

**State Water Infrastructure Authority**  
**Meeting Date: February 19, 2025**  
**Agenda Item K**  
**Fall 2024 Application Round, Example Funding Scenario, and Funding Decisions**  
**for Drinking Water and Wastewater**

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**Division of Water Infrastructure Staff Report**

This report presents a *preliminary* funding scenario for the consideration of the State Water Infrastructure Authority (Authority). Subsequent updates and corrections to the application information and funding scenario (including application scores, ranking, potential funding amount, etc.) may occur and will be presented to the Authority during the meeting. Applications are selected for funding by the Authority during the meeting, and the Authority’s selections are final.

**Background**

The Fall 2024 application round includes funds appropriated to the Water Infrastructure Fund established in G.S. 159G. This staff report presents information on the Fall 2024 application round for drinking water and wastewater applications to be funded from the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF), including the Bipartisan Infrastructure Law (BIL) General Supplemental Funds, the BIL State Revolving Fund (SRF)-Emerging Contaminants funds (DWSRF-EC, and CWSRF-EC) for construction projects, the Drinking Water and Wastewater Reserves (State Reserves), and the Viable Utilities Reserve (VUR). This information includes a summary of available funds and any limitation on awarding the funds, a summary of applications received, and the process staff used to apply funds in the funding scenario example presented to the Authority. Funding demand continues to exceed available funds.

Table 1 shows a comparison of funding requested from complete and eligible applications (including Spring 2024 applications that were not funded or fully funded and are reconsidered in this round) and the amount of funding available from the sources above. Table 1 also includes number of applications and funding availability from the Community Development Block Grant-Infrastructure (CDBG-I) program, which is covered in Agenda Item J.

Excluded from Table 1 are eight applications that are incomplete and ineligible, and applications for the following specific programs that are addressed in separate agenda items: applications and funding available for the BIL DWSRF Lead Service Line Replacement (DWSRF-LSLR) funds, which are summarized in Agenda Item G, and applications and funding available for the BIL SRF Emerging Contaminants Evaluation/Assessment “Study” Projects, which are summarized in Agenda Item H.

<b>Table 1. Comparison of Funding Requested from Complete and Eligible Applications (including Spring 2024 Reconsiderations) and Amount of Funding Available</b>							
<b>Application Type</b>	<b>No. of Apps.</b>	<b>Total Requests</b>	<b>Approximate Amount Available<sup>1</sup></b>				
Community Development Block Grant – Infrastructure (CDBG-I)	12	\$30,127,735	CDBG-I Grant: \$19M				
Drinking Water Projects	69	\$594,617,605	DWSRF Loan <sup>1</sup> : \$85 M	BIL DWSRF-EC: \$5 <sup>2</sup>	State Reserves Grant: \$10 M	State Reserve Loans: \$1.2M	Viable Utility Reserve: \$7M
Wastewater Projects <sup>3</sup>	51	\$972,393,961	CWSRF Loan <sup>1</sup> : \$110 M	BIL CWSRF-EC: \$ 1.9M <sup>2</sup>			
Asset Inventory & Assessment Grants (AIA)	47	\$7,257,000					
Merger/Regionalization Feasibility Grants (MRF)	5	\$250,000					
<b>Total:</b>	<b>184</b>	<b>\$1,604,646,301</b>	<b>\$239 M</b>				

<sup>1</sup>Including Principal Forgiveness (PF).

<sup>2</sup>BIL Emerging Contaminant Funds in Table 1 are for Construction projects only and are offered as 100% PF.

<sup>3</sup>Including one application for the Decentralized Wastewater Treatment System Pilot Program.

### **Fall 2024 Funds Available**

The following funds are available for the Fall 2024 Application Round:

- Clean Water State Revolving Funds and DWSRF are available to local government units (LGUs) and nonprofit water corporations (and investor-owned drinking water corporations for the DWSRF) in the form of low-interest loans and PF. The SRF amounts in this staff report include a portion of the BIL General Supplemental funds for the CWSRF and DWSRF programs. The BIL funds for the DWSRF-EC and CWSRF-EC are described as separate funds available. In this staff report, DWSRF-EC and CWSRF-EC funds available for construction projects only are included (DWSRF-EC-C and CWSRF-EC-C). Projects that address PFAS contamination may be eligible for both regular SRF funds and the BIL SRF-EC-C funds. The funds have separate priority rating systems (PRs) approved by the Authority. Funding spreadsheets prioritizing projects are provided for regular SRF projects and EC-eligible projects. This staff report does not include information about funding from DWSRF-EC and CWSRF-EC for Evaluation/Assessment “Study” projects or about funding from BIL DWSRF-Lead Service Line Replacement funds.

The Authority may consider the additional information provided in the wastewater project applications for determining funding commitments for the CWSRF. Federal requirements specify that at least ten percent of the annual CWSRF capitalization grant shall be used for eligible Green Projects. Federal requirements also specify that at least 15 percent of the

DWSRF loans shall be used for providing funding assistance to small water systems, although North Carolina's Intended Use Plan (IUP) requires a minimum of 30 percent for this use.

