

State Water Infrastructure Authority
Meeting Date – July 16, 2025
Agenda Item I
Final Priority Rating Systems for the State Revolving Fund Supplemental Appropriations for
Hurricanes Helene and Milton and Hawai'i Wildfires (SA-HMW SRF)

Division of Water Infrastructure Staff Report

Background

In September 2024, Hurricane Helene significantly damaged many drinking water, wastewater, and decentralized wastewater treatment systems, particularly in western North Carolina. On December 21, 2024, Congress passed the American Relief Act, 2025 (P.L. 118-158) providing the U.S. Environmental Protection Agency (USEPA) \$3 billion in disaster relief supplemental funding for the State Revolving Fund (SRF) programs available to state or territories in EPA Regions 3, 4, or 9 for wastewater treatment works and drinking water facilities impacted by Hurricanes Helene and Milton and the Hawai'i wildfires. The 2025 State Revolving Fund Supplemental Appropriation for Hurricanes Helene and Milton and the Hawai'i Wildfires (SA-HMW, or sometimes referred to in North Carolina as the SRF Helene Supplemental funds) will be administered via the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF).

North Carolina's allotment is \$253,681,000 in SA-HMW funds for the CWSRF, and \$409,422,000 in SA-HMW funds for the DWSRF. In addition, the American Relief Act, 2025, appropriated \$85 million in supplemental funding for the CWSRF program to improve the resilience of decentralized wastewater treatment systems (DWTS), of which North Carolina's allotment is \$22,510,000.

On March 13, 2025, EPA published a memo announcing the award and implementation of the SA-HMW funds (Implementation Memo). The Implementation Memo describes eligibility for SA-HMW funds. For projects to be eligible for the SRF Helene Supplemental funds under the DWSRF and CWSRF, they must be SRF-eligible and have the purpose of reducing flood or fire damage risk and vulnerability or enhancing resiliency to rapid hydrological change or natural disaster. For the DWSRF and CWSRF Helene Supplemental funds, the term 'eligible entities' refers to any entity that is eligible for the SRF programs and was damaged, can demonstrate impact, or had a loss or disruption of a mission-essential function caused by Hurricane Helene.

The Implementation Memo called for the impacted states to develop Intended Use Plans (IUPs) as part of the grant application from the state to EPA to receive the SA-HMW funds. Included within these IUPs are the state's plans for soliciting project applications, prioritizing and scoring applications, and awarding funds to specific projects. A Priority Rating System (PRS) must be established and included in the IUP. Per NC GS 159G-71, the State Water Infrastructure Authority (Authority) has the purview to both establish priorities and review the criteria for making loans from the SRF programs.

Given the narrower eligibility for SRF Helene Supplemental funds, the existing PRSs for drinking water and wastewater projects are not wholly applicable. On April 17, 2025, the Division proposed to the Authority simplified draft PRSs that focus on drinking water and wastewater projects addressing flood resiliency in the Helene-affected entities and the development of a new PRS for DWTS projects funded by the SRF Helene Supplemental funds. The Authority approved draft PRSs to be presented for public comment.

The draft PRS approved by the Authority for SRF Helene Supplemental funding for drinking water and wastewater projects, along with draft IUPs, were published to receive public comment for a 30-day period starting May 20, 2025. The draft PRS approved by the Authority for SRF Helene Supplemental Funds for projects, along with a draft IUP, was published to receive public comment for a 30-day period starting May 30, 2025. This staff report summarizes public comments received on the draft PRSs.

Proposed Drinking Water and Wastewater Priority Rating Systems for SRF Helene Supplemental Funding

See Attachment A for draft PRS for SRF Helene Supplemental funds for the DWSRF and CWSRF. The draft PRSs were approved by the Authority at its April 2025 meeting for a public comment review. Red-font text indicates recommended updates to the draft PRSs based on responses to public comments.

Category I (Project Purpose)

For Category I, the entire project must address one of the three line items. Similar to the drinking water and wastewater PRSs used for the other SRF programs, only one project purpose may be selected. A total of 50 points for this category is proposed.

