

# State Water Infrastructure Authority

February 10, 2021 Meeting

## Agenda Item E - F

### Introduction to Funding Decisions for Fall 2020 Application Round, Example Funding Scenarios, and Funding Decisions

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#### Division of Water Infrastructure Staff Report

##### Agenda Item E. Introduction to Funding Decisions for Fall 2020 Application Round

The following presents background information for the Fall 2020 Application Round for drinking water and wastewater applications including Asset Inventory and Assessment (AIA) applications, and Merger / Regionalization Feasibility (MRF) study applications, to be funded from the Drinking Water and Clean Water State Revolving Fund (SRF) and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 (ASADRA), and State Reserve. This information includes a summary of available funds and qualifications for those funds, a summary of applications received, and the process Staff used to apply funds in the example funding scenario.

This round has over \$280,000,000 available from the SRFs, ASADRA, and State Reserve. The ASADRA funds were split over the Spring and Fall 2020 funding rounds and includes the transfer of drinking water ASADRA funds to wastewater ASADRA funds. This round also includes consideration to provide additional funding for a previously funded project to meet increases in costs and recommends the ability to provide additional funding to existing projects in the event any applications decline funds for the Spring and Fall 2020 rounds.

##### Consideration for City of Henderson Request for additional funds (The Kerr Lake Regional Water System)

The Kerr Lake Regional Water System (KLRWS) currently provides drinking water to 15 municipal and community water systems throughout Vance, Granville, Warren, and Franklin Counties of North Carolina. KLRWS is owned by the City of Henderson (60%), the City of Oxford (20%) and Warren County (20%). The City of Henderson applied for funding to rehabilitate portions of the KLRWTP in the Spring 2017 funding round. The project was awarded \$19,893,000 in SRF funds. Subsequently in 2017, the KLRWS determined that a capacity expansion of the Kerr Lake Regional Water Treatment Plant (KLRWTP) was needed and submitted two additional applications for SRF funding. Those applications were awarded an additional \$15,000,000 in funding to the City of Henderson and \$5,000,000 to Warren County. The total amount of DWSRF project funding after March 2018 stands at \$39,893,000.

In September 2020, the project's Design-BUILDER notified KLRWS that they had received pricing and quotes, and the construction cost of the project had increased significantly. KLRWS has decided to defer some portions of the project, but even with the reduced scope, the revised project cost of \$57.0 million remains \$17.107 million greater than the awarded SRF funding. The \$17.107 million funding shortfall is currently preventing this project from moving forward into construction. In the request for consideration, KLRWS indicated that further delays would result in further project challenges, including:

- Additional construction costs due to the rapidly increasing cost of construction in NC; estimated to be approximately \$1M for each six-month delay;
- Delay in adding capacity to the KLRWTP, which is strained beyond 90% capacity in peak months; and
- Further delay to resolving the compliance issue at the plant by reducing the level of disinfection by-products in the drinking water.

At the time of the Division of Water Infrastructure’s (Division) Fall 2020 application deadline, it was evident that the project would need more funding, although the exact amount was not fully known, and the City of Oxford submitted a \$6.0 million SRF application for additional project funding.

The City of Henderson requests that the State Water Infrastructure Authority (Authority) authorize an additional \$17.107 million in funding for the Kerr Lake Regional Water System Water Treatment Plant Improvements and Expansion project, which will allow the KLRWS to initiate project construction in Spring / Summer 2021. The requested amount is inclusive of the pending application from the City of Oxford for \$6 million in funding. If Oxford is awarded funds, the City of Henderson would seek the balance of funds, \$11.0107 million, to fully fund the project.

If the project does not receive all required additional funding as a part of the Fall 2020 SRF Funding Application review, the KLRWS Partners have indicated that they will submit a new application to the Division in Spring 2021.

A summary of the past funding levels and the request for additional funding by the City of Oxford and The City of Henderson to fully fund the project are shown in Table 1 below.

<b>Table 1. Summary of Funding for Kerr Lake Regional Water Treatment Plant Project</b>			
<b>Applicant</b>	<b>Date of LOIF (Date of Request)</b>	<b>Funding Approved</b>	<b>Additional Funding Requested</b>
<b>TOTAL PROJECT FUNDING REQUESTED</b>		<b>\$57,000,000</b>	
Henderson, City of	Feb. 1, 2017	\$19,893,000	
Henderson, City of	Mar. 1, 2018	\$15,000,000	
Warren County	Mar. 1, 2018	\$5,000,000	
<b>Subtotals</b>		<b>\$39,893,000</b>	
Oxford, City of	(Application Pending, submitted Fall 2020)		\$6,000,000
Henderson, City of	(Current request with this letter)		\$11,107,000
<b>Subtotals</b>			<b>\$17,107,000</b>

