

State Water Infrastructure Authority
North Carolina Department of Environment and Natural Resources

Special Meeting via Conference Call – August 8, 2014

Archdale Building – 8th Floor, Room 826V
512 North Salisbury Street
Raleigh, North Carolina

The State Government Ethics Act (North Carolina General Statute § 138A) mandates that the Chair inquire as to whether there is any known conflict of interest or potential conflict of interest with respect to any matters before the Authority today. If any member knows of a conflict of interest or potential conflict of interest, please identify the conflict at the time the conflict becomes apparent.

The times indicated for each Agenda Item are merely for guidance. The Authority will proceed through the Agenda until completed.

AGENDA

Kim H. Colson, Authority Chair, Presiding

8:30 A. Call to Order – Chair Colson

1. Welcome
2. Reminder of Conflict of Interest and Compliance with State Government Ethics Act
3. Please set Electronic Devices to Off or Vibrate

8:35 B. 2014 NC Budget Provisions Pertaining to Division of Water Infrastructure and State Water Infrastructure Authority – Chair Colson

8:45 C. Proposed Changes to Loan & Grant Priority Criteria and Related Issues – Francine Durso (Action Item)

1. Approval for Division to Provide Public Notice of Proposed Changes and Receive Public Comment
2. December SWIA Meeting date

8:55 D. Concluding Remarks by Authority Members, Chair and Counsel

9:00 E. Adjourn

Reminder to All Authority Members: Members having a question about a conflict of interest or potential conflict should consult with the Chair or with legal counsel.

Reminder to Authority Members Appointed by the Governor: Executive Order 34 mandates that in transacting Commission business each person appointed by the Governor shall act always in the best interest of the public without regard for his or her financial interests. To this end, each appointee must recuse himself or herself from voting on any matter on which the appointee has a financial interest.

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**Agenda Item B – 2014 Budget Provisions Pertaining to Division of Water Infrastructure and State
Water Infrastructure Authority**

• **SECTION 14.15 – CDBG INFRASTRUCTURE ELIGIBLE ACTIVITIES CLARIFICATION**

Section 15.14(g) of S.L. 2013-360, as amended by Section 5.16(c) of S.L. 2013-363, reads as rewritten:

"SECTION 15.14.(g) For purposes of this section, eligible activities under the category of Infrastructure in subsection (a) of this section are limited to critical public water and wastewater ~~projects~~ projects and associated connections to the new lines located on private property of eligible homeowners, consistent with federal law. Notwithstanding any State law or rule, eligible activities as defined in this subsection are limited only by applicable HUD regulations and federal law. Notwithstanding the provisions of subsection (e) of this section, funds allocated to the Infrastructure category in subsection (a) of this section shall not be reallocated to any other category."

• **SECTION 14.16 – WATER INFRASTRUCTURE GRANT PRIORITY**

The Department of Environment and Natural Resources, Division of Water Infrastructure, and the State Water Infrastructure Authority shall give priority to loan and grant applications received from any local government meeting all of the following criteria:

- (1) The local government is located in a development tier one area.
- (2) The application seeks funding for a project that is required to be completed due to an EPA administrative order.
- (3) The application is deemed complete by the Division and meets the minimum requirements for the program from which it is seeking funding.

• **SECTION 14.17 – WATER INFRASTRUCTURE**

G.S. 159G-37 reads as rewritten:

"§ 159G-37. Application to CWSRF, Wastewater Reserve, DWSRF, and Drinking Water Reserve.

(a) Application. – An application for a loan or grant from the CWSRF, the Wastewater Reserve, the DWSRF, or the Drinking Water Reserve must be filed with the Division of Water Infrastructure of the Department. An application must be submitted on a form prescribed by the Division and must contain the information required by the Division. An applicant must submit to the Division any additional information requested by the Division to enable the Division to make a determination on the application. An application that does not contain information required on the application or requested by the Division is incomplete and is not eligible for consideration. An applicant may submit an application in as many categories as it is eligible for consideration under this Article.

(b) Certification. – The Division of Water Infrastructure shall require all local governments applying for loans or grants for water or wastewater purposes to 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. The prohibition in this section 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."

- **SECTION 14.17A – GRANTS TO MUNICIPALITIES IN DEVELOPMENT TIER ONE AND TWO AREAS FOR WATER AND SEWER INFRASTRUCTURE IMPROVEMENTS**

The one million dollars (\$1,000,000) appropriated in this act to the Department of Environment and Natural Resources for grants to municipalities in development tier one and development tier two areas, as defined in G.S. 143B-437.08, shall be allocated as follows:

(1) The sum of five hundred thousand dollars (\$500,000) for grants to local governments in development tier one and development tier two areas for water and sewer infrastructure development projects. Notwithstanding Chapter 159G of the General Statutes or any other provision of law, the grants shall be used for projects that serve a public purpose related to the provision of water and sewer service to local government or educational facilities.

