**FY2021 Program Round**

**CDBG-Infrastructure (CDBG-I) Priority Rating System Guidance and Form**

This guidance aids the Applicant in understanding and implementing the Priority Rating System for the *Community Development Block Grant – Infrastructure (CDBG-I) Fund* program. **Use this guidance only for projects seeking funding through this program.** For the CWSRF, DWSRF, SWWR and SDWR, please use the separate guidance appropriate for those programs.

Each application earns priority points for only one Project Purpose, if multiple purposes are claimed, points will be given for the lowest scoring purpose. **If you are unsure how to classify the application, please contact the Division of Water Infrastructure CDBG-I staff.**

**Introduction:**

Approximately $21 million, depending on final state appropriations, will be available for the FY2021 CDBG-I funding round. Grants are awarded to non-entitlement communities only (i.e., incorporated municipalities under 50,000 and counties under 200,000 in population). The CDBG-I Fund Program is designed 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 to be eligible for funding.**

Single purpose units of government (i.e., water/sewer authorities) must work with local governments on projects as a subrecipient. If a local government is served by a single purpose unit of government, they may apply for a grant to replace, repair, or up-grade or extend infrastructure owned by a single purpose unit of government.

Award Amounts, Match Requirements, and Grant Period.

The maximum CDBG-I award per applicant is $2 million. There is no minimum grant amount. Also, there is not a matching fund requirement. All awarded applicants are held to a 36-40-month grant period to start and complete the project.

Pre-Award and Administration Costs.

NCDEQ will allow reimbursement of pre-award application preparation expenses may be reimbursed to awarded applicants. If awarded, the Unit of General Local Government (UGLG) may request the use of a small portion of their grant administration funds to pay for their grant application preparation expenses. Awarded grantees may receive up to $3,000 for grant application preparation expenses if they use census data to determine LMI and up to $5,000 for grant application preparation expenses if they conduct an income survey to determine LMI. Costs incurred for CDBG-I grant application preparation are eligible for reimbursement only to successful applicants and when procurement of grant preparer/writer is done via a RFP according to the CDBG-I Program Procurement Policy procedures.

Pre-award, planning, and administration funds are limited to 10% of the awarded grant total.

Only administrative funds may be expended prior to the Release of Funds. Release of funds refers to the release of the construction funds for use by the local government to acquire easements or land, prepare final design and bid specifications, and construction-related work. Release of funds is triggered when the environmental report is approved by the NC Department of Environmental Quality. Local governments cannot obligate CDBG funds or expend funds from any source, private or otherwise, for use in a CDBG-assisted project; no new construction, excavation, demolitions, rehabilitation, repair, modification, or property acquisition can commence, nor commitment made to undertake such activities, until the environmental review is complete and the Release of Funds approval has been given by NCDEQ.

Prior to release of funds, administration funds may be used to pay for the following activities, all of which are considered administrative activities during the life of the grant. These activities include:

1. Preparation of the schedule for completion and submittal of all environmental review documents, reviewing the publication of required public notices and monitoring the process for release of all environmental conditions. Preparation of the Environmental Review Record. This may be performed by either the grant administrator or the engineer.
2. Preparation of the Engineering Report. This is always performed by the engineer.
3. Preparation, completion and submittal of all necessary documents to satisfy all other conditions necessary to obtain release of grant funds, including the following:
	* Administrative contracts or Interlocal agreements condition;
	* System for Award Management (SAM) Registration condition, if applicable;
	* Environmental Review Record and Release of Funds condition; and
	* Other identified conditions in the grant contract.
4. Establishment and maintenance of project files and financial management records in accordance with CDBG and DWI requirements.
5. Preparation, completion and submittal of all required reports, including the following:
6. Quarterly Performance Report
7. Semi-Annual Labor Standards Report
8. Annual Debarment certifications
9. Annual Performance Reports
10. Annual Section 3 Reports
11. Annual Fair Housing Reports
12. Annual Language Access Reports
13. Coordination of DWI compliance monitoring visits, including completion of all monitoring checklists and any other document required for satisfaction of monitoring requirements.
	* 1. All coordination necessary with DWI, the Town, the public and any other group or agency for effective completion of all program compliance activities, including attendance at Town Council meetings and compliance monitoring sessions.
		2. Preparation and completion of all fair housing promotion activities identified in the Fair Housing Plan on at least a quarterly basis.
		3. Preparation, completion, submittal and implementation of the following CDBG compliance plans and documents:
14. Environmental Review Record and Compliance. This activity may be completed either by the project engineer or the grant administrator.
15. Citizen Participation Plan and Compliance.
16. Fair Housing Plan and Compliance.
17. Fair Housing Policy and Compliance.
18. Equal Employment and Procurement Plan and Compliance.
19. Section 3 Plan and Compliance.
20. Section 504 Self-Evaluation Plan and Compliance.
21. Language Access Plan and Compliance.
22. Residential Anti-Displacement and Relocation Assistance Plan and Compliance.
23. Complaints and grievance Procedures for Compliance Plans.
24. Labor Standards Compliance, including worker interviews and payroll review, determining applicable wage decisions and submitting compliance requests to contractors.
25. Financial Reimbursement Forms, Documentation and Compliance. This activity may be completed by either the grant administrator or the project engineer.
26. Code of Conduct/Conflict of Interest Policy.
27. Policy Prohibiting Excessive Force During Peaceful Civil Rights Demonstrations.
28. Procurement Plan to meet 2 CFR Part 200 and the CDBG-I Procurement Policy.
	* 1. Program close-out, including management of closeout public hearing process and preparation, completion and submittal of the following documents:
29. Closeout Performance Report.
30. Certificate of Completion. This is the project engineer’s responsibility.
31. Property Disposition Report, if property or equipment is purchased during the project using CDBG-I funds.
32. Program Income Report, if program income is earned.
33. Accomplishments and Beneficiaries Form (IDIS form).
34. Affidavit of Publication of Closeout Public Hearing Advertisement, or acquisition of a tear sheet demonstrating the hearing was properly noticed.
35. Certified copy of the Closeout Public Hearing Minutes.
	* 1. Technical services required to implement the project, which may include:
36. Verification of annual income of households connecting to a water or sewer line.
37. Preparation of documentation indicating the low to moderate income benefit of the project activities.
38. Program management coordination and communication with engineering firm in the project.
39. Complete record keeping and tracking of all expenditures.
40. Processing of invoices, change orders, and requisitions for funds.
	* 1. Other allowable costs include travel expenses for the local government leaders to attend the mandatory trainings, based on local government per diem rates.

**Income Surveys and Low-to-Moderate Income Information:**

1. Determining LMI in the time of COVID-19:
	* Beginning in 2019, line rehabilitation or replacement project eligibility had to be determined using survey data only; where both sides of the streets/roads had to surveyed since both sides benefit from the line rehabilitation or repair.

However, with the continued social distancing requirements and wearing of facial masks in regard to COVID-19, we will allow, again, for the 2021 application round, projects that will conduct line rehabilitation and replacement work, and pump station rehabilitation and replacement work, to use area-wide census data to qualify their LMI.

* + 1. **These types of projects must be pre-qualified by submitting the form at the back of this guidance to DWI/CDBG-I Unit for us to pre-approve the LMI and project.**
* This pre-approval does not mean a grant award will be made automatically for the project.
* **The pre-approval form and required document must be submitted no later than July 12, 2021**
* Line and pump station rehabilitation and replacement projects submitted using area-wide census data that were not pre-qualified will be deemed ineligible.
* **If a FY2020 application will be resubmitted for consideration and has a 2020 LMI Pre-Approval, the resubmitted application may use the same LMI pre-approval as long as the location of the project, project scope, street addresses showing the scope of the project, and the LMI of the town have not changed.** Include the FY2020 preapproval paperwork in Tab 3 of the new application.
* See Appendix A: *Determining the Low-to-Moderate Income Percentage of the Project Area*, for information on conducting various methods of income surveys.
1. Households on properties receiving a new direct benefit (a new connection) must be surveyed, with income verification of each direct beneficiary household required within 12 months of receiving the benefit.
2. The U.S. Department of Housing and Urban Development mandates that the project area must contain a population that is at least 51% low-to-moderate income.
	* To identify the low-to-moderate income percentage, you may use census data, where the project serves an entire city or county, or an entire census tract or block. Otherwise, you must survey, using the survey forms on the DEQ website.Surveys are good for eighteen (18) months prior to the application submission deadline.
	* You MUST use the [FY 2021 ACS 5-Year 2001-2015 Low-and-Moderate Income Summary Data](https://www.hudexchange.info/programs/acs-low-mod-summary-data/), recently made available by HUD for income limits tables and other census data.
3. If the project area includes low-moderate-income public housing, the manager of the complex must list each address, and indicate the number of people, as well as the gender, race, and whether there are any elderly or disabled residents or any female-headed households in each unit. The applicant, defined as the chief elected official, will be required to certify the spreadsheet in a letter as being an accurate representation of the residents’ income in the low-to-moderate income housing complex.

**Floodway Information:**

In the past, under HUD’s regulations and guidance for the CDBG program pursuant to 24 CFR 55.1(c) and 55 Subpart B, funding for projects (new, repair/rehab, or replacement) located within a floodway area or a coastal high hazard area (V Zone) was strictly prohibited. However, horizontal construction is now allowed in floodways; vertical construction is not allowed.

The construction, installation, or repair of linear infrastructure located entirely below ground level or entirely above base flood elevation may comply with 24 CFR Part 55. Underground pipelines may pass under a floodway if installed by construction technology such as directional drilling or any other technology that would not disturb the stream or floodway. Aboveground lines may pass over a floodway by being attached to an existing bridge or supported by existing construction spanning the channel such as a utility bridge, pipeline bridges, or pipe racks, as long as the pipeline is entirely above base flood level within the horizontal limits of the floodway, and there are no new supports for the bridge, such as pillars, posts, or bents, within the floodway.

HUD financial assistance may not be used to install an aboveground pipeline if any part of the pipeline would be located below base flood elevation at any point within the floodway or if the installation of the pipeline would require construction or installation of any supporting structures within the floodway.

* If awarded, the 8- Step Process must be followed to comply with 24 CFR Part 55.20, as well as the additional questions/information described in [**HUD Notice CPD -17-013, pages 3 – 5**](https://www.hudexchange.info/resource/5662/notice-cpd-17-13-notice-for-interpreting-the-limits-of-the-floodway-for-linear-infrastructure-projects-complying-with-hud-floodplain-management-regulations/)**.** Document your efforts to comply with the additional questions. Contact Jennifer Haynie at 919.707.9173 or Susan Kubacki at 919.707.9181 for assistance.
* For more information regarding the FRIS and Digital Flood Maps, please go to the [North Carolina Floodplain Mapping Program](http://www.ncfloodmaps.com) website.
* **Submit a flood map to clearly show that the proposed project site is not located within the regulatory floodway or V Zone by adding delineation of the project boundary** (hand drawn is acceptable) onto the downloaded flood map. Any proposed pipelines that include floodway crossing shall be hung under a bridge or directionally bored and noted as such on the map.Insert this flood map in Tab 8.

General Instructions for map download:

* Follow the web link above to the NCFMP website, click on the FRIS map image (you will be redirected to the FRIS website).
* Click “OK” to acknowledge the welcome message and select your county on the map.
* Then, you may use the “magnifying glass” icon on the toolbar (located in the upper left corner of the page) to help navigate to the exact location of your project. You may search for your project location by street address or Lat/Long coordinates.
* Once the map takes you to the correct panel, you may click the red “(pdf) Download” button in the Flood Information window located on the right side of your screen or use the Map Export function from the menu to customize the viewing/printing area. Also, you may use the Data Export function to obtain a shapefile (if desired).
* If uncertain about whether the proposed site is located within the floodway areas, V Zone, or questions on how to obtain the flood maps, please contact the CDBG-I unit engineer at 252.948.3838.

**SAM.Gov Debarred / Exclusion Check Requirement:**

In September 2006, The Federal Funding Accountability and Transparency Act (FFATA) was signed. It required the Office of Management and Budget (OMB) to develop a publicly available, free-of-charge, searchable website on federal funding. The State of North Carolina is required by FFATA to submit information on all grant awards greater than $25,000 which are awarded on or after October 1, 2010.

In July 2012, the General Services Administration (GSA) combined the Central Contractor Registration (CCR/Fed Reg), Online Representations & Certifications Application (ORCA) and the Excluded Parties List System (EPLS) into one main contractor database. This database was named System for Award Management or better known as the SAM registration and it compiles and maintains a list of parties debarred, suspended, or disqualified by federal agencies in SAM.gov.

Thus, all applicants must have an active registration in SAM to do business with the Federal Government. Units of General Local Government (UGLG), contractors as well as recipients of federal financial assistance must be registered at [SAM.gov](https://sam.gov/SAM/). Active registration in SAM is required to apply for an award and for HUD to make a payment. NCDEQ is required by HUD to check UGLG grantees’ debarment/exclusion status in the federal SAM database and place a record on file.

Applicants can use this site for FREE to:

• Register to do business with the U.S. government

• Update or renew your entity registration

• Check status of an entity registration

• Search for entity registration and exclusion records

Per the SAM User Guide, the ‘No Active Exclusions’ field on the SAM Entity summary indicates whether the entity has a current debarment. SAM.gov will check the exclusions list for the DUNS number of your entity and indicate whether any exclusion records exist. If an active exclusion record exists for your entity, this question will default to “Yes,” meaning that the contractor is debarred. No Record Found means that the entity is not registered or has let its registration lapse. The entity should ensure that the email address is current in SAM.gov so that when automated reminders are sent to renew registration each year that this reminder does not go into spam due to an obsolete email address.

How does an applicant start a SAM registration? If a registration is not yet started, please create an individual user account and log into SAM to register the entity. To register in SAM, at a minimum, the individual registering will need the following information:

U.S. REGISTRANTS:

1. Your DUNS Number, Legal Business Name, and Physical Address from your Dun & Bradstreet (D&B) record. If you don't already have one, you can request a DUNS Number for FREE from Dun & Bradstreet (D&B).

2. Your Taxpayer Identification Number (TIN) and Taxpayer Name associated with your TIN. Review your tax documents from the IRS (such as a 1099 or W-2 form) to find your Taxpayer Name.

3. Your bank's routing number, your bank account number, and your bank account type, i.e. checking or savings, to set up Electronic Funds Transfer (EFT).

If an applicant is already started the registration process, check the status by entering the DUNS Number or CAGE Code in the SAM Status Tracker. Applicants will be required to provide at least a screen shot, or a PDF, their DUNS status page to show the UGLG is NOT excluded in Tab 8.

**Local Government Roles and Responsibilities:**

The Unit of General Local Government’s (UGLG) role and responsibilities are briefly summarized below and are outlined in 24 CFR Part 570 Subpart I-State Community Development Block Grant Program. As the applicant, the UGLG is responsible to ensure the following:

* **Management and Oversight:** The elected officials and authorized representative(s) are legally, financially, contractually, and programmatically responsible for the CDBG-I project and all third-party contractors (e.g., grant administrator, project engineer, construction contractor(s), etc.). procuring and contracting with a third-party does not remove the responsibility of meeting the program requirements and milestones outlined in the grant agreement. The local government is responsible to the State of North Carolina and the Federal government in ensuring implementing the activities funded even if they have a grant administrator or a sub-recipient relationship with a single purpose units of government.
* **Financial Management:** The local government and its staff must ensure proper accounting of all funds in the projects. This includes accurate identification of project costs, project balances, proper internal controls, inclusion of grant funds in annual audits, and timely expenditure of funds.
* **Statement of Assurances and Certifications:** The elected officials and/or authorized representative(s) should read and understand fully all documents related to this program and the implementation obligations.
* **Continuous Communication:** The local government must ensure continuous communication amongst all parties involved in the CDBG-I funded project (e.g., grant administrator, project engineer, CDBG-I staff, etc.).
* **Grant Agreement:** If awarded, the local government will receive a grant agreement and funding approval from the NCDEQ. These documents are contractually binding and cannot be changed without NCDEQ approval.
* **Training:** If awarded, the local government must attend mandatory training, which is discussed below.

