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Agenda

- Introductions & program overview
- Application package completion
- Priority Rating Systems for drinking water and wastewater construction projects (including CDBG-I)
- Priority Rating System for stormwater construction
- Community Development Block Grant – Infrastructure (CDBG-I) programmatic specifics
- Viable utility & study grant primer
- Study grant Priority Rating Systems
- Lead Service Line applications
- Funding expectations primer
- Wrap-Up

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Training Handout Packet

- Agenda
- Presentation
- NCDEQ Division Common Application
- One-sheets for all funding programs
- 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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Introductions

- Staff introductions
- Audience introductions
 - How many are representing local government units?
 - How many are consultants or technical assistance providers?
 - How many are new?
 - How many are old hands at this?




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Program Overviews




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Know Before You Go: Funding Programs

Applications due Tuesday, April 30, 2024,
by 5:00 p.m.

- Electronic Applications
- One-sheets provide summary of each funding program
- New – Lead Service Line Replacement Program
 - Applications accepted on a rolling basis
- New – Emerging Contaminants Funding program



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Spring 2024 Funds Available

Application Type	Approximate Amount Available		
Community Development Block Grant - Infrastructure	CDBG-I Grant: \$11.3M		
Drinking Water Projects	DWSRF Loan: \$80M (\$17M PF)	BIL DW EC: \$21M (\$10.5M for studies) (100% PF)	State Reserve Grant: \$3.8M
Wastewater Projects	CWSRF Loan: \$100M (\$11M PF)	\$0	
Merger Regionalization Feasibility Grants	Viable Utility Reserve \$4M		
Asset Inventory & Assessment Grants			
Stormwater Construction	LASII: \$12.7M		
Total:	\$232.8M (\$64.8M Grant or PF)		

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Funding Types and Limits

Program	Funding Type and Limits
Drinking Water State Revolving Fund	Repayable loans (with principal forgiveness), up to \$25 M per round, \$200M total DWSRF loan per recipient \$5M for BIL EC Funds
Clean Water State Revolving Fund	Repayable loans (with principal forgiveness), up to \$35 M per project per round, \$200M total CWSRF loan per recipient
VUR (AIA and MRF)	\$400k per LGU, only for distressed LGUs that have not yet received funding for an AIA and/or for new MRFs
CDBG-I	DW & WW grants benefiting low-to-moderate income, up to \$3 M every 3 years
LASII Stormwater	Stormwater construction: up to \$5 M or \$7.5 M
SRP Grant	\$3M per recipient every 3 years for construction projects \$150,000 per utility every 3 years for AIA \$50,000 per utility every 3 years for MRF

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Pop Quiz: Funding Programs – Question #1

- ARPA funds are being offered this round

- True
- False



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Pop Quiz: Funding Programs – Question #2

- CDBG-I funds are eligible to
 - a. Entitlement **and** non-entitlement unit of general local government, regardless of LMI population for the project area
 - b. Any entitlement **and** non-entitlement unit of general local government with LMI populations $\geq 51\%$ for the project area
 - c. Any non-entitlement unit of general local government, regardless of LMI population for the project area
 - d. Any non-entitlement unit of general local government with LMI populations $\geq 51\%$ for the project area



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Pop Quiz: Funding Programs – Question #3

- LASII stormwater funds are being offered for both planning **and** construction projects.
- True
- False



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Discussion Time




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Application Package Completion




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Application Packet

- Division application
- Priority points sheet and narrative
 - Wastewater, including BIL-EC funding
 - Drinking water, including BIL- EC funding
 - CDBG-I
 - AIA or MRF for drinking water or wastewater (VUR only for distressed LGUs only who have not begun their programmatic requirements)
 - LASII stormwater construction
- 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



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Application Packages

- Construction project applications not funded in previous round (Fall 2023) considered in Spring 2024 (*Does not apply to CDBG-I*)
 - No additional information allowed
 - Application reconsidered as-is
 - Adding information? ⇨ Submit completely new application
 - Unfunded Fall 2023 AIAs reconsidered in Spring 2024 (for VUR only for distressed LGUs who have not begun their programmatic requirements)
- 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 Affordability calculations
 - EJ map (if applicable)
 - CDBG-I LMI documentation and federal compliance documents
- 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	
	Application for Funding <small>(Last updated: February 2024)</small>	

- Revised in Winter 2024
- [This application must be used](#)
- One application for all programs, except LSLR
- Best funding fit
- All sections completed
- Note: Application comes with instructions
- [Read the instructions](#)

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Section 1

 North Carolina Department of Environmental Quality Division of Water Infrastructure Application for Funding <small>(Last updated February 2024)</small>		
1. General Information		
Applicant Name	County	Unique Entity Identifier (UEI)
Project Name	Federal Tax ID #	PWSID or NPDES # (if applicable)
Applicant Type <input type="checkbox"/> Municipality <input type="checkbox"/> County <input type="checkbox"/> Water and Sewer District <input type="checkbox"/> Water and Sewer Authority <input type="checkbox"/> Sanitary District <input type="checkbox"/> Metropolitan Water/Sewerage District <input type="checkbox"/> Non-Profit Water Corporation <input type="checkbox"/> Investor-Owned Drinking Water Corporation <input type="checkbox"/> Council of Government Other (Specify): _____		Funding Amount Requested _____ Total Project Cost _____
Funding Type(s) Requested Drinking Water or Wastewater Planning <input type="checkbox"/> Asset Inventory and Assessment (AIA) (only for LGU's designated as Distressed and have not received AIA funding in the past) <input type="checkbox"/> Merge/Reorganization Feasibility (MRF) Study (only for LGU's designated as Distressed and have not received MRF funding in the past) <input type="checkbox"/> Drinking Water Emerging Contaminants Evaluation/Assessment Study (PFAS study)		
Construction Project <input type="checkbox"/> Drinking Water <input type="checkbox"/> Drinking Water Emerging Contaminants (PFAS project) <input type="checkbox"/> Wastewater <input type="checkbox"/> CWSRF Green Project: stream restoration, stormwater SCM, reclaimed water <input type="checkbox"/> Stormwater Construction (LASID) <input type="checkbox"/> CDBG-Infrastructure (CDBG-I)		
CDBG-I only: LMI Determination Method: <input type="checkbox"/> ACS <input type="checkbox"/> Survey		LMI Percentage: _____
Acceptance of Funding Offer (for Construction Projects). Please read the Instructions page for details. Most funding available is in the form of low-interest loans. Offers of grant and principal forgiveness (PF) are based on availability and the applicant's eligibility for grants/PF. Please indicate to the Division your willingness to accept a loan and the minimum amount of grant/PF you would accept for this project. The greatest amount of grant/PF available for your application based on eligibility and availability will be offered to your application if selected, even if you are willing to accept less.		
1) I am willing to accept a low-interest loan offer for the full funding amount requested above. <input type="checkbox"/> Yes (stop here) or <input type="checkbox"/> No (answer the next question). <i>(Answering "No" maximizes the chance of your application being selected for funding. The project will still be offered any grant or principal forgiveness for which it can receive based on eligibility and availability).</i>		
2) I will only accept a funding offer if a minimum of \$ _____ is offered as a grant or principal forgiveness (PF). I understand that I will not be offered any funding if the minimum requested grant/PF amount cannot be offered, and I cannot change my response after the application deadline. <i>(Keep in mind that in many funding rounds projects will be limited to \$100,000 in grant/PF based on PF availability. Indicating a minimum grant/PF request above \$100,000 has a higher likelihood that a potential funding offer would not meet the minimum grant/PF requested and result in the project being bypassed for funding. The recommendation is to indicate the least amount of grant/PF you require to make this project possible).</i>		

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Division Application – Section 1 – Tips

- Section 1
 - **Funding amount requested**
 - **Total project cost**
 - **Funding Type Requested**
 - **Minimal amount of grant/principal forgiveness needed**
 - Question 1 – Tell us if you're willing to accept a low-interest loan offer for the full funding amount (Yes/no)
 - If no, tell us the minimum amount of grant/PF you need to make the project move forward.
 - **CDBG-I only: Low-to-moderate income information**
 - **Determination method**
 - **Percentage**




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Sections 6-7 – Project Description & Additional Information

6. Project Description (see Instructions)	
Estimated number of <u>new</u> connections served by Drinking Water or Wastewater construction,	<input type="text"/>
Emerging Contaminants (PFAS), or CDBG-I project	
<input type="checkbox"/> 50% or more of the project budget is to directly benefit a Disadvantaged Area. Both the Application Budget and Narrative must demonstrate that the project area includes a Disadvantaged Area and that 50% or more of the project budget directly benefits the Disadvantaged Area. See Application Guidance for Line Item 4.C.4 for details on the minimum documentation to be included in the Budget and Narrative.	
For Drinking Water and Wastewater construction, Emerging Contaminants (PFAS), CWSRF Green Project, and CDBG-I:	
<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 Merger / Regionalization Feasibility Study grant previously awarded by the Division.	
<input type="checkbox"/> None of the above.	
7. Additional Information for Consideration	



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Division Application – Sections 6 & 7 – Tips

- Section 6 –
 - Project Description
 - Broad level of detail reflects major items in budget
 - If adding connections, number of connections
 - See Instructions for more detail
 - Identify if you project directly benefits a disadvantaged area
 - Self identifies projects eligible for PF
 - Supporting documentation provided as part of line item 4.C.4.
 - Identify projects resulting from an 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 and for Emerging Contaminants Evaluation/Assessment Studies (Do not use for other planning studies.)

