

**North Carolina
Clean Water State Revolving Fund
(Base CWSRF)
And
Infrastructure Investment and Jobs Act
CWSRF General Supplemental Funds
(IIJA CWSRF-GS)**

**Intended Use Plan
Fiscal Year 2025**

**Draft for Public Review
February 2025**

Main changes from the FY2024 IUP are identified in red font text. Main changes from the FY2024 IUP are identified in red font text. Note that references to “Bipartisan Infrastructure Law” or “BIL” have been replaced with “Infrastructure Investment and Jobs Act” or “IIJA”. IIJA and BIL can be used interchangeably.

**Division of Water Infrastructure
North Carolina Department of Environmental Quality**

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1. Introduction and Capitalization Grants Summary

This Intended Use Plan (IUP) provides details on the Division of Water Infrastructure's (Division) intent to administer the Clean Water State Revolving Funds (CWSRF) and to apply for the FY2025 base CWSRF capitalization grant and the FY2025 Infrastructure Investment and Jobs Act¹ (IIJA) CWSRF General Supplemental capitalization grant.

All capitalization grant amounts identified in this IUP exclude the allotments for 604(b) grants.

North Carolina's FY2025 base CWSRF capitalization grant allotment has not yet been announced or estimated by the US Environmental Protection Agency (EPA). For the purposes of this draft IUP to go through a public comment period on time to ensure that the Division can submit a grant application to EPA by their established application deadline in Spring 2025, the Division is assuming that the FY2025 base CWSRF allotment will be the same as it was in FY2024, i.e., \$14,733,000. When the FY2025 base CWSRF allotments are announced, the Division will amend the IUP, apply for the full allotment, and use the percentages identified in this IUP to split the funds between Principal Forgiveness, reserves, and the various set-asides.

North Carolina's FY2025 IIJA CWSRF General Supplemental capitalization grant allotment is preliminarily estimated by EPA to be \$44,460,000. When a final allotment has been announced by EPA, the Division will amend the IUP, apply for the full allotment, and use the percentages identified in this IUP to split the funds between Principal Forgiveness, reserves, and the various set-asides.

The table below summarizes the capitalization grants and the allotment of the funds between various uses described in this Intended Use Plan. The percentages presented in the summary table will be used to apply to the final allotments or capitalization grant amounts, once known, to update the currently estimated dollar amounts in the summary table.

The Division intends to apply for any additional funds made available through reallocations of other states' capitalization grant allotments and apply the reallocation funds towards awarded projects using the percentages shown in the summary table below.

¹ Infrastructure Investment and Jobs Act (IIJA) is as referred to as Bipartisan Infrastructure Law (BIL). IIJA and BIL can be used interchangeably.

Table Summary of Capitalization Grants

	FY2025 Base CWSRF	FY2025 IIJA CWSRF General Supplemental	Any potential reallotments (none)
Capitalization Grant Amount	TBD. Estimated to be \$14,733,000	TBD. Estimated to be \$44,460,000	N/A or TBD
State Match	20%. Est. \$2,946,600	20%. Est. \$8,892,000	N/A or TBD
<i>Subtotal</i>	<i>Est. \$17,679,600</i>	<i>Est. \$53,352,000</i>	<i>N/A or TBD</i>
Set-Asides from Cap. Grants:			
A. Program Administration	Up to 4%. Est. up to \$589,320	Up to 4%. Est. up to \$1,778,400	0% \$0
B. Technical Assistance	Up to 2%. Est. up to \$294,660	Up to 2%. Est. up to \$889,200	0% \$0
<i>Set-Asides subtotal²</i>	<i>Est. up to \$3,981,330</i>	<i>Est. up to \$2,667,600</i>	<i>\$0</i>
<i>Available for loans from grant and state match, including Principal Forgiveness</i>	<i>At least 94% of cap grant and 100% state match Est. \$13,698,270</i>	<i>At least 94% of cap grant and 100% state match Est. \$50,684,400</i>	<i>100%</i>
Principal Forgiveness from Cap. Grants:			
Congressional Additional Subsidy (base SRF)	TBD. Assumed to be 10%, Est. \$1,473,300	N/A, \$0	TBD
Minimum – Maximum range of the CWA Disadvantaged Community Subsidization	10% - 30%. Est. \$1,473,300 - \$4,419,900	N/A, \$0	TBD
IIJA General Supplemental Subsidization	N/A, \$0	49%. Est. \$21,785,400	TBD
<i>Total minimum - maximum range of Principal Forgiveness</i>	<i>Est. \$2,946,600 - \$5,893,200</i>	<i>Est. \$21,785,400</i>	<i>TBD</i>
Minimum Green Project Reserve	10%. Est. \$1,473,300	10%. Est. \$4,446,000	10%