(2) The sum of five hundred thousand dollars (\$500,000) for loans and grants to any local government located in a development tier one area meeting each of the following criteria:

- a. The application seeks funding for a project that is required to be completed due to an EPA administrative order.
- b. The application is deemed complete by the Division and meets the minimum requirements for the program from which it is seeking funding.

- **SECTION 14.28 – WATER AND SEWER FUNDS/FOREST CITY**

Of the funds appropriated in this act to the Department of Environment and Natural Resources for grants to local governments for critical needs water infrastructure development grants, the sum of seventeen thousand five hundred dollars (\$17,500) shall be allocated to the town of Forest City for a water line extension.

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Agenda Item C – Proposed Changes to Loan and Grant Priority Criteria

Division of Water Infrastructure Staff Report

Background

North Carolina General Statute G.S. 159G-71 contains the powers and the duties of the State Water Infrastructure Authority (SWIA) which includes the following:

- To establish priorities for making loans and grants

During the last week of July 2014, the NC Senate and House reached agreement on the 2014 budget bill, and while it has not been signed by the Governor yet, it is recommended that the State Water Infrastructure Authority begin the process on priority systems changes as mandated by the anticipated budget.

Section 14.16 of the budget bill contains a provision that affects the priority criteria for the Clean Water SRF (CWSRF), Drinking Water SRF (DWSRF), Community Development Block Grant-Infrastructure (CDBG-I), State Wastewater Reserve (SWWR) and State Drinking Water Reserve (SDWR) funding programs as follows: “The Department of Environment and Natural Resources, Division of Water Infrastructure, and the State Water Infrastructure Authority shall give priority to loan and grant applications received from any local government meeting all of the following criteria:

- (1) The local government is located in a development tier one area.
- (2) The application seeks funding for a project that is required to be completed due to an EPA administrative order.
- (3) The application is deemed complete by the Division and meets the minimum requirements for the program from which it is seeking funding.

This provides for priority points to be assigned if a local government located in a Tier 1 county applies for funding for a project that is required to be completed due to an EPA administrative order. The priority rating systems for the CWSRF and SWWR programs already contain priority points (5 points) for projects that address Special Orders by Consent (SOC), and the Division proposes to assign the same number of priority points for the new EPA administrative order item in the CWSRF, SWWR, DWSRF, and SDWR programs as for the SOC (5 points). The priority rating system for the CDBG-I program already contains priority points (25 points) for projects that address SOC, and the Division proposes to assign the same number of priority points for the new EPA administrative order item as for the SOC (25 points). In accordance with this provision, the Division has prepared draft modifications to the priority criteria for each of the five programs.

The draft modifications must first be publicly noticed for a period of 30-days before the Authority can consider approving the modifications. In order to begin the public notice period, the Authority must first provide approval for the Division to provide the public notice of proposed changes and receive public comment. The draft modifications to each program’s priority rating systems are summarized below and highlighted in yellow in the attached documents.

1. **CWSRF Priority Rating System Change** - The Division proposes adding new line item No. 14 to the CWSRF Priority Rating System and including 5 points for the line item.

2. **DWSRF Priority Rating System Change** - The Division proposes adding new line item No. 17 to the DWSRF Priority Rating System and including 5 points for the line item.
3. **CDBG-I Priority Rating System Scorecard Change** - The Division proposes revising line item No. 4 of the CDBG-I Priority Rating Scorecard (on page 3) and including 25 points for the line item.
4. **State Wastewater Reserve Priority Rating System Change** - The Division proposes adding new line item No. 11 to the SWWR Priority Rating System and including 5 points for the line item.
5. **State Drinking Water Reserve Priority Rating System Change** - The Division proposes adding new line item No. 22 to the SDWR Priority Rating System and including 5 points for the line item.

Staff Recommendation

Staff recommends that the Authority provide approval for the Division of Water Infrastructure to provide the public notice of the proposed priority criteria changes to the CWSRF, DWSRF, CDBG-I, the State Wastewater Reserve, and the State Drinking Water Reserve funding programs as listed above.

