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Agenda

- Introductions
- Program overview
- Application package completion
- Priority Rating Systems for drinking water and wastewater construction projects
- Priority Rating System for stormwater planning grants
- Community Development Block Grant – Infrastructure (CDBG-I) programmatic specifics
- Viable Utility primer
- Funding Expectations primer
- So, what about emerging contaminants & lead service lines?
- Wrap-Up

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Training Handout Packet

- Agenda
- NCDEQ Division application packet
 - Application
 - Additional consideration guidance
 - Project Financial Information
 - Fund Transfer Certification Form
 - Project resolutions
 - LASII stormwater eligibility form
- Priority Rating Systems and guidance
 - Construction projects for drinking water and wastewater, including CDBG-I
 - LASII stormwater construction projects & planning grants
- 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>

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Program Overviews



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Funding Overview

- State Revolving Fund (SRF)
 - Loan and Principal Forgiveness
 - Construction projects
 - Bipartisan Infrastructure Law
- Community Development Block Grant – Infrastructure (CDBG-I)
 - Federal Grants from HUD with conditions
 - Construction Projects
- Local Assistance for Stormwater Infrastructure Improvements (LASII) – Planning grants only

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Approximate Funds Available for Spring 2023 Applications

Program	Funding Type and Limits	Potential Funds Available
Drinking Water State Revolving Fund	DW loans (with principal forgiveness), up to \$25 M	~\$75 million (incl. ~\$16 million in PF)
Clean Water State Revolving Fund	WW loans (with principal forgiveness), up to \$35 M	~\$100 million (incl. ~\$19 million in PF)
CDBG-I	DW & WW grants benefiting low-to-moderate income, up to \$3 M every 3 years	~\$19 million
LASII Stormwater Planning	Stormwater planning grants (<u>not</u> construction), up to \$400 K or \$500 K	~\$6.3 million

No funds are available for ARPA grants, Viable Utility Reserve, or LASII Stormwater Construction. Asset Inventory & Assessment grants and Merger/Regionalization Feasibility study grants will be available in the Fall 2023 funding round.

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State Revolving Fund (SRF)

- Clean Water State Revolving Fund (CWSRF)
- Drinking Water State Revolving Fund (DWSRF)
- Low-interest loan programs
 - Rate set at ½ market (20-Year Bond Index)
 - Current base interest rate is approximately 1.94% (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

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State Revolving Fund (SRF)

- Bipartisan Infrastructure Fund
- Funds appropriated for next 5 years
- Supplemental SRF funds
- Funds will be split between 2 annual funding cycles
- Some BIL Funds not yet Available
 - Lead Service Line Replacement (coming soon)
 - Emerging Contaminants (Likely available in Fall 2023)

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SRF & CDBG-I Funding Availability

- CWSRF – Approximately \$100 million available
 - Approximately \$19 million as principal forgiveness
- DWSRF – Approximately \$75 million available
 - Approximately \$16 million as principal forgiveness
- Loan Maximums
 - CWSRF – \$35 million per Applicant
 - DWSRF – \$25 million per Applicant
 - Can exceed if funds are available
- CDBG-Infrastructure
 - Approximately \$19 million available
 - \$3 million per applicant every 3 years



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CWSRF & DWSRF Targeted Funding

- Principal forgiveness (PF)
 - PF percentage based on affordability criteria
 - \$500,000 initial cap
 - Must receive priority points for Category 1 - Project Purpose
 - PF limits can be exceeded if funds are available
- Up to 100% PF (\$3M) for nonviable utility consolidation and failing drinking water and wastewater systems
- Targeted interest rates for PF-qualified applicants
 - 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

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LASII – Stormwater Planning Grants Available

- Research or investigative studies
- Alternatives analyses
- Preparation of engineering concept plans or engineering designs
- Similar activities to determine best solutions to stormwater quantity or quality issues and to engineer / permit solutions



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LASII – Stormwater Planning Grants / Funding Limits

- What's available
 - Approximately ~\$6.3 million available for planning grants
 - SWIA will award remaining planning grant funds at its July meeting
- Funding limits
 - \$400,000 per applicant per grant cycle
 - \$500,000 per grant per cycle IF two or more units of local government work together on the same project



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LASII – Stormwater Grants Eligibility

- Who is eligible to apply
 - Cities
 - Counties
 - Councils of government or non-profit entity partnering with City or County on LASII stormwater project
- Other eligibility requirements
 - Must document a stormwater quality or quantity issue
 - Must demonstrate significant hardship raising revenue to finance stormwater management activities



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Questions?




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*Application Package
Completion*



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Application Packet

- Division application
- Priority points sheet and narrative
 - Wastewater
 - Drinking water
 - CDBG-I
 - LASII stormwater planning grants
- Affordability Calculator
- Resolution and Form for Certification by Recording Officer
- Project Financial Information Form, if applicable
- Fund Transfer Certification Form, if applicable
- Rate sheets
- LASII stormwater eligibility form, if applicable



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Application Packages

- Construction project applications not funded in previous round (Fall 2022) considered in Spring 2023 (*Does not apply to CDBG-I*)
 - No additional information allowed
 - Application reconsidered as-is
 - Adding information? ⇨ Submit completely new application
- Each application viewed as stand-alone



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Final Check Tips

- All signatures present including electronic copies
- All forms present and complete
 - Application
 - Fund Transfer Certification
 - Rate sheet(s)
 - Resolution(s) as needed
 - LASII stormwater eligibility form (if applicable)
 - Affordability calculations
 - EJ map (if applicable)
- Narratives & score sheets & supporting documentation



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Division Application



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Division Application



North Carolina Department of Environmental Quality
 Division of Water Infrastructure
 Spring 2023 Application for Funding
 (Last updated: February 2023)





- Revised in Winter 2023
- This application must be used
- One application for all programs
- Best funding fit
- All sections completed
- Note: Application comes with instructions
- Read the instructions

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Sections 1 and 2


North Carolina Department of Environmental Quality
Division of Water Infrastructure
Application for Funding
(Last updated February 2022)


1. General Information

Applicant Name _____ County _____ Unique Entity Identifier (UEI) _____

Project Name _____ Federal Tax ID # _____ FWSID or NPDES # (if applicable) _____

Applicant Type Municipality Metropolitan Water/Sewerage District Funding Amount Requested _____

County Non-Profit Water Corporation _____

Water and Sewer District Investor-Owned Drinking Water Corporation _____ Total Project Cost _____

Water and Sewer Authority Council of Government _____

Sanitary District Other (Specify: _____)

Funding Type(s) Requested

Planning Project Stormwater Planning Grant (Local Assistance for Stormwater Infrastructure Investments) Drinking Water

Drinking Water or Wastewater Planning (not applicable) Wastewater

Asset Inventory and Assessment (AIA) CDBG Growth Project: stream restoration, stormwater SCM, reclaimed water

Merge/Regionalization Feasibility (SRF) Study CDBG-Infrastructure (CDBG-I)


CDBG-I only: LMI Determination Method: ACS Survey LMI Percentage: _____

Acceptance of Funding Offer (for Construction Projects only)
 This question will be used to identify the best funding fit. Funding from CDBG-I is available as grants, and principal forgiveness is available from the State Revolving Funds.
 • I will only accept a funding offer if a minimum of \$_____ is offered as a grant or principal forgiveness. I will accept the rest as loan. *Enter 50 if you are willing to accept a loan offer with no grant or principal forgiveness.*

2. Drinking Water and Wastewater System Parameters (Not applicable for stormwater planning projects)

Residential Sewer Connections		Residential Water Connections	
Non-Residential Sewer Connections	_____	Non-Residential Water Connections	_____
Monthly Sewer Bill per 5,000 gallons	_____	Monthly Water Bill per 5,000 gallons	_____

Year	Percentage of Utility Bills Collected and Rate Increase Percentages	
	Percentage of Utility Bills Collected	Rate Increase Percentage
_____	_____	_____
_____	_____	_____
_____	_____	_____



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Division Application – Sections 1 & 2 – Tips

- Section 1
 - Funding amount requested***
 - Total project cost
 - Funding Type Requested***
 - Minimal amount of grant/principal forgiveness needed
 - CDBG-I: Low-to-moderate income information***
 - Determination method
 - Percentage
- Section 2
 - Water/sewer connections (residential & non-residential)
 - Water/sewer bills



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Sections 3-5 – Contact Information

3. Applicant Contact Information (See instructions regarding the Authorized Representative.)	
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"/>
Email 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"/>
Email 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 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"/>
Email Address:	<input type="text"/>



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Sections 6-7 – Project Description & Additional Information

6. Project Description (see instructions)	
<div style="border: 1px solid black; min-height: 80px;"></div>	
Estimated number of new connections served by Drinking Water or Wastewater construction projects: <input type="text"/>	
For Drinking Water and Wastewater Construction, CWSRF Green Projects, and CDBG-I projects:	
<input type="checkbox"/> The proposed project is a result of an Asset Inventory and Assessment grant previously awarded by the Division.	
<input type="checkbox"/> The proposed project is a result of a Merge / Regionalization Feasibility Study grant previously awarded by the Division.	
<input type="checkbox"/> None of the above.	
7. Additional Information for Consideration	
<div style="border: 1px solid black; min-height: 80px;"></div>	



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Division Application – Sections 3, 4, 5, 6 & 7 – Tips

- **Section 3 – Authorized Representative*****
 - Top elected official
 - Top administrative official (e.g., Town Manager)
 - Person listed as Authorized Representative in Resolution
 - Utility Director
 - Finance Officer
 - Council Member
- **Section 6 – Project Description**
 - Broad level of detail reflects major items in budget
 - If adding connections, number of connections
 - See Instructions for more detail
 - Check if project is result of AIA/MRF
- **Section 7 – Additional Information – Complete if needed**

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Sections 8a and 8b – Project Budgets

8a. Project Budget for All Construction Projects. Do not use for Stormwater Planning Grant (LASH).

