

**North Carolina
Clean Water State Revolving Fund
Intended Use Plan
Fiscal Year 2018
Amended August 2018**

Division of Water Infrastructure

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I. Introduction

The Division of Water Infrastructure (Division) is part of the North Carolina Department of Environmental Quality (NCDEQ). The Division administers financial assistance programs to assist local government units (LGUs) in constructing projects that both benefit water quality and improve the human environment.

In 2013 the North Carolina General Assembly created the State Water Infrastructure Authority (Authority) to determine the eligibility of projects for certain water infrastructure funding programs, including the Clean Water State Revolving Fund (CWSRF), consistent with federal law. The priorities reflected in this document have been approved by the Authority.

Specific to this document, the Division administers the federal-state CWSRF program as established by Title VI of the Federal Water Pollution Control Act (a.k.a. Clean Water Act) as amended in 1987. The CWSRF program offers loans to LGUs at interest rates lower than market rates for clean water infrastructure. As a LGU repays the loan, the monies are again loaned out, hence the revolving nature of the program. All loan repayments must go back into the CWSRF. The Intended Use Plan (IUP) serves to explain how the capitalization grant will be used and the CWSRF will operate.

The IUP is incorporated into the capitalization grant agreement and becomes the grant work plan. Combined, the operating agreement, grant agreement, IUP, Clean Water Act, Code of Federal Regulations, and state statutes set the program requirements for the CWSRF. The IUP identifies anticipated projects scheduled for loan commitments from the CWSRF. It also explains how the CWSRF will utilize a priority rating system to identify those projects that will address the greatest need and/or provide the greatest positive environmental impact on the water resources in North Carolina.

II. Financial History

Congress appropriates an overall CWSRF funding level that is allocated to states based on percentages in the Clean Water Act. This allocation has not been updated since the 1987 amendments that established the CWSRF. The North Carolina allocation is approximately 1.8% of the national appropriation. Capitalization grants, including the required State match, have provided \$929,292,233 for investment in the CWSRF since the inception of the program. However, since the CWSRF is a revolving program, these government funds have enabled \$1,917,906,999 in loan commitments through June 30, 2017. This is due to loan repayments being loaned again, thereby providing public benefits repeatedly through time. While providing substantial support, this infrastructure financing has only met a small percentage of the clean water infrastructure need for LGUs in North Carolina. However, if capitalization grants continue (or are increased), the program will better be able to meet infrastructure financing needs for LGUs.

III. Programmatic Goals

Pursuant to the Clean Water Act, the State must identify the goals and objectives of its water pollution control revolving fund (i.e., the CWSRF). The State has the following goals for its CWSRF program:

A. Overall CWSRF Program Goal

Provide funding for clean water infrastructure while advancing the NCDEQ's mission to protect and enhance North Carolina's surface waters and groundwater resources for the citizens of North Carolina and future generations.

B. Short-Term Goals

Goal #1: Continue efforts to streamline the funding process to ensure the funds are used in an expeditious and timely manner in accordance with Sec. 602(b)(4) of the Clean Water Act.

Goal #2: Increase efforts to inform local government units of the availability of funds, benefits of the CWSRF program, and funding process improvements.

C. Long -Term Goals

Goal #1: Provide effective project management to improve the pace of the revolving fund so that more assistance can be provided over time.

Goal #2: Aid compliance with state and federal water quality standards by all funded publicly-owned wastewater treatment works.

Goal #3: Ensure the technical integrity of CWSRF projects through diligent and effective planning, design, and construction management.

Goal #4: Ensure the long-term viability of the CWSRF program through effective financial practices.

Goal #5: Ensure the priority system reflects the NCDEQ's and the Authority's goals.

IV. Information on Activities to be Supported

North Carolina's program will continue to be one of low-interest loans, supplemented with principal forgiveness as allowed by Section 603(i)(3) of the Clean Water Act. The program also has a green project reserve of not less than 10% of the capitalization grant as required by federal appropriation statutes. The State intends to access 4% of the capitalization grant for the administrative costs associated with running the program. These costs include application review, engineering report and environmental document review, design review, loan processing, construction inspection, and repayment processing and accounting for funded projects. The following table provides a summary of the projected funds available as a result of the Federal capitalization grant:

Sources and Uses For the Life of the Program

Historic Sources and Uses											
(From CWNIMS)											
FY	Revenues			Expenditures			Net For FY	Cumulative Net			
	Title VI Cap	State Match	Repayments Principle	Repayments Interest	Interest Earned	Project Disbursements			4% Admin		
1989	\$ 22,677,869	\$ 4,535,574						\$ 27,213,443	\$ 27,213,443		
1990	\$ 33,020,181	\$ 6,604,036				\$ 832,959	\$ 201,999	\$ 38,589,259	\$ 65,802,702		
1991	\$ 39,039,068	\$ 7,807,814	\$ 93,098	\$ 26,095		\$ 2,325,135	\$ 428,363	\$ 44,212,577	\$ 110,015,279		
1992	\$ 35,066,790	\$ 7,013,358	\$ 96,512	\$ 57,455	\$ 2,604	\$ 16,935,791	\$ 631,067	\$ 24,669,861	\$ 134,685,140		
1993	\$ 34,688,907	\$ 6,937,781	\$ 312,847	\$ 279,547	\$ 25,906	\$ 53,307,895	\$ 735,053	\$ (11,797,960)	\$ 122,887,180		
1994	\$ 21,523,986	\$ 4,304,797	\$ 2,031,416	\$ 1,149,187	\$ 82,487	\$ 36,500,242	\$ 815,408	\$ (8,223,777)	\$ 114,663,403		
1995	\$ 22,229,658	\$ 4,445,931	\$ 4,751,663	\$ 3,481,087	\$ 334,091	\$ 41,628,927	\$ 1,078,750	\$ (7,465,247)	\$ 107,198,156		
1996	\$ 36,412,875	\$ 7,282,573	\$ 6,640,508	\$ 4,687,320	\$ 953,958	\$ 33,089,280	\$ 1,428,751	\$ 21,459,203	\$ 128,657,359		
1997	\$ 11,247,984	\$ 2,249,596	\$ 10,694,842	\$ 6,122,694	\$ 1,762,067	\$ 35,858,322	\$ 1,772,360	\$ (5,553,499)	\$ 123,103,860		
1998	\$ 24,302,619	\$ 4,860,523	\$ 12,266,033	\$ 5,877,291	\$ 2,861,611	\$ 32,646,756	\$ 1,667,740	\$ 15,853,581	\$ 138,957,441		
1999	\$ 24,304,599	\$ 4,860,919	\$ 15,416,998	\$ 7,474,609	\$ 3,951,306	\$ 19,434,231	\$ 1,609,647	\$ 34,964,553	\$ 173,921,994		
2000	\$ 24,222,231	\$ 4,844,446	\$ 16,091,644	\$ 6,976,287	\$ 5,062,731	\$ 43,995,537	\$ 1,549,377	\$ 11,652,425	\$ 185,574,419		
2001	\$ 24,006,906	\$ 4,801,381	\$ 17,073,660	\$ 7,133,702	\$ 5,323,531	\$ 52,275,405	\$ 1,601,947	\$ 4,461,828	\$ 190,036,247		
2002	\$ 24,060,366	\$ 4,812,073	\$ 20,133,928	\$ 8,759,606	\$ 5,219,200	\$ 60,898,838	\$ 1,464,268	\$ 622,067	\$ 190,658,314		
2003	\$ 23,903,946	\$ 4,780,789	\$ 21,082,695	\$ 9,061,238	\$ 5,391,271	\$ 49,986,344	\$ 1,363,979	\$ 12,869,616	\$ 203,527,930		
2004	\$ 23,918,400	\$ 4,783,680	\$ 24,881,118	\$ 10,516,594	\$ 4,735,840	\$ 40,675,883	\$ 1,373,264	\$ 26,786,485	\$ 230,314,415		
2005	\$ 19,447,857	\$ 3,889,571	\$ 25,576,460	\$ 10,343,438	\$ 4,811,322	\$ 67,022,666	\$ 1,774,524	\$ (4,728,542)	\$ 225,585,873		
2006	\$ 15,804,261	\$ 3,160,852	\$ 27,163,010	\$ 10,053,528	\$ 5,552,843	\$ 65,232,990	\$ 1,813,433	\$ (5,311,929)	\$ 220,273,944		
2007	\$ 19,316,385	\$ 3,863,277	\$ 31,235,426	\$ 11,983,058	\$ 6,959,845	\$ 89,612,981	\$ 1,950,049	\$ (18,205,039)	\$ 202,068,905		
2008	\$ 12,281,247	\$ 2,456,249	\$ 35,248,991	\$ 12,528,511	\$ 8,866,941	\$ 39,030,703	\$ 1,981,175	\$ 30,370,061	\$ 232,438,966		
2009	\$ 12,281,148	\$ 2,456,230	\$ 36,715,791	\$ 12,213,960	\$ 9,365,937	\$ 62,821,405	\$ 1,880,879	\$ 8,330,782	\$ 240,769,748		
2009 ARR	\$ 70,729,100										
2010	\$ 36,773,000	\$ 7,354,600	\$ 40,793,762	\$ 13,011,181	\$ 3,737,429	\$ 89,278,230	\$ 2,829,164	\$ 9,562,578	\$ 250,332,326		
2011	\$ 26,650,000	\$ 5,330,000	\$ 44,499,092	\$ 13,343,726	\$ 2,544,846	\$ 75,822,573	\$ 1,225,767	\$ 15,319,324	\$ 265,651,650		
2012	\$ 25,507,000	\$ 5,101,400	\$ 50,747,102	\$ 13,961,676	\$ 1,997,212	\$ 92,326,265	\$ -	\$ 4,988,125	\$ 270,639,775		
2013	\$ 24,096,000	\$ 4,819,200	\$ 57,103,194	\$ 12,641,174	\$ 1,131,131	\$ 111,420,255	\$ 2,189,477	\$ (13,819,033)	\$ 256,820,742		
2014	\$ 25,304,000	\$ 5,060,800	\$ 52,085,979	\$ 14,244,396	\$ 1,031,247	\$ 96,624,370	\$ 1,502,219	\$ (400,167)	\$ 256,420,575		
2015	\$ 25,175,000	\$ 5,035,000	\$ 54,433,833	\$ 14,793,448	\$ 2,107,019	\$ 125,900,815	\$ 1,494,060	\$ (25,850,575)	\$ 230,570,000		
2016	\$ 24,113,000	\$ 4,822,600	\$ 66,280,242	\$ 15,049,112	\$ 591,974	\$ 102,943,029	\$ 1,007,000	\$ 6,906,899	\$ 237,476,899		
2017	\$ 23,928,000	\$ 4,785,600	\$ 63,243,272	\$ 14,019,493	\$ 6,144,737	\$ 110,022,818	\$ 964,520	\$ 1,133,764	\$ 238,610,663		
Totals	\$ 786,032,383	\$ 143,060,650	\$ 736,693,116	\$ 239,789,413	\$ 90,549,086	\$ 1,648,450,645	\$ 38,334,240	\$ 238,610,663			
Projected Sources and Uses for FY 2018						(Based on Availability Model)					
	\$ 28,967,000	\$ 5,793,560	\$ 69,500,000	\$ 15,000,000	\$ 1,000,000	\$ 160,000,000	\$ 1,007,000	\$ (40,746,440)			
								\$ 197,864,223			
Projected Uses for Active Projects beyond FY 2018											
(Does not take into account future funding rounds or revenues which cover the negative)								\$ 274,000,000	\$ (274,000,000)		
								\$ (76,135,777)			