² Unused amounts that are budgeted for set-asides will be used for project loan disbursements prior to closing the capitalization grant.

The Division of Water Infrastructure is part of the North Carolina Department of Environmental Quality (NCDEQ). The Division administers financial assistance programs to assist local government units (LGUs) and non-profit water/wastewater utilities³ in constructing projects that both benefit water quality and improve the human environment.

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

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

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

2. Financial History

Congress appropriates an overall CWSRF funding level that is allocated to states based on percentages in the Clean Water Act. This allocation has not been updated since the 1987 amendments that established the CWSRF. The North Carolina allocation is approximately 1.8% of the national appropriation. Capitalization grants, including the required State match, enable increasing amounts of loan commitments. This is due to loan repayments being loaned again, thereby providing public benefits repeatedly through time. While providing substantial support, this infrastructure financing has only met a small percentage of the clean water infrastructure needs for LGUs in North Carolina. Congressional Directed Spending has recently significantly reduced the funding available to the base CWSRF program. However, if capitalization grants return to previous levels, or are increased, the program will be better able to meet infrastructure financing needs for LGUs.

Congress appropriated additional funds to the CWSRF in the Infrastructure Investment and Jobs Act of 2021, commonly referred to as the Bipartisan Infrastructure Law. The IIJA appropriated additional funds for five fiscal years (FY2022-FY2026), referred to as the CWSRF General Supplemental Funding (or IIJA Supplemental CWSRF for short), to supplement the base CWSRF

³ For brevity, "LGUs" in this IUP refers to eligible entities, including local government units and non-profit utilities.

program and its yearly appropriations. The IJA also appropriated funds specifically to address emerging contaminants issues; plans for which are described in a separate IUP.

North Carolina will receive allotments in a federal capitalization grant for the FY2025 base CWSRF and in a federal capitalization grant for the FY2025 IJA CWSRF General Supplemental, **in the amounts shown in the Table Summary of Capitalization Grants**. North Carolina will provide a 20% state match from state appropriations, **in the amounts shown in the Table Summary of Capitalization Grants**, for the base CWSRF and the IJA CWSRF General Supplemental capitalization grants. **North Carolina will also provide a 20% state match from state appropriations or from fees in the amount necessary to apply for reallocation of funds, if available.**

CWSRF funds will not be used to satisfy debt security requirements.

3. Programmatic Goals

Pursuant to the Clean Water Act, the State must identify the goals and objectives of its water pollution control revolving fund (i.e., the CWSRF). North Carolina has set its short- and long-term goals of this IUP to align with EPA's strategic goals and objectives FY2022-2026 EPA Strategic Plan, specifically Goal #5, to Ensure Clean and Safe Water for all communities and Objective 5.2 to Protect and Restore Waterbodies and Watersheds. The Office of Water has identified specific measures that address the strategic goals and objectives outlined by EPA in its strategic plan. A basis for each goal in this program IUP has been identified. These references ensure that all the specific commitments made by the State are properly correlated to the strategic goals and objectives of the Agency. The State has the following goals for its CWSRF program:

3.1. Overall CWSRF Program Goal

Provide funding for clean water infrastructure while advancing the NCDEQ's mission to provide science-based environmental stewardship for the health and prosperity of ALL North Carolinians and to advance the water quality goals of CWA while targeting the systems with greatest needs.

3.2. Short-Term Goal

Continue efforts to inform LGUs of the availability of funds, benefits of the CWSRF program, and opportunities to utilize multiple funding programs to fund specialized projects.

3.3. Long -Term Goals

Goal #1: Support North Carolina Department of Environmental Quality's Strategic Goal to "strengthen North Carolina's infrastructure through thoughtful and strategic investments in communities".

