, so we will replace it with a properly-sized 2 MGD unit.



1.C.1 Old Infrastructure

- Can earn additional points for old infrastructure

Unit	Age in Years
Treatment or Pumping Units	20
Distribution / Collection Lines	40

- At least 50% of the construction cost is associated with replacing old infrastructure
- Show clearly in budget



Category 1 Points Changes (CWSRF)

- 1.F Stream, Buffer, Wetland Restoration
- 1.G Stormwater BMP
- Green projects scored only for CWSRF



Priority Rating System

Category 2 – Project Benefits



2.B Specific Public Health Benefit (DW)

- Provides points for
 - Dry or contaminated wells
 - Specific project types that also earn other points
- Automatic for nonviability claimed under Line Item 1.A.



2.C Specific Environmental Benefit (WW)

Projects include:

- Connecting homes with failing septic systems to public sewer service
 - Must include letter from a registered sanitarian, a licensed soil scientist, or County Health Department documenting existing failures
 - Includes failed single-family residence spray/drip irrigation system
- Repairing or replacing sewers with reported SSOs that
 - Reach bodies of water, or
 - Document backup into homes
- Automatic for nonviability claimed under Line Item 1.A.



2.C Specific Environmental Benefit (WW)

Common errors

- Center Avenue area soils are unsuitable and septic system failure is likely
- SSOs not resolved by project
- No map showing location of failing systems
- No map showing SSOs



2.E Addresses Enforcement Documents

- Project can only receive points for ONE of the following:
 - 2.E.1 EPA Administrative Order (AO) in Tier 1 county, or an existing/pending SOC, or DEQ AO
 - 2.E.2 Notice Of Violation or Notice Of Deficiency
- Common errors
 - Project does not address enforcement document
 - Response on file that Applicant has already addressed the problem that caused enforcement action



2.G Address Low Pressure (DW)

- Compare pressure to T15A NCAC 18C .0901: (20/30 psi)
- Provide:
 - Valid testing or modeling data
 - Report and supporting documents
- See factsheet on website
 - Big change: fireflow is 250 gpm or document requirement for higher flow
- Common error
 - Long lengths of small lines do not earn points



2.H Project Addresses Contamination (DW)

- 2.H.1 Acute Contamination
 - Refer to the guidance and separate sampling protocol
- 2.H.2 Other-Than-Acute Contamination
 - Refer to the guidance and separate sampling protocol
- 2.H.3 Health Advisory Level (DW only) (New!)
 - Concerns emerging compounds
 - Drinking Water Health Advisory Level means
 - 140 ng/L Provisional Health Goal for GenX
 - EPA's 2018 Edition of the Drinking Water Standards and Health Advisories Table
 - Note: Reference Dose (RfD) not a health advisory level



2.H Project Addresses Contamination (DW)

- Change in source water quality
- Documents
 - Regulation
 - Document that establishes Health Advisory Level
- Discuss how project will solve contamination
- Mapping
- Documentation of presence of contamination
- Other documentation
 - Affected population
 - Number of connections
 - Length and diameter of waterline(s) needed



2.1 Additional Treatment (DW/CW)

- Project improves the quality of treatment
- Common error
 - Does not improve water quality
 - Replaces existing unit process



2.J Water Loss Exceeds 30% Documentation (DW)

- Document the water loss exists; BOTH of following must exceed 30%
 - At least latest year water audit (detail in Line Item 3.E)
 - Water loss listed in latest Local Water Supply Plan
- Narrative must credibly describe both:
 - Why you believe the unit is responsible for the excess water loss and
 - How or why the project will reduce the excess water loss from that unit
- Common errors
 - Failure to provide audit
 - LWSP shows low water loss



2.N. Redundancy / Resiliency

- Historically only available for drinking water
- Expanded for ASADRA
- Can claim for wastewater if eligible for ASADRA
- Automatically earn 2.N points if also earning 2.N.1, 2.N.2, or 2.N.3
- Requirements for 2.N
 - Include redundant or resilient items in the project description
 - New or increased redundancy / resiliency = points
 - Replacing / repairing existing generator ≠ points
 - Retrofitting with backup power = points
 - New equipment with backup power ≠ points



2.N.1 Relocation of Infrastructure

- Project moves infrastructure out of floodplain
- Description of infrastructure being moved out of floodplain
- Mapping
 - Location of existing infrastructure in 1% annual chance floodplain (commonly referred to as 100-year floodplain)
 - Location of relocated infrastructure out of 1% annual chance floodplain
 - Located at <https://fris.nc.gov>
- Note example narrative



2.N.2 Fortification / Assurance of Operation of Infrastructure

- For projects remaining in 1% annual chance floodplain
- List base flood elevation from the Flood Risk Information System (FRIS)
- Vulnerable parts of existing infrastructure
- Description
 - Project fortifies or elevates infrastructure within floodplain OR
 - Project improves ability to assure continued operation during flood events OR
 - Project downsizes infrastructure related to buyouts



2.N.3 Repair of Damaged Infrastructure

- Project repairs broken infrastructure
- Description
 - How damage to infrastructure was determined
 - Results of any effort made for FEMA reimbursement
 - Documentation showing correspondence with FEMA
 - Declination of FEMA assistance



