

**State Water Infrastructure Authority -DRAFT  
July 14, 2021 Meeting  
Agenda Item F – Additional Funding Recommendations for CDBG-I Grants**

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**Division of Water Infrastructure Staff Report**

**Background**

North Carolina General Statute G.S. 159G-71 contains the powers and the duties of the State Water Infrastructure Authority (Authority) which include the following:

- Review recommendations for grants and loans submitted to it by the Division of Water Infrastructure
- Determine the rank of applications
- Select the applications that are eligible to receive grants and loans

**FY2020 Funding Round Background**

In 2020, the State of North Carolina received \$48,537,754 in Community Development Block Grant State funds. The 2020 appropriation from that funding is \$25,831,793. In addition, the Division had \$1,051,670.29 in FY15 deobligated funds and \$1,013,650.58 in deobligated FY16 funds, which need to be spent before the funds are recaptured by the U.S. Treasury.

On November 23, 2020, the Division received 39 applications requesting funding from the Community Development Block Grant-Infrastructure (CDBG-I) grant program, in the total of \$70,122,833.50. The sum of funds requested in complete, eligible applications was \$66,123,432.25. Using the Priority Rating System approved by the Authority at its July 2015 meeting, Division staff reviewed and ranked each complete, eligible application.

On April 14, 2021, staff presented two scenarios for Authority consideration. The Authority approved Scenario Two. Under Scenario Two, projects 1 – 10 were fully funded, project number 11 (Northampton County) was not funded, projects 14 and 15 were fully funded, and projects 16, 18, and 19 were partially funded, based on priority with consideration of the cost per connection. Projects 16, 18 and 19, from Robbinsville, Benson, and Enfield were funded for planning only, with construction funds coming from the FY21 appropriation. Tables 1 through 3 contain more information related to these funded projects.

<b>Table 1. Use of the FY 2015 Deobligated Funds: Planning Grants</b>				
<b>Project No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Engineering Firm</b>	<b>Funding Amount</b>
1 <sup>a</sup>	Selma, Town of	Selma Sewer Rehabilitation/Replacement Project	WithersRavenel	\$116,460.00
2 <sup>a</sup>	Mount Olive, Town of	Sewer Line Rehabilitation Project	McGill Associates	\$136,000.00

**Table 1. Use of the FY 2015 Deobligated Funds: Planning Grants**

<b>Project No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Engineering Firm</b>	<b>Funding Amount</b>
3 <sup>a</sup>	Fairmont, Town of	Brown Street Pump Station Improvements	LKC Engineering	\$97,000.00
4	Madison, Town of	Sanitary Sewer System Rehabilitation	LKC Engineering	\$82,600.00
5 <sup>a</sup>	Saratoga, Town of	2020 Gardner School Road/Daiselle Place/ Pitt Road Sewer Extension	Herring-Sutton & Associates	\$80,267.00
6	Saint Pauls, Town of	Wastewater Treatment Plant Relocation	McGill Associates	\$136,000.00
7	Rowland, Town of	Sanitary Sewer System Improvements	LKC Engineering	\$95,000.00
			<b>TOTAL</b>	<b>\$743,327.00</b>

<sup>a</sup>Units of local government having received at least one grant from the program before.

**Table 2. Use of the FY16 Deobligated Funds: Planning Grants**

<b>Project No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Engineering Firm</b>	<b>Funding Amount</b>
8	Chadbourn, Town of	S. Wilkes Street Gravity Sewer Replacement	LKC Engineering	\$89,200.00
9	Dunn, Town of	Dunn CDBG-I Sewer Rehabilitation/Replacement Project	WithersRavenel	\$108,360.00
10	Roseboro, Town of	2020 Sewer Improvements	The Adams Company	\$138,800.00
12 <sup>a</sup>	Scotland Neck, Town of	Phase VI WWTP Improvements	Engineering Services	\$85,000.00
13 <sup>a</sup>	Maxton, Town of	CDBG-I Water Infrastructure Project	WithersRavenel	\$121,496.00
14	Bryson City, Town of	Carringer Street Sanitary Sewer Collection Line Improvements	McGill Associates	\$97,000.00
15	Burnsville, Town of	Main Sewer Interceptor (West) Improvements	McGill Associates	\$125,400.00
16 <sup>a,b</sup>	Robbinsville, Town of	Sewer Collection Line Improvements	McGill Associates	Funded from FY20

**Table 2. Use of the FY16 Deobligated Funds: Planning Grants**

<b>Project No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Engineering Firm</b>	<b>Funding Amount</b>
17 <sup>a</sup>	Maxton, Town of	Wastewater Treatment Plant Rehabilitation	WithersRavenel	\$0.00
18 <sup>b</sup>	Benson, Town of	Benson CDBG-I Sewer Replacement/Rehab Project	WithersRavenel	Funded from FY20
19 <sup>a,b</sup>	Enfield, Town of (split-funded)	2020 Sewer Phase 5 Project	Engineering Services	\$30,721.00
			<b>TOTAL</b>	<b>\$795,977.00</b>

<sup>a</sup>Units of local government having received at least one grant from the program before.  
<sup>b</sup>Partial funding

Scenario Two fully funded project numbers 1 – 15, and partially funded projects 16,18 and 19 based on priority, with the partially funded projects receiving their construction funding off the top of the FY2021 appropriation.