Staff propose 50 points if an applicant has sustained damage from Hurricane Helene to their water or wastewater system and the system remains wholly or partially inoperable (Line Item 1.A) or if the applicant has an emergency bridge loan with the Division of Water Infrastructure (Division) (Line Item 1.B). The project must address the damages caused by Hurricane Helene and enhance resiliency. Fifty points are proposed for these two line items to ensure that those that sustained the most damage or most urgently needed funding assistance are prioritized above other applicants.

Staff propose 25 points if an applicant sustained damages from Hurricane Helene but is currently operational and does not have an emergency bridge loan with the Division (Line Item 1.C).

Category II (Project Benefits)

For Category II, Project Benefits, at least part of the project must address the claimed line items. Applicants can claim points from more than one Project Benefit. Staff propose a total of ~~30~~ 40 points for this category.

Both wastewater and drinking water systems have infrastructure that are located within floodplains and need to be either relocated or fortified. Division staff propose to use line items identical to the existing PRSs' Line Item 2.N for this purpose. This line item would be Line Items 2.A.1 and 2.A.2 for a total of 12 points and 10 points, respectively.

During weather events such as hurricanes, various factors may make drinking water and wastewater systems vulnerable to challenges such as power loss and cyberattacks. Part of resilience involves strengthening systems and providing redundancy. Division staff propose to use the new Line Item 2.T from the existing drinking water and wastewater PRSs as Line Item 2.B for a total of five points.

One way to address resilience would be to merge or regionalize with another system, including creating an interconnection to improve water supply resilience. Division staff propose to use line items identical to Line Item 2.F in the existing drinking water and wastewater PRSs for this purpose. This line item would be Line Items 2.C.1 and 2.C.2 for a total of ten or five points, respectively.

By reducing energy consumption or water usage at the treatment works by incorporating energy efficient equipment or water conservation/reuse measures, applicants may introduce additional resiliency for operations during a disaster event. Therefore, a new Line Item 2.D is proposed for three points.

A new line item, 2.E., is proposed to prioritize projects that would primarily address infrastructure damaged by Hurricane Helene. Infrastructure damaged by the hurricane has already displayed vulnerability to floods or natural events, and projects that would repair, replace or improve that infrastructure in a more flood-resilient manner is a priority for the SRF Helene Supplemental funds. A new Line Item 2.E is proposed for ten points.

Category III (System Management)

Category III provides priority for work systems that have already completed work related to planning for resiliency. To successfully claim this line item, an applicant must demonstrate that they have already made plans to address flood resiliency and that the project is included in the plan. Staff propose a total of five points for this category. For these PRSs, Division staff propose Line Item 3.A, which is identical to the new Line Item 3.F in the existing drinking water and wastewater PRSs.

Development of an emergency preparedness, response or recovery plan is an eligible use of SA-HMW funds. If the applicant wishes to include the development of such a plan, or if such a plan already exists and the project is part of the implementation of the plan, the Division proposes awarding 5 points in a new Line Item 3.B.

Category IV (Affordability)

Hurricane Helene impacted areas of the state where customers may be struggling financially, and it affected utilities with limited financial resources. To successfully claim these line items, applicants must complete affordability calculations either by hand or by the affordability

calculator as well as provide narrative where required. Division staff propose a total of 25 points for this category.

Line Item 4.A gives increasing amounts of points for systems that are smaller. Line Item 4.B gives increasing amounts of points for monthly utility bills per 5,000 gallons. Line Item 4.C gives increasing amounts of points for three or more LGU indicators worse than the state benchmark. Division staff propose to utilize these same line items that are used in the existing drinking water and wastewater PRSs.

Staff also recognize that damages from Hurricane Helene have impacted not only infrastructure but also revenues, either due to sudden losses in the customer base or loss in sales due to damaged infrastructure. Those sudden impacts will likely not be reflected immediately in the metrics used in Line Items 4.A – 4.C. Division staff propose to add a new line item to provide points for systems experiencing significant loss of volumetric sales. Applicants would demonstrate this loss from billing records by comparing the total gallons of water (or wastewater) included in bills in the most recent three billing cycles compared to the same three billing cycles from the previous year prior to the hurricane. Line Item 4.D would provide eight points for this line item.

