

Drinking Water State Revolving Fund (DWSRF) Annual Report

Capitalization Grants

For Period Ending June 30, 2013



State of North Carolina

September 20, 2013

Revised October 24, 2013

Revision

Due to a document assembly error, the Annual Report released on 20 September 2013 included draft versions of Exhibits 6, 7, 8A and 8B that associated projects with incorrect capitalization grants. This 24 October 2013 revision updates these tables.

This revision also corrects the calculation of *Binding Commitments as a percent of Cumulative Payments to ACH* on the bottom of Exhibit 2.

I. INTRODUCTION

Amendments to the Safe Drinking Water Act (SDWA) of 1996 created the Drinking Water State Revolving Fund (DWSRF). Public Law 104-182 established a new Section 1452 in the SDWA which authorized capitalization grants to states. This law also established the qualifying conditions to be met by the states as recipients of the funds and also described the intended uses of the DWSRF.

The State of North Carolina herewith submits its Annual Report for the DWSRF program for state fiscal year 2013 (July 1, 2012-June 30, 2013). This report shows the actual use of these funds, and describes how North Carolina has met the goals and objectives of its DWSRF program during fiscal year 2013 as identified in its Intended Use Plan (IUP) which described the planned use of these funds for project and set-aside purposes.

II EXECUTIVE SUMMARY

North Carolina has received capitalization grants totaling \$328,356,900. The approved IUPs included DWSRF monies for projects in the amount of \$250,252,285. The state has provided the required 20% match funds of \$65,671,380. The remaining portion of the capitalization grants, \$78,104,615 was described as non-project or set-aside uses in the IUPs. Supplemental funding for this reporting period included \$329,896 interest earned on deposits, as well as loan repayments of \$18,689,369 principal and \$5,317,608 in interest.

During state fiscal year 2013 North Carolina made 64 new binding commitments to provide assistance for the construction of water supply facilities. This obligation totaled \$94,960,730. Other projects had changes in the amount of their original commitments resulting in a net obligation increase of \$0.00. Disbursements from North Carolina's DWSRF to 42 loan recipients totaled \$22,581,694. In addition \$5,312,482 was expended during this reporting period for set-aside purposes, including DWSRF program administration; state program management; small system technical assistance; and local assistance and other state programs, as detailed in Exhibit 1 and in this report.

From the award of the 2009 Capitalization Grant for the purposes of the American Resource Recovery Act (ARRA), North Carolina made 79 new binding commitments to provide assistance for the construction of water supply facilities. The obligation of \$64,060,000 in total commitments was increased through by the addition of \$1,029,676 in setasides to \$65,089,676 before June 30, 2013. Disbursements from North Carolina's ARRA funds to 17 loan recipients totaled \$5,719,661.

III. GOALS AND ACCOMPLISHMENTS

A. Short-Term Goals and Accomplishments

North Carolina continues to work on the following nine short-term goals and accomplishments that were included in its prior IUPs.

1. Provide loans to eligible public water systems to address acute health risks as a priority.

North Carolina assigns its second highest priority to projects that help a system comply with current or future regulations.

2. Provide loans to eligible public water systems to allow consolidation of non-viable water systems to form systems with adequate capacity.

North Carolina assigns its highest priority to projects to consolidate water systems that lack the technical capacity to meet standards, or that are failing for other reasons. This allows eligible, viable water systems to take over supplying the service area of the failed system.

3. Provide funding for preventative and efficiency measures, such as source water protection and the replacement of aging infrastructure.

Applications for off stream settling basins, upgrading of water treatment plants, and upgrading transmission and distribution lines were given high to medium priority ratings when documentation was provided to show the existing health risk associated with excessive raw water turbidity or insufficient water pressure could be reduced by funding the project. All projects types that are federally eligible are also state eligible.

The operating agreement (revised effective 2 April 2012) assigns the third highest priority to projects that replace aging infrastructure.

4. Improve compliance for water systems.

The Public Water Supply Section's field staff continues to provide updated inventory information as they become aware of the needed changes. Maximum contaminant level exceedance letters, monitoring failure notifications and administrative orders are routinely prepared and mailed from the central office in Raleigh. In addition, central office has also prepared and issued administrative penalties to non-compliant systems for delinquencies in bacteriological monitoring. Overall systems' compliance rates have improved each year. Details are provided in the annual 2012 Capacity Development Progress Report.

5. Assist EPA in meeting regional program objectives by conducting State Supervision activities and meeting workplan objectives and measures.

The Section met the workplan objectives and measures for the State Supervision activities during the past year.

6. Provide the required State match within the required time frame.

State match for the Federal FY 2012 capitalization grant (not yet received) was provided by SL2012-142, passed 2 July 2012.

7. Participate in the creation of a joint drinking water/wastewater database system for financial management of the DWSRF.

The database has been developed and is maintained by the Infrastructure Finance Section of the Division of Water Quality. The Infrastructure Finance Section has since been moved to the Division of Water Infrastructure. The database has been used for active production. The Department continues to fix minor technical issues involved with the deployment of this system.

8. Provide funding to improve state knowledge of availability of water supply to meet drinking water needs.

A contract was renewed with the University of North Carolina's Environmental Finance Center to develop measures of managerial capacity for North Carolina water systems, to develop an interconnections map and database, to develop guidance regarding water partnership agreements and shared management models, and to provide training on these topics. Draft deliverables were reviewed and refined by upper management. The resulting tools are available for PWS Section consideration when assessing strategies and activities to meet the state's drinking water needs.

9. Assist in the economic recovery by providing infrastructure funding to eligible applicants in an expedited fashion.

The NC PWS Section administered the provisions of the American Recovery and Reinvestment Act (ARRA) and met the February 17, 2010 deadline for establishing binding commitments with all ARRA fund awardees. The Projects Benefits Reporting (PBR) system developed by EPA is used to report on the implementation progress being made by the awardees, especially with the new project reporting requirements, such as jobs reporting. Other oversight activities included on-site inspections of the water system construction, monitoring of ARRA signage requirements, review of documentation about wages paid to employees subject to the Davis-Bacon Act, and review of verification documents for the Buy-American requirements.

B. Long-Term Goals and Accomplishments

North Carolina continues to work on the following nine long-term commitments that were included in its prior IUPs.

1. Support the North Carolina goal of assuring safe and healthy drinking water for state residents and visitors served by public water supplies.

The NC PWS Section continues to make progress in improving the drinking water quality for the state. The 2012 Capacity Development Progress Report documents the improvements.

2. Increase the percent of the population served by safe public water systems.

The NC PWS Section constantly monitors analytical results for regulated and unregulated contaminants to ensure that the highest percent of the state's population are being served drinking water from safe public water systems. While compliance rates fluctuate as new rules take effect, trends show increases overall.

The NC PWS Section continues to fund service area expansion projects that address areas with contaminated private wells and raise the state's overall level of public health protection.

3. Increase the safety of public water systems.

The award of DWSRF monies to public water system upgrade proposals allows the safety of existing public water systems to be increased. Additionally small system technical assistance and resultant inspections identify deficiencies that must be satisfied to remain in compliance with state and federal requirements.

4. Promote safe and affordable drinking water.

In addition to the improvements to existing water systems made possible by project funding, a great emphasis is now being placed on prevention of entry of threatening contaminants through the implementation of a source water assessment program and its subcomponents, like wellhead protection. These activities, as well as the other set-asides, are described in more detail in the Program Details, Section IV, in this report.

5. Provide technical and financial assistance to public water systems in adapting to changing drinking water quality standards and maintaining the health objectives of the SDWA.

Assistance provided by both central and field office staff support ARRA and DWSRF loans.

6. Maintain the fiscal integrity of the DWSRF to assure continuance of loan funds for future generations.

As revolving loan principal repayments and interest payments are received, they are deposited to an account dedicated to disbursement for new loans. The now-repeating Federal requirements to provide principal forgiveness runs counter to this objective. For next fiscal year, more than 20 percent of the money will not be returned, as mandated by federal law. EPA should address this disconnect between directly competing requirements.

7. Assist water systems in complying with new SDWA rules as they are implemented.

The NC PWS Section provides assistance with new rules to the extent resources allow. Limited DWSRF funding supports this goal. Informational mailings including an annual "Regulatory Update," to water systems on specific issues, and staff participate in numerous operator schools and training classes. Reductions in state appropriations and lack of increases in federal funding to address inflationary costs continue to reduce the amount of assistance that can be provided. Assistance is still available in key areas, but as trends continue, this goal may be harder to achieve.

8. Implement a capacity development strategy that will result in improved water system compliance

The strategy for implementing North Carolina's Capacity Development Program was submitted on August 23, 2000 and approved on September 21, 2000. Beginning in FY 2000, an annual report has been available online to the public describing the efficacy of and the progress made by NC's capacity development program. This report has been submitted in a timely manner to the Governor in FY 2002, FY 2005, and FY 2008, and FY 2011, as required by Section 1420(c)(3) of the SDWA.

Water System Management Plans are a central feature of North Carolina's capacity development strategy. The majority of community and nontransient noncommunity water systems have documented their management plans and policies, financial strategies, and basic operating requirements in these documents. To promote further increases in capacity, the NC PWS Section is working directly with small water systems through outreach and training.

Continuing strong improvement in compliance rates shows the wide variety of section activities are working.

9. Ensure technical integrity of the proposed water system improvements, advocate self-sufficiency, protect water resources from new pollution sources, and promote sustainability.

This goal is accomplished through a Plan Review and Approval process which includes Capacity Development requirements. Federal requirements to award SRF money without repayment may result in propping up systems that are fundamentally non-viable.

IV. PROGRAM DETAILS

A. Fund Financial Status

1. Sources of Funds

Exhibits 1-A, 1-B, 4, and 5 show the sources of project funds for state fy 2013. Other state fy 2013 sources included \$329,896 in interest earned on deposits, and \$24,006,977 (principal and interest) in loan repayments.

2. Projects

Exhibit 2 shows that during the fiscal year the State of North Carolina entered into 64 original binding commitments totaling \$94,690,730. Including increases and decreases to other projects the total committed during the fiscal year was as follows:

Commitment from Capitalization Grant/Match Funds-Prior	\$350,232,064
Commitment from Revolving Fund-Current Year	\$ 94,690,730
Adjustment to Prior Commitments	\$ 0.00
Total Committed through June 30, 2013	\$444,922,794

3. Payments to Automated Clearinghouse (ACH)

Exhibit 2 shows binding commitments as compared to the payment schedule. Exhibit 3 shows the Schedules of Payments to the ACH.

4. Disbursements

Exhibit 3 shows that total disbursement during the fiscal year consisted of \$22,581,694 disbursed to projects and \$5,312,482 expended for set-aside activities.

5. Loan Repayments

Exhibit 4 shows that loan principal repayments during the fiscal year totaled \$18,689,369 with interest received on loans totaling 5,317,608.

6. Loan Administrative Fee

Exhibit 5 shows activity associated with loan administrative fees. During the fiscal year 2013, 24 applicants paid fees totaling \$735,644. Interest earned on funds in the Loan Administrative Fee Account totaled \$31,640.

7. Financial Statements

Exhibits 1 through 7 are prepared on the cash basis, in keeping with the method used to compile DWSRF data in the National Information Management System (NIMS).

B. Assistance Activity

Exhibits 6 and 7 illustrate the project assistance activity of the DWSRF funds for the period ending June 30, 2013.

Exhibit 6 shows the projects with which North Carolina's DWSRF has entered into binding commitments for low interest loans or principal forgiveness loans during the period.

Exhibit 7 shows the assistance amount provided to each project by needs/construction category.

C. Conditions of the Grant

The North Carolina State Auditor's Office conducts an annual audit of the DWSRF. Audit procedures are conducted in accordance with Generally Accepted Auditing Standards and Government Auditing Standards issued by the Comptroller General of the United States. The State Auditor Report for the last fiscal year disclosed no instances of non-compliance with Terms and Conditions of the DWSRF Grant. Recommendations for improved management were provided and have been or are in the process of being implemented.