- Bipartisan Infrastructure Law funds for CWSRF-EC and DWSRF-EC projects are available to LGUs and nonprofit water corporations (and investor-owned drinking water corporations for the DWSRF) in the form of PF. The SRF-EC funds include a reserve of 50 percent of the available funds to support evaluation/assessment (i.e., "study" or planning) projects if there is enough demand for planning projects.<sup>1</sup> Bipartisan Infrastructure Law DWSRF-EC funding is limited to \$5 million per applicant for construction projects and \$500,000 per applicant for planning projects. Bipartisan Infrastructure Law Clean Water State Revolving Fund Emerging Contaminants projects do not have funding limits but have a 50 percent reserve for evaluation/assessment projects. Emerging contaminants projects may be eligible for both regular SRF funds and the CWSRF-EC or DWSRF-EC funds. These funds have separate Priority Rating Systems approved by the Authority. Funding spreadsheets prioritizing projects are provided for regular SRF projects and EC-eligible projects.
- Grants and loans from the State Reserve Program (SRP) for drinking water and wastewater projects are available for construction projects for the Fall 2024 application round. State Reserve Program grants for drinking water and wastewater projects are limited to \$3 million per eligible applicant every three fiscal years. Loans from the SRP are limited to \$3 million per eligible applicant every three fiscal years for targeted interest rates and \$3 million per fiscal year.
- Grants from the SRP for MRFs and AIAs are limited only to drinking water or wastewater systems serving up to 10,000 people. State Reserve Program grants for AIAs are limited to \$150,000 per eligible applicant every three years for each type of service. State Reserve Program grants for MRFs are limited to \$50,000 per eligible applicant every three years for each type of service.
- Grants from the VUR are provided for LGUs that have been designated as Distressed by the Authority and Local Government Commission (LGC). These LGUs are eligible to receive up to \$15 million of grant funding from the VUR for eligible study grants and construction projects<sup>2</sup>. Viable Utility Reserve grant funding is limited, and the remainder of available VUR grant appropriations from S.L. 2023-134 that have not yet been awarded are being considered for eligible applications in this funding round.

### **Summary of Applications Received (Excluding CDBG-I, LSLR, and EC Study Applications)**

Fall 2024 applications were due September 30, 2024, but the application due date was extended until October 15, 2024 to accommodate application submittals impacted by Hurricane Helene. Excluding applications for CDBG-I, DWSRF-LSLR, and SRF-EC study projects, a total of 144 applications were submitted. Eight of the applications were incomplete and ineligible for consideration. An additional 36 unfunded Spring 2024 drinking water, wastewater, and AIA applications were reconsidered as part of this round. A summary of the number of drinking water and wastewater applications considered in

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<sup>1</sup> See Agenda Item H for more details related to funding recommendations from this program.

<sup>2</sup> See G.S. 159G-32(d)(1)-(5) for information on what types of projects are eligible for VUR funding.

funding recommendations covered in this staff report is shown in Table 2. Requested funding for construction projects far exceeds the amount of available funds for this round.

<b>Table 2. Number of Applications including Reconsiderations</b>					
<b>Category</b>	<b>Drinking Water</b>	<b>Wastewater</b>	<b>AIA</b>	<b>MRF</b>	<b>Total</b>
Incomplete/Ineligible	2	0	5	1	<b>8</b>
Complete and eligible new applications	55	35 <sup>1</sup>	41	5	<b>136</b>
Spring 2024 Reconsiderations	14	16	6	0	<b>36</b>
Total <u>Complete and Eligible</u> Applications Considered	<b>69</b>	<b>51</b>	<b>47</b>	<b>5</b>	<b>172</b>
Funding Requested from <u>Complete and Eligible</u> Applications	\$595 million	\$972 million	\$7.26 million	\$250,000	<b>\$1.575 billion</b>

<sup>1</sup>Including one application for the Decentralized Wastewater Treatment System Pilot Program.

Table 3 on the next page provides a summary of construction project applications meeting criteria previously identified by the Authority. The table does not provide information on all priority line items.

**Table 3. Summary of Project Applications by Characteristics and Receiving Specific Priority Rating System Points**

Project Type (excluding CDBG-I)	Parameter Type									
	Total	Local Government Unit Designated as Distressed	Consolidate a Non-Viable Utility <sup>a</sup>	Failing Infrastructure <sup>b</sup>	Rehab/Replace Old Infrastructure <sup>c</sup>	Provide Service to Disadvantaged Areas <sup>d</sup>	Address Enforcement Document <sup>e</sup>	Merger/ Regionalization <sup>f,†</sup>	Emerging Contaminants <sup>g,†</sup>	Resiliency <sup>h</sup>
Drinking Water	69	16	0	0	27	3	2	2	26	15
Wastewater	51	19	0	1	34	1	15	1	1	22
<b>Total</b>	<b>120</b>	<b>35</b>	<b>0</b>	<b>1</b>	<b>61</b>	<b>4</b>	<b>17</b>	<b>3</b>	<b>27</b>	<b>37</b>