2.0 Impaired Waters (WW)

- Project will directly benefit impaired waters
- Provide:
 - Stream name and impairment(s) as documented in the Integrated Report
 - Discussion of impairment and connect the dots to show the project will directly benefit the impairment
 - Map(s) with project location, stream location and impaired segment
- Common errors
 - Project does not address impairment
 - Map does not adequately show location of project and impairment



2.R 20% Reduction in Energy Use GREEN (WW)

- Primary purpose of project (>50% of construction cost) is to:
 - Reduce energy usage of a specific process by 20%
 - Produce energy (e.g. digester gas to energy project, solar panels at treatment plant)
 - Eliminate a PS as long as it doesn't increase the pumping demands of a downstream PS
- If project is not exclusively for energy reduction:
 - 1% reduction from base rate applied to the portion the loan for Green Project
 - Standard interest rate will applied to rest of the loan
- Common errors
 - Lack of supporting calculations
 - Less than 50% of construction costs



Priority Rating System

Category 3 – System Management



3.A Capital Planning Activities

Can only receive points for ONE of the following:

- 3.A.1 – Asset Management Plan OR
- 3.A.2 – Capital Improvement Plan



3.A.1 Asset Management Plan

- Applicant has implemented AMP before application
- Common errors
 - No narrative provided
 - AMP has not been implemented
 - Does not meet CIP requirements



3.A.1 Capital Improvement Plan

- Must clearly show the project applied-for
- Must span 10 years, be less than 2 years old
 - State years covered by the CIP
 - Years 1 through 5: show projects and their costs
 - Years 5 through 10:
 - Show projects - not necessarily their cost
 - Show some capital expenditure - not necessarily linked to specific projects
- Resolution or certified minutes showing adoption of CIP
 - A certification is inadequate



3.A.2 Capital Improvement Plan

Common Errors

- More than 2 years old
- Spans less than 10 years
- Lacks minutes showing adoption (certification not sufficient)
- Project applied-for not obvious and unambiguous on CIP
- Includes only O&M expenses and/or a single project (project applied for)



3.B System Operating Ratio

- System operating ratio DIFFERENT from OR_{Future} in affordability criteria
- Contains
 - Revenues
 - Expenses
 - Debt principal
 - Debt interest
 - Capital outlay
- Does NOT include project cost
- Cannot include future debt



3.D Water Loss Reduction Program (DW)

- To encourage proactively looking for leaks rather than simply fixing them when found
- Two ways to earn points
 - The system is not leaking – no need to search
 - Ongoing, continuous hidden leak detection and repair program
- Must provide water audit
- Three annual audits
- **All three years** $< 10\%$ water loss (ILI < 1.2)
- If leak rate is $\geq 10\%$ (ILI ≥ 1.2), document hidden leak detection and repair program
 - Hidden: not visible, obvious, or accidentally discovered

3.D Water Loss Reduction Program (DW)

Hidden leak detection and repair

- Use technology to search for hidden leaks (acoustic / ultrasonic)
- Ongoing, continuous program
 - Describe the program.
 - What did you do in the past year?
- What did you find?
- How did you repair found leaks?
 - Does this project fix a found leak?
- Common errors
 - “We fix leaks when we find them.”
 - Not all three years of data provided



3.E Water Conservation Incentive Rate Structure (DW)

- A rate structure that encourages typical users to reduce usage
- Incentive must operate in the range of reasonable household usage
- Increasing block rate
 - Rate per gallon must increase within first 5,000 gallons / month
 - Rate per gallon cannot decrease within first 20,000 gallons / month



Priority Rating System

Category 4 – Affordability



4.A Residential Connections

- Now for SRF as well as SRP
- Only claim ONE sub-category based on the number of connections.
 - Less than 10,000 residential connections, or
 - Less than 5,000 residential connections, or
 - Less than 1,000 residential connections
- Note change in points for specific line items
- Use only sewer connections or drinking water connections as of date of application



4.B Current Monthly Utility Rate at 5,000 Gallons

- Only claim ONE sub-category based on the current monthly utility rate for 5,000 gallons.
 - Greater than \$33, or
 - Greater than \$40, or
 - Greater than \$47, or
 - Greater than \$58, or
- Rates must match those on rate sheet submitted
- Use only sewer rates or drinking water rates
- Use lowest residential rate, “in-town rate”
- Provide calculations
- Note change in points for specific line items



4.C Local Government Unit (LGU) Indicators

- Only claim ONE sub-category
 - 3 out of 5 LGU indicators worse than state benchmark, or
 - 4 out of 5 LGU indicators worse than state benchmark, or
 - 5 out of 5 LGU indicators worse than state benchmark, or
 - Note change in points for specific line items
- LGU Indicators are:
 - Property Valuation per Capita is less than \$108,300
 - Percent Population Change is less than 4.16%
 - Poverty Rate is greater than 16.1%
 - Median Household Income is less than \$50,320
 - Unemployment rate is greater than 4.3%



Questions?



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