D. Set-Aside Program Reports

The following report on set-asides is presented in the order described in the approved Intended Use Plans.

1. Program Administration (up to 4% of Capitalization Grant).

The DWSRF is administered by the NCPWS Section. This set-aside is used for salaries and associated expenses of personnel devoting time to program administration, as outlined in the Intended Use Plan.

2. Technical Assistance for Small Systems. (up to 2% of Capitalization Grant)

The NCPWS Section continued to provide technical assistance to water systems serving a population of less than 10,000 consumers. Funding from this set-aside was used jointly by the NCPWS Section and the North Carolina Rural Water Association to maintain work plan activities as required to achieve maximum utilization.

A contractual agreement with NCRWA was continued to support a circuit rider position that provided technical assistance to 871 contacts of technical assistance during the period from July 1, 2012 to June 30, 2013. These contacts involved dialog with water system personnel in accordance with the objectives and methods described in the activities and assistance within the Intended Use Plan.

The NCPWS Section continued to utilize this set-aside to support three Environmental Specialist positions in Regional Offices. Overall, PWS Section staff conducted a total of 5,907 site visits to small systems, including, 2,491 sanitary surveys for small systems during calendar year 2012 (data entry had not been completed for all fiscal year 2013 site visits at the time data was pulled from SDWIS for this report).

3. Drinking Water State Program Management Functions (up to 10% of Capitalization Grant).

i. Administration of PWS Section Supervision Program.

Performance with this section is measured and evaluated as adherence to the terms and conditions of the PWS Section Supervision Program workplan and GPRA performance measures, reported in SDWIS and compiled directly by EPA.

ii. Administration or technical assistance activities for source water protection.

A full-time Source Water Protection (SWP) Program Engineer coordinates the development, implementation, and management of a Drinking Water Protection Program, including coordination with

delineation and assessment activities, wellhead protection program activities, and interaction with other state agencies.

Partnership arrangements with other agencies are a major component of NC's drinking water protection strategy. Specifically, other agencies have been recruited to integrate SWAP data into their agendas and funding priorities. Additionally, the Drinking Water Protection Program maintains a statewide Collaborative that includes representatives from university programs, government agencies, non-profit organizations, professional associations, and regional Councils of Government. This group volunteers time and resources to promote drinking water protection.

The PWS Section continued to improve its GIS mapping application, which was created to assist other agencies and programs when prioritizing environmental projects. This GIS application effectively directs resources toward drinking water assessment areas and encourages use of SWAP susceptibility ratings. The PWS Section also maintains a web-based application to deliver SWAP data to the public. We are currently overhauling this application to improve its functionality and dependability. An anticipated outcome of this effort will include publication of new SWAP reports for the state's 9000+ sources of public drinking water.

The SWP Program continued to promote the development of local SWP plans. This effort included outreach to local government officials, public water providers, and stakeholder groups. To date, five public water providers using surface sources have completed comprehensive SWP Plans. These water providers serve a combined population of approximately 235,000 consumers. A recent partnership with the NC Clean Water Management Trust Fund will provide approximately \$150,000 to further promote local SWP planning during the next fiscal year.

As an incentive to participate in the Source Water Protection Program, a low-interest loan program for land conservation exists and is administered by the SWP Program Engineer. To qualify for this program, an applicant must have an approved Source Water Protection Plan and the land conservation project must clearly demonstrate SWP benefits.

The NC SWP Program continues to receive invitations to share successful SWP strategies at national conferences and events. This year program staff presented case studies in a series of EPA webinars. Staff also addressed the National Source Water Collaborative in Washington, DC.

iii. *Development and implementation of a capacity development strategy*

Performance with this section is reported to EPA annually in North Carolina's Capacity Development Progress Report. As described in the Intended Use Plan, a Capacity Development team leader position is funded. In recent years, the Capacity Development program has developed electronic tools and training to improve water system compliance. The Capacity Development Team Leader is also leading the development of the Engineering Planning and Development Guidance Document.

Electronic tools include the Sampling Status report and analysis of water system performance data for the Area Wide Optimization Program. The Sampling Status report demonstrates what monitoring is required and what samples have been received during the current period. Analysis for the Area Wide Optimization Program ranks water system performance based on data submitted electronically and highlights areas for system improvement. The NCPWS Section issues awards to systems meeting optimization goals.

Training included regulatory and treatment training at the North Carolina Waterworks Operators School, in addition to sessions scheduled by and held at PWS Section regional offices.

The Engineering Planning and Development Guidance document is a document presenting preferred design criteria for water systems in North Carolina. The document covers all facets of water system design including distribution, storage tanks, treatment, and general design criteria. The NCPWS Section expects the document to clarify design requirements to water system owners and engineers and thereby reduce project review time. Two chapters describing submittal requirements and the review and permitting process have been published.

4. Local Assistance and other State programs (up to 15% of Capitalization Grant).

i. *Establishment and implementation of a wellhead protection program.*

A full-time Wellhead Protection (WHP) Program Hydrogeologist coordinates the development, implementation, and management of a WHP Program within the NC PWS Section. During the current reporting period the WHP Program continued to implement a process for the review and approval of local WHP plans, including the evaluation and review of draft wellhead protection area (WHPA) delineations. In addition, the WHP Program continued to develop and

maintain an MS Access database for tracking WHP Program information.

The WHP Program received nine WHP plans during the reporting period, three first time submittals, five updates/renewals of previously approved plans, and one complete revision of a formally submitted plan that had failed to receive approval. The newly submitted plans bring the total number of unique PWS systems that have submitted WHP plans to 173. Nine PWS systems received approval of their WHP plans during the reporting period, increasing the total number of PWS systems with approved WHP plans to 135. These 135 systems comprise 861 wells serving a population of 920,273.

The WHP Program continued to provide information and technical assistance as requested to support WHP activities. Example information includes the following:

- WHP plan requirements;
- the NC WHP Guidebook;
- brochures to promote local source water protection efforts;
- lists of PWS systems with approved WHP plans;
- maps of approved WHPAs;
- source aquifer determination;
- assessment of the degree of aquifer confinement;
- aquifer recharge rates;
- determination of the size, shape and orientation of WHPAs;
- and
- information on potential contamination sources.

Such information is commonly accompanied by recommendations to reduce contamination risk, waste handling practices, standard operating procedures and best management strategies. The WHP Program also provided information to the State's Division of Waste Management (DWM) to support oversight of remediation efforts conducted at sites with ground-water contamination resulting from leaking underground storage tanks.

The WHP Program provided hydrogeologic expertise and analysis as requested by other programs and agencies, units of local government, citizens, environmental consultants, contractors, and the NCRWA. Examples include: analysis to verify source aquifers and degree of confinement as related to monitoring for disinfection byproducts; review and comment regarding proposed well construction rule changes; and review of potential impacts of hydraulic fracturing for enhanced shale gas recovery.

The WHP Program continued to develop and maintain ArcView GIS shapefiles for approved WHPAs. Maps of approved WHPAs on USGS 7.5 minute topographic quadrangle base maps were generated to accompany WHP plan approval letters. Additionally, to facilitate the efficient transfer of this information, electronic versions of the approved WHPA maps as JPEG images were produced and distributed. A total of 314 individual JPEG map images are currently available via email to interested parties upon request. Electronic map images are regularly provided to the DWM/UST Section to support the review of limited site assessments for facilities with soil and/or ground water contamination. Individual electronic maps were also provided upon request to environmental consultants conducting risk based analysis of sites with soil and /or ground-water contamination.

The NC PWS Section administered a contractual agreement with NCRWA to provide assistance to PWS systems in the development of local WHP plans. Many of these systems are small systems that lack the technical and financial resources to pursue drinking water protection on their own. Under conditions of the contract, NCRWA provided on-site technical assistance in the development and implementation of WHP plans customized to individual communities. This activity included guidance to identify potential contaminants and effective actions to prevent contaminants from entering their drinking water supply.

The WHP Program continued to recognize and promote local interest and participation in source water protection activities. As part of this effort, PWS systems that had received approval of their WHP plans during the previous twelve months were recognized with framed certificates at the NCRWA's annual conference. The WHP Program also continued to foster and develop cross-communication efforts between the state UST/UST Program and the State Drinking Water Program.

The WHP Program provided support to the Source Water Assessment Program (SWAP) and the Source Water Protection Program. Program support includes: review of work products; review and analysis relevant to delineation and assessment activities; participation in the NC Source Water Collaborative; and assisting in the generation of SWAP reports

ii. Capacity Development

The NCPWS Section continued to utilize this set-aside to support nine positions in Regional Offices. These positions provide direct support to water systems as they pursue Capacity Development goals and compliance with the Safe Drinking Water Act. Working in

conjunction with other regional office staff, these positions review water systems' financial and managerial capabilities and perform sanitary surveys and site visits.

Overall, PWS Section staff conducted a total of 7,271 site visits, including, 2,931 sanitary surveys for all systems (including small systems) during calendar year 2012. Data entry was not complete for fiscal year 2013 site visits at the time data was pulled from SDWIS for this report.

E. Transfer of Funds from Set-Asides into Standard Project Accounts.

Funds for Local Assistance and Other State Programs can be reallocated among the five different activities or transferred to project fund, based upon the needs of the eligible water systems for any given year upon approval of grant amendment. At any time, the DWSRF Administrator can transfer any unspent funds to the project funds. Once transferred, these funds must remain as part of the project fund. A request was submitted in October 2012 and the funds in the amount of \$11,375,847 were approved and transferred in June 2013.

F. DBE (MBE/WBE) Requirements.

The total amount of MBE procurement during the state FY 2013 was \$285,063 (1.0 percent of total procurement of \$27,540,430). The total amount of WBE procurement during the same time was \$3,099,439 (11.3 percent of total procurement).

G. Special Capitalization Grant Requirements.

The Capitalization Grants starting in 2010 required North Carolina to provide a minimum level of additional subsidization and a minimum level of assistance to green projects. Exhibits 8A and 8B show how North Carolina satisfied this requirement.

Exhibits

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1

**Capitalization Grants
Current Summary**

	Remaining Balance as of <u>7/1/2012</u>	Current Year Award (a)	Total Available	Current Year Disbursements	Remaining Balance as of <u>6/30/2013</u>	Transfers to Projects at <u>7/1/2013 (b)</u>
Set Asides						
63xx Administration	\$ 4,162,271.02	\$ -	\$ 4,162,271.02	\$ 666,474.16	\$ 3,495,796.86	\$ (1,750,630.00)
64xx State Program Functions	\$ 6,717,598.61	\$ -	\$ 6,717,598.61	\$ 2,765,957.23	\$ 3,951,641.38	\$ (671,593.00)
65xx Technical Assistance	\$ 1,661,982.30	\$ -	\$ 1,661,982.30	\$ 421,226.67	\$ 1,240,755.63	\$ (456,161.00)
66xx Local Assistance and Other State Programs						
-6621 Wellhead Protection	\$ 4,409,534.91	\$ -	\$ 4,409,534.91	\$ 510,260.77	\$ 3,899,274.14	\$ (2,240,359.00)
-6622 Capacity Development	\$ 6,747,343.89	\$ -	\$ 6,747,343.89	\$ 948,563.32	\$ 5,798,780.57	\$ (1,726,114.00)
-6640 Loans for Acquisitions/Easements	<u>\$ 6,384,915.00</u>	<u>\$ -</u>	<u>\$ 6,384,915.00</u>	<u>\$ -</u>	<u>\$ 6,384,915.00</u>	<u>\$ (4,530,990.00)</u>
Total Local Assistance & Other State Programs	<u>\$ 17,541,793.80</u>	<u>\$ -</u>	<u>\$ 17,541,793.80</u>	<u>\$ 1,458,824.09</u>	<u>\$ 16,082,969.71</u>	<u>\$ (8,497,463.00)</u>
Total Set Asides	<u>\$ 30,083,645.73</u>	<u>\$ -</u>	<u>\$ 30,083,645.73</u>	<u>\$ 5,312,482.15</u>	<u>\$ 24,771,163.58</u>	<u>\$ (11,375,847.00)</u>
Projects						
Federal Share	\$ 70,150,722.00	\$ -	\$ 70,150,722.00	\$ 18,912,536.00	\$ 51,238,186.00	\$ 11,375,847.00
State Share	\$ 17,036,202.00	\$ -	\$ 17,036,202.00	\$ 3,669,158.00	\$ 13,367,044.00	
Total Projects	<u>\$ 87,186,924.00</u>	<u>\$ -</u>	<u>\$ 87,186,924.00</u>	<u>\$ 22,581,694.00</u>	<u>\$ 64,605,230.00</u>	
Total Funding	<u>\$ 117,270,569.73</u>	<u>\$ -</u>	<u>\$ 117,270,569.73</u>	<u>\$ 27,894,176.15</u>	<u>\$ 89,376,393.58</u>	
Funding Source						
Federal Funds	\$ 100,234,367.73	\$ -	\$ 100,234,367.73	\$ 24,225,018.15	\$ 76,009,349.58	
State Funds	<u>\$ 17,036,202.00</u>	<u>\$ -</u>	<u>\$ 17,036,202.00</u>	<u>\$ 3,669,158.00</u>	<u>\$ 13,367,044.00</u>	
Total Funding	<u>\$ 117,270,569.73</u>	<u>\$ -</u>	<u>\$ 117,270,569.73</u>	<u>\$ 27,894,176.15</u>	<u>\$ 89,376,393.58</u>	