1. Drinking Water/Wastewater: Check for portions of the project that will fulfill the requirements related to establishing or upgrading mainlines, old infrastructure, and new or old lines to emerging contaminants (DW/WW Priority Rating System Line Items 1.C.1, 1.D.1, 1.J.1, 1.J.2, 1.J.3, or 2.B.2) must be labeled and shown separately in each facility (date pending).

2. Stormwater: Check for stormwater quality project components and mark for stormwater quantity project components (Stormwater Priority Rating System Line Items 1.A or 1.C) must be labeled and shown separately in each facility (date pending).

3. All Costs for portions of the project that will directly benefit disadvantaged areas (DW/WW Priority Rating System Line Items 1.A or 1.C, Stormwater Priority Rating System Line Item 4.B.2) apply to the total project cost and must be shown separately in each facility (date pending).

4. Add additional lines as needed.

	Division Funding Requested	Other Funding Source(s)	Total Cost Amount
Construction Costs			
Contingency (10% of construction costs):			
Engineering Costs			
Engineering Design			
Planning			
Land Surveying Costs			
Other: _____			
Administration Costs			
Planning (pre-construction costs)			
Lawrence Land Acquisition Costs			
Engineering Report Preparation			
Environmental Documentation Preparation (if applicable)			
Legal Costs			
Project Funding Administration (if applicable)			
Other: _____			
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 the budget 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 AIA and MRF Grants

Add additional lines as needed. Only include items that are intended to be included in the Scope of Work for the project.

	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/SW construction budget
 - If claiming Line Items 1.C.1, 1.D.1, 1.E, 1.J.1, 1.J.2, 4.C.4, & SW PRS 4.B.6, add lines as described in table instructions
 - **Affix PE seal, signature, and date**
- Section 8b - Water and wastewater planning project budgets

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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 the application
- *Original signature*
 - *Wet signature required for CDBG-I hardcopy*
 - *Electronic signature (DocuSign preferred) okay for other programs and the official electronic CDBG-I application*



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Additional Forms



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Financial Information Form



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. If the application is for a specific District or system with its own fund, provide only that District's or system's financial information.

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 (or the equivalent if not a local government unit).

	Fiscal Years		
Operating Revenues			
Customer Charges			
Connection Fees			
Other Revenue			
Total Operating Revenues			
Expenditures			
<i>Administration</i>			
Salaries			
Other			
<i>Operations</i>			
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)

3. Certification. Please read and sign below.


I attest that the fiscal information provided in this form, to the best of my knowledge, is accurate, complete, true, and matches audits for the past three years (or the equivalent formal financial records for non-local government applicants). I further attest that, to the best of my knowledge, if _____ has made any transfers within the past three years, these transfers are shown _____ (Local government unit, or utility) in Item #2 of this form.

SIGNATURE OF FINANCE OFFICER		DATE	
TYPED NAME		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 CDBG-I or LAsII stormwater projects)



(Revised February 2024)

§ 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, the Drinking Water Reserve, and the Viable Utility 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 or Financial Officer 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 _____, hereby certify that since July 1, 2014, funds received from the water and/or wastewater utility have: **(CHOOSE ONLY 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	DATE
TYPED NAME	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



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Resolutions – More Tips

- *Form for Certification by the Recording Officer – Must include*
 - *Use the template*
 - *Date*
 - *Recording officer title & signature*
- Attestations are acceptable – Must be from the Clerk of the Board



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Stormwater Construction Grants – Tips

- **LASII Entity Eligibility Form is required**
 - Complete all questions Signed by Authorized Representative
- **Narratives**
 - Stormwater Project Information (encouraged but not required for eligibility)
 - Narrative to support Stormwater Construction Priority Rating System points



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Application Submittal – Electronic (New Link)

- Electronic submittals only accepted
- Website: <https://edocs.deq.nc.gov/Forms/Spring2024DWIFunding>
- 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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Pop Quiz: Application Package – Question #1

- Application Resolutions must have
 - a. Certification form complete by the Clerk of the Board
 - b. Attestation completed by the Clerk of the Board
 - c. A and B
 - d. A or B



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Pop Quiz: Application Package – Question #2

- This round, DWI has \$6 million in PF and \$3 million in grant. The #1 project gets the \$3 million in grant due to non-viability. You are applying for a sewer project and have been ranked #10 on the wastewater recommendations. You have requested \$3 million in PF/grant, and 5 of the 10 projects are also eligible for PF/grant. What will happen?
 - A. Your project will be awarded the full \$3 million
 - B. Your project will be awarded \$1 million
 - C. Your project will receive \$500,000
 - D. Your project will be skipped and not reconsidered in the next round
 - E. Your project will be skipped and reconsidered in the next round

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Pop Quiz: Application Package – Question #3

- How may a PE seal be applied to the project budget?
- A. Wet signature
 - B. DocuSign
 - C. Copy/Paste seal onto PDF
 - D. A and B
 - E. All of the above



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Tab 1 – General Information

Division of Water Infrastructure

Application for Funding

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

Application Cycle Spring 2024 New

Part A.

General Information

This form is where you submit a **Spring 2024 Application** for Funding to the Division of Water Infrastructure. (Do not submit a "Lead Service Line Replacement Project Application" here, but use this form instead).

Low-interest loans and grants are available for drinking water, wastewater and stormwater construction projects and for water and sewer planning grants (Viable Utility Reserve [VUR] only). Grants from the VUR are for local governments designated as distressed. 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 April 30, 2024 by 5:00pm.

Applicant Name *

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

County

Add another county

Project Name *

Please be advised DWR has a 40 character limit for project names.

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

New Replaces a previous submittal

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Tab 1 – General Information

Funding Type*

Points claimed in Priority Rating System*

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*

Mailing Address 1

Mailing Address 2

City State / Province / Region

Postal / Zip Code

Organization of Application Preparer*

Name of Application Preparer*

Email of Application Preparer*

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

Name of Person Submitting the Application*

Submitter Email*

Re-Type Submitter Email*

CONFIRMATION OF APPLICATION SUBMITTAL IS SENT TO THIS EMAIL.

Signature* Sign

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Tab 2 – Application File Uploads

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

This page will show the required uploads based on the Funding Type you selected on the previous page selected under general information.

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, save each file as a PDF, and 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.

Project Resolution by Governing Body*

Completed Application for Funding form*

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

Documentation to support the Comprehensive Narratives*

Uploading files may take a few minutes. Please wait until all the files uploaded above show in blue font for their filename and extension (e.g. Filename.pdf) and a bold X appears next to the files before clicking on Next. Files must be smaller than 250 MB in size.

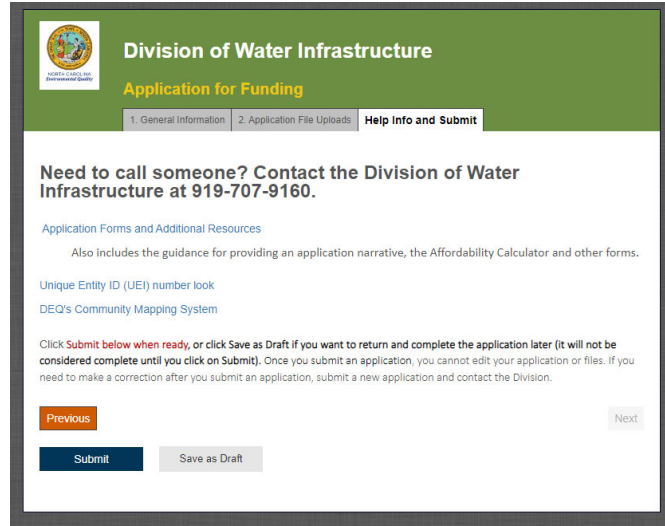
Need to call someone? Contact the Division of Water Infrastructure at 919-707-9160

Previous Next

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Tab 3 – Help Info and Submit



The screenshot shows a web interface for the 'Division of Water Infrastructure' 'Application for Funding'. It features a navigation bar with three tabs: '1. General Information', '2. Application File Uploads', and 'Help Info and Submit'. The main content area includes a heading 'Need to call someone? Contact the Division of Water Infrastructure at 919-707-9160.', a link for 'Application Forms and Additional Resources', and a note about the 'Submit' button. At the bottom, there are buttons for 'Previous', 'Next', 'Submit', and 'Save as Draft'.

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Discussion Time



What questions do you have?



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Wastewater and Drinking Water Projects



Emerging Contaminant Funding Overview



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(New) BIL-SRF-Emerging Contaminants (EC) Funding: Summary

- North Carolina's BIL EC funding program limited to projects addressing PFAS contaminants
- Must have documented PFAS contaminants in the drinking water or wastewater exceeding levels specified in the PRS and PRS guidance.
- PFAS contaminants with a proposed MCL or HI get higher priority compared to other PFAS contaminants without proposed standards

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*(New) BIL-SRF-Emerging Contaminants
(EC) Funding: Summary*

- BIL EC funding caps
 - DW construction projects - \$5M per applicant per project
 - CW construction projects – None left available
 - Study projects - \$500,000 per applicant
- Check DW-EC or WW-EC as Funding Type on Application Form
- Be mindful of total available funding when entering minimum acceptable grant amount for the project



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*(New) BIL-SRF-Emerging Contaminants (EC)
Funding: Summary*

- Applicants use the same common application
- Only certain line items will be considered for prioritizing EC projects (see PRS and PRS guidance)
 - Claim all applicable line items, including EC-eligible line items
 - EC projects will compete only with other EC projects for the available BIL EC funds
 - EC projects will compete with all other projects for other funding programs

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Wastewater and Drinking Water Projects



Project Priority Systems Wastewater Drinking Water CDBG-I



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Priority Rating System (PRS)

- Used to prioritize projects for funding recommendations
 - Staff recommend to fund in priority order
 - Best funds available are provided in priority order
- Claim all the points you can document
 - You may claim more points than the priority point cap for each PRS Section
- Include scoresheet along with narrative and supporting documentation
- Provide ALL the required documentation listed in the PRS guidance
- Only the information provided in the application will be considered

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Priority Rating System

Read PRS Guidance carefully!

