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## *Agenda*

- Introductions & program overview
- Application package completion
- Priority Rating Systems for drinking water and wastewater construction projects (including Emerging Contaminants Studies)
- Emerging Contaminants primer
- Lead Service Line applications
- Funding expectations primer
- Wrap-Up

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## *Training Handout Packet*

- Agenda
- Presentation
- NCDEQ Division Common Application
- One-sheets for all funding programs and more

Guidance and other documents can be found on our website at: <https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources>



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## *Introductions*

- Staff introductions
- Audience introductions
  - How many are representing local government units?
  - How many are consultants or technical assistance providers?
  - How many are new?
  - How many are old hands at this?



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*Program Overviews*



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*Know Before You Go: Funding Programs*

Applications due **Wednesday, April 30, 2025,**  
by 5:00 p.m.

- Electronic applications
- One-sheets provide summary of each funding program
- Rolling applications for
  - Lead Service Line Replacement program
  - Emerging Contaminants studies



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## *Spring 2025 Funds Available (Preliminary)*

Application Type	Approximate Amount Available in Spring 2025		
Drinking Water Projects	DWSRF Loan: \$50M (incl. \$18 M in PF)	Emerging Contaminants (EC): \$10M for construction (100% PF)	Emerging Contaminants EC-SDC: \$15M for Small and disadvantaged Communities
Wastewater Projects (including stormwater quality, stream restoration)	CWSRF Loan: \$90 M (incl. \$13 M in PF)	Emerging Contaminants (EC): \$2M (estimated) (100% PF)	
<b>Total</b>	<b>~\$167M</b>		

Application Type	Approximate Amount Available Throughout the Year
Lead Service Line Inventories and Replacements	~\$12.9M (incl. ~\$9.4M in PF) (more is available)
Evaluation/Assessment Studies to Address PFAS in Drinking Water and in Wastewater/Landfills	Drinking Water ~\$10.1M (100% PF) Wastewater ~\$1.64M (100% PF)
<b>Total</b>	<b>~\$24.6</b>

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## *Funding Types and Limits for Spring 2025 Round*

Program	Funding Type and Limits
Drinking Water State Revolving Fund	Repayable loans (with principal forgiveness), up to \$25 M per round, \$200M total DWSRF loan per recipient \$5M for IIJA EC construction Funds
Clean Water State Revolving Fund	Repayable loans (with principal forgiveness), up to \$35 M per project per round, \$200M total CWSRF loan per recipient No cap for IIJA EC funds

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## What's New Since Fall 2024

- Updated Utility rates for different prioritization and PF eligibilities

Percentile Ranges	Old Combined Monthly Bills (\$/5000 gallons)	Fall 2024 Combined Monthly Bills (\$/5000 gallons)	Prioritization (Line Item 4.B)	% Grant or PF (Current Combined Monthly Bill)	% Grant or PF (Combined Monthly Bills + Project cost per month)
> 99 Percentile	> \$148	> \$166	10	100%	100%
95 - 99 Percentile	\$129 - \$148	\$145 - \$166	10	100%	75%
85 - 95 Percentile	\$107 - \$129	\$126 - \$145	8	75%	50%
70 - 85 Percentile	\$90 - \$107	\$107 - \$126	6	50%	25%
50 - 70 Percentile	\$79 - \$90	\$89 - \$107	4	25%	0%
0 - 50 Percentile	\$0 - \$79	\$0 - \$89	0	0%	0%



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## What's New Since Fall 2024

- Disadvantaged Area definition

- Does not include project that benefits the entire LGU area or entire utility service area
- A targeted project area will be considered a “disadvantaged area” based on at least 3 of the following factors compared to the state benchmark values:
  - Median household income rea;
  - Poverty rate;
  - Property values per capita;
  - Unemployment rate.

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## What's New Since Fall 2024

- Focus on EC-Study projects
  - 50% reserve for both WW and DW funds
  - "Rolling" Applications for WW and DW EC study grants
  - Next cutoff dates for LSLR or EC study applications are June 2, 2025 (awards at July 16, 2025 SWIA meeting)
- EC Prioritization Line times
  - Line Items 1.J – Projects Addressing PFAS emerging Contaminants
  - Line Items 2.H.3 & 2.H.4 – Projects address PFAS



\*Dates are preliminary and subject to change.

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## What's New This Round

- Lead Service Line Replacement Projects
  - More funds available!

Approx. Application Due Date	Approx. SWIA Meeting (Award Date)	Est. LSLR Funds Available (Includes PF)	Est. Principal Forgiveness (PF) Available
March 3, 2025	April 16-17, 2025	\$12,869,533	\$9,447,110
June 2, 2025	July 16, 2025	\$12,869,533	\$9,447,110
August 1, 2025	September 17, 2025	\$12,869,533	\$9,447,110
November 3, 2025	December 10, 2025	\$12,869,533	\$9,447,110

- Initial funding caps can be increased in \$500,000 increments if funds are available
  - \$5M for replacement of known lead
  - \$3M for find and replace
  - \$1M for inventory



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### *Pop Quiz: Funding Programs Question #1*

- Water/Wastewater Planning grants are being offered this round.
  
- True
- False



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### *Pop Quiz: Funding Programs Question #2*

- The threshold of utility bill per 5,000 gallons for 100% regardless of combined monthly bill or combined monthly bill and cost of project per connection is
- A. \$89
  - B. \$126
  - C. \$145
  - D. \$166



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### *Pop Quiz: Funding Programs Question #3*

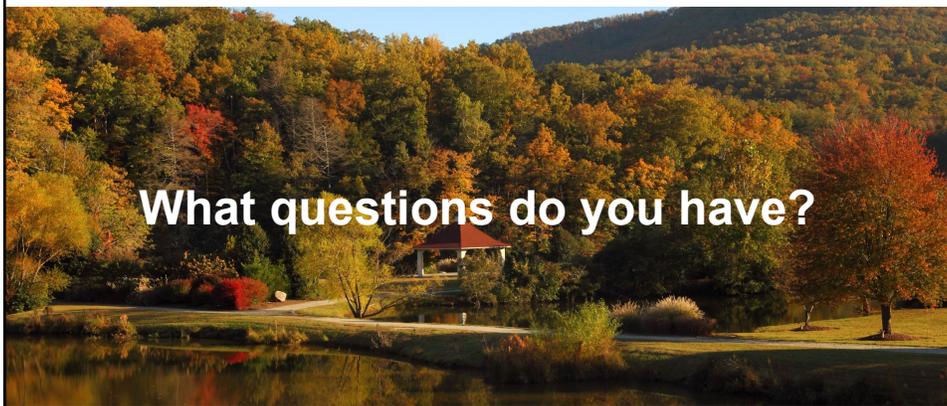
- When are applications due?
  - A. Tuesday, April 15, 2025, 11:59 pm
  - B. Wednesday, April 30, 2025, 12:00 pm
  - C. Wednesday, April 30, 2025, 5:00 pm
  - D. Thursday, May 1, 5:00 pm



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### *Discussion Time*



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## *Application Package Completion*



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### *Application Packet*

- Division application
- Priority points sheet and narrative
  - Wastewater, including BIL-EC construction funding
  - Drinking water, including BIL- EC construction funding
- Affordability calculator
- Resolution and Form for Certification by Recording Officer
- Water and Sewer Financial Information Form, if applicable
- Fund Transfer Certification Form
- Rate sheets
- No UEI form required (New!)



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## *Application Packages*

- Construction applications not funded in previous round (Fall 2024) considered in Spring 2025 No additional information allowed
  - Application reconsidered as-is
  - Adding information? ⇒ Submit completely new application
  - Each application viewed as stand-alone



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## *Final Check Tips*

- All signatures present including electronic copies
- All forms present and complete
  - Application
  - Fund Transfer Certification
  - Rate sheet(s)
  - Resolution(s) as needed
  - EJ map (if applicable)
- Narratives & score sheets & supporting documentation



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*Division Application*

- Revised in Winter 2025
  - This application must be used
- One application for app programs, except LSLR and EC study projects
- Best funding available based on eligibility and prioritization
- All sections completed
- *Note:* Application comes with instructions
  - Read the instructions

Instructions for Completing the  
Application for Funding for  
Division of Water Infrastructure

Low-interest loans, principal forgiveness (PF), and grants from the Drinking Water State Revolving Fund (DWSRF) and the Clean Water State Revolving Fund (CWSRF) are available for the Spring 2025 funding round. Principal forgiveness (PF) for construction projects from the Infrastructure Investment and Jobs Act (IIJA), DWSRF Emerging Contaminants (DWSRF-EC) funds, and Risk-Clean Water State Revolving Fund (CWSRF-EC) are available for projects addressing PFAS contamination in drinking water and gasboiler. **Note: Specific for DWSRF-EC and CWSRF-EC study projects is now available on a rolling basis. A separate application for these projects is available on the Application Form and ADDITIONAL Resources page of the website.** Low-interest CWSRF loans are available for green projects such as stormwater quality infrastructure, stream restoration, reclaim water, or energy efficiency projects.

Complete this Application for Funding form and submit it along with [required](#) additional forms and documents to the Division of Water Infrastructure for consideration.

*Note:* there is a different application form for Lead Service Line Inventorying and Replacement funding as well as EC study funding.

Spring 2025 applications are due **Wednesday, April 30, at 5:00pm**.

Instructions are enclosed.

Application form is attached after the instructions. Additional forms required for completing an application are available on the Division of Water Infrastructure's [application page](#).