If approved by the Authority, the Division plans to begin the required 30-day public notice period on August 11 and end the public notice period on September 10, 2014. At the September 18, 2014 Authority meeting, staff will provide the Authority with a summary of public comments received and request the Authority's approval of the criteria changes to be applied to the fall 2014 funding application round.

CWSRF Integrated Priority Rating System – For All CWSRF Projects

Line Item #	Category I – Project Type <i>(Points are given for only one type of project per funding application)</i>	Points	Points Claimed
1	Type 1 – WWTP: NEW CONSTRUCTION OR EXPANSION OF EXISTING WWTP	5	
1.1	Replaces WWTP infrastructure that is greater than 20 years old as of date of application	5	
1.2	If the WWTP is a major facility (greater than 1.0 MGD) AND in a Tier 3 county: 1. Does the applicant have a reclaimed water system that is actively distributing more than 100,000 gpd? YES NO (Circle One) 2. Will the project include reclaimed water that will use 100,000 gpd (must have commitment letters from users)? YES NO (Circle One) Subtract 2 points if answered “no” to both questions.	-2	
1.3	If answered “no” to both questions in Line Item 1.1 then: 1. Is the WWTP approved for reclaimed water distribution? YES NO 2. Will the project include meeting reclaimed water standards? YES NO Subtract 2 points if answered “no” to both questions.	-2	
2	Type 2 – WWTP INFRASTRUCTURE REPLACEMENT/REHABILITATION that <u>does not</u> increase service area and/or WWTP capacity	15	
2.1	Replaces WWTP infrastructure that is greater than 20 years old as of date of application	5	
2.2	<u>Primary purpose</u> of the project is to achieve at least 20% reduction in energy use	5	
3	Type 3 – NEW SEWER LINE EXTENSION that serves areas with failing systems, single-family residence discharges or single-family residence spray / drip irrigation systems	20	
4	Type 4 – CAPACITY INCREASE: EXPANSION OF EXISTING SEWER INFRASTRUCTURE	5	
4.1	Replaces sewer lines that are greater than 40 years old or pump stations that are greater than 20 years old as of date of application	5	
5	Type 5 – NO CAPACITY INCREASE: EXISTING SEWER INFRASTRUCTURE REPLACEMENT/REHABILITATION (pump station/ force main/gravity sewer)	20	
5.1	Replaces sewer lines that are greater than 40 years old or pump stations that are greater than 20 years old as of date of application	5	
5.2	Addresses infiltration/inflow (I/I) for a sewershed based on a SSES	3	
5.3	<u>Primary purpose</u> of the project is to achieve at least 20% reduction in energy use	5	
6	Type 6 – STREAM/WETLAND/BUFFER RESTORATION	15	
6.1	Restoration project that includes restoration of a first order stream and includes stormwater infiltration BMPs	12	
6.2	Restoration project that includes restoration and / or protection of riparian buffers to at least 30 feet on both sides of the stream	3	
7	Type 7 – STORMWATER BMPs that treat existing sources of pollution	20	
7.1	Project that includes BMPs or BMPs in series that achieve at least 35% nutrient reduction (both TN and TP) and 85% TSS reduction	10	

8	Type 8 – RECLAIMED WATER project	15	
9	Type 9 – RAINWATER HARVESTING / UTILIZATION project	10	
	Subtotal for Category I – Project Type: (max of 30)		
	Category II – Environmental Benefits		
		Points	Points Claimed
10	Implementation of a basinwide water quality plan recommendation or strategy	25	
11	Project <u>directly benefits</u> subwatersheds that are impaired as noted on the most recent version of the Integrated Report	10	
12	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)	5	
13	Correct documented violations of groundwater standards for a permitted system (e.g., nondischarge facility, subsurface system, etc.)	25	
	Subtotal for Category II – Environmental Benefits: (max of 35)		
	Category III – System Management		
		Points	Points Claimed
14	Project directly addresses an EPA administrative order for a local government applicant located in a Tier 1 county	5	
15	Project directly addresses a SOC that is pending or being negotiated by including repair and rehabilitation as part of the expansion/construction project	5	
16	Project directly addresses an existing SOC by including repair and rehabilitation as part of the expansion/construction project	2	
17	Applicant has implemented an Asset Management Plan as of the date of application	5	
18	Operating Ratio is greater than or equal to 1.00	5	
19	Project will include regionalized system management of entire service area or applicant has already implemented regionalized system management	5	
	Subtotal for Category III – System Management: (max of 20)		
	Category IV – Financial Situation		
		Points	Points Claimed
20	Poverty rate (%) of the service area divided by 4		
21	Monthly sewer (based on 5,000 gal) or stormwater bill for residential customers / (median household income / 12) x 500		
	Subtotal for Category IV – Financial Situation: (max of 20)		
	Total of Points for All Categories:		