V. Criteria and Methods for Distributing Funds

A. Project List and Prioritization

The Intended Use Plan Project List may be supplemented or replaced based on applications received as a part of future funding cycles (see B., below). The State's priority rating criteria for categorizing and ranking projects for construction loans will be based on the Integrated Priority Rating System.

The prioritization system considers four elements of a project: (1) project purpose, (2) project benefit, (3) system management, and (4) affordability.

For project purpose, the Division places higher priority on projects that will resolve issues associated with failed infrastructure or will rehabilitate or replace infrastructure. Projects that reduce nonpoint source pollution (e.g., stormwater best management practices) are also prioritized.

In terms of project benefits, the Division seeks to prioritize projects where replacement, repair, or merger will provide an environmental benefit. For example, the Division more highly prioritizes projects that benefit impaired water and/or replaces failing septic tanks. Additionally, projects that have a benefit of a system merger are highly prioritized by the Division.

In addition to correcting water quality issues, the Division desires to support those Local Government Units (LGUs) that seek to be proactive in their system management, including prioritization points for having implemented asset management plans and appropriate operating ratios.

The Division also takes into account the ability of the LGUs to afford projects. For example, those LGUs who have a high poverty rate, high utility bills, lower population growth, lower median household incomes, and higher unemployment receive higher priority.

The State Water Infrastructure Authority may adjust the rank of any application based on the Authority's analysis of a proposed project's value that is consistent with, but not evident in, the priority criteria system, provided it is consistent with federal law.