1. Drinking Water/Wastewater: Costs for portions of the project that will fulfill the requirements related to rehabilitating or replacing waterlines, old infrastructure, lead service lines (DW/WW Priority Rating System Line Items 1.C.1 or 1.D.1, 2.B.2) must be labeled and shown separately to successfully claim points

2. All: Costs for portions of the project that will benefit disadvantaged areas (DW/WW Priority Rating System Line Items 1.E or 4.D) must be labeled and shown separately to successfully claim points

3. Add additional lines as needed.

Indicate construction costs by line item (e.g., linear feet of different-sized lines, each type of stormwater control measure, each stream restoration reach). Include a more detailed construction cost budget if needed.	Division Funding Requested	Other Secured Funding Source(s)	Total Cost Amount
Construction Costs			
Contingency (10% of construction costs):			
Construction Subtotal:			
Engineering Costs			
Engineering Design			
Permitting			
Land Surveying Costs			
Other:			
Engineering Subtotal:			
Administration Costs			
Planning (pre-construction costs)			
Assessment/Land Acquisition Costs			
Engineering Report Preparation			
Environmental Documentation Preparation (if applicable)			
Legal Costs			
Project Funding Administration (if applicable)			
Other:			
Administration Subtotal:			
TOTAL FUNDING REQUESTED AND PROJECT COST:			

A Professional Engineer seal, signature, and date for the estimate must be provided in the space to the right for the application to be considered complete. (Note: If not using DocuSign to seal and sign the budget, put the seal/signature on the Word document or use a wet seal/signature with a scan of the wet seal/signature.)

8b. Project Budget for Stormwater Planning Grant (LASH). Do not use for any other project type.

- 1. If the applicant is claiming points for Stormwater Planning Study Priority Rating System Line Item 3.C, the costs for portions of the project that will benefit disadvantaged areas must be labeled and shown separately to successfully claim points
- 2. Add additional lines as needed.

	Division Funding Requested
TOTAL DIVISION FUNDING REQUESTED:	



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Sections 8a & 8b – Tips

- Budget funding requested must match funding requested in Section 1
- Section 8a – DW/WW construction budget
 - If claiming Line Items 1.C.1, 1.D.1, 1.E, or 4.D (construction), add lines as described in table instructions
 - Affix PE seal, signature, and date***
- Section 8b – LASII stormwater planning budget – If claiming Line Item 3.C points, add lines as described in table instructions



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Certifications & Completeness– Tips

- Certifications
 - Authorized Representative must initial each certification***
 - Not applicable? N/A
- Completeness Checklist – Initialed by Authorized Representative or Preparer



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Signature – Tips

- Must be signed by Authorized Representative
 - Top elected official
 - Top administrative official
 - Person listed in Resolution as Authorized Representative
 - Caveat: For CDBG-I, the person listed as the Authorized Representative in the resolution must sign application
- Original signature***
 - Wet signature required for CDBG-I Hardcopy
 - Electronic signature okay for other programs



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Additional Forms




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Financial Information Form



North Carolina Department of Environmental Quality
Division of Water Infrastructure
Water & Sewer Financial Information Form
(Revised February 2022)



Complete the following information related to your system's Enterprise Fund. If your Enterprise Funds are separate for water and wastewater, please supply sheets for the appropriate fund.

1. Supply the required information below:

Combined System Water System Wastewater System

Unit Name: _____
Fund Name: _____

2. Provide the following information for the past three fiscal years for which an audit has been completed and submitted to the Local Government Commission.

	Fiscal Years		
	2020	2021	2022
Operating Revenues			
Customer Charges			
Other			
Connection Fees			
Other Revenue			
Total Operating Revenues			
Expenditures			
Administration			
Salaries			
Other			
Operations			
Salaries			
Other			
Total Expenditures			
Other (do not include depreciation)			
Debt principal			
Interest			
Capital outlay			
Capital reserve			
Transfer from (to) other funds			
Other (list):			
Total Other			
Net Income (Loss)			

(OVER)

SIGNATURE OF FINANCE OFFICER

TYPED NAME

DATE

TYPED TITLE

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Fund Transfer Certification Form



North Carolina Department of Environmental Quality
Division of Water Infrastructure
Fund Transfer Certification
(Not needed for SDBE1 or LASH stormwater projects)
(Revised February 2022)



§ 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. Note: A payment in lieu of taxes (PILOT) is not a disqualifying transfer so long as the PILOT reimburses these specific expenses. All other PILOTS are considered transfers.

Complete this form and have your Authorized Representative sign it. **You must check a box; otherwise, the application will be considered incomplete and not eligible for consideration for funding.**

Applicant's Certification:

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

not been transferred from the water and/or sewer enterprise fund to the general fund, **OR**

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**

been transferred from the water / sewer enterprise fund to the general fund via PILOT. Revenues from PILOT were used only for water / sewer utility operations.

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 to the Local Government Commission since July 1, 2014.

SIGNATURE OF AUTHORIZED REPRESENTATIVE OR FINANCIAL OFFICER

TYPED NAME

DATE

TYPED TITLE



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Other Forms – Tips

- Financial Information Form
 - Finance Officer or Authorized Representative signs
 - 3 years of information from most recently accepted, approved audits
 - Absolute values in expenditures
 - Remember transfers
 - Do not modify form
- Fund Transfer Certification
 - Finance Officer or Authorized Representative signs***
 - Go back to FY 2014
 - 1 of 3 checkboxes must be checked***
 - Payment in lieu of taxes (PILOT) are not automatically considered reasonably allocable to operation of the utility
- Rate sheets – Include

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Resolutions – Tips

- Recommend using supplied template
- Due at time of application
- 1st Whereas clause
 - List project ***
 - If submitting multiple projects, can list all projects
- Authorized Representative
 - CDBG-I: Name the Authorized Representative regardless***
 - Other programs: Name Authorized Representative if not top elected or top administrative official.
 - ALWAYS name title of Authorized Representative
- Form for Certification by the Recording Officer – Must include***
 - Use the template
 - Date
 - Recording officer title & signature



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Stormwater Planning Grants – Tips

- Eligibility Form***
 - Complete all questions (N/A where appropriate)***
 - Signed by Authorized Representative***
- Narratives**
 - General narrative
 - Planning narrative



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Application Submittal – Electronic (New Link)

- Electronic submittals only accepted
 - Website:
<https://edocs.deq.nc.gov/Forms/Spring2023DWIFunding>
 - File size limit: 250 MB
 - Documents uploaded individually
- **Reminder:** In addition to electronic submission, CDBG-I requires one hardcopy due by deadline



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Tab 1 – General Information

DWI Application for Funding

1. General Information | 2. Application File Uploads | Help Info and Submit

Application Cycle: Spring 2023

Low-interest loans and grants are available for drinking water and wastewater construction projects, and for stormwater planning projects. Complete your application form and required documentation using the [Division's forms application page](#) and then use this online submission page to upload your application and all documents. This portal does not substitute for filling out the Application for Funding form, which you are required to do and upload on the next tab. Applications are due **May 1, 2023** by 5:00pm.

Part A.
General Information

Applicant Name*

(Please choose Other if name is not in list.)

County*

Project Name*

Is this a new application or are you replacing a recently submitted application that needs to be corrected?*

New Replaces a previous submittal

Funding Type*

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Tab 1 – General Information

Funding Amount Requested* \$

Minimal \$ for grant or principal forgiveness* \$

Total Project Cost* \$

Is there "Additional Information for Consideration" in Section 7 of the Application for Funding form?
 Yes No

Name of Authorized Representative*

Title of Authorized Representative*

Email of Authorized Representative*

Mailing Address of Authorized Representative*

Street Address

Address Line 2

City State / Province / Region

Postal / Zip Code Country

Organization of Preparer*

Name of Application Preparer*

Email of Application Preparer*

Is the engineer the same as the application preparer? Yes No

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Tab 2 – Application File Uploads

DWI Application for Funding

1. General Information | **2. Application File Uploads** | Help Info and Submit

The application forms, instructions, guidance documents, and supporting documents are all on the Division of Water Infrastructure's applications webpage. You must download and complete all of the relevant forms following the instructions. Once complete, upload each of the forms in the appropriate section below, **including the Application for Funding form**. If an upload is required below but does not apply to your application, upload a single page PDF with a statement that the form is not applicable. **Note: Each upload section below with an asterisk (*) must contain an individual file (e.g. for Completed Application for Funding form). Upload one file per section.** Do not submit the same file in all of the sections below, separate your files as organized by their sections. Make sure your documents are final before uploading. You may delete a file after it is uploaded by clicking on the X next to the filename. **Once you submit an application on the next tab, you cannot edit your application or files. If you need to make a correction after you submit an application, submit a new application and contact the Division. Uploading files may take a few minutes. Files must be smaller than 250 MB in size.**

Completed Application for Funding form *

Upload
PDF only

Project Resolution by Governing Body *

Upload
PDF only

Comprehensive Narratives to claim points in the Priority Rating System (all in one file only)*

Upload
PDF only

Documentation to support the Comprehensive Narratives *

Upload
PDF only

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Tab 3 – Help Info and Submit

DWI Application for Funding

1. General Information | 2. Application File Uploads | **Help Info and Submit**

Need to call someone? Contact the Division of Water Infrastructure at 919-707-9160.


Application Forms and Additional Resources

Also includes the guidance for providing an application narrative, the Affordability Calculator and other forms, and training on completing funding applications.

Unique Entity ID (UEI) number look
DEQ's Community Mapping System

Click **Submit** below when ready, or click **Save as Draft** if you want to return and complete the application later (it will not be considered complete until you click on **Submit**). Once you submit an application, you cannot edit your application or files. If you need to make a correction after you submit an application, submit a new application and contact the Division.

Previous Next

I'm not a robot 

Submit Save as Draft

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Questions?



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Wastewater and Drinking Water Projects



Project Priority Systems

Wastewater

Drinking Water

CDBG-I



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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
- Include scoresheet along with narrative and supporting documentation
- “Roll-downs” can happen in some situations
- Ask questions if unsure



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DW / WW / CDBG-I Priority Rating Systems for Construction Projects

- Categories
 - Category 1 – Project Purpose
 - Category 2 – Project Benefits
 - Category 3 – System Management
 - Category 4 – Affordability
- Use appropriate score sheets for drinking water and wastewater program
- Presentation focuses on problem areas and updated guidance clarifications



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Priority Rating System

Category 1 – Project Purpose

- All parts of the projects must serve the claimed purpose
- Multiple-purpose project receives lower scoring purpose
- Projects not earning purpose points are still eligible...
- ...but do not qualify for principal forgiveness



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1.A Consolidate Nonviable Systems (DW, WW, CDBG-I) 25 points

Two situations:

1. Nonviable due to system Failing

- WW – Division of Water Resources has determined system is failing
- DW – Public Water Supply Section has determined system is failing

2. Nonviable as determined by DWI

- Must be currently designated as distressed or requested designation as distressed
- Must meet with DWI 30 days prior to application.