Goal #2: Support North Carolina Department of Environmental Quality's Strategic Goal to "promote and ensure environmental stewardship and provide ... financial assistance to meet or exceed regulatory requirements and prevent pollution."

Goal #3: Support North Carolina Department of Environmental Quality's Strategic **Objectives to invest funding in intentional ways to make sure water and**

wastewater projects serve communities with the greatest need, and to incorporate [flood] resiliency planning in public infrastructure.

- Goal #4: Support U.S. Environmental Protection Agency's Strategic Goal 5 of ensuring clean and safe water for all communities.
- Goal #5: Continue efforts to streamline the funding process to ensure the funds are used in an expeditious and timely manner in accordance with §602(b)(4) of the Clean Water Act.
- Goal #6: Ensure the technical integrity of CWSRF projects through diligent and effective planning, design, and construction management.
- Goal #7: Ensure the Priority Rating System reflects NCDEQ's and the Authority's goals.
- Goal #8: Aid compliance with state and federal water quality standards by all funded publicly-owned wastewater treatment works.
- Goal #9: Ensure the long-term viability of the CWSRF program through effective financial practices.

4. Information on Activities to be Supported

North Carolina's program will continue to be one of low-interest loans, supplemented with principal forgiveness as allowed by §603(i)(3) of the Clean Water Act. The State intends to access up to 4% of the base CWSRF and from the IIJA CWSRF General Supplemental capitalization grants (see the Table Summary of Capitalization Grants for the amounts) for the administrative costs associated with running the program. These costs include application preparations and outreach, technical assistance, application review, engineering report and environmental document review, design review, loan processing, construction inspection, disbursement and repayment processing and accounting for funded projects. The State is not intending to access any set-aside funds from any additional funds made available through reallocations of other states' capitalization grant allotments.

In addition to funding infrastructure projects, the CWSRF also allows the use of set-asides of capitalization grant funds for technical assistance. The State intends to access up to 2% of the base CWSRF and from the IIJA CWSRF General Supplemental capitalization grants (see the Table Summary of Capitalization Grants for the amounts) for technical assistance. Technical assistance may be carried out directly by the Division or the Division of Water Resources in the Department of Environment Quality and through contracts with other agencies and organizations. The Division intends to use technical assistance set-asides to:

- 1) Fund Division efforts to implement the state's Viable Utilities program, assisting rural and small publicly owned treatment works. The Viable Utilities program works directly with local government units identified as being Distressed as defined by state law to meet requirements to conduct utility asset condition and risk assessment, develop a system operational and maintenance plan, perform a rate study that supports operations, maintenance, and replacement of infrastructure, develop a long term and short-term financial plans for long term utility viability.

- 2) Fund NCDEQ efforts and a contract with another organization to develop and implement the Wastewater Energy Efficiency Program. This program is designed to provide wastewater system operators in small, rural publicly owned treatment works, ideally representing those systems in local government units identified as being Distressed, a multi-week training program on energy efficiency concepts from basic measures such as lighting and HVAC to highly complex and specialized measures involving aeration, disinfection, and other site-specific wastewater processes. The program will help identify low and potentially no-cost energy efficiency improvements that can have a significant impact on a system's operational costs. Measures that are medium or higher in cost will be explored for feasibility as a potential application to CWSRF funding.
- 3) Technical assistance may be provided to assist disadvantaged communities and local government units designated as Distressed in preparing for potential CWSRF projects.

The Division reserves the right to use unused portions of the technical assistance set-aside at a later date.

The Division reserves the authority to transfer IJIA funds between the DWSRF and CWSRF from this year's capitalization grants at a later date and apply it to a future year's capitalization grant. Any requests for transfer will be notified in writing to EPA.

The following table provides a summary of the projected funds available as a result of the Federal capitalization grant. With the capitalization grants, state matches, and projections of repayments from active loans, disbursements to active projects, and use of set-asides during the fiscal year, the CWSRF is projected to end with approximately \$517 million in cash at the end of the fiscal year, including amounts that are obligated (but not yet disbursed) to active projects. Since 2022, the Division has increased the CWSRF funds awarded to projects to approximately \$200 million per year. As expected, project disbursements consequently increased starting in FY2024, concurrent with project timelines. Based on cash-flow models, approximately \$635 million is expected to be disbursed for active projects in future years, exceeding the amount of cash available at the end of the fiscal year. Revenues from repayments of loans and new capitalization grants are expected to cover the difference.