ASADRA Funds

On June 6, 2019, the President signed P.L. 116-20, the "Additional Supplemental Appropriations for Disaster Relief Act, 2019" (ASADRA), into law. The Act provided funding for resiliency-focused projects at wastewater treatment works and drinking water facilities impacted by Hurricanes Florence and Michael. North Carolina Session Law 2019-250 appropriated the necessary state match to the Department of Environmental Quality. During the February 12, 2020 meeting, the Authority approved a priority point system for ASADRA-eligible projects that included additional priority points for certain resiliency activities. In addition, the Authority approved principal forgiveness eligibility for ASADRA-eligible projects. ASADRA funding requirements include mandatory principal forgiveness of between 20% - 30% of the capitalization grant. Principal Forgiveness eligibility for ASADRA projects is as follows:

- Resolves Non-viable utility – 100% principal forgiveness up to \$3,000,000
- Affordability criteria - percentage based on affordability criteria up to \$1,000,000
- Resiliency projects (2.N.2, or 2.N.3 priority points) - 25% principal forgiveness up to \$1,000,000
- Moving infrastructure out of the 100-year floodplain (2.N.1 priority points) - 100% principal forgiveness up to \$3,000,000

Due to the COVID-19 pandemic, applicants were experiencing difficulties completing applications for the Spring 2020 funding round. To better ensure applicant could provide complete applications, the Division held over some ASADRA funding for this Fall 2020 application round. Applicants that submitted a partial application, a complete application, or a Letter of Intent to Apply (LOIA) by June 17, 2020 are eligible for Fall ASADRA funding, provided that a complete application was submitted by the Fall application deadline. Approximately 40% of the ASADRA funds are available for this round. Table 2 shows the ASADRA funds previously awarded in the Spring 2020 funding round, and Table 3 shows the total funds available to be awarded this round.

<b>Table 2. Spring 2020 ASADRA Awards</b>				
<b>Program</b>	<b>Number Projects Funded</b>	<b>Loan</b>	<b>Principal Forgiveness</b>	<b>Total</b>
Drinking Water	4	\$21,261,870	\$7,689,790	<b>\$28,951,660</b>
Wastewater	5	\$24,357,450	\$7,502,500	<b>\$31,859,950</b>
<b>Total</b>	<b>9</b>	<b>\$45,619,320</b>	<b>\$15,192,290</b>	<b>\$60,811,610</b>

<b>Table 3. Fall 2020 ASADRA Available Funds</b>		
<b>Program</b>	<b>Total</b>	<b>Maximum Principal Forgiveness</b>
ASADRA funds (Combined Drinking water and Wastewater)	<b>\$44,553,190</b>	<b>\$11,094,172</b>

Federal law for the SRF programs allows for funds transfer between the SRF programs, including funds appropriated for ASADRA. The transfer of funds better enables states to match the state’s needs for infrastructure resiliency. The ASADRA appropriation heavily favored the Drinking Water State Revolving Fund (DWSRF) program (78% of funding); however, the Division received a much lower percentage of DWSRF project applications and funding requested compared to the total number of wastewater applications as shown in the following tables. Table 4 shows the number and distribution of ASADRA applications for each program, as well as the number of applications found to be complete, incomplete, or ineligible. The number of projects that were awarded the maximum amount of principal forgiveness or grant funding in the Spring 2020 round is also shown to accurately capture the total spread of eligible ASADRA projects.

<b>Table 4. ASADRA Fall 2020 Application Round</b>		
<b>Applications</b>	<b>DWSRF</b>	<b>CWSRF</b>
Complete and Eligible Fall Application	8	58
Incomplete or Ineligible Fall application	2	4
<b>Totals</b>	<b>10</b>	<b>62</b>

Table 5 shows the total number of eligible ASADRA applications for consideration this fall, and the total funds requested for those eligible applications and ASADRA funding Available.

<b>Table 5. Fall 2020 ASADRA Eligible Applications</b>			
<b>Program</b>	<b>Complete and Eligible Applications</b>	<b>Funds Requested</b>	<b>ASADRA Funds Available</b>
DWSRF	8	\$90,463,367	<b>\$44,553,190</b>
CWSRF	58	\$374,434,951	
<b>Total ASADRA</b>	<b>66</b>	<b>\$464,898,318</b>	

The Division used a target of 50% of ASADRA funding for each program to develop a funding scenario. The following table show the amount of available ASADRA loan and principal forgiveness funds that are used in the example funding scenario.