Cumulative Summary

	See <u>Exhibit</u>	<u>Set Asides</u>	<u>Projects</u>	<u>Match</u>	<u>Total Available</u>	<u>Total Disbursed</u>	<u>Ending Balance 6/30/2013</u>
Closed Grants - 1997 through 2006	1-F	\$ 33,832,275.00	\$ 151,710,625.00	\$ 37,108,580.00	\$ 222,651,480.00	\$ 222,651,480.00	\$ -
2007 Capitalization Grant	1-E	\$ 8,585,450.00	\$ 19,109,550.00	\$ 5,539,000.00	\$ 33,234,000.00	\$ 30,824,087.77	\$ 2,409,912.23
2008 Capitalization Grant	1-D	\$ 8,498,340.00	\$ 18,915,660.00	\$ 5,482,800.00	\$ 32,896,800.00	\$ 25,335,221.74	\$ 7,561,578.26
2009 Capitalization Grant	1-C	\$ 8,498,340.00	\$ 18,915,660.00	\$ 5,482,800.00	\$ 32,896,800.00	\$ 15,136,715.46	\$ 17,760,084.54
2010 Capitalization Grant	1-B	\$ 11,033,830.00	\$ 24,559,170.00	\$ 7,118,600.00	\$ 42,711,600.00	\$ 10,259,181.42	\$ 32,452,418.58
2011 Capitalization Grant	1-A	\$ 7,656,380.00	\$ 17,041,620.00	\$ 4,939,600.00	\$ 29,637,600.00	\$ 445,200.03	\$ 29,192,399.97
Total Program Funding		<u>\$ 78,104,615.00</u>	<u>\$ 250,252,285.00</u>	<u>\$ 65,671,380.00</u>	<u>\$ 394,028,280.00</u>	<u>\$ 304,651,886.42</u>	<u>\$ 89,376,393.58</u>

- (a) 2010 Capitalization Grant awarded 9/8/2011
(a) 2011 Capitalization Grant awarded 5/29/2012

Note: The extent to which funds have been expended does not reflect an absence of commitment of unspent funds. It should be noted that, in fact, all grant funds awarded have been committed as defined in the approved EPA Work Plan and Intended Use Plans.

- (b) Set aside remaining balances at 6/30/2013 are being transferred to Projects. These amounts will be reflected in Beginning Balances at 7/1/2013.

Administration	\$ (1,750,630.00)
State Program Functions	\$ (671,593.00)
Technical Assistance	\$ (456,161.00)
Local Assistance	<u>\$ (8,497,463.00)</u>
Projects - Federal Share	<u>\$ 11,375,847.00</u>

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1-A

**2011 Capitalization Grant
7/1/2012 - 9/30/2017**

	<u>Award Amount</u>	<u>Remaining Balance as of 6/30/2012</u>	<u>Current Year Disbursements</u>	<u>Remaining Balance as of 6/30/2013</u>
<u>Set Asides</u>				
63A1 Administration	\$ 987,920.00	\$ 987,920.00	\$ -	\$ 987,920.00
64A1 State Program Functions	\$ 2,469,800.00	\$ 2,469,800.00	\$ -	\$ 2,469,800.00
65A1 Technical Assistance	\$ 493,960.00	\$ 493,960.00	\$ -	\$ 493,960.00
6609 Local Assistance and Other State Programs				
-6H21 Wellhead Protection	\$ 864,245.00	\$ 864,245.00	\$ 445,200.03	\$ 419,044.97
-6H22 Capacity Development	\$ 2,469,800.00	\$ 2,469,800.00	\$ -	\$ 2,469,800.00
-6H40 Loans for Acquisitions/Easements	\$ 370,655.00	\$ 370,655.00	\$ -	\$ 370,655.00
Total Local Assistance and Other State Programs	<u>\$ 3,704,700.00</u>	<u>\$ 3,704,700.00</u>	<u>\$ 445,200.03</u>	<u>\$ 3,259,499.97</u>
Total Set Asides	<u>\$ 7,656,380.00</u>	<u>\$ 7,656,380.00</u>	<u>\$ 445,200.03</u>	<u>\$ 7,211,179.97</u>
<u>Projects</u>				
6C11 Federal Share	\$ 17,041,620.00	\$ 17,041,620.00	\$ -	\$ 17,041,620.00
6D11 State Share	<u>\$ 4,939,600.00</u>	<u>\$ 4,939,600.00</u>	<u>\$ -</u>	<u>\$ 4,939,600.00</u>
Total Projects	<u>\$ 21,981,220.00</u>	<u>\$ 21,981,220.00</u>	<u>\$ -</u>	<u>\$ 21,981,220.00</u>
Total Funding	<u>\$ 29,637,600.00</u>	<u>\$ 29,637,600.00</u>	<u>\$ 445,200.03</u>	<u>\$ 29,192,399.97</u>
<u>Funding Source</u>				
Total Federal Funds	\$ 24,698,000.00	\$ 24,698,000.00	\$ 445,200.03	\$ 24,252,799.97
Total State Funds	<u>\$ 4,939,600.00</u>	<u>\$ 4,939,600.00</u>	<u>\$ -</u>	<u>\$ 4,939,600.00</u>
Total Funding	<u>\$ 29,637,600.00</u>	<u>\$ 29,637,600.00</u>	<u>\$ 445,200.03</u>	<u>\$ 29,192,399.97</u>

Note: The extent to which funds have been expended does not reflect an absence of commitment of unspent funds. It should be noted that, in fact, all grant funds awarded have been committed as defined in the approved EPA Work Plan and Intended Use Plans.

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1-B

**2010 Capitalization Grant
7/1/2011 - 9/30/2016**

	<u>Award Amount</u>	<u>Remaining Balance as of 6/30/2012</u>	<u>Current Year Disbursements</u>	<u>Remaining Balance as of 6/30/2013</u>
<u>Set Asides</u>				
63A0 Administration	\$ 1,423,720.00	\$ 1,423,720.00	\$ 666,474.16	\$ 757,245.84
64A0 State Program Functions	\$ 3,559,300.00	\$ 3,559,300.00	\$ 2,749,051.92	\$ 810,248.08
65A0 Technical Assistance	\$ 711,860.00	\$ 711,860.00	\$ 421,226.67	\$ 290,633.33
66A0 Local Assistance and Other State Programs				
-6G21 Wellhead Protection	\$ 1,304,250.00	\$ 1,304,250.00	\$ 64,380.35	\$ 1,239,869.65
-6G22 Capacity Development	\$ 2,551,430.00	\$ 2,551,430.00	\$ 948,563.32	\$ 1,602,866.68
-6G40 Loans for Acquisitions/Easements	\$ 1,483,270.00	\$ 1,483,270.00	\$ -	\$ 1,483,270.00
Total Local Assistance and Other State Programs	<u>\$ 5,338,950.00</u>	<u>\$ 5,338,950.00</u>	<u>\$ 1,012,943.67</u>	<u>\$ 4,326,006.33</u>
Total Set Asides	<u>\$ 11,033,830.00</u>	<u>\$ 11,033,830.00</u>	<u>\$ 4,849,696.42</u>	<u>\$ 6,184,133.58</u>
<u>Projects</u>				
6C10 Federal Share	\$ 24,559,170.00	\$ 23,810,125.00	\$ 3,444,823.00	\$ 20,365,302.00
6D10 State Share	<u>\$ 7,118,600.00</u>	<u>\$ 6,901,484.00</u>	<u>\$ 998,501.00</u>	<u>\$ 5,902,983.00</u>
Total Projects	<u>\$ 31,677,770.00</u>	<u>\$ 30,711,609.00</u>	<u>\$ 4,443,324.00</u>	<u>\$ 26,268,285.00</u>
Total Funding	<u>\$ 42,711,600.00</u>	<u>\$ 41,745,439.00</u>	<u>\$ 9,293,020.42</u>	<u>\$ 32,452,418.58</u>
<u>Funding Source</u>				
Total Federal Funds	\$ 35,593,000.00	\$ 34,843,955.00	\$ 8,294,519.42	\$ 26,549,435.58
Total State Funds	<u>\$ 7,118,600.00</u>	<u>\$ 6,901,484.00</u>	<u>\$ 998,501.00</u>	<u>\$ 5,902,983.00</u>
Total Funding	<u>\$ 42,711,600.00</u>	<u>\$ 41,745,439.00</u>	<u>\$ 9,293,020.42</u>	<u>\$ 32,452,418.58</u>

Note: The extent to which funds have been expended does not reflect an absence of commitment of unspent funds. It should be noted that, in fact, all grant funds awarded have been committed as defined in the approved EPA Work Plan and Intended Use Plans.