A project receiving points in the gray-shaded boxes (Line Items 2.2, and 5.3 through 9) is considered a Green Project and may be funded with a 0% interest CWSRF loan

DWSRF Priority Rating System

Line Item #	Category I – Project Type <i>(An application earns points for only one Major Project Type but can earn both 2 and 2.1)</i>	Points	Points Claimed
1	DW Type 1 – Consolidation: Application eliminates, by consolidation or dissolution, a failing public water system	65	
2	DW Type 2 – Rehabilitation and Replacement: project replaces, repairs or rehabilitates drinking water infrastructure other than meters with no increase in capacity	15	
2.1	Project replaces, repairs or rehabilitates tanks or waterlines that are greater than 40 years old as of date of application OR Project replaces, repairs or rehabilitates treatment or pumping unit that are greater than 20 years old as of date of application	7	
3	DW Type 3 – New or Expanded:		
3.1	Project expands source and/or treatment to meet current need	5	
3.2	Project provides water service in an area annexed by a municipality to serve low income residents	1	
3.3	Project provides new waterlines, storage or pumping	1	
4	DW Type 4 – Other: Any other eligible project	1	
Subtotal for Category I – Project Type:			

Line Item #	Category II – Public Health Benefits	Points	Points Claimed
5	Compliance - Choose only one of the following:		
5a	Project is needed to address a promulgated but not yet effective regulation or a high potential of violation of existing regulations	25	
5b	Project is needed to address a Notice of Violation	20	
6	Treatment - Choose only one of the following:		
6a	Project replaces or provides new treatment to a contaminated or failing source for a public water supply system	35	
6b	Project improves the quality of treated water without increasing its quantity	15	
7	Project creates a new permanent routine-use interconnection between systems not previously interconnected	15	
8	Project creates a new emergency interconnection between systems not previously interconnected	5	
9	Project creates an additional or larger interconnection between two systems already interconnected	3	
10	Projects addresses documented pressure problems	3	

11	Project extends waterlines to an area with documented contamination of an unregulated water supply such as private wells	20	
Subtotal for Category II – Public Health Benefits: (max of 40)			

Category III – System Management		Points	Points Claimed
12	Applicant has a DWR-approved Wellhead Protection Plan	5	
13	Applicant has a DWR-approved Source Water Protection Plan	5	
14	Project will include regionalized system management of entire service area or applicant has already implemented regionalized system management	5	
15	Water loss reduction program, which includes water audits, comprehensive metering, and hidden leak detection	3	
16	Applicant has a water conservation incentive rate structure	3	
17	Project directly addresses an EPA administrative order for a local government applicant located in a Tier 1 county	5	
Subtotal for Category III – System Management: (max of 15)			

Category IV – Financial Situation		Points	Points Claimed
18	Poverty rate (%) of the service area divided by 4		
19	Monthly water-only bill (based on 5,000 gal) for residential customers x 12 x 500 / annual median household income		
Subtotal for Category IV – Financial Situation: (max of 40)			

Category V – Redundancy		Points	Points Claimed
20	Projects that provide redundancy to critical treatment or delivery functions, such as interconnection, but excluding projects that provide emergency backup electrical power source.	3	
21	Projects that provide emergency backup electrical power source.	3	
Subtotal for Category V – Redundancy: (max of 5)			

Total of Points for All Categories:			
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NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
Economic Need		
<p>LMI Level above Threshold of 51 %. Percent of low-to-moderate income (LMI) population served by the project that exceeds the 51% LMI threshold. The HUD LMI determination should be based on American Community Survey data found at https://www.onecpd.info/manage-a-program/acs-low-mod-summary-data-local-government/ or at https://www.onecpd.info/manage-a-program/acs-low-mod-summary-data-block-groups-places. The income levels may also be determined by surveys, using the Benefit Tabulation/Summary Example and Income Survey Questionnaire at http://portal.ncdenr.org/web/wi/cdbg. Provide a detailed map demarking the project service area and showing LMI census block data and/or households surveyed.</p>		
1. Low-moderate income level is 91.0 to 100.0 percent Low-moderate income level is 81.0 to 90.9 percent Low-moderate income level is 71.0 to 80.9 percent Low-moderate income level is 61.0 to 70.9 percent Low-moderate income level is 51.0 to 60.9 percent	25 20 15 10 5	
Census data: County Code: _____ census tract: _____ Block Group Numbers: _____; _____; _____ (add additional rows if project contains more subareas)		
Source:	Census <input type="checkbox"/>	Survey <input type="checkbox"/>
LMI Percentage:		Click here to enter text.
Number of Families to be Served:		
Attach documentation in Tab 4		