B. Application and Project Deadlines

The CWSRF program operates on a priority basis and accepts funding applications semi-annually. Projects are allocated funding in priority order (as noted above) until available funds are exhausted and within special reserve requirements (e.g., Green Project Reserve, Principal Forgiveness Reserve, etc. as described herein). Funding availability is determined based on the 2018 capitalization grant and projected recycled funds. Results will be posted on the program's web site. Project funding is contingent on adherence to the schedule below in accordance with § 159G-41 (**times listed are measured from Letter of Intent to Fund except as noted otherwise**):

1. Funding application and supporting information must be received by the application deadline to be considered for any given funding cycle.
2. Approximately four months after the application deadline, and after the Authority provides final project rank eligibilities, the CWSRF program will issue Letters of Intent to Fund based on the projects' prioritization and the amount of funds being made available in the cycle.
3. Within four months of the issuance of the Letter of Intent to Fund, a complete Engineering Report / Environmental Information Document must be submitted to the CWSRF program.
4. Within nine months, the Engineering Report / Environmental Information Document must be approved.
5. Within 15 months, complete plans and specifications must be submitted with copies of all required permits, encroachments, etc., or evidence that applications for remaining required permits have been submitted to the respective permitting agency.
6. Within 19 months, the plans/specifications and all required permits must be approved/issued.
7. Within 23 months, the following events/items must be completed/received:
 - a. Advertisement of the project for bids
 - b. Receipt of bids
 - c. Submission of bid information to CWSRF staff
 - d. Obtainment of the CWSRF program's Authority to Award construction contracts.
8. Within 24 months, construction contracts must be executed.

Notes:

- 1) **The milestones in the timeline above are absolute for all projects in a particular cycle and will not be extended except based upon a demonstrated need for extension by the LGU. Projects may be able to meet these milestones ahead of schedule. However, in the event that any milestone noted above is not met, work by the CWSRF staff may be suspended and all documents returned to the Applicant until the proposed project is resubmitted for consideration during a future cycle.**
- 2) **If an Applicant desires CWSRF funding and the Applicant's project requires an Environmental Impact Statement (EIS), Division staff will manage the environmental review process. However, a funding application for the project will not be accepted in any funding cycle until a draft EIS has been sent to the State Clearinghouse (SCH). In the event that a fundable project is in process and the environmental review completed within the timeline results in the conclusion that an EIS is required, then the milestone deadlines for the project will be suspended until a draft EIS has been sent to the SCH. After the draft EIS is sent to the SCH, the project must adhere to the same time frames specified above.**

C. Detailed Loan and Project Funding Criteria

1. General:
 - a. To be eligible for CWSRF funding, a project must be on the Intended Use Plan Project List.

- b. Funding can be provided for any eligible projects as provided for in the Clean Water Act and NCGS 159G, including wastewater treatment facilities, collection systems, stream restorations, stormwater BMPs, etc. that improve water quality.
 - c. Funding will be provided in priority order based on project score and Authority Determination and the amount of funds made available in a particular cycle with consideration of reserves detailed below. Projects cannot be substantively changed once funding is allocated.
 - d. Maximum CWSRF loan amount will be established at \$30 million per applicant for each funding round.
 - e. Maximum CWSRF loan availability per applicant is not more than \$100,000,000 in outstanding debt to the CWSRF program.
 - f. Notwithstanding the above limits in Items V.C.1.d. and V.C.1.e., if availability of funds exceeds project demand, these limits may be exceeded to ensure all available funds are utilized. Exceeding the maximum provided in Item V.C.1.d. will be considered prior to Item V.C.1.e.
 - g. A project may be funded with 0% interest if the project receives project purpose points and is eligible for principal forgiveness as described in V.C.2.b below.
2. Principal Forgiveness:
- a. Based on the current proposed appropriation, 10% of the federal capitalization grant will be used to provide additional subsidization in the form of principal forgiveness to disadvantaged communities.
 - b. Principal forgiveness will be limited to those projects that received project purpose points when the applicant has less than 20,000 residential wastewater connections, at least three (3) of five (5) LGU indicators worse than the state benchmark, an operating ratio (future) of less than 1.3, utility rates greater than the state median, and/or project cost per connection greater than \$1,150 per connection. Principal forgiveness amounts are limited to \$500,000 maximum per applicant per round. Principal forgiveness percentages will follow the affordability criteria grant percentage matrix found in Appendix E and will range from 25% to 100% in increments of 25% with a 0% interest rate applied to the remaining portion of the loan.
 - c. Principal forgiveness is not available for green projects.
 - d. Notwithstanding the above limits in Items V.C.2.b., if availability of funds exceeds project demand, these limits may be exceeded to ensure all available funds are utilized.