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1-C

**2009 Capitalization Grant
7/1/2010 - 9/30/2015**

	<u>Award Amount</u>	<u>Remaining Balance as of 6/30/2012</u>	<u>Current Year Disbursements</u>	<u>Remaining Balance as of 6/30/2013</u>	<u>Transferred to Projects at 6/30/2013 (a)</u>
<u>Set Asides</u>					
6309 Administration	\$ 1,096,560.00	\$ 1,096,560.00	\$ -	\$ 1,096,560.00	\$ (1,096,560.00)
6409 State Program Functions	\$ 2,741,400.00	\$ 652,908.75	\$ -	\$ 652,908.75	\$ (652,908.00)
6509 Technical Assistance	\$ 548,280.00	\$ 321,050.79	\$ -	\$ 321,050.79	\$ (321,051.00)
6609 Local Assistance and Other State Programs					
-6621 Wellhead Protection	\$ 1,304,250.00	\$ 1,304,250.00	\$ -	\$ 1,304,250.00	\$ (1,304,250.00)
-6622 Capacity Development	\$ 1,324,580.00	\$ 1,324,580.00	\$ -	\$ 1,324,580.00	\$ (1,324,580.00)
-6640 Loans for Acquisitions/Easements	<u>\$ 1,483,270.00</u>	<u>\$ 1,483,270.00</u>	<u>\$ -</u>	<u>\$ 1,483,270.00</u>	<u>\$ (1,483,270.00)</u>
Total Local Assistance and Other State Programs	<u>\$ 4,112,100.00</u>	<u>\$ 4,112,100.00</u>	<u>\$ -</u>	<u>\$ 4,112,100.00</u>	<u>\$ (4,112,100.00)</u>
Total Set Asides	<u>\$ 8,498,340.00</u>	<u>\$ 6,182,619.54</u>	<u>\$ -</u>	<u>\$ 6,182,619.54</u>	<u>\$ (6,182,619.00)</u>
<u>Projects</u>					
6C09 Federal Share	\$ 18,915,660.00	\$ 19,878,593.00	\$ 10,326,233.00	\$ 9,552,360.00	\$ 6,182,619.00
6D09 State Share	<u>\$ 5,482,800.00</u>	<u>\$ 3,969,848.00</u>	<u>\$ 1,944,743.00</u>	<u>\$ 2,025,105.00</u>	
Total Projects	<u>\$ 24,398,460.00</u>	<u>\$ 23,848,441.00</u>	<u>\$ 12,270,976.00</u>	<u>\$ 11,577,465.00</u>	
Total Funding	<u>\$ 32,896,800.00</u>	<u>\$ 30,031,060.54</u>	<u>\$ 12,270,976.00</u>	<u>\$ 17,760,084.54</u>	
<u>Funding Source</u>					
Total Federal Funds	\$ 27,414,000.00	\$ 26,061,212.54	\$ 10,326,233.00	\$ 15,734,979.54	
Total State Funds	<u>\$ 5,482,800.00</u>	<u>\$ 3,969,848.00</u>	<u>\$ 1,944,743.00</u>	<u>\$ 2,025,105.00</u>	
Total Funding	<u>\$ 32,896,800.00</u>	<u>\$ 30,031,060.54</u>	<u>\$ 12,270,976.00</u>	<u>\$ 17,760,084.54</u>	

Note: The extent to which funds have been expended does not reflect an absence of commitment of unspent funds. It should be noted that, in fact, all grant funds awarded have been committed as defined in the approved EPA Work Plan and Intended Use Plans.

(a) Set aside remaining balances at 6/30/2013 are being transferred to Projects. These amounts will be reflected in Beginning Balances at 7/1/2013.

Administration	\$ (1,096,560.00)
State Program Functions	\$ (652,908.00)
Technical Assistance	\$ (321,051.00)
Local Assistance	<u>\$ (4,112,100.00)</u>
Projects - Federal Share	<u>\$ 6,182,619.00</u>

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1-D

**2008 Capitalization Grant
7/1/2009 - 9/30/2014**

	<u>Award Amount</u>	<u>Remaining Balance as of 6/30/2012</u>	<u>Current Year Disbursements</u>	<u>Remaining Balance as of 6/30/2013</u>	<u>Transferred to Projects at 6/30/2013 (a)</u>
<u>Set Asides</u>					
6308 Administration	\$ 1,096,560.00	\$ 647,293.09	\$ -	\$ 647,293.09	\$ (647,293.00)
6408 State Program Functions	\$ 2,741,400.00	\$ -	\$ -	\$ -	\$ -
6508 Technical Assistance	\$ 548,280.00	\$ 135,110.76	\$ -	\$ 135,110.76	\$ (135,110.00)
6608 Local Assistance and Other State Programs					
-6E21 Wellhead Protection	\$ 1,304,250.00	\$ 936,109.52	\$ -	\$ 936,109.52	\$ (936,109.00)
-6E22 Capacity Development	\$ 1,324,580.00	\$ 401,533.89	\$ -	\$ 401,533.89	\$ (401,534.00)
-6E40 Loans for Acquisitions/Easements	\$ 1,483,270.00	\$ 1,483,270.00	\$ -	\$ 1,483,270.00	\$ (1,483,270.00)
Total Local Assistance and Other State Programs	<u>\$ 4,112,100.00</u>	<u>\$ 2,820,913.41</u>	<u>\$ -</u>	<u>\$ 2,820,913.41</u>	<u>\$ (2,820,913.00)</u>
Total Set Asides	<u>\$ 8,498,340.00</u>	<u>\$ 3,603,317.26</u>	<u>\$ -</u>	<u>\$ 3,603,317.26</u>	<u>\$ (3,603,316.00)</u>
<u>Projects</u>					
6C08 Federal Share	\$ 18,915,660.00	\$ 7,280,860.00	\$ 3,762,609.00	\$ 3,518,251.00	\$ 3,603,316.00
6D08 State Share	\$ 5,482,800.00	\$ 1,065,957.00	\$ 625,947.00	\$ 440,010.00	
Total Projects	<u>\$ 24,398,460.00</u>	<u>\$ 8,346,817.00</u>	<u>\$ 4,388,556.00</u>	<u>\$ 3,958,261.00</u>	
Total Funding	<u>\$ 32,896,800.00</u>	<u>\$ 11,950,134.26</u>	<u>\$ 4,388,556.00</u>	<u>\$ 7,561,578.26</u>	
<u>Funding Source</u>					
Total Federal Funds	\$ 27,414,000.00	\$ 10,884,177.26	\$ 3,762,609.00	\$ 7,121,568.26	
Total State Funds	<u>\$ 5,482,800.00</u>	<u>\$ 1,065,957.00</u>	<u>\$ 625,947.00</u>	<u>\$ 440,010.00</u>	
Total Funding	<u>\$ 32,896,800.00</u>	<u>\$ 11,950,134.26</u>	<u>\$ 4,388,556.00</u>	<u>\$ 7,561,578.26</u>	

Note: The extent to which funds have been expended does not reflect an absence of commitment of unspent funds. It should be noted that, in fact, all grant funds awarded have been committed as defined in the approved EPA Work Plan and Intended Use Plans.

(a) Set aside remaining balances at 6/30/2013 are being transferred to Projects. These amounts will be reflected in Beginning Balances at 7/1/2013.

Administration	\$ (647,293.00)
State Program Functions	\$ -
Technical Assistance	\$ (135,110.00)
Local Assistance	<u>\$ (2,820,913.00)</u>
Projects - Federal Share	<u>\$ 3,603,316.00</u>

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1-E

**2007 Capitalization Grant
7/1/2008- 9/30/2013**

	<u>Award Amount</u>	<u>Remaining Balance as of 6/30/2012</u>	<u>Current Year Disbursements</u>	<u>Remaining Balance as of 6/30/2013</u>	<u>Transferred to Projects at 6/30/2013 (a)</u>
<u>Set Asides</u>					
6307 Administration	\$ 1,107,800.00	\$ 6,777.93	\$ -	\$ 6,777.93	\$ (6,777.00)
6407 State Program Functions	\$ 2,769,500.00	\$ 35,589.86	\$ 16,905.31	\$ 18,684.55	\$ (18,685.00)
6507 Technical Assistance	\$ 553,900.00	\$ 0.75	\$ -	\$ 0.75	\$ -
6607 Local Assistance and Other State Programs					
-6D21 Wellhead Protection	\$ 1,291,800.00	\$ 680.39	\$ 680.39	\$ -	\$ -
-6D22 Capacity Development	\$ 1,286,000.00	\$ -	\$ -	\$ -	
-6D40 Loans for Acquisitions/Easements	<u>\$ 1,576,450.00</u>	<u>\$ 1,564,450.00</u>	<u>\$ -</u>	<u>\$ 1,564,450.00</u>	<u>\$ (1,564,450.00)</u>
Total Local Assistance and Other State Programs	<u>\$ 4,154,250.00</u>	<u>\$ 1,565,130.39</u>	<u>\$ 680.39</u>	<u>\$ 1,564,450.00</u>	<u>\$ (1,564,450.00)</u>
Total Set Asides	<u>\$ 8,585,450.00</u>	<u>\$ 1,607,498.93</u>	<u>\$ 17,585.70</u>	<u>\$ 1,589,913.23</u>	<u>\$ (1,589,912.00)</u>
<u>Projects</u>					
6C07 Federal Share	\$ 19,109,550.00	\$ 2,139,524.00	\$ 1,378,871.00	\$ 760,653.00	1,589,912.00
6D07 State Share	<u>\$ 5,539,000.00</u>	<u>\$ 159,313.00</u>	<u>\$ 99,967.00</u>	<u>\$ 59,346.00</u>	
Total Projects	<u>\$ 24,648,550.00</u>	<u>\$ 2,298,837.00</u>	<u>\$ 1,478,838.00</u>	<u>\$ 819,999.00</u>	
Total Funding	<u>\$ 33,234,000.00</u>	<u>\$ 3,906,335.93</u>	<u>\$ 1,496,423.70</u>	<u>\$ 2,409,912.23</u>	
<u>Funding Source</u>					
Total Federal Funds	\$ 27,695,000.00	\$ 3,747,022.93	\$ 1,396,456.70	\$ 2,350,566.23	
Total State Funds	<u>\$ 5,539,000.00</u>	<u>\$ 159,313.00</u>	<u>\$ 99,967.00</u>	<u>\$ 59,346.00</u>	
Total Funding	<u>\$ 33,234,000.00</u>	<u>\$ 3,906,335.93</u>	<u>\$ 1,496,423.70</u>	<u>\$ 2,409,912.23</u>	

Note: The extent to which funds have been expended does not reflect an absence of commitment of unspent funds. It should be noted that, in fact, all grant funds awarded have been committed as defined in the approved EPA Work Plan and Intended Use Plans.

(a) Set aside remaining balances at 6/30/2013 are being transferred to Projects. These amounts will be reflected in Beginning Balances at 7/1/2013.

Administration	\$ (6,777.00)
State Program Functions	\$ (18,685.00)
Technical Assistance	\$ -
Local Assistance	<u>\$ (1,564,450.00)</u>
Projects - Federal Share	<u>\$ 1,589,912.00</u>

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1-F

Grants Closed in Prior Fiscal Years

	<u>Set Asides</u>	<u>Projects</u>	<u>Match</u>	<u>Total Available</u>	<u>Total Disbursed</u>
1997 Capitalization Grant	\$ 7,198,208.00	\$ 38,915,892.00	\$ 9,222,820.00	\$ 55,336,920.00	\$ 55,336,920.00
1998 Capitalization Grant	\$ 2,466,464.00	\$ 10,392,936.00	\$ 2,571,880.00	\$ 15,431,280.00	\$ 15,431,280.00
1999 Capitalization Grant	\$ 2,804,785.00	\$ 10,673,115.00	\$ 2,695,580.00	\$ 16,173,480.00	\$ 16,173,480.00
2000 Capitalization Grant	\$ 2,872,124.00	\$ 11,135,276.00	\$ 2,801,480.00	\$ 16,808,880.00	\$ 16,808,880.00
2001 Capitalization Grant	\$ 3,201,564.00	\$ 10,863,836.00	\$ 2,813,080.00	\$ 16,878,480.00	\$ 16,878,480.00
2002 Capitalization Grant	\$ 2,610,138.00	\$ 11,529,762.00	\$ 2,827,980.00	\$ 16,967,880.00	\$ 16,967,880.00
2003 Capitalization Grant	\$ 2,856,623.00	\$ 11,198,277.00	\$ 2,810,980.00	\$ 16,865,880.00	\$ 16,865,880.00
2004 Capitalization Grant	\$ 1,191,051.00	\$ 13,388,849.00	\$ 2,915,980.00	\$ 17,495,880.00	\$ 17,495,880.00
2005 Capitalization Grant	\$ 45,899.00	\$ 14,503,201.00	\$ 2,909,820.00	\$ 17,458,920.00	\$ 17,458,920.00
2006 Capitalization Grant	\$ 8,585,419.00	\$ 19,109,481.00	\$ 5,538,980.00	\$ 33,233,880.00	\$ 33,233,880.00
 Total Closed Grants	 <u>\$ 33,832,275.00</u>	 <u>\$ 151,710,625.00</u>	 <u>\$ 37,108,580.00</u>	 <u>\$ 222,651,480.00</u>	 <u>\$ 222,651,480.00</u>
		\$ 185,542,900.00			