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
<p>Poverty Level: Poverty rate of the county or municipality where project is located, per the data listed under additional forms and guidance at http://portal.ncdenr.org/web/wi/cleanwater/applications.</p>		
2. Poverty level > 35 percent Poverty level >30 to 35 percent Poverty level >25 to 30 percent Poverty level >20 to 25 percent Poverty level >15 to 20 percent	25 20 15 10 5	
Poverty Level: <input type="text" value="Click here to enter text."/>		
<p>Water and Sewer Bill as a Percentage of Median Household Income: Amount of current combined water and sewer bill for 5,000 gallons/month residential use, relative to the applicant's median household income (MHI). If only one utility is available in the applicant's service area, then use the Single Utility Bill column. Refer to data listed under High Unit Cost Rates at http://portal.ncdenr.org/web/wi/cleanwater/applications</p> <p style="text-align: center;"><u>CHOOSE 3A OR 3B (NOT BOTH)</u></p>		
3A. Combined water and sewer bill as a percentage of MHI > 3% Combined water and sewer bill as a percentage of MHI >2.5 to 3% Combined water and sewer bill as a percentage of MHI >2 to 2.5% Combined water and sewer bill as a percentage of MHI >1.5 to 2% Combined water and sewer bill as a percentage of MHI ≤ 1.5%	25 20 15 10 5	
3B. Single utility bill as a percentage of MHI > 1.5% Single utility bill as a percentage of MHI > 1.25 to 1.5% Single utility bill as a percentage of MHI > 1.0 to 1.25 % Single utility bill as a percentage of MHI > 0.75 to 1.0 % Single utility bill as a percentage of MHI ≤ 0.75 %	25 20 15 10 5	
Water & Sewer Bill (\$/5,000 gal.): <input type="text" value="Click here to enter text."/>	Monthly MHI: <input type="text" value="Click here to enter text."/>	
Water & Sewer Bill as Percentage of MHI: <input type="text" value="Click here to enter text."/>		
<p>Attached <u>certified</u> rates in Tab 4</p>		

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
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SEVERITY OF NEED

Applicants may receive both regulatory relief severity of need points as well as water or wastewater severity of need points. All severity of need points must pertain to the specific project for which the applicant is requesting funding. Choose one project description that best describes your project. Applicants may receive points for a water project, or a sewer project, but not both, so these must be submitted separately as two projects.

Severity of Need – Regulatory Relief: (choose one, if applicable)

4.	<p>The applicant’s publicly owned water or sewer system is under a special order by consent, and the project will assist in mitigating the cause of the special order by consent.</p> <p style="background-color: yellow;">Project directly addresses an EPA administrative order for a local government applicant located in a Tier 1 county.</p> <p>The applicant’s publicly owned water or sewer system has received more than one notice of violation in the past two years, and the project will assist in mitigating the cause of the notice of violation.</p> <p>The applicant’s publicly owned water or sewer system is under administrative order and the project will assist in mitigating the cause of the administrative order.</p>	25	
		25	
		20	
		10	

Yes <input type="checkbox"/>	No <input type="checkbox"/>	
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If yes, number of household effected _____. Copies of the letters noting the violations must be submitted to document the type of problem that the project will address in order to claim points. **Attach documentation in Tab 5**

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
SEVERITY OF NEED - WATER SYSTEMS		
<p>A project may contain both water treatment plant work and distribution line work. Choose the highest scoring component of your project, and any associated work can be included in the project. For instance if the project is doing both line work due to a greater than 20 percent water loss, and work is proposed for the water treatment plant due to high THMs, choose the contaminated drinking water points. Both components will be covered in the grant. Choose one of the options below:</p>		
Severity of Need – Water Distribution Systems:		
Water Loss: The water system has water loss in the project area and has submitted documentation to demonstrate the loss, and the project will assist in mitigating that loss. CHOOSE ONE:		
5. System experiences water loss.	50	
a. Water loss is >30 percent	40	
b. Water loss is >20 percent	30	
c. Water loss between 10 to 20 percent	20	
d. There is no documentation of water loss, but there are work orders documenting line breaks in the project area within the past two years indicating the need for rehabilitation or replacement.		
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, give percentage of water loss _____ and attach documentation in Tab 5		
Contaminated Drinking Water:		
6. The water system has high levels of haloacetic acids/trihalomethanes (HAAs/THMs) concentrating in the project area, or the project area has wells with organic or inorganic contaminants, or the project area has wells with mineral content above the recommended levels so as to render the water nonpotable, and has submitted documentation to demonstrate the contamination levels, (letters from DENR or letters from the Public Health Department, <u>and</u> analytical data) and the project will assist in mitigating the contamination.		50
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of wells affected _____, percentage of total households with contamination to be served _____ and attach documentation in Tab 5		