**Mandatory Trainings:**

If awarded, local governments will be required to attend the following mandatory training workshops.

* **Environmental Report Training:** Each local government must designate a *responsible entity* who will review and sign off on the environmental report. The designated responsible entity and the person who will prepare the environmental report must attend environmental report training. This training assures the proper report is prepared, and that the responsible entity understands what they are signing when the report is complete. Training is free and conducted by the Environmental and Special Projects Unit staff. Travel costs may be reimbursed from the grant’s administrative funds. Local government per diem rates apply. Provide a copy of the local government per diem rates if requesting travel reimbursement.

**The unit of local government’s responsible entity must be in a management position in the local government and must be able and willing to sign the environmental documents. It does NOT have to be the chief elected official.** *If the wrong person (i.e., anyone other than the designated responsible entity) signs your environmental document, construction may be delayed by four to six weeks.*

* **Compliance Training:** Compliance training is required once an award is made to a unit of local government. The mayor, manager, or administrator (authorized representatives and local compliance officer) are required to attend this training. The training covers all the requirements for compliance to: Title VI Civil Rights Act, the Fair Housing Act, Equal Employment and Procurement, Section 3, Section 504, Language Access Plan requirements, the Anti-Displacement and Relocation Assistance requirements, and the Labor Standards Act. This training assures that the local government authorities are aware of their responsibilities under the CDBG program, and that the local authorities understand the plans they are required to adopt for compliance. Training is free and conducted by the CDBG-I Unit Compliance Specialist. For the local government employees attending, travel costs may be reimbursed from the grant’s administrative funds; the local government Per Diem rates apply.

**Procurement of Engineers and Grant Administrators:**

Per 2 Part 200.101(d)(1): “Except for 200.202 *Requirement to provide public notice of Federal financial* *assistance programs* and part 200.330 *Subrecipient and contractor determinations* through 200.332 *Fixed amount subawards* of Subpart D – *Post Federal Award Requirements* of this part, the requirements in Subpart C- *Pre-Federal Award Requirements and Contents of Federal Awards,* part and Subpart E – *Cost Principles* of this part do not apply to the following programs: (1) …States’ Program of Community Development Block Grant Awards for Small Cities…”.

In March 2018, state programs were advised by the Deputy Director of State and Small Cities’ Division at U.S. HUD to develop their own procurement policies in lieu of the 2 CFR Part 200 Subparts C and D regulations. The Division of Water Infrastructure’s CDBG-Infrastructure Program has developed such a policy, which combines the most stringent of requirements, state or federal into one procurement policy. The policy may be found on the [Division Website](https://deq.nc.gov/about/divisions/water-infrastructure/i-have-funding/cdbg-i-compliance-and-reporting-information#procurement.).

State and CDBG-I grant recipients are responsible for ensuring goods and services are procured competitively and in accordance with established rules and regulations. If a portion of a project activity is paid with local funds, or with any other State or federal loan and grant funds, the procurement process must still follow these regulations**.**

**What does this mean?** Firms that assist with CDBG-I application preparation DO NOT need to be procured prior to application submission to be eligible to submit qualification and/or proposals to do the work if applicant is awarded a CDBG-I grant.

* **Grant administrators** – The procurement of grant administrators occurs after an award is made, using the **Request for Proposal** **(RFP)** process. Refer to the on-line guidance on professional procurement requirements for steps in this process, for templates of “Request for Proposals”, and for a list of documents you are required to maintain in the procurement file for procuring a grant administrator. The contract for the grant administrator **cannot** be signed until you have a fully executed contract with the NC Department of Environmental Quality.
	+ Under 2 C.F.R. §200.318(e), UGLGs may enter into intergovernmental agreements or inter-entity agreements where appropriate to foster greater economy and efficiency to promote cost-effective use of common or shared goods and services. Thus, UGLGs wanting to contract for grant preparation and/or grant administration with a regional or metropolitan planning commission (RPC/MPC) or councils of government (COG) may do so without regard to the federal procurement regulations provided that such services are billed on an actual cost basis. The primary function of RPC/MPCs and COGs is to provide assistance to units of local government, under the direct supervision and control of elected officials from the local units of government served. The public purpose served by the RPC/MPCs and COGs, combined with their local control, tends to provide protection equal to those contemplated by the provisions of Subpart 318. However, nothing prevents any recipient from complying with the federal provisions when procuring grant preparation and/or administrative services if the recipient deems compliance to be equitable and in the best interest of the program.
* **Engineers** – The procurement of engineers occurs after an award is made, using the **Request for Qualifications (RFQ) process.** Refer to the on-line guidance on professional procurement requirements for steps in this process, for templates of “Request for Qualifications”, and for a list of documents you are required to maintain in the procurement file for procuring an engineering firm. The contract for the engineering firm **cannot** be signed until you have a fully executed contract with the NC Department of Environmental Quality.
* **For engineering contracts –** We recommend that the award to an engineering firm for engineering services be split into two contracts: one for the engineering report, and one for plans and specs, construction administration, construction inspection, etc.

**CDBG-I Application Submittal Requirements:**

All supporting documentation to determine priority points must be submitted with the funding application. Please ensure that submittals provide clear information needed to determine points. The application must be tabbed. Additional information will not be requested. Points will be determined based solely on the information submitted. Applications must be bound and tabbed.

1. A signed and adopted Resolution to Apply to the CDBG-I Fund program must be submitted behind Tab 1.

2. The Divisional Application, a completed Rating System point sheet, and the completed/signed/dated *Commitment of Other Funds Form* must be submitted behind Tab 2. **The budget in the Division Application must be sealed by a professional engineer.** To claim points for a particular line item, mark “X” on the point sheet. For each point category, provide the subtotal of points claimed listed on the score sheet.

* Combined Water and Sewer Applications:
In cases where a single application includes both drinking water and wastewater work in the same footprint, staff will review the application and assign the lowest scoring Project Purpose. Each activity (water or sewer) must provide separate scorecards, budgets and support documentation; in addition to a total budget combining all project types. For these projects, water and sewer line rehabilitation must be on the same street in order for the application to receive the “same footprint” points. This means existing water and sewer lines that are in the same street, and that need rehabilitation. The benefit accrues when the street is only dug up one time, instead of multiple times. “In the same footprint” does not mean on parallel streets. It does not mean in the same project area. “In the same footprint” does not apply to new construction.
* Multiple Applications (outside of Combined Water and Sewer Applications)

Multiple applications from one local government are allowed; however, if one of the applications scores within funding range, the local government cannot request switching it with a lower scoring application. If more than one application scores within funding range, the highest scoring application will be recommended for funding.

3. Survey methodology, surveys, census data (if used), and the survey tabulation sheet must be submitted behind Tab 3. Refer to [**Appendix A**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#priority-points-rating-sheet-and-guidance) for additional information and requirements for Tab 3. Include a map of the project area behind Tab 3 that is:

* At a readable scale;
* With geographic coordinates;
* Boundaries clearly marked;
* If a subarea of a town or county, street names must be clearly visible;
* All surveyed housing units, vacant, and non-responses marked; and
* If there are direct beneficiaries, indicate houses with street numbers.

4.A Rating System Narrative along with supporting documentation as required by this guidance must be submitted behind Tabs 4 through 7. These narratives are part of the application**.** Follow the outline below; the categories correspond to the categories in the Rating System point sheet form. Address every applicable line item. Also follow the table below when assembling your application.

|  |
| --- |
| **CDBG-I Priority Rating System Application Assembly** |
|  | Resolution to Apply | Tab 1 |
| Divisional Application, Priority Point Form, Comm. Of Other Funds | Tab 2 |
| LMI surveys, data, tabulation sheet | Tab 3 |
| Category I | Project Purpose – Required Narratives and Documentation | Tab 4 |
| Category II | Project Benefit – Required Narratives and Documentation | Tab 5 |
| Category III | System Management – Required Narratives and Documentation | Tab 6 |
| Category IV | Financial Situation – Required Narratives and Documentation | Tab 7 |
|  | CDBG-Infrastructure Compliance Documents and HUD forms | Tab 8 |

* The required narratives must be consistent with information in the Division of Water Infrastructure Application for Funding (DWI Application), CDBG-I Appendices A, B, and C, Financial Information Form and other supporting information.
* The required narratives must be complete to provide for accurate rating and concise such that critical information is not lost in unnecessary text. Include measurable outputs from the proposed project: e.g., feet of line rehabilitated, number of homes connected to sewer service, number of gallons of water recovered. The text should only provide information related to this Rating System; extraneous information will not be considered a bonus and may serve to hurt the applicant’s evaluation.
* If the required narrative varies in terms of linear feet of pipe (“approximately” is your friend) or other parameters, if the project area is not clearly delineated, if the street names are not included in the project description, the application will be disqualified due to inadequate detail regarding the project.
* The required description must match the description in the public hearing; your project name must match the project name on the application; any support documentation and the project name in the CIP. Make sure your project description matches the project map. If any of these documents fail to match, you will be disqualified.
* If there are primary and alternative scopes of work within the project area, label the primary and alternative areas clearly throughout the application and in the public hearing. The primary area LMI will be the LMI the project will be scored on if income surveys are used.
* If there are no applicable points in any given category, state that there are no applicable points under that heading.

5. Maps are required to document the project area. Maps must include sufficient labels of geographical reference and be at a readable scale. Individual line items may require specific maps as listed in the guidance; therefore, refer to additional instructions on mapping under the individual line items.

6. A public hearing must be held within the same calendar year as the grant application; **if resubmitting an application, a new application form, and a new public hearing must be held.** The public hearing must discuss the CDBG program, as well as the specific project. See [**CDBG-I Appendix B**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#priority-points-rating-sheet-and-guidance) for guidance on the components of the public hearing, for noticing requirements, and a template for the public hearing. Place all public hearing information behind Tab 8.

7. CDBG-Infrastructure Compliance Documents must be inserted behind Tab 8. A list of the Compliance Documents to be submitted can be found under Section 5 of this guidance, under “CDBG Compliance Documents”.

**CDBG-I Rating System Narrative Guidance:**

**Category 1 – Project Purpose - Max 15 points**

The required project purpose narratives and documentation should be inserted behind Tab 4.

An application can earn points in Category I based on the Project Purpose as documented in this section. Although a project may serve several purposes, an application can earn points for **only one** **Project Purpose**.

* To earn Priority Points for a Project Purpose, all parts of the project must serve a claimed Project Purpose. **If multiple purposes are claimed and well documented, you may receive the higher scoring purpose.**  If any part of project does not serve the higher-scoring Project Purpose, the application earns only the points for a lower-scoring Project Purpose that all elements of the project serve.

The project narrative must fully describe the proposed project and how it fulfills the selected Project Purpose claimed on the Rating System Form. The claimed Project Purpose must be consistent with all information provided (e.g., on the Division Application Project Description).

Although an application can earn points for only one Project Purpose (for example, Line Item 1.C), additional points for a sub-category (Line Item 1.C.1, replacing old infrastructure) may also be earned. An application cannot earn points for any other combination of Project Purposes.

Combined Water and Sewer Applications:

1. In cases where a single application includes both drinking water and wastewater work in the same footprint, staff will review the application and assign the lowest scoring Project Purpose. Each activity (water or sewer) must provide separate scorecards, budgets and support documentation; in addition to a total budget combining all project types.

For these projects, water and sewer line rehabilitation must be on the same street in order for the application to receive the “same footprint” points. This means existing water and sewer lines that are in the same street, and that need rehabilitation. The benefit accrues when the street is only dug up one time, instead of multiple times. “In the same footprint” does not mean on parallel streets. It does not mean in the same project area. “In the same footprint” does not apply to new construction.

**Line Item 1.A – Consolidate a Nonviable Public Water Supply System or Wastewater Utility – 15 points**

An application may earn 15 points if the project will eliminate, by merger or dissolution, a failing water supply or wastewater system. **Either a survey or area-wide data may be used to document income eligibility for this type of project.**

Nonviable includes the following:

1. **A Failing Drinking / Public Water Systems:**

A failing public water supply system is a system the Division of Water Resources’ Public water Supply Section has determined is 1) an unapproved public water supply system or a “grandfathered” public water system that is not able to maintain compliance with current operational standards or maximum contaminant levels; 2) an approved system whose source of water has become contaminated and the system owner demonstrates inability to resolve an MCL violation due to a lack of financial, technical, or management capacity in accordance with the Safe Drinking Water Act, Sections 1420(b)(1) and 1414(h), and NCAC 15 A 18C .0300.

**Note:** If you are interested in a project to eliminate a failing system, please contact the [**Regional Office**](https://deq.nc.gov/contact/regional-offices) of the Public Water Supply Section of the Division of Water Resources for the county in which the project is located.

To document eligibility for such a project, the Chief of the Public Water Supply Section of the Division of Water Resources will provide a letter that does the following:

* identifies both the failing and acquiring systems by name and by PWSID Number; and
* states that the system to be consolidated is failing.

The application must document that both the failing system and the acquiring system are willing to undertake the proposed consolidation, such as the following:

**Example Narrative for Line Item 1A. (Failing Water System)**

The Range Mobile Home Park water system (PWSID No. NC9902999) is failing due to improper construction of the waterlines resulting in frequent leaks that drain the hydropneumatic tank and shut down the system. The Range Mobile Home Park water system has lost pressure and required boil-water notices 17 times since 2008. The proposed project will eliminate the Range Mobile Home Park water system by consolidating it into the Town of Smallville system (PWSID No. NC9902998). The DWR-PWS Asheville Regional Office asked the Town of Smallville to consolidate the Range Mobile Home Park water system into the Town of Smallville water system, and the Town of Smallville agreed. An agreement to consolidate the Range Mobile Home Park water system into the Town of Smallville water system has been drafted. Copies of the following are included:

* Correspondence from the DWR-PWS stating that the Range Mobile Home Park water system is failing; and
* The draft agreement between the Town and the owners of the Range Mobile Home Park.

• an interlocal agreement between the two systems (a draft interlocal agreement may be accepted, but it must include the statement “We understand that failure to merge after repairs and upgrades are complete will result in repayment of all grant funds.”),

• minutes of a joint meeting showing the acquiring system’s interest,

• a memorandum of understanding between the two systems, as long as it includes the statement “We understand that failure to merge after repairs and upgrades are complete will result in repayment of all grant funds.”,

• a letter from the acquiring system stating its interest, or

• similar documentation.

The documentation must make clear that the project will eliminate the failing system by consolidating it into the acquiring system.

1. **A Failing Wastewater System:**

A failing wastewater system: In this context, failing means a system that the Division of Water Resources’(DWR) Water Quality Regional Operations Section has determined is: 1) an unapproved wastewater system or a “grandfathered” wastewater system (i.e., a system that existed before current permitting construction standards were established) that is not able to maintain compliance with current operational standards or limits; 2) an approved system who is continuously out of compliance and the system owner demonstrates an inability to resolve the violation due to a lack of technical, financial, or management capacity.

**Note:** If you are interested in a project to eliminate a failing wastewater system, please contact the [**Regional Office**](https://deq.nc.gov/contact/regional-offices)of the Water Quality Regional Operations Section of the Division of Water Resources for the county in which the project is located.

To document eligibility for such a project, the Chief of the Water Quality Regional Operations Section of the Division of Water Resources will provide a letter that does the following:

* identifies both the failing and acquiring systems by name; and
* states that the system to be consolidated is failing.

The application must document that both the failing system and the acquiring system are willing to undertake the proposed consolidation, such as the following:

* an interlocal agreement between the two system stating the intent to merge. The interlocal agreement must state that the receiving entity has the line and treatment capacity to handle the flow from the sending entity. A draft interlocal agreement may be accepted, but it must include the statement “**We understand that failure to merge after repairs and upgrades are complete will result in repayment of all grant funds”,**
* minutes of a joint meeting showing the acquiring system’s interest,
* a memorandum of understanding will be considered on a case-by-case basis, as long as it includes the statement “We understand that failure to merge after repairs and upgrades are complete will result in repayment of all grant funds”,
* a letter from the acquiring system stating its interest, or
* financial information, capital improvement plans, Notices of Violation, Moratoria, or Administrative Orders, wastewater flow data combined with financial data to document a lack of wastewater flow at the plant and resulting low revenues to document the system is failing.