Sources and Uses For the Life of the Program (updated February 2025)

Historic Sources and Uses									
FY	Revenues					Expenditures		Net	
	Title VI Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Admin and Set-Asides	Net For FY	Cumulative Net
1989	\$22,677,869	\$4,535,574						\$27,213,443	\$27,213,443
1990	\$33,020,181	\$6,604,036				\$832,959	\$201,999	\$38,589,259	\$65,802,702
1991	\$39,039,068	\$7,807,814	\$93,098	\$26,095		\$2,325,135	\$428,363	\$44,212,577	\$110,015,279
1992	\$35,066,790	\$7,013,358	\$96,512	\$57,455	\$2,604	\$16,935,791	\$631,067	\$24,669,861	\$134,685,140
1993	\$34,688,907	\$6,937,781	\$312,847	\$279,547	\$25,906	\$53,307,895	\$735,053	(\$11,797,960)	\$122,887,180
1994	\$21,523,986	\$4,304,797	\$2,031,416	\$1,149,187	\$82,487	\$36,500,242	\$815,408	(\$8,223,777)	\$114,663,403
1995	\$22,229,658	\$4,445,931	\$4,751,663	\$3,481,087	\$334,091	\$41,628,927	\$1,078,750	(\$7,465,247)	\$107,198,156
1996	\$36,412,875	\$7,282,573	\$6,640,508	\$4,687,320	\$953,958	\$33,089,280	\$1,428,751	\$21,459,203	\$128,657,359
1997	\$11,247,984	\$2,249,596	\$10,694,842	\$6,122,694	\$1,762,067	\$35,858,322	\$1,772,360	(\$5,553,499)	\$123,103,860
1998	\$24,302,619	\$4,860,523	\$12,266,033	\$5,877,291	\$2,861,611	\$32,646,756	\$1,667,740	\$15,853,581	\$138,957,441
1999	\$24,304,599	\$4,860,919	\$15,416,998	\$7,474,609	\$3,951,306	\$19,434,231	\$1,609,647	\$34,964,553	\$173,921,994
2000	\$24,222,231	\$4,844,446	\$16,091,644	\$6,976,287	\$5,062,731	\$43,995,537	\$1,549,377	\$11,652,425	\$185,574,419
2001	\$24,006,906	\$4,801,381	\$17,073,660	\$7,133,702	\$5,323,531	\$52,275,405	\$1,601,947	\$4,461,828	\$190,036,247
2002	\$24,060,366	\$4,812,073	\$20,133,928	\$8,759,606	\$5,219,200	\$60,898,838	\$1,464,268	\$622,067	\$190,658,314
2003	\$23,903,946	\$4,780,789	\$21,082,695	\$9,061,238	\$5,391,271	\$49,986,344	\$1,363,979	\$12,869,616	\$203,527,930
2004	\$23,918,400	\$4,783,680	\$24,881,118	\$10,516,594	\$4,735,840	\$40,675,883	\$1,373,264	\$26,786,485	\$230,314,415
2005	\$19,447,857	\$3,889,571	\$25,576,460	\$10,343,438	\$4,811,322	\$67,022,666	\$1,774,524	(\$4,728,542)	\$225,585,873
2006	\$15,804,261	\$3,160,852	\$27,163,010	\$10,053,528	\$5,552,843	\$65,232,990	\$1,813,433	(\$5,311,929)	\$220,273,944
2007	\$19,316,385	\$3,863,277	\$31,235,426	\$11,983,058	\$6,959,845	\$89,612,981	\$1,950,049	(\$18,205,039)	\$202,068,905
2008	\$12,281,247	\$2,456,249	\$35,248,991	\$12,528,511	\$8,866,941	\$39,030,703	\$1,981,175	\$30,370,061	\$232,438,966
2009	\$12,281,148	\$2,456,230	\$36,715,791	\$12,213,960	\$9,365,937	\$62,821,405	\$1,880,879	\$8,330,782	\$240,769,748
ARRA	\$70,729,100								
2010	\$36,773,000	\$7,354,600	\$40,793,762	\$13,011,181	\$3,737,429	\$89,278,230	\$2,829,164	\$9,562,578	\$250,332,326
2011	\$26,650,000	\$5,330,000	\$44,499,092	\$13,343,726	\$2,544,846	\$75,822,573	\$1,225,767	\$15,319,324	\$265,651,650
2012	\$25,507,000	\$5,101,400	\$50,747,102	\$13,961,676	\$1,997,212	\$92,326,265	\$0	\$4,988,125	\$270,639,775
2013	\$24,096,000	\$4,819,200	\$57,103,194	\$12,641,174	\$1,131,131	\$111,420,255	\$2,189,477	(\$13,819,033)	\$256,820,742
2014	\$25,304,000	\$5,060,800	\$52,085,979	\$14,244,396	\$1,031,247	\$96,624,370	\$1,502,219	(\$400,167)	\$256,420,575
2015	\$25,175,000	\$5,035,000	\$54,433,833	\$14,793,448	\$2,107,019	\$125,900,815	\$1,494,060	(\$25,850,575)	\$230,570,000