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
Dry Wells:		
7. Project is located in an area where dry wells occur, and the applicant can document the dry wells and the project will replace the dry wells with public water service.	40	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of wells affected _____, percentage of total households with dry wells to be served _____ and attach documentation in Tab 5		
Low Pressures:		
8. Project is located in an area where the water system has low pressures at fire flow, and documentation has been submitted to demonstrate the low pressures at fire flow, and the project will rehabilitate water lines and/or pumps/pumping stations to mitigate the low pressures at fire flow. Documentation should use the guidance found at: http://www.ncwater.org/files/pws/srf/factsheets/Factsheet_Pressure_Points.pdf	15	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		
Regionalization:		
9. Project will regionalize the water system serving the project area by providing an interconnection between systems, by taking a water plant off-line (if two plants are involved) AND by regionalizing the management of the system?	35	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____.		

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
Drinking Water Supply Shortage:		
10. Project will extend water lines to interconnect with another water provider, or extend the intake in a surface water source, or install public wells to provide for a new water source for areas experiencing a water shortage as documented by the Division of Water Resources, excluding projects that provide an interconnecting secondary water supply only.	5	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		
Secondary Water Supply:		
11. Project extends water lines to interconnect with two public water supplies for the purpose of having a secondary water supply as required by regulation	5	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		
Severity of Need – Water Treatment Plant: (choose one)		
Water Treatment Plant Rehabilitation:		
12. The project will rehabilitate the existing water treatment plant serving the project area, to serve existing customer base (no upsizing for future growth)		
a. Plant is older than 30 years	25	
b. Plant is older than 20 years	15	
c. Plant improvements needed to comply in the future with recently promulgated regulations	10	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		
New Water Plant:		
13. Project will construct a new plant serving the project area, where no public water service is available, and wells are contaminated or dry.	25	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
Severity of Need – Wastewater Collection Systems:		
<p>A project may contain both collection system work and wastewater treatment work. Choose the highest scoring component of your project, and any associated work can be included in the project. For instance if the project is doing both line work due to the lines being older than 40 years old, and work is proposed for the wastewater treatment plant due to the plant being older than 20 years old, choose the wastewater collection system rehabilitation points. Both components will be covered in the grant. Choose one of the options below:</p>		
Severity of Need – Wastewater Collection Systems:		
Wastewater Collection System Rehabilitation:		
14. Rehabilitation or replacement of lines, pumps, pump station and/or manholes		
a. Documentation that lines are greater than 40 years old and pumps are greater than 20 years old	25	
b. Work orders for repair of leaking pipes and overflows document collection system problems (within the last two years)	10	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		
Failing Septic Systems:		
15. Failing Septic Systems - The project will extend public sewer service to a project area with failing septic systems and/or pit privies or black water straight piping, and documentation by a licensed soil scientist, registered sanitarian and/or health department representative is provided showing the failing systems within the last two years.		
a. More than 20 percent of septic systems in the project area are failing, or have black water straight-piping and/ or pit privies in more than 20 percent of residences in the project area.	50	
b. Between ten and 20 percent of septic systems in the project area are failing, or black water straight-piping and/or pit privies are in ten to 20 percent of residences in the project area.	40	
c. Less than ten percent of septic systems in the project area are failing, or black water straight-piping and/or pit privies are less than ten percent of residences in the project area.	30	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
If yes, number of failing septic systems affected _____, percentage of total households to be served _____ and attach documentation in Tab 5		
Severity of Need – Wastewater Treatment Systems:		
Wastewater Treatment Plant Rehabilitation:		
16. The project will rehabilitate a wastewater treatment plant to allow for greater efficiency, effectiveness and/or compliance to serve the project area’s existing customer base		
a. Plant is older than 30 years	25	
b. Plant is older than 20 years	15	
c. For future compliance with recently promulgated regulations	10	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		
Regionalization:		
17. The project will regionalize a system serving the project area, removing an existing wastewater treatment plant from service, AND regionalize the management of the system.	40	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		
New Wastewater Treatment Plant:		
18. The project will construct a new plant serving the project area, where no public sewer service is available, and septic tanks are failing, or pit privies are used.	15	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, number of households affected _____, Attach documentation in Tab 5		