3. Green Projects:
 - a. Not less than 10% of the 2018 federal capitalization grant appropriations will be provided for green projects, provided there are sufficient applications to utilize this reserve. Funding may bypass a higher priority project to satisfy the Green Project Reserve. Any such bypassing will be shown in the Intended Use Plan Project Priority List. If sufficient applications are not received to utilize this reserve after two cycles of funding applications, funds may be utilized for non-green projects. However, the state will continue to conduct outreach to promote green project funding opportunities. Green projects funded through the Green Project Reserve will receive 0% interest loans.
 - b. Notwithstanding the above paragraph, the State will offer 0% interest to green projects beyond the requirements of the capitalization grant consistent with the priority rating system.
 - c. Principal forgiveness is not available for green projects.
4. Miscellaneous Criteria/Provisions:
 - a. Davis-Bacon prevailing wage rates apply to all loans as required by grant agreements/conditions.
 - b. American Iron and Steel provisions will apply to all loans as required by Federal mandates.
 - c. Brooks Act requirements will be applied to projects in a dollar amount equal to or exceeding the capitalization grant.
 - d. The CWSRF loan interest rate is based on $\frac{1}{2}$ of The Bond Buyer's 20-Bond Index except as specifically allowed herein. The maximum interest rate for each loan will be set at the time of application with a lower interest rate, if available, set at the time of the award offer.
 - e. Approval of a CWSRF loan is contingent on approval by the Local Government Commission (LGC).
 - f. CWSRF loan terms are set by the LGC.
 - g. The maximum CWSRF loan term is determined by State statute and federal requirements.
 - h. A 2% loan fee is required. The loan fee cannot be financed by the CWSRF fund.
 - i. Loan repayments are due in May (principal and interest) and November (interest only) of each year.
 - j. Interest begins accruing on date of completion in the Notice to Proceed.
 - k. The first loan repayment is due no sooner than six months after the completion date as established in the Notice to Proceed.

VI. Programmatic Conditions

A. Assurances and Specific Proposals

Pursuant to Section 606(c)(4) of the Clean Water Act, the State of North Carolina certifies that:

1. The State will enter into binding commitments for 120% of the amount of each payment received under the capitalization grant within one year after receipt of each payment.
2. The State will expend all funds in the CWSRF in an expeditious and timely manner.
3. The State will conduct environmental reviews of treatment works projects according to procedures set forth in its Operating Agreement between the State and US Environmental Protection Agency.

B. Federal Requirements

1. The State will ensure that all federal requirements are met as noted in the CWSRF Operating Agreement between the State and US Environmental Protection Agency and the Grant Agreement, including Single Audit, Disadvantaged Business Enterprise compliance, federal environmental crosscutters, and Federal Funding Accountability and Transparency Act (FFATA) reporting requirements.
2. The State will enter all required reporting information into respective federal databases including FFATA, CWSRF National Information Management System (NIMS), and the CWSRF Benefits Reporting (CBR) system.
3. The State will ensure that all applicants to the CWSRF program certify that they meet the fiscal sustainability planning requirements. Such certifications will be received by the time of loan offer.

C. Transfer between CWSRF and Drinking Water State Revolving Fund

Transfer of funds between the CWSRF and the Drinking Water State Revolving Fund are authorized by federal statutes. This IUP does not propose any such transfer of funds. However, the Division reserves the ability to make transfers in managing cash flow. If such transfer takes place, a subsequent transfer will be made by transferring that amount back from the receiving fund to the providing fund (i.e., no permanent transfers) as soon as possible.

VII. Public Review and Comment

On February 1, 2018 the IUP, State's Project List, and Integrated Priority Rating System were published on the program's web site and direct solicitation was made seeking comments on the documents. A public meeting was conducted on February 13, 2018. *No comments were received as a result of this public comment period.* Between May 29, 2018 and June 26, 2018, Division staff sought comment related to the proposed changes to the project priority rating system and principal forgiveness qualifications for the CWSRF as part of the Authority's public involvement process related to funding program priority rating systems. The Authority determined that no additional modification to the CWSRF project priority rating system

beyond the changes shown in Appendix C were necessary. Additionally, it determined that no additional modification to principal forgiveness qualifications was necessary.

VIII. Budget and Project Periods

- A. The budget and project periods being requested for the capitalization grants is shown in Appendix B and on EPA Form SF 424.
- B. The anticipated cash draw ratio will be 100% State and, after all state matching funds are withdrawn, 100% Federal for disbursements made from the capitalization grant. Alternatively, the State may elect a cash draw ratio of 83.3% Federal and 16.7% State for all withdrawals.
- C. The source of State match funds are from appropriations and supplemented by loan fees as needed. State match funds will be deposited into the CWSRF before drawing any federal funds.
- D. Loan fees (2% of loan) on loans from the grant and fees from loans from repayment funds will be deposited into separate account centers. Fees will be used to administer the program. In addition, fees considered non-program income will also be used for other water quality purposes within the Divisions of Water Resources and Water Infrastructure, including funding for positions.