- Lists what is required in the narrative
- Lists and describes necessary supporting documents
 - Maps
 - Non-compliance documents
 - Etc.
- Provides examples
- Provides tips and recommendations



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Priority Rating System

- “Roll-downs” can happen in some situations
 - Project Purpose
 - Resiliency (2.N)
 - Capital Planning (3.A)
- If unsure, ask questions before submitting application



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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 programs
- Presentation focuses on problem areas, updated guidance clarifications, and EC-eligible line items



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Priority Rating System – Category 1 – Project Purpose (25 points max)

- The entire project must support the claimed purpose (except as specified in PRS guidance)
- Staff will consider other project purpose points if there is insufficient documentation to award claimed Project Purpose
- Projects not earning purpose points are still eligible for funding...
 - ...but do not qualify for principal forgiveness



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

Consolidation of Nonviable Systems are the highest priority projects for funding (25 Pts +)

Two situations for becoming a nonviable system:

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 have requested designation as distressed
- Must meet with DWI 30 days prior to application.

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

- 1.A. eligible projects receive other Project Benefit points
- 1.A. eligible projects may consider rescuing system for claiming System Management points
- 1.A. eligible projects may consider the nonviable system for claiming Affordability points.

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
 - Contaminated wells with MCL exceedances
 - Wells whose yield has declined by at least 50%

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

- Wastewater
 - Physical extension of service to connect
 - Failed septic systems
 - Failed non-discharge permitted disposal area
 - Onsite systems with NOV issued as per 15A NCAC 18A.1961
- Project must result in privately owned systems owned and operated by applicant

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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 (can upsize to meet minimum design criteria)
 - New pump station / treatment plant with same capacity as old system being decommissioned
 - Looping that amounts to <10% of total project construction cost is allowed
 - New treatment units that do not increase permitted capacity
- New water supply intake structures and additional wells that are part of rehab and replacement of the water supply are not considered an expansion

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1.C Rehab/Replace Infrastructure

- Allows interconnection that replaces treatment or storage facility with no increase in capacity
 - Capacity can be established or limited via interlocal agreement
- Water meter replacement projects are not eligible 1.C. prioritization, unless the system is classified as “Distressed”
- Water meter replacement associated with waterline rehab/replacement is eligible.
- If not eligible for 1.C, may “roll down” to 1.D



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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
 - Whatever is not identified as old in the budget or narrative is assumed to be newer 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 document and receive 2.K points
- 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 to 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
 - At least 75% construction cost to provide service to disadvantaged residences
 - Budget line items necessary to provide service to disadvantaged areas must be clearly identified
 - May include line items for private side connection and/or system development fees
- Project map that
 - Identifies disadvantaged area (must clearly show project area is in disadvantaged area)
 - Identifies properties to be connected (must be clear that properties are in disadvantaged area)

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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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Other Category 1 Points (CWSRF only)

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



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Category 1.J Points (DWSRF/CWSRF- EC only)

- Only projects addressing PFAS compounds are eligible to receive BIL EC funds
- 1.J: Project will address PFAS (must document and receive 2.H.3 or 2.H.4 to be eligible to receive 1.J points)
 - 1.J.1: 100% of the costs must be to address PFAS (20 points)
 - 1.J.2: minimum 75% of the costs must be to address PFAS (15 points)
 - 1.J.3: PFAS-related study/alternative analysis projects. 100% of costs must be related to PFAS studies (5 points)
 - Once funded, Applicant will work with PWS to refine scope

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Priority Rating System

Category 2 – Project Benefits



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Category 2 – Project Benefits

- Only a portion of the project must relate to a specific benefit
- Points only earned when the Applicant identifies a direct connection between the project and the type of expected benefit
- Narratives must fully describe the benefits of the proposed project and how the benefits arise from the Project Purpose
- In cases where a single application includes multiple project types, Project Benefit points must match the Project Purpose that was claimed

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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.1 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.1 or 2.H.2)
 - Project resolves managerial, technical and financial issues as documented by receiving 1.A points
 - 2.B.1 is no longer an eligible Emerging Contaminant line item



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2.B.2 Specific Public Health Benefit – Eliminates Lead Service Lines (DW)

- 2.B.2 – 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 service lines were determined to be made of lead

These projects should consider applying for funding from the BIL LSLR funding program when 100% of project is related to LSL replacement/identification



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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 Orders by Consent
- 2.E.2 - Resolves Notice of Violation or Deficiency
- Must clearly establish how 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
 - BIL EC PRS will consider these points if partnership help address PFAS contamination for one or more partners (must receive 2.H.3. or 2.H.4)

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

- 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 SMCL and/or action level (iron, manganese, copper, lead, corrosivity, etc.)
 - 1,4 Dioxane added to this list
- 2.H.3 PFAS without proposed MCL or Hazard Index (5 points)
 - Any unregulated PFAS with levels exceeding 10 ppt
- 2.H.4 PFAS exceeding proposed MCL or HI (10 points)
 - PFOA, PFOS, GenX, PFBs, PFNA, PFHxS



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2.H.3 & 2.H.4 Emerging Contaminants Sampling requirements

- Use EPA validated testing method for PFAS
- Public systems – At least one sample within last 12 months must exceed the threshold levels
- Private drinking water wells – At least one sample within last three years must exceed the threshold
 - All wells proposed to be connected must have PFAS levels exceeding threshold levels (to receive 1.J.1)
 - If contaminant is GenX and wells are located within 50 miles of Chemours with 25% wells exceeding threshold values will get 1.J.1
 - 1.J.2 – Minimum of 50% wells must have data exceeding thresholds and 75% of total cost must be to address PFAS

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2.H.3 and 2.H.4 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
- Document how the project will reduce PFAS contaminants to below proposed MCL/HL or below 10 ppt for other unregulated PFAS
- See Guidance for detailed documentation requirements

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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 during flood events
- 2.N.6 – Downsize the infrastructure
- 2.N.7 – Redundancy/Resiliency
 - Includes eligible cybersecurity
 - Redundancy must be new or improved



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2.N.7. Redundancy / Resiliency

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.A 1 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
 - For CDBG-I only, must provide complete AMP with application
- 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, including year planned or priority of those projects not required
 - Project is clearly highlighted in the priority matrix
 - Planning grant eligible if project related to Capital Project.



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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
- Not providing application narrative
- Not providing full AMP for CDBG-I



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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
- DWI staff will provide points based on connections provided in the application form. Applicant must explain any differences.



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

- 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
- DWI staff will verify that rates in application form match those in the rate sheet. And provide points based on lowest value if staff cannot reconcile rate information.

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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, or
 - Project benefits a disadvantaged area
- LGU Indicators are
 - Property Valuation per Capita
 - Percent Population Change
 - Poverty Rate
 - Median Household Income
 - Unemployment Rate
- DWI staff will provide points based on LGU data in the affordability calculator. Applicant must document and explain why any alternate data is more representative.

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

- Use to be Line Item 4.D
- 4.C.4: 5 points - Requirements updated for Fall 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.C.4 Benefit to Disadvantaged Areas (DW / WW)

Documentation

- See Guidance for more details
- Projects receiving 1.E points will receive 4.C.4 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.C.4 Benefit to Disadvantaged Areas (DW / WW)

- Projects documenting 4.C.4 points are also eligible for 50% PF (up to \$500,000)
- Projects benefiting disadvantaged areas must provide documentation in 4.C.4 to be eligible for PF even if you are claiming other 4.C points.

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*Pop Quiz: DW/WW/CDBG-I Priority Rating
Systems – Question #1*

- What line items should have costs specifically delineated in the project budget?
- A. Line Items 1.C.1 and 1.D.1 (age)
 - B. Line Item 1.J.2 (EC project)
 - C. Line Items 1.E and 4.C.4 (disadvantaged areas)
 - D. Stormwater Line Item 4.B.6
 - E. All of the above
 - F. None of the above



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*Pop Quiz: DW/WW/CDBG-I Priority Rating
Systems – Question #2*

- In Category 3, supplying the entire Asset Management Plan and no narrative is sufficient to successfully claim points for Line Item 3.A.1.
-
- True
 - False



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*Pop Quiz: DW/WW/CDBG-I Priority Rating
Systems – Question #3*

• To successfully claim Line Item 4.C.4 points (project benefits a disadvantaged area), the following are acceptable benefits:

- A. Public health
- B. Environmental
- C. Financial
- D. A and B
- E. A and C
- F. All of the above



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*Local Assistance for Stormwater Infrastructure
Investments (LASII)*



*Stormwater Entity
Eligibility*



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LASII Entity Eligibility Form – Section 1: Document Stormwater Issue

- 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

*** This Entity Eligibility Certification Form MUST be included in the Application Package ***

Local Assistance for Stormwater Infrastructure Investments Fund Entity Eligibility Certification Form

North Carolina General Assembly Session Law 2021-180 Section 12.14 defines an eligible entity as follows: 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 requiring 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. An applicant seeking stormwater grant funding from the LASII funds must document the following items on this LASII Entity Eligibility Certification Form:

1. Document a Stormwater Quality or Stormwater Quantity Issue (Required by Session Law 2021-180 Section 12.14.(6)(i))

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

*"City" means municipality and includes towns and villages.