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## Section 1 – General Information

North Carolina Department of Environmental Quality Division of Water Infrastructure Application for Funding <small>(Last updated February 2022)</small>		
<b>1. General Information</b>		
Applicant Name	County	Unique Entity Identifier (UEI)
Project Name	Federal Tax ID #	PWSID or NPDES # (if applicable)
Applicant Type		Funding Amount Requested
<input type="checkbox"/> Municipality	<input type="checkbox"/> Metropolitan Water/Sewerage District	Total Project Cost
<input type="checkbox"/> County	<input type="checkbox"/> Non-Profit Water Corporation	
<input type="checkbox"/> Water and Sewer District	<input type="checkbox"/> Investor-Owned Drinking Water Corporation	
<input type="checkbox"/> Water and Sewer Authority	<input type="checkbox"/> Council of Government	
<input type="checkbox"/> Sanitary District	<input type="checkbox"/> Other (Specify: _____)	
<b>Funding Type(s) Requested – Construction Projects</b>		
<input type="checkbox"/> Wastewater	<input type="checkbox"/> Drinking Water	
<input type="checkbox"/> Wastewater Emerging Contaminants (PFAS project)	<input type="checkbox"/> Drinking Water Emerging Contaminants (PFAS project)	
<input type="checkbox"/> CWSRF Green Project: stream restoration, stormwater SCM, reclaimed water		
<b>Funds for Existing SWIA Funded Project</b>		
If this application is for additional funding for an existing SWIA funded project, provide the projects Agreement Number (example format 2000000000) or Project Numbers (example formats CS370123-45, SRP-W-ARP-0000, 21-1-1234)		
<i>Note: Applications for projects previously funded by the State Water Infrastructure Authority will only be considered for additional funds to cover upland project costs.</i>		
<b>Acceptance of Funding Offer (for Construction Projects) Please read the Instructions page for details.</b>		
Most funding available is in the form of low-interest loans. Offers of grant and principal forgiveness (PF) are based on availability and the applicant's eligibility for grants/PF. Please indicate to the Division your willingness to accept a loan and the minimum amount of grant/PF you would accept for this project. The greatest amount of grant/PF available for your application based on eligibility and availability will be offered to your application if selected, even if you are willing to accept less.		
1) I am willing to accept a low-interest loan offer for the Funding Amount Requested above. <input type="checkbox"/> Yes (stop here) or <input type="checkbox"/> No (answer the next question). <i>(Answering "Yes" does not reduce the amount of grant or PF the project will be offered if awarded. The project will be offered any grant or principal forgiveness for which it can receive based on eligibility and availability.)</i>		
2) I will only accept a funding offer if a minimum of _____ is offered as a grant or principal forgiveness (PF). I understand that I will not be offered any funding if the minimum requested grant/PF amount cannot be offered. <i>(In many funding rounds projects will be limited to \$500,000 in PF based on PF availability. Indicating a minimum grant/PF request above \$500,000 has a higher likelihood that a potential funding offer would not meet the minimum grant/PF requested and result in the project being bypassed for funding. Applicants should indicate the lowest amount of grant/PF required.)</i>		

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## Division Application – Section 1 – Tips

- **Funding amount requested**
- **Total project cost**
- **Funding Type Requested**
- **Minimal amount of grant/principal forgiveness needed**
  - Question 1 – Tell us if you're willing to accept a low-interest loan offer for the full funding amount (Yes/No)
  - If no, tell us in Question 2 the minimum amount of grant/PF you need to make the project move forward.

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## Division Application – Section 1 – Tips

- Previously (partially) funded project – Provide Agreement # (2000XXXX), project #(s) (New!)
- If you have a completely funded project and wish to reapply to get better terms, you must decline the original funding to be considered again



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## Sections 2-5 – System Parameters & Contact Information

**2. Drinking Water and Wastewater System Parameters (Not applicable for stormwater projects)**

Residential Sewer Connections	Residential Water Connections
Non-Residential Sewer Connections	Non-Residential Water Connections
Monthly Sewer Bill for 5,000 gallons	Monthly Water Bill for 5,000 gallons

Service Population  
 Number of individuals directly served, excluding wholesale customers: \_\_\_\_\_  
 Percentage of Utility Bills Collected and Rate Increase Percentages

Year	Percentage of Utility Bills Collected	Rate Increase Percentage

**3. Applicant Contact Information (See Instructions regarding the Authorized Representative)**

Authorized Representative Name: \_\_\_\_\_  
 Authorized Representative Title: \_\_\_\_\_  
 Mailing Address Line 1: \_\_\_\_\_  
 Mailing Address Line 2: \_\_\_\_\_  
 City: \_\_\_\_\_  
 State: \_\_\_\_\_  
 Zip Code: \_\_\_\_\_

**4. Application Preparer Contact Information**

Firm Name: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

**5. Engineer Contact Information**

Is the engineering firm different from the application preparer?  Yes  No (skip contact information below)

Engineering Firm Name: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_  
 Email Address: \_\_\_\_\_

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## Division Application – Sections 2, 3, 4, & 5 – Tips

- **Section 2**
  - Water/sewer connections (residential & non-residential)
  - Water/sewer bills
- **Section 3 – Authorized Representative**
  - Top elected official
  - Top administrative official (e.g., Town Manager)
  - Person listed as Authorized Representative in Resolution
    - Utility Director
    - Finance Officer
    - Council Member
- **Section 4 & 5 – Application Preparer and Engineer Contact**
  - Please make sure same contacts are listed as provided in the electronic application submittal form.

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## Sections 6-7 – Project Description & Additional Information

6. Project Description (see Instructions)	
Estimated number of <b>avg</b> connections served by Drinking Water or Wastewater construction, <b>Emerging Contaminants (PFAS):</b>	<input type="text"/>
<input type="checkbox"/> 50% or more of the project budget is to directly benefit a Disadvantaged Area. Both the Application Budget and Narrative must demonstrate that the project area includes a Disadvantaged Area and that 50% or more of the project budget directly benefits the Disadvantaged Area. See Application Guidance for Line Item 4.C.4 for details on the minimum documentation to be included in the Budget and Narrative.	
<b>For Drinking Water and Wastewater construction, Emerging Contaminants (PFAS) construction, CWSRF Green Project, and CDBG-1:</b>	
<input type="checkbox"/> The proposed project is a result of an Asset Inventory and Assessment grant previously awarded by the Division.	
<input type="checkbox"/> The proposed project is a result of a Merger Regionalization Feasibility Study grant previously awarded by the Division.	
<input type="checkbox"/> None of the above.	
7. Additional Information for Consideration	

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## Division Application – Sections 6 & 7 – Tips

- Section 6 –
  - Project Description
    - Broad level of detail reflects major items in budget
    - If adding connections, number of connections
    - See Instructions for more detail
  - Identify if your project directly benefits a disadvantaged area
    - Self identifies projects eligible for PF
    - Supporting documentation provided as part of line item 4.C.4.
  - Identify projects resulting from an AIA/MRF
- Section 7 – Additional Information – Complete if needed

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## Sections 8 – Project Budget

8. Project Budget for All Construction Projects and for Emerging Contaminants	
<i>Evaluation/Assessment Studies</i> Do not use for other planning studies.	
1. Drinking Water/Wastewater: Costs for portions of the project that will fulfill the requirements related to rehabilitating or replacing waterlines, old infrastructure, lead service lines, or emerging contaminants (DW/WW PRS Line Items 1.C.1, 1.D.1, 1.J.1, 1.J.2, 1.J.3, or 2.B.2) must be labeled and shown separately to successfully claim points.	
2. All Costs for portions of the project that will directly benefit disadvantaged areas (DW/WW PRS Line Items 1.E or 4.C.4, must be labeled and shown separately to successfully claim points.	
3. Add additional lines as needed.	
Indicate construction costs by line item (e.g., linear feet of different-sized lines, each type of stormwater control measure, each stream restoration reach). Include a more detailed construction cost budget if needed.	<b>Division Funding Requested</b>
<b>Construction Costs</b>	
<i>Contingency (10% of construction costs):</i>	
<b>Construction Subtotal:</b>	
<b>Engineering Costs</b>	
Engineering Design	
Permitting	
Land Surveying Costs	
Other:	
<b>Engineering Subtotal:</b>	
<b>Administration Costs</b>	
Planning (pre-construction costs)	
Easement/Land Acquisition Costs	
Engineering Report Preparation	
Environmental Documentation Preparation (if applicable)	
Legal Costs	
Project Funding Administration (if applicable)	
Other:	
<b>Administration Subtotal:</b>	
<b>TOTAL FUNDING REQUESTED AND PROJECT COST:</b>	

A Professional Engineer seal, signature, and date for the estimate must be provided in the space to the right for the application to be considered complete.

(Note: If not using DocuSign to seal and sign the budget, put the seal signature on the Word document or use a wet seal signature with a scan of the wet seal signature.)



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## Section 8 – Tips

- Budget funding requested must match funding requested in Section 1
- Section 8a – DW/WW construction budget
  - If claiming Line Items 1.C.1, 1.D.1, 1.E, 1.J.1, 1.J.2, 2.B.2 & 4.C.4,, add lines as described in table instructions
  - *Affix PE seal, signature, and date*

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## Certifications & Completeness– Tips

- Certifications
  - *Authorized Representative must initial each certification*
  - Not applicable? N/A
- Completeness Checklist – Initialed by Authorized Representative or Preparer



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## *Signature – Tips*

- Must be signed by Authorized Representative
  - Top elected official
  - Top administrative official
  - Person listed in Resolution as Authorized Representative
- **Original signature**
  - *Electronic signature (DocuSign preferred) okay for other programs*



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## *Additional Forms*



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# Financial Information Form



Complete the following information related to your system's Enterprise Fund. If your Enterprise Funds are separate for water and wastewater, please supply sheets for the appropriate fund. If the application is for a specific District or system with its own fund, provide only that District's or system's financial information.

1. Supply the required information below:

Combined System  Water System  Wastewater System

Unit Name: \_\_\_\_\_  
Fund Name: \_\_\_\_\_

2. Provide the following information for the past three fiscal years for which an audit has been completed and submitted to the Local Government Commission for the equivalent (if not a local government unit).

	Fiscal Years		
	2022	2021	2020
<b>Operating Revenues</b>			
Customer Charges			
Connection Fees			
Other Revenue			
<b>Total Operating Revenues</b>			
<b>Expenditures</b>			
<i>Administration</i>			
Salaries			
Other			
<i>Operations</i>			
Salaries			
Other			
<b>Total Expenditures</b>			
<b>Other (do not include depreciation)</b>			
Debt principal			
Interest			
Capital outlay			
Capital reserve			
Transfer from (to) other funds			
Other (list):			
<b>Total Other</b>			
<b>Net Income (Loss)</b>			

(OVER)

3. Certification. Please read and sign below.

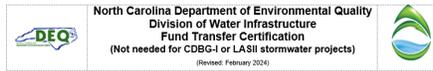
I attest that the fiscal information provided in this form, to the best of my knowledge, is accurate, complete, true, and matches audits for the past three years (or the equivalent formal financial records for non-local government applicants). I further attest that, to the best of my knowledge, if \_\_\_\_\_ has made any transfers within the past three years, these transfers are shown \_\_\_\_\_ (local government unit, a utility) in Item #2 of this form.