See guidance for documentation requirements

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1.B Resolve Failed or Failing Infrastructure (DW, WW, CDBG-I)

Points: WW 20, DW 22, CDBG-I 15

100% of the cost must be to resolve failing infrastructure

• Drinking water

Physical extension of service to connect *failed systems*

1. Contaminated wells with MCL exceedances
2. Wells whose yield has declined by at least 50%
3. Wells with HAL exceedances for emerging contaminants (PFOA, PFOS, GenX, PFBS)

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1.B Resolve Failed or Failing Infrastructure (DW, WW, CDBG-I)

• Wastewater

Physical extension of service to connect

1. Failed septic systems
2. Failed non-discharge permitted disposal area
3. Onsite systems with NOV issued as per 15A NCAC 18A.1961

Result in privately owned systems owned and operated by applicant

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1.B Resolve Failed or Failing Infrastructure (DW, WW, CDBG-I)

Projects addressing GenX contamination are eligible if:

- Wells are within 50 miles of the Chemours facility

AND

- 25% or more of facilities to be connected by the project have documented exceedance of the HAL for GenX



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1.C Rehabilitate/Replace Infrastructure (WW, DW, CDBG-I) 12 points

- Rehabilitation or Replacement cannot expand capacity
- Like-for-like water and sewer line replacements
- New pump station / treatment plant with same capacity as old being decommissioned
- Looping that amounts to $\leq 10\%$ of total project construction cost is allowed
- New treatment units that do not increase permitted capacity
- Applies to intake structures and additional wells

If not eligible for 1.C, may “roll down” to 1.D

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1.C Rehab/Replace Infrastructure

- Allows interconnection that replaces treatment or storage facility with no increase in capacity
- Water meter replacement by itself does not earn project purpose points, unless the system is classified as “Distressed”
- Water meters associated with waterlines being replaced/rehabilitated may be included



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1.C Rehab/Replace Infrastructure – Common Errors

- “We are replacing existing 10-inch gravity sewer”
 With what?
- “We are increasing pumping capacity to meet current flows but not to provide any additional capacity”
 Expansion. Roll-down to 1.D
- Missing supporting calculations when replacing a pump station with gravity sewer
- No information as to diameter or linear footage of water/sewer lines being replaced or rehabilitated



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1.C.1 Old Infrastructure – Age

- Must earn 1.C points in order to get 1.C.1
- Earn additional points for old infrastructure
 - Treatment and pumping units – 20 years
 - Distribution / collection lines – 40 years
 - SCADA / process control / information technology – 10 years
 - Obsolete pipe materials: ACP, VCP, galvanized iron, cast iron, Orangeburg, etc.
- At least 50% of the construction cost is associated with replacing old infrastructure
- Show clearly in budget
 - What is older than threshold?
 - What is younger than threshold?
- **Explain how you know the age**



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1.C.1 Old Infrastructure Budget Example

Line Item	Division Funding Requested
Replace 10,000 LF 8-inch pipe (older than 40 years)	\$100,000
Replace 3,000 LF of 8-inch pipe (less than 40 years old)	\$30,000

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1.C.1 Old Infrastructure – Lead Service Lines

- For drinking water projects only
 - Replacing lead service lines or goosenecks/pigtails regardless of age
- Required
 - Explanation of how you know they are lead
 - Map showing location of lead service lines to be replaced



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1.D. Expansion

- Increase water/sewer line sizes or treatment capacity to meet current needs
- Interconnection projects that add treatment or storage capacity (no new connections). Must also receive 2.K points **New!**
- Additional wells, treatment plants, pump stations or storage tanks to meet current and justifiable future growth
- New water lines solely to serve future development are not eligible for 1.D points (nor DWSRF funding)



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1.E. Service to Disadvantaged Areas (DW/WW)

- 20 points for DW and CW
- Qualification: 75% of construction costs ⇨ Provide connection or alternative service
- “Disadvantaged area” based on
 - Affordability of water and/or sewer rates relative to income levels of residents
 - Median household income
 - Poverty rates
 - Additional factors such as socio-economic or existing contamination factors (see Guidance)
- Compare project area data to LGU Indicators, when possible



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1.E. Service to Disadvantaged Areas (DW / WW)

Documentation Requirements

- Narrative
 - Justification of targeted project area as disadvantaged
 - Project budget
 - 75% construction cost to provide service to residences
 - Line items necessary to provide service to disadvantaged areas must be clearly identified
 - Line item for connection or system development fees
- Project map should
 - Identify disadvantaged area
 - Identify properties to be connected

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Budget Example – Disadvantaged Area – \$4.7M Project

Line Item	Project Cost
Construction Costs	
10-inch gravity sewer dis. area	\$2,000,000
10-inch gravity sewer	\$750,000
8-inch gravity sewer dis. area	\$1,000,000
50 sewer laterals dis. area	\$100,000
Subtotal:	\$3,850,000 (\$3.1M=80.51% d/u)
Contingency (10%)	\$385,000 (80.51% d/u=\$309,964 of cont.)
Total Construction – dis. area.	\$3,409,964
Total Construction – Other	\$825,036
Total Construction	\$4,235,000
Engineering Costs	\$100,000
Admin Costs	\$100,000
Connection Fees	\$250,000
Total Project Cost	=\$4,685,000 (dis. area=\$3,859,964)

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Category 1 Points (CWSRF only)

- One option for stormwater projects
- 1.G Stream, Buffer, Wetland Restoration now 15 points
- 1.H Stormwater Control Measures (SCM)
 - Now 10 points
 - Note change in terminology from BMP to SCM
- 1.I Reclaimed water / rainwater harvesting now 10 points



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Priority Rating System

Category 2 – Project Benefits




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2.A Provides Specific Environmental or Public Health Benefit (CDBG-I)

- Expanded to include additional environmental and public health benefits to list of projects that could receive these priority points:
 - Eliminating malfunctioning onsite wastewater systems
 - Eliminating lead service lines
 - Must document that at least 50% of the construction cost is to replace lead service lines



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2.A Provides Specific Environmental or Public Health Benefit (CDBG-I), continued

- **Common Errors**
 - Maps do not show spill locations
 - No documentation
 - One spill report that does not convey a pattern of a problem
 - Narrative is not clear – does not link problem with project area
 - No proof that at least one SSO reach a body of water because I/I in project area
 - Project area not shown on map
 - Backup documentation did not match narrative



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2.A.1 Eliminates 20% or More (CDBG-I)

- Expanded to include eliminating malfunctioning (failing) onsite wastewater systems and lead service lines
- For projects that eliminate malfunctioning onsite wastewater systems, applicants must provide copies of the notice of violations documenting system is malfunctioning per 15A NCAC 18A.1961



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2.B Specific Public Health Benefit (DW)

2.B.1: 20 points

Points are only for projects benefiting Public Water Systems

- Project replaces dry wells (must also earn 1.B)
- Addresses contamination of a public drinking water source (must also earn 2.H)
- Project resolves managerial, technical and financial issues as documented by receiving 1.A points



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2.B. Specific Public Health Benefit (DW)

2.B.2 Eliminates Lead Service Lines (10 points)

- This is to prioritize lead service line replacements under DWSRF program
- Applicable if a portion or all of the project eliminates lead service lines
- Must provide map and addresses of known lead lines
- Narrative must explain how the lines were determined to be lead

Upcoming LSLR program will be discussed separately



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2.C. Provides Specific Environmental Benefit (WW)

- 2.C.1 – Project replaces or repairs certain sewer lines, eliminates failed onsite system or non-discharges systems, or resolves managerial, technical and financial issues (15 points)
- 2.C.2 – Project eliminates malfunctioning onsite wastewater systems (10 points)



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2.C.1 Specific Environmental Benefit (WW)

Projects include:

- Providing public service to homes with failing septic systems
 - Must include letter from a registered Sanitarian, a licensed Soil Scientist, or County Health Department
 - Includes failed single-family residence spray/drip irrigation systems
- Repairing or replacing sewers with reported SSOs that
 - Reach bodies of water, or
 - Document backup into homes
- Project resolves managerial, technical and financial issues documented by receiving 1.A points



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2.C.2 Elimination of Malfunctioning Onsite Wastewater Systems (WW)

- Failing ⇒ Authorized agent issues Notice of Violation per 15A NCAC 18A .1961
- Majority of homes (>50%) with failing systems must be connected
- Provide List of addresses where septic systems are malfunctioning
- Map requirements
 - Street names and house numbers of malfunctioning systems
 - New sewer lines
 - All systems to be connected to public sewer system
 - Copies of NOVs for any malfunctioning systems

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2.E Addresses Enforcement Documents (DW, WW)

- 2.E.1 - Addresses Administrative orders or Special Order by Consent
- 2.E.2 - Resolves Notice of Violation or Deficiency

Must clearly establish how the proposed project will lead to compliance and address that specific regulatory requirement.



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2.F System Merger or Regionalization (DW/ WW/ CDBG-I)

- 2.F.1 – System merger(10 points)
 - Physical consolidation into a single regional system
 - Merger of ownership and operation without physical consolidation
 - Interconnectivity alone does not qualify for 2.F.1
 - Eligible up to two years after the date of merger

- 2.F.2 – System regionalization or Partnership, still retaining separate ownership (5 points)

Must include agreements/merger documents between the systems



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2.G. Addresses Documented Low Pressure (DW 10 points) T 15A 18C NCAC. 0901

- Low pressure identified within last five years
- Discussion of how project will resolve low pressure
- Map showing low pressure zones and project area
- Need for higher fire flow rate (>250 gpm) must be documented by a legal requirement for higher flow
- Fact sheet available on DWI website



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2.H Project Addresses Contamination (DW & CDBG-I)

- 2.H.1 Acute Contamination (15 points)
 - Primary Contaminants covered in Drinking Water Regulations
 - Have established MCLs
- 2.H.2 (10 points) Other-Than-Acute Contamination
 - Secondary Contaminants covered in Drinking water Regulations
 - Contaminant has established SMCLs and action levels (Iron, Manganese, copper, lead, corrosivity, etc.)
- 2.H.3 Emerging Contaminants (10 points)
 - Projects that qualifies for 1.B points for exceeding HALs for PFOA, PFOS, PFBS and GenX receives 2.H.3 points
 - 1-4 Dioxane > HAL of 0.2 mg/L



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2.H.3 Emerging Contaminants (WW, DW & CDBG-I)