LASII Entity Eligibility Certification Form
Page 1

LASII Entity Eligibility Form is required

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LASII Eligibility Form – Section 2: Demonstrate Significant Hardship

- Check item in Eligibility Certification Form:
- **Criterion 1 - LGU Indicators OR**
 - At least 1 of 5 LGU indicators worse than state benchmark
 - Complete Eligibility Certification Form LGU Indicator Table to determine eligibility (using link provided in Form)
- **Criterion 2 – Disadvantaged Areas**
 - 75% of project construction cost must benefit disadvantaged areas using Project Budget, and
 - Portion of City or County identified by Community Mapping System or Federal Justice40 Initiative maps, or
 - Verifiable data to support disadvantaged factors (median household income, poverty rates, property valuation per capita, employment rate for targeted area or additional factors that may qualify)

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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/Count primary contact name, title, and contact information
 - Copy of executed instrument used to establish partnership



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LASII – Grant Limits

- Stormwater Construction Grants
- \$5M per applicant / per grant cycle
- \$7.5M total if two or more LGUs collaborate on one project / per grant cycle

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Local Assistance for Stormwater Infrastructure Investments (LASII)



***Stormwater Project
Information
(Encouraged but not
Required for Eligibility)***



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LASII – Stormwater Project Information (Part B)

- **Information encouraged for all applications but is not required for eligibility**
(Provides reviewers with background information)
- Source of water causing the stormwater quality and/or quantity issue
- Stormwater utility?
- NPDES Municipal Separate Storm Sewer System (MS4) permit?
- Public input sessions or notifications



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Local Assistance for Stormwater Infrastructure Investments (LASII)



Stormwater Construction Projects Priority Rating System



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LASII – Narrative to Support Priority Points Claimed

• **Important items:**

Read Guidance for all requirements

1. This PPT is only an overview
2. Guidance Document lists specific information required to earn points for each Line Item
3. Each bullet item for a claimed Line Item must be addressed
4. Reference page numbers in supporting documents to support priority points; points may not be awarded if documentation cannot be located by reviewers
5. For Line Item 4.B (Disadvantaged Areas), provide website, link and data to be independently verified by reviewers

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LASII Priority Rating System for Construction Projects

- Categories
 - Category 1 – Project Purpose (35 points max)
 - Category 2 – Project Benefits (30 points)
 - Category 3 – System Management (10 points)
 - Category 4 – Affordability (15 points)
- Make sure project is eligible
- Submit scoresheet with narrative & supporting documentation

Read Guidance for all documentation requirements



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LASII Priority Rating System for Construction Projects

Priority Rating System

Category 1 – Project Purpose (35 points max)



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1.A. Stormwater Control Measures (SCMs)

- > 50% of construction cost used for SCMs to control stormwater quality
- 1.A.1: Nature-based SCMs (35 pts)
 - Must demonstrate how SCM meets definition of a nature-based stormwater solution
- 1.A.2: Non-nature-based SCMs (25 pts)
- All SCMs must adhere to NC Stormwater Design Manual Part C: Minimum Design Criteria (statement required in narrative)



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1.B. Restoration of Streams, Wetlands, Buffers or Estuaries (25 points)

- Projects to restore streams, wetlands, buffers, or estuaries from existing substandard state to a more natural state to control stormwater quality
- Narrative must include statement that project is not to satisfy compensatory mitigation credits and applicant will not seek credits for this work at any time
- Additional points if:
 - 1.B.1 - Restoration of first-order stream and includes stormwater infiltration SCMs (2 pts)
 - 1.B.2 - Restoration of permanent riparian buffers at least 30 feet on both sides of stream (2 pts)



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1.C. Stormwater Infrastructure for Quantity Control (25 points)

- > 50% of construction costs used to create, rehabilitate, or replace existing stormwater infrastructure to control stormwater quantity
- **MUST demonstrate one of the following:**
 - The project will reduce flow downstream, or
 - The project will not increase flow downstream, or
 - There will be no downstream impacts as a result of the project
- **A statement without demonstration does not meet the requirements for points for this item**



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1.D. Rainwater Harvesting and Utilization (25 pts)

- This is a SCM from Wastewater SRF Priority Rating System
- Key requirements
 - Harvested rainwater must be utilized for non-potable purposes
 - Cannot be discharged into waters of the state after use
 - Cannot be discharged to a wastewater treatment plant
 - Ultimate fate of harvested rainwater must be documented



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LASII Priority Rating System for Construction Projects

Priority Rating System

Category 2 – Project Benefits (30 points max)



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2.A. Water Quality Improvement

Earn points for only one sub-category:

- 2.A.1 - Directly benefits impaired waters (15 pts)
- 2.A.2 - Directly benefits specific classified waters (10 pts)
- 2.A.3 - Must achieve $\geq 35\%$ reduction in both TN and TP in Nutrient Sensitive Waters (NSW) (10 pts)
- 2.A.4 - Must achieve $\geq 35\%$ reduction in both TN and TP in Non-Nutrient Sensitive Waters (5 pts)
- 2.A.5 - Directly benefits water quality in a NC Natural Heritage Program Natural Area rated "General" or above (3 pts)



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2.B. Flood Reduction

Earn points for only one sub-category:

- 2.B.1 - Increases public safety (15 pts)
 - To access / operate critical infrastructure
 - NC DOT Evacuation Route only if closed during flooding
 - Maps required
- 2.B.2 - Reduces structural flooding in habitable structures (8 pts)
 - Map of extent of flooding around each structure required
- 2.B.3 - Reduce documented street flooding (5 pts)
 - Photos of flooding of project area required
 - Map of location and extent of street flooding required



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2.C. Collaboration Efforts (10 points)

- For 2 or more LGUs improving stormwater quality or quantity issues through collaborative efforts
- Key Requirements:
 - Resolution or board meeting minutes from each of the collaborating LGUs with activities each will undertake and commitment to performance
 - Goals / outcomes of proposed project and expected benefits
 - Why each LGU must participate in project to accomplish goals



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2.D. Innovative Stormwater Projects (5 points)

- Innovative projects that address stormwater quality or quantity issues
- Innovative stormwater quality practices
 - Included in NC DEQ Stormwater Design Manual "Areas of Research Needed" or reasons practices are innovative
- Innovative stormwater quantity practices
 - Must be new or different practices and reasons practices are innovative
- Document how will disseminate findings



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2.E. Public Education Component (1 point)

- Provide commitment to provide a public education feature
- Acknowledge source of funds from LASII
- Purpose is to educate public about stormwater issue that the project will resolve



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LASII Priority Rating System for Construction Projects

Priority Rating System

Category 3 – System Management (10 points max)



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3.A. Local Planning

- Earn points for only one subcategory:
- 3.A.1: Have adopted or will adopt per Project Resolution a stormwater-related plan – project must be identified in plan (5 pts)
- 3.A.2: Will develop a stormwater-related plan – project must be identified in plan (2 pts)
- 3.A.3: Have adopted or will adopt per Project Resolution a Stormwater Management Program for all infrastructure within applicant's stormwater system (5 pts)
- 3.A.4: Will develop Stormwater Management Program for all infrastructure within applicant's stormwater system (2 pts)



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3.B. Operation & Maintenance Plan (3 points)

- Requires O&M plan for applicant's entire system of stormwater infrastructure
- Document plan is active as of application date
- O&M plan for infrastructure only on property owned by applicant does not qualify for points
- O&M plan that only meets MS4 Permit requirements does not qualify for points



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3.C. Stormwater Capital Improvement Plan (2 points)

- Current Stormwater CIP that spans at least 5 years
- Project must be identified in the CIP
- Resolution or board meeting minutes showing motion to approve and adopt CIP within 2 years of application deadline
- Provide officially adopted CIP priority list



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3.D. Stormwater Utility with Stormwater Enterprise Fund (5 points)

- Have adopted Stormwater Utility and Stormwater Enterprise Fund
 - Resolution or board meeting minutes showing motion to approve and adopt Utility and establish Enterprise Fund
 - Official record of revenue collected and expended in past 12 months
 - Officially published stormwater rates and fees
- Provide Resolution to Develop & Implement Stormwater Utility and Stormwater Enterprise Fund
 - Executed "Resolution to Develop and Implement a New Stormwater Utility with Stormwater Enterprise Fund"
 - Status of development of Utility with Enterprise Fund and timeline to implement

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3.E. Local or Regional Resilience Planning (3 points)

- Plan must include (see guidance for details):
 - Vulnerability assessment
 - Long-term strategies to address future flooding, sea level rise, or other environmental changes
 - Documented plan timeframe of at least 5 years from date finalized
 - Summary of future conditions used in vulnerability assessment and long-term strategies to address future conditions
- Provide evidence of adoption by applicant
 - Resolution or board meeting minutes or adopted ordinance



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LASII Priority Rating System for Construction Projects

Priority Rating System

Category 4 – Affordability (15 points max)