Appendix A

Intended Use Plan Project List

North Carolina Clean Water State Revolving Fund State Project List

Applicant Name	Project Name	County	Total Funding Request	Potential Principal Forgiveness	Potential Loan Amount	Priority Points	Estimated Binding Commitment
St. Pauls, Town of	Wastewater Collection System Rehabilitation	Robeson	\$1,603,380	\$500,000	\$1,103,380	70	7/1/18
Plymouth, Town of	Wastewater Treatment Plant Rehabilitation and Improvements	Washington	\$2,042,500	\$500,000	\$1,542,500	54	7/1/18
Burke County	Eckard Creek Pump Station Rehabilitation	Burke	\$1,666,680	\$500,000	\$1,166,680	54	7/1/18
Pilot Mountain, Town of	Sunset Sewer Subbasin Rehabilitation Project	Surry	\$2,503,992	\$500,000	\$2,003,992	54	7/1/18
Thomasville, City of	Hank's Branch Sanitary Sewer Rehabilitation, Phase I	Davidson	\$1,150,000		\$1,150,000	46	7/1/18
Warsaw, Town of	2017 Sanitary Sewer Improvements	Duplin	\$4,000,000		\$4,000,000	32	7/1/18
Fayetteville Public Works Commission	Rockfish Creek Basin Peak Flow Facilities	Cumberland	\$17,912,000		\$17,912,000	29	7/1/18
Charlotte Water, City of Charlotte	McAlpine Creek WWMF Clarifier and Aeration Rehabilitation Project	Mecklenburg	\$69,539,000		\$30,000,000	26	7/1/18
Johnston County	WWTP 4 MGD Expansion	Johnston	\$9,150,000		\$9,150,000	16	7/1/18
Forsyth County	Idols Road Regional Pump Station	Forsyth	\$4,473,300		\$4,473,300	6	7/1/18

Applicant Name	Project Name	County	Total Funding Request	Potential Principal Forgiveness	Potential Loan Amount	Priority Points	Estimated Binding Commitment
Farmville, Town of	Basin 5 North Sanitary Sewer Improvements	Pitt	\$1,512,000				
Farmville, Town of	Basin 5 South Sanitary Sewer Improvements	Pitt	\$1,102,000				
Yadkin Valley Sewer Authority	2018 Collection System Rehabilitation Project	Surry	\$1,615,774				
Scotland Neck, Town of	Phase V WWTP Improvements	Halifax	\$893,275				
Rhodhiss, Town of	Sewer Rehabilitation and Improvements (Bid overruns from 2013 CDBG-I Sewer Project)	Burke/Caldwell	\$400,000				
Enfield, Town of	2017 NC DEQ Sewer Project Phase 3	Halifax	\$546,425				
Pilot Mountain, Town of	Sunset Sewer Subbasin Rehabilitation Project	Surry	\$2,528,784				
Parmele, Town of	2017 Sanitary Sewer Improvements - Pump Station/Force Main Renovation	Martin	\$539,000				
Parmele, Town of	2017 Sanitary Sewer Improvements - Sanitary Sewer Rehabilitation	Martin	\$595,000				
Kinston, City of	Lawrence Heights Sewer Replacement	Lenoir	\$3,299,600				
Belhaven, Town of	Sanitary Sewer Collection System Rehabilitation	Beaufort	\$1,539,230				

Applicant Name	Project Name	County	Total Funding Request	Potential Principal Forgiveness	Potential Loan Amount	Priority Points	Estimated Binding Commitment
Warsaw, Town of	2017 Sanitary Sewer Improvements - WWTP Upgrade and Gravity Sewer Rehabilitation	Duplin	\$4,000,000				
Dunn, Town of	Black River WWTP Aeration System Replacement	Harnett	\$2,500,000				
Beaufort, Town of	Sanitary Sewer Rehabilitation	Carteret	\$1,640,000				
Carthage, Town of	Sanitary Sewer System Improvements	Moore	\$1,624,000				
Louisburg, Town of	WRF Clarifier Improvements; WAS/RAS Pump Replacements, Scum Pit Chopper Pump	Franklin	\$1,129,000				
Raeford, City of	WWTP Rehabilitation	Hoke	\$6,093,000				
Robersonville, Town of	Wastewater System Improvements	Martin	\$1,000,000				
Chowan County	Valhalla WTP Backwash Solids Handling	Chowan	\$8,562,000				
Yadkin Valley Sewer Authority	2018 Pump Stations Rehabilitation Project	Surry	\$1,509,090				
Thomasville, City of	Hank's Branch Sanitary Sewer Rehabilitation, Phase II	Davidson	\$1,400,000				
Troutman, Town of	2018 Collection System Rehabilitation Project - Green Component	Iredell	\$633,250				
Oxford, City of	2018 Sewer Line Replacements	Granville	\$4,696,493				
Selma, Town of	2017 Sewer Rehabilitation	Johnston	\$2,000,000				