SIGNATURE OF FINANCE OFFICER OR AUTHORIZED REPRESENTATIVE	DATE
TYPED NAME	TYPED TITLE

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# Fund Transfer Certification Form



§ 159G-37(b) requires that all local governments applying for funding from the Clean Water State Revolving Fund, the Wastewater Reserve, the Drinking Water State Revolving Fund, the Drinking Water Reserve, and the Viable Utility Reserve for water or wastewater projects certify that no funds received from water or wastewater utility operations have been transferred to the local government's general fund for the purpose of supplementing the resources of the general fund since July 1, 2014. The prohibition contained in § 159G-37(b) shall not be interpreted to include payments made to the local government to reimburse the general fund for expenses paid from that fund that are reasonably allocable to the regular and ongoing operations of the utility, including, but not limited to, rent and shared facility costs, engineering and design work, plan review, and shared personnel costs. **Note:** A payment in lieu of taxes (PILOT) is not a disqualifying transfer so long as the PILOT reimburses these specific expenses. All other PILOTS are considered transfers.

Complete this form and have your Authorized Representative or Financial Officer sign it. You must check a box; otherwise, the application will be considered incomplete and not eligible for consideration for funding.

Applicant's Certification:

I, as a representative of \_\_\_\_\_ (Local Government Unit) hereby certify that since July 1, 2014,

funds received from the water and/or wastewater utility have: **(CHOOSE ONLY ONE)**

- not been transferred from the water and/or sewer enterprise fund to the general fund, **OR**
- been transferred from the water and/or sewer enterprise fund to the general fund **AND** were reasonably allocable to the regular and ongoing operations of the utility in accordance with § 159G-37(b). **OR**
- been transferred from the water / sewer enterprise fund to the general fund via PILOT. Revenues from PILOT were used only for water / sewer utility operations.

Any transfers must be consistent with the information provided in the Division's Water & Sewer Financial Information Form and must be accurately reflected in the audits as reported by the Local Government Unit to the Local Government Commission since July 1, 2014.

SIGNATURE OF AUTHORIZED REPRESENTATIVE OR FINANCIAL OFFICER	DATE
TYPED NAME	TYPED TITLE



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## *Financial Information Form, Fund Transfer Certification & Rate Sheets – Tips*

- Financial Information Form
  - Finance Officer or Authorized Representative signs
  - 3 years of information from most recently accepted, approved audits
  - Absolute values in expenditures
  - Remember transfers
  - Do not modify form
  - Not required for completeness BUT will impact points if not supplied
- Fund Transfer Certification
  - Finance Officer or Authorized Representative signs
  - Go back to FY 2014
  - 1 of 3 checkboxes must be checked
  - Payment in lieu of taxes (PILOT) are not automatically considered reasonably allocable to operation of the utility Rate sheets – Include

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## *Resolutions – Tips*

- Recommend using supplied template
- Due at time of application
- 1<sup>st</sup> Whereas clause
  - *List project*
  - If submitting multiple projects, can list all projects
- Authorized Representative
  - Name Authorized Representative if not top elected or top administrative official.
  - ALWAYS name title of Authorized Representative



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## *Resolutions – More Tips*

- **Form for Certification by the Recording Officer – Must include**
  - Use the template
  - Date
  - Recording officer title & signature
- Attestations are acceptable – Must be from the Clerk of the Board
- Both resolutions and attestations must include the seal/signature of the Clerk of the Board



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## *Application Submittal – Electronic (New Link)*

- Electronic submittals only accepted
- Website:  
<https://edocs.deq.nc.gov/Forms/Spring2025FundingApplication>
- File size limit: 250 MB
- Documents uploaded individually



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*Pop Quiz: Application Package – Question #1*

For resolutions and attestations, what must be included

- A. Signature of Authorized Representative
- B. Signature and seal of Clerk of the Board
- C. Just the seal of the Clerk of the Board
- D. None of the above



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*Pop Quiz: Application Package – Question #2*

- How many boxes should be checked on the Fund Transfer Certification Form?

- A. 0
- B. 1
- C. 2
- D. 3

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## Pop Quiz: Application Package – Question #3

- How should applications be submitted?
- A. Electronically only
  - B. Paper only
  - C. Both electronically and by paper
  - D. Neither. We don't need applications for funding



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## Laserfiche Submittal

Application Cycle

### Part A.

General Information

This form is where you submit a Spring 2025 Application for Funding to the Division of Water Infrastructure. (Do not submit a "Lead Service Line Replacement Project or Emerging Contaminants study grant Application" here, but use this form instead).

Low-interest loans and Principal Forgiveness (PF) are available for drinking water and wastewater construction projects. Complete your application form and required documentation using the Division's forms application page and then use this online submission page to upload your application and all documents. This portal does not substitute for filling out the Application for Funding form, which you are required to do and upload on the next tab. Applications are due April 30, 2025 by 5:00pm.

Applicant Name \*

(Please choose Other if name is not in list.)

County

[Add another county](#)

Project Name \*

Please be advised DVI has a 40 character limit for project names.

Is this a new application or are you replacing a recently submitted application that needs to be corrected? \*

- New  
 Replaces a previously submitted Fall 2024 application

Funding Type \*



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## Laserfiche Submittal

**Points claimed in Priority Rating System\***

**Funding Amount Requested\*** \$

**Is this application for additional funding for a SWIA-funded project?**  
 Yes  No

**Check if you are willing to accept a low-interest loan for the full amount of funding request above.\***  
 Yes  No

**Total Project Cost\*** \$

**Is there "Additional Information for Consideration" in Section 7 of the Application for Funding form?**  
 Yes  No



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## Laserfiche Submittal

**Name of Authorized Representative\***

**Title of Authorized Representative\***

**Email of Authorized Representative\***

**Mailing Address of Authorized Representative\***

Mailing Address 1

Mailing Address 2

City  State / Province / Region

Postal / Zip Code



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## Laserfiche Submittal

**Organization of Application Preparer\***

**Name of Application Preparer\***

**Email of Application Preparer\***

**Is the engineer the same as the application preparer?\***

Yes  No

**Name of Person Submitting the Application\***

**Submitter Email:\***

**Re-Type Submitter Email:\***

**CONFIRMATION OF APPLICATION SUBMITTAL IS SENT TO THIS EMAIL.**

**Signature\***

Need to call someone? Contact the Division of Water Infrastructure at 919-707-9160

[Previous](#) [Next](#)

[Save as Draft](#)



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## Laserfiche Submittal

1. General Information | **2. Application File Uploads** | [Help Info and Submit](#)

**This page will show the required uploads based on the Funding Type you selected on the previous page selected under general information.**

The application forms, instructions, guidance documents, and supporting documents are all on the Division of Water Infrastructure's applications webpage. You must download and complete all of the relevant forms following the instructions. Once complete, save each file as a PDF and upload each of the forms in the appropriate section below, including the Application for Funding form.

**Notes:** Each upload section below with an asterisk (\*) must contain an individual file (e.g. for Completed Application for Funding form). Upload one file per section.

If an upload is required below but does not apply to your application, upload a single page PDF with a statement that the form is not applicable.

Do not submit the same file in all of the sections below; separate your files as organized by their sections. Make sure your documents are final before uploading. You may delete a file after it is uploaded by clicking on the X next to the filename. Once you submit an application on the next tab, you cannot edit your application or files. If you need to make a correction after you submit an application, submit a new application and contact the Division.

**Uploading files may take a few minutes. Files must be smaller than 250 MB in size.**

**Project Resolution by Governing Body\***

PDF only

**Completed Application for Funding form\***

PDF only

**Comprehensive Narratives to claim points in the Priority Rating System (all in one file only)\***

PDF only

**Documentation to support the Comprehensive Narratives**

PDF only

**Uploading files may take a few minutes.** Please wait until all the files uploaded above show in blue font for their filename and extension (e.g. Filename.pdf) and a bold X appears next to the files before clicking on Next. **Files must be smaller than 250 MB in size.**

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## Laserfiche Submittal

**Division of Water Infrastructure**  
**Application for Funding**

1. General Information | 2. Application File Uploads | **Help Info and Submit**

**Need to call someone? Contact the Division of Water Infrastructure at 919-707-9160.**

[Application Forms and Additional Resources](#)  
 Also includes the guidance for providing an application narrative, the Affordability Calculator and other forms.

[Unique Entity ID \(UEI\) number lookup](#)  
[DEQ's Community Mapping System](#)

Click **Submit below when ready**, or click **Save as Draft** if you want to return and complete the application later (it will not be considered complete until you click on Submit). Once you submit an application, you cannot edit your application or files. If you need to make a correction after you submit an application, submit a new application and contact the Division.

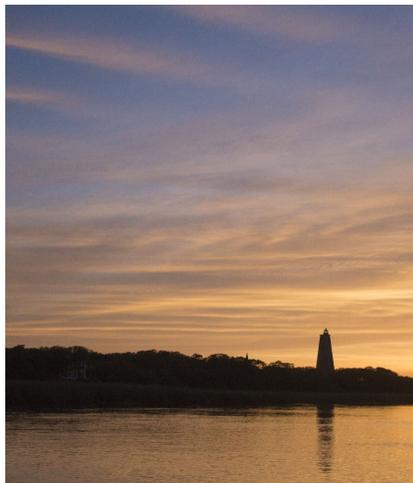
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## Wastewater and Drinking Water Projects



### Emerging Contaminant Funding Overview



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### *IIJA SRF Emerging Contaminants (EC) Funding: Summary*

- North Carolina's IIJA EC funding program limited to projects addressing PFAS contaminants
- Must have documented PFAS contaminants in the drinking water or wastewater exceeding levels specified in the PRS and PRS guidance.
- PFAS contaminants with a final MCL or HI get higher priority compared to other PFAS contaminants without proposed standards

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### *IIJA-SRF-Emerging Contaminants Funding: Summary – Construction Projects (EC-C)*

- IIJA EC construction funding
  - Availability for Spring 2025
    - DW – \$10M in PF
    - WW – \$2M in PF
  - Funding caps
    - DW - \$5M per applicant per year
    - CW – No cap
  - Check DW-EC or WW-EC as funding type on common application
- Common application form used
- Priority Rating Systems (PRSs)
  - Claim all applicable line items, including EC-eligible line items
  - EC projects will compete only with other EC projects for IIJA EC funds
- DWI application review
  - Only certain line items will be considered for prioritizing EC projects. EC projects will compete with all other projects for other funding programs.