Sources and Uses For the Life of the Program (updated February 2025)

Historic Sources and Uses									
FY	Revenues					Expenditures		Net	
	Title VI Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Admin and Set-Asides	Net For FY	Cumulative Net
2016	\$24,113,000	\$4,822,600	\$66,280,242	\$15,049,112	\$591,974	\$102,943,029	\$1,007,000	\$6,906,899	\$237,476,899
2017	\$23,928,000	\$4,785,600	\$63,243,272	\$14,019,493	\$6,144,737	\$110,022,818	\$964,520	\$1,133,764	\$238,610,663
2018	\$28,967,000	\$5,793,400	\$65,069,666	\$16,058,602	\$5,480,830	\$65,751,180	\$957,120	\$54,661,198	\$293,271,861
2019	\$28,676,000	\$5,735,200	\$66,676,292	\$15,430,220	\$8,194,850	\$46,725,169	\$1,158,680	\$76,828,713	\$370,100,574
2020	\$28,590,000	\$5,736,000	\$76,395,801	\$14,144,801	\$9,575,286	\$136,456,346	\$1,057,040	(\$3,071,498)	\$367,029,076
2021	\$28,676,000	\$5,735,200	\$199,020,018	\$13,099,212	\$6,372,851	\$110,004,165	\$1,143,600	\$141,755,516	\$508,784,592
2022	\$20,882,000	\$4,176,400	\$67,357,827	\$9,599,534	\$5,261,292	\$100,197,243	\$1,147,000	\$5,932,810	\$514,717,402
IIJA 2022	\$32,122,000	\$3,212,200						\$35,334,200	\$550,051,602
2023	\$13,538,000	\$2,707,600	\$59,430,902	\$8,980,406	\$11,096,228	\$93,326,821	\$2,200,503	\$225,812	\$550,277,414
IIJA 2023	\$37,619,000	\$3,761,900						\$41,380,900	\$591,658,314
2024	\$14,733,000	\$2,946,600	\$66,973,341	\$10,027,832	\$21,426,841	\$149,974,471	\$1,939,546	\$(35,806,403)	\$555,851,911
IIJA 2024	\$41,043,000	\$8,208,600						\$49,251,600	\$605,103,511
Totals	1,060,878,383	\$191,073,750	\$1,337,616,963	\$327,130,020	\$157,957,264	\$2,350,886,040	47,937,729	\$605,103,511	
Projected Sources and Uses for FY 2025 (based on Availability Model)									
FY	Revenues					Expenditures		Net	
	Title VI Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Admin and Set-Asides	Net For FY	Cumulative Net
Base 2025	\$14,733,000	\$2,946,600						\$17,679,600	
IIJA 2025	\$44,460,000	\$8,892,000						\$53,352,000	
			\$78,000,000	\$10,000,000	\$5,000,000	\$250,000,000	\$2,000,000	\$(159,000,000)	
Totals	\$59,193,000	\$11,838,600	\$78,000,000	\$10,000,000	\$5,000,000	\$250,000,000	\$2,000,000	\$(87,968,400)	\$517,135,111
Projected Uses for Active Projects beyond FY 2025 (project disbursements) (Does not take into account future funding rounds or revenues which cover the negative)						\$635,000,000			\$(117,864,889)

Values in BLUE are approximate values.