**North Carolina
Drinking Water State Revolving Fund
Annual Report
June 30, 2013**

Exhibit 1-1A

2009 Capitalization Grant - American Recovery and Reinvestment Act

7/1/2009 - 9/30/2013

		<u>Award Amount</u>	<u>Remaining Balances of 6/30/2012</u>	<u>Current Year Disbursements</u>	<u>Remaining Balance as of 6/30/2013</u>	<u>Transferred to Projects at 6/30/2013 (a)</u>	
<u>ARRA Set Asides</u>							
63S9	Administration	\$ 1,565,000.00	\$ 1,029,676.00	\$ -	\$ 1,029,676.00	\$ (1,029,676.00)	
	Total Set Asides	<u>\$ 1,565,000.00</u>	<u>\$ 1,029,676.00</u>	<u>\$ -</u>	<u>\$ 1,029,676.00</u>	<u>\$ (1,029,676.00)</u>	
<u>ARRA Projects</u>							
6CS9	Federal Share	Loan Portion	\$ 31,245,369.00	\$ 3,192,438.83	\$ 2,859,829.40	\$ 332,609.43	\$ 514,838.00
6CS9	Federal Share	Principal Forgiveness	<u>\$ 32,814,631.00</u>	<u>\$ 3,192,455.82</u>	<u>\$ 2,859,831.40</u>	<u>\$ 332,624.42</u>	\$ 514,838.00
	Total Projects		<u>\$ 64,060,000.00</u>	<u>\$ 6,384,894.65</u>	<u>\$ 5,719,660.80</u>	<u>\$ 665,233.85</u>	
	Total Funding		<u>\$ 65,625,000.00</u>	<u>\$ 7,414,570.65</u>	<u>\$ 5,719,660.80</u>	<u>\$ 1,694,909.85</u>	
<u>Funding Source</u>							
	Total Federal Funds	Loan Portion	\$ 32,810,369.00	\$ 4,222,114.83	\$ 2,859,829.40	\$ 1,362,285.43	
	Total Federal Funds	Principal Forgiveness	<u>\$ 32,814,631.00</u>	<u>\$ 3,192,455.82</u>	<u>\$ 2,859,831.40</u>	<u>\$ 332,624.42</u>	
	Total Funding		<u>\$ 65,625,000.00</u>	<u>\$ 7,414,570.65</u>	<u>\$ 5,719,660.80</u>	<u>\$ 1,694,909.85</u>	

Exhibit 1-1B

Total Disbursements

		<u>Prior Years</u>	<u>Fiscal Year 2013</u>				<u>Total</u>
			<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	
<u>2009 ARRA Grant</u>							
Set Asides	2009 Grant	\$ 535,324.00	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	<u>\$ 535,324.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Projects</u>							
	2009 Grant	\$ 58,704,781.35	\$ 2,217,164.00	\$ 338,517.00	\$ 289,687.00	\$ 2,874,292.80	\$ 5,719,660.80
	TOTAL	<u>\$ 58,704,781.35</u>	<u>\$ 2,217,164.00</u>	<u>\$ 338,517.00</u>	<u>\$ 289,687.00</u>	<u>\$ 2,874,292.80</u>	<u>\$ 5,719,660.80</u>

2009 ARRA Grant awarded 4/14/2009

(a) Set aside remaining balances at 6/30/2013 are being transferred to Projects. These amounts will be reflected in Beginning Balances at 7/1/2013.

Note: The extent to which funds have been expended does not reflect an absence of commitment of unspent funds. It should be noted that, in fact, all grant funds awarded have been committed as defined in the approved EPA work Plan and Intended use Plans.

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 2 Binding Commitments With Respect To Payment Schedule

<u>Project Name</u>	<u>Project Number (DEH-)</u>	<u>Total Award</u>	<u>Prior Years</u>	<u>Binding Commitments</u>			
				<u>9/30/2012</u>	<u>12/31/2012</u>	<u>3/31/2013</u>	<u>6/30/2013</u>
<u>Current Year Projects</u>							
Apex, Town of	1758FP	\$ 805,000		\$ 805,000			
Aqua North Carolina, Inc.	1691	\$ 2,125,617		\$ 2,125,617			
Aqua North Carolina, Inc.	1689	\$ 1,733,141		\$ 1,733,141			
Asheboro, City of	1718	\$ 487,850		\$ 487,850			
Aulander, Town of	1733	\$ 222,345				\$ 222,345	
Beaufort County Water District I	1735	\$ 3,000,000		\$ 3,000,000			
Beaufort County Water District VI	1741	\$ 3,000,000		\$ 3,000,000			
Belmont, City of	1781F	\$ 745,140			\$ 745,140		
Benson, Town of	1701	\$ 510,000		\$ 510,000			
Benson, Town of	1756	\$ 199,050				\$ 199,050	
Bertie County Water District I	1740	\$ 869,000		\$ 869,000			
Bertie County Water District II	1446	\$ 394,000		\$ 394,000			
Bertie County Water District II	1743	\$ 794,000		\$ 794,000			
Bertie County Water District III	1742	\$ 1,018,000		\$ 1,018,000			
Bertie County Water District IV	1744	\$ 904,000		\$ 904,000			
Black Creek, Town of	1676	\$ 490,518				\$ 490,518	
Bladenboro, Town of	1698	\$ 746,946				\$ 746,946	
Brevard, City of	1778	\$ 2,402,041			\$ 2,402,041		
Broadway Water Association, Inc.	1767	\$ 226,960				\$ 226,960	
Bryson City, Town of	1713	\$ 1,172,587		\$ 1,172,587			
Carolina Beach, Town of	1786F	\$ 1,547,000				\$ 1,547,000	
Cary, Town of	1757FP	\$ 2,695,000		\$ 2,695,000			
Columbus County W & S District II	1638	\$ 1,867,135	\$ 1,867,135				
Conover, City of	1645	\$ 724,928	\$ 724,928				
Conover, City of	1646	\$ 377,500	\$ 377,500				
Craven, County of	1759FP	\$ 3,014,530			\$ 3,014,530		
Denton, Town of	1643	\$ 3,604,691			\$ 3,604,691		
1	1751	\$ 428,464				\$ 428,464	
Faison, Town of	1754	\$ 510,000	\$ 510,000				
Fayetteville Public Works Commission	1761FP	\$ 2,801,858				\$ 2,801,858	
Franklinville, Town of	1709	\$ 112,487		\$ 112,487			
Greene County	1637	\$ 3,000,000	\$ 3,000,000				
Greene, County of	1745	\$ 1,701,000		\$ 1,701,000			
Greensboro, City of	1656	\$ 4,142,500			\$ 4,142,500		
Halifax, County of	1699B	\$ 1,585,228	\$ 1,585,228				
Henderson, City of	1692	\$ 1,129,000	\$ 1,129,000				
Henderson, City of	1693	\$ 294,000	\$ 294,000				
Henderson, City of	1694	\$ 1,726,000	\$ 1,726,000				
Jones, County of	1634	\$ 2,015,000	\$ 2,015,000				
Kings Mountain, City of	1773	\$ 5,243,500				\$ 5,243,500	
Louisburg, Town of	1682	\$ 213,560				\$ 213,560	
Martin County Regional W&S Authority	1760	\$ 2,013,000			\$ 2,013,000		
Montgomery, County of	1697	\$ 1,729,000	\$ 1,729,000				
Norlina, Town of	1681	\$ 233,850	\$ 233,850				
North Lenoir Water Corporation	1748	\$ 2,200,000				\$ 2,200,000	
Onslow Water & Sewer Authority	1628	\$ 6,167,615		\$ 6,167,615			
Orange-Alamance Water System, Inc.	1672	\$ 689,000				\$ 689,000	
Peachland, Town of	1764	\$ 142,290				\$ 142,290	
Pink Hill, Town of	1731	\$ 219,255				\$ 219,255	
Raleigh, City of	1703	\$ 6,688,700	\$ 6,688,700				
Ramseur, Town of	1755F	\$ 300,725			\$ 300,725		
Red Springs, Town of	1687	\$ 588,960		\$ 588,960			
Robbins, Town of	1696	\$ 1,530,000		\$ 1,530,000			

Cont.

Saratoga, Town of	1677	\$ 117,582		\$ 117,582				
Snow Hill, Town of	1734	\$ 656,000				\$ 656,000		
Snow Hill, Town of	1635	\$ 841,000			\$ 841,000			
Spring Lake, Town of	1685	\$ 1,314,666					\$ 1,314,666	
Taylorsville, Town of	1720	\$ 1,475,000				\$ 1,475,000		
Thomasville, City of	1562	\$ 1,363,905		\$ 1,363,905				
Topsail Beach, Town of	1674	\$ 3,500,000		\$ 3,500,000				
Warren County Water System District I	1680	\$ 291,427		\$ 291,427				
Washington County	1675	\$ 573,811					\$ 573,811	
Waynesville, Town of	1704	\$ 329,868				\$ 329,868		
Williamston, Town of	1783F	\$ 1,145,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,145,500
Total Current Year Projects		\$ 94,690,730	\$ -	\$ 25,789,350	\$ 31,813,162	\$ 18,683,495	\$ 18,404,723	
Prior Year Projects		\$ 350,232,064	\$ 303,108,981					
Adjustments to Commitments Reported in Prior Years(a)		\$ -	\$ -					
Total Project Commitments		\$ 444,922,794	\$ 303,108,981	\$ 25,789,350	\$ 31,813,162	\$ 18,683,495	\$ 18,404,723	
Set Asides(b)		\$ 78,104,615	\$ 78,104,615	\$ -	\$ -	\$ -	\$ -	
Binding Commitment Totals		\$ 523,027,409	\$ 381,213,596	\$ 25,789,350	\$ 31,813,162	\$ 18,683,495	\$ 18,404,723	
Cumulative Binding Commitments								
Cumulative Through 6/30/2011			\$ 381,213,596	\$ 407,002,946	\$ 438,816,108	\$ 457,499,603	\$ 475,904,326	

								Future Years
Cumulative Required Commitments (c)								
Payments to ACH								
1997-2006 Capitalization Grant	\$ 185,542,900	\$ 185,542,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Capitalization Grant	\$ 27,695,000	\$ 27,695,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Capitalization Grant	\$ 27,414,000	\$ 27,414,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Capitalization Grant	\$ 27,414,000	\$ 27,414,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Capitalization Grant	\$ 35,593,000	\$ 35,593,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2011 Capitalization Grant	\$ 24,698,000	\$ -	\$ 2,000,000	\$ 5,000,000	\$ 4,200,000	\$ 4,000,000	\$ 4,000,000	\$ 9,498,000
Total Federal Funds	\$ 328,356,900	\$ 303,658,900	\$ 2,000,000	\$ 5,000,000	\$ 4,200,000	\$ 4,000,000	\$ 4,000,000	\$ 9,498,000
State Match	\$ 65,671,380	\$ 60,731,780	\$ 400,000	\$ 1,000,000	\$ 840,000	\$ 800,000	\$ 800,000	\$ 1,899,600
Total	\$ 394,028,280	\$ 364,390,680	\$ 366,790,680	\$ 372,790,680	\$ 377,830,680	\$ 382,630,680	\$ 382,630,680	\$ 394,028,280

Binding Commitments as a Percent of Cumulative Payments to ACH 105% 111% 118% 121% 124%

(a) Net increase/decrease to project commitments reported in prior years. These changes are the result of projects being completed for less than the original committed amount, and excess funds being reverted to the general loan pool, or reassigned to existing increases. projects for commitment.

(b) All Grant Funds awarded have been committed as defined in the approved EPA Workplan and Intended Use Plans.

(c) Payments to ACH lagged by one year

Note: This Exhibit reflects the commitment of funds paid into the ACH. It does not include commitments made from loan repayments deposited into the Revolving Fund.