The documentation must make clear that the project will eliminate the failing system by consolidating it into the acquiring system.

**These points may not be earned for projects extending water or wastewater utilities to unserved areas, to replace failing wells or failing septic systems.**

**Example Narrative for Line Item 1.A (Failing Sewer System)**

The Upside Down Subdivision sewer system is failing due to deferred maintenance and improper construction. The Upside Down Subdivision has been cited with 3 NOVs for repeated SSOs in the last 3 years. The proposed project will eliminate the Upside Down Subdivision system by consolidating it into the Town of Winden. The DWR- WQRO Section Mooresville Regional Office asked the Town of Winden to consolidate the Upside Down Subdivision system, and the Town of Winden agreed. An agreement to consolidate the Upside Down Subdivision system into the Town of Winden sewer system has been drafted. Copies of the following are included:

* Correspondence from the DWR- WQRO Section Chief stating that the Upside Down Subdivision sewer system is failing, Financial documentation, and the draft agreement between the Town and the owners of the Upside Down Subdivision.

**Line Item 1.B – Resolve Failed Infrastructure - (5 points)**

An application may earn five points if the project will resolve failed infrastructure. “Failed infrastructure” means an existing unit that has stopped working and is no longer providing the level of service required to maintain public and environmental health.

These points are meant for only four types of failed infrastructure:

1) Failed private septic systems,

2) Failed spray fields,

3) Private or public dry wells, and

4) Private or public contaminated wells.

**A survey is required to document eligibility for private well or septic system failures. You may use census data for public well failures, or you may use surveys to document income.**

**Water Systems**.

1. A well serving a public water supply system is contaminated,
2. A privately-owned well is contaminated,
3. A well serving a public water supply system had gone dry, or
4. A privately-owned well has gone dry.

Proof of Failure of a Water System: To document these points, the narrative and support documentation must include the following:

1. For a contaminated well serving a public water supply system, provide documentation that the well previously met the MCL and no longer does so. ***Only a project that also earns points under Line Items 2.H.1, 2.H.2 or 2.I is eligible under this section.***
2. For a contaminated privately-owned well, provide documentation that the well previously met the MCL and no longer does so. ***Only a project that also earns points under Line Items 2.H.1, 2.H.2 or 2.I is eligible under this Line Item.***
3. For a dry well serving a public water supply system, provide documentation that the well has gone dry. ***Only a project that also earns points under Line Item 2A for a dry well is eligible under this Line Item.***
4. For dry privately-owned wells, provide all the following:
	* + An affidavit from each homeowner stating that the well is no longer producing adequate water,
		+ A letter from the local Health Department stating that the well(s) have lost yield to the point that residents no longer have a reliable water source for drinking and bathing, and
		+ A map of the project area in a readable scale, with geographical coordinates, showing street names with the location of the well(s) clearly marked or colorized.

**Wastewater Systems:**

* Failed private septic systems, where the Applicant will be extending sewer collection to tie on the area where the houses with failed systems are located. Or,
* Failed public spray fields, where the Applicant will be extending sewer collection to the project area which is currently served by a failed spray field.

Proof of Failure for Wastewater Systems: To document these points, the narrative and support documentation must show that the septic systems or public spray fields have failed.

* For a failed private septic system, provide:
	+ A signed and sealed statement from a registered sanitarian, the local county health department, or a licensed soil scientist that specifically documents failing systems.

		- County health departments that advise “*failures are likely*” or “*soils do not allow new septic systems*” are not sufficient documentation of failing systems.
		- The letters must be specific, including addresses, and prove that the author of the letter has gone to the site(s) and evaluated the state of the septic systems and refer to a map of the addresses in question.
	+ A history of what has been tried by the homeowners to address the septic systems (i.e., copies of applied system repair paperwork that were denied, etc.).
	+ A map of the project area in a readable scale, with geographical coordinates, showing street names and house numbers, with the houses having failed septic systems clearly marked/colorized.
* For failed public spray field, provide a letter from the DEQ Regional Office stating the spray field serving the project area has failed.

If the resolution of the problem involves connection to a public wastewater utility, a letter from the owner of the downstream/receiving wastewater treatment plant and collection system stating that the plant and collection system has adequate capacity to handle additional flow from the proposed project.

In addition, a copy of the interlocal agreement between the two local governments must be submitted.

 **Rehabilitation and upsizing of lines and/or pumps necessary to serve the project area having failed infrastructure is allowed in the project scope. However, upsizing of either lines or pumps for future growth is not permitted.**

**No Expansion**. A project that expands capacity cannot earn points under this Line Item. Provide documentation or calculations showing how or why the project does not increase capacity when it’s not an obvious like-for-like replacement (replacing a pump station with gravity sewer, for example, or replacing a failed well with an interconnection).

**Example Narrative for Line Item 1.B (water)**

The Peters Subdivision (PWSID No. NC1234567, 17 connections, population 50) is served by a single failed well that no longer provides sufficient water. The project proposes to extend 300 feet of 6-inch waterline from the town of Rossville (PWSID No. NC1234568) to serve the subdivision, which will become a purchased-water system.

Attached are the following:

* The original drawdown tests showing a yield of 30 gpm (432 gpd per person) and a recent drawdown test showing a yield of only 10 gpm (144 gpd per person). This 10 gpm does not satisfy the system’s needs.
* A letter from the ZZ County Health Department stating that the well has lost yield to the point that residents no longer have a reliable water source for drinking and bathing.
* Pump run time records showing that the well has been over-pumped [average 14 hours/day in 2016 and 2017 (i.e. greater than the limit of 12 hours/day)]; and

A map of the subdivision in a readable scale, with geographical coordinates, showing street names with the location of the well(s) clearly marked. This map shows that 300 feet of 6-inch waterline will enable Rossville to connect to the subdivision’s water system near the well.

**Example Narrative for Line Item 1.B (wastewater)**

**Narrative that is NOT sufficient:** The Coventry subdivision in the Town of Ericsburg has failed septic systems throughout the subdivision. The failures have been documented by Joe Jones, a registered sanitarian with the Kennedy County Health Department. His letter stating which systems have failed is included. Also included is a map of the project area, with street names and house numbers, showing which residences have failed septic systems.

**Narrative that IS sufficient:** The septic systems in Coventry subdivision in the Town of Ericsburg were installed in 1969. Systems located at 426 and 428 Center Avenue, 212 Maple Street, and the 100 block of Chestnut have failed. The failures have been documented by Joe Jones, a registered sanitarian with the Kennedy County Health Department. His letter stating which systems have failed is included. Also included is a map of the project area, with street names and house numbers, showing which residences have failed septic systems. These failed systems have also been denied repair permits by the local County Health Department. Attached is documentation.

**Line Item 1.C – Rehabilitation and Replacement – (10 points)**

An application may earn 10 points if the project will replace, repair, or rehabilitate existing drinking water or wastewater infrastructure with no increase in capacity. Projects may include the rehabilitation/replacement of gravity sewer, sewer pump station and forcemain infrastructure; rehabilitation/replacement of wastewater treatment infrastructure; water treatment plant upgrades (including adding a new operation such as UV disinfection); rehabilitation/replacement of waterlines; rehabilitation/replacement of water pump stations; or rehabilitation/replacement of water tanks.

Replacement means either the infrastructure is still in service or that it went out of service less than one year before the application deadline. A project to replace infrastructure that went out of service one year or more before the application deadline is considered either expansion or new, as applicable for that type of infrastructure. If replacing equipment that is currently out of service, provide a statement explicitly stating the last time that the equipment was in service.

**For water and wastewater treatment plant projects, eligibility is determined using area-wide data. Eligibility for line rehabilitation and/or replacement projects is determined using survey data only; where both sides of the streets/roads had to surveyed since both sides benefit from the line rehabilitation or repair (see page 4 for additional information for 2021 Funding Round).**

**Water projects:**

1. Rehabilitation and/or replacement of waterlines, pump stations, and tanks include:
	* Replacing waterlines with new waterlines of the same or smaller diameter.
	* Replacing smaller diameter waterlines with waterlines no larger than 6-inch lines.
	* WTP upgrades that do not change production capacity of the plant, such as UV disinfection or a redundant filter, that do not change the production capacity of the water treatment plant.
* Enhancements and/or additional equipment not related to capacity, such as SCADA, VFDs, etc.
* Rehabilitation and replacement of infrastructure and equipment with the same or similar capacities.
* Pump station rehabilitation and/or replacement that does not increase the capacity of the pump station.
* Replacement of a WTP with infrastructure (wells, pumps, water lines, etc.) to transfer water if the new infrastructure does not increase treated water capacity or provide for additional service area.
* Water tank rehabilitation/replacement that does not increase the capacity of the tank.

**Water lines of 2-inch diameter and 4-inch diameter being upsized to 6-inch diameter to meet minimum design standards do not need a capacity statement.**

**New waterlines where there are not currently water lines do not earn these points; however, a** *de minimis* level of new water lines to form loops is allowed. The cost of the new waterline (e.g., for the purpose of looping) cannot exceed 10% of the total cost of waterlines in the project and cannot provide new service to undeveloped areas.

**Wastewater Projects:**

1. Rehabilitation and/or replacement of gravity sewer, pump station and forcemain infrastructure (with no increase in capacity) include:
	* Replacement projects that include upsizing gravity sewer lines to meet minimum 8-inch diameter size criteria.
* Replacing sewer lines that are like-size replacements or no larger than 8-inches.
* Replacement of a pump station with station/equipment that provides the same permitted firm capacity.
* Gravity sewers that replace pump stations and provide the same capacity. However, 8-inch gravity sewers may be installed to meet minimum design criteria which may result in a greater capacity than the replaced pump station. The Applicant must include engineering calculations to support this determination.
* Rehabilitation and replacement of infrastructure and equipment with the same or similar capacities.
* Enhancements at pump stations that do not add capacity, such as SCADA, VFDs, etc.
* WWTP upgrades including those to provide nutrient removal to meet nutrient limits, with no increase in treatment capacity.
* Replacement of a WWTP with sewer infrastructure (pump station, gravity sewer, etc.) to send flow to another WWTP if:
	+ The new infrastructure does not provide for the inclusion of additional service and/or increases WWTP capacity, and
	+ The receiving WWTP provides equal or better treatment of received waste.

**Sewer collection lines of less than 8-inch diameter that are being upsized to 8-inch diameter to meet minimum design standards do not need a capacity statement.**

**Note:** Increasing the disposal area for future growth is not allowed.

**Other Projects:**

For other projects, the application can earn points if the provided documentation and calculations specifically demonstrate that the infrastructure capacity is not increased. You must provide the following information:

* The current capacity, and
* Documentation or calculations showing how or why the project does not increase capacity.

**To earn points under this line item for any of the project types listed above, the narrative must clearly and specifically state:**

* Include linear feet and size of lines, the method in which the lines will be replaced/rehabilitated, and the number of connections in the project.
* State that equipment will be like-size replacements with the same capacities (within five percent),
* State that each component of the project (e.g., each sewer line, each pump station, each forcemain, each water line, etc.) that is being rehabilitated or replaced will not change the capacity of that component,
* For upgrades and equipment replacements at WWTP or WTP, specifically state that the upgrades will not exceed the current approved permitted capacity of the plant,
* Provide documentation or calculations showing how or why the project does not increase capacity when it is not an obvious like-for-like replacement (replacing a pump station with gravity sewer, for example),
* Closest nominal size for different pipe materials (*e.g.*, 15-inch VCP to 16-inch PVC)
* Note that 10-inch waterline still exists, so 10-inch to 12-inch is expansion; and
* Include a map that clearly shows the existing wastewater or water infrastructure to be rehabilitated/replaced.

**Notes**:

1. A project can include residential meter replacement/installation for those meters that are on waterlines being installed, replaced, or rehabilitated. Otherwise, projects that include residential meter replacement do not earn points under this line item.

2. A project that replaces capacity from a regional facility does not qualify for points under this line item. A new facility with new discharge or permit is considered new infrastructure and does not qualify for project type points.

**Example Narratives for Line Item 1.C (Line Rehabilitation/Replacement)**

**Narrative that is NOT sufficient:** The proposed project will replace the existing 1,000 gpm pump station (or booster station for drinking water projects). ***(Not sufficient because no statement is provided to confirm that the replacement is a like-for-like size replacement.)***

**Narrative that IS sufficient:** The proposed project will replace the existing 1,000 gpm pump station (or booster station) with a new 1,000 gpm pump station (or booster station).

**Narrative that IS sufficient:** The proposed project to replace the deteriorated 10-inch line will be a like-for-like replacement.

**Narrative that IS sufficient:** The proposed project will remove the Main Street Pump Station and replace it with gravity sewer that will convey the same amount of flow. Calculations comparing the capacity of the proposed gravity sewer and the existing pump station are included.

**Narrative that IS sufficient:** The proposed rehabilitation project will upgrade the 6-inch gravity sewer to 8-inch gravity sewer to meet 15A NCAC 2T .0305(i)(1).

**Narrative that IS sufficient:** The proposed project will replace any waterlines smaller than six inches with six-inch waterline.

 **Line Item 1.C.1 – Replacing Old Infrastructure – (5 points)**

**Example Narratives for Line Item 1.C (Wastewater Treatment Plant Rehabilitation)**

The WWTP’s existing coarse bubble aeration equipment will be replaced with new fine bubble diffusers and more efficient blowers, which will result in an energy savings of 30 percent as shown in the provided calculations.

The WWTP project involves constructing new anaerobic digesters and the digester gas will be used in a combined heat and power (CHP) system as fuel to generate electricity and heat for in-plant uses.

**Water Treatment Plant Rehabilitation**

The project will replace the WTP’s existing filter media. The project will also install the following new equipment:

* a new air scour system will replace the existing backwash system.
* powdered activated carbon (PAC) unloading, storage, handling and metering equipment for taste and odor during algal blooms.

The project will not increase the WTP’s capacity to produce water.

An application that earns points under Project Type 1.C earns additional points if the application documents that at least 50% of the project construction cost is for some combination of the following:

* Replacing, repairing or rehabilitating intake structures, drinking water wells or tanks that are more than 40 years old as of the date of application (drinking water projects only); or
* Replacing, repairing or rehabilitating sewer or water lines that are more than 40 years old as of the date of application; or
* Replacing, repairing or rehabilitating pumps, pump stations, wastewater or water treatment units that are more than 20 years old as of the date of application.
* Replacing, repairing or rehabilitating SCADA, process control, information technology or power systems that are more than 20 years old as of the date of application.
* The Division assumes the following pipe material types are older than the threshold: Asbestos Cement (ACP), Vitrified Clay (VCP), galvanized iron and bituminized fiber (e.g., Orangeburg) pipe.

For the project to receive these points, the narrative must include a specific statement of the year of construction, how the age is known, and associated documentation.

* + Documentation may include, but is not limited to, plans showing the date of installation, a final approval letter, maintenance records, photos of commemorative plaques, material documentation of lines to be replaced/rehab (i.e., repair reports, date stamp photos, CCTV documentation, etc.), dated plats drawn for the residential area being served, printed information from NC One-Map, and documented operator knowledge. In summary, describe how you know that the items are older than the threshold. Date shown on such documentation must be legible and identifiable.
	+ Describe the problems the town/county has had with the infrastructure, and how the project will resolve those problems. Include linear feet and size of lines, the method in which the lines will be replaced, and the number of connections in the project.

A project might replace, repair or rehabilitate some infrastructure components old enough to earn the points and other components that are not old enough to earn the points. To earn the points, the Project Budget page in the DWI Application (can provide a reference note on this budget to a detailed budget that shows this information) must show that at least 50% of the construction cost of the project meets the above requirements. Therefore, those infrastructure components old enough to earn the additional priority points and those components not old enough to earn the additional priority points must appear as separate line items.Age is determined component by component rather than for the entire facility.