Public Comments and Staff Response: Proposed Drinking Water and Wastewater Priority Rating Systems for SRF Helene Supplemental Funding

The public comment period on the proposed DWSRF and CWSRF Helene Supplemental Funds PRSs ran from May 20 through June 20, 2025. The following summarizes comments received on the PRSs, provides the staff response, and includes staff recommendations for action on the PRSs. Division staff appreciate all comments received during the public comment period.

Attachment A shows the proposed PRSs, including proposed changes to the line items using red-font text.

Comment: On the Proposed Priority Rating System, Line Item 1.B: Several local government units opted to decline DWI's Emergency Bridge Loans due to the terms offered and instead accepted direct cash flow loans from the NC Department of State Treasurer that had more favorable terms, already had earmarked or ARPA funds that they used instead, or were able to obtain more rapid FEMA funds. We suggest adding language to the PRS for Line Item 1.B such that communities that are eligible for Emergency Bridge Loans but which accepted funding support from other avenues are also eligible for these points, as failure to allow them eligibility for these points unfairly deprioritizes communities that could not or did not commit to the DWI Emergency Bridge Loans for various reasons.

Response: Emergency Bridge Loans were initially and temporarily prioritized for utilities that were wholly or partially non-operational in the aftermath of the hurricane, but have since been made available to all other local government units (LGUs) that were Helene-impacted. Since all Helene-impacted LGUs are eligible for Emergency Bridge Loans, the suggestion would essentially give all applicants the same line item points. Line Item 1.A provides the same level of prioritization to applicants that are currently the most significantly affected (whether or not

they have an Emergency Bridge Loan), while Line Item 1.B provides prioritization to many of the local governments that were initially most affected and could potentially be incurring debt from the bridge loan program that is designed to provide temporary funding that can be repaid by other federal or state funding programs (such as the SRF Helene funds). Access to SRF Helene funds would allow those receiving Emergency Bridge Loans the ability to pay off the bridge loan for eligible expenses, particularly if there is no other funding source that was made available to them (such as FEMA or Department of State Treasurer funding). **Staff do not recommend a change to the PRS.**

Comment: On the Proposed Priority Rating System, Line Item 3.B: it is uncommon for emergency preparedness, response, or recovery plans at the local or county level to include specific infrastructure construction projects. Suggest removing the requirement for specific projects to be listed and instead specifying (in the PRS guidance) that points will be awarded for this category if the critical infrastructure being improved by the project in the application is listed as being critical/must remain in operation in the emergency preparedness, response, or recovery plan, and the project in question will help ensure continuous operation during such emergency events.

Response: Staff agree with this suggestion and recommend to the Authority to update line item 3.B to add “or components are identified as critical in the plan”. The suggestion to include a requirement that the project will also help ensure continuous operation during emergency events is not necessary, since Line Items 2.A.1 and 2.A.2 already include priority points for projects that will ensure continuous operation during flood events. **Staff recommend changing Line Item 3.B to “Applicant has an emergency preparedness, response or recovery plan and the proposed project is in the plan or components are identified as critical in the plan, or proposed project will develop an emergency preparedness, response or recovery plan.”**

Comment: Please confirm that applicants and their projects do not need to be located in a FEMA disaster declared county to apply for the SA-HMW funds. Also, please define “Helene-impacted.”

Response: Projects do not need to be in the disaster-declared counties to be eligible to receive SRF Helene funds. However, applicants are only eligible if they were directly impacted by Hurricane Helene. The applicant must document the impact through evaluation reports done by the LGU or other agencies immediately after the storm, power outage reports, pictures of the damage and/or work orders or invoices related to temporary measures conducted to fix portions of the damaged system. A combination of these documents can be used to justify the extent of the impact. Considering that impacts can range from power outages to significant loss of infrastructure, Division staff are proposing a new line item that would further prioritize projects that would primarily address infrastructure that was damaged by the hurricane. A new line item, 2.E, is proposed as follows for **ten points**:

Line item 2.E: More than 50 percent of the project construction costs are to replace, rehabilitate or improve infrastructure that was damaged by Hurricane Helene.