<sup>a</sup> Consolidate a Non-Viable Utility: successfully claimed Line Item 1.A of the Construction PRSs for WW/DW.  
<sup>b</sup> Failing Infrastructure: successfully claimed Line Item 1.B of the Construction PRSs for WW/DW.  
<sup>c</sup> Rehab/Replace Old Infrastructure: successfully claimed Line Items 1.C.1 or 1.D.1 of the Construction PRSs for WW/DW.  
<sup>d</sup> Provide Service to Disadvantaged Area: successfully claimed Line Item 1.E of the Construction PRSs for WW/DW. Does not include similar applications that successfully claimed Line Item 1.B (Failing Infrastructure) points instead.  
<sup>e</sup> Address Enforcement Document: successfully claimed Line Items 2.E.1 or 2.E.2 of the Construction PRSs for WW/DW.  
<sup>f</sup> Merger/Regionalization: successfully claimed Line Items 2.F.1 or 2.F.2 of the Construction PRSs for WW/DW.  
<sup>g</sup> Address Emerging Contaminants: successfully claimed Line Item 2.H.3 or 2.H.4 of the Construction PRSs for WW/DW. Only projects that are exclusively addressing Emerging Contaminants are eligible for BIL Emerging Contaminants Funds.  
<sup>h</sup> Resiliency: successfully claimed one of Line Items 2.N.1 through 2.N.7 of the Construction PRSs for WW/DW.  
<sup>i</sup> Benefits to Disadvantaged Community or Area: qualifies for principal forgiveness/grants if applicant is a Disadvantaged Community based on Affordability Criteria and/or project is primarily benefiting a disadvantaged area and successfully claimed Line Item 4.C.4 of the Construction PRSs for WW/DW.  
<sup>†</sup> Projects resulting from an AIA or MRF are self-identified.

**Example Funding Scenario for SRF, SRF EC Construction, SRP, and VUR Funds**

The Authority may consider multiple funding scenarios. In the example funding scenario presented, applications are shown as receiving the best available funding for project applications in priority order until available funds are exhausted. The order of funding is as follows:

- Apply State Reserve study grant funds to MRF projects with up to \$50,000 per recipient.
- Apply State Reserve study grant funds to AIA projects with up to \$150,000 per recipient per drinking water or wastewater system.
- Apply BIL DWSRF-EC and BIL CWSRF-EC funds to eligible construction projects using the SRF-EC PRSs.

- Apply CWSRF funds to the Decentralized Wastewater Treatment System Pilot Program.
- Apply SRP grants to eligible construction projects up to \$3 million.
- Apply SRP loan to eligible construction projects up to \$3 million.
- Apply DWSRF and CWSRF PF (up to an initial cap of \$500,000) and SRF loan funds to eligible projects until awarded funds meet SRF loan funds available.
- Adjust recommendations to the DWSRF scenario to meet the minimum 30 percent loan assistance to small water systems.
- Adjust recommendations to the CWSRF to meet the minimum ten-percent capitalization grant Green Project Reserve (GPR) loan assistance.
- Apply any additional available PF in \$500,000 increments to projects receiving SRF funds and that qualify for PF, up to PF eligibility, starting with the highest-scoring application receiving SRF funds.
- Apply the rest of SRF loan and PF funds to the next eligible projects in priority order to fully utilize all available funds.

Only one application in the funding range is not awarded funding in this scenario because the applicant does not qualify for the minimum grant or PF amount they indicated was needed for the project to move forward. See the staff notes on the spreadsheet.

In the example funding scenario presented, five MRF grants (\$250,000), 37 AIAs (\$5,410,000), 13 drinking water construction projects (\$96,725,436), and 18 wastewater construction projects (\$119,536,980) would receive loan, PF, and/or grant funding from the SRFs, SRP, and VUR, including the BIL EC construction funds, totaling \$221,922,416 million in funding assistance. Table 4 summarizes the example funding scenario. The funding scenario includes the project recommended to be funded as part of the Decentralized Wastewater Treatment System Pilot Program.

**Table 4. Example Funding Scenario for Fall 2024 Funding**

<b>Project Types</b>	<b>Complete and Eligible Applications considered</b>	<b>Applications in example funding scenario</b>	<b>Potential VUR grants</b>	<b>Potential SRP Grants</b>	<b>Potential SRP Loans</b>	<b>Potential SRF Principal Forgiveness (including BIL EC)</b>	<b>Potential SRF loans</b>	<b>Potential Total Funding</b>
MRF	5	5		\$250,000				<b>\$250,000</b>
AIA	47	37		\$5,410,000				<b>\$5,410,000</b>
Drinking Water Construction (including EC) <sup>1</sup>	69	13	\$4,873,671	\$0	\$0	\$23,817,430	\$68,034,335	<b>\$96,725,436</b>
Wastewater Construction (including EC)	51	18	\$2,152,647	\$4,161,002	\$1,203,060	\$15,339,120	\$96,681,151	<b>\$119,536,980</b>
<b>Total</b>	<b>172</b>	<b>73</b>	<b>\$7,026,318</b>	<b>\$9,821,002</b>	<b>\$1,203,060</b>	<b>\$39,156,550</b>	<b>\$164,715,486</b>	<b>\$221,922,416</b>

Table 5 provides a summary of potentially funded construction project applications meeting criteria previously identified by the Authority. The table does not provide information on all priority line items. This table uses the same criteria as Table 3 above.

<b>Table 5. Summary of Projects in the Example Funding Scenario by Characteristics and Receiving Specific Priority Rating System Points</b>										
<b>Project Type (excluding CDBG-I)</b>	<b>Parameter Type</b>									
	<b>Total</b>	<b>Local Government Unit Designated as Distressed</b>	<b>Consolidate a Non-Viable Utility<sup>a</sup></b>	<b>Failing Infrastructure<sup>b</sup></b>	<b>Rehab/Replace Old Infrastructure<sup>c</sup></b>	<b>Provide Service to Disadvantaged Areas<sup>d</sup></b>	<b>Address Enforcement Document<sup>e</sup></b>	<b>Merger/ Regionalization<sup>f,†</sup></b>	<b>Emerging Contaminants<sup>g,†</sup></b>	<b>Resiliency<sup>h</sup></b>
Drinking Water	13	5	0	0	9	2	0	2	3	7
Wastewater	18	9	0	1	11	0	8	1	1	10
<b>Total</b>	<b>31</b>	<b>14</b>	<b>0</b>	<b>1</b>	<b>20</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>4</b>	<b>17</b>

<sup>a</sup> Consolidate a Non-Viable Utility: successfully claimed Line Item 1.A of the Construction PRSs for WW/DW.