For a project to earn these points (including projects that replace multiple components with different lifetimes), at least 50% of the total construction cost must be for components that have exceeded the lifetimes listed above.

For a project to earn these priority points:

* The Project Budget page in the Division Application must distinguish the construction cost for components old enough to earn the points from the construction cost for those components that are not old enough and the narrative must include subtotals for construction items that qualify as replacing old infrastructure; and
* All other information in the Division Application must be consistent with the Project Budget.

An application may earn five points if at least 50 percent of the project cost will rehabilitate infrastructure that is:

* Treatment units, pumps and/or pump stations: 20 years old or older.
* Lines, storage tanks, public drinking water wells, or intake structures: 40 years old or older.

**Example Narrative for Line Item 1.C.1**

For the 2,000 linear feet of line that will be replaced, the Town of Bridgeville has included a copy of the as-built plan sheet at the end of this narrative, which shows the date of construction as 1974. The entire sewer line is 41 years old.

For the 750,000 gpd clarifier that will be replaced, the Town of Red Banks has included a photograph of the plaque on the wastewater treatment plant marking the date of completion of construction of the plant as March 12, 1962. The entire plant is 53 years old.

**Line Item 1.D – Reserved for Other Programs**

**Line Item 1.E – Project will Extend Service for the Following Reasons – (15 points max)**

A project will *Affirmatively Further Fair Housing* by extending water and/or sewer to new or rehabilitated low-to-moderate income housing. Points cannot be claimed for both line item 1.E.1 and line item 1.E.2.

**Line Item 1.E.1 – Extend or Rehab Water and or Sewer Service to New or Rehabilitated Low-Mod Income Housing – (15 points)**

An application may earn 15 points if the proposed project will extend water and/or sewer to new or rehabilitated low-mod income housing. Water and sewer extensions to new LMI housing are limited to housing financed by public or private non-profit entities, or by private firms using tax credits.

The narrative must provide the following information and have associated documentation:

* Specific information about the housing project, including who is developing the property, who is financing the development, and a calendar for completion of the housing and for the infrastructure construction/rehabilitation.
* For new housing, a discussion of how the location of the housing was determined. Is the housing located in an area that is largely populated by a racial minority? What efforts were made to desegregate housing in the applicant community? The number of houses or multi-family dwellings to be rehabilitated, or the number of houses or multi-family dwellings to be constructed.
* The number of households to be served or projected to be served.
* The number of people to be served, or the number of people projected to be served.
* The linear feet and size of lines, and the number of connections in the project.
* The number and size of pumping stations, if any, in the project.
* The LMI percentage in the project. For **new construction**, the LMI percentage for the project area is **estimated** at 100 percent. The applicant must document and verify the LMI percentage of the residents of the new housing project at the end of the project. For **rehabilitated housing**, the LMI percentage in the project area must be at least 51 percent LMI and **requires a survey** of the residents.
* Include a map of the project area in a readable scale, with geographical coordinates, showing street names and house numbers, with the houses being rehabilitated clearly marked or colorized. Line locations must also be marked.
* If the project extends water and/or sewer to new low-to-moderate income housing, a map CLEARLY showing the location of the housing project must be included.

The narrative must also escribe the need for the low-mod income housing, or the need for the rehabilitation of the low-mod income housing and how the housing fits into a broader community development plan. Insert list of maps here

**All LMI units in the project area must be connected, unless a registered sanitarian or a licensed soil scientist verifies that the wells/septic systems are functioning properly.**

**Example Narrative for Line Item 1.E.1**

Nine units on Eason Street in the Town of Centreville are being rehabilitated by the NC Housing Finance Authority. The house rehabilitation and the water line rehabilitation are being done in parallel, and both will be completed by November 2017. The units to be rehabilitated are occupied by low to moderate income people, verified by a survey. The project will serve ten households, and a total of 34 people. In addition, 2,000 linear feet of 2-inch galvanized waterline will be replaced by 2,000 feet of 4-inch PVC waterline. All nine house connections will be replaced. The LMI percentage of the project area is 100 percent. A map of the project area is included.

**Line Item 1.E.2 – Connect existing LMI households to water and/or sewer service - (10 points)**

**These are “Hook-Up Only” Grants.** An application may earn 10 points if the proposed project will connect existing houses/multi-family dwellings to existing water and/or sewer service. The homeowners/renters must be low-to-moderate income; no over income households can connect with these funds. The project area may be individual houses or a group of houses.

The narrative and documentation of the need for house/ multi-family dwellings connections are:

* A signed and sealed statement from a registered sanitarian, a licensed soil scientist, or the local Health Department that the septic systems in the project area(s) have failed, or
* A letter from the local Health Department stating that the wells in the project area(s) have lost yield to the point that residents no longer have a reliable water source for drinking and bathing, or
* A letter from the local Health Department stating that the wells in the project area are contaminated, and the statement is supported by data from a certified lab documenting the type and level of contamination.
* Include a map of the project area in a readable scale, with geographical coordinates, showing street names and house numbers, with the houses being connected clearly marked or colorized.
* **Income surveys of the project area are required, with income verification of each direct beneficiary household required before the close of the project.**

The project narrative should also discuss the percentage of failing septic systems or failing/ contaminated wells in the project area, and the nature of the failure. The total number of house connections must also be provided.

**These grants will have a 100% low to moderate income percentage. Projects that connect homes to water or sewer in a scattered site manner are allowable.**

Houses with failing septic systems that are counted in the 20% failure rate under Project Benefits Line Item 2.A.1 must be eligible (i.e., meet all local ordinances) to connect to the proposed system. If they are found not to be eligible for connection after award, the award will be pulled.

**NOTE:**  If rental homes are being connected in the proposed project, the unit of local government will be required to adopt a low-income rental rate policy for all low-income rental units in the local government’s jurisdiction. In addition, in the project area, that rental rate will be required to be charged for one year after project close out. Consult with the County or City Public Housing Authority for guidance on affordable rent rates for the project.

**Example Narrative for Line Item 1.E.2**

Septic systems on River Street have been documented by the Public Health Department to have failed, as evidenced by the sealed letter from Bill Brown, registered sanitarian. There are 27 LMI units on River Street that will be connected. A map of the project area, showing the houses to be connected, is included.

**Line Item 1.F - 1.H – Reserved for Other Programs**

**2. Category II – Project Benefit – Max 20 points**

The required project benefit narratives and documentation are inserted behind Tab 5.

The Project Benefit claimed on the Rating System Form must be consistent with the information provided on the Division Application Form (Project Purpose and Project Benefits). Points in Category II will be based on the Project Purpose determined/verified in Category I.

**Applicants must show a direct connection between the project and the benefit claimed in the application.** Project Benefit points max out at 20, even if there are more benefit points that can be claimed.

The project 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.

**Example:** The Project Purpose is to extend water service to an unserved area (failed infrastructure points). There is also some line rehabilitation work that needs to be done prior to extending the line to the project area. The Project Benefit cannot be the resolution of 30% water loss; the benefit must address the contaminated or dry water source.

**Line Item 2.A – Benefit from Infrastructure Replacement, Repair, or Merger - (15 points)**

An application may earn 15 points if the proposed project provides an environmental or public health benefit through the replacement or repair of infrastructure, or the merger of a failing system with a viable one.

These projects are limited to:

1. Connecting homes to a public sewer service homes that have failing septic systems, or failing Division of Water Resources (DWR) permitted single-family residence discharges (NCG550000) and single-family residence spray / drip irrigation systems/; or
2. Connecting homes to a public water service that have dry or contaminated wells; or
3. Repairing or replacing sewer lines responsible for reported sanitary sewer overflows or repairing or replacing equipment to resolve an upset, spill, or bypass at treatment works\* that:

*\*Treatment works: Defined here as public sewer collection and transmission system, pump stations, and wastewater treatment facilities.*

1. Reach bodies of water, or
2. Back up into homes causing a public health problem, as documented by affidavit from home owner or tenant.

Or

1. Replacing failing public wells (failure due to contamination or significant yield reduction) with another well, or connection to another water system with excess capacity.

The project narrative must clearly state which activity (e.g., failing septic tanks, failing private wells, failing public wells, Division-permitted single-family residence discharge, single-family or public spray/drip irrigation system, replacement/repair of sewer lines and pump stations) in this Line Item is applicable and include the following:

1. **Connecting homes to a public sewer service homes that have failing septic systems/DWR single-family permitted systems:**
* A project map that clearly shows the specific locations of:
	+ Street names and house numbers of failing systems
	+ New sewer lines
	+ All systems to be connected to the public sewer service.
* A list of the addresses where septic systems are failing and referenced on a map.
* Identify the year (approximate if unknown) that the failing systems were installed.
* A letter from the local county health department, a registered sanitarian, or licensed soil scientists that specifically documents failing systems. County health departments that advise “failures are *likely*” or “soils do not allow *new* septic systems” are not sufficient documentation of failing systems.
* For Division-permitted single-family discharge systems, list the permits in the watershed that the sewer will replace.
* For septic systems in the project area that will not be replaced, a corresponding letter will need to be written from the Health Department stating that the septic system is functional, due at the end of project.

**2. Connecting homes to a public water service that have dry or contaminated wells:**

* A project map that clearly shows the specific locations of:
	+ Street names and house numbers of dry or contaminated wells
	+ New water lines
	+ All systems to be connected to the public water supply
* A list of the addresses where wells are dry/contaminated and referenced on a map.
* Identify the year (approximate if unknown) that the dry/contaminated wells were installed.
* For dry or contaminated wells, affidavits from the residents regarding well yield and water quality.
* For contaminated private wells, the application must contain a sampling report that follows the instructions in the guidance document, *Guidance for Using Sampling of Individually Owned Wells to Establish Public Health Priority Points.*

For projects that connect homes to water or sewer, most of the homes and all the LMI units must be connected for the project to meet benefit requirements, and to avoid repayment of the grant, unless there is a valid documented reason for not connecting (i.e., letter from health department stating existing system is functioning). CDBG funds will pay for the connections to LMI homes only.

**3. For replacing/repairing sewer lines, pump stations, or treatment equipment that are responsible for reported sanitary sewer overflows or bypasses:**

* + A project map that clearly shows the specific locations of:
		- Sewer lines, including manholes and pump stations, to be rehabilitated that directly connect to environmental / public health threat;
		- Location of SSOs, and location of where the spills reached the body of water; or
		- Street names and house numbers where sewer has backed up into residences.
	+ Identify the frequency and cause of the spill and explain how the project will address the cause of the spill. (Note that isolated incidents related to severe natural conditions do not quality for points.)
	+ Identify the year (approximate if unknown) that the failing lines, pump stations, treatment equipment were installed.
	+ Spills/bypasses/SSOs must be within the past 5 years of the application deadline. All spills/bypasses/SSOs need to have been reported to the regional office, and these RO reports need to be included in the application.
	+ Submit all Notices of Violations (NOVs) or Notices of Deficiency (NODs) which also document the environmental issues caused by the spills/bypasses/SSOs. All NOV/NODs must be within 5 years of the application deadline.
	+ For sewer line rehabilitation, if the spills are not occurring in the project area, discuss in the narrative how the spills are related to the infrastructure in the project area, how the relation is known, and illustrate the relation with maps.
* Affidavits from homeowners/renters stating wastewater has backed up into residences.

**4. Replacing failing public wells (failure due to contamination or significant yield reduction) with another well, or connection to another water system with excess capacity:**

* A letter from the local Health Department stating that the wells in the project area have lost yield to the point that residents no longer have a reliable water source for drinking and bathing, or

	+ Lab data showing the type and level of contamination in the well(s).
* A map of the project area in a readable scale, with geographical coordinates, showing street names with the location of the well(s) clearly marked or colorized. In addition, the map must show:
	+ The location of any new water lines that will connect to another water system with excess capacity, or
	+ the location of a new well (if a new well is the solution).
* Provide documentation from the DEQ Regional Office regarding the need for additional capacity to meet current projected water needs.
* Provide the name and PWS ID number for the water system.
* Identify the year the well was installed (approximate if unknown).
* Provide historical documentation of yield vs. the average daily demand of the system.
* If connecting to another public water supply, provides the PWSID number of the other system.
* For a dry well serving a public water supply system, provide the following:
* Drawdown tests that show the well’s production has decreased by at least 50%;
* A letter from the DWR Regional Office stating that the well(s) have lost yield to the point that residents no longer have a reliable water source for drinking and bathing; and
* A map of the project area in a readable scale, with geographical coordinates, showing street names with the location of the well(s) clearly marked or colorized. Identify by name and PWSID No. the public water supply system that the dry well serves.

**Example Narratives for Line Item 2.A**

1) The outputs of this project will be the connection of ten units on Oak Avenue to public water service, and the capping of eight dry wells. The connection to public water service will allow homeowners to have plentiful water for drinking, bathing and washing clothes. The Health Department has verified the well status. Specific house numbers to be connected are listed below. Any units not connected will have a corresponding letter from the Health Department verifying that their wells function.

2) The output of this project will be the replacement of 5,000 linear feet of sewer line and the rehab of three brick manholes on Young Street. The repair and replacement of this infrastructure will reduce or eliminate sanitary sewer overflows at the three manholes during periods of rain. These overflows have reached Blue Creek on four occasions over the last 18 months.

3) The septic systems in the Center Avenue Subdivision were installed in 1969. Systems located at 426 Center Street, 212 Maple Street and in the 100 block of Chestnut Street have failed. A letter from the county Health Department is attached documenting these failures.

**Line Item 2.A.1 – Benefit where 20% or More of Septic Systems are Failing or Private Wells are Dry or Contaminated. – (5 points)**

An application may earn five points if in the project area, 20% or more of the septic systems or private wells are failing or contaminated.

The project benefit narrative must list out the addresses of each residence where the septic system or well has failed. Each of the listed addresses will be expected to be connected to public water or sewer service at the end of the project. DEQ will use the information submitted in support of Line Item 2.A to determine whether 20% of the septic systems/wells in the project area have failed.

Houses with failing septic systems that are counted in the 20% failure rate under Item 2.A.1 must be eligible (i.e., meet all local ordinances) to connect to the proposed system. If they are found not to be eligible for connection after award, the award will be pulled.

**Example Narrative for Line Item 2.A.1**

Twenty percent of the septic systems on Baker Street have failed, out of a total of 12 systems. The systems that have failed are at 134 Baker Street, 141 Baker Street, and 145 Baker Street. Please refer to the information provided under Line Item 2.A for proof of failure, a map of the locations of the failures, and LMI percentage documentation.

**Line Item 2.B – 2.C – Reserved for Other Programs**

**Line Item 2.D –Promulgated But Not Yet Effective Regulations – (3 points)**

An application may earn three points if the project will address the requirements of recently promulgated but not yet effective regulation.

The narrative **must** include the following:

* The regulatory citation and summary of the applicable regulation. List the date on which the regulation will go into effect.
* Documentation that the high potential for violation exists (such as NPDES permit effluent monitoring results). The narrative must clearly describe how this documentation shows a high probability of a violation; and
* A clear explanation of how the proposed project will lead to compliance with the regulation.

**Example Narrative for Line Item 2.D**

Water at the Town of Anytown’s five wells exceeds the proposed 1ug/mL MCL for *Chemical X* in T15A NCAC 018C .15xx. This MCL was promulgated on January 1, 2016 and the first compliance deadline for Bin 1 systems such as Anytown is January 1, 2018. Anytown proposes to treat the water using carbon adsorption to meet the MCL. Included are the following items:

* A copy of the promulgated regulation,
* Laboratory results showing that the well produces water that exceeds the proposed MCL, and
* An EPA factsheet that:
	+ States that carbon adsorption is the best practice to remove *Chemical X*; and

Indicates that water treated by carbon adsorption will generally meet the proposed MCL.

**Line Item 2.E – Project Directly Addresses Enforcement Documents – (max 5 points)**

Applicant can only qualify for one of the following subcategories. Points cannot be claimed for both line item 2.E.1 and line item 2.E.2.

