

**State Water Infrastructure Authority  
Viable Utility Committee  
November 10, 2021 Meeting  
Agenda Item C – Overview of Comments for Priority Rating System for the Viable Utility  
Reserve Capital Projects**

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**Division of Water Infrastructure Staff Report**

**Background**

Session Law 2020-79, entitled in part “An Act to Improve the Viability of the Water and Wastewater Systems of Certain Units of Local Government...”, created the Viable Utility Reserve (VUR). Pursuant to § 159G-39, the Division must rank each application for the Authority’s review. The Authority must consider the Division's determination of priority when it reviews an application's priority. The Authority's determination of priority is conclusive. In addition, for the VUR, the Department shall not award a grant from the VUR Fund unless the Local Government Commission (Commission) approves the award of the grant.

At its September 16, 2021 meeting, the Authority approved the draft VUR Priority Rating System for capital projects to go out to public review. The public review period opened on October 4, 2021 and closed on November 1, 2021. This staff report lists the comments received and summarizes the major topics submitted by commenters.

**Summary of Commenters**

Table 1 shows the organizations that submitted comments. All comments may be found in the Attachment.

<b>Table 1. Organizations Submitting Comments</b>	
<b>Organization</b>	<b>Date of Comment</b>
Aqua North Carolina / Carolina Water Service of North Carolina	November 1, 2021
Coastal Habitat Protection Plan Steering Committee	October 27, 2021
Lumber River Council of Governments	November 1, 2021
North Carolina Chamber of Commerce	November 1, 2021
North Carolina Conservation Network	November 1, 2021
North Carolina Homebuilders Association	November 1, 2021
North Carolina League of Municipalities	October 29, 2021
Donna Davis	October 26, 2021
Southern Environmental Law Center	November 1, 2021

## **Summary of Comment Topics**

The following points provide an overview of the topics that commenters discussed.

- Support for Viable Utilities (North Carolina League of Municipalities) – Provided a letter of support.
- Project Purpose (Donna Davis) – Commented on adding points for line items that would facilitate the provision of reliable water or wastewater services.
- System Management (Category 3 of VUR Priority Rating System) (Donna Davis) – Commented on adding line items that would address projects that come from Capital Improvement Plans that were developed and implemented as part asset management plans that are created and implemented.
- Demographic Data Collection (Southern Environmental Law Center, North Carolina Conservation Network) – Asked for the Division to begin collecting data related to race, color, and national origin.
- Non-compliance Issues (Category 2 of VUR Priority Rating System) (North Carolina Conservation Network) – Commented on points related to non-compliance issues.
- Resilience (North Carolina Conservation Network, North Carolina Coastal Habitat Protection Plan) – Commented on the vulnerability of utilities and asked for consideration related to flood risk.
- Special Waters (Category 2 of VUR Priority Rating System)(Coastal Habitat Protection Plan Steering Committee) – Asked the Division to consider points for areas along the coast that are special waters.
- Rates (Lumber River Council of Governments) – Expressed concern that unemployment indicators for communities with high retirement populations are not accurately captured.
- Public-Private Partnerships and Privately-Owned Utilities (North Carolina Chamber of Commerce, Aqua North Carolina / Carolina Water Service of North Carolina, North Carolina Homebuilders Association) – Asked the Division to consider prioritizing regional solutions that utilize public-private partnerships and / or selling systems to private utilities.

## **Next Steps**

Division staff are preparing responses to the comments and will share them with the full Authority at the December 8, 2021 meeting.