<b>Table 6. Recommended Fall ASADRA Funds Distribution</b>			
<b>Program</b>	<b>Loan</b>	<b>Principal Forgiveness</b>	<b>Total</b>
Drinking Water	\$18,199,195	\$5,394,172	<b>\$23,593,367</b>
Wastewater	\$15,259,823	\$5,700,000	<b>\$20,959,823</b>
		<b>Total</b>	<b>\$ 44,553,190</b>

Table 7 shows the resulting ~50% split of ASADRA funds when the Spring and Fall rounds are combined.

<b>Table 7. Resulting Split of ASADRA Funds</b>			
<b>Program</b>	<b>Spring ASADRA Awards</b>	<b>Fall ASADRA Awards</b>	<b>Total</b>
Drinking Water	\$28,951,660	<b>\$23,593,367</b>	<b>\$52,545,027</b>
Wastewater	\$31,859,950	<b>\$20,959,823</b>	<b>\$52,819,773</b>
		<b>Total</b>	<b>\$104,364,800</b>

Regular SRF Funds

Combined, approximately \$205,300,000 is available this round from the regular DWSRF and CWSRF programs. By Federal requirement, DWSRF projects must be funded in priority order. The Authority may consider the additional information provided in the wastewater project applications for determining funding commitments for the CWSRF. ASADRA-eligible projects that submitted new Fall applications are also eligible for regular SRF funds. ASADRA-eligible projects were scored using both the ASADRA priority point system and the SRF priority points system. Because the ASADRA priority points system included more priority points for resiliency activities than the SRF priority system, ASADRA-eligible projects often scored fewer points when considered for regular SRF funds. Principal Forgiveness eligibility for SRF projects 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

Many of the ASADRA-eligible projects were awarded SRF funding in Spring 2020. These projects remain eligible for the ASADRA funds this Fall, and many applicants chose to submit a new Fall application to improve their scores and seek better funding. Projects receiving better funding in this Fall round frees up previously awarded funds from the Spring and allows the funds to be redistributed this Fall. The funding scenario provided includes three wastewater projects with improved funding. These three projects will allow for an additional \$8.42 million to be awarded in CWSRF funds this round.

A summary of the SRF-eligible applications is shown below in Table 8. Only those applications that are complete and eligible are summarized.

<b>Table 8. Summary of Complete and Eligible Regular SRF Applications</b>			
<b>Program</b>	<b>No. Applications*</b>	<b>Funds Requested</b>	<b>Approximate Funds Available</b>
Drinking Water	36	\$344,533,997	\$55,000,000
Wastewater	72	\$495,733,424	\$150,300,000
<b>Total</b>	<b>108</b>	<b>\$840,267,421</b>	<b>\$205,300,000</b>

\*Includes ASADRA applications

Table 9 shows the amounts of available regular SRF loan and principal forgiveness funds that are used in the example funding scenario. Additional CWSRF loan funding is available due to declined funds from the Spring 2020 funding round, the use of best available funds that will replace CWSRF loans for projects funded in the Spring 2020, and early payoff of existing loans.

<b>Table 10. Spring 2020 SRF Funds</b>			
<b>Program</b>	<b>Loan</b>	<b>Principal Forgiveness</b>	<b>Total</b>
DWSRF	\$49,600,000	\$4,700,000	<b>\$54,300,000</b>
CWSRF	\$146,300,000	\$4,000,000	<b>\$150,300,000</b>

State Reserve Funds

There are approximately \$11,750,000 of State Reserve grant funding and \$22,100,000 in State Reserve loan funding available. \$10,000,000 of the grant funds in the State Reserve may be used for merger / regionalization feasibility grants (MRF), asset inventory and assessment (AIA) grants, drinking water project, or wastewater projects; however, the remaining funds are program specific and are limited as follows:

- Up to \$1,120,000 for drinking water project grants
- Up to \$629,000 for wastewater project grants
- Up to \$22,100,000 for wastewater projects loans

State Reserve loans for drinking water and wastewater projects are limited to \$3,000,000 per local government unit per year, or every three years depending on if they qualify for a targeted interest rate. State Reserve grants for drinking water and wastewater projects are limited to \$3,000,000 per local government unit every three years.

State Reserve grants for MRFs are limited to \$50,000 per applicant per system every 3 years. Grants for AIAs are limited to \$150,000 per applicant per system every three years.

## Agenda Item F - Example Funding Scenario for All Projects

In the example funding scenario, applications are shown as receiving funds as follows:

- Fully fund all 10 complete and eligible MRF projects for a total of \$500,000 in funding.
- Fund AIA grants through the top scoring 19-point projects based upon project benefit, existing rates, and potential regionalization. These projects represent \$4.425 million in funding.
- Remaining funds (a combination of ASADRA, SRF, and State Reserve) are used to offer the best available funding for wastewater project applications using the appropriate priority order (ASADRA or SRF/State Reserve) until funds are exhausted.
  - Applied ASADRA funds to eligible ASADRA projects.
  - Applied State Reserve grants to eligible projects (replaced ASADRA loans if additional grant funds are available).
  - Applied SRF principal forgiveness funds to eligible projects (replaced ASADRA Loans if additional Principal Forgiveness funds are available).
  - Applied State Reserve loans to eligible projects.
  - Applied SRF loan funds to eligible projects.
  - Multiple projects were not awarded funding because there were no grant or Principal Forgiveness funds available to meet the minimum grant percentage the applicant indicated was needed for the project to move forward.
  - Also, multiple projects did not qualify for the minimum amount of grant percentage needed for the project to move forward, see staff notes on spreadsheet.

