Division of Water Infrastructure Staff Report

Background

General Statute 159G-34.5 establishes the types of grants that may be made from the Viable Utility Reserve (VUR). These include asset assessment (AIA) and rate study grants, merger/regionalization feasibility (MRF) grants, project grants, and emergency operating grants for operating deficits. Additionally, General Statute 159G-35(c) requires that the State Water Infrastructure Authority (Authority) and the Local Government Commission (LGC) develop evaluation criteria for grants from the VUR.

At its April 2021 meeting, the Authority approved accepting study grant applications from the highest priority local government units (LGUs), which are those identified as distressed due to fiscal affairs being under the control of the LGC (meets Identification Criterion 1); distressed and non-distressed LGUs working with these highest priority LGUs are also considered Category 1, based on Authority actions during their April and July meetings.

During the Authority’s July meeting, Division of Water Infrastructure (Division) staff provided an update on three regional partnerships of Category 1 LGUs. The three regional partnerships are for Cleveland County (Kingstown is under LGC control), Martin County (Robersonville is under LGC control), and Wayne County (Eureka and Pikeville are under LGC control). Also, during this meeting, the Authority approved AIA grants for most LGUs participating in these partnerships. Action on MRF grant applications submitted by the LGUs within the three partnerships was deferred pending the identification of a lead recipient of the MRF grant award, and the submittal of a single MRF application for each of the three regional partnerships.

Study Grant Applications Received - Category 1

Local government units which are identified as distressed due to fiscal affairs being under the control of the LGC (meets Identification Criterion 1) and any LGU working with these highest priority LGUs are considered Category 1. A summary of the AIA study grant applications that have been approved by the Authority and LGC is provided in Table 1.

<table>
<thead>
<tr>
<th>LGU</th>
<th>DW AIA</th>
<th>WW AIA</th>
<th>Partnership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fallston</td>
<td>$150,000</td>
<td>$150,000</td>
<td>Cleveland County</td>
</tr>
<tr>
<td>Lawndale</td>
<td>$150,000</td>
<td>$150,000</td>
<td>Cleveland County</td>
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</table>
Table 1. AIA Study Grant Applications Approved by Authority and LGC

<table>
<thead>
<tr>
<th>Partnership</th>
<th>DW AIA</th>
<th>WW AIA</th>
<th>LGU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Polkville</td>
<td>$150,000</td>
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<td>Cleveland County</td>
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<tr>
<td><em>Kingstown</em></td>
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<td>Cleveland County</td>
</tr>
<tr>
<td>Everetts</td>
<td>$150,000</td>
<td></td>
<td>Martin County</td>
</tr>
<tr>
<td>Hamilton</td>
<td>$150,000</td>
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</tr>
<tr>
<td>Jamesville</td>
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<td>$150,000</td>
<td>Martin County</td>
</tr>
<tr>
<td>Martin County</td>
<td>$150,000</td>
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<td>Martin County</td>
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<tr>
<td>Parmeles</td>
<td>$150,000</td>
<td></td>
<td>Martin County</td>
</tr>
<tr>
<td>Robersonville</td>
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<td>Martin County</td>
</tr>
<tr>
<td>Williamston</td>
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<td>Martin County</td>
</tr>
<tr>
<td>Eureka</td>
<td>$150,000</td>
<td></td>
<td>Wayne County</td>
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<tr>
<td>Fremont</td>
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<td>$150,000</td>
<td>Wayne County</td>
</tr>
<tr>
<td>Goldsboro</td>
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<td>$150,000</td>
<td>Wayne County</td>
</tr>
<tr>
<td>Pikeville</td>
<td>$150,000</td>
<td>$150,000</td>
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<tr>
<td>Wayne County*</td>
<td>$150,000</td>
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<td>Wayne County</td>
</tr>
</tbody>
</table>

*Being conducted by HDR under contract to NCDEQ

The status of MRF lead recipients and grant applications is provided in Table 2.

Table 2. Status of MRF Grant Applications

<table>
<thead>
<tr>
<th>Partnership</th>
<th>Proposed Lead Recipient</th>
<th>MRF Grant Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleveland County</td>
<td>Cleveland County Water</td>
<td>N/A</td>
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<tr>
<td>Martin County</td>
<td>Martin County Regional Water and Sewer Authority (MCRWSA)</td>
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</tr>
<tr>
<td>Wayne County</td>
<td>City of Goldsboro</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

Staff Recommendations

Division staff recommend that the Authority approve the following:

- Cleveland County Partnership
  - Identification of Cleveland County Water as the lead MRF applicant/grant recipient.
- Martin County Partnership
- Identification of Martin County Regional Water and Sewer Authority (MCRWASA) as the lead MRF applicant/grant recipient.
- Wayne County Partnership
  - Identification of the City of Goldsboro as the lead MRF applicant/grant recipient.
  - Approval of MRF application in the amount of $100,000.