An application can earn these points if the application documents that at least 50 percent of the project construction cost (not including engineering and other administration costs) is directly related to fixing, replacing, moving, upsizing, building alternatives to, or improving infrastructure that was damaged by Hurricane Helene. Infrastructure that was damaged by the hurricane has already demonstrated its vulnerability to floods and natural events and would be prioritized for flood resiliency projects with the new Line Item 2.E.

With the addition of ten points for a new line item, the **total Project Benefits Category points would increase from 30 to 40 points, and the maximum Total Points an application can receive would increase from 120 to 130 points. Staff recommend adding Line Item 2.E and raising the Project Benefits Category points and Total Points accordingly.**

Comment: On resilience, we have previously suggested prioritizing the location of infrastructure away from flood risk when possible over other forms of hardening or flood prevention. We understand that both IUPs include guidance on resilience measures from EPA's Implementation Memo, which includes a mixture of relocation, hardening, and other techniques for resilience. Again, we encourage location out of flood-prone areas as a first priority and urge the Division to work with applicants to examine the feasibility of doing so when proposing a project.

Response: This suggestion was discussed by the Authority in the April meeting. Line Items 2.A.1 and 2.A.2 do not differentiate prioritization for projects that would relocate infrastructure versus those that would improve infrastructure in-place, if operations could be assured during flood events. The available/feasible resilience measures will be assessed during the Engineering Report/Environmental Information Document review phase. The application guidance related to Line Items 2.A.1 and 2.A.2 will include a statement that awarded projects within a floodplain must evaluate the option to relocate the infrastructure outside of the floodplain before proposing other improvements to allow continued operation during the flood event. Awarded projects that wish to fortify infrastructure within the floodplain must provide enough justification in order to receive approval for the Engineering Report and Environmental Information Document. **Staff do not recommend a change to the PRS.**

Summary of Proposed Priority Rating System Changes Based on Public Comments

Below is a summary of the proposed changes to the SRF Helene Supplemental Funds Drinking Water and Wastewater PRSs, based upon public comments received.

- Create a new Line Item 2.E with 10 points as follows:
 - Line item 2.E: More than 50 percent of the project construction costs are to replace, rehabilitate or improve infrastructure that was damaged by Hurricane Helene.
 - Increase the maximum Project Benefits points to 40.
 - Increase maximum Total Points to 130.
- Amend Line Item 3.B to read "Applicant has an emergency preparedness, response or recovery plan and the proposed project is in the plan or components are identified as

critical in the plan, or proposed project will develop an emergency preparedness, response or recovery plan.” No change in points is suggested.

Proposed Decentralized Wastewater Treatment Systems Priority Rating System for SRF Helene Supplemental Funding

See Attachment B for the draft PRS for CWSRF Helene Supplemental funds for DWTS resiliency projects. The draft PRS was approved by the Authority in its April 2025 meeting for a public comment review. Red-font text indicates recommended updates to the draft PRS based on responses to public comments.

To be eligible for CWSRF Helene Supplemental funds for DWTS resiliency projects, an applicant must repair, improve, or replace existing DWTSs in counties that were affected by Hurricane Helene in a way that would improve the resilience of the decentralized system against potential floods. Decentralized wastewater treatment systems may also be replaced with a connection to a centralized wastewater treatment system.

The proposed PRS contains only one Category with four line items that generally describe types of projects that are eligible for the SRF Helene Supplemental funds. Applicants must choose only one line item that best describes their project.

Line Item 1.A provides the highest priority to projects where at least 50 percent of the DWTSs in the project area were damaged by Hurricane Helene (15 points). Line Item 1.B provides the next highest priority to projects where at least 50 percent of the DWTSs in the project area are failing or failed (ten points). The third priority, in Line Item 1.C, is to all other construction projects that would physically address DWTSs that do not qualify under Line Item 1.A or 1.B (five points).