**Line Item 2.E.1 – Project Addresses Administrative Orders- (5 points)**

To earn points under this line item, the project must directly address one of the following:

* EPA Administrative Order (AO) for a local government applicant located in Tier 1 county, or
* An existing or pending Special Order by Consent (SOC), or
* DEQ Administrative Order (AO).

To document these points, the narrative must include the following:

* A copy of the AO or SOC highlighting the action items that include the proposed project with a statement of whether the AO or SOC is executed or pending; for a pending AO or SOC, also include the following:
	+ A copy of the SOC application.
	+ Regional Office contact and any correspondence with the Regional Office.
	+ A description of the violations that have occurred and the necessary construction to resolve the noncompliance (i.e., demonstrate that the proposed project would correct the violations).
	+ A draft construction schedule if available and a clear discussion of any potential conflicts that may arise between the Project schedule and the draft schedule.
* A description of the violations that have occurred and the necessary construction to resolve the noncompliance (i.e., demonstrate that the proposed project will correct the violations).
* A statement that the underlying violation has not already been addressed and that the project will address the violation.
* Additional supporting documentation necessary to prove the direct link between the project and satisfying the order.
* A clear discussion of any potential conflicts that may arise between the funding schedule and the Order’s compliance schedule.

**Example Narrative for Line Item 2.E.1**

The Town of Anyville has entered into a Special Order by Consent to make upgrades to its wastewater treatment plant in order to meet permit limits. The Beckville Wastewater Treatment Plant has violated its discharge limits five times in the past year. The plant requires a UV disinfection system in order to comply with its permitted discharge limits. A UV disinfection system will reduce the coliform count being discharged into the receiving stream; the information detailing the proposed system is included. There should not be any conflicts between the funding schedule and meeting the Order’s compliance schedule.

**Line Item 2.E.2 – Addresses a Notice of Violation or a Notice of Deficiency – (3 points)**

To earn points under this line item, the project must address a Notice of Violation (NOV) or Notice of Deficiency (NOD) that has not been completely resolved already. The narrative must include:

* A copy of the NOV or NOD and all responses to the issuing agency,
* A brief summary of the applicable regulation,
* A statement that the underlying violation, deficiency, sanitary defect, or required corrective action has not been addressed already and that the project will address the issue,
* A clear explanation of how the proposed project will lead to compliance with the regulation and how the proposed project will address specific regulatory requirements, and
* Additional supporting documentation necessary to prove the direct link between the project and fulfillment of the regulation.
* If the NOV or NOD is related to SSOs, provide copies of the SSOs and a map showing the location of the SSOS.

**Example Narrative for Line Item 2.E.2 (wastewater)**

An applicant’s WWTP has received a Notice of Violation, which documents numerous fecal coliform exceedances above the NPDES permitted effluent limit. The Chlorine Contact Chamber is known to be too small for the current flows (especially peak flows), not allowing enough chlorine contact time. Additionally, the gas chlorine storage and feed system is old and not well regulated, and the plant ORC wants to switch to liquid chlorine for safety reasons. The proposed project will build a new larger chlorine contact chamber with a new liquid chlorine storage and feed system.

* A copy of the NOV and

Documentation of the existing Chlorine Contact Chamber and old gas chlorine feed system.

**Line Item 2.F – System Merger- (10 points)**

An application may earn 10 points if the project will merge systems. In this context, a merger can include either a physical consolidation of systems into a single system with a single PWSID number or a merger of ownership and operation without a physical consolidation of systems. Decentralized systems can qualify under this line item. Points will not be awarded for systems already merged.

To document these points, do the following:

* Earn priority under line item 1.A;
* Identify the systems. Clearly identify the systems by name and include the PWSID Number if applicable (drinking water systems). State that the Applicant is the owner of the system;
* Describe the regionalization of the system and how it is managed; and
* Describe the type of merger. The Narrative must describe how the project will result in a merger and characterize the merger (for example, as a consolidation, operational or management merger).
* Describe the current and proposed relationship between the systems.
* Describe the agreements between the owner and other LGUs.
* Submit an interlocal agreement between the systems, stating the intent to merge. An interlocal agreement conditional upon other work being completed prior to the merger is acceptable. A draft interlocal agreement may also be accepted. There must be language in the interlocal agreement stating that if the merger did not proceed once the project is finished, funding would be repaid.
* Other documentation, such as a memorandum of understanding, will be considered on a case-by-case basis.

**Note**: Interconnectivity alone (e.g., providing only regionalized treatment) does not qualify for points under this Line Item.

**Example Narrative for Line Item 2.F**

The Towns of Tarrytown and Walnut Hill desire to consolidate their wastewater collection and treatment systems. Tarrytown is the applicant, and it owns its collection and treatment systems. Tarrytown has aging infrastructure, with a collection system dating back to 1930. The project will rehabilitate 10,000 linear feet of the sewer collection lines, to reduce inflow and infiltration, and the project will also take the Tarrytown treatment plant off-line. The Town of Walnut Hill will own and operate all collection lines in Tarrytown. A copy of the interlocal agreement is included in the application. Tarrytown has an area wide LMI of 56 percent.

**Line Item 2.G – Documented Low Pressure in a Public Water System - (5 points)**

To earn points under this line item, the project must address documented low pressure within a system (pressures below the 20/30 psi described in T15A NCAC 18C .0901) within the last five years. The narrative must include the following:

* A discussion of the existing low pressure in the system,
* Documentation showing the low pressure identified within the last five years,
* Quantitatively demonstrate by calculations or modeling how the project will address the low pressures as demonstrated by calculations or modeling, and
* A map showing the locations of the pressure problems and of the project. The map must be a readable scale, with geographical coordinates, and indicate the project area, with street names.
* If looping is included in the project, show the calculation determining the percentage of the looping line length in the project.
* If low pressures are due to small line diameters (2-inch diameter), in violation of 15A NCAC 18C.0901 and .0902, these points may be claimed. Documentation to demonstrate the small line diameter includes:
	+ Photos of the lines, with a ruler showing the line diameter.
	+ Or old as built maps with the line identified as a 2-inch line (not a map generated for the sake of this application) that is within the project area.
	+ Or a map from the asset management plan showing the line is a two-inch line in the project area.
	+ And a narrative of how the line is in violation of 15A NCAC 18C.0901 and.0902. Discuss how the proposed project will resolve this violation.

Follow the instructions in the [*Factsheet: Documenting Low Pressure*](https://files.nc.gov/ncdeq/WI/Application_Info/Factsheet_Pressure_Points_2017-02-16.pdf) to document the pressure problems to be addressed by the proposed project.

**Example Narrative for Line Item 2.G**

The Town of Mapleton has problems with low water pressure in its Valley Hill sub-basin. Pressures measured at fire hydrants throughout the sub-basin consistently fell below 20 psi at fire flow. Pressures are documented in the data included in this tab. This project will increase the diameter of the lines in the sub-basin from two inches to four inches and add a booster pump station. Included is a map of the project area, detailing the locations of the areas with pressure problems.

**Line Item 2.H – Project Addresses Contamination of a Water Supply Source – (max 15 points)**

Project will address the contamination of a water source and mitigate the contamination. The Applicant may earn points from only one of the sub-categories. To earn the **15** points under line item **2.H.1**, or **10** points under **2.H.2**, the project must extend public water service to an unserved area with private wells or provide new treatment or a new water source in a public system.

**Notes:**

1. If the project is funded, the follow-up engineering report must formally compare the proposed project to other feasible alternatives to determine the most cost-effective solution to the problem. In many cases, point of use or other treatment will be more cost effective than waterline extensions.
2. The documentation must show that the existing treatment does not remove the compound well enough that the amount in the treated water is below the relevant limit.
3. To earn points for any one of these line items, the documentation must show that the project will improve water quality.

**Line Item 2.H.1 – Acute Contamination of a Water Source – (15 points)**

To earn 15 points, the project must address an acute contamination of a private or public water system. In this context, *contaminated* means that the water contains and once did not contain some substance or characteristic so that the existing treatment – operated properly – no longer can meet the primary MCLs listed in T15A NCAC 18C .1500 *et seq*. An example is a well with water that has changed to exceed an MCL or that now includes unregulated precursors (not regulated themselves) that require additional treatment to meet standards for disinfection byproducts. (Treated water that exceeds a secondary MCL does not qualify as contaminated for purposes of points.)

In this context, *acutely contaminated* means that the issue required (or, for an unregulated water supply *would have* required) Tier 1 Public Notice under Table 1 of 40 CFR 141.202 (adopted by reference into T15A NCAC 18C .1523). The list of covered contaminants currently includes the following:

* *E. coli*, enterococci or coliphage in certain groundwater samples,
* Nitrate, nitrite, or total nitrate and nitrite,
* Turbidity at the entry point of the distribution system for a surface water system (i.e., not for wellwater), and
* Certain other occurrences.

**Line Item 2.H.2 - Non-Acute Contamination of a Water Source – (10 points)**

An application may earn 10 points if the project addresses a non-acute contamination of a private or public water system.

In this context, *contaminated* means that the water contains and once did not contain some substance or characteristic so that the existing treatment – operated properly – no longer can meet the MCLs listed in T15A NCAC 18C .1500 *et seq*. An example is a well with water that has changed to exceed an MCL or that now includes unregulated precursors (not regulated themselves) that require additional treatment to meet standards for disinfection byproducts. Non-acute contamination is any contaminant that produces effects over time. Non-acute contaminants include disinfection byproducts, disinfectants, inorganic chemicals, organic chemicals, and radionuclides. A listing of these contaminants may be found at [EPA Groundwater and Drinking Water Table – Regulated Drinking Water Contaminants](https://www.epa.gov/ground-water-and-drinking-water/table-regulated-drinking-water-contaminants).

**Application requirements for Line Items 2.H (2.H.1 and 2.H2):**

For **public** water supplies:

The narrative must describe the change in the quality of the source water and must include the following:

* For acute contamination of a public water supply, submit a copy of the Public Notices that were issued, with a statement that the project is necessary to address the contamination event.
* Document non-acute contamination of a public water supply system by providing copies of compliance sampling reports submitted to the Public Water Supply Section of the Division of Water Resources that show the contamination and a statement that the project is necessary to address the contamination events.
* A copy of lab results (no more than five years old) showing the levels of contamination in the system.
* A description of the contaminated source:
	+ The source type (well or surface water) and production capacity.
	+ When and how the contamination was discovered.
	+ To the extent known, when, how, and why the source became contaminated.
* A map on a readable scale, with geographic coordinates, showing the location of the project, and the project area being served, including street names. Include the PWSID number of the system serving the project area. Show the location of the contaminated water source.
* An economic and demographic description of the affected residential population, the number of connections, and the length and diameter of the water line, if the project includes extension of water line. Include in a table the price per new connection and the length of water line per new connection.
* A description of how the project will replace or remediate the contaminated water source.
* A description as to how the project will solve the contamination.

For **private** water supplies:

The narrative must describe the change in the quality of the source water and must include the following. In addition, the application must contain a sampling report that follows the instructions in the[*Guidance for documenting public health priority points by sampling individually owned wells*](file:///C%3A%5CUsers%5Cjmhaynie%5CDownloads%5CGuidance%20for%20Documenting%20Public%20Health%20Priority%20Points%20by%20Sampling%20Individually%20Owned%20Wells%20located%20at%20http%3A%5Cportal.ncdenr.org%5Cc%5Cdocument_library%5Cget_file%3Fuuid%3D40eb04a7-f0be-4140-92c8-0e6df4c70529%26groupId%3D14655572).

* A description of the contaminated source:
	+ The source type (well or surface water) and production capacity.
	+ When and how the contamination was discovered.
	+ To the extent known, when, how, and why the source became contaminated.
* A map on a readable scale, with geographic coordinates, showing the location of the project, and the project area being served, including street names and house numbers. Show the location of the contaminated water source(s).
* An economic and demographic description of the affected residential population, the number of connections, and the length and diameter of the water line to be extended. Include in a table the price per new connection and the length of water line per new connection.
* A discussion of why the applicant believes the project will be preferred over other alternatives such as individual filtering systems.
* A description of how the project will replace or remediate the contaminated water source.
* A description as to how the project will solve the contamination.
* The documentation must address feasible alternatives such as point-of-use treatment. If the project is funded, the follow-up engineering report must formally compare the proposed project to other feasible alternatives to determine the most cost-effective solution to the problem.

**Example Narrative for Line Item 2.H.1**

Water at three of the Town of Anytown’s five wells have had five *E. coli* MCL violations in the past three years. The other two wells have had one *E. coli* MCL violation each. The town was on a boil water notice twice in the last three years. Based on a camera survey of the wells, the town believes the well construction allows water from the surficial aquifer to enter the well and that future boil-water notices are inevitable as long as the town continues to use these wells. Anytown proposes to construct an interconnection with the City of Metropolis and abandon all the wells. Included is the following:

* A copy of the regulation.
* Laboratory results for the three wells.
* Copies of each MCL violation over the past three years.
* A map showing the proposed route of the interconnection.
* An interlocal agreement in which the City of Metropolis commits to provide sufficient water to Anytown.

**Line Item 2.I – Reserved for Other Programs**

**Line Item 2.J - Project will reduce water loss in a system with 30 percent loss or more – (10 points)**

An application may earn 10 points if the project will address water loss equal to or exceeding 30% in the system. This water loss must be documented in the Local Water Supply Plan prior to applying for a CDBG grant.

Such a project could include the following examples:

* Replacement or installation of an altitude valve. A project that installs an altitude valve to prevent the overflowing of a tank that currently overflows frequently and is believed to be the source of a substantial fraction of the system’s water loss.
* Water line Replacement. A project that replaces a section of line that has experienced frequent breaks and is believed to be the source of a substantial fraction of the system’s water loss.

To document these points, provide the following:

* Water loss. Both of the following two items must document that the system’s water loss equals or exceeds 30%:
	+ A water audit meeting the requirements discussed under line item 3.E (*Water Loss Reduction Plan),* and
	+ The water loss in the system’s Local Water Supply Plan. For more information on LWSPs see <http://www.ncwater.org/Water_Supply_Planning/Local_Water_Supply_Plan/>

		- Provide a screen shot from the Division of Water Resources’ website that shows the status of the plan.
* That the infrastructure to be replaced is the cause of loss. The narrative must credibly explain why it is believed that the infrastructure to be replaced/rehabilitated is responsible for the excessive water loss. For example:
	+ For a project to add an altitude valve, estimate the losses from tank overflows.
	+ For a project to replace a waterline, estimate the water loss from leaks.
	+ Show all calculations and assumptions.
* That the project will reduce water loss from the system. The narrative must credibly explain how the proposed project will reduce water loss. The narrative must estimate post-project system-wide water loss.

**Example Narrative for Line Item 2.J**

The Town of Folger has a 12-inch line running down Elm Street that has had three breaks over the last two years. The line is 60 years old and has small cracks that leak continuously. The last break caused the town to lose over one million gallons of water in one month and caused a sinkhole in the street. Folger believes that this line causes much of the high water loss because water losses in Folger’s water system were less than 20% before the first Elm Street waterline failure. Included in this application are the following:

* A copy of the last three water audits showing the water losses for each year:
	+ 2012-2013 18%
	+ 2013-2014 28% (first break occurred in January)
	+ 2014-2015 34%
* A copy of the 2014 Local Water Supply Plan that shows 32% water loss for calendar year 2014. The Local Water Supply Plan and water audit agree with each other reasonably well and agree that water loss exceeds 30%.

By repairing the Elm Street waterline, Folger estimates it will save one million gallons per month. This water loss was estimated by assuming water loss drops from 32% to 22% (which is higher than the previous average of less than 15%).

**Line Item 2.K – Public Water System Interconnection**

The Applicant may qualify for only one of the following sub-categories (Line Items 2.K.1 or 2.K.2) for an interconnection between two separate systems. A project that merges systems or that connects pressure zones of the same system (as defined by PWSID) does not qualify. To earn points under these line items, the proposed project itself must accomplish the interconnection. A system does not earn these points simply for having an interconnection or for facilitating future work to create an interconnection that is not completed by the proposed project.