## Consideration for Declined Funds

As a result of the high number of Spring 2020 recipients that declined funding, the Division recommends the Authority approve projects for additional funds if Spring 2020 or Fall 2020 recipients decide to decline the funding offered by the Authority. Strategies for efficient use of declined funds were presented in the December 2020 Authority meeting.

The options presented to the Authority were as follows:

1. The Authority approves funding for additional Fall 2020 projects assuming that some funds will be declined
2. Provide additional funding to previously funded projects that submitted a Fall application but did not receive full funding (potentially Town of Clayton, City of Hickory, Johnston County, Charlotte Water, Davie County Public Utilities, or Rocky Point Topsail Water and Sewer District)
3. Provide additional funding to previously funded projects that request additional funds to meet increases in project costs.
4. Award the funds the following Spring 2021 round

Option 1 is not recommended since there are partially funded projects that can be prioritized for funding before going further down the list.

For Option 2, one wastewater project has been identified as a candidate for consideration. The project is the lowest-priority project recommended for funding this round, and there are not sufficient funds to reach the funding caps for the project. The recommendation is to partially fund the project with the funds known to be available, and to pre-approve additional funding up to the funding round limits, but only if other Spring or Fall awarded projects decline funding prior to the Spring 2021 awards. Table 11 shows the potential wastewater project while Table 12 shows the potential drinking water projects for Option 2.

<b>Table 11. Potential Wastewater Projects for Pre-Approved for Certain Declined Funds</b>			
<b>Applicant</b>	<b>Project Name</b>	<b>Funds Requested</b>	<b>Pre-approved Funding Limit (Limited to Declined 2020 Awarded funds)</b>
Johnston County <sup>1</sup>	WWTF 4 MGD Expansion - CWSRF 370560-18	\$84,000,000	\$30,000,000 (not to exceed \$100,000 in total CWSRF debt)

<sup>1</sup> Johnston County currently has approximately \$69,000,000 in SRF loans and commitments.

There are three drinking water projects that are candidates for pre-approval for additional funds. Eligibility of the projects will depend on the Authority’s decision to approve additional funding for the City of Henderson. If the Authority decides to fund the City of Henderson (a) in Table 12, the last partially funded project is the City of Winston Salem, and it is recommended to be pre-approved for funding up to \$20M. If the Authority decides not to approve the City of Henderson’s request for additional funds (b) in Table 12, the Rocky Point Topsail Water and Sewer District is the last partially funded project. However, the City of Henderson can also be a candidate for pre-approval of funds. It is the Authority’s discretion as to the preference for funding. The following table shows the projects to be considered for pre-approval of funds, the funds requested for each project and the pre-approved funding limit.

<b>Table 12. Potential Drinking Water Projects for Pre-Approval of Certain Declined Funds</b>				
<b>Condition of pre-approval</b>	<b>Applicant</b>	<b>Project Name</b>	<b>Funds Requested</b>	<b>Pre-approved Funding Limit</b>
(a) Henderson (KLRWS) Funded This Fall	Winston-Salem, City of	Neilson WTP Modernization	\$41,870,000	\$20,000,000
(b) Henderson (KLRWS) Not Funded This Fall	Rocky Point Topsail Water and Sewer District	RO Water Treatment Plant and Associated Improvements	\$66,870,000	\$20,000,000
	Henderson, City of	Kerr Lake Regional Water System (KLRWS)	\$11,107,000	\$11,107,000

Options 3 will become available after the Fall funding round is complete and projects approved in Option 2 reach the pre-approved limit.



### Funding Scenario

This example utilizes the available funds and proposes to fund 92 projects for approximately \$282,500,000. Table 12 indicates the number of applications funded and total funding amounts for the indicated funding source. This example is detailed in Tables F-1 through F-6 below:

<b>Table 12. Example Funding Scenario Summary</b>		
<b>Funding Program</b>	<b>Applications Funded</b>	<b>Funding Amount</b>
MRF	10	\$500,000
AIA	31	\$4,425,000
DW – ASADRA	7	\$23,593,367
DW – SRF and SRP	6	\$54,718,967
WW – ASADRA	6	\$20,959,823
WW - SRF and SRP	35	\$178,121,981
<b>Total</b>	<b>92*</b>	<b>\$282,319,138</b>

\*1 DW project, and 2 WW projects are recommended for funding from a combination of ASADRA, SRF, and SRP funds.