- Must replace or provide new treatment to a wastewater treatment or drinking water supply system affected by emerging contaminants
- Documentation (see Guidance)
 - Describe contaminant source
 - Most recent laboratory test results
 - Describe how project will address contamination
 - Provide Map showing
 - Project location
 - Service area of impacted community (including PWSID #)
 - Location of contaminant source

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2.N Resiliency (2.N.1-2.N.7) DW, WW, CDBG

- Points range from 3 to 8
- Claim can be “rolled down”
- 2.N.1-2.N.3: Move infrastructure out of floodplain
- 2.N.4, 2.N.5: Fortify or elevate infrastructure within 100-yr Floodplain to assure continuous operation of infrastructure within floodplain
- 2.N.6 : Downsize the infrastructure



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2.N.7. Redundancy / Resiliency

- Includes eligible cybersecurity
- Requirements
 - 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



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2.O 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



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2.P. Special Water Classifications (WW)

- More classifications (UWL, PNA, AFSA, SAV)
- Show direct connection of projects to their impact on these waters
- Provide mapping
 - Project location
 - Location of special waters
 - SSO reports (for project claiming points due to SSO impacts)
- See Guidance for more information




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Priority Rating System

Category 3 – System Management




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3.A Capital Planning Activities

Can only receive points for either 3.A1 or 3.A 2:

- 3.A.1 - Asset Management Plan (10 points)
 - Narrative describes 4 key AMP areas (see Guidance)
 - AMP must be fully implemented
 - Must qualify for 3.A.2 points
- 3.A.2 - Capital Improvement Plan (2 points)
 - CIP must be adopted within 2 years of application
 - CIP must span 10 years from the adoption date
 - For the first 5 years, list projects with cost by year
 - Next 5 years, list projects and total costs.
 - Year planned or priority of those projects not required.
 - Project is clearly highlighted in the priority matrix



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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 evident and unambiguous on CIP
- Includes only O&M expenses and/or a single project (project applied for)
- Large cost difference between CIP and Application not clearly explained
- No explanation of change in CIP priority



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Priority Rating System

Category 4 – Affordability



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4.A Residential Connections (DW / WW)

- 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
- Use only number of sewer or water connections as of date of application



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

- New for CDBG-I
- Ranges from 4 points to 10 points
- Only claim one sub-category based on the current monthly utility combined bill for 5,000 gallons
- Rates must match those on rate sheet(s) submitted
- Use sewer bill and water bill
- Use conversion factor for single-system utilities
 - 0.4 for water-only systems
 - 0.6 for sewer-only systems
- Use lowest residential rate, “in-town rate”
- Provide calculations



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4.C Local Government Unit (LGU) Indicators (DW / WW)

- 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
 - Note change in points for specific line items
- LGU Indicators are
 - Property Valuation per Capita
 - Percent Population Change
 - Poverty Rate
 - Median Household Income
 - Unemployment rate



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4.D Benefit to Disadvantaged Areas (DW / WW)

4.D: 5 points - Requirements updated for Spring 2023

Additional priority to projects benefiting disadvantaged areas

- Disadvantaged Area definition – Similar to definition for Line Item 1.E
- Benefit related to public health and the environment (not financial)
- Qualification: 50% of construction costs ⇨ benefit disadvantaged area
 - Cost for treatment plant upgrades or distribution/collection systems must be divided equitably over service area.

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4.D Benefit to Disadvantaged Areas (DW / WW)

- Documentation - See Guidance for more details
 - Projects receiving 1.E points will receive 4.D points without additional documentation
 - Justification Narrative (similar to Line Item 1.E)
 - Map (similar to Line Item 1.E)
 - Public health or environmental benefit to disadvantaged area
 - Project budget (similar to Line Item 1.E)
 - When project benefits also customers outside of a DA, the infrastructure cost should be pro-rated based on % of DA's population, service connections, or other documented approach. Include calculations!

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4.E and 4.F Poverty Rate and LMI (CDBG-I)

- 4.E – Now is poverty line item, points did not change
- 4.F – Points adjustment to a maximum of 25 points instead of 20



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Local Assistance for Stormwater Infrastructure Investment



Stormwater Eligibility



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LASII – Activities NOT Eligible for Funds

Study, design or plan for:

- Land conservation
- Low-impact development
- Creation or construction of greenways, parks, and open space
- Repair or improvement of transportation infrastructure as primary purpose or benefit
- Dam / levee construction, repair, or removal
- Stream debris removal
- Dredging



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LASII – Activities NOT Eligible for Funds

- Activities satisfying compensatory mitigation requirements under NCGS 143-214.11
- Purchase of rental vehicles
- Purchase of rental computers, laptops, tablets, and cell phones
- Elevation of structures
- Removal of structures inside / outside of floodplain
- Costs of SW infrastructure to serve or promote future growth & development

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LASII – Activities NOT Eligible for Funds

- Compliance with existing stormwater ordinances or other jurisdictional ordinances
- Costs to comply with MS4 permit requirements for program administration, reporting, routine sampling, staff salaries
- Preparation of a stormwater inventory without a stormwater asset assessment
- Staff salaries, overhead, or expenses
- O&M of stormwater infrastructure
- Water quality monitoring



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LASII Eligibility Form

***** This Entity Eligibility Certification Form MUST be included in the Application Package for Stormwater Funding from LASII *****

Local Assistance for Stormwater Infrastructure Investments (LASII) Fund Entity Eligibility Certification Form (Stormwater Eligibility Form)

(Last updated: February 2023)

North Carolina General Assembly Session Law 2021-180 Section 12.14 established the Local Assistance for Stormwater Infrastructure Investments (LASII) fund to provide grants to eligible entities for projects that will improve or create infrastructure for controlling stormwater quantity and quality. Section 12.14.(d) defines an eligible entity as: "a city" or county that (i) documents in a form and manner as the Department may specify a stormwater quality or quantity issue and (ii) demonstrates that it would experience a significant hardship raising the revenue necessary to finance stormwater management activities within its jurisdiction based on income and unemployment data, population trends, and any other data determined relevant by the Department. A regional council of government created pursuant to Part 2 of Article 20 of Chapter 160A of the General Statutes or a nonprofit entity is also an eligible entity under this section if the regional council of government or nonprofit entity partners with a city or county."²

An applicant seeking grant funding from LASII for a stormwater planning grant must document the following items on this LASII Entity Eligibility Certification Form. Failure to adequately document the following items or to certify and include this form in the application package will result in the application being considered ineligible for funding.

1. Document a Stormwater Quality or Stormwater Quantity Issue

(Required by Session Law 2021-180 Section 12.14.(d)(ii))

A. Provide a narrative that describes the stormwater quality issue and/or stormwater quantity issue, based on historic or projected precipitation, and how the proposed project will be used to address the issue.

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LASII Eligibility Form – Section 1

- Description of stormwater quantity and/or quality issue
- Map and/or narrative identifying location of stormwater quantity and/or quality issue
- Photographs of stormwater quantity and/or quality issue (if available)
- Rainfall data (if available)
- Other information
- See guidance & eligibility form



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LASII Eligibility Form – Section 2

- Demonstration of significant hardship
- Check the appropriate item in the Eligibility Certification:
 - Criterion 1: LGU Indicators
 - OR
 - Criterion 2: Benefits to Disadvantaged Areas

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LASII Eligibility Form – Item 2

- Criterion 1 - LGU Indicators
 - Significant hardship – At least 1 of 5 LGU indicators worse than state benchmark
 - Complete the Eligibility Certification Form LGU Indicator Table to determine eligibility (using the link provided in the Form) OR
- Criterion 2 – Disadvantaged Areas
 - Only if 0 LGU indicators worse than state benchmark
 - At least 75% project study area benefits disadvantaged areas
 - Portion of City or County identified by Community Mapping System, CJEST (Justice40 Initiative) Map OR
 - Narrative must sufficiently describe disadvantaged area factors including median household income, poverty rates, property valuation per capita, employment rate for targeted area or additional factors that may qualify (see guidance)

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LASII Eligibility Form – Section 3

- Applicable to Councils of Government (COG) or nonprofit entity partnering with an eligible City or County
- Provide
 - Name and address of COG or nonprofit entity
 - COG primary contact name, title, and contact information
 - City/County primary contact name, title, and contact information
 - Copy of executed instrument used to establish partnership



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LASII Stormwater Eligibility Form - Execution

- Authorized Representative signs form
- Original signatures or electronic signatures
- Include attached exhibits in submittal with form



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LASII – Grant Limits

- Stormwater Planning Grants
 - \$400K per applicant / per grant cycle
 - \$500K per LGU collaboration / per grant cycle

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Local Assistance for Stormwater Infrastructure Investment



Required Narrative for All Projects



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LASII – Narrative for All Projects

- Required for all applications
- Must address all items discussed in guidance
- Read guidance
- If required narrative not applicable, state “Not applicable”



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LASII – Narrative for All Projects

- Tell us about the source of the water that is causing the stormwater quality and/or quantity "issue"
 - Coming from upstream areas not within your jurisdiction? What acreage is being impacted?
 - Rain that falls within your jurisdiction? Area that is problematic? (For example, 5 blocks by 3 blocks)
- Mapping
 - Provide maps at a reasonable scale that clearly depicts issues



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LASII – Narrative for All Projects

- Do you have an established Stormwater Utility ?
 - Date of utility establishment
- Do you have a NPDES Municipal Separate Storm Sewer System (MS4) permit? (if applicable)
 - Permit number, issue date, summary of compliance issues
- Public input – Describe any public input sessions or notifications about the project
 - If there have been none, state that these have not occurred



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Local Assistance for Stormwater Infrastructure Investment



Stormwater Planning Grants



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LASII Priority Rating System for Planning Grants

- Categories
 - Category 1 – Project Benefits (20 points)
 - Category 2 – System Management (12 points)
 - Category 3 – Affordability (12 points)
- Make sure project is eligible
- Read the guidance
- Submit narrative & supporting documentation
- Submit Priority Rating System Score Sheet with “X” in box if points claimed



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Examples of Planning Grant Eligible Uses

- Stormwater inventory and asset condition assessment
- Stormwater rate or fee development
- Planning for stormwater utility
- Development & implementation of stormwater enterprise fund
- Watershed plan development
- Stormwater management plan or program
 - Plan or program only meeting requirements of NPDES MS4 Permit is not eligible
- Plan for stream/wetland/buffer/estuary restoration
- Hydrologic and hydraulic modeling
- Challenges/benefits of collaboration with other LGUs on watershed and/or stormwater planning and management