IIJA funds only reflect the IIJA CWSRF General Supplemental Funds. IIJA funds for Emerging Contaminants are excluded from this table.

5. Criteria and Methods for Distributing Funds

5.1. Project List and Prioritization

The Intended Use Plan Project Priority List may be supplemented or replaced based on applications received as a part of future funding cycles (see 5.2 below) **and/or based on applications for Emergency Relief Loans.**

5.1.1. Emergency Relief Loans

Emergency relief loans may be used to fund projects to repair, restore and add resilience to wastewater systems that suffered system damage or failure resulting from a natural disaster with a Presidential emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act) authorizing Public Assistance for drinking water and wastewater facilities. Applications for emergency relief loans may be submitted at any time during the year following the Stafford Act declaration. Applications may be added to the Project Priority List at any time during the year based upon the applicant's successful demonstration of an emergency situation, certification from the Secretary of the North Carolina Department of Environmental Quality that a serious public health hazard related to the natural disaster-caused damage to the wastewater system is present or imminent in a community, and receiving a funding award from the State Water Infrastructure Authority. Funding may bypass other high-scoring applications (for non-emergency relief loans) to prioritize emergency relief loans. Loans to eligible applicants must be approved by the Local Government Commission. Targeted interest rates may be used for emergency relief loans.

The intent of Emergency Relief Loans is to supplement the State's emergency loan program with the SRF program (if needed) to provide rapid financial assistance to eligible applicants in response to a Stafford Act-declared natural disaster to address critical infrastructure needs to restore services. The applicant must comply with all applicable federal and state requirements.

5.1.2. Applications in Funding Cycles (non-Emergency Relief Loans)

Eligible applicants may submit applications for funding for wastewater projects during the Division's funding cycles. Applications that are received in one funding cycle and are not selected for funding will be reconsidered in one more cycle (the next one) for funding.

The State's ranking for projects will be based on the Priority Rating System established by the State Water Infrastructure Authority working with the Division (see Appendix C). Applications will be ranked based on the following scores, in the following order: 1) total application score (points), 2) project purpose points, 3) project benefit points, and 4) affordability points.

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

For project purpose, the Division places higher priority on projects that will consolidate nonviable systems, resolve issues associated with failed or failing infrastructure, rehabilitate

or replace infrastructure, or serve disadvantaged areas. Projects that reduce nonpoint source pollution (e.g., stormwater best management practices) are also prioritized. The Priority Rating System generally prioritizes replacement and rehabilitation over building new infrastructure. An application will only receive priority points for one project purpose.

In terms of project benefits, the Priority Rating System seeks to prioritize projects where replacement, repair, resiliency, regionalization, partnerships, or merger will provide an environmental benefit. For example, the Priority Rating System more highly prioritizes projects that benefit impaired waters and/or replace failing septic tanks.

In addition to correcting water quality issues, the Priority Rating System supports those LGU systems that seek to be proactive in their system management, including prioritization points for having implemented asset management plans and appropriate operating ratios.

The Priority Rating System also considers the ability of the applicant to afford projects. For example, those applicants that have a high poverty rate, high utility bills, lower population growth, lower median household incomes, and higher unemployment receive higher priority. Projects that primarily benefit subsets of the service population that are in disadvantaged areas also receive additional priority points. Local government units that are under the fiscal control of the Local Government Commission and that have required Emergency Operating Grants to balance their budgets are also prioritized.

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

Sections 5.2 and 5.3 describe the criteria that specifically apply to Applications in Funding Cycles (non-Emergency Relief Loans).

5.2. Application and Project Deadlines

The CWSRF program operates on a priority basis and accepts funding applications semi-annually. Projects are allocated funding in priority order (as noted above) and within special reserve requirements (e.g. Principal Forgiveness Reserve, etc. as described herein) until available funds are exhausted. Funding availability is determined based on the capitalization grants and associated state match. Results will be posted on the Division's website.