### Project-Specific Notes

#### AIA Applications

- Nash County applied for four AIA grants. Three of the applications scored high enough to be recommended for funding; however, each local government unit is limited to \$150,000 of AIA grant per system every 3 years. Nash County has been recommended to receive one wastewater AIA grant, and one drinking water AIA grant.

#### DW ASADRA Applications

- Rocky Point Topsail Water and Sewer District received the maximum allowable ASADRA funding in the Spring (\$30 million) and is not eligible for additional ASADRA funding in the Fall.
- All eligible DW ASADRA projects received full funding or the allowable maximum for ASADRA loans and principal forgiveness.

#### DWSRF Applications

- Davie County is recommended for partial funding of a \$28 million project that allows for the decommissioning of the Mocksville WTF and regionalization of Mocksville into the Davie County System. The project is eligible for 25% grant and is the highest priority drinking water project recommended to receive a state grant. The funding scenario shows all the available state grant funds awarded to Davie County, in addition to \$1.5 million in SRF Principal Forgiveness. The \$500,000 SRF Principal Forgiveness cap was exceeded as allowed in the Intended Use Plan (IUP).

- City of Winston-Salem is recommended to be funded to the \$20M DWSRF loan cap. If the Authority awards funds to The City of Henderson for the KLRWS projects, there will be sufficient DWSRF Loan funds to award the City of Winston-Salem partial funding, and project becomes eligible to be pre-approved to receive funding up to the applicable limits if spring or fall 2020 awarded projects decline funding.
- Cleveland County Water is recommended to be fully funded with DWSRF Loan. If the Authority awards funds to The City of Henderson for the KLRWS projects, there will not be sufficient funds to fund the Cleveland County Water project.
- The Rocky Point Topsail Water and Sewer District is recommended to be awarded the balance of DWSRF loan funds. The project is recommended to be approved to receive funding up to the applicable limits if spring or fall 2020 awarded projects decline funding. If the Authority awards funds to The City of Henderson for the KLRWS projects, there will not be sufficient funds to fund the Rocky Point project, and the project would no longer be recommended to be pre-approved for addition funds if they become available.

#### WW ASADRA Applications

- The Town of St. Pauls is recommended to be awarded \$2.7 million ASADRA principal forgiveness. They are eligible for 100% principal forgiveness up to \$3 million, but there are insufficient ASADRA principal forgiveness funds to provide that amount. The Town is recommended for addition funding through State Reserve Grant and CWSRF loan with Principal Forgiveness.
- The City of Eden is recommended to be partially funded with the remaining available ASADRA funds. This project is recommended to be fully funded with a mix of CWSRF and ASADRA loan funds.

#### CWSRF Applications

- The Town of St. Pauls is recommended to be awarded State Reserve Grant and a SRF loan with Principal Forgiveness. They have been awarded the balance of the available State Reserve grant funds, and the \$500,000 max for CWSRF Principal Forgiveness. The Town is recommended for addition funding through with ASADRA funds as described above.
- The City of New Bern is eligible to receive funds from the Green Project Reserve. Their project was the only application for the Green Project Reserve this funding round.
- Charlotte Water is not recommended to be awarded additional funding, as they have \$98,636,219 in existing debt (owed or committed). Charlotte Water has several smaller projects under construction, and the remaining cap space allows some flexibility for budget increases.
- Johnston County is recommended to be awarded the balance of CWSRF loan funds. They are also recommended to be approved to receive additional funding up to the \$30M cap if Spring or Fall 2020 projects decline their funding.

**Table F-1. Merger/Regionalization Feasibility (MRF) Grant Applications – Example Funding Scenario**

<b>Proj. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential Grant Amount</b>
1	McAdenville, Town of	McAdenville and Gastonia/Two Rivers Utilities Sewer MRF	\$50,000	\$50,000
2	St. Pauls, Town of	St. Pauls, Parkton, Robeson Co. Wastewater MRF	\$50,000	\$50,000
3	White Lake, Town of	White Lake/Elizabethtown Wastewater Treatment MRF	\$50,000	\$50,000
4	Broadway, Town of	Broadway and Sanford Regional Water MRF	\$50,000	\$50,000
5	McAdenville, Town of	McAdenville and Gastonia/Two Rivers Utilities Water MRF	\$50,000	\$50,000
6	Broadway, Town of	Broadway and Sanford Regional Wastewater MRF	\$50,000	\$50,000
7	Benson, Town of	Benson and Dunn Wastewater MRF	\$50,000	\$50,000
8	Dunn, City of	Dunn, Benson, Eastover SD Water MRF	\$50,000	\$50,000
9	Murphy, Town of	Andrews and Murphy Regional Wastewater Sludge MRF	\$50,000	\$50,000
10	Rose Hill, Town of	Regional Wastewater Alternatives MRF	\$50,000	\$50,000
<b>Totals for MRF Grants</b>			<b>\$500,000</b>	<b>\$500,000</b>

