

State Water Infrastructure Authority

Meeting Date – December 13, 2017

Agenda Item M – Key Program Metrics

Division of Water Infrastructure Staff Report

Background

In January 2015, as preparation for modifying construction project priority systems, the State Water Infrastructure Authority (Authority) and Division of Water Infrastructure (Division) staff reviewed metrics associated with the various project priority systems. In July 2015, the Authority approved revisions to existing priority criteria for the Clean Water State Revolving Fund (CWSRF), Drinking Water State Revolving Fund (DWSRF), State Reserve Projects (SRP), and Community Development Block Grant for Infrastructure (CDBG-I) programs. These changes were implemented with the Fall 2015 funding round for these programs. While the changes for the most part synchronized the priority systems, the application methodology still required application to specific programs.

In the Fall of 2015, Division staff worked with the Authority to develop affordability criteria that would enable the Authority to provide limited grant funds to more recipients. The Authority approved use of the affordability criteria in March 2016, and changes to the priority systems for the SRP were implemented in the Spring 2016 funding round.

Final changes to the priority systems for the CWSRF and DWSRF occurred in April 2016. This approval also allowed the Division to change application methodology so that applicants could apply for a type of construction project (either water or wastewater) with the Authority awarding funds based on the best funding fit, using the funding hierarchy that the Division reviews with the Authority prior to its awarding of project funding. These changes were implemented with the September 2016 funding round, which coincided with the first round of the Connect NC Bond funding. Since the synchronization of the construction priority points systems, the Division has accepted applications for multiple rounds of funding in all programs.

Additionally, the Authority launched its new Asset Inventory and Assessment (AIA) grant program in April 2016. Demand for funds from this program have far outstripped the supply of funds. The Division has accepted three rounds of applications for AIA grants (April 2016, September 2016, and September 2017).

Purpose

The purpose of this Agenda Item is to provide time for the Authority to discuss the types of information that would be useful when considering potential future changes to the project priority point systems and/or the affordability criteria.

At the Authority's meeting in April 2018, the Division plans to review metrics associated with the current priority points system in a manner similar to the metrics reviewed in January 2015 as shown in Figure 1 (see next page). The Division also will review the impact of the affordability criteria on grant recipients.

Following are a few additional metrics that the Authority may wish to consider:

- Project types that received grant offers
- Project types that received loan offers
- The number of projects that received various percentages of grants
- How does the funding hierarchy affect the type of funding offer that was made?

Goal

The current priority criteria systems and the affordability criteria have been in place since April 2016. Staff is seeking guidance from the Authority about the types of information that it would like to review in order to shape potential future changes to criteria. Based on the Authority’s guidance, staff will develop this information for presentation to the Authority at its April 2018 meeting.