Applicant Name	Project Name	County	Total Funding Request	Potential Principal Forgiveness	Potential Loan Amount	Priority Points	Estimated Binding Commitment
Whiteville, City of	Mollies Branch Phase I Sewer Improvements	Columbus	\$1,014,159				
Newton, City of	West A Street Sewer Rehabilitation	Catawba	\$597,875				
Robbins, Town of	2017 Sewer Rehabilitation	Moore	\$852,920				
Reidsville, City of	Wastewater Treatment Plant Improvements to Meet Nutrient Removal Requirements	Rockingham	\$3,963,089				
Troutman, Town of	2018 Collection System Rehabilitation Project	Iredell	\$1,078,850				
Tuckasegee Water & Sewer Authority	WWTP #2 Improvements - Phase 1	Jackson	\$2,576,600				
Raleigh Public Utilities Department, City of	Neuse River RRF Bioenergy Recovery Program (Anaerobic Digester Project)	Wake	\$45,000,000				
Beech Mountain, Town of	2018 Sewer System Rehabilitation Project	Watauga	\$2,000,000				
Winston-Salem, City of	Muddy Creek and Archie Elledge WWTP Phase II Rehabilitation Project - Digester Improvements and Thickening Facilities Upgrades	Forsyth	\$13,750,979				
Goldsboro, City of	Wastewater System Improvements	Wayne	\$1,235,100				

Applicant Name	Project Name	County	Total Funding Request	Potential Principal Forgiveness	Potential Loan Amount	Priority Points	Estimated Binding Commitment
Engelhard Sanitary District	Engelhard Lagoon Closure and Dewatering Pump Station Restoration	Hyde	\$520,000				
Ramseur, Town of	2017 Sewer Rehabilitation	Randolph	\$369,215				
Claremont, City of	McLin Creek WWTP Upgrade & Expansion	Catawba	\$10,844,990				
White Lake, Town of	Sanitary Sewer Improvements	Bladen	\$2,037,546				
Warren County	Pleasant Hill Pump Station Replacement	Warren	\$617,700				
Charlotte Water, City of Charlotte	McAlpine Creek WWMF Clarifier and Aeration Rehabilitation Project	Mecklenburg	\$39,539,000				
Saratoga, Town of	Saratoga-Wilson Sanitary Sewer Connection	Wilson	\$1,647,420				
Tyrrell County	2017 Sanitary Sewer Improvements	Tyrrell	\$3,000,000				
Norwood, Town of	Sanitary Sewer Rehabilitation	Stanly	\$2,101,245				
King, City of	Wastewater Treatment Facility	Stokes/ Forsyth	\$27,420,000				
Johnston County	McGee's Sewer Upgrade Phase 2 - Middle Creek Interceptor & Pump Station	Johnston	\$3,600,000				
Andrews, Town of	Project Wildcat	Cherokee	\$1,114,950				

Appendix B
2018 (Capitalization Grant) Proposed Payment Schedule
 (Dependent on timing of state match and award of federal grant)

<u>Payment Quarter</u>	<u>2018 Payment Amount</u>
April 1, 2018 - June 30, 2018	
July 1, 2018 - September 30, 2018	\$28,967,000
October 1, 2018 - December 31, 2018	
January 1, 2019 - March 31, 2019	
April 1, 2019 - June 30, 2019	
July 1, 2019- September 30, 2019	
October 1, 2019 - December 31, 2019	
January 1, 2020 - March 31, 2020	
April 1, 2020 - June 30, 2020	
Total	\$28,967,000

Appendix C

PRIORITY RATING SYSTEM for Wastewater Projects			
<p>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. 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.</p>			
Line Item #	Category 1 – Project Purpose	Claimed Yes/No	Points
1.A	Reserved for Other Programs		
1.B	Project will resolve failed infrastructure issues		15
1.C	Project will rehabilitate or replace infrastructure		15
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		10
1.D	Project will expand infrastructure		2
1.D.1	Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		10
1.E – 1.E.2	Reserved for Other Programs		
1.F	Project will provide stream/wetland/buffer restoration		15
1.F.1	Restoration project that includes restoration of a first order stream and includes stormwater infiltration BMPs		5

Line Item #	Category 1 – Project Purpose (Continued)	Claimed Yes/No	Points
1.F.2	Restoration project that includes restoration and / or protection of riparian buffers to at least 30 feet on both sides of the stream		5
1.G	Project will provide stormwater BMPs to treat existing sources of pollution		20
1.G.1	Project that includes BMPs or BMPs in series that achieve at least 35% nutrient reduction (both TN and TP) and 85% TSS reduction		10
1.H	Project will provide reclaimed water/usage or rainwater harvesting/usage		15
	Maximum Points for Category 1 – Project Purpose		25
	Subtotal claimed for Category 1 – Project Purpose		
Line Item #	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.B	Reserved for Other Programs		
2.C	Project provides a specific environmental benefit by replacement, repair, or merger; includes replacing failing septic tanks		15
2.D	Project addresses promulgated but not yet effective regulations		10
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