**Table 3. Use of the FY2020 Appropriation: Construction, and Three Planning Grants**

<b>Project No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Engineering Firm</b>	<b>Funding Amount</b>
1 <sup>a</sup>	Selma, Town of	Selma Sewer Rehabilitation/Replacement Project	WithersRavenel	\$1,883,349.00
2 <sup>a</sup>	Mount Olive, Town of	Sewer Line Rehabilitation Project	McGill Associates	\$1,864,000.00
3 <sup>a</sup>	Fairmont, Town of	Brown Street Pump Station Improvements	LKC Engineering	\$1,903,000.00
4	Madison, Town of	Sanitary Sewer System Rehabilitation	LKC Engineering	\$1,917,400.00
5	Saratoga, Town of	2020 Gardner School Road/Daiselle Place/ Pitt Road Sewer Extension	Herring-Sutton & Associates	\$1,545,173.00
6	Saint Pauls, Town of	Wastewater Treatment Plant Relocation	McGill Associates	\$1,864,000.00
7	Rowland, Town of	Sanitary Sewer System Improvements	LKC Engineering	\$1,905,000.00
8	Chadborn, Town of	S. Wilkes Street Gravity Sewer Replacement	LKC Engineering	\$1,910,800.00

**Table 3. Use of the FY2020 Appropriation: Construction, and Three Planning Grants**

<b>Project No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Engineering Firm</b>	<b>Funding Amount</b>
9	Dunn, City of	Dunn CDBG-I Sewer Rehabilitation/Replacement Project	WithersRavenel	\$1,890,769.00
10	Roseboro, Town of	2020 Sewer Improvements	The Adams Company	\$1,861,200.00
12 <sup>a</sup>	Scotland Neck, Town of	Phase VI WWTP Improvements	Engineering Services	\$1,915,000.00
13 <sup>a</sup>	Maxton, Town of	CDBG-I Water Infrastructure Project	WithersRavenel	\$1,877,803.00
14	Bryson City, Town of	Carringer Street Sanitary Sewer Collection Line Improvements	McGill Associates	\$1,395,600.00
15 <sup>a</sup>	Burnsville, Town of	Main Sewer Interceptor (West) Improvements	McGill Associates	\$1,874,600.00
16 <sup>a,b</sup>	Robbinsville, Town of	Sewer Collection Line Improvements	McGill Associates	\$114,460.00
17 <sup>a</sup>	Maxton, Town of	Wastewater Treatment Plant Rehabilitation	WithersRavenel	\$0.00
18 <sup>b</sup>	Benson, Town of	Benson CDBG-I Sewer Replacement/Rehab Project	WithersRavenel	\$88,360.00
19 <sup>a,b</sup>	Enfield, Town of (split-funded)	2020 Sewer Phase 5 Project	Engineering Services	\$21,279.00
			<b>TOTAL</b>	<b>\$25,831,793.00</b>

<sup>a</sup>Units of local government having received at least one grant from the program before.

<sup>b</sup>Partial funding

**Additional Funding Recommendation for the City of Elizabeth City – Pasquotank County**

**Requested: \$930,000.00 for Public Water & Sewer Improvements and Related Engineering Costs.**

**Ray Street Water and Sewer Replacement Project:**

This project will replace the water and sewer lines co-located under Ray Street. The water line is approximately 1,750 feet, and the sewer line is approximately 1,600 feet. These lines serve 27 residences. Ray Street's sewer line experiences high inflow and infiltration, which overburdens the supporting wastewater infrastructure. The deteriorated sewer lines contain multiple cave-ins. Ray Street's water line is currently undersized to serve all its connections. The water lines have

accumulated significant calcification, reducing an already limited flow capacity. The corroded water lines contain leaking cracks which contribute to the City's excessive water loss.

**Reason for Special Consideration:**

Per CDBG-I Application Guidance, *“Combined Water and Sewer Applications: In cases where a single application includes both water and sewer 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.”*

The City of Elizabeth City submitted a combined water and sewer application during the November 2020 funding round. Staff reviewed and scored their application using the above combined water and sewer application guidance. The City did not claim the “same footprint” points (2N) on the separate scorecards. Instead, they submitted a combined scorecard, which claimed the 2N points (5 points). Staff reviewers did not look at the combined scorecard. Due to staff scoring, the lowest scoring project was their sewer with 50.16 points – outside of funding range (project #20 on the funding spreadsheet behind the funded Enfield project).

After the April 14, 2021 Authority meeting, it was brought to staff attention that misinformation was conveyed to the City on how to claim 2N points for a water and sewer project located within the same footprint. Before Elizabeth City submitted their application, the City requested and received a technical review of their application. During this technical review, the City specifically asked if how they claimed and documented their 2N points was correct (only claiming the points on the combined scorecard and not the separate scorecards as the application guidance stated). The staff member, who conducted their technical review, responded with a yes; therefore, the City submitted their application based on that guidance.

Because of this misinformation and written documentation of said conversations and the technical review, staff rescored their application to account for those five points. After staff rescored their applications with 2N points, the sewer application’s final score was 55.16 points and the water application’s final score was 60.15 points. Therefore, their new lowest scoring project purpose fell into funding range – moving from project #20 to project #13.

**Staff Recommendation**

Since all the FY2020 appropriation has been awarded and there is not enough remaining deobligated funds to provide the City with a grant right now, the staff recommend the Authority to award Elizabeth City \$930,000 from the FY2021 appropriations. The grant for Elizabeth City would be the fourth to receive early appropriation of FY2021 funds, which brings the total of pre-appropriated FY2021 funds to \$5,224,549.00.