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4.A. Population

Earn points for only one subcategory:

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



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4.B Local Government Unit Indicators / Disadvantaged Areas

- Earn points for only one subcategory for either number of LGU indicators worse than state benchmark OR if benefiting disadvantaged area:
 - 4.B.1: 1 LGU indicator worse than state benchmark (4 pts), OR
 - 4.B.2: 2 LGU indicators worse than state benchmark (6 pts), OR
 - 4.B.3: 3 LGU indicators worse than state benchmark (8 pts), OR
 - 4.B.4: 4 LGU indicators worse than state benchmark (10 pts), OR
 - 4.B.5: 5 LGU indicators worse than state benchmark (12 pts), OR
 - 4.B.6: Project benefits disadvantaged area (10 pts) - see Guidance for specific requirements for targeted project area



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4.B.6 Disadvantaged Areas (10 points)

- At least 50% of the total project cost must directly benefit disadvantaged areas
- Costs must be delineated in Application Form Project Budget to indicate for disadvantaged area
- Same criteria as WW and DW projects
- Description of the stormwater quality issue and/or stormwater quantity issue in the disadvantaged area and how project will resolve
- If using census block data, website, link and source of information must be cited so it can be verified by reviewers




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CDBG-I Programmatic Specifics



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CDBG-I: Allocation and Maximum Grant Amount



- Approximately \$11.3 million (remaining FY23 funds)
- 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 Program

Program is to help a non-entitlement municipality or county to create healthy living environments through financing public water and sewer infrastructure; and mitigate public and environmental health problems in areas where the percentage of low-to-moderate (LMI) income persons is at least 51% LMI.

Thus, each project must meet the national objective of benefiting low-to-moderate income persons (at least 51%) to be eligible for funding.



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CDBG-I: Applicants Eligible to Apply

All municipalities and counties are eligible to receive State CDBG funds except for entitlement communities and entitlement counties.

- Entitlement communities receive funds directly from HUD.
 - North Carolina's 24 entitlement municipalities are: Asheville, Burlington, Cary, Chapel Hill, Charlotte, Concord, Durham, Fayetteville, Gastonia, Goldsboro, Greensboro, Greenville, Hickory, High Point, Jacksonville, Kannapolis, Lenoir, Morganton, New Bern, Raleigh, Rocky Mount, Salisbury, Wilmington, and Winston-Salem.
- Entitlement counties receive funds directly from HUD.
 - In North Carolina, all counties are eligible to receive State CDBG funds except Mecklenburg County, Wake County, Union, and Cumberland County, which have been designated by HUD as urban entitlement counties. As entitlement counties, neither the counties nor their municipalities are eligible for Small Cities funding, except for the towns of Holly Springs and Linden.



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CDBG-I: Applicants Eligible to Apply

- 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 up-date 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.
 - **If a project has multiple project areas, each project area must contain a population that is at least 51% low-to-moderate income to be eligible for CDBG funds.**
- 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

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
 - Must use the most recent HUD Income Limits.
 - Surveys must have been done within last 18 months of application.
 - 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/programs/acs-low-mod-summary-data/>
 - 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:
 - Income survey methodology and Map of Project Area
 - If using areawide 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 marked as such
 - Vacant marked as such
- 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: Buy America, Build America (BABA)

- Enacted in the Infrastructure Investment and Jobs Act.
- Applies to all expenditures by a federal agency (HUD) to a non-federal entity (State of North Carolina) for an infrastructure project, including construction, alteration, maintenance, or repair.
- All CDBG-I projects fall under compliance with BABA since CDBG is a federal grant that will fund utilities, water systems (drinking water and wastewater).



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CDBG-I: Buy America, Build America (BABA)

- **Proposed HUD BABA rollout is a phased implementation. For this round of applications, Iron and Steel requirements will apply to projects awarded with FY2023 CDBG-I funds.**
- Going forward:
 - Specifically Listed Construction Materials requirements will be added to FY2024 CDBG-I funds, and
 - All Other Construction Materials and Manufactured Products requirements will be added to FY2025 CDBG-I funds.
- BABA requirements flow with CDBG-I funding down to local governments (grant recipients) and contractors.



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CDBG-I: Buy America, Build America (BABA)

HUD Construction Materials Groups:

- Iron and Steel – include materials that are primarily composed of iron or steel.
- Specifically Listed Construction Materials include metals other than iron and steel (non-ferrous metals), plastic and polymer-based PCV pipe and tube (e.g., PVC pipe), lumber, and composite building materials. Does not include cement and aggregates (stone, sand, gravel).
- All Other Construction Materials include glass, drywall, and other construction materials.
- Manufactured Products. A definition is forthcoming pending a proposed Office of Management and Budget (OMB) rulemaking.



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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
 - Certified public hearing minutes required
 - See *Appendix B: Public Hearing & PRS & Guidance*
 - 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 letterhead – see PRS & Guidance
- 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

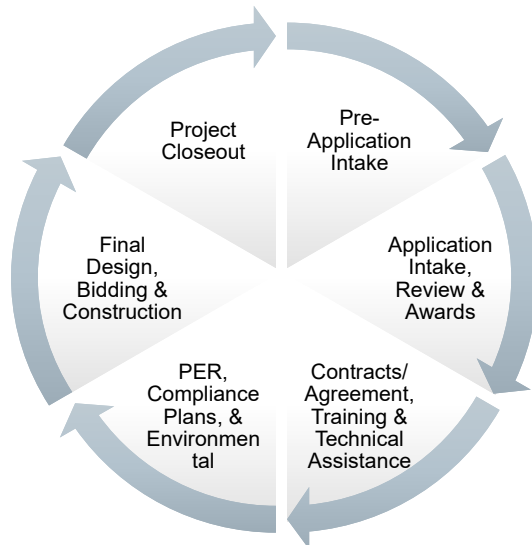
- Commons Errors on Federal Compliance Documents
 - Public hearing notice was not published (non-legal section) within the publishing window.
 - At least 10 days before, not including the public hearing date, but no more than 25 days before hearing
 - The electronic application missing LMI documentation
 - 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 federal compliance documents



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CDBG-I Funding Cycle & Expectations



- Grantees have approx. 3.5 years to complete their project once grant agreement is executed
- Mandatory Start-Up Meeting with Project Team
- Three 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
- Awarded applicant may receive:
 - Up to \$3,000 for grant application preparation (pre-award) expenses if they use census data to determine LMI
 - Up to \$5,000 for grant application preparation (pre-award) 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 – which is the official application:
 - Must have a hardcopy, with original signatures, of the application
 - Three-ring binder
- Due by Application deadline in Raleigh office
- See PRS & Guidance for FedEx and UPS address



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Discussion Time



What questions do you have?



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***Viabile Utilities Program
(VUP)***



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Master Plan – Definition of Viability

2017 State Water Infrastructure Authority Master Plan

A viable system is one that functions as a long-term, self-sufficient business enterprise, establishes organizational excellence, and provides appropriate levels of infrastructure maintenance, operation, and reinvestment that allow the utility to provide reliable water services now and in the future.

<https://www.deq.nc.gov/about/divisions/water-infrastructure/viable-utilities>



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Viability Utility Program (VUP)

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

- Updates to G.S. 159G “Water Infrastructure”
- \$15M per Distressed system, \$30M for merger

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.
- Coordinating approval by both SWIA and Local Government Commission (LGC)

Created Viable Utility Reserve (VUR)

- Initial funding of \$9 million non-recurring.
- \$10 million in 2023-2024 budget
- Spring 2024 funding expected to be \$4,000,000 for AIA/rate study and MRF projects for distressed units only



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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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Viable Utility Program (VUP) Objectives

Assist Distressed utilities

- Establish clear expectation to meet statutory requirements
- Support utility condition assessment and capital improvement planning
- Encourage local leaders to be engaged, committed, and accountable for utility management
- Assist in developing short-term and long-term plans for viability

Support efforts and projects to improve viability

- Coordinate with other funding programs to develop partnerships and share prioritization
- Coordinate and strengthen relationship with other resource agencies
- Develop a program that supports all utilities



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VUP – LGU Assessment Process

Fourth assessment starting Spring 2024

- Currently 145 distressed LGUs, out of 500+

Schedule

- Assessments will be conducted in Spring
- "First Year" Notifications Late Spring
- Designation by SWIA and LGC in Summer
- Notification letters late summer

Assessment notes

- Changes for 2024 assessment (pending LGC approval):
 - Remove population per mile of water/sewer lines parameter
 - Add Lead and Copper violations to drinking water compliance parameter
 - Adjust the high-rate parameter threshold to the 85th percentile of current rates to adjust for inflation
- Regular meetings with SWIA's Viable Utility Committee and Local Government Commission (LGC)



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VUP – 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	UAL Control Issues - W/S only	Infrastructure/Organizational	3	NC DEQ-DWR



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VUP – LGU Assessment Criteria (cont'd)

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



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VUP – Distressed Designation

Distressed criteria were created to help identify LGUs most likely in need of assistance for maintaining utility viability.

Approved criteria:

- D1. LGC has formally taken financial control of LGU.
- D2. No annual audit submitted in the past 2 years.
- D3. Total Assessment Criteria score (18 separate parameters with values ranging from 1-4).
 - 9 for LGUs with both drinking water & wastewater systems
 - 8 for LGUs with only one drinking water or wastewater system
- D4. Other information has become available.