**NORTH CAROLINA
ARRA--DRINKING WATER STATE REVOLVING FUND
Annual Report
6/30/2013 (a)**

Exhibit 2-A Binding Commitments With Respect To Payment Schedule- ARRA

<u>Project Name</u>	<u>Project Number (DEH-)</u>	<u>Total Award</u>	<u>Prior Year (a)</u>	<u>Binding Commitments</u>				<u>Future Years</u>
				<u>Quarter Ending</u>				
				<u>9/30/2012</u>	<u>12/31/2012</u>	<u>3/31/2013</u>	<u>6/30/2013</u>	
		<u>\$0</u>	<u>\$0</u>					
Total Current Year Projects		\$ -	\$ 65,089,676	\$ -	\$ -	\$ -	\$ -	
Prior Years Projects Reported (a)		<u>\$65,089,676</u>	<u>65,089,676</u>					
Adjustments to Commitments Reported in Prior Years		<u>\$0</u>	<u>\$0</u>					
Total Project Commitments		<u>\$ 65,089,676</u>	<u>65,089,676.00</u>	\$ -	\$ -	\$ -	\$ -	
Set Asides (b)		<u>\$ 535,324</u>	<u>\$ 535,324</u>	\$ -	\$ -	\$ -	\$ -	
Binding Commitment Totals		<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	\$ -	\$ -	\$ -	\$ -	
Cumulative Binding Commitments Cumulative Through 6/30/2011			<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	
Cumulative Required Commitments								
Payments to ACH								
2009 Cap Grant		<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Federal Funds		<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	\$ -	\$ -	\$ -	\$ -	\$ -
State Match		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total		<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	<u>\$ 65,625,000</u>	\$ -
Binding Commitments as a Percent of Required Amount			100%	100%	100%	100%	100%	

Notes:

(a) This no change report is being retained in anticipation of reversion of set-asides for project use.

(b) All ARRA funded projects met the February 17,2010 deadline for binding commitments.

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 3 Total Disbursements

	Prior Years	Fiscal Year 2013				Total
		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
Capitalization Grants						
Set Asides 1997 - 2006 Capitalization Grant	\$ 33,832,275.00	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Capitalization Grant	\$ 6,977,951.07	\$ 17,585.70	\$ -	\$ -	\$ -	\$ 17,585.70
2008 Capitalization Grant	\$ 4,895,022.74	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Capitalization Grant	\$ 2,315,720.46	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Capitalization Grant	\$ 966,161.00	\$ 231,716.92	\$ 1,920,895.20	\$ 1,194,057.57	\$ 1,503,026.73	\$ 4,849,696.42
2011 Capitalization Grant	\$ -	\$ -	\$ 153,959.20	\$ 142,318.39	\$ 148,922.44	\$ 445,200.03
Total	\$ 48,987,130.27	\$ 249,302.62	\$ 2,074,854.40	\$ 1,336,375.96	\$ 1,651,949.17	\$ 5,312,482.15
Projects						
1997 - 2006 Capitalization Grant	\$ 151,710,625.77	\$ -	\$ -	\$ -	\$ -	\$ -
State Match	\$ 37,108,580.23	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Capitalization Grant	\$ 18,559,938.00	\$ -	\$ 82,719.00	\$ 1,034,816.00	\$ 261,336.00	\$ 1,378,871.00
State Match	\$ 5,379,687.00	\$ -	\$ 23,976.00	\$ 144,178.00	\$ (68,187.00)	\$ 99,967.00
2008 Capitalization Grant	\$ 15,238,116.00	\$ 1,410,590.00	\$ 14,719.00	\$ 224,477.00	\$ 2,112,823.00	\$ 3,762,609.00
State Match	\$ 4,416,843.00	\$ 408,866.00	\$ 4,267.00	\$ 65,066.00	\$ 147,748.00	\$ 625,947.00
2009 Capitalization Grant	\$ 5,219,686.00	\$ 769,696.00	\$ 1,699,221.00	\$ 1,781,419.00	\$ 6,075,897.00	\$ 10,326,233.00
State Match	\$ 1,512,952.00	\$ 223,100.00	\$ 261,147.00	\$ 209,350.00	\$ 1,251,146.00	\$ 1,944,743.00
2010 Capitalization Grant	\$ 749,045.00	\$ 417,627.00	\$ -	\$ 1,848,055.00	\$ 1,179,141.00	\$ 3,444,823.00
State Match	\$ 217,116.00	\$ 121,053.00	\$ -	\$ 535,667.00	\$ 341,781.00	\$ 998,501.00
2011 Capitalization Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Match	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 240,112,589.00	\$ 3,350,932.00	\$ 2,086,049.00	\$ 5,843,028.00	\$ 11,301,685.00	\$ 22,581,694.00
<i>Federal Share</i>	\$ 191,477,411	\$ 2,597,913	\$ 1,796,659	\$ 4,888,767	\$ 9,629,197	
<i>Cumulative</i>	\$ 191,477,411	\$ 194,075,324	\$ 195,871,983	\$ 200,760,750	\$ 210,389,947	
<i>State Share</i>	\$ 48,635,178	\$ 753,019	\$ 289,390	\$ 954,261	\$ 1,672,488	
<i>Cumulative</i>	\$ 48,635,178	\$ 49,388,197	\$ 49,677,587	\$ 50,631,848	\$ 52,304,336	
	\$ 289,099,719.27	\$ 3,600,234.62	\$ 4,160,903.40	\$ 7,179,403.96	\$ 12,953,634.17	\$ 27,894,176.15
Total Disbursements	\$ 289,099,719	\$ 292,699,954	\$ 296,860,857	\$ 304,040,261	\$ 316,993,895	
Cumulative Disbursement Totals						
	\$ -	\$ 88,968,232.00	\$ 87,580,510.00	\$ 89,661,983.49	\$ 89,837,490.49	
ACH Funds Available (Beginning)						
ACH Deposits 1997-2006 Capitalization Grants	\$ 185,542,900.00	\$ -	\$ -	\$ -	\$ -	\$ -
2007 Capitalization Grant	\$ 27,695,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
2008 Capitalization Grant	\$ 27,414,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
2009 Capitalization Grant	\$ 27,414,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
2010 Capitalization Grant	\$ -	\$ 1,500,000.00	\$ 4,000,000.00	\$ 4,000,000.00	\$ 5,000,000.00	\$ 14,500,000.00
2011 Capitalization Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 268,065,900.00	\$ 1,500,000.00	\$ 4,000,000.00	\$ 4,000,000.00	\$ 5,000,000.00	\$ 14,500,000.00
	\$ 268,065,900	\$ 269,565,900	\$ 273,565,900	\$ 277,565,900	\$ 282,565,900	
<i>Cumulative ACH Deposits</i>	\$ 179,097,668	\$ 2,887,722	\$ 1,918,527	\$ 3,824,493	\$ 6,535,380	\$ 15,166,121
Cash Draw from ACH	\$ 179,097,668	\$ 181,985,390	\$ 183,903,917	\$ 187,728,410	\$ 194,263,789	
<i>Cumulative Draw from ACH</i>	\$ 88,968,232	\$ 87,580,510	\$ 89,661,983	\$ 89,837,490	\$ 88,302,111	
ACH Funds Available (Ending)						

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 4 Status of The Fund

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Beginning Balance	\$ -	\$ 54,720,443.50	
Increase in Available Funds			
<u>New Funds Deposited</u>			
Closed Grants - 1997 through 2006	\$ 188,819,205.00	\$ -	\$ 188,819,205.00
2007 Capitalization Grant Projects	\$ 18,559,938.00	\$ 1,378,871.00	\$ 19,938,809.00
State Match	\$ 5,379,687.00	\$ 99,967.00	\$ 5,479,654.00
2008 Capitalization Grant Projects	\$ 15,238,116.00	\$ 3,762,609.00	\$ 19,000,725.00
State Match	\$ 4,416,843.00	\$ 625,947.00	\$ 5,042,790.00
2009 Capitalization Grant Projects	\$ 5,219,686.00	\$ 10,326,233.00	\$ 15,545,919.00
State Match	\$ 1,512,952.00	\$ 1,944,743.00	\$ 3,457,695.00
2010 Capitalization Grant Projects	\$ 749,045.00	\$ 3,444,823.00	\$ 4,193,868.00
State Match	\$ 217,116.00	\$ 998,501.00	\$ 1,215,617.00
2011 Capitalization Grant Projects	\$ -	\$ -	\$ -
State Match	\$ -	\$ -	\$ -
Total New Funds	\$ 240,112,588.00	\$ 22,581,694.00	\$ 262,694,282.00
<u>Repayments Received - Principal</u>			
Deposited in Escrow with State Treasurer (1)	\$ -	\$ -	\$ -
Less: Transfers into Revolving Project Fund	\$ -	\$ -	\$ -
Balance Held in Escrow	\$ -	\$ -	\$ -
Deposited into Revolving Projects Fund	\$ 68,032,094.14	\$ 18,689,368.59	\$ 86,721,462.73
Add: Transfers from Escrow	\$ -	\$ -	\$ -
Total Deposited into Revolving Projects Fund	\$ 68,032,094.14	\$ 18,689,368.59	\$ 86,721,462.73
Total Principal Repayments Received	\$ 68,032,094.14	\$ 18,689,368.59	\$ 86,721,462.73
<u>Repayments Received - Interest</u>			
Deposited in Escrow with State Treasurer (1)	\$ -	\$ -	\$ -
Less: Transfers into Revolving Project Fund	\$ -	\$ -	\$ -
Balance Held in Escrow	\$ -	\$ -	\$ -
Deposited into Revolving Projects Fund	\$ 29,208,899.82	\$ 5,317,608.50	\$ 34,526,508.32
Total Deposited into Revolving Projects Fund	\$ 29,208,899.82	\$ 5,317,608.50	\$ 34,526,508.32
Total Interest Repayments Received	\$ 29,208,899.82	\$ 5,317,608.50	\$ 34,526,508.32
<u>Interest Earned on Fund Balance</u>	\$ 8,650,793.54	\$ 329,895.51	\$ 8,980,689.05
Total Increase in Available Funds	\$ 346,004,375.50	\$ 46,918,566.60	\$ 392,922,942.10
Decrease in Available Funds			
Loan Disbursements			
Closed Grants - 1997 through 2006	\$ 188,819,205.00	\$ -	\$ 188,819,205.00
2007 Capitalization Grant Projects	\$ 23,939,625.00	\$ 1,478,838.00	\$ 25,418,463.00
2008 Capitalization Grant Projects	\$ 19,654,959.00	\$ 4,388,556.00	\$ 24,043,515.00
2009 Capitalization Grant Projects	\$ 6,732,638.00	\$ 12,270,976.00	\$ 19,003,614.00
2010 Capitalization Grant Projects	\$ 966,161.00	\$ 4,443,324.00	\$ 5,409,485.00
2011 Capitalization Grant Projects	\$ -	\$ -	\$ -
Total Capitalization Grant Loan Disbursements	\$ 240,112,588.00	\$ 22,581,694.00	\$ 262,694,282.00
Revolving Fund Loan Disbursements	\$ 51,171,344.00	\$ 6,413,264.00	\$ 57,584,608.00
Total Decrease in Available Funds	\$ 291,283,932.00	\$ 28,994,958.00	\$ 320,278,890.00
Ending Balance	\$ 54,720,443.50	\$ 72,644,052.10	

Note: "The Fund" consists of monies to be loaned out for projects, and does not include set aside funds.