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
System Management:		
Operating Ratio:		
19. The system serving the project area has an operating ratio greater than one with no transfers from the General Fund or Interest Income in accordance with guidance found at http://portal.ncdenr.org/web/wi/cdbg .	5	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Attach documentation of the ratio calculation in Tab 6		
Planning Documents: (choose one)		
20. The system serving the project area has a current, at least five-year span Capital Improvements Plan (updated within the past two years), and the proposed project is included in the plan.	2	
The system serving the project area has an Asset Management Plan, that includes a Capital Improvement Plan, and the assets to be replaced or rehabilitated are noted in the plan as needing rehabilitation or replacement. The Asset Management Plan guidance document is found under additional forms and guidance at http://portal.ncdenr.org/web/wi/cleanwater/applications .	4	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, attach document in Tab 6		
Regionalization:		
21. The system serving the project area has regionalized management, and documentation is provided showing the regionalization in accordance with guidance found at http://portal.ncdenr.org/web/wi/cdbg and/or the project will result in the regionalization of the system.	2	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes. attach documentation of regionalization in Tab 6		

NCDENR CDBG-I Priority Rating System Scorecard

Criteria	Max Points	Claimed Points
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Water Loss Prevention Program:		
22. The water system serving the project area has implemented a water loss prevention program and provides documentation of the program consistent with guidance found at http://portal.ncdenr.org/web/wi/cdbg .	4	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	
If yes, attach documentation of water loss prevention program in Tab 6		

TOTAL POINTS CLAIMED BY THE APPLICANT =	
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State Wastewater Reserve (SWWR) Priority Rating System

Line Item #	Category I – Project Type <i>(Points are given for only one type of project per funding application)</i>	Points	Points Claimed
1	Type 1 – WWTP: NEW CONSTRUCTION OR EXPANSION OF EXISTING WWTP	5	
1.1	Replaces WWTP infrastructure that is greater than 20 years old as of date of application	5	
2	Type 2 – WWTP INFRASTRUCTURE REPLACEMENT/REHABILITATION that <u>does not</u> increase service area and/or WWTP capacity	15	
2.1	Replaces WWTP infrastructure that is greater than 20 years old as of date of application	5	
3	Type 3 – NEW SEWER LINE EXTENSION that serves (a) areas with failing systems, (b) single-family residence discharges, (c) single-family residence spray / drip irrigation systems, or (d) an area annexed by a municipality in order to serve low income residents	20	
4	Type 4 – CAPACITY INCREASE: EXPANSION OF EXISTING SEWER INFRASTRUCTURE	5	
4.1	Replaces sewer lines that are greater than 40 years old or pump stations that are greater than 20 years old as of date of application	5	
5	Type 5 – NO CAPACITY INCREASE: EXISTING SEWER INFRASTRUCTURE REPLACEMENT/REHABILITATION (pump station/ force main/gravity sewer)	20	
5.1	Replaces sewer lines that are greater than 40 years old or pump stations that are greater than 20 years old as of date of application	5	
5.2	Addresses infiltration/inflow (I/I) for a sewershed based on a SSES	3	
Subtotal for Category I – Project Type:			
Category II – Environmental Benefits		Points	Points Claimed
6	Implementation of a basinwide water quality plan recommendation or strategy	25	
7	Project <u>directly benefits</u> subwatersheds that are impaired as noted on the most recent version of the Integrated Report	10	
8	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)	5	
9	Correct documented violations of groundwater standards for a permitted system (e.g., nondischarge facility, subsurface system, etc.)	25	
10	Project implements a recommendation of a Coastal Habitat Protection Plan	1	
Subtotal for Category II – Environmental Benefits:			