**Line Item 2.K.1 – Project creates a new interconnection between water supply systems not previously connected – (5 points)**

To earn five points under Line item 2.K.1, the project must create an interconnection between two or more public water supply systems not previously connected. The narrative must:

* Identify by name and PWSID number the systems that will be interconnected.
* Discuss the demands and capacities of the systems that will be interconnected.
* Discuss the capacity of any existing interconnection and the proposed interconnection.
* Include a map with a readable scale and geographic coordinates showing the location of the two systems that will interconnect, including the project area, the route of the proposed interconnection, including street names.
* Include drafts of or final copies of the interlocal agreement for the interconnection.

 **Line Item 2.K.2 – Project creates an additional or larger interconnection between two systems already interconnected to allow one system’s public health needs to be met during an emergency – (3 points)**

**Example Narrative for Line Item 2.K.1**

The City of War Roads (PWSID no. NC01234567) operates a 20 MGD surface water treatment plant. War Roads’ average daily demand is 7 MGD and its maximum daily demand is 14 MGD.

The Town of Deerfield (PWSID no. NC2345678) operates five wells yielding a total of 1.0 MGD. Deerfield’s average daily demand is 0.4 MGD and its maximum daily demand is 0.9 MGD.

The City of War Roads and the Town of Deerfield are not currently interconnected. The City of War Roads agreed to create a new interconnection with the Town of Deerfield. The draft interlocal agreement (included) establishes that upon completion of the project:

* The City of War Roads agrees to sell up to 2 MGD to the Town of Deerfield.
* The Town of Deerfield agrees to pay for a minimum use of 0.05 MGD.

A map of the proposed 8-inch interconnection is included.

To earn points under line item 2.K.2, the project must create (or increase the capacity of) an interconnection between two or more public water supply systems that are already interconnected such that one system can meet the public health needs of the other system. It is not necessary to show that each system can meet the public health needs of the other system, only that one system’s public health needs can be met.

In this context, “*Public Health Needs*” means water sufficient to satisfy the residents’ cooking, cleaning and hygiene needs. If the supplier cannot meet the Average Daily Demand of the recipient, then the Applicant must develop a system-specific estimate of the demand reduction that the recipient can impose by e.g., emergency restrictions on water use.

The narrative must include:

* Identify by name and PWSID numbers of the systems that will be interconnected;
* Discuss the demands and capacities of the systems that will be interconnected;
* Document the following:
	+ That currently, one system cannot meet the public health needs of the second system using all available interconnections; and
	+ That the proposed project will allow one system to meet the public health needs of the second system. It is not needed to show that each system can meet the public health needs of the other system;
* Discuss the capacity of any existing interconnection and the proposed interconnection;
* Include a map, with a readable scale and geographic coordinates, showing the location of the two systems that will interconnect including the project area, the route of any existing interconnection and the route of the proposed interconnection; and
* Include copies of draft or final interlocal agreements for the interconnection.

**Example Narrative for Line Item 2.K.2**

The City of Somewhere (PWSID No. NC 01234567) operates a 20 MGD surface water treatment plant. Somewhere’s average daily demand is 7 MGD, and its maximum daily demand is 14 MGD.

The Town of Anytown (PWSID No. NC 2345678) operates a 1.0 MGD surface water treatment plant. Anytown’s average daily demand is 0.4 MGD, and its maximum daily demand is 0.9 MGD.

The current interconnection between Somewhere and Anytown has a capacity of only 0.2 MGD, which does not meet the public health needs of Anytown. Anytown experiences high levels of siltation at its raw water intake station during intense rain storms. The included draft “Interlocal Agreement for Emergency Purposes” establishes that the Somewhere will sell up to 2.0 MGD to Anytown as provided in the Agreement (thus meeting the public health needs of Anytown). A map of the proposed 12-inch interconnection is included.

**Line Item 2.L – Project will rehabilitate water and sewer lines in a municipality, in the same footprint – (5 points)**

To earn points, the project rehabilitates water and sewer lines in the same footprint, in a municipality. To document these points, the narrative must provide the following:

* Documentation of the condition/age of the sewer lines in the project area.
* Documentation of the condition/age of the water lines in the project area.
* Length of line to be replaced, including number of laterals, if applicable.
* A statement of whether laterals will be replaced on private property.
* Include a map with a readable scale and geographic coordinates showing the location of the project, showing street names, with the project area clearly marked.
* A description of why both the water and the sewer lines must be replaced/repaired, including any repair records of the lines.
* Submit one application containing information for both water and sewer**. Each project utility must provide separate scorecards, budgets and support documentation; in addition to a total budget combining all project types.**
* **“In the same footprint” means “on the same street”. It is a benefit because it prevents opening a trench twice on the same street.**

• The extension of either water or sewer lines in the same footprint does not earn these points.

**Example Narrative for Line Item 2.L**

The Village of Croftway has two streets, Main and Second Streets, where both the sewer and the water lines have broken repeatedly, causing interruptions in water and sewer service. The lines are located in the streets. The cast iron water lines were installed in 1920, and the terra cotta sewer lines in 1946. A total of 2,000 linear feet of 4-inch water line and 1,800 feet of 6-inch sewer line will be replaced with same sized line. Ten sewer laterals will also be replaced; none cross the property line onto private property. Included is a map of the project area, and the repair log from the repairs to the lines on Main and Second Streets over the last two years.

**Line Item 2.M – Project directly addresses a moratorium on a local government system – (7 points)**

An application may earn seven points if the project directly addresses the cause of a moratorium on a local government system.

To document these points, the narrative must include the following:

* A copy of the moratorium
* A description of the violations leading to the moratorium and the necessary construction to resolve the noncompliance (i.e., demonstrate that the proposed project will lift the moratorium).
* Additional supporting documentation necessary to prove the direct link between the project and lifting the moratorium.
* Include a map with a readable scale and geographic coordinates showing the location of the project, showing street names, with the project area clearly marked.

**Example Narrative for Line Item 2.M**

The City of Stapleton is on moratorium due to wastewater discharges exceeding the permitted limits. The wastewater treatment plant is 30 years old, and the population of Stapleton has grown since the plant was first built. The wastewater treatment plant needs to be expanded by 2 MGD to accommodate the additional flow. Included are calculations of the current wastewater flow, and the projected capacity needed at the plant to handle current flow only. A map of the project area is included.

**Line Item 2.N – 2.R - Reserved for Other Programs**

**Line Item 2.S –Project provides site work and new water/wastewater infrastructure, including house or apartment connections, to new low-to-moderate income housing – 5 points.**

An application may earn 5 points if the project provides site work, and new water or wastewater infrastructure to a new low-income housing development. Provide a map of the route of the infrastructure, and who will be served by the new infrastructure, including any existing homes that may be served by the line. Discuss in the narrative the options the housing project developers considered, including the extension of public water/sewer, publicly owned onsite systems, or private wells/septic systems.

**Category 3 – System Management – Max 15 points**

System management narratives and documentation should be inserted behind Tab 6.

**3.A - Capital Planning Activities**

Points may be earned for either line item 3.A.1 or 3.B.2, but not both.

**Line Item 3.A.1– Applicant has Implemented an Asset Management Plan as of the date of the application. – (10 points)**

This guidance is intended only for the purpose of determining if the Applicant qualifies for points under Line Item 3.A.1 of the Priority Rating System Form. This guidance is not intended to be an exhaustive resource for the development of asset management plans, and there are many aspects of asset management that may tie into a system owner’s plan (e.g., financial aspects such as [GASB 34](http://www.gasb.org/cs/ContentServer?c=Pronouncement_C&pagename=GASB/Pronouncement_C/GASBSummaryPage&cid=1176156699453)) that are not evaluated for the purpose of determining qualification for points.

To earn points under this line item, the Applicant must submit with application:

* Evidence of implementing an asset management plan as of the date of the application,
* Included Submit the meeting minutes or resolution documenting the adoption of the asset management,
* The required application narrative (described below), and
* An electronic copy of the AMP that addresses each of the four key areas described below.

**The copy of the Asset Management Plan is not a substitute for the narrative, and no points will be awarded if a complete narrative is not included**. The narrative must include a specific section that addresses each of the following key areas that comprise the Applicant’s Asset Management Plan. The 4 (four) key areas are:

* Inventory of assets including maps;
* Assessment of the condition of the infrastructure in the inventory;
* A capital improvement plan (CIP) with projected cost estimates; and
* An operation and maintenance plan to ensure proper management of the assets.
1. **Inventory of Assets:** The inventory **must include all** water or wastewater infrastructure assets owned by the applicant, not just the assets in the proposed project.
* Waterlines, valves, hydrants and tanks: map with age, type, and size of pipe materials; age and size of valves, hydrants and tanks; the narrative to support Line Item 3A.1 must describe the general age of the pipe segments and valves.
* Gravity Sewers and Forcemains: map with age, type, and size of pipe materials; age, size and materials of manholes; the narrative to support Line Item 3B must describe the general age of the pipe segments and manholes.
* Pump Stations: map and narrative with age, number and capacity of pumps, power reliability, and telemetry.
* Water or Wastewater Treatment Plants: process schematic; age, number and capacity of each major treatment unit. Units that were built as part of a larger treatment process at the same time and that are in the same general condition may be grouped together.
* Other Assets (e.g., reclaimed water distribution Systems): provide information as outlined above.

**Each asset item (.e.g, manhole, line segment, pump station, treatment unit, valve, hydrant, tank) must be given an unique identifier.**

1. **Condition Assessment:** Each asset included in the Inventory of Assets must be assigned a condition. The assessment of the condition of the infrastructure may be based on:
* Each asset item included in the Inventory of Assets must be assigned a condition. The assessment of the condition of the infrastructure may be based on:
* Operator knowledge,
* Formal evaluations (e.g., sanitary sewer evaluation study),
* Broad assumptions based on age and type of facilities (e.g., 40-year-old concrete pipe can be assumed to be in poor condition), and
* Condition of other similar facilities in the system where formal evaluations have been conducted.

The assessment scale (e.g., excellent – poor condition) is at the discretion of the applicant. The narrative must describe the assessment scale and include a list of categories and a clear explanation of how each category is assigned (e.g., “Poor” rated sewer lines are those with offset joints, significant corrosion, cracks, experience surcharging, etc.)

**It is expected that the project for which funding is being sought will address infrastructure in the “poor” category. If it does not, provide a discussion and justification of why this project is proposed for funding when other infrastructure is in greater need of improvement (e.g., other high priority projects are being implemented with local funds).**

1. **Capital Improvement Plan with Projected Cost Estimates:**  Provide all of the documentation as required for Line Item 3.A.2 to demonstrate that the Asset Management Plan includes a Capital Improvement Plan.

**In order to qualify for the points, the project proposed for funding must be included in the CIP. Review the CIP for the purposes of awarding points for funding priorities in no way absolves the system owner of responsibility for regulatory noncompliance.**

1. **Operation and Maintenance Plan:** The operation and maintenance (O&M) plan should be based on manufacturers’ recommendations and/or typical industry best management practices. The narrative to support Line Item 3.A.1 must describe the Applicant’s O&M plan.

**Notes:**

1. Implementation of an Asset Management Plan means that the Applicant has taken specific actions to put into practice the elements that comprise the Plan, and can demonstrate in the application of each activity and its outcome.
2. The application must include documentation of the Asset Management Plan even if the same application previously received points for an Asset Management Plan.
3. The Asset Management Plan must cover the utility for which the application is requesting grant.
4. For a System Merger project receiving point under Line Item 2.F., the receiving system must have the qualifying Asset Management Plant to earn points.
5. **Be aware a completed and approved NCDEQ AIA does not guarantee AMP points.**
6. The project seeking funding must be included in the asset management plan, and the asset management plan must have been adopted by the local government within two years from the date of the application deadline.
7. The asset management plan may only include one utility (either water or sewer) or both.

**Line Item 3.A.2 – Capital Improvement Plan – (3 points)**

An application may earn three points if the Applicant government has a capital improvement plan (CIP) adopted by the applicant within the last two years of the application deadline, spanning 10 years from the date of adoption, including cost estimates for projects scheduled in the first 5 years, and with the project proposed for funding.

The narrative must include the following:

* A resolution or board meeting minutes which clearly shows a motion to approve and adopt the CIP within two years of the application date;
	+ A certified true and correct copy of draft meeting minutes is acceptable for meetings held within 45 days of the application deadline,
	+ certification or statement that a CIP was adopted is not sufficient documentation,
	+ if a CIP has been amended, the resolution or meeting minutes provided must show that the entire CIP, as revised, has been adopted
* A statement of the years covered by the CIP, which must extend at least ten years from the most recent adoption date;
* A description sufficient to show that the project described in the CIP is unambiguously the same project seeking funding;
* A printout of the CIP priority matrix with a reasonable forecast of anticipated projects for the applicable utility (water or wastewater) meeting the following requirements:
	+ The project must be highlighted on the priority matrix;
	+ For the first five years the priority matrix must list both projects and their costs by year;
	+ After the first five years, the priority matrix must list both projects and their costs but does not need to specify the year or priority of those projects; and
	+ If the Applicant submitted multiple applications, then the CIP priority matrix must show all projects for which applications are submitted or no application will earn these priority points.
* If the proposed project has moved significantly from the projected date in the CIP, explain why the project has been moved ahead of the other projects listed in the CIP.
* Submit an electronic copy of the CIP, with the project seeking funding **highlighted** in the priority matrix.

Line Item 3.B - System Operating Ratio is greater than or equal to 1.00 based on current audit or is less than 1.00 and the unit cost is greater than 2.5 percent. – (5 points)

The application earns points if either of the following is true:

* The Applicant’s Operating Ratio is greater than or equal to 1.00, or
* The Applicant’s Operating Ratio is less than 1.00 and the unit cost is greater than 2.5% of Median Household Income (MHI).

**Operating Ratio (Equal to or Greater than) ≥ 1.00**

If the Applicant’s Operating Ratio is equal to or greater than 1.00, the application earns points. Calculate the Operating Ratio using the formula below:

$$Operating Ratio =\frac{Operating Revenues}{\left(Total Expenditures+Debt Principal+Interest+Capital Outlay\right)}$$

Provide the revenues and expenditures for the water and sewer enterprise fund (separate from other revenues) for the most recent audit year approved by the LGC. However, to account for unusual circumstances (for example, to account for large variations in capital expenditures or the use of reserve accounts) average the revenues and expenditures over the last five years. The narrative must clearly describe the circumstances that justify the use of this five-year average. If separate water and sewer enterprise funds are maintained, the Operating Ratio must be calculated using only the fund applicable to the project type.

Present the calculations in the narrative. Submit the Financial Information Form and the certified water and sewer rate sheets with the narrative. The rates on certified rates sheet and Financial Information Form must match. Use inside rates of the applicant unit of local government.

**Calculation Notes:

In the narrative and calculation, use the same values entered in the** [**NCDEQ Water and Sewer Rate Form**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#cdbg-i-additional-forms) **and** [**Financial Information Form**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#common-forms)**.**

* **Do not** include “non-operating revenues” in the numerator.
* Do not include any future revenues.
* Present “Total Expenditures” from page 1 of the Financial Information Form.
* Present “Debt Principal”, “Interest”, and “Capital Outlay” from page 1 of the Financial Information Form, “Capital outlay” is defined as funded from the enterprise fund.
* Report the Operating Ratio to two decimal points. An operating ratio of 0.99 does not qualify for points.

**Operating Ratio <1.0 and the Water/Sewer Rate Divided by the MHI is > or Equal to 2.5%**

If the Operating Ratio is less than 1.0 and the combined water and sewer rate as a percent of the median household income is greater than 2.5%, the application earns points. The narrative must present both the Operating Ratio as calculated for Line Item 3.C and the combined water and sewer rate as a percent of median household income as calculated below:

$$Combined Water and Sewer Rate as \% MHI=100 × \left(\frac{Current Combined Residential Water and Sewer Bill for 5,000\frac{gal}{month} }{\left(\frac{MHI}{12}\right)}\right)$$

**Calculation Notes:**

In the narrative and calculation, use the same values entered in the NCDEQ Water and Sewer Rate Form and Financial Information Form.