The fourth priority, in Line Item 1.D (two points), is for planning projects. The CWSRF Supplemental DWTS funds can be used for projects that assess the potential to connect homes served by DWTSs to centralized wastewater systems due to vulnerability to flood damage or that analyze the best approach to integrate system and community sustainability/resiliency priorities in the face of a variety of uncertain futures. This includes natural disasters and more frequent and intense extreme weather events, provided the planning work is reasonably expected to result in a capital project. Planning projects include feasibility studies, risk/vulnerability assessments considering recent floodplain maps, alternatives analyses, asset management plans, and the development of emergency preparedness, response and recovery plans.

Public Comments and Staff Responses: Proposed Decentralized Wastewater Treatment Systems Priority Rating System for SRF Helene Supplemental Funding

The public comment period on the proposed PRS ran from May 30 through June 30, 2025. The following summarizes comments received on the PRS, provides the staff response, and includes staff recommendations for action on the PRSs. Division staff appreciate all comments received during the public comment period.

Attachment B shows the proposed PRS, including proposed changes to the line items using red-font text.

Comment: Due to the individuality of the decentralized systems in density or topography, it could be difficult to assign typical project areas, such as a street or a development.

Response: In order to receive Line Item 1.A or 1.B points, a project area that is served by decentralized systems must be identified. A project area can be any size or geographic location within Helene-affected areas. For instance, a project can focus efforts on a series of streets, subdivisions, a section of a county, an entire county, or even an area that covers multiple counties. To qualify for Line Item 1.A or 1.B points, the applicant must document that the selected project area has a majority of DWTSS that were either damaged by Hurricane Helene or that are failing/failed. An applicant can submit multiple applications. For instance, if an applicant is working within one county's boundaries, they can submit one application focusing on the specific areas of the county that are known to have damaged DWTSS (qualifying for Line Item 1.A points) and a second application that encompasses the entire county (qualifying for Line Item 1.C points). The Division is not requiring applicants to identify – at the time of application – which individual DWTSS are to be repaired/replaced. However, if that information is known, the compilation of the specified individual systems would be considered the “project area”, even if they are in many locations. To make this clear, **Staff recommend amending Line Item 1.A to “At least 50 percent of the decentralized wastewater treatment systems in the project area or to be remedied by the project were damaged by Hurricane Helene” and amending Line Item 1.B to “At least 50 percent of the decentralized wastewater treatment systems in the project area or to be remedied by the project are failing or failed.”**

Comment: It is not realistic to require the 50 percent damage threshold be asserted within the proposed project area in order to obtain maximum priority points. High priority should be given to any project, regardless of “percentage”, designed to have a high likelihood of being capable to address the number of Helene-damaged systems it proposes to serve.

Response: The use of 50 percent as a threshold in Line Item 1.A and Line Item 1.B is intended to ensure that the highest scoring projects will use a significant amount of the CWSRF Helene Supplemental DWTSS funds to repair/replace DWTSS that were damaged or are failing. An applicant or program that has a high likelihood of being capable to address the number of Helene-damaged systems should be able to identify the areas or individual systems that they propose to address in the project and prioritize those where damage or failures are known. The recommendation above to add “or to be remedied by the project” in Line Items 1.A and 1.B allows applicants and programs to identify, at the time of application, generally where or specifically which systems they intend to work on as part of the project. If an applicant is unable to identify which specific systems will be included in the project at the time of application, but wishes to use the awarded funds to identify where damages or failures are occurring and repair/replace those systems, the applicant could provide detailed plans on how their program will be set up to identify qualified systems and ensure and document that at least 50% of the systems that are improved during the project were damaged or were failing. **No additional change to the Priority Rating System is proposed.**

Comment: We support “Priority One” be given to repair or replacement of systems, or replacement of system components, damaged during Helene, including damages incurred directly by flooding or earth-movement such as landslides or debris flows triggered by the storm, or indirectly by storm-related displacement of the facility served by the system.