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Distressed LGU – Statutory Requirements

Statutory Requirement	Available Resources
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 RAPWU partners)
Develop a short-term action plan (STAP) to identify the necessary steps to develop and adopt an Asset Management Plan	Direct DWI assistance via comprehensive Status Report which generates the STAP
Conduct an asset inventory and assessment that leads to an AMP . Must include CIP and rate study . May include MRF .	Asset Inventory and Assessment (AIA) and Merger and Regionalization Feasibility (MRF) grants
Develop a long-term action plan (LTAP)	Long-term plan comes from alternatives analyses developed under AIA , MRF , and/or Master Plan. Direct DWI and resource partner technical assistance.
Continuing education (for governing boards, finance officers, and operations staff)	Automatic training grants support program implementation Need to budget ongoing education in utility enterprise fund .
Long-term financial plan to ensure sufficient revenue for O&M, personnel, maintenance, and reinvestment. Generated from AIA/MRF, Rate AMP	VUR Construction Grants for eligible and qualified projects

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VUP – Funding Opportunities

Asset Inventory and Assessment Grant (AIA) & Rate Study

- Required for all Distressed LGUs
- May include rate study
- Goal: Asset Management Plan and Capital Improvement Plan

Merger/Regionalization Feasibility Study (MRF)

- Required for some Distressed LGUs
- Goal: Investigate partnerships for viability as needed

Emergency Operating Grants (EOG)

- D1 LGUs only

Construction Project Grants



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Other Statutory Requirements – STAP/LTAP/LTFP

NCGS 159G-45(b)(3) – Develop an Action Plan, considering:

- Short-term (STAP) and Long-term (LTAP) plan for infrastructure repair, maintenance, and management
 - Status Reports for STAP are underway
- Continuing education of governing board and staff
- Long-term financial management (LTFP) plan to ensure sufficient revenue to adequately fund:
 - Management and operations
 - Personnel
 - Appropriate levels of maintenance
 - Reinvestment to provide reliable services
- Other matters to achieve permit/regulatory compliance and as identified by SWIA and LGC

DWI's LTAP/LTFP Guidance available end of 2023



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VUP – Priority Rating System for AIA and MRF

Project Prioritization for VU funding

based on:

1. Distressed Category 1 (LGUs under fiscal control of the LGC) by Assessment Score
2. Distressed Categories 2, 3, and 4 by Assessment Score
 - Tiebreaker Criteria
 - a. Revenue Outlook (15 points)
 - b. Moratorium (15 points)
 - c. Service Population <1,000 (10 points)
 - d. Project addresses multiple distressed units (5 points)



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VUP – AIA/MRF Project Timeline

1. SWIA approves funding = DWI issues Letter of Intent to Fund (LOIF)
2. Recipient submits Preliminary Scope (90 days after LOIF)
 - Scope must be consistent with the costs, challenges, and benefits presented in the application
3. Scope Approved by DWI = Funding Offer Issued (150 days after LOIF)
 - First payment items
 - Must complete project within 2 years of LOIF date (*NEW*)
 - During the project, DWI requires regular project updates, and draft and final deliverable/report
4. Deliverable Approved = Final Payment (20 months after LOIF)



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VUP – Construction Project Timeline

Follows the same schedule/timeline as other DWI construction projects:

1. SWIA approves funding = DWI issues Letter of Intent to Fund (LOIF)
2. **Engineering Report submittal/approval**
 - For distressed LGUs, there are now additional requirements for the ER submittal related to viability.
 - Be sure to include these responses for review in the first submittal!
3. Plans and Specifications submittal/approval
4. Project under Construction (two years after LOIF)
5. Project Closeout

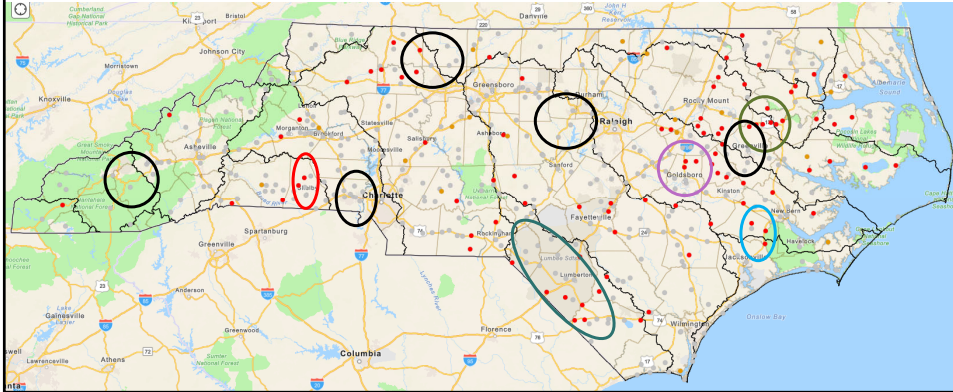


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DWI/VUP – Existing and Emerging Partnerships

- Martin County (MCRWASA)
- Wayne County (Goldsboro)
- Fair Bluff (Lumber River COG)
- **Cleveland County (CCW)**
- **Others potential partnerships emerging (Jones County)**
- Bethel/Greenville Utility Commission
- Pilot Mountain/Mount Airy
- Tuckaseegee WSA
- Gastonia/TRU/McAdenville
- Western Intake Partnership (Chatham, Durham, Orange)



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VUP – Additional Initiatives

Closing America's Wastewater Access Gap Community Initiative

- EPA and USDA-RD

Hometown Strong

- Governor's Office

Highly Treated Wastewater Pilot

- UNC Collaboratory, UNC-EFC, and others

Voluntary energy optimization training and support

- State Energy Office

Voluntary mentorship program

- NC OneWater's Utility Management Commission

Continued collaboration with RAPWU



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VUP – Technical 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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Discussion Time




What questions do you have?




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Asset Inventory & Assessment Grants (AIA)



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Asset Inventory and Assessment Grants (AIA)

Inventory existing water and/or sewer system and document the condition of inventoried infrastructure

For Spring 2024, only VU funding for AIAs is available


- \$400,000 limit per LGU (combined for AIA and MRF funding)
- 1.5% Fee, no match requirement for VU-funded AIAs

Eligible activities can include:

- Identifying and GIS-locating system components
- Performing a risk analysis to determine critical components
- Determining the condition of critical components
- Establishing capital and O&M costs
- Creating a prioritized list of projects
- Preparing a realistic Capital Improvement Plan (CIP)
- Conducting a rate study

VU funding must be used to help address Distressed LGU's statutory requirements

VU funding must be awarded directly to Distressed LGUs or their public partners



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

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AIA – Distressed Systems

AIA and Rate Study required for all Distressed systems

Distressed System AIA's scope must include:

- Identifying and locating system components
- Performing a risk analysis to determine critical components
- Determining the condition of critical components
- Establishing capital and O&M costs
- Creating a prioritized list of projects
- Preparing a realistic Capital Improvement Plan (CIP)
- *Conducting a rate study*

A new AIA is not required if a *sufficient* AIA has recently been conducted (i.e., within past 5 years)

An AIA Grant may be used to further the results of previous AIA activities



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AIA – Application Components

- Application forms
- Financial Information Form
- Fund Transfer Certification Form
- Resolution
- Applicable rate sheets
- Narrative question responses
 - Supporting documentation with specific references in narrative



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AIA – Priority Rating System (PRS)

SRP Asset Inventory and Assessment Grant Priority Rating System		
Line Item #	Category	Points
1.	Project Benefits	0 - 8
1.A	The LGU has been identified as "distressed" by the Authority and Commission per NCGS 159G-45(b).	2
2.	System Management	
2.A	Knowledge base of utility's internal asset management team	0 - 4
2.B	Current and past rate setting practices, CIPs, etc.	0, 1, or 2
2.C	Management of asset inventory data	0 - 4
2.D	Operating Ratio (OR) is greater than or equal to 1.00 based on a current audit, or is less than 1.00 and water/sewer rates are greater than \$107/month	0, 1, or 2
3.	Affordability	
3.A	Current Monthly Utility Rate at 5,000 gallons usage	0, 1, or 2
3.B	Local Government Unit (LGU) Indicators	
3.B.1	3 out of 5 LGU indicators are worse than the state benchmark OR	0
3.B.2	4 out of 5 LGU indicators are worse than the state benchmark OR	1
3.B.3	5 out of 5 LGU indicators are worse than the state benchmark	2
Total Points		24 Max



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AIA – PRS Application Narrative

Eight (8) questions, four (4) calculations

- Respond in same order as the Guidance

Category 1: Project Benefits

- Challenges, past asset management efforts, distressed status

Category 2: System Management

- Asset management team, how data will be used, how data will be managed, operating ratio

Category 3: Affordability

- Water/Sewer rates, LGU Indicators



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AIA PRS – Category 1: Project Benefits

Discuss the top 3 challenges your system faces in the next 5 years and how an AIA will benefit these challenges.