* If calculations are missing, incomplete or inconsistent, or if **the Certified Rate Sheets for water and sewer service and/or the NCDEQ Water/Sewer Rate Form and Financial Information Form in the application are missing,** the application earns no points for this line item.
* Using the lowest residential rate (the “inside rate”) calculate the residential monthly rate for 5,000 gallons of water and sewer service. Show all calculations.
* Report the results as “Monthly Rate for 5,000 Gallons” on the [**NCDEQ Water and Sewer Rate Form**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#cdbg-i-additional-forms)**.**
* Obtain the current statistics for median household income to be used in this calculation from the [Division of Water Infrastructure website](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#additional-resources): <https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources>
* For systems without adopted rates, enter “0” (zero).

**Line Item 3.C – Approved Source Water Protection Plan/Well Head Protection Plan – (5 points)**

To earn points under this line item, the Applicant must demonstrate that they have a voluntary source water protection or wellhead protection plan that has been approved by the Public Water Supply Section (PWS) of DWR no **more than five years before the application deadline**. The narrative must include a copy of the voluntary source water protection or wellhead protection plan approval letter by the PWS Section of DWR. **The PWSID number and name on the approval letter must match that of the Applicant or the benefitting Public Water Supply**.

**Note:** If you cannot find your approval letter, please contact Rebecca Sadosky at 919.707.9096 or at rebecca.sadosky@ncdenr.gov.

**Line Item 3.D – Water Loss Reduction Program – (5 points)**

To earn points under this line item, the Applicant must document a Water Loss Reduction Program that includes water audits and hidden leak detection and repair. To document these priority points, provide the following:

* An annual water audit for each of the past three years. Applicants may use the Division of Water Resources Small System Water Audit or the AWWA Water Loss Control Committee Free Water Audit Software. The audit must include both a data table and graphs showing the following for each of the past three years:
	+ The volume of water produced each month.
	+ The volume of unaccounted-for water each month; and
	+ The unaccounted-for water as a percent of total water produced each month.

The data table must also report the annual average unaccounted-for water as a percent of total water for each of the past three years.

**Note:** The *Division of Water Resources Small System Water Audit* and the *AWWA Water Loss Control Committee Free Water Audit Software* are available through the following website <http://deq.nc.gov/node/82921>.

Accounted-for water is generally quantified by meters. However, water quantified by other methods can also be included in accounted-for water. For example, water may be flushed from a hydrant through an orifice that allows an estimate of the quantity of water release. Unaccounted-for water is defined as the difference between total water produced (generally metered at the source) and the accounted-for water.

**Note:** To earn points, you must either show very low leakage or show an ongoing and continuous program to track down and repair hidden leaks. **Promptly fixing found leaks does not earn points.**

If the water audit shows that the percent of total unaccounted-for water is less than 10% for each of the past three consecutive years or the *AWWA Water Loss Control Committee Free Water Audit Software* calculates an Infrastructure Leak Index (ILI) less than 1.2 for each of the past three consecutive years, the audit sufficiently documents the priority points for this line item. Otherwise, the application must also include documentation of an ongoing and continuous program to track down and repair hidden leaks (leaks that are not visible, obvious or accidentally-discovered). Hidden leak detection requires the use of technology that extends the human senses.

To document these priority points, provide the following:

* Describe the ongoing and continuous program to track down and repair hidden (not obvious or accidentally discovered) leaks by answering the following questions:
	+ Who does the leak detection? (e.g., town staff or the Rural Water Association),
	+ How often is the system surveyed for leaks? (must be at least annual), and
	+ What equipment (e.g., acoustic or ultrasonic) was used for the survey,
	+ Does the system own the equipment, or does the system borrow / rent the equipment (and from whom)?
* Provide records of the past three leak detection surveys, including the following:
	+ The date of the survey;
	+ The scope of the survey. State either “the entire transmission and distribution system was surveyed”, or provide a map of the entire transmission and distribution system showing the areas covered by each survey; and
	+ The location of each leak found.
* To show an ongoing and continuous program to track down and repair hidden leaks, the most recent survey must have been performed no more than one calendar year before the application deadline.
* For each leak found in the most recent survey provide the following information:
* Whether / when the leak was repaired, and
* If the leak was not repaired, then describe why it was not repaired. For example, is the repair of the leak the subject of an application submitted to the Division? Does the repair of the leak appear as a project in the CIP? Does the system have written standard operating procedures for prioritizing leaks?

**Example Narratives for Line Item 3.D**

**Narrative that is NOT sufficient – audit only:** The attached water audits show that the unaccounted-for water for the most recent three years was 9.0%, 13.6% & 9.0%. Although the unaccounted-for water for the three years averaged 10.53%, which exceeds 10%, the unaccounted-for water during two of the three years was less than 10%, so the project should earn these points**. *(Not sufficient because to earn the points, the unaccounted-for water for each of the last three years must be less than 10%.)***

**Narrative that is sufficient – audit only:** The attached water audits show that the unaccounted-for water for each of the most recent three years was 8%, 7% & 6%. Because the unaccounted-for water for each of the past three years was less than 10%, the project earns these points**.**

**Example Narratives for Line Item 3.D**

**Narrative that is insufficient – leak detection by visual inspection:** The three attached water audits show that the unaccounted-for water for the most recent year was 38%. Because the unaccounted-for water was more than 10%, the system must demonstrate hidden leak detection and repair.

Town of Smallville staff drive around the entire distribution system first thing every morning and last thing every evening looking for leaks. They also routinely stop passers-by and ask if they saw any leaks. Records of 730 such visual inspections and 350 interactions with passers-by in the past calendar year are attached, as are records of repair of four of the five discovered leaks. Because its repair is so expensive, the fifth discovered leak appears on the CIP as project # 1452 and is the subject of this application. ***(Not sufficient, because to earn the points, the Applicant must look for hidden leaks that are not visible, obvious or accidentally discovered)***

**Narrative that is sufficient – hidden leak detection by contract:** The three attached water audits show that the unaccounted-for water for the most recent year was 38%. Because the unaccounted-for water was more than 10%, the system must demonstrate hidden leak detection and repair.

For the past five years the Town of Smallville contracted with the Rural Water Authority to survey the town’s waterlines twice a year using Sonoric-brand LeakTrex© ultrasonic leak detector. The cover page and results tables of the past three RWA reports are attached, as are records of repair of four of the five discovered leaks. Because its repair is so expensive, the fifth discovered leak appears on the CIP as project #1452 and is the subject of this application.

**Narrative that is sufficient – hidden leak detection by town staff:** The three attached water audits show that the unaccounted-for water for the most recent year was 38%. Because the unaccounted-for water was more than 10%, the system must demonstrate hidden leak detection and repair.

Starting in June of 2013 the Town staff survey the town’s waterlines twice a year using rented Sonoric-brand detectors (Models 300 and 320). The results tables of the past three surveys performed by Town of Smallville staff are attached, as are records of repair of four of the five discovered leaks. Because its repair is so expensive, the fifth discovered leak appears on the CIP as project # 1452 and is the subject of this application.

**Line Item 3.E– Reserved for Other Programs**

**Category 4 – Financial Situation - Max 50 points**

Financial situation narratives and documentation should be inserted behind Tab 7. Financial situation points make up one-half of the possible points for the CDBG-Infrastructure Program.

The financial data is entered directly into the [Interactive Priority Rating System Scorecard](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#priority-points-rating-sheet-and-guidance), and an embedded calculation produces the number of points each line item receives.

**Line Item 4.A – 4.C - Reserved for Other Programs**

**Line Item 4.D– Poverty Rate – (up to 15 points max)**

Refer to the poverty rate table on the [Division website](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#additional-resources) and enter the Applicant’s poverty rate into the blue box under Line Item 4.F. Priority points are automatically calculated for the poverty value entered.

**Line Item 4.E– Utility Rates (up to 15 points)**

Points may be claimed for the single utility (water OR wastewater) that the project will address. Refer to [**NCDEQ Water and Sewer Rate Form**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#cdbg-i-additional-forms) used in Line Item 3.B to calculate and enter the monthly **inside rates** for the water or sewer utility under Line Item 4.E.

Points for this line item are assigned in this manner:

|  |
| --- |
| **4.E Current Monthly Residential Single Utility Rates at 5,000 Gallons Usage** |
| 4.E.1 | Greater than $33 | 6 points |
| 4.E.2 | Greater than $40 | 9 points |
| 4.E.3 | Greater than $47 | 12 points |
| 4.E.4  | Greater than $58 | 15 points |
|  | **Maximum Total for 4.E** | **15 points** |

To document this line item, provide the following:

* A clear calculation or description of how the bill for monthly use of 5,000 gallons is calculated.
* A copy the [**NCDEQ Water and Sewer Rates Form**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#cdbg-i-additional-forms) **and** the certified rates sheets. If **BOTH** are not included in the application, no points will be earned for the line item 4.E.

	+ If the project area is in the county, and a municipality is extending service to the area, use the municipal **inside** rates. A municipality or county can apply and use their provider’s rates if the applicant is not the service provider.
	+ If the project addresses both utilities, then points must be claimed for the lowest scoring utility. Indicate both the water and the sewer rates for 5,000 gallons of usage per month in the narrative for this line item, as well as the completed water and sewer rates forms (one for water and one for sewer), and copies of both certified rates for water and for sewer.

**Line Item 4.F– Low to Moderate Income (LMI) Percentage of the Project Area – (up to 20 points)**

Refer to the results of your income surveys or ACS data placed behind Tab 3 of the application. Input the LMI percentage in the blue box under Line Item 4.F. The project points will automatically be assigned to the project area LMI percentage.

**5. CDBG-Infrastructure Compliance Documents**

The CDBG-Infrastructure compliance documents are inserted behind Tab 8. You may find the [application](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#cdbg-i-additional-forms) [compliance documents on our website](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#cdbg-i-additional-forms). Compliance documents must be signed in the same calendar year of application deadline. The compliance documents that you submit in this application are:

* 1. **Citizen Participation Requirement:**

All local governments, in order to apply for CDBG assistance, must complete and document a citizen participations process that complies with the CDBG-I Fund Program and Citizen Participation Plan. The local government must show that all citizens were provided and encouraged to participate in the application phase public hearing. This public hearing is to obtain citizens’ comments on community development and housing needs, proposed activities to be carried out, including the total cost of the activities prior to its submission to NCDEQ. The public hearing information can be found in *Appendix B: Public Hearings*. The timing of the public hearing notice must follow CDBG regulatory requirements, notice of advertisement of the public hearing must occur at least ten (10) days prior to the public hearing *(not including the day of the hearing)* but no more than twenty-five (25) days prior to the public hearing.

* An **adopted copy** of the public hearing meeting minutes, covering all required items outlined in *Appendix B:* *Public Hearings.*
	+ Note: Public Hearing must be held in the same calendar year as the grant application deadline.
* A copy of the advertisement of the public hearing, and an affidavit of publication of the advertisement from a local newspaper OR a tear sheet from the newspaper showing the advertisement for public hearing/meeting and the date of the notice, as well as an enlargement of the advertisement.
	1. **Compliance Statements of Assurances and Certifications:**

The local government is responsible for conformity with all Federal and State regulations governing the CDBG program. CDBG-I Fund Program applicants must comply with federal regulations and certify that, if funded, they will comply with all applicable laws and requirements of the CDBG-I grant. If a local government is reapplying to the CDBG-I program, new statements of assurances and certifications are required.

* + *The Local Government Certification of Understanding of the Roles and Responsibilities Under the HUD State Community Development Block Grant Program.*
		- Signed and dated by the chief elected official or Authorized Representative (AR).
	+ *Certification Regarding Debarment, Suspension, and Other Responsibility Matters.*
		- Signed and dated by the chief elected official or AR.
	+ *The Conflict of Interest Certification (the most recent one on our website referencing 2 CFR 200).*
		- Signed and dated by the chief elected official.
	+ *Federal Performance and Procurement Requirements Certification.*
		- Signed and dated by the chief elected official AR.
	+ *Disclosure of Other Federal Income and Any Financial Interest by Persons Involved with the Project.*
		- Read the disclosure report instructions fill out and have the chief elected official or AR sign and date the disclosure form.
	1. **HUD Required Forms:**

All applicants must complete and submit the required HUD forms mentioned below. Failure to complete this forms or completely them incorrectly will delay the issuance of grant agreements, if awarded. See [**Appendix C**](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#priority-points-rating-sheet-and-guidance) for more information and instructions.

* *Economic Need - Infrastructure National Objective Form.*
* Fill out applicable sections completely.
* *Project Source and Use form*
	+ Fill out completely with all funds involved in project.
* *IDIS Accomplishments and Beneficiaries Forms*
	+ Fill out completely for all activities in the project [i.e., water improvements, sewer improvements, housing rehabilitation (connections) – water, housing rehabilitation (connections) – sewer].
* Remember to complete two (2) IDIS forms if you are connecting homes to public utilities for the first time.
	1. **SAM.Gov Documentation:**
* Provide a screen shot of your DUNS status page from <https://sam.gov/SAM/>Applicants whom are awarded must have an active DUNS before a grant contract is given.

	1. **Applicant’s Capacity:**
* Discuss the capacity of the local government to manage this CDBG grant, if awarded. Include any history of CDBG grant management by the local government. For example, describe who will coordinate the project components, who will be responsible for the oversight and assurance that all milestones will be met, all funds managed and recorded correctly, etc.
	1. **Applicant’s Audit:**
* Submit a letter from the Local Government Commission (LGC) stating that the local government has submitted the last fiscal year audit to the LGC. **NO Applications WILL BE CONSIDERED FOR FUNDING THAT DOES NOT MEET THE AUDIT REQUIREMENT.**

The application must be bound in a three-ring binder. Label one copy “original”. Label the spines of the notebooks with the applicant’s name, and application date. The “original” application must have original signatures (except for income surveys) and all necessary support documents. Submit an original and two copies (copies must include all documentation - including electronic - for scoring).