**Table F-2. Asset Inventory and Assessment (AIA) Grant Applications – Example Funding Scenario**

<b>Proj. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential Grant Amount</b>
1	Sharpsburg, Town of	Sewer Asset Inventory & Assessment	\$150,000	\$150,000
2	Rockingham County	AIA Program - Water System	\$150,000	\$150,000
3	Yadkin Valley SA	2021 Collection System I/I Assessment Project	\$150,000	\$150,000
4	Kinston, City of	2020 Wastewater Asset Management Plan	\$150,000	\$150,000
5	Archdale, City of	AIA - Archdale Sewer	\$135,000	\$135,000
6	Saluda, City of	Water AIA Project	\$150,000	\$150,000
7	Saluda, City of	Sewer AIA Project	\$150,000	\$150,000
8	Chocowinity, Town of	Water System Asset Inventory Assessment	\$150,000	\$150,000
9	Selma, Town of	Sewer AIA	\$150,000	\$150,000
10	Sharpsburg, Town of	Water Asset Inventory & Assessment	\$150,000	\$150,000
11	Maysville, Town of	2020 Water System AIA Project	\$150,000	\$150,000
12	Liberty, Town of	Sewer AIA Project	\$150,000	\$150,000
13	Roseboro, Town of	Town of Roseboro Water System Asset Inventory & Assessment Grant	\$150,000	\$150,000
14	Red Springs, Town of	Water AIA	\$150,000	\$150,000
15	Troutman, Town of	Sewer Collection System Inventory and Assessment Project	\$150,000	\$150,000
16	Kenly, Town of	Sewer AIA	\$150,000	\$150,000
17	Mayodan, Town of	AIA - Wastewater System	\$140,000	\$140,000
18	Nash County	CNWSW Wastewater AIA	\$150,000	\$150,000
20	Nash County	Dortches/NNWS Drinking Water Study	\$150,000	\$150,000
21	Smithfield, Town of	Wastewater Asset Inventory and Assessment	\$150,000	\$150,000
22	Spindale, Town of	Wastewater Pipe Condition Assessment Program	\$150,000	\$150,000
23	Hot Springs, Town of	Sewer System AIA	\$150,000	\$150,000
24	Bryson City, Town of	Sewer AIA	\$55,000	\$55,000
25	Bryson City, Town of	Water AIA	\$65,000	\$65,000
26	Scotland Neck, Town of	Water Asset Inventory & Assessment	\$150,000	\$150,000

<b>Table F-2. Asset Inventory and Assessment (AIA) Grant 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 Grant Amount</b>
27	Kenly, Town of	Water AIA	\$150,000	\$150,000
28	Halifax County	Wastewater System Asset Inventory and Assessment	\$150,000	\$150,000
29	Fairmont, Town of	AIA and Water Loss Project	\$150,000	\$150,000
30	Sparta, Town of	Sewer System AIA	\$150,000	\$150,000
31	Sparta, Town of	Water System AIA	\$130,000	\$130,000
32	Lumberton, City of	Water System Asset Inventory and Assessment	\$150,000	\$150,000
<b>Totals for AIA Grants</b>			<b>\$4,425,000</b>	<b>\$4,425,000</b>

<b>Table F-3. Drinking Water ASADRA 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 ASADRA Principal Forgiveness Amount</b>	<b>Potential ASADRA Loan Amount</b>
1	Lumberton, City of	2020 Well Replacement	\$2,316,900	\$2,316,900	
3	Dunn, City of	Raw Water Electrical Relocation and 24" Line Replacement	\$3,515,000	\$878,750	\$2,636,250
4	Surf City, Town of	Water System Resiliency Projects	\$2,805,000	\$701,250	\$2,103,750
5	Johnston County	2022 AC Water Main Replacement	\$5,242,800	\$0	\$5,242,800
6	Reidsville, City of	Redundant Water Supply Line	\$4,654,000	\$1,000,000	\$3,654,000
7	Elm City, Town of	Water Filtration and Emergency Backup Generation	\$1,989,086	\$497,272	\$1,491,815
8	Lincoln County	St. James Water Line	\$3,070,581	\$0	\$3,070,581
<b>Totals for ASADRA Drinking Water Projects</b>				<b>\$5,394,172</b>	<b>\$18,199,195</b>
				<b>\$23,593,367</b>	