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LASII Planning Grants – Opening Narrative

- Top 3 stormwater-related challenges over next 5 years **(required)**
- Proposed planning study description **(required)**
 - Description
 - Goals
 - Scope of work
 - Expected deliverables
- Narrative
 - Consistent with application form
 - Must be complete and concise
 - If category not applicable, state as such
 - Address every line item
 - **Address every line item bullets**



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LASII Priority Rating System for Planning Grants

Priority Rating System

Category 1 – Project Benefit
(20 points max)



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1.A Link Between Challenges & Study (0 to 5 points)

- Describe how study will address at least 1 of top 3 challenges
- For previous studies, list
 - How this study will differ from past studies
 - Previous study's goals & recommendations
- Map of specific locations of challenges and project location
- See guidance



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1.B Develop & Prioritize Future Projects (0 to 3 points)

- Describe how applicant will use study results to develop & prioritize future projects
- Describe how study will identify solutions to at least 1 of top 3 challenges
- Describe how applicant will use study results to prioritize funding
- Describe the actions that the applicant has taken to explore potential funding sources
- If potential funding sources have not been identified, state how you will determine funding sources
- See guidance



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1.C Stormwater Minimum Control Measures (2 points)

- Must address at least one of the following Minimum Control Measures (MCM) defined in MS4 permit
 - Public education and outreach
 - Public involvement and participation
 - Illicit discharge detection and elimination
 - Construction site runoff controls
 - Post-construction site runoff controls
 - Pollution prevention and good housekeeping for municipal operations
- Narrative
 - Which MCM(s) have already been implemented & date of implementation
 - Which MCM(s) will be the subject of this study
 - Anticipated results
- See guidance



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1.D Collaboration (3 points)

- For studies where 2 or more units of local government agree to collaborate in order to accomplish study goals
- Supporting documentation
 - Resolution or board meeting minutes from the other **participating** unit of local government (see guidance for items that **must be included** in the resolution/board meeting minutes)
 - Map showing project location and jurisdictional boundaries of each unit of local government
- Narrative
 - Description of goals, outcomes, and benefits
 - Description of necessity for each unit of local government to participate
 - Discussion of previous collaboration efforts
 - Description of any previous stormwater quantity or quality work directly related to study by any participating LGU



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1.E Benefit to Impaired Waters, Classified Waters, or Sensitive Waters (2 points)

Choose one subcategory



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1.E.1 Benefit to Impaired Waters (2 points)

Studies to evaluate projects benefiting impaired sub-watershed

- Provide river basin name, stream name, 8-digit HUC for subbasin, and Assessment Unit
- **Identification of the impairment and how project will address causes of impairment**
- Map with “X” marking project location & impairment highlighted & arrows showing flow direction, and other watershed boundaries (see guidance)



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1.E.2 Benefit to Specific Classified Waters (2 points)

Studies to evaluate projects benefiting specific classified waters (Hqw, ORW, Tr, SA, UWL, PNA, AFSA, SAV, WS-I thru WS-V)

- Provide river basin name, stream name, 8-digit HUC for subbasin, Assessment Unit, and stream classification
- **Describe how project will benefit specific classified waters**
- Map with “X” marking project location & specific classified waters highlighted & arrows showing flow direction, and other watershed boundaries (see guidance)

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1.E.3 Benefit to Nutrient Sensitive Waters (2 points)

Studies to evaluate projects benefiting Sensitive Water (Nutrient Sensitive Waters-NSW)

- Provide river basin name, stream name, 8-digit HUC for subbasin, and Assessment Unit
- **Description of how project will achieve 35% TN 35% TP reduction**
- Statement to adhere to NC Stormwater Control Measure Credit Document
- Statement of percentage TN & TP reduction that will be achieved



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1.E.4 Benefit to Natural Heritage Program Areas (2 points)

Studies to evaluate projects benefiting NC Natural Heritage Program (NCNHP) Natural Area

- **Natural Heritage Area must be rated “General” or above**
- **Describe how project will improve water quality or reduce water quantity issues in NCNHP natural areas**
- Screenshot of NCNHP natural areas
- Locate the project on the screenshot



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1.F Nature-Based Solutions (2 points)

Demonstrate how solution will meet definition of a nature-based stormwater solution

- List the specific types of evaluated nature-based solutions
- Key design considerations that support implementation
- Demonstrate how the evaluated nature-based solutions meet the definition



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1.G Innovative Stormwater Project (2 points)

- Investigates applicability of an innovative stormwater project to address stormwater quantity/quality issues
- Innovative stormwater quantity narrative
 - Describe new or different practices and reason it is innovative
 - How study will advance practices in stormwater quantity management
 - **How applicant will disseminate findings and results**
- Innovative stormwater quality narrative
 - Documentation of how study meets innovative stormwater quality requirements – NC DEQ Stormwater Design Manual “Areas of Research Needed” OR describe other new or different practices
 - How study will advance practices in stormwater quality
 - **How applicant will disseminate findings and results**

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1.H Decrease in Vulnerability (1 point)

- Addresses vulnerability related to future conditions such as
 - Flooding
 - Sea level rise
 - Other environmental changes
- Narrative
 - How projects are evaluated will address these changes
 - How projects being evaluated will decrease vulnerability to future conditions
 - **Timeframe that the study will address**
 - **Concise statement of future conditions that will be used in vulnerability assessment**



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LASII Priority Rating System for Planning Grants

Priority Rating System

Category 2 – System Management (12 points max)



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2.A Stormwater Personnel (1 point)

- At least 0.5 full-time equivalent (FTE) are actively spending their time on stormwater management activities
- Narrative
 - Identification of FTE(s) designated as responsible for stormwater management
 - Description of day-to-day stormwater management responsibilities & activities
 - Description of FTE's stormwater management qualifications, experience, and training
- Supporting documentation – If consultant contracted, copy of contract between consultant and applicant
- See guidance



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2.B Results from Previous Studies (1 point)

- Documentation of previous studies undertaken and status of study recommendations
- Previous study does not have to be stormwater-related
- Narrative
 - Describe previous planning study(ies) and goals
 - List recommendations
 - Provide date of study completion
 - Provide status of recommendations
- See guidance



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2.C Staff Involvement (1 point)

- Document staff members' involvement in developing ideas for proposed planning study as well as execution and implementation of study
- Narrative
 - Title & description of staff member role(s) in developing proposed study
 - Describe
 - How staff will be involved in executing the study
 - How staff will be involved in implementation of study recommendations
 - Role of staff members in future stormwater management activities
- See guidance



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2.D Adopted Stormwater Management Plan (4 points)

- Have already adopted a stormwater management plan for the study area
 - Provide resolution or board meeting minutes which shows a motion to approve and adopt the stormwater management plan
 - Describe issue identified in study area and solution identified to address
 - Link to adopted stormwater management plan or supporting information
 - See guidance
- Study will lead to adoption of stormwater management plan
 - **Provide resolution or board meeting minutes which shows a motion that applicant will develop and adopt stormwater management plan by completion of study**
 - Describe issue in study area that will be investigated
 - Description of status of development of plan, timeline for completion and timeline for adoption
 - See guidance

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2.E Stormwater Utility & Stormwater Enterprise Fund

- Choose one subcategory



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2.E.1 Existing Stormwater Utility & Stormwater Enterprise Fund (4 points)

- Supporting Information:
 - Resolution or board meeting minutes showing motion to approve and adopt the Stormwater Utility and establish a Stormwater Enterprise Fund, OR
 - Adopted ordinance that shows creation of Utility and Enterprise Fund by adoption of the ordinance
- Narrative
 - State when Stormwater Utility and Stormwater Enterprise Fund began operation and when first fees were collected
 - Link to information about Stormwater Utility and Enterprise Fund
 - Rate and fee schedule
 - An official record of the amount of revenue collected in the past 12 months
 - An official record of the amount of funds expended in the past 12 months



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2.E.2 Will Develop & Implement a Stormwater Utility & Stormwater Enterprise Fund (5 points)

- Provide a resolution to develop and implement a Stormwater Utility with a Stormwater Enterprise Fund
- Resolution must include anticipated timeline for implementation and approximate date of first fee collection
- Describe status of development of Utility and Enterprise Fund



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LASII Priority Rating System for Planning Grants

Priority Rating System

Category 3 – Affordability (12 points max)



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3.A Population

Choose one of the subcategories

- 3.A.1 Population < 10,000 people (2 points)
- 3.A.2 Population \geq 10,000 people (1 point)



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3.B Local Government Unit Indicators

- Choose one of the subcategories
 - 3.B.1 – 1 of 5 LGU indicators worse than state benchmark (2 points)
 - 3.B.2 – 2 of 5 LGU indicators worse than state benchmark (4 points)
 - 3.B.3 – 3 of 5 LGU indicators worse than state benchmark (6 points)
 - 3.B.4 – 4 of 5 LGU indicators worse than state benchmark (8 points)
 - 3.B.5 – 5 of 5 LGU indicators worse than state benchmark (10 points)
- LGU Indicators are
 - Property Valuation per Capita is less than \$125,015
 - Percent Population Change is less than 4.48%
 - Poverty Rate is greater than 14.0%
 - Median Household Income is less than \$56,642
 - Unemployment rate is greater than 7.1%



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3.C Disadvantaged Areas (8 points)

- Study benefits disadvantaged areas (NEW – only available to applicants with 3 or less LGU indicators)
- **NEW – Will not be awarded points for both Line Items 3.B and 3.C**
- Portion of City or County identified by Community Mapping System, Justice 40 Initiative map, or by narrative (see Guidance for details)
- **MUST describe stormwater quality and/or quantity issue occurring within disadvantaged area under this Line Item (if not addressed under Line Item 3.C, points will not be awarded)**
- Disadvantage area based on:
 - Median Household income
 - Poverty rates
 - Property Valuation per capita
 - Unemployment rate for targeted areas (see guidance)

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3.C Disadvantaged Areas (8 points)

- Narrative

- Map showing study area is disadvantaged area and location of proposed project
- Description of disadvantage factors that qualify the area as disadvantaged
- **MUST describe stormwater quality and/or quantity issue occurring within disadvantaged area under this line item (3.C) or no points awarded**
- **MUST describe how the proposed study will directly improve the water quality issue or reduce the severity/frequency of flooding under this line item (3.C) or no points awarded**
- Separate narratives must be provided for stormwater quality and stormwater quantity issues
- See guidance



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Questions?