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### *Emerging Contaminants for Small and Disadvantaged Communities (EC-SDC)*

Funding available from EC-SDC grants to address PFAS in Small and disadvantaged communities

- Small: Population less than 10,000 individuals
- Disadvantaged (If PF eligible based on our affordability calculator)

Or: If an application is eligible to receive 4.C.4 (project benefits disadvantaged areas) points, the area can be claimed to be disadvantaged and if the proposed project specifically removes PFAS contamination in that area, project can be eligible



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### *Emerging Contaminants for Small and Disadvantaged Communities (EC-SDC) FY 22-26*

- Documentation and eligibility criteria for projects are same as the IIJA EC program
- DEQ is using a portion of EC-SDC funds to supplement SRF-EC program
- No need to apply separately. If an applicant is eligible for EC-SDC and do not receive IIJA EC funds, they will be automatically considered for EC-SDC funds
- Approximate amount available for construction is \$15M
- Cap per project is \$5M and cap per applicant is \$10M (from FY 22-26 funds)



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## IIJA-SRF-Emerging Contaminants (EC) Funding: Summary – Construction Projects – PRS

**Priority Rating System Score Sheet for Drinking Water Projects**

**2024 PRIORITY RATING SYSTEM for Drinking Water Projects**  
 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 Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.

Line Item #	EC Line Item	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose)	Claimed Yes/No	Points
1.A		Project will consolidate a nonviable drinking water or wastewater utility		25
1.B		Project will resolve failed or failing infrastructure issues		22
1.C		Project will rehabilitate or replace infrastructure, including replacement by regionalization projects		12
1.C.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 OR lead service lines		8
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		8
1.E		Project will provide service to disadvantaged areas		20
1.F – 1.J		Reserved for other programs		
1.J		Project addresses PFAS emerging contaminants		
1.J.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR		12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.J.3		Reserved for EC-Study Program. Please use appropriate guidance and rolling application.		
<b>Maximum points for Category 1 – Project Purpose</b>				<b>25</b>

**Priority Rating System Score Sheet for Wastewater Projects**

**2024 PRIORITY RATING SYSTEM for Wastewater Projects**  
 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 Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.

Line Item #	EC Line Item	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose)	Claimed Yes/No	Points
1.A		Project will consolidate a nonviable drinking water or wastewater utility		25
1.B		Project will resolve failed or failing infrastructure issues		20
1.C		Project will rehabilitate or replace infrastructure, including replacement by a regionalization projects		12
1.C.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, or tanks to be rehabilitated or replaced are greater than 40 years old		8
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		8
1.E		Project will provide service to disadvantaged areas		20
1.F		Reserved for other programs		
1.G		Project will provide stream/wetland/buffer restoration		10
1.G.1		Restoration project that includes restoration of a first order stream and includes stormwater infiltration SCMs		5
1.G.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.H		Project will provide SCMs to treat existing sources of pollution		10
1.H.1		Project that includes SCMs in series that achieve at least 35% nutrient reduction (both TN and TP) and 85% TSS reduction		10
1.I		Project will provide reclaimed water/usage or rainwater harvesting/usage		10
1.J		Project addresses PFAS emerging contaminants		

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## IIJA-SRF-Emerging Contaminants Funding: Summary – Study Projects (EC-S) (New)

- **EC studies**
  - Availability for FY 2024 (EC study reserve) through July 2025 SWIA awards
    - DW – \$7.2M
    - WW – \$1.1M
  - Availability from FY 2025 (EC study reserve) after July 2025 SWIA awards
    - DW - \$10.5M
    - WW - \$1.9M
  - Funding cap – \$500,000 per applicant for DW/WW
- Application – Use rolling application form
- Priority Rating System
  - Only EC PRS used
  - Separate PRS scoresheet at end of guidance
- Guidance – Specific PRS for EC studies

**EC-S Next Cutoff Date is June 2, 2025**

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*(New) IJJA SRF-Emerging Contaminants Funding: PRS – Study Projects (EC-S)*

2024 PRIORITY RATING SYSTEM for DWSRF-EC Projects				
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 Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.				
Line Item #	EC Line Item	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose)	Claimed Yes/No	Points
1.A – 1.E		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
1.J		Project addresses PFAS emerging contaminants		
1.1.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR		12
1.1.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.1.3	EC	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
Maximum points for Category 1 – Project Purpose				12
Subtotal claimed for Category 1 – Project Purpose				
Line Item #	EC Line Item	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.E,1		Reserved for other programs		
2.F,2	EC	Project includes system regionalization and/or system partnerships		5
2.G		Reserved for other drinking water projects		
2.H		Project addresses contamination		
2.H.1 – 2.H,2		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits OR		2

2024 PRIORITY RATING SYSTEM for CWSRF-EC Projects				
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 Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.				
Line Item #	EC Line Item	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose)	Claimed Yes/No	Points
1.A – 1.E		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
1.J		Project addresses PFAS emerging contaminants		
1.1.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR		12
1.1.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.1.3	EC	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
Maximum points for Category 1 – Project Purpose				12
Subtotal claimed for Category 1 – Project Purpose				
Line Item #	EC Line Item	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.E,1		Reserved for other programs		
2.F,2	EC	Project includes system regionalization and/or system partnerships		5
2.G		Reserved for other drinking water projects		
2.H		Project addresses contamination		
2.H.1 – 2.H,2		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits OR		2
2.H.4	EC	Project addresses PFAS exceeding proposed or promulgated MCL or Hazard Index		5

*IJJA SRF-Emerging Contaminants Funding: Application – Study Projects (EC-S) (New)*

North Carolina Department of Environmental Quality  
 Division of Water Infrastructure  
 Application for Funding – Lead Service Line Replacement Projects and Drinking Water and Wastewater Emerging Contaminants Studies  
Last updated: 7/6/2024

This application form is specifically for Lead Service Line Replacement projects funded through the Bipartisan Infrastructure Law (BIL) Drinking Water State Revolving Fund Lead Service Line Replacement Program (DWSRF-LSLR), and Emerging Contaminants study projects funded through the Drinking Water State Revolving Fund Emerging Contaminants (DWSRF-EC) and Clean Water State Revolving Fund Emerging Contaminants (CWSRF-EC) programs.

Project applications submitted for these project types will be considered on a rolling basis, with recommendation for funding made to the State Water Infrastructure Authority (SWIA) at the next scheduled meeting.

The information below provides more specific information related to these programs.

**DWSRF Lead Service Line Replacement Program**

Zero percent (0%) interest loans and principal forgiveness (PF) are available for projects eligible to receive funding from the DWSRF-LSLR program made available through the BIL. Complete this Application for funding along with required additional forms and documentation to Division of Water Infrastructure (Division) of the NC Department of Environmental Quality.

Eligible projects include (1) removal of known lead service lines (LSLs) and lead connectors, (2) projects to find and replace LSLs and lead connectors, and (3) projects to inventory LSLs. A "lead service line" is defined as follows:

*A water service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. A galvanized service line is considered a lead service line if it ever was or currently is downstream of any lead service line or service line of unknown material. USEPA has expanded the eligible uses beyond the definition above to also include the replacement of lead goosenecks, pigtail, and connectors as eligible expenses, whether stand-alone or connected to a lead service line.*

For brevity, lead goosenecks, pigtail, and connectors are included in the definition of "lead service lines" in this application form. For FY 2022 and FY 2023 LSLR funds, replacement of all service lines identified as galvanized requirement replacement (GRR) are eligible expenses.

Starting from FY 2024 funds, please note that only galvanized service lines that are currently or were ever downstream from known lead service lines or lead components such as lead



*Pop Quiz: Funding for EC and LSL projects*

When a system has issues with PFAS in their system, can they receive funding for system construction to address the contamination in addition to money to fund a study grant if they submit applications for each?

- Yes
- No



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*Rolling Application Expected Cutoff Dates for 2025 (for LSLR and EC-S)*

Approximate Application Due Date	Approximate SWIA Meeting (Award Date)
January 10, 2025	February 19, 2025
March 3, 2025	April 16-17, 2025
June 2, 2025	July 16-17, 2025
August 1, 2025	September 17, 2025
November 3, 2025	December 10, 2025



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## *Wastewater and Drinking Water Projects*



### *Project Priority Systems Wastewater Drinking Water*



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## *Priority Rating System (PRS)*

- Used to prioritize projects for funding recommendations
  - Staff recommend projects to fund in priority order
  - Best funds available are provided in priority order
- Claim all the points you can document
  - You may claim more points than the priority point cap for each PRS Section
- Include scoresheet along with narrative and supporting documentation
- Provide ALL the required documentation listed in the PRS guidance
- Only the information provided in the application will be considered

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## *Priority Rating System*

### **Read PRS Guidance carefully!**

- Provides lists and explanations of what is required to document the project is eligible for priority points
  - Lists of what is required for each line item claimed
  - Supporting information/documents needed for each requirements
    - Maps
    - Non-compliance documents
    - Etc.
- Provides examples
- Provides tips and recommendations



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## *Priority Rating System*

- “Roll-downs” can happen in some situations
  - Project Purpose examples
    - Failed Infrastructure (1.B) to Rehabilitation/Replacement (1.C)
    - Rehabilitation/Replacement (1.C and 1.C.1) to Expansion (1.D & 1.D.1)
  - Resiliency (2.N)
  - Capital Planning (3.A) to CIP (3.B)
- If unsure, ask questions before submitting application



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## *DW/WW/EC-C/EC-S Priority Rating Systems for Construction Projects*

- **Categories**
  - Category 1 – Project Purpose
  - Category 2 – Project Benefits
  - Category 3 – System Management
  - Category 4 – Affordability
- Use appropriate scoresheets for drinking water and wastewater programs
- Presentation focuses on problem areas, updated guidance clarifications, and EC-eligible line items



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## *Priority Rating System – Category 1 – Project Purpose (25 points max)*

- The entire project must support the claimed purpose (except as specified in PRS guidance)
- Staff will consider other project purpose points if there is insufficient documentation to award claimed Project Purpose
- Projects not earning purpose points are still eligible for funding...
  - ...but do not qualify for PF



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### *1.A Consolidate Nonviable Systems (DW, WW) – 25 points*

Consolidation of Nonviable Systems are the highest priority projects for funding

Two situations for becoming a nonviable system:

#### 1. Nonviable due to system failing

- WW – Division of Water Resources has determined system is failing
- DW – Public Water Supply Section has determined system is failing

#### 2. Nonviable as determined by DWI

- Must be currently designated as distressed or have requested designation as distressed
- Must meet with DWI 30 days prior to application

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### *1.A Consolidate Nonviable Systems (DW, WW) – 25 points*

- 1.A. eligible projects receive other Project Benefit points
- 1.A. eligible projects may consider rescuing system for claiming System Management points
- 1.A. eligible projects may consider the nonviable system for claiming Affordability points.