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 5 Loan Administrative Fee

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Beginning Balance	\$ <u> -</u>		
Administrative Fees Collected	\$ 5,844,837.00	\$ 735,644.00	\$ 6,580,481.00
Interest Earned on Administrative Fees	\$ 1,246,980.71	\$ 31,640.34	\$ <u>1,278,621.05</u>
Ending Balance			\$ <u>7,859,102.05</u>

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 6 New Projects Identified for Receiving DWSRF Assistance

<u>Project Name</u>	<u>Project Number (WIF)</u>	<u>Assistance Amount</u>	<u>Binding Commitment Date</u>	<u>Construction Start Date</u>	<u>Scheduled Completion Date</u>	<u>Loan Interest Rate</u>	<u>Loan Term (Years)</u>
<u>2009 Capitalization Grant</u>							
Thomasville, City of	1562	\$1,363,905	10/30/2012	11/26/2012	5/24/2013	0.000%	20
<u>2010 Capitalization Grant</u>							
Beaufort County Water District I	1735	\$3,000,000	10/1/2012			0.000%	20
Benson, Town of	1701	\$510,000	10/10/2012			0.000%	19
Columbus County W & S District II	1638	\$1,867,135	7/3/2012			0.000%	14
Conover, City of	1645	\$724,928	7/10/2012	4/18/2013		0.000%	20
Conover, City of	1646	\$377,500	7/10/2012			0.000%	20
Greene County	1637	\$3,000,000	8/9/2012			0.000%	20
Greensboro, City of	1656	\$4,142,500	3/22/2013			0.000%	20
Jones, County of	1634	\$2,015,000	7/3/2012	5/7/2013	12/20/2013	0.000%	14
Onslow Water & Sewer Authority	1628	\$6,167,615	10/19/2012			0.000%	20
Raleigh, City of	1703	\$6,688,700	8/15/2012	5/13/2013	9/30/2014	0.000%	20
<u>2011 Capitalization Grant</u>							
Aqua North Carolina, Inc.	1691	\$2,125,617	10/17/2012	10/23/2012	4/15/2013	0.000%	10
Aqua North Carolina, Inc.	1689	\$1,733,141	10/3/2012	10/26/2012	4/30/2013	0.000%	20
Asheboro, City of	1718	\$487,850	10/30/2012	3/27/2013	12/31/2013	0.000%	12
Beaufort County Water District VI	1741	\$3,000,000	10/1/2012			0.000%	20
Bertie County Water District I	1740	\$869,000	11/19/2012			0.000%	20
Bertie County Water District II	1446	\$394,000	11/19/2012			0.000%	18
Bertie County Water District II	1743	\$794,000	11/19/2012			0.000%	20
Bertie County Water District III	1742	\$1,018,000	11/19/2012			0.000%	20
Bertie County Water District IV	1744	\$904,000	11/19/2012			0.000%	20
Bryson City, Town of	1713	\$1,172,587	12/17/2012			0.000%	20
Faison, Town of	1754	\$510,000	8/24/2012	3/31/2012	5/30/2012	0.000%	20
Franklinville, Town of	1709	\$112,487	11/14/2012	3/27/2013	6/30/2013	0.000%	20
Greene, County of	1745	\$1,701,000	12/3/2012			0.000%	20
Halifax, County of	1699B	\$1,585,228	8/6/2012	3/7/2013	11/1/2013	0.000%	19
Henderson, City of	1693	\$294,000	8/14/2012			0.000%	20
Montgomery, County of	1697	\$1,729,000	8/29/2012			0.000%	20
Norlina, Town of	1681	\$233,850	7/26/2012	2/14/2013	6/30/2013	0.000%	20
Pink Hill, Town of	1731	\$219,255	4/9/2013			0.000%	20
Red Springs, Town of	1687	\$588,960	11/13/2012	1/24/2013	6/30/2013	0.000%	20
Robbins, Town of	1696	\$1,530,000	10/1/2012	1/18/2013	3/31/2014	0.000%	20
Saratoga, Town of	1677	\$117,582	8/22/2012	4/1/2013	12/31/2013	0.000%	10
Snow Hill, Town of	1734	\$656,000	1/14/2013			0.000%	20
Topsail Beach, Town of	1674	\$3,500,000	9/24/2012	10/16/2012	9/30/2013	0.000%	20
Warren County Water System District II	1680	\$291,427	9/26/2012	4/9/2013	9/30/2013	0.000%	20
Waynesville, Town of	1704	\$329,868	3/14/2013			0.000%	20

Cont.

2012 Capitalization Grant

Aulander, Town of	1733	\$222,345	4/10/2013			0.000%	20
Belmont, City of	1781F	\$745,140	3/1/2013	7/8/2013	11/5/2013	0.000%	20
Benson, Town of	1756	\$199,050	4/19/2013			0.000%	20
Black Creek, Town of	1676	\$490,518	4/19/2013			0.000%	20
Bladenboro, Town of	1698	\$746,946	6/14/2013			0.000%	20
Brevard, City of	1778	\$2,402,041	3/19/2013			0.000%	18
Broadway Water Association, Inc.	1767	\$226,960	4/3/2013			0.000%	20
Edgecombe County W&SD No. 1	1751	\$428,464	6/3/2013			0.000%	20
Louisburg, Town of	1682	\$213,560	5/30/2013			0.000%	20
Martin County Regional Water And Sewer Autho	1760	\$2,013,000	3/28/2013			0.000%	20
North Lenoir Water Corporation	1748	\$2,200,000	4/17/2013			0.000%	20
Orange-Alamance Water System, Inc.	1672	\$689,000	6/3/2013			0.000%	20
Peachland, Town of	1764	\$142,290	5/14/2013			0.000%	20
Ramseur, Town of	1755F	\$300,725	3/26/2013	3/5/2013	5/30/2013	0.000%	20
Snow Hill, Town of	1635	\$841,000	10/8/2012	5/7/2013	11/13/2013	0.000%	15
Spring Lake, Town of	1685	\$1,314,666	4/9/2013			0.000%	20
Taylorsville, Town of	1720	\$1,475,000	3/5/2013		11/15/2014	0.000%	20
Washington County	1675	\$573,811	4/22/2013			0.000%	20
Williamston, Town of	1783F	\$1,145,500	4/9/2013			0.000%	20

2013 Capitalization Grant

Carolina Beach, Town of	1786F	\$1,547,000	6/18/2013			0.000%	20
Denton, Town of	1643	\$3,604,691	1/8/2013			0.000%	20
Henderson, City of	1692	\$1,129,000	7/24/2012	4/22/2013	6/30/2014	0.000%	20
Henderson, City of	1694	\$1,726,000	8/14/2012			0.000%	20
Kings Mountain, City of	1773	\$5,243,500	6/27/2013			0.000%	20

6900 Fund

Apex, Town of	1758FP	\$805,000	12/20/2012	3/18/2013	8/30/2013	0.000%	5
Cary, Town of	1757FP	\$2,695,000	12/18/2012	2/8/2013	8/30/2013	0.000%	5
Craven, County of	1759FP	\$3,014,530	2/5/2013	3/13/2013	1/31/2014	0.000%	5
Fayetteville Public Works Commission	1761FP	\$2,801,858	4/12/2013			0.000%	5

Total Binding Commitments 64 \$94,690,730

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 7 Assistance Amount by Category--DWSRF

<u>Project Name</u>	<u>Project Number (WIF #)</u>	----- Category -----					<u>Purchase of System</u>	<u>Planning and Design Only</u>	<u>Total</u>
		<u>Source</u>	<u>Treatment</u>	<u>Storage</u>	<u>Distribution</u>				
<u>2009 Capitalization Grant</u>									
Thomasville, City of	1562					\$1,363,905			\$1,363,905
<u>2010 Capitalization Grant</u>									
Beaufort County Water District I	1735					\$3,000,000			\$3,000,000
Benson, Town of	1701					\$510,000			\$510,000
Columbus County W & S District II	1638					\$1,867,135			\$1,867,135
Conover, City of	1645					\$724,928			\$724,928
Conover, City of	1646					\$377,500			\$377,500
Greene County	1637					\$3,000,000			\$3,000,000
Greensboro, City of	1656		\$4,142,500						\$4,142,500
Jones, County of	1634					\$2,015,000			\$2,015,000
Onslow Water & Sewer Authority	1628		\$6,167,615						\$6,167,615
Raleigh, City of	1703		\$6,688,700						\$6,688,700
<u>2011 Capitalization Grant</u>									
Aqua North Carolina, Inc.	1691					\$2,125,617			\$2,125,617
Aqua North Carolina, Inc.	1689		\$1,733,141						\$1,733,141
Asheboro, City of	1718					\$487,850			\$487,850
Beaufort County Water District VI	1741		\$3,000,000						\$3,000,000
Bertie County Water District I	1740					\$869,000			\$869,000
Bertie County Water District II	1446					\$394,000			\$394,000
Bertie County Water District II	1743					\$794,000			\$794,000
Bertie County Water District III	1742					\$1,018,000			\$1,018,000
Bertie County Water District IV	1744					\$904,000			\$904,000
Bryson City, Town of	1713					\$1,172,587			\$1,172,587
Faison, Town of	1754					\$510,000			\$510,000
Franklinville, Town of	1709					\$112,487			\$112,487
Greene, County of	1745					\$1,701,000			\$1,701,000
Halifax, County of	1699B					\$1,585,228			\$1,585,228
Henderson, City of	1693					\$294,000			\$294,000
Montgomery, County of	1697		\$1,729,000						\$1,729,000
Norlina, Town of	1681					\$233,850			\$233,850
Pink Hill, Town of	1731					\$219,255			\$219,255
Red Springs, Town of	1687					\$588,960			\$588,960
Robbins, Town of	1696	\$1,530,000							\$1,530,000
Saratoga, Town of	1677					\$117,582			\$117,582
Snow Hill, Town of	1734					\$656,000			\$656,000
Topsail Beach, Town of	1674			\$3,500,000					\$3,500,000
Warren County Water System District II	1680					\$291,427			\$291,427
Waynesville, Town of	1704					\$329,868			\$329,868

Cont.

2012 Capitalization Grant

Aulander, Town of	1733		\$222,345	\$222,345
Belmont, City of	1781F		\$745,140	\$745,140
Benson, Town of	1756		\$199,050	\$199,050
Black Creek, Town of	1676		\$490,518	\$490,518
Bladenboro, Town of	1698		\$746,946	\$746,946
Brevard, City of	1778	\$2,402,041		\$2,402,041
Broadway Water Association, Inc.	1767		\$226,960	\$226,960
Edgecombe County W&SD No. 1	1751		\$428,464	\$428,464
Louisburg, Town of	1682		\$213,560	\$213,560
Martin County RW&SA	1760	\$2,013,000		\$2,013,000
North Lenoir Water Corporation	1748		\$2,200,000	\$2,200,000
Orange-Alamance Water System, Inc.	1672		\$689,000	\$689,000
Peachland, Town of	1764		\$142,290	\$142,290
Ramseur, Town of	1755F		\$300,725	\$300,725
Snow Hill, Town of	1635		\$841,000	\$841,000
Spring Lake, Town of	1685		\$1,314,666	\$1,314,666
Taylorsville, Town of	1720		\$1,475,000	\$1,475,000
Washington County	1675		\$573,811	\$573,811
Williamston, Town of	1783F		\$1,145,500	\$1,145,500

2013 Capitalization Grant

Carolina Beach, Town of	1786F		\$1,547,000	\$1,547,000
Denton, Town of	1643	\$3,604,691		\$3,604,691
Henderson, City of	1692		\$1,129,000	\$1,129,000
Henderson, City of	1694		\$1,726,000	\$1,726,000
Kings Mountain, City of	1773		\$5,243,500	\$5,243,500

6900 Fund

Apex, Town of	1758FP		\$805,000	\$805,000
Cary, Town of	1757FP		\$2,695,000	\$2,695,000
Craven, County of	1759FP		\$3,014,530	\$3,014,530
Fayetteville Public Works Commission	1761FP		\$2,801,858	\$2,801,858

Totals	<u>\$1,530,000</u>	<u>\$29,078,647</u>	<u>\$5,902,041</u>	<u>\$48,863,654</u>	<u>\$0</u>	<u>\$9,316,388</u>	<u>\$94,690,730</u>
64							

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 8-A Progress Toward Satisfying the Additional Subsidization Requirement