**Table F-4a. Drinking Water SRF Applications – Example Funding Scenario**

<b>Proj No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential SRP Grant Amount</b>	<b>Potential SRP Loan Amount</b>	<b>Potential SRF Principal Forgiveness Amount</b>	<b>Potential SRF Loan Amount</b>
1	Brunswick County	2020 City of Navassa Water Distribution System Rehabilitation	\$2,218,967			\$2,218,967	
2	Davie County Public Utilities	Water Supply Improvements Project	\$28,050,000	\$1,123,807		\$2,000,000	\$18,000,000
4	Oxford, City of	Kerr Lake Regional Water Treatment Plant Upgrades	\$6,000,000			\$500,000	\$5,500,000
6	Winston-Salem, City of	Neilson WTP Modernization	\$41,870,000				\$20,000,000
8	Cleveland County Water	Flocculation and Sedimentation Improvements	\$2,750,000				\$2,750,000
10	Rocky Point Topsail Water and Sewer District	RO Water Treatment Plant and Associated Improvements	\$66,870,000				\$3,750,000
<b>Totals for Drinking Water Projects</b>				<b>\$1,123,807</b>	<b>\$0</b>	<b>\$4,718,967</b>	<b>\$50,000,000</b>
				<b>\$1,123,807</b>		<b>\$54,718,967</b>	

**Table F-4b. Drinking Water SRF Applications with City of Henderson Request – Example Funding**

<b>Proj No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential SRP Grant Amount</b>	<b>Potential SRP Loan Amount</b>	<b>Potential SRF Principal Forgiveness Amount</b>	<b>Potential SRF Loan Amount</b>
NA	City of Henderson	Kerr Lake Regional Water System (KLRWS)	\$11,107,000				\$11,107,000
7	Winston-Salem, City of	Neilson WTP Modernization	\$41,870,000				<del>\$20,000,000</del> \$15,393,000
8	Cleveland County Water	Flocculation and Sedimentation Improvements	\$2,750,000				<del>\$2,750,000</del> \$0
10	Rocky Point Topsail Water and Sewer District	RO Water Treatment Plant and Associated Improvements	\$66,870,000				<del>\$3,750,000</del> \$0

**Table F-5. Wastewater ASADRA Applications – Example Funding Scenario**

<b>Proj No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential ASADRA Principal Forgiveness Amount</b>	<b>Potential ASADRA Loan Amount</b>
1	Clinton, City of	Clinton WWTP Resiliency Improvements	\$3,000,000	\$3,000,000	
2	St. Pauls, Town of	Wastewater Treatment Plant Relocation	\$6,093,450	\$2,700,000	\$2,893,450 <sup>1</sup>
16	Southern Pines, Town of	Warrior Woods Pump Station Relocation	\$2,998,000		2,998,000
18	Sparta, Town of	Wastewater Interceptor Project	\$1,268,000		1,268,000
29	Goldsboro, City of	Little Cherry Big Cherry Pump Station Relocation Out of Floodplain	\$3,058,000		\$3,058,000
32	Eden, City of	Contracts IIB and V - Junction Pump Station Rehab & Smith River Replacement and Rehab and Siphon Replacement	\$7,158,982		\$5,042,373 <sup>2</sup>
<b>Totals for ASADRA Drinking Water Projects</b>				<b>\$5,700,000</b>	<b>\$15,259,823</b>
				<b>\$20,959,823</b>	

<sup>1</sup>St. Pauls recommended to be fully funded with SRF PF.

<sup>2</sup>City of Eden to be funded with remaining ASADRA funds. Recommended to be fully funded with SRF loan.



**Table F-6. Wastewater Project Applications – Example Funding Scenario**

<b>Proj No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential SRP Grant Amount</b>	<b>Potential SRP Loan Amount</b>	<b>Green Project Reserve</b>	<b>Potential SRF Principal Forgiveness Amount</b>	<b>Potential SRF Loan Amount</b>
1	Brunswick County	2020 City of Navasa WW Collection System Rehabilitation	\$2,852,818	\$2,852,818				
2	Yadkin Valley Sewer Authority	High Priority Collection System Rehab Project	\$1,762,000	\$1,762,000			\$500,000	
3	Stanly County	Richfield Sewer System Improvement	\$1,215,200	\$911,400	\$303,800			
5	Woodland, Town of	Peachtree/Chestnut Sewer Replacement	\$1,096,150	\$177,000			\$500,000	\$419,150
7	St. Pauls, Town of	Wastewater Treatment Plant Relocation	\$6,093,450				\$500,000 <sup>1</sup>	
10	Selma, Town of	Brack Wilson Pump Station Relocation and System Improvements	\$3,015,000				\$500,000	\$2,515,000
17	Murfreesboro, Town of	Carver Park Lift Station Replacement/Relocation	\$537,003				\$500,000	\$37,003
19	Macclesfield, Town of	2020 WWTP Facilities Relocation	\$3,250,000				\$500,000	\$2,750,000
20	Kinston, City of	Briery Run Sewer Phase V Sewer Project	\$2,905,630				\$500,000	\$2,405,630
21	Spindale, Town of	Oak Street Pump Station Rehabilitation	\$2,000,000		\$2,000,000			
24	Albemarle, City of	Long Creek WTP Treatment Process Rehab	\$16,453,200				\$500,000	\$15,953,200
25	Sanford, City of	Little Buffalo Creek Rehabilitation	\$3,845,000				\$500,000	\$3,345,000