See guidance for narrative and documentation requirements

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### *1.B Resolve Failed or Failing Infrastructure (DW, WW)*

- Points
  - WW – 20
  - DW – 22
- 100% of the cost must be to resolve failing infrastructure
- Drinking water
  - Physical extension of service to connect failed systems
  - Contaminated wells with MCL exceedances
  - Wells whose yield has declined by at least 50%

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### *1.B Resolve Failed or Failing Infrastructure (DW, WW)*

- Wastewater
  - Physical extension of service to connect
    - Failed septic systems
    - Failed non-discharge permitted disposal area
    - Onsite systems with NOV issued as per 15A NCAC 18A.1961
- Project must result in privately owned systems owned and operated by applicant

See guidance for narrative and documentation requirements

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### *1.C Rehabilitate/Replace Infrastructure (DW, WW) 12 points*

- Rehabilitation or Replacement cannot “expand” capacity
- Like-for-like water and sewer line replacements (can upsize to meet minimum design criteria)
  - New pump station / treatment plant with same capacity as old system being decommissioned
  - Looping that amounts to <10% of total project construction cost is allowed
  - New treatment units that do not increase permitted capacity
- New water supply intake structures and additional wells that are part of rehab and replacement of the water supply are not considered an expansion

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### *1.C Rehab/Replace Infrastructure (DW, WW) – 12 points*

- Allows interconnection that replaces treatment or storage facility with no increase in capacity
  - Capacity can be established or limited via interlocal agreement
- Water meter replacement projects are not eligible 1.C. prioritization, unless the system is classified as “Distressed”
- Water meter replacement associated with waterline rehab/replacement is eligible
- If not eligible for 1.C, may “roll down” to 1.D



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## 1.C.1 Old Infrastructure – Age (DW, WW) – 8 points

- Must earn 1.C points in order to get 1.C.1
- Earn additional points for old infrastructure
  - Treatment and pumping units – 20 years
  - Distribution / collection lines – 40 years
  - SCADA / process control / information technology – 10 years
  - Obsolete pipe materials: ACP, VCP, galvanized iron, cast iron, Orangeburg, etc.
- At least 50% of the construction cost is associated with replacing old infrastructure
- Show clearly in budget
  - What is older than threshold
  - Whatever is not identified as old in the budget or narrative is assumed to be newer than threshold.
- **Explain how you know the age**



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## 1.C.1 Old Infrastructure Budget Example

Line Item	Division Funding Requested
Replace 10,000 LF 8-inch pipe (older than 40 years)	\$100,000
Replace 3,000 LF of 8-inch pipe (less than 40 years old)	\$30,000

See guidance for narrative and documentation requirements

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### *1.D. Expansion (DW, WW) – 2 points*

- Increase water/sewer line sizes or treatment capacity to meet current needs
- Interconnection projects that add treatment or storage capacity (no new connections). Must also document and receive 2.K points
- Additional wells, treatment plants, pump stations or storage tanks to meet current and justifiable future growth
- New water lines solely to serve future development
  - Not eligible for 1.D points
  - Not eligible for DWSRF funding



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### *1.E. Service to Disadvantaged Areas (DW, WW) – 20 points*

- 20 points for DW and CW
- Qualification – 75% of construction costs to provide connection or alternative service
- "Disadvantaged area" consideration not for projects that benefit entire LGU area or entire utility service area
- Disadvantaged areas limited to less than half the number of total connections served by the applicant at the time of application



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### *1.E Service to Disadvantaged Areas (DW,WW)*

- A targeted project area considered a “disadvantaged area” based on at least 3 of the following factor compared to the state benchmark values
  - Median household income (MHI)
  - Poverty rate
  - Property values per capita
  - Unemployment rate
- Additional factors such as socio-economic or existing contamination factors also considered (see Guidance)
- When possible, compare project area data to LGU indicators

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### *1.E. Service to Disadvantaged Areas – Documentation Requirements*

- Narrative
  - Justification of targeted project area as disadvantaged
  - Project budget
    - At least 75% construction cost to provide service to disadvantaged residences
    - Budget line items necessary to provide service to disadvantaged areas must be clearly identified
    - May include line items for private side connection and/or system development fees
- Project map that
  - Identifies disadvantaged area (must clearly show project area is in disadvantaged area)
  - Identifies properties to be connected (must be clear that properties are in disadvantaged area)

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### Budget Example – Disadvantaged Area – \$4.7M Project

Line Item	Project Cost
<b>Construction Costs</b>	
10-inch gravity sewer dis. area	\$2,000,000
10-inch gravity sewer	\$750,000
8-inch gravity sewer dis. area	\$1,000,000
50 sewer laterals dis. area	\$100,000
Subtotal:	\$3,850,000 (\$3.1M=80.51% d/u)
Contingency (10%)	\$385,000 (80.51% d/u=\$309,964 of cont.)
Total Construction – dis. area.	\$3,409,964
Total Construction – Other	\$825,036
Total Construction	\$4,235,000
<b>Engineering Costs</b>	\$100,000
<b>Admin Costs</b>	\$100,000
<b>Connection Fees</b>	\$250,000
<b>Total Project Cost</b>	=\$4,685,000 (dis. area=\$3,859,964)

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### Other Category 1 Points (CWSRF only)

- Option for stormwater projects
  - 1.G Stream, Buffer, Wetland Restoration (15 points)
  - 1.H Stormwater Control Measures (10 points)
    - Note change in terminology from BMP to SCM
  - 1.I Reclaimed water / rainwater harvesting (10 points)

See guidance for narrative and documentation requirements



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*Category 1.J Points (DWSRF-EC-C/CWSRF-EC-C, DWSRF-EC-S/CWSRF-EC-S)*

- Only projects addressing PFAS compounds are eligible to receive EC funds
- 1.J: Project will address PFAS (must document and receive 2.H.3 or 2.H.4 to be eligible to receive 1.J points)
  - 1.J.1: 100% of the costs must be to address PFAS (12 points) (EC-C only)
  - 1.J.2: minimum 75% of the costs must be to address PFAS (5 points) (EC-C only)
  - 1.J.3: PFAS-related study/alternative analysis projects.
  - 100% of costs must be related to PFAS studies (5 points) (EC-S only)
    - Once funded, Applicant will work with PWS to refine scope

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*Project Purpose Points Summary*

Line Item #	Category 1 – Project Purpose	Prioritization Points	Notes
1.A	Consolidate a nonviable utility	25 DW/WW 15 CDBGi	
1.B	Resolve failed or failing infrastructure issues	20 WW 22 DW 15 CDBGi	
1.C	Rehab or replace infrastructure (no Expansion)	12 DW/WW (+10 old) 10 CDBGi (+5 old)	
1.D	Project will expand, or rehab or replace with expansion	2 DW/WW (+10 old)	
1.E	Provide service to disadvantaged areas	20 DW/WW	N/A CDBG-I
1.F	Projects will extend service to LMI areas	15-10 CDBG-I	CDBG-I Only
1.G	Stream/wetland/buffer restoration	10 (15 for select restoration)	WW Only
1.H	SCMs to treat existing sources of pollution	10	
1.I	Reclaimed water or rainwater harvesting/usage	10	
1.J	PFAS emerging contaminants	5 or 12 CW/DW	NA CDBG-I



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## Priority Rating System

### Category 2 – Project Benefits



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### *Category 2 – Project Benefits*

- Only a portion of the project must relate to a specific benefit
- Points only earned when the Applicant identifies direct connection between the project and type of expected benefit
- Narratives must fully describe benefits of proposed project and how benefits arise from Project Purpose
- In cases where a single application includes multiple project types, Project Benefit points must match Project Purpose that was claimed

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### *2.B.1 Specific Public Health Benefit (DW) – 20 points*

Points are only for projects benefiting Public Water Systems

- Project replaces dry wells (must also earn 1.B)
- Addresses contamination of a public drinking water source (must also earn 2.H.1 or 2.H.2)
- Project resolves managerial, technical and financial issues as documented by receiving 1.A points
- 2.B.1 is no longer an eligible Emerging Contaminant line item



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### *2.B.2 Specific Public Health Benefit – Eliminates Lead Service Lines (DW) 10 points*

- This is to prioritize lead service line replacements under DWSRF program
- Applicable if at least 30% project cost is to eliminates lead service lines **(New)**
- Must provide map and addresses of known lead lines
- Narrative must explain how the service lines were determined to be made of lead
- These projects should consider applying for funding from the IIJA LSLR funding program when 100% of project is related to LSL replacement/identification



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## *2.C. Provides Specific Environmental Benefit (WW)*

- 2.C.1 – Project replaces or repairs certain sewer lines, eliminates failed onsite system or non-discharges systems, or resolves managerial, technical and financial issues (15 points)
- 2.C.2 – Project eliminates malfunctioning onsite wastewater systems (10 points)