Line Item #	Category 2 – Project Benefits (Continued)	Claimed Yes/No	Points
2.F	Project includes system merger		10
2.G – 2.I	Reserved for Other Programs		
2.J	Project improves treated water quality by adding or upgrading a unit process		3
2.K – 2.O	Reserved for Other Programs		
2.P	Project <u>directly benefits</u> subwatersheds that are impaired as noted on the most recent version of the Integrated Report		20
2.Q	Project <u>directly benefits</u> waters classified as HQW, ORW, Tr, SA, WS-I, WS-II, WS-III* or WS-IV* (* these classifications must be covered by an approved Source Water Protection Plan to qualify)		10
2.R	Project will result in elimination of an NPDES discharge		3
2.S	Primary purpose of the project is to achieve at least 20% reduction in energy use		5
	Maximum Points for Category 2 – Project Benefits		35
	Subtotal claimed for Category 2 – Project Benefits		
Line Item #	Category 3 – System Management	Claimed Yes/No	Points
3.A	Applicant has a current Capital Improvement Plan (CIP) that spans at least 10-years and proposed project is included in the plan OR		2
3.B	Applicant has implemented an Asset Management Plan as of the date of application		10

Line Item #	Category 3 – System Management (Continued)	Claimed Yes/No	Points
3.C	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.D – 3.F	Reserved for Other Programs		
	Maximum Points for Category 3 – System Management		15
	Subtotal claimed for Category 3 – System Management		
Line Item #	Category 4 – Affordability	Claimed Yes/No	Points
4.A	Residential Connections		
4.A.1	Less than 10,000 residential connections OR		2
4.A.2	Less than 5,000 residential connections OR		4
4.A.3	Less than 1,000 residential connections		8
4.B	Current Monthly Single Utility Rates at 5,000 Usage		
4.B.1	Greater than \$33 OR		4
4.B.2	Greater than \$40 OR		6
4.B.3	Greater than \$47		8
4.B.4	Greater than \$58		10
4.C	Local Government Unit (LGU) Indicators		
4.C.1	3 out of 5 LGU indicators worse than state benchmark OR		3

Line Item #	Category 4 – Affordability (Continued)	Claimed Yes/No	Points
4.C.2	4 out of 5 LGU indicators worse than state benchmark OR		5
4.C.3	5 out of 5 LGU indicators worse than state benchmark		7
4.D – 4.E	Reserved for Other Programs		
	Maximum Points for Category 4 – Affordability		25
	Subtotal claimed for Category 4 – Affordability		
Total of Points for All Categories			

Appendix D

Green Projects

Green projects will be funded in accordance with Item V.C.3. of the North Carolina Intended Use Plan. The priority rating system gives priority to green projects that are:

- restoration of streams, wetlands, and estuaries;
- stormwater BMPs for existing sources of pollution;
- reclaimed water utilization; and
- energy efficiency projects at wastewater facilities.

Other green projects may be eligible under CWSRF and may be funded regardless of priority depending on fund availability. EPA provided general guidance on green projects for the American Recovery and Reinvestment Act in the Guidance Memo – [Award of Capitalization Grants with Funds Appropriated by P.L. 111-5, the “American Recovery and Reinvestment Act of 2009”](#) dated March 2, 2009. Green project awards will be based on priority rating points.

Appendix E Grant Percentage Matrix

Current Monthly Utility Bill for 5,000 Gallons	Lower-than-Median Project Cost per Connection	Higher-than-Median Project Cost per Connection				
		> \$1,150 to ≤ \$2,400	> \$2,400 to ≤ \$4,750	> \$4,750 to ≤ \$8,550	> \$8,550	
>\$58	100%	100%	100%	100%	100%	Higher-than-Median Current Monthly Utility Bill for 5,000 Gallons Usage
> \$47 to ≤ 58	75%	75%	75%	100%	100%	
> \$40 to ≤ \$47	50%	50%	50%	75%	75%	
> \$33 to ≤ 40	25%	25%	25%	50%	50%	
≤ \$33	0%	25%	25%	25%	25%	Lower-than-Median Current Monthly Utility Bill for 5,000 Gallons Usage
	≤ \$1,150	> \$1,150 to ≤ \$2,400	> \$2,400 to ≤ \$4,750	> \$4,750 to ≤ \$8,550	> \$8,550	Project Cost per Connection