<sup>b</sup> Failing Infrastructure: successfully claimed Line Item 1.B of the Construction PRSs for WW/DW.

<sup>c</sup> Rehab/Replace Old Infrastructure: successfully claimed Line Items 1.C.1 or 1.D.1 of the Construction PRSs for WW/DW.

<sup>d</sup> Provide Service to Disadvantaged Area: successfully claimed Line Item 1.E of the Construction PRSs for WW/DW. Does not include similar applications that successfully claimed Line Item 1.B (Failing Infrastructure) points instead.

<sup>e</sup> Address Enforcement Document: successfully claimed Line Items 2.E.1 or 2.E.2 of the Construction PRSs for WW/DW.

<sup>f</sup> Merger/Regionalization: successfully claimed Line Items 2.F.1 or 2.F.2 of the Construction PRSs for WW/DW.

<sup>g</sup> Address Emerging Contaminants: successfully claimed Line Item 2.H.3 or 2.H.4 of the Construction PRSs for WW/DW. Only projects that are exclusively addressing Emerging Contaminants are eligible for BIL Emerging Contaminants Funds.

<sup>h</sup> Resiliency: successfully claimed one of Line Items 2.N.1 through 2.N.7 of the Construction PRSs for WW/DW.

<sup>i</sup> Benefits to Disadvantaged Community or Area: qualifies for principal forgiveness/grants if applicant is a Disadvantaged Community based on Affordability Criteria and/or project is primarily benefiting a disadvantaged area and successfully claimed Line Item 4.C.4 of the Construction PRSs for WW/DW.

<sup>†</sup> Projects resulting from an AIA or MRF are self-identified.



## **Project-Specific Notes for Applications in the Example Funding Scenario**

### **MRF Applications for Funding**

- One of the applications received was either incomplete or ineligible for consideration.
- All five of the eligible MRF applications are shown as fully funded in the funding scenario.
- One out of five of the MRF applications is from a LGU designated as distressed (Cumberland County).
- City of Henderson has applied for both wastewater and a drinking water MRF.

### **AIA Applications for funding**

- Five of the applications received were either incomplete and/or ineligible for consideration.
- 37 out of 47 eligible AIA applications (79 percent) are shown as funded in the funding scenario. The last funded application scored 11 points.
- Twelve out of 47 eligible AIA applications are from distressed LGUs, and all are shown as funded in the funding scenario. LGUs that are designated as Distressed are exempt from the required local match for AIA projects.
- Four AIA applications in the funding range requested more than the \$150,000 statutory limit of an SRP-funded AIA. These projects are included in the funding recommendation to partially fund the project up to the \$150,000 statutory limit. The Authority acted in December 2024 recommending that the statutory limit for SRP-funded AIAs be raised to \$225,000.

### **Drinking Water Emerging Contaminants Construction Project Applications**

- One of the applications received was incomplete and/or ineligible for consideration.
- There were 23 complete and eligible applications for construction projects to address PFAS contamination in drinking water. Per the Intended Use Plan, half of the DWSRF-EC funds are reserved for evaluation/assessment study projects, which will be considered throughout the year until July 2025. Of the DWSRF-EC funds for construction projects, half (approximately \$5 million) is awarded in the Fall 2024 round, and the remainder will be awarded in the Spring 2025 round along with other DWSRF-EC funds that are not awarded as part of the Evaluation/Assessment Project Reserve.
- Fayetteville Public Works Commission's PO Hoffer/Glenville Lake WTP GAC project is the highest-scoring application but is bypassed from funding due to meeting the maximum DWSRF-EC funding limit of \$5M per year. This project received a \$5M funding award in July 2024.
- Roanoke Rapids Sanitary District's Drinking Water EC Construction Project is the only application of the 23 applications for EC funds that is recommended for funding with DWSRF-EC funds, using all available \$5M in the Fall 2024 round.

- Roanoke Rapids Sanitary District’s Drinking Water EC Construction Project is not within the funding range for SRF and SRP funds and is not recommended to receive additional funding from those programs. The total project cost is over \$31M, of which \$5M would be funded with DWSRF-EC funds.