- Challenges must directly relate to benefits of an AIA
- Consider (provide documentation as applicable)
 - Permits, enforcement actions, and required and approved plans

If Distressed, discuss steps already taken/underway to meet statutory requirements of Distressed systems

Discuss past asset management and capital planning efforts and how they were financed

See Scoring Rationales



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AIA PRS – Category 2: System Management

Discuss the internal Asset Management Team, including for each member

- | | |
|------------------|--------------------------------|
| • Name | • Trainings/certifications |
| • Position title | • Current and future duties |
| • Experience | • Responsibilities on the team |

Discuss rate setting practices and whether an adopted CIP is used to inform that process

Discuss how the Team will use and manage the data to address the system challenges

- Consider external/contracted partners (public and/or private)

Calculate and discuss the last 3 years' Operating Ratios

- Consider rate increases and bill collection percentages

See Scoring Rationales



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AIA PRS – Category 3: Affordability

Calculate and discuss the system's water and/or sewer rates per 5,000 gallons

Using DWI's Affordability Calculator, determine the system's number of LGU Indicators that are worse than the state benchmarks

- AIA grant eligibility is not based on the Affordability Calculator but elements of the Affordability Calculator are used for scoring

See Scoring Rationales



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AIA – Funded Projects

Milestones

1. Letter of Intent to Fund (LOIF)
2. Preliminary Scope Submittal and Approval
3. Executed Grant Agreement and Contract(s)
4. Deliverables and Closeout

Disbursements for incurred project costs will be made upon request after the Grant Agreement, First Payment Items, and Contract(s) are executed

Grant period → 2 years from LOIF date **(NEW!)**

VUR: Grant Fee (1.5%) for all

VUR: No Local Match Requirement

Up to 10% of funding can be used for software or equipment

GIS layers (when applicable) to define service area boundary including service gaps



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Discussion Time



What questions do you have?



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***Merger / Regionalization
Feasibility Study Grants
(MRF)***



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Merger/Regionalization Feasibility Study Grants (MRF)

To determine the feasibility of consolidating management or provide regional treatment to realize economies of scale.

For Spring 2024, only VU funding for MRFs is available

- \$400,000 limit per LGU (combined AIA and MRF funding)
- 1.5% Fee

Merger – partial or complete consolidation

- Two or more utilities
- Organizational, Financial, and/or Operational

Regionalization – physical interconnection

- Water supply or wastewater collection
- Regional treatment

VU funding must be used to help address Distressed LGU's statutory requirements

VU funding must be awarded directly to Distressed LGUs or their public partners

<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/mergerregionalization-feasibility-grants>



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MRF – Distressed Systems

NOT required for all distressed systems

At least one applicant + one partner

- May include multiple partners

Non-distressed partner may apply on behalf of distressed system(s)

Distressed System MRF scopes must:

- Include at least 3 alternative + No-Action
- Identify new options that were not addressed in a previous study, or build upon and advance past efforts
- Consider reasons for being distressed and how merging/regionalizing will lead to viability
- May include decentralization alternatives

An MRF Grant may be used to further the results of previous MRF activities



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MRF – Application Components

- Application forms
- Financial Information Form
- Fund Transfer Certification Form
- Resolution from Applicant
- Applicable rate sheets
- Narrative question responses
 - Supporting documentation with specific references in narrative
- Letter(s) from potential partner(s)
 - Acknowledge the application and commit to participate
 - Non-binding to act on the study's recommendations



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MRF – Priority Rating System (PRS)

SRP Merger/Regionalization Feasibility Priority Rating System		
Line Item #	Category	Points
1	Project Benefits	
1.A	Top 3 Challenges and Compliance History	0, 1, 2, or 3
1.B	Past Collaboration and/or Proximity	0, 1, 2, or 3
2	System Management	
2.A	Size and Capabilities	0, 1, or 2
2.B	The LGU has been identified as "distressed" by the Authority and Commission per NCGS 159G-45(b).	3
2.C	Operating Ratio < 1.00	1
3	Affordability	
3.A	Current Monthly Utility Bill for 5,000 gallons usage	0, 2, or 4
3.B	Local Government Unit (LGU) Indicators	
3.B.1	3 out of 5 LGU indicators are worse than the state benchmark OR	0
3.B.2	4 out of 5 LGU indicators are worse than the state benchmark OR	2
3.B.3	5 out of 5 LGU indicators are worse than the state benchmark	4
Total Points		20 Max



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MRF – PRS Application Narrative

Nine (9) questions and four (4) items/calculations

- Respond in same order as the Guidance

Category 1: Project Benefits

- Challenges, past studies, compliance history, past collaboration, proximity, and unallocated capacity

Category 2: System Management

- Organizational size and capabilities, desired level of service, distressed status, and operating ratio

Category 3: Affordability

- Water/Sewer rates, LGU Indicators



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MRF PRS – Category 1: Project Benefits

Discuss the top 3 challenges your system faces in the next 5 years and how an MRF will benefit these challenges.

- Challenges must directly relate to benefits of an MRF
- Consider (provide documentation as applicable)
 - Technical ability, Organization structure, and Financial health

If Distressed, discuss steps already taken/underway to meet statutory requirements of Distressed systems

Discuss previous MRF or similar studies, proximity to, and past collaboration with partners

Confirm that at least one system has adequate unallocated capacity to expand

See Scoring Rationales



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MRF PRS – Category 2: System Management

Discuss the system size and capabilities, considering

- Number, position descriptions, and actual duties of utility staff
- Consider any contracted operation and management agreements with private and other public entities

Define or start to define the system's desire level of service for its customers

Calculate and discuss the most recent fiscal year's Operating Ratio

- Consider rate increases and bill collection percentages

See Scoring Rationales



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MRF PRS – Category 3: Affordability

Calculate and discuss the system's water and/or sewer rates per 5,000 gallons

Using DWI's Affordability Calculator, determine the system's number of LGU Indicators that are worse than the state benchmarks

- MRF grant eligibility is not based on the Affordability Calculator but elements of the Affordability Calculator are used for scoring

See Scoring Rationales



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MRF – Funded Projects

Milestones

1. Letter of Intent to Fund (LOIF)
2. Preliminary Scope Submittal and Approval
3. Executed Grant Agreement and Contract(s)
4. Deliverable and Closeout

Disbursements for incurred project costs will be made upon request after the Grant Agreement, First Payment Items, and Contract(s) are executed

Grant period → 2 years from LOIF date (**NEW!**)

VUR: 1.5% Fee for all

Deliverable contents

- Alternatives evaluation
- Analysis of each alternative
- Conclusions



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Pop Quiz: AIA & MRF PRSs – Question #1

• In AIAs for system management, Line Item 2.A discusses the applicant's internal asset management team. What capacities must be on the internal team?

- A. Technical
- B. Encouragement
- C. Management
- D. Financial
- A and C
- A, C, and D



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Pop Quiz: AIA & MRF PRSs – Question #2

- For MRF applications, an Operating Ratio of less than 1.00 gets you more points.
- True
- False



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Pop Quiz: AIA & MRF PRSs – Question #3

- To get full credit for Line Item 1.A of the AIA project, the narrative must
 - A. Talk randomly about every single challenge faced by the applicant.
 - B. Very circumspectly address how the proposed project will address the top 3 challenges listed.
 - C. Draw direct connections between the top 3 challenges faced by the applicant and the way the AIA will address those challenges
 - D. List only one or two challenges faced by the applicant.



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Discussion Time



What questions do you have?



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BIL - Lead Service Lines Replacement Program



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BIL – Lead Service Line Replacement (LSLR)

- January 2021
 - Lead and Copper Rule Revisions (LCRR)
 - All public water systems must conduct inventories of lead service lines by October 16, 2024
 - This funding program can assist with these inventories
- November 2021 – The Bipartisan Infrastructure Law (BIL) appropriated funds for five fiscal years (FY 2022-26) specifically for the purpose of inventorying and replacing lead service lines
- North Carolina is eligible to receive up to approximately \$87 million/year for the first 2 years
- Years 3 to 5 allotments will be determined by US EPA based on future LSLR needs survey results

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BIL – LSLR Allotments

NC's BIL LSLR Allotments

Cap Grant Year	North Carolina's Allotment	49% Principal Forgiveness	Total Available for Projects
2022	\$87,062,000	\$42,660,380	\$67,037,740
2023	\$87,290,000	\$42,772,100	~\$67M

Portion of the state's allotment will be used for set-aside activities:

- LSL inventory support and technical assistance
- Program management

2024-2026 allotments to be determined by US EPA



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BIL – LSLR Funding Program

- Eligible funding recipients
 - Local government units
 - non-profit water utilities
 - investor-owned water utilities
- Eligible projects or activities must be
 - lead service line replacement (LSLR) projects or
 - activities directly connected to the identification, planning, design, and replacement of lead service lines
- Regular DWSRF is available for projects addressing lead in water mains/distribution systems, and other non-LSLR replacement projects



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BIL – LSLR Funding Program

Replacement projects must replace the entire lead service line

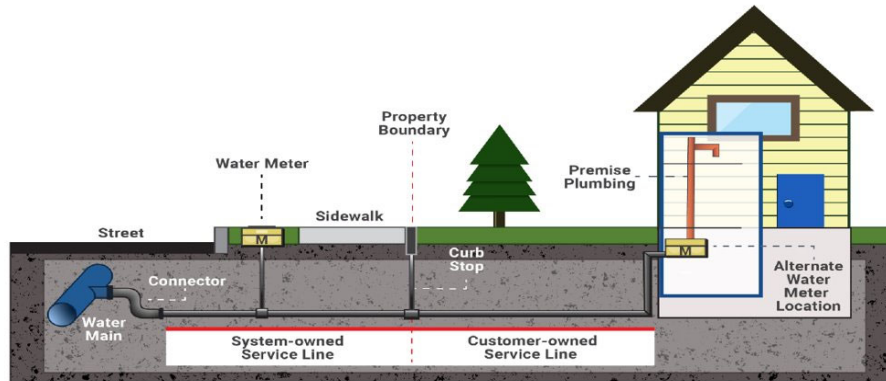
- Service line connects the water main to the building inlet
 - Includes lead connectors (goosenecks, pigtails, etc.).
 - Includes galvanized service lines downstream of a lead service line.
- No need to replace portions previously replaced
- Funds cannot be used for in-house “premise” plumbing



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BIL – LSLR Private Side Work



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BIL – LSLR Private Side Work

This will be hard!