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## *2.C.1 Specific Environmental Benefit (WW) – 15 points*

### Projects include

- Providing public service to homes with failing septic systems
  - Must include letter from a registered Sanitarian, a licensed Soil Scientist, or County Health Department
  - Includes failed single-family residence spray/drip irrigation systems
- Repairing or replacing sewers with reported SSOs that
  - Reach bodies of water, or
  - Document backup into homes
- Project resolves managerial, technical and financial issues documented by receiving 1.A points

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## *2.C.2 Elimination of Malfunctioning Onsite Wastewater Systems (WW) – 10 points*

- Failing ⇒ Authorized agent issues Notice of Violation per 15A NCAC 18A .1961
- Majority of homes (>50%) being connected must have documented failing systems
- Provide list of addresses where septic systems are malfunctioning
- Map requirements
  - Street names and house numbers of malfunctioning systems
  - New sewer lines
  - All systems to be connected to public sewer system
  - Copies of NOVs for any malfunctioning systems

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## *2.E Addresses Enforcement Documents (DW, WW)*

- 2.E.1 - Addresses Administrative Orders or Special Orders by Consent (5 points)
- 2.E.2 - Resolves Notice of Violation or Deficiency (3 points)
- Must clearly establish how proposed project will lead to compliance and address that specific regulatory requirement
- Enforcement documents must be no more than 3 years old



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## 2.F System Merger or Regionalization (DW, WW, EC-C [2.F.2 only], EC-S [2.F.2 only])

- 2.F.1 – System merger (10 points)
  - Physical consolidation into a single regional system
  - Merger of ownership and operation without physical consolidation
  - Interconnectivity alone does not qualify for 2.F.1
  - Eligible up to two years after the date of merger
- 2.F.2 – System regionalization or partnership, still retaining separate ownership (5 points)
  - Must include agreements/merger documents between the systems
  - EC PRSs will consider these points if partnership help address PFAS contamination for one or more partners
  - Must also receive 2.H.3. or 2.H.4

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## 2.H Project Addresses Contamination – (DW, WW, EC)

- 2.H.1 Acute Contamination (15 points)
  - Primary Contaminants covered in Drinking Water Regulations
    - Have established MCLs
- 2.H.2 (5 points) Other-Than-Acute Contamination
  - Secondary contaminants covered in drinking water regulations
  - Contaminant has established SMCL and/or action level (iron, manganese, copper, lead, corrosivity, etc.), and 1,4 Dioxane
- 2.H.3 PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits (2 points) (EC-C and EC-S eligible)
- 2.H.4 PFAS exceeding proposed or promulgated MCL or Hazard Index(HI) (5 points) (EC-C and EC-S eligible)
  - PFOA, PFOS, GenX, PFBs, PFNA, PFHxS



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### *2.H.3 & 2.H.4 Emerging Contaminants Sampling requirements*

- Use EPA-validated testing method for PFAS
- Public systems – At least one sample within last 12 months must exceed the threshold levels
- Private drinking water wells – At least one sample within last three years must exceed the threshold
  - All wells proposed to be connected must have PFAS levels exceeding threshold levels (to receive 1.J.1)
  - If contaminant is GenX and wells are located within 50 miles of Chemours with 25% wells exceeding threshold values will get 1.J.1
  - 1.J.2 – Minimum of 50% wells must have data exceeding thresholds and 75% of total cost must be to address PFAS

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### *2.H.3 and 2.H.4 Emerging Contaminants*

- Must replace or provide new treatment to a wastewater treatment or drinking water supply system affected by emerging contaminants
- Document how the project will reduce PFAS contaminants to below proposed MCL/HL or below 10 ppt for other unregulated PFAS
- See Guidance for detailed documentation requirements

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## 2.K.1 & 2.K.2 Interconnection (DW)

- Prioritization for providing interconnections.
  - 2.K.1 – New potable water system interconnections (10 points)
  - 2.K.2 – Addition of larger potable water systems interconnections (10 points)
  - 2.K.3 – Other interconnections (not limited to potable water system) (5 points)
- Must provide documentation of both partners' willingness to interconnect (see guidance)



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## 2.N Resiliency (2.N.1-2.N.7) (DW, WW)

- Points range from 3 to 8
- Claim can be “rolled down”
- 2.N.1-2.N.3 – Move infrastructure out of floodplain
- 2.N.4, 2.N.5 – Fortify or elevate infrastructure within 100-yr Floodplain to assure continuous operation of infrastructure during flood events
- 2.N.6 – Downsize the infrastructure
- 2.N.7 – Redundancy/Resiliency
  - Includes eligible cybersecurity
  - Redundancy must be new or improved



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## 2.N.7. Redundancy/Resiliency

### Requirements

- Include redundant or resilient items in the project description
- New or increased redundancy/resiliency = points
- Replacing/repairing existing generator ≠ points
- Retrofitting with backup power = points
- New equipment with backup power ≠ points



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## 2.O Impaired Waters (WW) – 20 points

- Project will directly benefit impaired waters
- Provide
  - Stream name and impairment(s) as documented in the Integrated Report
  - Discussion of impairment and connect the dots to show the project will directly benefit the impairment
  - Map(s) with project location, stream location and impaired segment
- Common errors
  - Project does not address impairment
  - Map does not adequately show location of project and impairment

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## *2.P. Special Water Classifications (WW) – 10 points*

- More classifications (UWL, PNA, AFSA, SAV)
- Show direct connection of projects to their impact on these waters
- Provide mapping
  - Project location
  - Location of special waters
  - SSO reports (for project claiming points due to SSO impacts)
- See Guidance for more information



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## *Priority Rating System*

### Category 3 – System Management



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### 3.A Capital Planning Activities (DW, WW, EC-C, EC-S)

- Can only receive points for either 3.A.1 or 3.A.2
- 3.A.1 - Asset Management Plan (10 points)
  - Narrative describes 4 key AMP areas (see Guidance)
  - AMP must be fully implemented
  - Must qualify for 3.A.2 points
  - For CDBG-I only, must provide complete AMP with both applications
- 3.A.2 - Capital Improvement Plan (2 points)
  - CIP must be adopted within 2 years of application
  - CIP must span 10 years from the adoption date
  - For the first 5 years, list projects with cost by year
  - Next 5 years, list projects and total costs, including year planned or priority of those projects not required
  - Project is clearly highlighted in the priority matrix
  - Planning grant eligible if project related to Capital Project.



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### 3.A.2 Capital Improvement Plan (DW, WW, EC-C, EC-S)

#### Common Errors

- More than 2 years old
- Spans less than 10 years
- Lacks minutes showing adoption (certification not sufficient)
- Project applied-for not evident and unambiguous on CIP
- Includes only O&M expenses and/or a single project (project applied for)
- Large cost difference between CIP and Application not clearly explained
- No explanation of change in CIP priority
- Not providing application narrative



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## Priority Rating System

### Category 4 – Affordability



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#### *4.A Residential Connections (DW, WW, EC-C, EC-S) – 2 to 4 points*

- Only claim one sub-category based on the number of connections
  - Less than 10,000 residential connections, or
  - Less than 5,000 residential connections, or
  - Less than 1,000 residential connections
- Use only number of sewer or water connections as of date of application
- DWI staff will provide points based on connections provided in the application form. Applicant must explain any differences.



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### 4.B Current Monthly Utility Bill at 5,000 Gallons (DW, WW, EC-C, EC-S) – 4 to 10 points

Percentile Ranges	Spring 24 Combined Monthly Bills (\$/5000 gallons)	Fall 2024 Combined Monthly Bills (\$/5000 gallons)	Prioritization (Line Item 4.B)
>95 Percentile	\$>129 - \$148	>\$145	10
85 - 95 Percentile	\$107 - \$129	\$126 - \$145	8
70 - 85 Percentile	\$90 - \$107	\$107 - \$126	6
50 - 70 Percentile	\$79 - \$90	\$89 - \$107	4
0 - 50 Percentile	\$0 - \$79	\$0 - \$89	0

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### 4.B Current Monthly Utility Bill at 5,000 Gallons (DW, WW, EC-C, EC-S) – 4 to 10 points

- Only claim one sub-category based on the current monthly utility combined bill for 5,000 gallons
- Rates must match those on rate sheet(s) submitted
- Use sewer bill and water bill
- Use conversion factor for single-system utilities
  - 0.4 for water-only systems
  - 0.6 for sewer-only systems
- Use lowest residential rate, “in-town rate”
- Provide calculations
- DWI staff will verify rates in application form match those in the rate sheet and provide points based on lowest value if staff cannot reconcile rate information

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### 4.C.1 to 4.C.3 Local Government Unit (LGU) Indicators (DW, WW, EC-C, EC-S) – 3 to 7 points

- Only claim one sub-category
  - 3 out of 5 LGU indicators worse than state benchmark, or
  - 4 out of 5 LGU indicators worse than state benchmark, or
  - 5 out of 5 LGU indicators worse than state benchmark, or
  - Project benefits a disadvantaged area
- LGU Indicators are
  - Property Valuation per Capita
  - Percent Population Change
  - Poverty Rate
  - Median Household Income
  - Unemployment Rate
- DWI staff will provide points based on LGU data in the affordability calculator
- Population change only – Applicant must document and explain why any alternate data is more representative

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### Affordability Calculator: Alternative Pop. Data

- The Affordability Calculator uses U.S. Census Bureau 5-year American Community Survey (ACS) data for population and population change
  - Due to the nature of the survey, smaller LGUs may have higher margins of error on some reported data. Applicants may want to consider and submit alternative population change data.
- We accept alternative population and population change data from the NC Office of State Budget and Management (OSBM). (Instructions on pp. 77-78 of Application Guidance)
  - Submit population data (and screenshots/table with Applicant highlighted with website links) for 2018, 2022, and calculate % population change (formula below)

$$\text{Population Change (\%, 2018 – 2022)} = \frac{(\text{2022 Pop} - \text{2018 Pop}) \times 100}{\text{2018 Pop}}$$

- 2022 pop. data available at: 2023 Standard Population Estimates
  - <https://demography.osbm.nc.gov/explore/dataset/2023-standard-population-estimates/table/>
- 2018 pop. data available at: Municipal Intercensal Estimates 2010-2019
  - [https://demography.osbm.nc.gov/explore/dataset/intercensal-estimates-2010-2019/table/?disjunctive\\_county&disjunctive\\_municipality](https://demography.osbm.nc.gov/explore/dataset/intercensal-estimates-2010-2019/table/?disjunctive_county&disjunctive_municipality)



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#### *4.C.4 Benefit to Disadvantaged Areas (DW, WW, EC-C, EC-S) – 5 points*

- Used to be Line Item 4.D
- 4.C.4: 5 points - Requirements updated for Fall 2023
- Additional priority to projects benefiting disadvantaged areas
- Disadvantaged Area definition – Same definition for Line Item 1.E
- Benefit related to public health and the environment (not financial)
- Qualification: 50% of construction costs ⇨ benefit disadvantaged area – Cost for treatment plant upgrades or distribution/collection systems must be divided equitably over service area

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#### *4.C.4 Benefit to Disadvantaged Areas – 5 points*

##### Documentation

- See Guidance for more details
- Projects receiving 1.E points will receive 4.C.4 points without additional documentation
- Justification Narrative (similar to Line Item 1.E)
- Map (same sources as Line Item 1.E)
- Public health or environmental benefit to disadvantaged area
- Project budget (similar to Line Item 1.E)
  - When project benefits customers outside of a DA, the infrastructure cost should be pro-rated based on % of DA's population, service connections, or other documented approach
  - Include calculations!