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CDBG-I Programmatic Specifics



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CDBG-I: Allocation and Maximum Grant Amount



- Approximately \$19 million
- Maximum grant amount is \$3 million over three years
 - Three years begin at time of SWIA award date
- No more than three open grants within three years



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CDBG-I: Applicants Eligible to Apply

- Non-entitlement communities only
 - Incorporated municipalities under 50,000 in population
 - Counties under 200,000 in population
- Single purpose units of governments (e.g., water/sewer authorities) must work with local governments on projects and are considered subrecipients.
 - If a local government is served by a single purpose unit of government, they may apply for a grant to replace, repair, or update or extend infrastructure owned by the single purpose unit of government.
- All proposed projects must show they benefit at least 51% low-to-moderate income (LMI) persons and/or households.



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CDBG-I: Project Area

- Once the project is defined, you must define the project area
 - Project must serve the entire project area.
- The project area must first be established before LMI is determined.
 - LMI % in application must represent the project area accurately.
- Must have a project area map, with details:
 - Must have boundaries, what streets are served, or what houses are served.
 - Use streets, creeks, hills, municipal boundaries, etc. to describe the area the project is located in.
- Your maps must show us clearly where your project is located
- **See Appendix A: Determining the LMI Percentage of the Project Area**



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CDBG-I: LMI Eligibility

- LMI Determination (must be at least 51%)
 - There are two ways to determine your LMI percentage for your project area:
 - Census Data (area wide)
 - Must use most recent LMI summary data from HUD
 - Income Surveys
 - 4 survey methods are allowed: door-door, mail, online, telephone
 - Surveys for valid for 18 months prior application deadline
 - 2021 or 2022 income limits only
 - Templates on Division website under Application Resources
 - The LMI percentage is not the same as disadvantage community definition.
 - **See Appendix A: Determining the LMI Percentage of the Project Area**



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CDBG-I: Census Data and Conducting Surveys

- Each project purpose identifies how LMI eligibility is determined
 - Area-wide (Census data) used only for water/sewer plant work, major outfalls, major water mains, major pump stations
- Count people for general water and sewer projects such as line rehab, plant upgrades, etc.
- Count households when doing direct home connections (private laterals) to water and or sewer service. (Income verification is valid for 12 months)
- Calculate the LMI percentage of the project area, using the number of people served. The LMI % must be at least 51%
- DO NOT round calculations, must include last two decimal points (i.e., 76.26%, not 76.3%)



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CDBG-I: Using Census Tract or Block Data

- If you use census tract or census block data, the **project must serve the entire tract or block**
- **To find block group data, go to:**
<https://www.hudexchange.info/manage-a-program/acs-low-mod-summary-data-local-government/>
 - Use Map Application to visually see groups and tracts
- It is better to survey – most water and sewer systems are not designed to serve a census tract or block



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CDBG-I: LMI Documentation

- Application submission (electronic and hardcopy) must include:
 - If using HUD census data: provide a copy of what you used
- If using income surveys:
 - Copies of income surveys are needed for:
 - Completed, signed, dated
 - No Responses
 - Vacant
- Summarize the results of your surveys in a Tabulation Summary spreadsheet
 - Do not make this hard to read



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CDBG-I: Common Errors: Income Surveys

- **Common Errors with Income Surveys**
 - Door-to-door surveys were not signed by both parties
 - Data on tabulation summary sheet does not match surveys
 - Household size and income limits do not match
 - Corrections made on survey are not initialed or dated
 - Wrong average household size to calculate no responses was used
 - LMI map does not convey all homes surveyed or more than what was surveyed
 - LMI methodology is missing



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CDBG-I: Additional Advice on Surveying

- **Engage the community.** Make sure the people in the project area know why they are being asked these questions.
- Assure the interviewees of the **confidentiality** of their answers.
- Use our Spanish language survey or translate survey into another language, if necessary, based on the demographics of the project area
- Utilize community leaders to do the surveys
 - Mayors, managers, clergy, town councilmen – people that the community recognizes and trusts.



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CDBG-I: Project Types Limitations

- Residential areas only. Cannot fund infrastructure in business districts or linked economic development
- Can fund projects in the floodplain and only certain ones in the floodway (per HUD Notice CPD-17-013).
 - "the construction, installation, or repair of linear infrastructure located entirely below ground level or entirely above base flood elevation may comply with Part 55..."
- No new construction, manhole repair/replacement or ground disturbance within the floodway.
- Will allow CIPP, if completely underground and access is done outside floodway.
- Flood maps with project area and proposed project is required.



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CDBG-I: Project Types, continued

- Can fund private laterals for water and sewer service to connection low-mod-income homes
 - Additional documentation is required to ensure direct benefit



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CDBG-I: Project Description, continued

- Project description must be specific for all major components of water or sewer lines and where this work will occur:
 - Example:
 - The proposed project will replace approx. 3000 LF of 6 and 8" gravity sewer, 42 manholes, and 110 existing service laterals in the public ROW of Smith Street and Sundown Street;
 - Example:
 - The proposed project will replace 6,500 LF of 6" water lines, 20 fire hydrants, valves, 100 existing service laterals, 100 meters along Brown Avenue, Smith Street, and Maple Drive.
- Incidentals, such as backfill, rock, asphalt patching, etc., to the main construction components do not need to be spelled out in the project description, just the budget.



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CDBG-I: Project Description, continued

- If proposed work will occur on a street or within a right-of-way, the street name must be listed and include identifiable landmarks, such as from intersection of x and z to intersection to x and y.
- If proposed work will occur "off-road", or outside of the right-of-way, a clear narrative description of this work location is needed.
 - For instance, give a reference point where proposed work leaves the public ROW, a general direction, and a reference point where it goes back to a ROW. (e.g., "... improvements down Alpha St from intersection of Bravo and Alpha to intersection of Charlie and Alpha, then leaving Alpha ROW in a southeasterly direction in a recorded easement to the ROW of Delta Street, then continuing in the Delta ROW to...").
- NCDOT Right-of-Way
 - Be mindful of working or proposing work
 - Restoration costs imposed could be over \$400k, close to \$800k



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CDBG-I: Multiple Applications

- Local governments can submit multiple applications for different projects; however:
 - Each application is reviewed and scored separately.
 - If one application scores within funding range and the other does not; the local government cannot request switching it with the lower scoring application.
 - If more than one application scores within the funding range, the highest scoring application will be recommended for funding.



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CDBG-I Federal Compliance Documents – Required or Application is Incomplete

- All CDBG-I applications require new federal compliance documents.
 - Citizen Participation Requirement - Public Hearing
 - Held within same calendar year of application
 - Encourage posting notice in project area
 - See *Appendix B: Public Hearing*
 - Compliance Statements and Certifications
 - There are 5 to fill out, sign and date in same calendar year as application
 - HUD Required Forms (3 different ones)
 - Some forms need multiple for each activity
 - See *Appendix C: HUD Forms and Instructions*



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CDBG-I Federal Compliance Documents – Required, continued

- Sam.gov
 - Local governments must have active registration with federal government and provide proof
- Applicant's Capacity Letter
- Applicant's Audit (must be current with audits)
 - Documentation of latest audit was submitted
- Floodplain / Floodway Map
 - With project area and project description (where work will occur) overlaid



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CDBG-I: Common Errors: Federal Comp. Docs

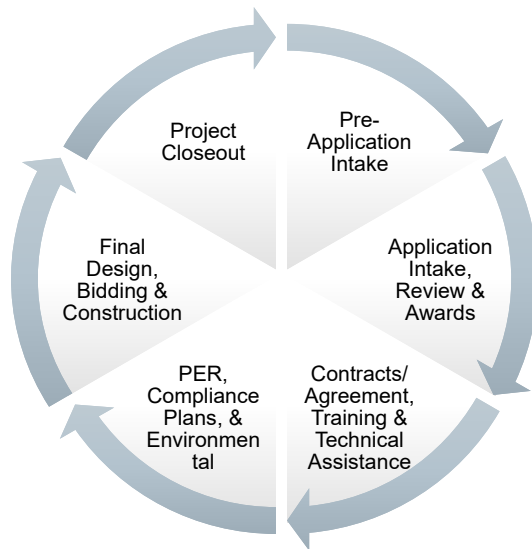
- Commons Errors on Federal Compliance Documents
 - Public hearing notice was not published (non-legal section) within the publishing window.
 - At least 10 days before, not including the public hearing date, but no more than 25 days before hearing
 - Public hearing minutes must be adopted not certified
 - Forms not filled out correctly, and/or signed and dated
 - Project descriptions and project area do not match
 - Old forms are resubmitted instead of new ones
 - Missing documents



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CDBG-I Funding Cycle & Expectations



- Grantees have 3.5 years to complete their project once grant agreement is executed
- Mandatory Start-Up Meeting with Project Team
- Two mandatory training workshops



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CDBG-I Program Requirements

- Comprehensive community development is accomplished by compliance with Federal and certain State statutes and regulations.
- Awarded applicants must adhere to multiple compliance areas:
 - BABA – Buy America, Build America (NEW)
 - Environmental Review
 - Non-Discrimination Equal Access
 - Title VI of Civil Rights Act of 1964, as amendment, Fair Housing, Equal Opportunity, Limited English Proficiency, Excessive Force, Section 504 of the Rehabilitation Act of 1973, ADA,
 - Financial Management



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CDBG-I Program Requirements, continued

- Awarded applicants must adhere to multiple compliance areas:
 - Acquisition, Demolition, Rehabilitation Uniform Relocation Act
 - Citizen Participation
 - Section 3 of Housing and Urban Development Act of 1968 (Local Economic Benefit)
 - Minority / Women Business Enterprises (M/WBE)
 - Historically Underutilized Businesses (HUB)
 - Labor Standards – Davis Bacon and Related Acts
 - Performance Measurements, Reporting and Recordkeeping



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CDBG-I: Application Preparation Expenses

- Awarded applicants may be awarded their application preparation expenses to a reasonable amount
 - Only if the grant writer was procured according to the Federal procurement procedures for professional services (*see Program Procurement Policy on Website*)
- Awarded applicant may receive:
 - Up to \$3,000 for grant application preparation expenses if they use census data to determine LMI
 - Up to \$5,000 for grant application preparation expenses if they conduct an income survey to determine LMI
- Must be part of the application budget



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CDBG-I: Application Submission - Hardcopy

- In addition to electric submission:
 - Program that must have a hardcopy, with original signatures, of the application
 - Three-ring binder
- Due on May 1, 2023 by 5:00pm, in Raleigh office
- See guidance for FedEx and UPS address



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Viable Utilities and Study Grant Primer



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Viable Utility Reserve

Signed into law on July 1, 2020 (Reform of Water and Wastewater Public Enterprises, S.L. 2020-79)

Foster the viability of water and wastewater operations across the state by:

- Identifying and designating distressed local government units (LGUs)
- Providing a process to develop viable water/sewer utilities
- Creating the Viable Utility Reserve to provide grant funds to support viability
- Coordinating between SWIA and Local Government Commission (LGC)

• NCGS §159G-45



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“Distressed Unit” Statutory Definition

“Distressed unit. – A public water system or wastewater system operated by a local government unit exhibiting signs of failure to identify or address those financial or operating needs necessary to enable that system to become or to remain a local government unit generating sufficient revenues to adequately fund management and operations, personnel, appropriate levels of maintenance, and reinvestment that facilitate the provision of reliable water or wastewater services.”