If using a delivery service (UPS, FedEx, etc.), or in-person delivery:

**NCDEQ Division of Water Infrastructure**

**Archdale Building, 8th floor**

**512 N. Salisbury Street**

**Raleigh, NC 27604**

If mailing via the U.S. Postal Service, and send it to:

**NCDEQ Division of Water Infrastructure**

**1633 Mail Service Center**

**Raleigh, NC 27699-1633.**

**Applications must be in our hands by 5:00 p.m. regardless of the delivery method used, by**

**Thursday, September 30, 2021**

|  |
| --- |
| **CDBG PRIORITY RATING SYSTEM - For All CDBG Projects** |
| Instructions: For each line item, mark “X” to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed, with support documentation. At the end of each Category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Project Total in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items. |
| **Line Item #** | **Category 1 – Project Purpose** | **Points** | **Points Claimed** |
| **1.A** | Project will consolidate a nonviable drinking water or wastewater utility | 15 |  |
| **1.B** | Project will resolve failed infrastructure issues | 5 |  |
| **1.C** | Project will rehabilitate or replace infrastructure | 10 |  |
| **1.C.1** | Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, **OR water/sewer** lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old | 5 |  |
| **1.D** | Reserved for Other Programs |  |  |
| **1.E** | Project will extend service for the following specific reasons: |  |  |
| **1.E.1** | Extend water and/or sewer service to new low-income housing, or to an area where existing LMI homes are being rehabilitated **OR** | 15 |  |
| **1.E.2** | Connect existing LMI homes to water and/or sewer service | 10 |  |
| **1.F – 1.H** | Reserved for Other Programs  |  |  |
|  | **Maximum Points for Category 1 – Project Purpose**  | **15** |  |
|  | **Subtotal Claimed Points for Category 1 – Project Purpose** |  |
| **Line Item #** | **Category 2 – Project Benefits** | **Points** | **Points Claimed** |
| **2.A** | Project provides a specific environmental or public health benefit by replacement, repair, or merger; includes replacing failing septic tanks, replacing dry wells, addressing contamination of a drinking water source by replacing or additional treatment  | 15 |  |
| **2.A.1** | In the project area, 20% or greater of individual septic tanks are failing, water sources are contaminated, or wells are dry | 5 |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **2.B-2.C** | Reserved for Other Programs  |  |  |
| **2.D** | Project addresses promulgated but not yet effective regulations | 3 |  |
| **2.E** | Project directly addresses enforcement documents: |  |  |
| **2.E.1** | Project directly addresses an EPA Administrative Order for a local government applicant located in a Tier 1 county, or addresses an existing or pending SOC, or a DEQ Administrative Order OR | 5 |  |
| **2 E.2** | Project directly resolves a Notice of Violation or Notice of Deficiency | 3 |  |
| **2.F** | Project includes system merger | 10 |  |
| **2.G.** | Project addresses low pressure in a public water supply system | 5 |  |
| **2.H** | Project addresses contamination of a water supply source: |  |  |
| **2.H.1** | Project addresses acute contamination of a water supply source | 15 |  |
| **2.H.2** | Project addresses contamination of a water source other than acute | 10 |  |
| **2.I** | Reserved for Other Program  |  |  |
| **2.J** | Water loos in system to be rehabilitated or replaced is 30% or greater | 10 |  |
| **2.K** | Project provides a public water system interconnection: |  |  |
| **2.K.1** | Project creates a new interconnection between systems not previously interconnected **OR** | 5 |  |
| **2.K.2** | Project creates an additional or larger interconnection between two systems already interconnected which allows one system’s public health water needs to be met during an emergency | 3 |  |
| 2.K.3 | Resaved for Other Program |  |  |
| 2.L | Water and sewer project is located within the same footprint | 5 |  |
| 2.M | Project directly addresses a moratorium on a local government unit system | 7 |  |
| 2.N- 2.R | Reserved for Other Programs |  |  |
| 2.S | Project provides site work and new water/wastewater infrastructure, including house or apartment connections, to new low-to-moderate income housing | 5 |  |
|  | **Maximum Points for Category 2 – Project Benefits** | **20** |  |
|  | **Subtotal Claimed Points for Category 2 – Project Benefits** |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Line Item #** | **Category 3 – System Management** | **Points** | **Points Claimed** |
| **3.A** | Capital Planning Activities: |  |  |
| **3.A.1** | Applicant has implemented an Asset Management Plan as of the date of application **OR**  | 10 |  |
| **3.A.2** | Applicant has a current Capital Improvement Plan (CIP) that spans at least 10-years and proposed project is included in the plan | 3 |  |
| **3.B** | System Operating Ratio is greater than or equal to 1.00 based on a current audit, or is less than 1.00 and unit cost is greater than 2.5% | 5 |  |
| **3.C** | Applicant has an approved Source Water Protection Plan and/or a Wellhead Protection Plan | 5 |  |
| **3.D** | Applicant has implemented a water loss reduction program | 5 |  |
| **3.E** | Reserved for Other Programs |  |  |
|  | **Maximum Points for Category 3 – System Management**  | **15** |  |
|  | **Subtotal claimed for Category 3 – System Management**  |  |
| **Line Item #** | **Category 4 – Financial Situation** | **Points** | **Points Claimed** |
| **4.A – 4.C** | Reserved for Other Programs |  |  |
| **4.D** | Poverty Rate  | Calculation; Max 15 pts |  |
| **4.E** | Utility Rate | Up to 15  |  |
| **4.F** | Low to Moderate Income  | Calculation; Max 20 pts |  |
|  | **Maximum Points for Category 4 – Financial Situation** | **50** |  |
|  | **Subtotal Claimed Points for Category 4 – Financial Situation** |  |
|  | **Total Points Claimed for All Categories** |  |

# **DETERMINING LMI IN THE TIME OF COVID-19**

With social distancing requirements and wearing of facial masks in regard to COVID-19, we will allow, for the 2021 application round, projects that will conduct line rehabilitation and replacement work, and pump station rehabilitation and replacement work, to use area-wide census data to qualify their LMI.

To do so, the project must be pre-qualified. Submit the attached form to us for pre-approval of the LMI and project. Also attached is a list of towns in North Carolina with low-to-moderate income percentages equal to or exceeding 51%.

Pre-approval does NOT mean that a grant award will be made AUTOMATICALLY for the project. Line and pump station rehabilitation and replacement projects submitted using area-wide census data that were not pre-qualified will be deemed ineligible.

FILLING OUT THE FORM:

1. Location of project: Provide the name of the municipality, and the county in which the municipality is located.
2. Provide the project scope as it will be submitted in the application. If the scope submitted in the application differs in area, the application will not be considered for an award.
3. Provide a description of streets, with house numbers, where water/sewer lines will be rehabilitated. For instance: “Lines will be rehabbed from 200 Oak St. to 460 Oak St., and from 435 Elm St. to 763 Elm St.” Include a map of the project.
4. Using the [Affordability Calculator posted on the NCDEQ Division of Water Infrastructure website](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#additional-resources), calculate the projected cost per connection for customers in the municipality should a loan be required to finance the project. The cost per connection will be used to demonstrate the benefit to the community, and will not be used to determine grant eligibility. Provide a copy of the affordability calculator determinations.
5. Provide the LMI percentage of the municipality (see following LMI tables).
6. Provide the median household income for the county.

Submit the form, a map of the project, and the print-out of the affordability calculator calculations **NO LATER THAN July 12, 2021 to:**

Interim Supervisor, CDBG-I Program

Water Infrastructure Division

NC Department of Environmental Quality

1633 Mail Service Center

Raleigh, NC 27699-1633

**PRE-APPROVAL FORM FOR LINE REHABILITATION WORK USING AREA-WIDE STATISTICS**

|  |  |
| --- | --- |
| **1. LOCATION OF PROJECT** |  |
|  |  |
| 1. **PROJECT SCOPE**
 |  |
|  |  |
| 1. **STREET ADDRESSES SHOWING THE SCOPE OF THE PROJECT**
 |  |
|  |  |
| 1. **SAVINGS PER CUSTOMER FOR 5000 GALLONS OF USAGE: PROJECT FINANCED BY A GRANT VS. AN SRF LOAN**
 |  |
|  |  |
| 1. **LMI PERCENTAGE OF THE TOWN**
 |  |
|  |  |
| 1. **MEDIAN HOUSEHOLD INCOME OF THE COUNTY**
 |  |

|  |
| --- |
| **North Carolina Town’s with Low-to-Moderate Income Percentages Equal To or Exceeding 51% per FY 2021 ACS 2011- 2015 LMIS Data** |
| **TOWN NAME** | **COUNTY** | **LMI PERCENTAGE %** |
| Ahoskie | Hertford | 55.36 |
| Andrews | Cherokee | 66.84 |
| Ansonville | Anson | 59.03 |
| Asheboro | Randolph | 57.59 |
| Aulander | Bertie | 71.61 |
| Autryville | Sampson | 69.41 |
| Ayden | Pitt | 51.01 |
| Badin | Stanly | 53.21 |
| Bakersville | Mitchell | 74.23 |
| Bayboro | Pamlico | 58.08 |
| Bear Grass | Martin | 55.56 |
| Beaufort | Carteret | 58.63 |
| Belhaven | Washington | 64.00 |
| Benson | Johnston | 69.05 |
| Bessemer City | Gaston | 66.94 |
| Bethel | Pitt | 57.99 |
| Biscoe | Montgomery | 60.29 |
| Bladenboro | Bladen | 55.73 |
| Boardman | Columbus | 61.54 |
| Bolivia | Brunswick | 59.68 |
| Bolton | Columbus | 56.60 |
| Boone | Watauga | 78.62 |
| Bostic | Rutherford | 55.56 |
| Brookford | Catawba | 72.50 |
| Brunswick | Bladen | 65.82 |
| Bunn | Franklin | 67.12 |
| Burgaw | Pender | 72.98 |
| Burnsville | Yancey | 55.67 |
| Calypso | Duplin | 58.72 |
| Cameron | Moore | 68.42 |
| Casar | Cleveland | 62.96 |
| Chadbourn | Columbus | 55.92 |
| Cherryville | Gaston | 52.68 |
| China Grove | Rowan | 52.91 |
| Chocowinity | Beaufort | 56.99 |
| Clarkton | Bladen | 56.25 |
| Coats | Harnett | 53.90 |
| **TOWN NAME** | **COUNTY** | **LMI PERCENTAGE %** |
| Cofield | Hertford | 52.63 |
| Columbia | Washington | 53.80 |
| Conetoe | Edgecombe | 54.29 |
| Conway | Northampton | 56.16 |
| Dallas | Gaston | 54.19 |
| Denton | Davidson | 54.11 |
| Dobbins Heights | Richmond | 65.70 |
| Dobson | Surry | 56.83 |
| Dover | Jones | 56.14 |
| Dublin | Bladen | 63.41 |
| Dunn | Harnett | 52.52 |
| East Arcadia | Bladen | 56.82 |
| East Bend | Yadkin | 55.79 |
| East Laurinburg | Scotland | 63.01 |
| East Spencer | Rowan | 78.69 |
| Eden | Rockingham | 58.01 |
| Edenton | Chowan | 64.79 |
| Elizabeth City | Pasquotank | 55.62 |
| Elizabethtown | Bladen | 55.89 |
| Elk Park | Avery | 60.98 |
| Ellenboro | Rutherford | 63.86 |
| Ellerbe | Richmond | 59.03 |
| Enfield | Halifax | 72.46 |
| Everetts | Martin | 74.19 |
| Fairmont | Columbus | 65.05 |
| Falkland | Pitt | 58.33 |
| Forest City | Rutherford | 61.07 |
| Fountain | Pitt | 64.44 |
| Four Oaks | Johnston | 65.79 |
| Franklin | Macon | 59.61 |
| Franklinton | Franklin | 76.94 |
| Franklinville | Randolph | 73.71 |
| Fremont | Wayne | 56.70 |
| Garland | Sampson | 58.65 |
| Garysburg | Northampton | 66.67 |
| Gaston | Northampton | 58.03 |
| Gibson | Scotland | 67.96 |
| Goldston | Chatham | 61.40 |
| Graham | Alamance | 52.60 |
| **TOWN NAME** | **COUNTY** | **LMI PERCENTAGE %** |
| Grantsboro | Pamlico | 58.28 |
| Greenevers | Duplin | 60.24 |
| Green Level | Alamance | 68.61 |
| Grifton | Pitt | 55.64 |
| Grimesland | Pitt | 63.10 |
| Hamilton | Martin | 53.25 |
| Harmony | Iredell | 61.67 |
| Hassell | Martin | 75.00 |
| Hayesville | Clay | 60.26 |
| Henderson | Vance | 57.64 |
| Hendersonville | Henderson | 53.61 |
| Hertford | Hertford | 54.46 |
| High Shoals | Gaston | 52.59 |
| Hobgood | Halifax | 55.84 |
| Hoffman | Richmond | 51.33 |
| Hot Springs | Madison | 63.64 |
| Jamesville | Martin | 64.22 |
| Jefferson | Ashe | 52.23 |
| Jonesville | Yadkin | 70.14 |
| Kelford | Bertie | 67.44 |
| Kenly | Johnston | 72.54 |
| Kingstown | Cleveland | 56.08 |
| Kinston | Lenoir | 54.58 |
| Kittrell | Vance | 80.70 |
| LaGrange | Lenoir | 55.99 |
| Lansing | Ashe | 66.67 |
| Laurinburg | Scotland | 54.06 |
| Leggett | Edgecombe | 62.5 |
| Lexington | Davidson | 59.42 |
| Lillington | Harnett | 57.41 |
| Lincolnton | Lincoln | 52.03 |
| Littleton | Halifax | 58.88 |
| Long View | Catawba/Burke | 56.63 |
| Louisburg | Franklin | 64.85 |
| Love Valley | Iredell | 68.18 |
| Lucama | Wilson | 51.63 |
| Lumberton | Robeson | 55.88 |
| Macclesfield | Edgecombe | 63.11 |
| Magnolia | Sampson | 56.02 |
| **TOWN NAME** | **COUNTY** | **LMI PERCENTAGE %** |
| Manteo | Dare | 53.95 |
| Marion | McDowell | 52.96 |
| Marshall | Madison | 63.01 |
| Maxton | Robeson | 63.71 |
| Mayodan | Rockingham | 57.74 |
| McFarlan | Anson | 68.75 |
| Mesic | Pamlico | 62.79 |
| Micro | Johnston | 70.25 |
| Middleburg | Vance | 80.65 |
| Morehead City | Carteret | 52.50 |
| Morven | Anson | 79.41 |
| Mount Olive | Wayne | 54.56 |
| Murphy | Cherokee | 60.91 |
| Newton | Catawba | 52.08 |
| Norlina | Warren | 51.8 |
| Norman | Richmond | 80.00 |
| North Wilkesboro | Wilkes | 68.72 |
| Old Fort | McDowell | 52.17 |
| Oxford | Granville | 51.78 |
| Patterson Springs | Cleveland | 61.36 |
| Peletier | Carteret | 64.74 |
| Pembroke | Robeson | 74.83 |
| Pine Level | Johnston | 64.99 |
| Pinetops | Edgecombe | 66.81 |
| Plymouth | Washington | 67.64 |
| Polkton | Anson | 63.56 |
| Pollocksville | Jones | 70.97 |
| Princeton | Johnston | 59.54 |
| Princeville | Edgecombe | 56.75 |
| Raeford | Hoke | 67.96 |
| Ramseur | Randolph | 61.98 |
| Randleman | Randolph | 58.89 |
| Ranlo | Gaston | 63.36 |
| Red Springs | Robeson | 72.45 |
| Rennert | Robeson | 58.11 |
| Rhodhiss | Caldwell/Burke | 54.44 |
| Robbins | Moore | 68.35 |
| Robbinsville | Graham | 67.86 |
| Robersonville | Martin | 52.33 |
| **TOWN NAME** | **COUNTY** | **LMI PERCENTAGE %** |
| Ronda | Wilkes | 53.26 |
| Roper | Washington | 78.65 |
| Rose Hill | Duplin | 64.58 |
| Rosman | Transylvania | 72.92 |
| Rowland | Robeson | 62.86 |
| Roxboro | Person | 67.26 |
| Rural Hall | Forsyth | 53.20 |
| Scotland Neck | Halifax | 72.26 |
| Seaboard | Northampton | 55.78 |
| Seagrove | Randolph | 72.58 |
| Selma | Johnston | 87.29 |
| Severn | Northampton | 63.83 |
| Sharpsburg | Wilson | 61.88 |
| Siler City | Chatham | 83.23 |
| Smithfield | Johnston | 70.93 |
| Snow Hill | Greene | 53.02 |
| Sparta | Alleghany | 61.26 |
| Spring Hope | Nash | 51.16 |
| St. Pauls | Robeson | 61.80 |
| Staley | Randolph | 60.27 |
| Statesville | Iredell | 62.18 |
| Stonewall | Pamlico | 69.77 |
| Tabor City | Columbus | 65.56 |
| Taylorsville | Alexander | 59.95 |
| Taylortown | Moore | 55.00 |
| Thomasville | Davidson | 53.04 |
| Trenton | Jones | 59.42 |
| Troy | Montgomery | 56.02 |
| Vanceboro | Pamlico | 56.30 |
| Vass | Moore | 63.78 |
| Waco | Cleveland | 57.81 |
| Wadesboro | Anson | 54.05 |
| Warrenton | Warren | 51.35 |
| Warsaw | Duplin | 72.76 |
| Washington | Beaufort | 51.44 |
| West Jefferson | Ashe | 58.92 |
| Whitakers | Nash | 58.33 |
| Whiteville | Columbus | 57.46 |
| Wilson's Mills | Johnston | 69.92 |
| **TOWN NAME** | **COUNTY** | **LMI PERCENTAGE %** |
| Windsor | Bertie | 57.03 |
| Winton | Hertford | 69.93 |
| Woodfin | Buncombe | 61.36 |
| Woodland | Northampton | 80.7 |
| Yadkinville | Yadkin | 62.76 |
| Yanceyville | Caswell | 67.36 |