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#### *4.C.4 Benefit to Disadvantaged Areas – 5 points*

- Projects documenting 4.C.4 points are also eligible for 50% PF (up to \$500,000 initial cap)
- Projects benefiting disadvantaged areas must provide documentation in 4.C.4 to be eligible for PF even if you are claiming other 4.C points.

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#### *Pop Quiz: DW/WW Priority Rating Systems – Question #1*

In order to receive 2.B.2 (lead service line replacement) points, what percent of the total construction cost must be to address to remove lead lines?

1. 10%
2. 25%
3. 30%
4. 50%



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*Pop Quiz: DW/WW Priority Rating Systems –  
Question #2*

Projects addressing PFAS can claim 2.H.1 and 2.H.3 points.

- True
- False



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*Pop Quiz: DW/WW Priority Rating Systems –  
Question #3*

CIPs need to have been adopted within

- A. 2 years of application date
- B. 2 years of award date
- C. 3 years of application date
- D. 3 years of award date



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*Decentralized Wastewater Treatment System Pilot Program*



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*Decentralized Wastewater Treatment System Pilot Program (DWTSP)*

- Established in FY 2022
- Purpose – Fund repairs or replacements to failed or malfunctioning onsite septic systems
- Program characteristics
  - Pass-through funding program in the CWSRF
  - Up to \$1M from CWSRF cap grant available (\$500K already awarded)
  - Offered at 0% loans
  - PF a possibility



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## *DWTSPP – LGU Responsibilities*

- The CWSRF applicant will be responsible for developing the qualification criteria and evaluating recipients' information to verify and document their qualification.
- Qualification criteria established by the CWSRF applicant can distinguish between recipients that qualify for loans and grants. An income level qualification criterion should limit pass through of principal forgiveness funds to recipients whose household income is at or below the state's median household income.



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## *DWTSPP – SRF Requirements*

- Davis-Bacon (DB)
- American Iron & Steel (AIS)
- Buy American Build American (BABA)
- Approval of a CWSRF loan is contingent on approval by the Local Government Commission (LGC). CWSRF loan terms are set by the LGC
- 2% Closing Fee



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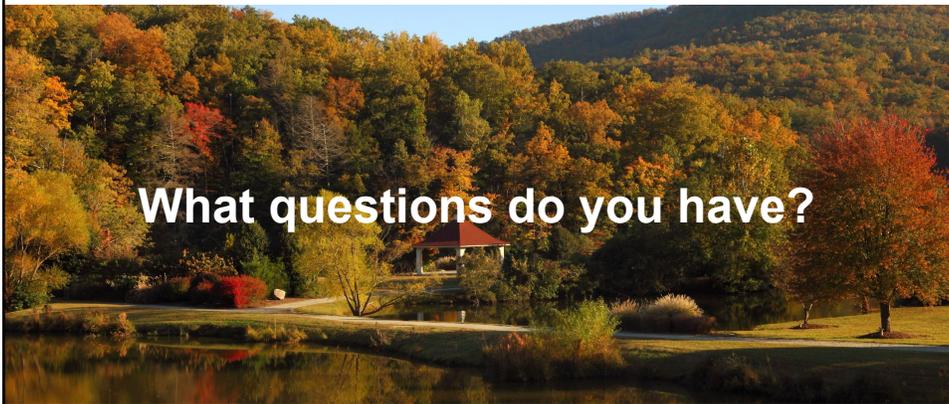
## *DWTSPP – Principal Forgiveness*

- Up to 100% of the full amount, limited to \$250,000, for applicants that will pass through all of the funding to recipients that meet qualification criteria for principal forgiveness and that do not have household income exceeding the state's median household income, or
- Up to 50% of the full amount, limited to \$500,000, for applicants that will pass through at least 50% of the total funds to recipients that meet qualification criteria for principal forgiveness and that do not have household income exceeding the state's median household income, or
- Up to 50% of the full amount, limited to \$500,000, for applicants that will pass through at least 50% of the total funds to recipients in disadvantaged areas.

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## *Discussion Time*



**What questions do you have?**



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## *IIJA - Lead Service Lines Replacement Program*



NORTH CAROLINA  
Department of Environmental Quality

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### *IIJA – LSLR Allotments*

#### NC's DWSRF-LSLR Allotments

Cap Grant Year	North Carolina's Allotment	49% Principal Forgiveness	Total Available for Projects
2022	\$87,062,000	\$42,660,380	\$67,037,740
2023	\$87,290,000	\$42,772,100	\$64,594,600
2024	\$76,201,000	\$37,338,490	~\$56M

Portion of the state's allotment will be used for set-aside activities:

- LSL inventory support and technical assistance
- Program management
- 2024 Set asides are pending approval of 2024 LSLR Intended Use Plan

FY2025-2026 allotments to be determined by US EPA



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## Current and Potential Funding Amounts per funding Round

Funds Available	PF	0% Loan	Total
FY 2023 + FY 2024 funds available for projects	\$37,338,490	\$19,050,250	\$56,388,740
Estimated min. available for April 2025 awards	\$12,845,516	\$4,563,230	\$17,408,746
Estimated min. available for July 2025 awards	\$12,446,164	\$4,563,230	\$17,009,394
Estimated min. available for Sept. 2025 awards	\$12,446,162	\$4,563,230	\$17,009,392
Estimated min. available for Dec. 2025 awards*	TBD*	TBD*	TBD*

(\* Any unobligated FY 2024 amount, plus additional funds may be available from the FY 2025 IIJA DWSRF-LSLR capitalization grant to meet demand



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## IIJA – LSLR Funding Program

- Eligible funding recipients
  - Local government units
  - Non-profit water utilities
  - Investor-owned water utilities
- Eligible projects or activities must be
  - Lead service line replacement (LSLR) projects or
  - Activities directly connected to the identification, planning, design, and replacement of lead service lines
- Regular DWSRF is available for projects addressing lead in water mains/distribution systems, and other non-LSL replacement projects



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## IIJA – LSLR Funding Program

Replacement projects must replace the entire lead service line

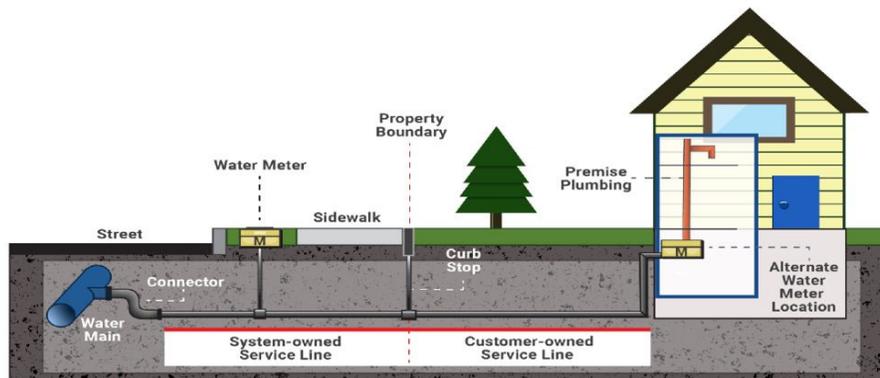
- Service line connects the water main to the building inlet
  - Includes lead connectors (goosenecks, pigtails, etc.)
  - Includes galvanized service lines downstream of a lead service line (documented or unknown)
    - starting with 2024 LSLR funds, must document lead up stream of galvanized
- No need to replace portions previously replaced
- Funds cannot be used for in-house “premise” plumbing



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## IIJA – LSLR Private Side Work



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### *IIJA – LSLR Private Side Work – This be hard!*

You must replace entire lead portions of the service line for any of the work to be eligible for funds

- Homeowners are not required to replace their lines
- Utility not required to pay for the private-side portion of the work (but if you don't... you can't get LSLR funds for that work!)
- Must document that the entire known lead portions have been replaced
- 2024 LSLR funds may include additional flexibility

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### *IIJA – LSLR Private Side Work – This will be hard!*

Flexibility to find solution that work best for your system

- Utility performs work (in house or contract)
- Homeowner hires “approved” service provider
  - Utility reimbursement to homeowners
  - Utility direct payment to service provider (plumber)
  - Utility uses force accounts



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### *IIJA– LSLR Loan Terms*

- >50% of funds available for projects will be non-repayable loans (PF)
- Repayable loan will be at 0% interest rate
- Loan terms cannot exceed expected life of the project:
  - 20-year term loan for replacement projects
  - 5-year term loan for inventory-only projects



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### *IIJA– LSLR Principal Forgiveness (PF)*