Drinking Water Project Applications

- Two of the applications received were incomplete and/or ineligible for consideration.
- Twelve of the 69 eligible applications (17 percent) for drinking water construction project funding are recommended for funding, not counting the project recommended for DWSRF-EC funding. The last funded project scored 50 points. The next highest-scoring application also scored 50 points, but scored fewer Project Purpose points, which is the first tie-breaker per the DWSRF IUP.
- All applications in the funding range would be fully funded in this scenario.
- Sixteen out of 69 drinking water project applications (23 percent) were from LGUs designated as Distressed. Five of the applications are shown in the funding range in this scenario.
- The three highest-scoring applications from distressed LGUs are recommended to be funded from the VUR: Town of Fair Bluff’s Water Supply Well Improvements, Town of Magnolia’s Water Supply Well Replacement Project, and the Town of Wilkesboro’s Yadkin River Intake and Interconnection Upgrade, which receives the remainder of the available VUR grants.
- After identifying all applications that qualify for SRF loan assistance and applying the initial \$500,000 PF cap (where eligible), additional PF funding was available. In accordance with the DWSRF IUP, the additional PF funding exceeding the \$500,000 cap would be awarded in \$500,000 increments up to the maximum PF eligibility of those projects, in priority order. For this funding round, additional PF exceeding the \$500,000 cap was available for the following projects:
  - River Bend, Water Treatment Improvements and Supply Wells (\$3.5 million PF and \$6.9 million repayable loan),
  - Sanford, Sanford Pittsboro Water Main Project (\$3.5 Million PF, \$21.5M repayable loan),
  - Columbus County Water District IV, Buckhead Disadvantaged Community Water System Improvement (\$3.5 Million PF, \$11.6M repayable loan),
  - Magnolia, Automatic Meter Infrastructure Project (\$634,855 PF, \$0 repayable loan),
  - Whiteville, Phase 1 Water Improvement (\$2.37 Million PF, \$2.37M repayable loan),
  - North Lenoir Water Corporation, 2024 Water System Improvement (\$1.4 Million PF, \$0 repayable loan),
  - Cumberland County, Gray’s Creek WSD Phase 2 (\$3.5 Million PF, \$16.1M repayable loan).

- Cumberland County, Grays Creek WSD Phase 2 is the last application in the funding range. The project is fully funded in this scenario. Grays Creek WSD Phase 1 has been awarded funding in the past, but the project is delayed and construction in Phase 1 has not begun.
- Approximately 46 percent of the proposed DWSRF funding assistance in this funding scenario is for small water systems, meeting the required minimum 30 percent small system reserve.

#### Wastewater Emerging Contaminants Construction Project Applications

- No new applications were received for CWSRF-Emerging Contaminants construction projects.
- In the last funding round in which CWSRF-Emerging Contaminants funding was considered (Fall 2023), one application was only partially funded and is reconsidered in this funding round for additional funds.
- Cumberland County, Landfill Leachate PFAS Treatment project is the only eligible application for BIL CWSRF-EC funds and is recommended for funding using the available \$1.9M of BIL CWSRF-EC construction funding this round. The project was awarded \$5.3M in the Fall 2023 funding round (awarded in February 2024) and is currently in the pre-construction stage. Total project cost exceeds the \$7.2M in total awards. The project is not within the funding range for SRF and SRP funds. To be considered for future funding opportunities, the applicant will be required to re-apply.

#### Wastewater Project Applications

- No applications received were incomplete/ineligible for consideration.
- Seventeen out of 51 wastewater construction project applications (33 percent) are recommended for funding, not counting the project recommended for BIL CWSRF-EC funding.
- The last SRF project funded in priority order (Fayetteville Public Works Commission, Rockfish Creek WRF Expansion Phase 3) scores 47 points. Two other projects scoring fewer points are included in the funding scenario to meet the Green Project Reserve and to fund a project from the Decentralized Wastewater Treatment System Pilot Program Reserve<sup>3</sup>.
- Town of Nags Head, Malfunctioning Residential Septic Repair project, is included in the project list and shown as funded through the Decentralized Wastewater Treatment System Pilot Program reserve.
- Nineteen out of 51 wastewater project applications (37 percent) were from LGUs designated as Distressed. Eight are shown in the funding range in this scenario.
- The two highest-scoring applications are funded with SRP grants up to their SRP grant eligibility limits.
- The three highest-scoring applications from distressed LGUs are recommended to be funded from the VUR: Town of Mount Olive's Find and Fix Sewer Rehab Project, Town of Kingstown's Lift Station, Gravity Sewer, Force Main project, and Town of Milton's Wastewater Grinder

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<sup>3</sup> See Agenda Item I for information related to the Decentralized Wastewater Treatment Systems pilot program.

Pump project.

- Viable Utility Reserve grant funds are used to fully fund the Town of Kingstown’s projects after maximum use of the SRP grants.
- The VUR grant to the Town of Mount Olive is limited to \$1,000,000 to stay within the statutory limit for VUR funds of \$15,000,000. The rest of the project is shown as funded with an SRP grant up to the applicant’s SRP grant eligibility limit, and an SRP loan to fully fund the project.
- After identifying all applications that qualify for SRF loan assistance and applying the initial \$500,000 PF cap (where eligible), additional PF funding was available. In accordance with the CWSRF IUP, the additional PF funding exceeding the \$500,000 cap would be awarded in \$500,000 increments up to the maximum PF eligibility of those projects, in priority order. For this funding round, additional PF exceeding the \$500,000 cap was available for the following projects:
  - Magnolia, Newberry Sewer Pump Station Replacement Project (\$999,890 PF and \$0 repayable loan)
  - Magnolia, 2024 Sewer Rehab and Replacement (\$1,968,050 PF and \$0 repayable loan)
  - Bay River Metropolitan Sewage District, Bayboro WWTF Improvements (\$651,175 PF and \$1,953,525 repayable loan)
  - Louisburg, Sanitary Sewer Rehab (\$1,519,150 PF and \$1,519,150 repayable loan)
  - Yadkin Valley Sewer Authority, 2024 WWTP Improvements (\$672,000 PF and \$672,000 repayable loan)
  - Elizabethtown, WWTP Upgrades (\$3M PF and \$18.4M repayable loan)
  - Murfreesboro, Townwide Lift Station Improvements (\$950,125 PF and \$2,850,375 repayable loan)
  - Magnolia, Treatment Plant Improvements (\$980,000 PF and \$0 repayable loan)
  - Conover, L’Echo Park Outfall Sewer Replacement (\$2,360,350 PF and \$2,360,350 repayable loan)
- Town of White Lake, Phase 3 Sewer Improvements, is bypassed for funding because the minimum grant/PF requested for the project to proceed (\$4.4 million) exceeds what the applicant qualifies for (\$1.1 million).
- Cape Fear Public Utility Authority, Southside WWTP Replacement and Capacity Upgrade, has previously been awarded \$105 million in CWSRF loans. The project is currently in the pre-construction phase. The total project cost exceeds \$250 million. The project is in the funding scenario with a \$35 million CWSRF loan, which is the maximum CWSRF loan amount per applicant per funding round. The project will remain partially funded after this round.
- Town of Spindale, WWTP Improvements Project, has previously been awarded \$7,209,740 in CWSRF loans and PF. The application considered has a project cost greater than the previous awards. Only the unfunded portion of the project cost was considered for additional funds.