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Distressed Units' Statutory Requirements

Statutory Requirement	Potential Funding Mechanisms
Conduct an asset assessment and rate study	Asset Inventory and Assessment (AIA) grant
Participate in a training and education program for governing board, utility managers, finance directors, and staff	Automatic training grants to distressed units (training coordinated/offered by DWI, DST, and partners)
Develop an action plan , taking into consideration the following:	Merger and Regionalization Feasibility (MRF) grant
A short-term and a long-term action plan for infrastructure repair, maintenance, and management	Short-term plan (10 years) comes from Capital Improvement Plan (CIP) developed under AIA Long-term plan comes from alternatives analyses developed under AIA, MRF , and/or Master Plan
Continuing education (for governing boards, finance officers, and operations staff)	Plan for continuing education comes from the short-term action plan Automatic training grants support program implementation Need to budget in utility enterprise fund
Long-term financial management to ensure sufficient revenue to fund	Generated from AIA, MRF , and/or Master Plan Management implementation may come from Construction

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Viable Utilities –Initial Education Training

Initial Educational Training Dates for 2023*

- **May 2nd** Williamston
- **May 10th** Kernersville
- **May 16th** Winston-Salem, NC Rural Water Summit
- **On-demand** via NCLM weblink w/live webinar wrap-up



* Look out for registration announcements soon!



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Viabile Utilities – Study Grants

- NCGS 159G-34.5(a)
- Asset Inventory and Assessment (**AIA**) & **Rate Study**
 - Must include inventory AND assessment
 - REQUIRED for Distressed LGUs
- Merger/Regionalization Feasibility (**MRF**)
 - Consolidation, interconnection, and *many more*
 - LGU-specific, contact DWI



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Viabile Utilities – NEW Scope Requirements

<https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/asset-and-inventory-assessment-grants>

- Scope must be consistent with the project application
- Narrative for all AIAs and MRFs (**NEW!**):
 - Previous planning efforts
 - Draft and Final deliverable to DWI
 - GIS data in owner-accessible format AND will submit to DWI
 - Regular updates (at least every other month)



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Viable Utilities – NEW Scope Requirements

- Schedule and Costs of Itemized Tasks
- Sequential, start and end dates
 - 2 years from Offer date
- Major and minor tasks with costs
- AIAs for Distressed LGUs
 - **Inventory AND assessment**
 - 5-to-10 -year **Capital Improvement Plan**
 - **Rate study** to address CIP
 - O&M, Staffing, and Education Training plans
- NCGS 159G-45(b)



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Viable Utilities – How do I get my money?

- Scope Approved = Offer and Acceptance Issued
 - First payment checklist
 - Final payment checklist
- Project must be completed within 2 years of the Grant Offer
- DWI requires regular project progress reports
- Both Draft and Final reports submitted to DWI



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2023 Reassessment Update and Preview

- Third assessment (second re-assessment)
- Currently 131 distressed LGUs, out of 500 +/- total
- Schedule
 - Target July for designation, leaving time for Fall '23 application preparation
 - Notification letters in May, to be ready for designation of all new units in July
- Assessment notes
 - No changes proposed to criteria (analyze and reconsider after reassessment)
 - Clean up list of master units with DST staff
 - Water authorities, districts
 - Summary and notification format

Winter

- Clean up list of LGUs
- Set up data processing worksheets
- Begin data collection/analysis

Spring

- Receive/process financial data
- Complete analyses
- QA/QC data and calculations
- Notify LGUs

Summer

- Receive/track LGU responses
- Prepare and present recommendations
- SWIA/LGC approval
- Update list

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LGU Assessment Criteria

#	Criterion	Type	Points /Weight	Source Data
1	Service Population	Statutory	1	Varied
2	Transfers Out	Statutory	1	Calculated from LGC data
3	Transfers In	Statutory	1	Calculated from LGC data
4	Debt Service Coverage Ratio (DSCR)	Statutory	1	Calculated from LGC data
5	DW Compliance	Infrastructure/Organizational	1	NC DEQ-DWR
6	WW / CS Compliance	Infrastructure/Organizational	1	NC DEQ-DWR
7	Flow Moratorium	Infrastructure/Organizational	4	NC DEQ-DWR
8	Revenue Outlook	Infrastructure/Organizational	4	EFC rates; source of population varies
9	Affordability	Infrastructure/Organizational	1	Developed by DWI/SWIA
10	Rates	Infrastructure/Organizational	1	EFC
11	DW Pop / Mile	Infrastructure/Organizational	1	LWSP (see above for population)
12	Sewer Pop / Mile	Infrastructure/Organizational	1	NC DEQ-DWR
13	UAL Control Issues - W/S only	Infrastructure/Organizational	3	NC DEQ-DWR

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LGU Assessment Criteria

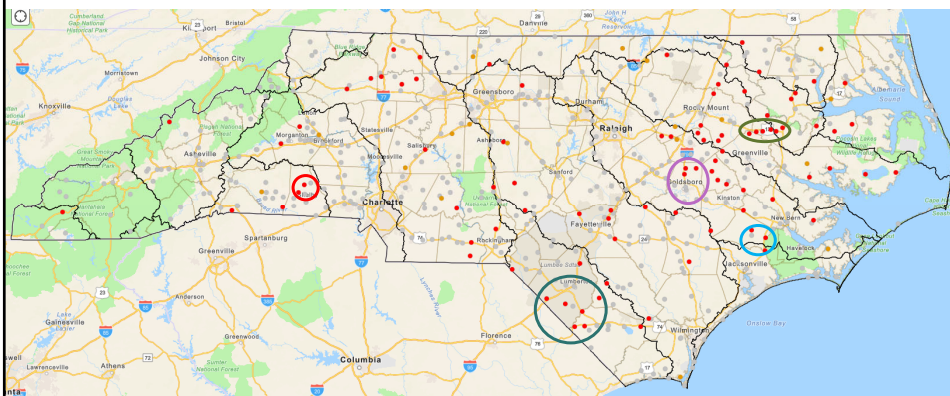
#	Criterion	Type	Points/Weight	Source Data
14	UAL Missing Audit	Financial	3	LGC
15	Surplus (deficit) w/ Debt	Financial	2	Calculated from LGC data
16	No Debt DSCR Test	Financial	1	Calculated from LGC data
17	% Depreciated	Financial	1	Calculated from LGC data
18	Operating Margin	Financial	1	Calculated from LGC data
19	Quick Ratio	Financial	1	Calculated from LGC data
20	Receivables Ratio	Financial	1	Calculated from LGC data



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VU Program Highlights

- Total of 131 designated out of 487 LGUs
- Regional partnerships (AIAs/MRFs) encouraged
- Martin County (MCRWASA)
- Wayne County (Goldsboro)
- Fair Bluff (Lumber River COG)
- Cleveland County (CCW)
- Others potential partnerships emerging



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VU Program Highlights

- Program Development
 - VU Basic Utility Management Training
 - Automatic \$2,000 Training Grants (ARPA)
 - Formalizing study grant management processes
 - **Viable Utilities Project Unit** supports construction projects
 - Considering modifications to PRS to reflect VU program
 - Statutory requirements: guidance and DWI policy
 - STAP/LTAP requirements
 - Continuing education
- Other Initiatives
 - Voluntary energy optimization training and support (with State Energy Program)
 - Voluntary mentorship program (with NC OneWater UMC)
 - Continued collaboration with Resource Area Partners for Water and Wastewater Utilities (RAPWU)



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Support and Assistance

Resource Agency Partners for Water and Wastewater Utilities (RAPWU)

- Have well-established relationships with LGUs
- Provide technical and managerial expertise to LGUs
- Are often seen as neutral arbiters for partnerships (e.g., COGs)
- Share information and collaborate on many VUP elements



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Questions?



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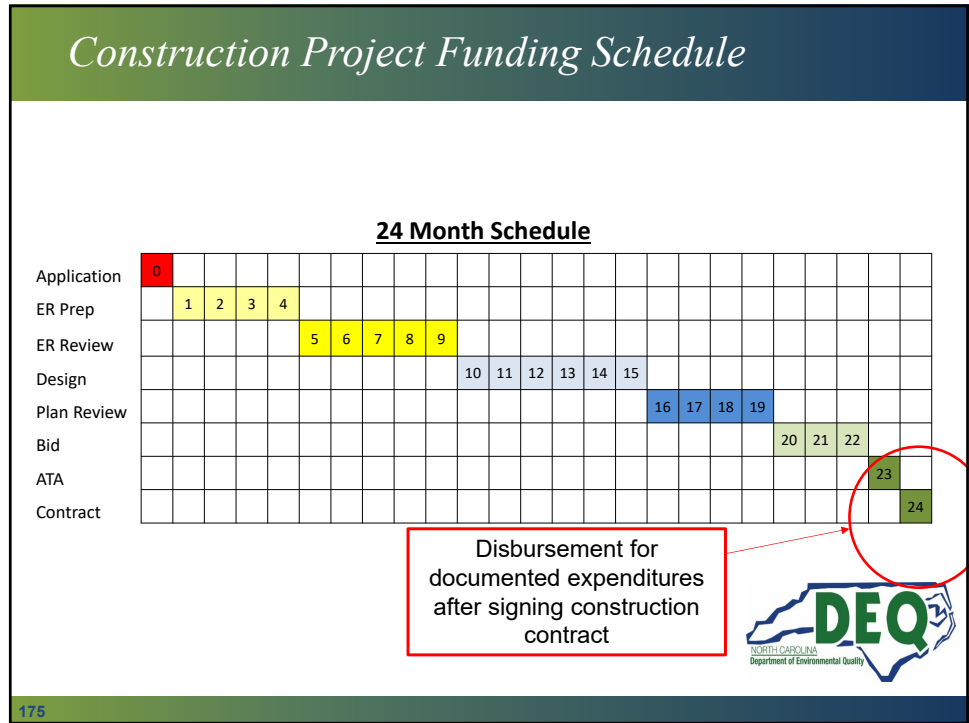


When (and how) do I get my money?