- Portion of the loan that is not repayable
- Determined at time of award based on application:
  - Affordability Criteria – evaluates entire community/utility
    - Considers community size, water/sewer rates, and economic indicators
    - Eligibility ranges from 0% - 100% (in 25% increments)
  - Disadvantaged Area – evaluates residents benefiting from the project, eligible for 50% PF
- Initial cap of \$1,000,000 or eligibility percentage of project cost (whichever is lower)
- Caps and percentages can be exceeded if additional PF funds are available in a funding round
  - Anticipate being able to provide PF up to % eligibility or more

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### *IIJA – LSLR Conditions*

- Funds are provided after costs have been incurred, not upfront
- Drinking Water State Revolving Fund (DWSRF) conditions apply and must be documented:
  - Davis-Bacon Prevailing Wage Rates
  - American Iron and Steel (AIS)
  - Build America, Buy America (BABA)



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### *IIJA – LSLR Funding Types and Caps per Round*

- Replacing known lead service lines
  - \$5 million
  - LSLs already known to be lead and you are ready to replace them
- Verifying materials and replacing lead service lines
  - \$2 million of which \$1 million max. can be used for material verification
  - Already done inventory and identified lines and areas likely to be lead. Ready to verify materials and replace lines
- Inventory only
  - \$1 million
  - Identifying areas as known lead, known not lead, or unknown
  - Further investigation and verification on unknown areas
- Funding Caps can be exceeded in priority order by \$500,000 increments when funds are available



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## *IIJA – LSLR Funding Types and Caps*

- 50% of available funds each round reserved for inventory projects
  - may use reserve for other project types if there is not sufficient demand
- DWI will reassess inventory reserves and caps for each FY LSLR allotments
- Applicants may apply for multiple project types each round



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## *IIJA – LSLR Priority Rating System*

Projects will be recommended for funding based on approved priority rating system

1. Project purpose
2. Project benefits
3. System Management (not used)
4. Affordability



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## IIJA – LSLR Priority Rating System – Project Purpose

### Category 1 – Project Purpose

Project Purpose Points			
Line Item #	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A	Project eliminates lead service lines (100% of project is to replace known lead service lines)		20
1.B	Project establishes and implements a program to find and replace lead service lines in areas suspect to have lead lines.		15
1.C	Project inventories lead service lines (no replacement as part of project)		10
Maximum points for Category 1 – Project Purpose			20

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## IIJA – LSLR Priority Rating System – Project Benefit

### Category 2 – Project Benefits

Project Benefits Points			
Line Item #	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A	Project directly addresses/resolves Lead Action Level Exceedance		5
2.B	Project benefits area has documented Lead Action Level Exceedance		2
Maximum points for Category 2 – Project Benefits			5



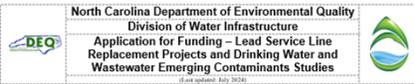
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IIJA – LSLR Priority rating System – Affordability			
Category 4 - Affordability			
Affordability Points			
Line Item #	Category 4 – Affordability	Claimed Yes/No	Points
4.A	Residential Connections		
4.A.1	Less than 10,000 residential connections OR		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 Combined Utility Rates at 5,000 Usage		
4.B.1	Greater than \$89 OR		4
4.B.2	Greater than \$107 OR		6
4.B.3	Greater than \$126 OR		8
4.B.4	Greater than \$145		10
4.C	Local Government Unit (LGU) Indicators		
4.C.1	3 out of 5 LGU indicators worse than state benchmark OR		3
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 OR		7
4.C.4	Project benefits disadvantaged areas		5
<b>Maximum points for Category 4 – Affordability</b>			<b>25</b>

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## IIJA – Lead Service Line Replacement Project Application Form



This application form is specifically for Lead Service Line Replacement projects funded through the Bipartisan Infrastructure Law (BIL) Drinking Water State Revolving Fund Lead Service Line Replacement Program (DWSRF-LSLR), and Emerging Contaminants study projects funded through the Drinking Water State Revolving Fund Emerging Contaminants (DWSRF-EC) and Clean Water State Revolving Fund Emerging Contaminants (CWSRF-EC) programs.

Project applications submitted for these project types will be considered on a rolling basis, with recommendation for funding made to the State Water Infrastructure Authority (SWIA) at the next scheduled meeting.

The information below provides more specific information related to these programs.

**DWSRF Lead Service Line Replacement Program**

Zero percent (0%) interest loans and principal forgiveness (PF) are available for projects eligible to receive funding from the DWSRF-LSLR program made available through the BIL. Complete this Application for funding along with required additional forms and documentation to Division of Water Infrastructure (Division) of the NC Department of Environmental Quality.

Eligible projects include (1) removal of known lead service lines (LSL) and lead connectors, (2) projects to find and replace LSLs and lead connectors, and (3) projects to inventory LSLs. A "lead service line" is defined as follows:

A water service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. A galvanized service line is considered a lead service line if it ever was or currently is downstream of any lead service line or service line of unknown material. USEPA has expanded the eligible uses beyond the definition above to also include the replacement of lead gossenecks, pigtail, and connectors as eligible expenses, whether stand-alone or connected to a lead service line.

For brevity, lead gossenecks, pigtail, and connectors are included in the definition of "lead service lines" in this application form. For FY 2022 and FY 2023 LSLR funds, replacement of all service lines identified as galvanized requirement replacement (GRR) are eligible expenses.

Starting from FY 2024 funds, please note that only galvanized service lines that are currently or were ever downstream from known lead service lines or lead components such as lead

Part of the new LSLR/EC-S rolling application

Available on Division's "Application Forms and Additional Resources" webpage

<https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources>

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## *Construction Project Schedule*

- **GS 159G-41**
  - 2 years to get under construction contract from LOIF
  - 1 year to get under contract after award (signing offer agreement)
  - Unless there is an approved extension.
- **Offer and Acceptance**
  - Signed by Recipient and DWI
  - Board approved agreement and Resolution
- **Engineering Report Approval ~9 Months from LOIF**
  - Alternatives Analysis
  - Environmental Review (if required), more time for FONSI
- **Plans and Specifications Approval ~19 Months from LOIF**
- **Project Bid**
- **Construction/Contract Start  $\leq$  24 Months from LOIF**

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## *When do I get my money?*

- **Loan Recipients**
  - LGC approval of all debt
    - Get annual financial audits in order
    - Construction projects must have bids in hand!
- **DWI Fees – NCGS 159G-24**
  - 2% of the loan (includes principal forgiveness)
  - 1.5% of the grant
  - Due after award and prior to first payment
- **Disbursement of funds – NCGS 159G-42**
  - Disburse based on the progress of the project
  - Recipient must document expenditures
  - Funds for approved costs only



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## *When do I start getting my money?*

### First payment checklist (key items)

- Funding Offer Accepted (signed by DWI and recipient)
- Resolution (Signed by governing Board)
- Notice to Proceed (construction projects only)
- Sales Tax Form
- DWI's Authority to Award (construction only)
- Executed and Approved Contracts
- Wage Rate Cert. (for construction projects > \$10M)



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## *When do I get the rest of my money?*

### Last payment checklist (key items – construction)

- Closeout Checklist (signed by recipient)
- Owner's Certification of Completion
- Engineer's Certification
- DWI's Final Change Order Eligibility Determination
- DWI's Final Inspection Report



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## *State Revolving Fund (SRF) Conditions*

- SRF
  - Offer and Acceptance Package
    - Conditions and Assurances
  - Davis-Bacon Wage Rates
  - American Iron and Steel
  - Build America, Buy America (in place of AIS!)
- Read your Letter of Intent to Fund (LOIF)
- Read your offer and acceptance letter



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## *State Revolving Fund (SRF)*

- Build America, Buy America (BABA) Act
  - Beginning May 2022, BABA applies to equivalency SRF projects every funding round, and to all projects funded with IIJA money.
    - All iron and steel are produced in the United States.
    - All manufactured products are produced in the United States.
    - All construction materials are manufactured in the United States.
  - EPA website: [Build America, Buy America \(BABA\) | US EPA](#)

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## *BABA – Approved Waivers*

- EPA De Minimis General Applicability Waiver
  - Waive requirements for products that cumulatively comprise no more than five percent of the total project cost.
  - This waiver is not additive with the existing American Iron and Steel national de minimis waiver.
- EPA Small Project General Applicability Waiver
  - Waiver for small projects, where assistance agreements or subawards under assistance agreements are less than \$250,000



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## *BABA – Approved Waivers*

- Adjustment Period Waiver for SRF Projects that have Initiated Design Planning
  - This one is complicated
  - Waive BABA requirements on projects that initiated project design planning prior to May 14, 2022
  - Does not waive AIS requirements
  - May not cover re-design
  - DWI has already identified affected projects and is in contact with the relevant fund recipients.
  - **Waiver does not apply for new projects that got funded after December 2023.**



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## Timely and Expeditious Use of Funds (NEW)

- EPA issued a memo (January 31, 2024) to all states requiring a statement in Intended Use Plan confirming that the funds will be expended in a timely and expeditious manner
- Each cap grant will expire in four years once the drawdown begins
- Hence it is extremely important for projects to finish on time as indicated in the Letter of Intend to Fund (LOIF)
- Projects not following these milestone dates risks loss of committed SRF funds



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## Spring 2025 Funds Available (Preliminary)

Application Type	Approximate Amount Available in Spring 2025		
Drinking Water Projects	DWSRF Loan: \$50M (incl. \$18 M in PF)	Emerging Contaminants (EC): \$10M for construction (100% PF)	Emerging Contaminants EC-SDC: \$15M for Small and disadvantaged Communities
Wastewater Projects (including stormwater quality, stream restoration)	CWSRF Loan: \$90 M (incl. \$13 M in PF)	Emerging Contaminants (EC): \$2M (estimated) (100% PF)	
<b>Total</b>	<b>~\$167M</b>		

Application Type	Approximate Amount Available Throughout the Year
Lead Service Line Inventories and Replacements	~\$12.9M (incl. ~\$9.4M in PF) (more is available)
Evaluation/Assessment Studies to Address PFAS in Drinking Water and in Wastewater/Landfills	Drinking Water ~\$10.1M (100% PF)
	Wastewater ~\$1.64M (100% PF)
<b>Total</b>	<b>~\$24.6</b>

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*Discussion Time*

**What questions do you have?**



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*Thank you!*

**See our website for contact information.**  
<https://www.deq.nc.gov/water-infrastructure-contacts>



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