- Fayetteville Public Works Commission, Rockfish Creek WRF Expansion Phase 3, is the last wastewater project funded with CWSRF funds (excluding from the Green Project Reserve and the Decentralized Wastewater Treatment System Pilot Program Reserve). The project is partially funded with a \$31M loan, using the remainder of the CWSRF loan funds available this round. The project will be partially funded after this round.
- Fayetteville Public Works Commission, BRCO Lift Station Elimination project, is in the funding scenario to meet the CWSRF GPR requirement. The project would reduce energy consumption.

This example funding scenario is detailed in Tables 6 – 11 below. These tables identify the projects that would potentially be funded under the example funding scenario. A full list of applications, including those that would not be funded under this scenario, are shown in the accompanying spreadsheets (Agenda Items K-1 through K-12). Application numbers in the tables below reference application numbers in the accompanying spreadsheets.

### **Other Funding Scenarios**

Note that there are other funding scenarios which could be constructed, and staff can assist the Authority with other scenarios during the meeting.

All awards from the State Revolving Funds are contingent on the Division's receipt of the SRF funds from EPA.

**Table 6. Merger/Regionalization Feasibility (MRF) Grant Applications – Example Funding Scenario**

<b>SWIA Sheet Appl. No</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential State Reserve Grant Amount</b>
1	Cumberland County	Overhills Park WSD MRF	Cumberland	\$50,000	<b>\$50,000</b>
2	Henderson, City of	KLRWS Regional Utility-to-Authority FS (drinking water)	Vance	\$50,000	<b>\$50,000</b>
3	Henderson, City of	Henderson-Oxford Wastewater Regionalization	Vance	\$50,000	<b>\$50,000</b>
4	Boiling Springs, Town of	Sewer System Evaluation - MRF Study	Cleveland	\$50,000	<b>\$50,000</b>
5	Iredell Water Corporation	Water Merger/Regionalization Study	Iredell	\$50,000	<b>\$50,000</b>
<b>Totals for MRF Grants</b>					<b>\$250,000</b>

**Table 7. Asset Inventory and Assessment (AIA) Grant Applications – Example Funding Scenario**

<b>SWIA Sheet Appl. No</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential State Reserve Grant Amount</b>
1	Selma, Town of	2024 Sewer AIA	Johnston	\$150,000	<b>\$150,000</b>
2	Pilot Mountain, Town of	2024 Sewer AIA	Surry	\$272,000	<b>\$150,000</b>
3	Halifax County	Water System AIA	Halifax	\$200,000	<b>\$150,000</b>
4	Hendersonville, City of	Collection System AIA Master Plan Update	Henderson	\$150,000	<b>\$150,000</b>
5	Rutherfordton, Town of	Town of Rutherfordton Sewer AIA Project	Rutherford	\$150,000	<b>\$150,000</b>
6	Archdale, City of	City of Archdale 2024 Sewer AIA Project	Guilford, Randolph	\$150,000	<b>\$150,000</b>
7	Clinton, City of	City of Clinton Sewer AIA Project	Sampson	\$150,000	<b>\$150,000</b>
8	Mars Hill, Town of	Mars Hill Water System AIA	Madison	\$150,000	<b>\$150,000</b>
9	Mars Hill, Town of	Mars Hill Wastewater System AIA	Madison	\$150,000	<b>\$150,000</b>
10	Elizabeth City, City of	Sewer Asset Management Plan Update	Pasquotank	\$150,000	<b>\$150,000</b>
11	Enfield, Town of	Sewer System Asset Management Plan	Halifax	\$150,000	<b>\$150,000</b>
12	Clinton, City of	City of Clinton Water AIA Project	Sampson	\$150,000	<b>\$150,000</b>
13	South Granville Water and Sewer Authority	WTP Master Plan AIA	Granville	\$150,000	<b>\$150,000</b>
14	Elizabeth City, City of	Water Asset Management Plan Update	Pasquotank	\$150,000	<b>\$150,000</b>
15	Liberty, Town of	Town of Liberty Water AIA Project	Randolph	\$150,000	<b>\$150,000</b>