<u>WIF #</u>	<u>Applicant</u>	<u>Total Award \$</u>	<u>Additional Subsidy Award \$</u>
<u>2010 Capitalization Grant</u>			
1735	Beaufort County Water District I	\$3,000,000	\$2,400,000 *
1638	Columbus County W & S District II	\$1,867,135	\$1,500,908 *
1662	Cumberland, County of	\$540,802	\$432,642
1636	Duplin County Water District E	\$1,161,000	\$928,800 *
1632	Duplin County Water District G	\$1,524,500	\$1,219,600 *
1637	Greene County	\$3,000,000	\$2,400,000 *
1629	Mount Olive, Town of	\$2,187,850	\$1,750,280
1647P	North Wilkesboro, Town of	\$725,170	\$20,000
1642	Ramseur, Town of	\$353,914	\$283,131
2010 Minimum Additional Subsidy: <u>\$10,677,900</u>			\$10,935,361
<u>2011 Capitalization Grant</u>			
1741	Beaufort County Water District VI	\$3,000,000	\$2,400,000 *
1700	Middlesex, Town of**	\$431,728	\$431,728
1697	Montgomery, County of	\$1,729,000	\$1,383,200 *
1731	Pink Hill, Town of	\$219,255	\$175,404 *
1696	Robbins, Town of	\$1,530,000	\$1,224,000
1649	Spruce Pine, Town of	\$2,426,000	\$1,940,800
2011 Minimum Additional Subsidy: <u>\$7,409,400</u>			\$7,555,132
<u>2012 Capitalization Grant (in progress)</u>			
1733	Aulander, Town of	\$222,345	\$177,876 *
1760	Martin County RW&SA	\$2,013,000	\$1,610,400 *
1635	Snow Hill, Town of	\$790,433	\$632,346
1720	Taylorsville, Town of	\$1,475,000	\$1,180,000
2012 Minimum Additional Subsidy: <u>\$3,493,416</u>			\$3,600,622
<u>2013 Capitalization Grant (in progress)</u>			
1643	Denton, Town of	\$3,604,691	\$2,400,000
2013 Minimum Additional Subsidy: <u>\$3,530,550</u>			\$2,400,000

Exhibit 8A shows that North Carolina has met the required Additional Subsidization requirement of the awarded Capitalization Grants (2010 and 2011). Exhibit 8A also shows that North Carolina has continued to offer sufficient Additional Subsidization for the yet unawarded Capitalization Grants (2012 and 2013).

*Project has Binding Commitment only, and has not yet been provided assistance.

**Middlesex 1700 was reported as a 2010 project on the 2012 Annual Report

**NORTH CAROLINA
DRINKING WATER STATE REVOLVING FUND
Annual Report
June 30, 2013**

Exhibit 8-B Progress Toward Satisfying the Green Project Reserve

<u>WIF #</u>	<u>Applicant</u>	<u>Total Award \$</u>	<u>Green Award \$</u>
<u>2010 Capitalization Grant</u>			
1701	Benson, Town of	\$510,000	\$510,000 *
1646	Conover, City of	\$377,500	\$377,500 *
1645	Conover, City of	\$724,928	\$724,928
1626	Elizabethtown, Town of	\$389,515	\$389,515 *
1656	Greensboro, City of	\$4,142,500	\$4,142,500 *
1061B	Johnston, County of	\$5,097,577	\$5,097,577
1634	Jones, County of	\$2,015,000	\$2,015,000
1703	Raleigh, City of	\$7,075,847	\$7,075,847
1661	Roanoke Rapids Sanitary District	\$1,197,509	\$1,197,509
2010 Minimum Green Project Reserve: <u>\$7,118,600</u>			\$21,530,376
<u>2011 Capitalization Grant</u>			
1691	Aqua North Carolina, Inc.	\$2,125,617	\$2,125,617
1740	Bertie County Water District I	\$869,000	\$869,000 *
1743	Bertie County Water District II	\$794,000	\$794,000 *
1744	Bertie County Water District IV	\$904,000	\$904,000 *
1713	Bryson City, Town of	\$1,172,587	\$1,172,587 *
1745	Greene, County of	\$1,701,000	\$1,701,000 *
1693	Henderson, City of	\$293,928	\$293,928
1681	Norlina, Town of	\$233,850	\$233,850
1687	Red Springs, Town of	\$358,533	\$358,533
1677	Saratoga, Town of	\$96,940	\$96,940
1737	South Greene Water Corp.	\$580,000	\$580,000 *
1704	Waynesville, Town of	\$329,868	\$329,868 *
2011 Minimum Green Project Reserve: <u>\$4,939,600</u>			\$9,459,323
<u>2012 Capitalization Grant</u>			
1767	Broadway Water Association, Inc.	\$226,960	\$226,960 *
1751	Edgecombe County W&SD No. 1	\$428,464	\$428,464 *
1682	Louisburg, Town of	\$213,560	\$213,560 *
1748	North Lenoir Water Corporation	\$2,200,000	\$2,200,000 *
1672	Orange-Alamance Water System, Inc.	\$689,000	\$689,000 *
1764	Peachland, Town of	\$142,290	\$142,290 *
1731	Pink Hill, Town of	\$219,255	\$219,255 *
2012 Minimum Green Project Reserve: <u>\$0</u>			\$4,119,529
<u>2013 Capitalization Grant</u>			
1692	Henderson, City of	\$1,129,000	\$1,129,000 *
1694	Henderson, City of	\$1,726,000	\$1,726,000 *
2013 Minimum Green Project Reserve: <u>\$0</u>			\$2,855,000

Exhibit 8B shows that North Carolina has met the requirements for each Green Project Reserve for each awarded Capitalization Grant (2010 and 2011). Exhibit 8B also shows that North Carolina has designated "Green" projects outside the Green Project Reserve requirements for the yet unawarded Capitalization Grants (2012 and 2013).

*Project has Binding Commitment only, and has not yet been provided assistance.

STATE OF NORTH CAROLINA
EPA Revolving Loan Fund
Combining Statement of Net Assets
June 30, 2013 and 2012

Exhibit 9-A

	Clean Water Program		Drinking Water Program		Total	Total
	2013	2012	2013	2012	2013	2012
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 271,494,097	\$ 284,737,436	\$ 91,528,192	\$ 76,834,072	\$ 363,022,289	\$ 361,571,508
Investment-Bond Proceeds			0	0	0	0
Receivables:						
Loans (Due within one year)	52,293,312	47,516,974	14,945,701	13,170,352	67,239,013	60,687,326
Accrued Interest	2,495,089	2,303,966	991,935	2,117,038	3,487,024	4,421,004
Other	0	8,274	32,520	76,051	32,520	84,325
State Treasurer's Securities Lending Collateral	23,387,049	28,639,456	7,935,114	7,713,534	31,322,163	36,352,990
Total Current Assets	349,669,548	363,206,106	115,433,462	99,911,047	465,103,009	463,117,153
Capital Assets, Depreciable						
Machinery and Equipment	38,381	53,203	167,804	155,394	206,185	208,597
Accumulated Depreciation	(35,381)	(42,021)	(109,073)	(91,684)	(144,454)	(133,705)
Total Capital Assets, Depreciable (net)	3,000	11,182	58,731	63,710	61,731	74,892
Noncurrent Assets:						
Loans Receivable (Due after one year)	631,291,189	579,661,935	241,063,665	234,552,284	872,354,854	814,214,219
Total Assets	980,963,737	942,879,223	356,555,858	334,527,041	1,337,519,594	1,277,406,264
LIABILITIES						
Current Liabilities:						
Accounts Payable	3,821	7,282	115,505	64,445	119,326	71,727
Accrued Vacation Leave	9,953	11,858	10,921	12,149	20,874	24,007
Accrued Payroll	0	0	0	0	0	0
Obligations Under State Treasurer's Securities						
Lending Agreements	24,561,569	30,560,461	8,334,977	8,234,428	32,896,546	38,794,889
Other Accrued Liabilities	5,139	3,135	26,519	23,441	31,658	26,576
Total Current Liabilities	24,580,482	30,582,736	8,487,922	8,334,463	33,068,404	38,917,199
Noncurrent Liabilities:						
Accrued Vacation Leave	245,021	231,541	293,854	261,094	538,875	492,635
Total Liabilities	24,825,503	30,814,277	8,781,776	8,595,557	33,607,279	39,409,834
NET ASSETS						
Invested in Capital Assets, net of related debt	3,000	11,182	58,731	63,710	61,731	74,892
Restricted for:						
Program Loans	956,135,234	912,053,764	347,715,350	325,867,774	1,303,850,584	1,237,921,538
Total Net Assets	\$ 956,138,234	\$ 912,064,946	\$ 347,774,081	\$ 325,931,484	\$ 1,303,912,315	\$ 1,237,996,430

STATE OF NORTH CAROLINA
EPA Revolving Loan Fund
Combining Statement of Revenues, Expenses, and
Changes in Net Assets
For the Fiscal Year Ended June 30, 2013 and 2012

Exhibit 9-B

	Clean Water Program		Drinking Water Program		Total	Total
	2013	2012	2013	2012	2013	2012
REVENUES						
Operating Revenues:						
Interest Income on Loans	\$ 12,875,322	13,855,548	\$ 4,210,939	\$ 4,892,434	\$ 17,086,260	\$ 18,747,982
Loan Closing Fees	1,668,211	4,257,493	735,644	360,818	2,403,855	4,618,311
Miscellaneous						
Total Operating Revenues	14,543,533	18,113,041	4,946,583	5,253,252	19,490,115	23,366,293
EXPENSES						
Operating Expenses:						
Personal Services	2,336,265	2,354,212	3,347,704	3,143,451	5,683,970	5,497,663
Supplies and Material	14,528	8,181	44,623	25,105	59,151	33,286
Services	66,151	49,191	1,418,238	1,789,267	1,484,389	1,838,458
Depreciation	5,210	2,002	17,389	15,695	22,599	17,697
Insurance & Bonding	840	280	11,935	16,945	12,775	17,225
Other Fixed Charges	33,243	2,136	31,065	31,160	64,308	33,296
Capital Outlay	34,025	3,966	39,650	31,330	73,675	35,296
Other Expenses	16,452	82,847	159,062	136,144	175,514	218,991
Total Operating Expenses	2,506,714	2,502,815	5,069,666	5,189,097	7,576,380	7,691,912
Operating Income (Loss)	12,036,819	15,610,226	(123,083)	64,155	11,913,735	15,674,381
NONOPERATING REVENUES (EXPENSES)						
Federal Grants	38,844,097	27,538,652	30,500,906	21,595,998	69,345,003	49,134,650
Interest Income	(39,055)	20,568	(28,486)	(60,524)	(67,541)	(39,956)
Grants, Aid and Subsidies	(8,413,523)	(1,746,110)	(7,656,020)	(4,538,250)	(16,069,543)	(6,284,360)
Sale of Surplus Property			176		176	
Gain (loss) on Sale of Property & Equipment	(2,972)	(9,890)		25,844	(2,972)	15,954
Miscellaneous	(47,357)	(53,214)	(15,075)	(9,220)	(62,432)	(62,434)
Total Nonoperating Revenues	30,341,189	25,750,006	22,801,501	17,013,848	53,142,690	42,763,854
Income Before Transfers	42,378,008	41,360,232	22,678,417	17,078,003	65,056,425	58,438,235
Transfers In				7,118,600		7,118,600
Transfers Out	(225,725)	(182,032)	(1,356,715)	(341,284)	(1,582,440)	(523,316)
Increase in Net Assets	42,152,283	41,178,200	21,321,703	23,855,319	63,473,986	65,033,519
Net Assets July 1 (restated in 2012 for 2010)	913,985,951	870,886,746	326,452,378	302,076,165	1,240,438,329	1,172,962,911
Net Assets June 30	\$ 956,138,234	\$ 912,064,946	\$ 347,774,081	\$ 325,931,484	\$ 1,303,912,315	\$ 1,237,996,430