**Table F-6. Wastewater Project Applications – Example Funding Scenario**

<b>Proj No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential SRP Grant Amount</b>	<b>Potential SRP Loan Amount</b>	<b>Green Project Reserve</b>	<b>Potential SRF Principal Forgiveness Amount</b>	<b>Potential SRF Loan Amount</b>
26	New Bern, City of	Duffyfield Stormwater Enhancement Project	\$855,000			\$855,000		
30	Wallace, Town of	Wallace Gravity Sewer Rehab - phase II	\$1,520,720		\$1,520,720			
31	Eden, City of	Contracts IIB and V - Junction Pump Station Rehab & Smith River Replacement and Rehab and Siphon Replacement	\$7,158,982					\$2,116,609 <sup>2</sup>
33	Taylorsville, Town of	2021 Wastewater Treatment Plant Improvements Project	\$781,500		\$781,500			
34	Washington, City of	Pump Station Flood Protection & Sewer Rehab	\$2,500,000		\$2,500,000			
36	Yadkin Valley Sewer Authority	2020 Collection System Rehab - Part II	\$310,500		\$310,500			
37	Henderson, City of	Sandy Creek Basin Sewer Rehabilitation	\$2,542,553		\$2,542,553			
42	Maysville, Town of	Wastewater Treatment Upgrades	\$242,928		\$242,928			
46	Hendersonville, City of	Mud Creek Interceptor	\$8,627,000					\$8,627,000
53	Cape Fear Public Utility Authority	Rehabilitation and Replacement of Gravity Sewer in Downtown Wilmington Area	\$4,590,308					\$4,590,308
57	Maggie Valley, Town of	WWTP Levee Repair	\$253,000		\$253,000			
58	Clayton, Town of	Neuse River Water Reclamation Facility (CS370431-07)	\$138,750,000					\$30,000,000

**Table F-6. Wastewater Project Applications – Example Funding Scenario**

Proj No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential SRP Grant Amount	Potential SRP Loan Amount	Green Project Reserve	Potential SRF Principal Forgiveness Amount	Potential SRF Loan Amount
59	Taylorsville, Town of	2021 Collection System Improvements Project	\$400,000		\$400,000			
60	Beech Mountain, Town of	2022 Sewer Main Improvement Project	\$2,870,000		\$2,870,000			
61	Hickory, City of	Henry Forks WWTF Solids Handling Facilities Upgrade	\$30,000,000					\$30,000,000
62	Valdese, Town of	Cline Avenue Basin and Pump Station Upgrades	\$1,176,000		\$1,176,000			
63	Fayetteville PWC	Big Rockfish Creek Sanitary Sewer Outfall	\$10,025,890					\$10,025,890
64	Lincoln County	Sewer Pump Station #15 Rehabilitation	\$803,662		\$803,662			
65	Surf City, Town of	WWTP resiliency improvements	\$2,370,553		\$2,370,553			
66	Benson, Town of	2020 Wastewater System Improvements	\$3,533,000					\$3,533,000
67	Asheboro, City of	Sanitary Sewer Lift Station No. 3 Improvements	\$2,705,240		\$2,705,240			
68	Wallace, Town of	Sewer Collection System Expansion	\$4,791,517					\$4,791,517
70	Johnston County	WWTF 4 MGD Expansion (CS370560-18)	\$84,000,000					\$24,320,000
71	Trinity, City of	Wastewater Regionalization Project	\$1,354,000		\$1,354,000			
<b>Totals for Wastewater Projects</b>				<b>\$5,703,218</b>	<b>\$22,134,456</b>	<b>\$855,000</b>	<b>\$4,000,000</b>	<b>\$145,429,307</b>
				<b>\$27,837,674</b>			<b>\$150,284,307</b>	

<sup>1</sup>St. Pauls recommended to be fully funded with ASADRA and SRF funds.

<sup>2</sup>Eden recommended to be fully funded with SRF and ASADRA funds.

Other Funding Scenarios

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