<b>Table 7. Asset Inventory and Assessment (AIA) Grant Applications – Example Funding Scenario</b>					
<b>SWIA Sheet Appl. No</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential State Reserve Grant Amount</b>
16	Liberty, Town of	Town of Liberty Sewer AIA Project	Randolph	\$150,000	<b>\$150,000</b>
17	First Craven Sanitary District	Asset Inventory and Assessment Project	Craven	\$150,000	<b>\$150,000</b>
18	Halifax, Town of	Water System Asset Management Plan	Halifax	\$150,000	<b>\$150,000</b>
19	Grifton, Town of	2024 Water Asset Inventory & Assessment	Pitt	\$150,000	<b>\$150,000</b>
20	Iredell Water Corporation	Water System Assessment Study and Report	Iredell	\$140,000	<b>\$140,000</b>
21	Columbus County	Water District V AIA	Columbus	\$175,000	<b>\$150,000</b>
22	Milton, Town of	Town of Milton Drinking Water AIA	Caswell	\$150,000	<b>\$150,000</b>
23	Grifton, Town of	2024 Wastewater System AIA	Pitt	\$150,000	<b>\$150,000</b>
24	Winfall, Town of	Town of Winfall Sewer AIA Project	Perquimans	\$150,000	<b>\$150,000</b>
25	Lumberton, City of	Water AIA	Robeson	\$150,000	<b>\$150,000</b>
26	Columbus County Water District II	Water Dist. II AIA	Columbus	\$200,000	<b>\$150,000</b>
27	Windsor, Town of	2024 Collection System AIA	Bertie	\$150,000	<b>\$150,000</b>
28	Henderson County	Etowah Sewer AIA Project	Henderson	\$150,000	<b>\$150,000</b>
29	Milton, Town of	Town of Milton Wastewater AIA	Caswell	\$150,000	<b>\$150,000</b>
30	Trinity, City of	2024 Sewer AIA	Randolph	\$150,000	<b>\$150,000</b>
31	Pine Level, Town of	Sewer System Asset Inventory Assessment	Johnston	\$77,500	<b>\$77,500</b>



<b>Table 7. Asset Inventory and Assessment (AIA) Grant Applications – Example Funding Scenario</b>					
<b>SWIA Sheet Appl. No</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential State Reserve Grant Amount</b>
32	Walnut Cove, Town of	Town of Walnut Cove Sewer AIA Project	Stokes	\$150,000	<b>\$150,000</b>
33	Pine Level, Town of	Water System Asset Inventory Assessment	Johnston	\$92,500	<b>\$92,500</b>
34	Askewville, Town of	Sewer Asset and Inventory Assessment	Bertie	\$150,000	<b>\$150,000</b>
35	Hamlet, City of	City of Hamlet Water AIA Project	Richmond	\$150,000	<b>\$150,000</b>
36	Hamlet, City of	City of Hamlet Sewer AIA Project	Richmond	\$150,000	<b>\$150,000</b>
37	Glen Alpine, Town of	Town of Glen Alpine AIA Project	Burke	\$150,000	<b>\$150,000</b>
<b>Totals for AIA grants:</b>					<b>\$5,410,000</b>

<b>Table 8. BIL DWSRF-EC Construction Project Applications in the Example Funding Scenario</b>					
<b>SWIA Sheet Appl. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested</b>	<b>Potential BIL DWSRF EC - Principal Forgiveness</b>
2	Roanoke Rapids Sanitary District	Drinking Water EC Construction Project	Halifax	\$31,115,000	\$5,000,000
<b>Total Potential Funding for DWSRF-EC Construction Project Applications in Funding Scenario:</b>					<b>\$5,000,000</b>

<b>Table 9. DWSRF Project Applications in the Example Funding Scenario</b>							
<b>SWIA Sheet Appl. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested</b>	<b>Potential VUR Grant</b>	<b>Potential DWSRF Principal Forgiveness</b>	<b>Potential DWSRF Loan</b>
1	River Bend, Town of	Water Treatment Improvements & Water Supply Wells	Craven	\$10,429,895		\$3,500,000	\$6,929,895
2	Sanford, City of	Sanford-Pittsboro Water Main Project	Lee	\$25,000,000		\$3,500,000	\$21,500,000
3	Fair Bluff, Town of	Water Supply Well Improvements	Columbus	\$1,000,000	\$1,000,000		
4	Columbus County Water District IV	Buckhead Disadv. Comm. Water System Improvements	Columbus	\$15,089,282		\$3,500,000	\$11,589,282
5	Magnolia, Town of	Water Supply Well Replacement Project	Duplin	\$2,381,775	\$2,381,775		
6	Wilkesboro, Town of	Yadkin River Intake & Interconnect Upgrade	Wilkes	\$9,970,243	\$1,491,896		\$8,478,347

**Table 9. DWSRF Project Applications in the Example Funding Scenario**

SWIA Sheet Appl. No.	Applicant Name	Project Name	County	Amount of Funding Requested	Potential VUR Grant	Potential DWSRF Principal Forgiveness	Potential DWSRF Loan
7	Magnolia, Town of	Automatic Meter Infrastructure Project	Duplin	\$634,855		<b>\$634,855</b>	
8	Carolina Water Service, Inc	High Meadows - Replace Main and Valves	Alleghany	\$655,000			<b>\$655,000</b>
9	Whiteville, City of	Phase 1 Water Improvements	Columbus	\$4,735,350		<b>\$2,367,675</b>	<b>\$2,367,675</b>
10	North Lenoir Water Corporation	2024 Water System Improvements	Lenoir	\$1,414,900		<b>\$1,414,900</b>	
11	Aqua North Carolina, Inc	Idlewood Acres Water Line Replacement	Catawba	\$800,000		<b>\$400,000</b>	<b>\$400,000</b>
12	Cumberland County	Gray's Creek WSD Phase 2	Cumberland	\$19,614,136		<b>\$3,500,000</b>	<b>\$16,114,136</b>
<b>Total Potential Funding for Drinking Water Applications in Funding Scenario:</b>					<b>\$4,873,671</b>	<b>\$18,817,430</b>	<b>\$68,034,335</b>

