

# State Water Infrastructure Authority

Meeting Date: April 18-19, 2018

## Agenda Item G – Key Program Metrics

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### Division of Water Infrastructure Staff Report

#### Background

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

- To establish priorities for making loans and grants consistent with federal law
- Develop guidelines for making loans and grants
- Make recommendations on ways to maximize the use of current funding resources and ensure that funds are used in a coordinated manner

Synchronized priority points system and affordability criteria were implemented prior to administering the Connect NC Bond funds. In early 2018, the Division undertook an analysis of data resulting from the application that occurred in 2016 and 2017. The goal of the analysis is to examine the effectiveness of the:

- Priority rating systems for both the construction and non-construction funding programs, and
- Affordability criteria for the grant eligibility and grant percentage determination processes.

#### Overview

The attached document provides information about the priority rating systems and affordability criteria, which will be presented at the Authority meeting by Division staff. The document includes:

- I. Purpose
- II. History
- III. Evaluation of Priority Points Systems
- IV. Evaluation of Affordability Criteria
- V. Division Recommendations

Staff is seeking the Authority's input on a number of items; these are highlighted within the document in gray boxes and are summarized below.

#### Staff Recommendations

Staff recommends that the Authority approve seeking public input on the following changes:

1. Changing the "Debt Service Per Connection" axis to use project cost per connection using aggregate boundaries for the affordability criteria.
2. Grant eligibility for CDBG-I:
  - a. Apply the last two steps of the affordability criteria with an adjustment to the grant percentage by adding 25% to the grant percentages in the matrix, not to exceed 100%
  - b. Continue to allow 100% grants for projects that extend lines to existing homes with failing wells and septic systems
  - c. Continue to allow 100% grants for projects that extend lines to new low-to-moderate income housing projects
3. Priority rating system changes as described in Agenda Items H. and I.