Project funding is contingent on adherence to the schedule below in accordance with §159G-41 (times listed are measured from Letter of Intent to Fund except as noted otherwise):

- 5.2.1. Funding application and supporting information must be received by the application deadline to be considered for any given funding cycle.
- 5.2.2. After the Authority provides final project rank eligibilities, the CWSRF program will issue Letters of Intent to Fund (LOIF) based on the projects' prioritization and the amount of funds being made available in the cycle.

- 5.2.3. Within four months of the issuance of the LOIF, a complete Engineering Report / Environmental Information Document must be submitted to the CWSRF program.
- 5.2.4. Within nine months, the Engineering Report / Environmental Information Document must be approved.
- 5.2.5. Within 15 months, complete plans and specifications must be submitted with copies of all required permits, encroachments, etc., or evidence that applications for remaining required permits have been submitted to the respective permitting agency.
- 5.2.6. Within 19 months, the plans/specifications and all required permits must be approved/issued.
- 5.2.7. Within 23 months, the following events/items must be completed/received:
 - 5.2.7.1. Advertise the project for bids
 - 5.2.7.2. Receive bids
 - 5.2.7.3. Submit bid information to CWSRF staff
 - 5.2.7.4. Obtain the Division's Authority to Award Construction Contracts.
- 5.2.8. Within 24 months, construction contracts must be executed.

The milestones in the timeline above are absolute for all projects in a particular cycle and will not be extended except based upon a demonstrated need for extension by the LGU. Projects may be able to meet these milestones ahead of schedule. However, if any milestone noted above is not met, work by the CWSRF staff may be suspended and all documents returned to the Applicant until the proposed project is resubmitted for consideration during a future cycle.

If an Applicant desires CWSRF funding and the Applicant's project requires an Environmental Impact Statement (EIS), Division staff will manage the environmental review process. However, a funding application for the project will not be accepted in any funding cycle until a draft EIS has been sent to the State Clearinghouse (SCH). If a fundable project is in process and the environmental review completed within the timeline results in the conclusion that an EIS is required, then the milestone deadlines for the project will be suspended until a draft EIS has been sent to the SCH. After the draft EIS is sent to the SCH, the project must adhere to the same time frames specified above.

5.3. Detailed Loan and Project Funding Criteria

5.3.1. General

- 5.3.1.1. To be eligible for CWSRF funding, a project must be on the Intended Use Plan Project List.
- 5.3.1.2. Funding can be provided for any eligible projects as provided for in the Clean Water Act and NCGS 159G, including wastewater treatment facilities, collection systems, stream restorations, stormwater SCMs, etc. that improve water quality.
- 5.3.1.3. Funding will be provided in priority order based on project scores, Authority determination, and the amount of funds made available with consideration of principal forgiveness reserve detailed below. Projects cannot be substantively changed once funding is allocated.
- 5.3.1.4. The maximum CWSRF loan amount will be established at \$35 million per applicant per funding round.
- 5.3.1.5. The maximum CWSRF loan availability per applicant is not more than \$200,000,000 in outstanding debt to the CWSRF program.
- 5.3.1.6. Notwithstanding the limits in Items 5.3.1.4., and 5.3.1.5., if availability of funds exceeds project demand, these limits may be exceeded to ensure all available funds are utilized. Exceeding the maximum provided in Item 5.3.1.4. will be considered prior to Item 5.3.1.5.
- 5.3.1.7. A project may be funded with a targeted interest rate if the project is eligible for principal forgiveness as described in 5.3.2 below. For projects that are eligible for 75% or more principal forgiveness, the targeted interest rate will be 0%. For projects that are eligible for 50% or 25% principal forgiveness funding, the targeted interest rate will be one percentage point lower than the Division's base interest rate (but no less than zero percent).