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Construction Project Schedule

- GS 159G-41**
 - 2 years to get under construction contract from LOIF
 - 1 year to get under contact after award (signing offer agreement) - typically, after ER approval
- Engineering Report Approval – 9 Months from LOIF**
 - Alternatives Analysis
 - Environmental Review (if required), more time for FONSI
- Offer and Acceptance**
 - Board approved agreement and Resolution
- Plans and Specifications Approval – 22 Months from LOIF**
- Project Bid**
- Construction/Contract Start – ≤ 24 Months from LOIF**

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When do I get my money?

- Loan Recipients – after ER Approval
 - LGC approval of all debt
 - Loan approval after Bids in hand!
 - Get annual financial audits in order
- DWI Fees – NCGS 159G-24
 - 2% of the loan (includes principal forgiveness)
 - 1.5% of the grant
 - Due after award and prior to first payment
- Disbursement of funds – NCGS 159G-42
 - Disburse based on the progress of the project
 - Recipient must document expenditures
 - Funds for approved costs only



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When do I start getting my money?

First payment checklist (key items)

- Offer Accepted
- Resolution
- Notice to Proceed
- Sales Tax Form
- DWI's Authority to Award (construction only)
- Executed and Approved Contracts
- Wage Rate Cert. (for projects > \$10M)



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When do I get the rest of my money?

Last payment checklist (key items)

- Closeout Checklist (signed by recipient)
- Owner's Certification of Completion
- Engineer's Certification
- DWI's Final Change Order Eligibility Determination
- DWI's Final Inspection Report



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Inspections – While the money is flowing

- Types
 - Pre Construction – before Notice to Proceed
 - Regular meetings – Typically at least once every six months
 - Close out – ideally at Substantial Completion, Final Completion at the latest
- What to expect
 - Who needs to be there – DWI, Owner's Authorized Representative, engineer, and contractor
 - How long – throughout construction
 - What will be reviewed – construction progress and funding-specific documentation



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State Revolving Fund (SRF) Conditions

- SRF
 - Offer and Acceptance Package
 - Conditions and Assurances
 - David-Bacon Wage Rates
 - American Iron and Steel
 - Build America, Buy America (not AIS!)

- Read your offer and acceptance letter



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State Revolving Fund (SRF)

- Build America, Buy America Act
 - Applies to SRF and BIL funds awarded to States after May 2022.
 - All iron and steel are produced in the United States.
 - All manufactured products are produced in the United States.
 - All construction materials are manufactured in the United States.
 - EPA website: [Build America, Buy America \(BABA\) | US EPA](#)

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BABA

- Approved Waivers

- [EPA De Minimis General Applicability Waiver](#)

- Waive requirements for products that cumulatively comprise no more than five percent of the total project cost.
 - This waiver is not additive with the existing American Iron and Steel national de minimis waiver.
 - The EPA will review this waiver every five years

- [EPA Small Project General Applicability Waiver](#)

- waiver for small projects, where assistance agreements or subawards under assistance agreements are less than \$250,000
 - The EPA will review this waiver every five years



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BABA

- Approved Waivers

- [Adjustment Period Waiver, 2021 for SRF Projects that have Initiated Design Planning](#)

- This one is complicated
 - Waive BABA requirements on projects that initiated project design planning prior to May 14, 2022
 - Does not waive AIS requirements
 - May not cover re-design



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BIL - Lead Service Lines Replacement



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BIL – Lead Service Line Replacement

- BIL appropriated additional funds for 5 fiscal years (FY 2022-FY 2026) specifically for the purpose of inventorying and replacing lead service lines.
- These funds are referred to as the BIL DWSRF Lead Service Line Replacement Funds (LSLR Funds).
- EPA’s Revised Lead and Copper Rule (LCRR) went into effect on December 16th, 2021.
 - All community water systems and non-transient, non-community water systems are required to complete a lead service line inventory by October 16th, 2024.

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BIL – Lead Service Line Replacement

- Per March 2022 EPA BIL Implementation memo, LSLR funded projects or activities must be
 - DWSRF eligible and
 - be a LSLR project or associated activity directly connected to the identification, planning, design, and replacement of lead service lines.
- All funded projects involving the replacement of a lead service line must replace the entire lead service line, not just a portion, unless a portion has already been replaced.
- Replacing lead connectors (goosenecks, pigtails) is eligible for funding (included in definition of “lead service lines”)

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BIL – Lead Service Line Replacement

- LSLR Program schedule
 - Develop an Intended Use Plan (public review)
 - Proposed Priority Rating System (approved by SWIA)
 - Approve Priority Rating System (April-July 2023)
 - Apply to EPA for BIL DWSRF-LSLF funds (Priority July 2023)
 - Funds available for projects (as early as Sept. 2023)



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BIL – Lead Service Line Replacement

- Develop Intended Use Plan (public review)
 - Program Details
 - Funding Caps
 - Principal Forgiveness
 - Funding Cycles
 - Priority Rating System
 - Set Aside use
 - Project list (demonstrate need)
- Solicited Projects – ASAP
 - Needed for IUP!!



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BIL – Lead Service Line Replacement

- Draft IUP details
 - Funding types and caps
 - May apply for multiple project types each round.
 - \$4 million for projects replacing known lead service lines
 - \$2 million for system finding and replacing lead service lines as discovered
 - \$500,000 for a system to inventory lead service lines (no replacement)
 - Funding cycle
 - Awards possible every SWIA meeting



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BIL – Lead Service Line Replacement

• Draft: Project purpose

Draft Project Purpose Points			
Line Item #	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A	Project eliminates lead service lines (100% of project is to replace known lead service lines)		25
1.B	Project establishes and implements a program to find and replace lead service lines in areas suspect to have lead lines.		15
1.C	Project inventories lead service lines (no replacement as part of project)		10
Maximum points for Category 1 – Project Purpose			25



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BIL – Lead Service Line Replacement

• Draft: Project Benefit

Project Benefits Points			
Line Item #	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A	Project addresses/resolves Lead Action Level Exceedance		5
2.B	Project area has documented Lead Action Level Exceedance		2
Maximum points for Category 2 – Project Benefits			5



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BIL – Lead Service Line Replacement

• Draft: Affordability (no change from construction)

Draft Affordability Points			
Line Item #	Category 4 – Affordability	Claimed Yes/No	Points
4.A	Residential Connections		
4.A.1	Less than 10,000 residential connections OR		2
4.A.2	Less than 5,000 residential connections OR		4
4.A.3	Less than 1,000 residential connections		8
4.B	Current Monthly Combined Utility Rates at 5,000 Usage		
4.B.1	Greater than \$79 OR		4
4.B.2	Greater than \$90 OR		6
4.B.3	Greater than \$107 OR		8
4.B.4	Greater than \$129		10
4.C	Local Government Unit (LGU) Indicators		
4.C.1	3 out of 5 LGU indicators worse than state benchmark OR		3
4.C.2	4 out of 5 LGU indicators worse than state benchmark OR		5
4.C.3	5 out of 5 LGU indicators worse than state benchmark		7
4.D	Project benefits disadvantaged areas		5
Maximum points for Category 4 – Affordability			25

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BIL – Lead Service Line Replacement

- Project Solicitation (not an application yet!)
 - Form will meet most application requirements for complete and competitive application.
 - Requires signatures, budget, narrative supporting priority points, etc.
 - No Resolution is required (yet!)
 - Form will match draft PRS and IUP language.
 - Intent is to consider solicitation an application when PRS and application form is finalized.
- Project Application
 - Applicant with project solicitation will have to submit a project Resolution and any other missing information
 - Applicant will have an opportunity to update information prior to funding cycle.
 - Available after Priority Rating System has been approved

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BIL – Lead Service Line Replacement Project Solicitation Form


North Carolina Department of Environmental Quality
Division of Water Infrastructure
LSLR Project Solicitation Form
(Last updated: February 2023)

Municipality Metropolitan Water District
 County Non-Profit Water Corporation
 Water and Sewer District Investor-Owned Drinking Water Corporation
 Water and Sewer Authority Other (Specify: _____)
 Sanitary District

Funding Type Requested
 Funding for Lead Service Line and Lead Connectors (LSL)
 Replacing already-known LSLs
 Finding and replacing LSLs
 Inventory LSLs only (includes no replacement)

Acceptance of Funding Offer
 This question will be used to identify the best funding fit. All LSL projects will be subject to federal terms and conditions.
 • I will only accept a funding offer if a minimum of \$_____ is offered as principal forgiveness. I will accept the rest as loan.
 Enter 50 if you are willing to accept a loan offer with no principal forgiveness.

2. Drinking Water System Parameters
Residential Water Connections
 Non-Residential Water Connections
 Monthly Sewer Bill per 5,000 gallons Monthly Water Bill per 5,000 gallons
Percentage of Utility Bills Collected and Rate Increase Percentages

Year	Percentage of Utility Bills Collected	Rate Increase Percentage

Available on Division’s “Application Forms and Additional Resources” webpage

<https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources>

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Contact Information

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<i>Approximate Funds Available for Spring 2023 Applications</i>		
Program	Funding Type and Limits	Potential Funds Available
Drinking Water State Revolving Fund	DW loans (with principal forgiveness), up to \$25 M	~\$75 million (incl. ~\$16 million in PF)
Clean Water State Revolving Fund	WW loans (with principal forgiveness), up to \$35 M	~\$100 million (incl. ~\$19 million in PF)
CDBG-I	DW & WW grants benefiting low-to-moderate income, up to \$3 M every 3 years	~\$19 million
LASII Stormwater Planning	Stormwater planning grants (<u>not</u> construction), up to \$400 K or \$500 K	~\$6.3 million

No funds are available for ARPA grants, Viable Utility Reserve, or LASII Stormwater Construction.

Asset Inventory & Assessment grants and Merger/Regionalization Feasibility study grants will be available in the Fall 2023 funding round.