Response: The PRS provides the highest priority to projects that are primarily focused on areas that experienced Hurricane Helene-related damages to DWTs. Applicants can propose projects that would only address individual DWTs that were damaged by the hurricane, and they would qualify for Line Item 1.A, receiving the highest priority. The type of damage is not specified in the PRS. The examples of damage provided in the comment, direct and indirect, are eligible. Awarded applicants will describe the damage in the Engineering Report. **Staff do not recommend a change to the PRS.**

Comment: A significant portion of available funds should be reserved for Helene-damaged or otherwise malfunctioning systems not feasibly able to meet the program’s mandatory “improved resilience” condition by connecting to a centralized wastewater system. Preliminary in-depth discussions with Environmental Health Supervisors in Yancey and Buncombe County Health Departments confirm a determination that this is their greatest “decentralized” need, although a reliable estimate of the total numbers in need county-wide remains unknown.

Response: Addressing resiliency is a program eligibility requirement. Resiliency can be achieved either through improvements to the DWTs (as described in the comment) or by connecting to a centralized wastewater collection system. Feasible alternatives might not be evident until alternative analysis is completed, and an Engineering Report is approved. The Division is considering reserving a portion of the CWSRF Helene Supplemental DWTs funds for projects that will improve DWTs but does not recommend changing the PRS to prioritize that type of project over connections to centralized wastewater collection systems. **Staff do not recommend a change to the PRS.**

Comment: Applications should be encouraged and given priority that facilitate a region-wide approach to implementation, either from a traditional Local Government Unit (LGU) applicant partnering with other jurisdictions on whose behalf their application would also apply, or from one or more newly-eligible applicants (per Session Law 2025-26) that already serve multiple portions of the impacted region (e.g., a CDFI or experienced nonprofit).

Response: Applications will be evaluated on the basis of the proposed project, not on the applicant. Multiple organizations can form one project team and submit a single application, covering one or multiple eligible jurisdictions, under a lead eligible Applicant. **Staff do not recommend a change to the PRS.**

Comment: The Priority Ranking System should include measures to address provisions that are in place, managerial experience and capabilities of the applicant, be it a traditional LGU, or newly-eligible “CDFI or nonprofit organization that provides financing assistance to homeowners to repair or replace decentralized wastewater systems in North Carolina.” LGUs likely to apply (e.g., a County) will also most likely turn to another entity to administer the

program on their behalf (e.g., a Regional Council of Government or nonprofit). Proposed administrative functions, including projected administrative cost, should be a critical part of the application.

Response: Applications will be evaluated on the basis of the proposed project, not on the applicant. Multiple organizations can form one project team and submit a single application, covering one or multiple eligible jurisdictions, under a lead eligible Applicant. Project implementation guidance will discuss administration guidelines for the program. The Division expects all approved applicants to implement a successful program using their own resources or by making use of services of other technical assistance providers or contractors. Priority will not be based on the ability of the applicant, which can change upon project award if the applicant enters into contracts and agreements with other entities for project management. However, all awardees are required to successfully complete the proposed project within a given time frame in order to receive committed funds. **Staff do not recommend a change to the PRS.**

Summary of Proposed Priority Rating System Changes Based on Public Comments

Below is a summary of the proposed changes to the SA-HMW CWSRF Decentralized Wastewater Treatment Systems PRS, based upon public comments received.

- Amend Line Item 1.A to read “At least 50 percent of the decentralized wastewater treatment systems in the project area or to be remedied by the project were damaged by Hurricane Helene.” No changes in points are suggested.
- Amend Line Item 1.B to read “At least 50 percent of the decentralized wastewater treatment systems in the project area or to be remedied by the project are failing or failed.” No changes in points are suggested.

Staff Recommendations

- Division Staff recommend that the Authority approve the PRS as shown in Attachment B for SA-HMW CWSRF Decentralized Wastewater Treatment System projects.
- Division Staff recommend that the Authority approve the PRS as shown in Attachment A for SRF Helene Funding programs for drinking water and wastewater projects.