**Table 10. BIL CWSRF-EC Construction Project Applications in the Example Funding Scenario**

SWIA Sheet Appl. No.	Applicant Name	Project Name	County	Amount of Funding Requested	Potential CWSRF-EC Principal Forgiveness
1	Cumberland County	Landfill Leachate PFAS Treatment	Cumberland	\$16,035,799	<b>\$1,919,000</b>
<b>Total Potential Funding for CWSRF-EC Construction Project Applications in Funding Scenario:</b>					<b>\$1,919,000</b>

**Table 11. CWSRF Project Applications in the Example Funding Scenario**

SWIA Sheet Appl. No.	Applicant Name	Project Name	County	Amount of Funding Requested	Potential VUR Grant	Potential Wastewater State Reserve Grant	Potential Wastewater State Reserve Loan	Potential CWSRF Principal Forgiveness	Potential CWSRF Loan
1	Mount Olive, Town of	Find & Fix Sewer Rehab Project	Wayne	\$4,406,120	<b>\$1,000,000</b>	<b>\$2,203,060</b>	<b>\$1,203,060</b>		
2	Kingstown, Town of	Lift station, Gravity Sewer, Force Main	Cleveland	\$2,610,589	<b>\$652,647</b>	<b>\$1,957,942</b>			
3	Cape Fear Public Utility Authority	Southside WWTP Replacement & Capacity Up	New Hanover	\$137,056,884					<b>\$35,000,000</b>
4	Milton, Town of	Milton Wastewater Grinder Pump	Caswell	\$500,000	<b>\$500,000</b>				
5	Magnolia, Town of	Newberry Sewer Pump Station Replacement	Duplin	\$999,890				<b>\$999,890</b>	
6	Magnolia, Town of	2024 Sewer Rehabilitation/Replacement	Duplin	\$1,968,050				<b>\$1,968,050</b>	
8	Bay River Metropolitan Sewage District	Bayboro WWTF Improvements	Pamlico	\$2,604,700				<b>\$651,175</b>	<b>\$1,953,525</b>

**Table 11. CWSRF Project Applications in the Example Funding Scenario**

<b>SWIA Sheet Appl. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested</b>	<b>Potential VUR Grant</b>	<b>Potential Wastewater State Reserve Grant</b>	<b>Potential Wastewater State Reserve Loan</b>	<b>Potential CWSRF Principal Forgiveness</b>	<b>Potential CWSRF Loan</b>
9	Louisburg, Town of	Sanitary Sewer Rehabilitation	Franklin	\$3,038,300				\$1,519,150	\$1,519,150
10	Yadkin Valley Sewer Authority	2024 Wastewater Treatment Plant Improvement	Surry	\$1,344,000				\$672,000	\$672,000
11	Elizabethtown, Town of	Wastewater Treatment Plant Upgrades	Bladen	\$21,400,000				\$3,000,000	\$18,400,000
12	Murfreesboro, Town of	Townwide Lift Station Improvements	Hertford	\$3,800,500				\$950,125	\$2,850,375
13	Magnolia, Town of	Wastewater Treatment Plant Improvements	Duplin	\$980,000				\$980,000	
14	Conover, City of	L'Echo Park Outfall Sewer Replacement	Catawba	\$4,720,700				\$2,360,350	\$2,360,350
15	Spindale, Town of	WASTEWATER TREATMENT IMPROVEMENTS PROJEC	Rutherford	\$7,848,500				\$319,380	\$319,380
16	Fayetteville Public Works Commission	Rockfish Creek WRF Expansion Phase 3	Cumberland	\$149,263,250					\$31,000,000

<b>Table 11. CWSRF Project Applications in the Example Funding Scenario</b>									
<b>SWIA Sheet Appl. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>County</b>	<b>Amount of Funding Requested</b>	<b>Potential VUR Grant</b>	<b>Potential Wastewater State Reserve Grant</b>	<b>Potential Wastewater State Reserve Loan</b>	<b>Potential CWSRF Principal Forgiveness</b>	<b>Potential CWSRF Loan</b>
17	Nags Head, Town of	Malfunctioning residential septic repair	Dare	\$500,000					\$500,000 <sup>1</sup>
23	Fayetteville Public Works Commission	BRCO - Lift Station Elimination Outfall	Cumberland	\$2,106,371					\$2,106,371 <sup>2</sup>
<b>Total Potential Funding for Wastewater Applications in Funding Scenario:</b>					<b>\$2,152,647</b>	<b>\$4,161,002</b>	<b>\$1,203,060</b>	<b>\$13,420,120</b>	<b>\$96,681,151</b>

<sup>1</sup>Nags Head, Malfunctioning Residential Septic Repair recommended for funding from the Decentralized Wastewater Treatment System Pilot Program reserve.

<sup>2</sup>Fayetteville Public Works Commission BRCO - Lift Station Elimination Outfall recommended for funding to meet the CWSRF GPR.