- You must replace entire lead portions of the service line for any of the work to be eligible for funds
 - Homeowners are not required to replace their lines.
 - You are not required to pay for the private-side portion of the work (but if you don't you can't get money from us for that portion of work)
 - You can not get BIL LSLR funds for replacement work unless you can document that the entire known lead portions have been replaced.
- Flexibility to find solution that work best for your system
 - Utility performs work (in house or contract)
 - Homeowner hires "approved" service provider
 - Utility reimbursement to homeowners
 - Utility direct payment to service provider
 - Utility uses force accounts



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BIL – LSLR Loan Terms

- >50% of funds available for projects will be non-repayable loans (principal forgiveness)
- Repayable loan will be at 0% interest rate
- Loan terms cannot exceed expected life of the project.
 - 20-year term loan for replacement projects
 - 5-year term loan for inventory-only projects
- Funds provided after costs have been incurred, not upfront



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BIL – LSLR Principal Forgiveness (PF)

- Portion of the loan that is not repayable
- Determined based on application and at time of award
 - Affordability Criteria – evaluates entire community/utility
 - Considers community size, rates, and economic indicators
 - Eligibility ranges from 0% - 100% (in 25% increments)
 - Disadvantaged Area – evaluates residents benefiting from the project, eligible for 50% PF
- Initial cap of \$500,000 or eligibility percentage of project cost (whichever is lower)
- Caps and percentages can be exceeded if additional PF funds are available in a funding round

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BIL – LSLR Conditions

Drinking Water State Revolving Fund (DWSRF) conditions apply and must be documented

- Davis-Bacon Prevailing Wage Rates
- American Iron and Steel (AIS)
- Build America, Buy America (BABA)



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BIL – LSLR Funding Types and Caps per Round

- Replacing known lead service lines
 - \$5 Million
 - LSL already known to be lead and you are ready to replace them
- Verifying materials and replacing lead service lines
 - \$2 Million, \$1 million of which can be used for inventory
 - Already done inventory and identified lines and areas likely to be lead. Ready to verify materials and replace lines
- Inventory only
 - \$1 Million
 - Identifying areas as known lead, known not lead, or unknown
 - Further investigation and verification on unknown areas



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BIL – LSLR Funding Types and Caps

- 50% of awarded funds each round reserved for inventory projects
 - May use reserve for other project types if there is not sufficient demand.
 - Reserve is currently for 2022 to help meet LCRR inventory deadline
- DWI will reassess reserves and caps for each FY BIL LSLR allotments
- Applicants may apply for multiple project types each round



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BIL – LSLR Priority rating System (PRS)

Projects will be recommended for funding based on approved priority rating system

- Project purpose
- Is there a Lead Action Level Exceedance?
- Affordability



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BIL – LSLR Priority rating System (PRS)

• Project Purpose

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)		20
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			20

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BIL – LSLR Priority rating System (PRS)

• 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 – LSLR Priority rating System (PRS)			
• Affordability (no change from construction)			
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.C.4	Project benefits disadvantaged areas		5
Maximum points for Category 4 – Affordability			25

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BIL – Lead Service Line Replacement Project Solicitation Form



North Carolina Department of Environmental Quality
Division of Water Infrastructure
Lead Service Line Replacement (LSLR) Project Application Form
Last updated: 1/10/2023

1. General Information		
Applicant Name	County	Unique Entity Identifier (UEI)
Project Name	Federal Tax ID #	PWSID
Applicant Type	Funding Amount Requested	
<input type="checkbox"/> Municipality <input type="checkbox"/> County <input type="checkbox"/> Water and Sewer District <input type="checkbox"/> Water and Sewer Authority <input type="checkbox"/> Sanitary District	<input type="checkbox"/> Metropolitan Water/Sewerage District <input type="checkbox"/> Non-Profit Water Corporation <input type="checkbox"/> Investor-Owned Drinking Water Corporation <input type="checkbox"/> Other (Specify: _____)	
Project Type (please submit multiple forms if funding is needed for multiple project types) Funding for Lead Service Line and Lead Connectors (LSL) <input type="checkbox"/> Replacing already-known LSLs. Limit of \$5 million per funding round. <input type="checkbox"/> Finding and replacing LSLs. Limit of \$2 million per funding round with \$1 million limit on inventory. <input type="checkbox"/> Inventory LSLs only (no replacement). Limit of \$1 million per funding round.		
Acceptance of Funding Offer I will only accept a funding offer if a minimum of \$_____ is offered as principal forgiveness. I will accept the rest as loan. I understand that I will not be offered any funding if the minimum requested principal forgiveness amount cannot be offered. Enter "0" if you are willing to accept a loan offer with no principal forgiveness. Please read the Instructions for more details.		
2. Water System Parameters		
Residential Water Connections		
Non-Residential Water Connections		
Monthly Water Bill for 5,000 gallons	Monthly Sewer Bill for 5,000 gallons	

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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Pop Quiz: LSLR Program – Question #1

- You should use the common application for an LSLR project.
- True
- False



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Pop Quiz: LSLR Program – Question #2

- How much of DWSRF-LSLR funding is reserved for LSL inventories?
- A. 25%
- B. 50%
- C. 75 %
- D. None of the above



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Pop Quiz: SLSR Program – Question #3

- LSLR applications are accepted on a rolling basis.
- True
- False



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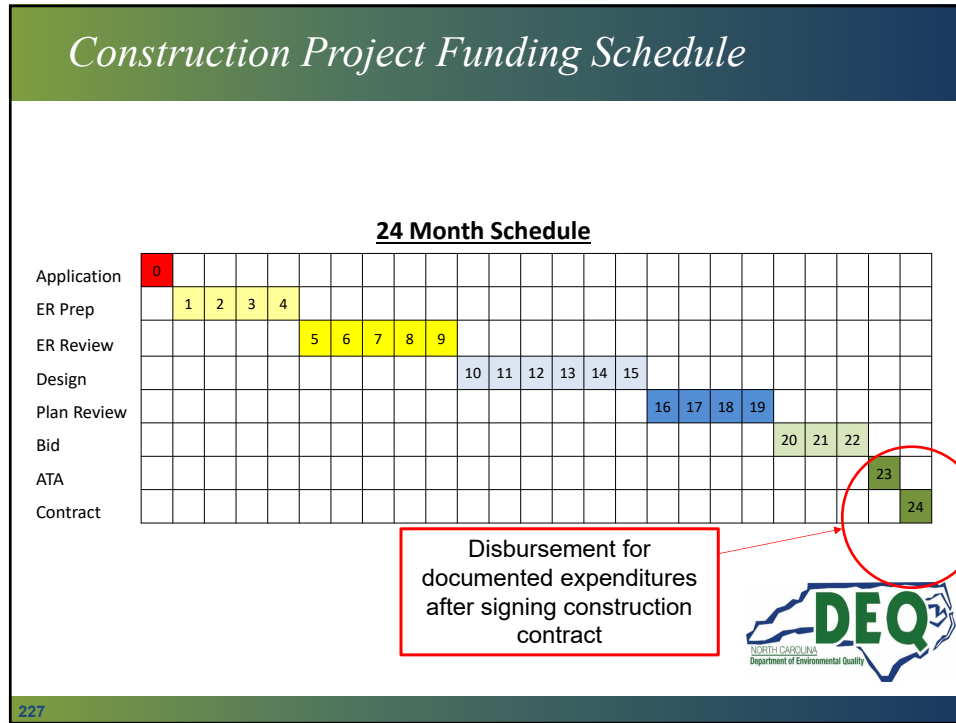


When (and how) do I get the money?



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- ### Construction Project Schedule
- **GS 159G-41**
 - 2 years to get under construction contract from LOIF
 - 1 year to get under contract 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**
 - Signed by Recipient and DWI
 - Board approved agreement and Resolution
 - **Plans and Specifications Approval ~19 Months from LOIF**
 - **Project Bid**
 - **Construction/Contract Start ≤ 24 Months from LOIF**
- 228

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When do I get my money?

- Loan Recipients
 - 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)

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



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When do I get the rest of my money?

Last payment checklist (key items – construction)

- 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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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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Spring 2024 Funds Available

Application Type	Approximate Amount Available		
Community Development Block Grant - Infrastructure	CDBG-I Grant: \$11.3M		
Drinking Water Projects	DWSRF Loan: \$80M (\$17M PF)	BIL DW EC: \$21M (\$10.5M for studies) (100% PF)	State Reserve Grant: \$3.8M
Wastewater Projects	CWSRF Loan: \$100M (\$11M PF)	\$0	
Merger Regionalization Feasibility Grants	Viable Utility Reserve \$4M		
Asset Inventory & Assessment Grants			
Stormwater Construction	LASII: \$12.7M		
Total:	\$232.8M (\$64.8M Grant or PF)		

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Discussion Time

What questions do you have?



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Thank you!

See our website for contact information.
<https://www.deq.nc.gov/water-infrastructure-contacts>



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