

**State Water Infrastructure Authority
September 14, 2022 Meeting
Agenda Item I**

**Additional Funding Recommendation for Rocky Point Topsail Water and Sewer District under Funds
from the Additional Supplemental Appropriations for Disaster Relief Act (ASADRA)**

Division of Water Infrastructure Staff Report

During the Spring and Fall 2020 funding rounds, the Authority approved awards for the 2019 Additional Supplemental Appropriations for Disaster Relief Act funds (ASADRA). These funds include recipient and project eligibility requirements to provide funding for resiliency-focused projects at wastewater treatment works and drinking water facilities impacted by Hurricanes Florence and Michael. The Authority approved a Priority Rating System specific to the ASADRA funds, and the Division has an approved Intended Use Plan (IUP) with the U.S. Environmental Protection Agency (EPA) identifying eligible projects for the funds.

In 2021 and 2022, EPA notified the Division of additional ASADRA DWSRF allocations available to the State. Per EPA, the funds must be used for projects identified through the State-submitted ASADRA IUP and appropriate Priority Rating System. However, updates to the Priority Rating System make it difficult to award the reallocations to future funding rounds and update the IUP with additional projects.

The 2021 allocation of approximately \$7 million was made available to previously funded ASADRA projects whose applicants had made the Division aware of additional funding needs to meet budget shortfalls. Priority for the reallocation funds was given to fully funded projects in priority order, using the projects' Priority Rating System scores.

The 2022 ASADRA reallocation is approximately \$10 million in additional ASADRA DWSRF funds. Rocky Point Topsail Water and Sewer District had requested an additional \$23,750,000 of funding for the RO Water Treatment Plant and Associated Improvements project to fully fund the partially funded project. Also, the Rocky Point Topsail Water and Sewer District project is the only ASADRA-eligible drinking water project that has not been fully funded. At this time, the Division is not aware of funding shortfalls remaining for the other ASADRA DWSRF-funded projects.

Table 1 below shows ASADRA DWSRF-funded projects to date. If approved, the Rocky Point Topsail Water and Sewer District would have a total ASADRA DWSRF award of a \$30,561,486 loan, including \$5,000,000 in principal forgiveness.

Staff Recommendation

Staff recommend that the Authority approve the following:

- An additional \$10,370,400 ASADRA DWSRF loan to The Rocky Point Topsail Water and Sewer District, RO Water Treatment Plant and Associated Improvements project.
- Additional ASADRA DWSRF funds up to \$5,000,000 may be awarded to Rocky Point Topsail Water and Sanitary District project if they become available.

North Carolina Drinking Water ASADRA State Revolving Fund State Project List

| Applicant Name | Project Name | County | Total Funding Requested | ASADRA Principal Forgiveness | ASADRA Loan | DWSRF Funds Provided | Priority Points |
|--|--|---------------|--------------------------------|-------------------------------------|--------------------|-----------------------------|------------------------|
| Rockingham County | Hogan's Creek Water Booster Pump Station Relocation and Flood Protection | Rockingham | \$1,791,500 | | | \$1,791,500 | 60 |
| Scott's Hill Water and Sewer District | Elevated Water Tank and Associated Improvements ¹ | Pender | \$9,940,000 | \$1,985,000 | \$7,955,000 | | 47 |
| Lumberton, City of | 2020 Well Replacement | Robeson | \$2,316,900 | \$2,316,900 | | | 44 |
| Rocky Point Topsail Water and Sewer District | RO Water Treatment Plant and Associated Improvements ² | Pender | \$66,870,000 | \$5,000,000 | \$15,191,086 | | 39 |
| Dunn, City of | Raw Water Electrical Relocation and 24" Line Replacement | Harnett | \$3,515,000 | \$878,750 | \$2,636,250 | | 38 |
| River Bend, Town of | Water Meter Replacement | Craven | \$602,500 | \$602,500 | | | 36 |
| Washington, City of | WTP Emergency Generator | Beaufort | \$409,160 | \$102,290 | \$306,870 | | 35 |
| Surf City, Town of | Water System Resiliency Projects ³ | Pender | \$6,805,000 | \$701,250 | \$6,103,750 | | 30 |
| Johnston County | 2022 AC Water Main Replacement | Johnston | \$5,242,800 | | \$5,242,800 | | 27 |
| Reidsville, City of | Redundant Water Supply Line | Rockingham | \$4,654,000 | \$1,000,000 | \$3,654,000 | | 26 |
| Elm City, Town of | Water Filtration and Emergency Backup Generation | Wilson | \$1,989,086 | \$497,272 | \$1,491,815 | | 24 |

| Applicant Name | Project Name | County | Total Funding Requested | ASADRA Principal Forgiveness | ASADRA Loan | DWSRF Funds Provided | Priority Points |
|-----------------------|----------------------|---------------|--------------------------------|-------------------------------------|---------------------|-----------------------------|------------------------|
| Lincoln County | St. James Water Line | Lincoln | \$3,070,581 | | \$3,070,581 | | 14 |
| TOTALs | | | \$107,206,527 | \$13,083,962 | \$39,461,066 | \$1,791,500 | |

¹Scotts Hill Water and Sewer requested additional \$2,000,000 of funding on 2/9/2022. Additional funding approved to meet total anticipated project cost estimates.

²Rocky Point Topsail Water and Sewer District requested additional \$23,750,000 of funding on 2/9/2022. The project is the only ASADRA DWSRF eligible project currently not fully funded

³Surf City requested additional \$4,000,000 of funding on 2/9/2022. Additional funding approved to meet total anticipated project cost estimates.