

**State Water Infrastructure Authority**  
**Meeting Date: July 14, 2021**  
**Agenda Item G – Funding Decisions for All Projects**

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**Division of Water Infrastructure Staff Report**

**Background**

This staff report presents background information for the Spring 2021 Application Round for Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF). The report summarizes the following:

- The available funds and restrictions on those funds,
- The applications received, and
- The approach staff used to apply funds in the funding scenario.

The round has approximately \$67 million and \$75 million available from the DWSRF and CWSRF, respectively. This staff report presents the DWSRF and CWSRF applications separately.

By Federal requirement, DWSRF projects must be funded in priority order. The Authority can establish the funding line but cannot fund projects out of priority order (except as necessary to meet other requirements).

For the CWSRF, the Authority may consider the additional information provided in the wastewater project applications for determining funding commitments.

For both the CWSRF and DWSRF, Principal Forgiveness eligibility is as follows:

- Resolves Non-viable utility – 100% principal forgiveness up to \$3,000,000
- Affordability criteria - percentage (25%, 50%, 75%, or 100%) based on affordability criteria up to \$500,000

Table 1 shows the amounts of available regular SRF loan and principal forgiveness funds that the example funding scenario uses.

<b>Table 1. Spring 2021 Available State Revolving Fund Amounts</b>			
<b>Program</b>	<b>Loan</b>	<b>Principal Forgiveness</b>	<b>Total</b>
Drinking Water	\$64,283,328	\$2,878,775	\$67,162,103
Wastewater	\$72,717,119	\$2,500,000	\$75,217,119

Table 2 on the next page summarizes the DWSRF and CWSRF applications that are complete and eligible for consideration.

<b>Program</b>	<b>No. of Complete, Eligible Applications*</b>	<b>Funds Requested</b>	<b>Approximate Funds Available</b>
Drinking Water	35	\$333,410,885	\$67,162,103
Wastewater	29	\$278,970,802	\$75,217,119
<b>Total</b>	<b>64</b>	<b>\$612,381,687</b>	<b>\$142,379,222</b>

**Example Funding Scenario for Drinking Water Projects**

The funding scenario uses the following approach:

- Fund projects in priority order.
- Apply SRF Funds to eligible drinking water projects.

Three applications are not recommended for funding because the applicants indicated they require a minimum amount of Principal Forgiveness greater than the available Principal Forgiveness limits. An additional four applicants indicate a minimum acceptable percentage of Principal Forgiveness that exceeds their eligible percentage.

This example uses all the available funds and proposes to fund 11 projects for a total of \$67,162,103. See Table 3 for more detail.

<b>Proj No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential SRF Principal Forgiveness Amount</b>	<b>Potential SRF Loan Amount</b>
1	Jamesville, Town of	Water Treatment Plant Replacement	\$1,847,934	\$500,000	\$1,347,934
3	Davie County Public Utilities	Water Supply Improvements Project	\$28,050,000		\$20,000,000
6	Burnsville, Town of	Burnsville Water Treatment Plant Improvement Project	\$1,337,350	\$334,337	\$1,003,013
7	Beech Mountain, Town of	2022 Water System Rehabilitation Project	\$2,913,265		\$2,913,265
8	Laurinburg, City of	Distribution System Improvement Phase 2	\$4,515,000		\$4,515,000
9	Brevard, City of	Brevard WTP Improvements	\$4,929,000	\$500,000	\$4,429,000

**Table 3. Drinking Water SRF Applications – Example Funding Scenario**

Proj No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential SRF Principal Forgiveness Amount	Potential SRF Loan Amount
10	Grifton, Town of	2021 Water System Improvements	\$980,400	\$490,200	\$490,200
11	Winston-Salem, City of	Neilson WTP Modernization	\$41,870,000		\$20,000,000
12	Franklin, Town of	Phase II Water Treatment Plant Improvements	\$8,889,000	\$500,000	\$8,389,000
13	Edgecombe County	2021 Kingsboro Industrial Park Water System Improvements	\$1,533,200	\$500,000	\$1,033,200
19	Walstonburg, Town of	Water Line Improvement	\$216,954	\$54,238	\$162,716
<b>Totals for Drinking Water Projects</b>				<b>\$2,878,775</b>	<b>\$64,283,328</b>
				<b>\$67,162,103</b>	

**Example Funding Scenario for Wastewater Projects**

The funding scenario uses the following approach:

- Fund projects in priority order.
- Apply SRF Funds to eligible wastewater projects.

Thirteen applications do not receive funding because the applicant indicated they required a minimum amount of Principal Forgiveness greater than the Principal Forgiveness they could have received, given both availability and eligibility.

This example utilizes all the available funds and proposes to fund 13 projects for a total of \$75,217,119. See Table 4 for more details.

**Table 4. Wastewater Project Applications – Example Funding Scenario**

Proj No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential SRF Principal Forgiveness Amount	Potential SRF Loan Amount
1	Dunn, City of	Collection System Improvements	\$2,000,000	\$500,000	\$1,500,000
2	Bessemer City, City of	Vantine Pump Station and Sewer Replacement	\$1,887,000	\$500,000	\$1,387,000

<b>Table 4. Wastewater Project Applications – Example Funding Scenario</b>					
<b>Proj No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential SRF Principal Forgiveness Amount</b>	<b>Potential SRF Loan Amount</b>
9	Farmville, Town of	Moore Street Sanitary Replacement	\$500,000	\$500,000	
10	Whitakers, Town of	Porter Street Sewer Pump Station Improvements	\$500,000	\$500,000	
11	Laurinburg, City of	Bridge Creek & College Park Sanitary Sewer Rehab	\$8,951,000	\$500,000	\$8,451,000
15	Middlesex, Town of	Sewer Collection System Rehabilitation / Relining Project	\$829,589		\$829,589
16	Lumberton, City of	2021 Wastewater System Improvements	\$2,829,790		\$2,829,790
18	Edenton, Town of	2021 Wastewater System Improvements	\$1,886,490		\$1,886,490
22	Dunn, City of	Black River WWTP Improvements	\$3,626,000		\$3,626,000
24	Lumberton, City of	2021 WTP Sludge Removal and Lagoon Modifications	\$519,750		\$519,750
26	Clayton, Town of	Neuse River Water Reclamation Facility	\$138,750,000		\$50,000,000
27	Conover, City of	Northeast WWTF Headworks Improvements	\$1,232,000		\$1,232,000
28	Statesville, City of	Replace Elevated Sewer Line	\$455,500		\$455,500
<b>Totals for Wastewater Projects</b>				<b>\$2,500,000</b>	<b>\$72,717,119</b>
				<b>\$75,217,119</b>	

Note: Town of Clayton has previously received \$30,000,000 for the Neuse River Water Reclamation Facility.

### **Other Funding Scenarios**

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