Category III – System Management		Points	Points Claimed
11	Project directly addresses an EPA administrative order for a local government applicant located in a Tier 1 county	5	
12	Project directly addresses a SOC that is pending or being negotiated by including repair and rehabilitation as part of the expansion/construction project	5	
13	Project directly addresses an existing SOC by including repair and rehabilitation as part of the expansion/construction project	2	
14	Project enables a moratorium to be lifted	2	
15	Project implements the Applicant's 10-year Capital Improvement Plan (CIP)	2	
16	Applicant has more than 1,000 service connections and has <u>not</u> developed or is <u>not</u> implementing an Asset Management Plan as of the date of application	-5	
17	Operating Ratio: a. Operating Ratio is greater than or equal to 1.00 b. Operating Ratio is less than 1.00 and unit cost is greater than 2.5%	5	
		5	
18	Project will include regionalized system management of entire service area or applicant has already implemented regionalized system management	5	
19	Project is located in a city or county that has: a. Adopted a comprehensive water quality-based land-use plan that exceeds the minimum State standards for a water resource b. Adopted a comprehensive water quality-based land-use plan that meets State standards c. Taken significant steps toward adopting a water quality-based land-use plan	3	
		2	
		1	
20	Project is located in a city or county that has: a. Adopted a flood hazard prevention ordinance that exceeds minimum State standards b. Adopted a flood hazard prevention ordinance that meets minimum State standards	2	
		1	
Subtotal for Category III – System Management:			
Category IV – Financial Situation		Points	Points Claimed
21	Poverty rate (%) of the service area divided by 2		
22	Monthly water and sewer bill (based on 5,000 gal) for residential customers x 12 x 500 / annual median household income		
Subtotal for Category IV – Financial Situation:			
Total of Points for All Categories:			

State Drinking Water Reserve (SDWR) Priority Rating System

Line Item #	Category I – Project Type <i>(Points are given for only one type of project per funding application)</i>	Points	Points Claimed
1	DW Type 1 – Consolidation: Application eliminates, by consolidation or dissolution, a failing public water system	65	
2	DW Type 2 – Rehabilitation and Replacement: project replaces, repairs or rehabilitates drinking water infrastructure other than meters with no increase in capacity	15	
2.1	Project rehabilitates tanks or waterlines that are greater than 40 years old as of date of application; OR Project rehabilitates treatment or pumping unit that are greater than 20 years old as of date of application	7	
3	DW Type 3 – New or Expanded:		
3.1	Project expands source and/or treatment to meet current need	5	
3.2	Project provides water service in an area annexed by a municipality to serve low income residents	1	
3.3	Project provides new waterlines, storage or pumping	1	
4	DW Type 4 – Other: Any other eligible project	1	
	Subtotal for Category I – Project Type:		

Line Item #	Category II – Public Health Benefits	Points	Points Claimed
5	Project is needed to address a promulgated but not yet effective regulation or is needed to address a high potential of violation of existing regulations	25	
6	Project replaces a contaminated or failing source for a public water supply system	35	
7	Project creates a new permanent routine-use interconnection between systems not previously interconnected	15	
8	Project creates a new emergency interconnection between systems not previously interconnected	5	
9	Project creates an additional or larger interconnection between two systems already interconnected	3	
10	Projects addresses documented pressure problems	3	
11	Project extends waterlines to an area with documented contamination of an unregulated water supply such as private wells	20	
	Subtotal for Category II – Public Health Benefits: (max of 40)		

Line Item #	Category III – System Management	Points	Points Claimed
12	Applicant has a DWR-approved Wellhead Protection Plan	10	
13	Applicant has a DWR-approved Source Water Protection Plan	10	
14	Applicant has a water conservation incentive rate	3	
15	Project enables a moratorium to be lifted	2	
16	Project implements the Applicant's 10-year Capital Improvement Plan (CIP)	2	
17	Applicant has more than 1,000 service connections and has <u>not</u> developed or is <u>not</u> implementing an Asset Management Plan as of the date of application	-5	
18	Operating Ratio:		
	a. Operating Ratio is greater than or equal to 1.00	5	
	b. Operating Ratio is less than 1.00 and unit cost is greater than 2.5%	5	
19	Project will include regionalized system management of entire service area or applicant has already implemented regionalized system management	5	
20	Project is located in a city or county that has:		
	a. Adopted a comprehensive water quality-based land-use plan that exceeds the minimum State standards for a water resource	3	
	b. Adopted a comprehensive water quality-based land-use plan that meets State standards	2	
	c. Taken significant steps toward adopting a water quality-based land-use plan	1	
21	Project is located in a city or county that has:		
	a. Adopted a flood hazard prevention ordinance that exceeds minimum State standards	2	
	b. Adopted a flood hazard prevention ordinance that meets minimum State standards	1	
22	Project directly addresses an EPA administrative order for a local government applicant located in a Tier 1 county	5	
Subtotal for Category III – System Management: (max of 15)			

Line Item #	Category IV – Financial Situation	Points	Points Claimed
23	Poverty rate (%) of the service area divided by 2		
24	Monthly water and sewer bill (based on 5,000 gal) for residential customers x 12 x 500 / annual median household income		
Subtotal for Category IV – Financial Situation:			

Total of Points for All Categories:			
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