Attachment A. Priority Rating System for SA-HMW Drinking Water and SA-HMW Wastewater Resilience Projects

Suggested changes to the PRS resulting from public comments are in red

Proposed SRF SA-HMW Funding PRIORITY RATING SYSTEM for Drinking Water and Wastewater Projects			
<i>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.</i>			
Line Item #	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose; note that the project must be eligible for SA-HMW Funds)	Claimed Yes/No	Points
1.A	Applicant's system remains wholly or partially inoperable due to sustained damages from Hurricane Helene OR		50
1.B	Applicant has an existing Helene emergency bridge loan with the Division of Water Infrastructure OR		50
1.C	Applicant's system is operational but has sustained damages from Hurricane Helene		25
Maximum points for Category 1 – Project Purpose			50
Subtotal claimed for Category 1 – Project Purpose			
Line Item #	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A	Project moves existing infrastructure from the floodplain or fortifies infrastructure within the floodplain		
2.A.1	Project relocates and/or improves infrastructure to assure continued operation during a 500-year flood event OR		12
2.A.2	Project relocates and/or improves infrastructure to assure continued operation during a 100-year flood event		10
2.B	Project provides redundancy/resiliency for critical treatment and/or transmission/distribution system functions including cybersecurity and/or backup electrical power source		5
2.C	Project includes system merger or regionalization		
2.C.1	Project includes system merger OR		10
2.C.2	Project includes system regionalization and/or system partnerships		5
2.D	Project will result in reducing water use or energy use at least by 20%		3

Proposed SRF SA-HMW Funding PRIORITY RATING SYSTEM for Drinking Water and Wastewater Projects			
2.E	More than 50% of the project construction costs are to replace, rehabilitate or improve infrastructure that was damaged by Hurricane Helene		10
Maximum points for Category 2 – Project Benefits			30 40
Subtotal claimed for Category 2 – Project Benefits			
Line Item #	Category 3 – System Management	Claimed Yes/No	Points
3.A	Applicant has completed a local flood resiliency action plan with the proposed project included in the plan		5
3.B	Applicant has an emergency preparedness, response or recovery plan and the proposed project is in the plan or components are identified as critical in the plan , or proposed project will develop an emergency preparedness, response or recovery plan		5
Maximum points for Category 3 – System Management			10
Subtotal claimed for Category 3 – System Management			
Line Item #	Category 4 – Affordability	Claimed Yes/No	Points
4.A	Residential Connections		
4.A.1	Less than 10,000 residential connections OR		2
4.A.2	Less than 5,000 residential connections OR		4
4.A.3	Less than 1,000 residential connections		8
4.B	Current Monthly Combined Utility Bills at 5,000 Usage		
4.B.1	Greater than the 50 th Percentile OR		4
4.B.2	Greater than the 70 th Percentile OR		6
4.B.3	Greater than the 85 th Percentile OR		8
4.B.4	Greater than the 95 th Percentile		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		7
4.D	System experienced a loss of at least 20% of water or wastewater volumetric usage as a result of Hurricane Helene [±]		8
Maximum points for Category 4 – Affordability			30
Subtotal claimed for Category 4 – Affordability			
Total of Points for All Categories			120 130

[±] Measured from billing records as total gallons of water (or wastewater) included in bills in the most recent three billing cycles compared to the same three billing cycles from the previous year (prior to the hurricane).

Attachment B. Priority Rating System for SA-HMW CWSRF Decentralized Wastewater Treatment System Resilience Projects

Suggested changes to the PRS resulting from public comments are in red

Proposed SRF SA-HMW Funding PRIORITY RATING SYSTEM for Decentralized Wastewater Treatment System Projects			
<i>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.</i>			
Line Item #	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose)	Claimed Yes/No	Points
1.A	At least 50% of the decentralized wastewater treatment systems in the project area or to be remedied by the project were damaged by Hurricane Helene [±]		15
1.B	At least 50% of the decentralized wastewater treatment systems in the project area or to be remedied by the project are failing or failed [±]		10
1.C	All other projects to repair, improve or replace decentralized wastewater treatment systems [±]		5
1.D	Planning projects to assess options to improve resiliency against flood damage		2
Maximum Points for Category 1 – Project Purpose			15
Total of Points for All Categories			15

[±] Project will repair, improve or replace the decentralized wastewater treatment system with added resilience or replace the decentralized wastewater treatment system with a connection to a centralized wastewater system.