5.3.2. Principal Forgiveness

- 5.3.2.1. Applicants that are eligible to receive principal forgiveness are defined as “disadvantaged communities”. **The Table Summary of Capitalization Grants in Section 1** provides minimum and maximum additional subsidy to be provided for the base CWSRF and IIJA CWSRF General Supplemental capitalization grants. Included in these amounts, up to 10% of the base CWSRF capitalization grant may be to provide principal forgiveness to any CWSRF-eligible recipient as initial financing to buy, refinance or restructure debt obligations for debt incurred after December 29, 2022.
- 5.3.2.2. The Division will provide additional subsidization to projects in the categories provided in 5.3.2.2.1 – 5.3.2.2.3 in project priority order. The Division will provide principal forgiveness to a project based on only one of the categories provided in 5.3.2.2.1 – 5.3.2.2.3.
 - 5.3.2.2.1. Non-viable rescue: Projects that eliminate a non-viable system to benefit a disadvantaged community with a financial need consistent with the criteria in 5.3.2.2.2 and served by a public wastewater system will receive principal forgiveness for the full amount of the loan up to \$3,000,000. The disadvantaged community either meets the affordability criteria listed in 5.3.2.2.2 or is representative of the criteria.
 - 5.3.2.2.2. Affordability: Projects that receive project purpose points when the applicant has less than 20,000 residential wastewater connections, at least three (3) of five (5) LGU economic indicators (“LGU indicators”) worse than the state benchmark, an operating ratio (future) of less than 1.3, and either utility rates greater than the state median or project cost per connection that project to increase the utility rates above the 70th percentile of state-wide utility rates, will receive principal forgiveness following the affordability criteria grant percentage matrix found in Appendix D.

Projects that receive project purpose points when the benefiting system has been designated as distressed per NCGS §159G-45 and either has utility rates greater than the state median or project cost per connection that project to increase the utility rates above the 70th percentile of state-wide utility rates, will receive principal forgiveness percentages following the affordability criteria grant percentage matrix found in Appendix D.

Local government units under the fiscal control of the Local Government Commission on the day of the application deadline qualify for 100% principal forgiveness.

Principal forgiveness will range from 25% to 100% in increments of 25%, up to \$500,000 per applicant per round with the targeted interest rate as described under 5.3.1.7 applied to the remaining portion of the loan.

- 5.3.2.2.3. Disadvantaged Area: Projects for which at least 50% of the project costs are to benefit disadvantaged areas will receive principal forgiveness for 50% of the award, up to \$500,000.

“Disadvantaged areas” are subsections or pockets of a local government unit area or utility service area, not the entire local government unit area or entire utility service area. Disadvantaged areas are limited to less than half the number of total connections served by the applicant at the time of application. A project that benefits the entire local government unit area or entire utility service area is not eligible to be considered a “disadvantaged area” project.

Applicants can demonstrate a targeted project area as a disadvantaged area if it meets the size specifications above and it falls within a Potentially Underserved Block Group or Tribal boundary layer in the North Carolina Department of Environmental Quality’s Community Mapping System.

Alternatively, Applicants can demonstrate a targeted project area is a disadvantaged area based on its socioeconomic data, which may be obtained for Census Block Groups that provide the closest overlap with the targeted project area. A targeted project area will be considered a “disadvantaged area” based on at least three of the following factors:

- median household income of the targeted project area is lower than the state benchmark;
- poverty rate of the targeted project area is higher than the state benchmark;
- property values per capita of the targeted project area is lower than the state benchmark;
- unemployment rate of the targeted project area is higher than the state benchmark.

Additional factors that may qualify the targeted project area as disadvantaged, such as (but not limited to) demographic,

historical, cultural, linguistic, socio-economic stressors, cost-of-living stressors, or existing contamination factors, may also be considered for targeted project areas that meet the size specification above. **Additional factors cannot be considered if they contradict federal or state requirements for federal funding.**

Applicants must provide a narrative in the application to justify the targeted project area as disadvantaged using the factors above and may use maps or other existing sources to document their justification.

5.3.2.3. Notwithstanding the above limits in Items 5.3.2.2.1, 5.3.2.2.2 and 5.3.2.2.3, if availability of principal forgiveness funds exceeds project demand, the limits may be exceeded in project priority order to ensure all available funds are utilized in the following order:

5.3.2.3.1. Principal Forgiveness limits of \$3,000,000 in item 5.3.2.2.1 and \$500,000 in item 5.3.2.2.2 may be exceeded by \$500,000 (not to exceed the applicant's principal forgiveness percentage eligibility determined in the grant percentage matrix in Appendix D) and principal forgiveness limit of \$500,000 in item 5.3.2.2.3 may be exceeded by \$500,000 (not to exceed 50% of the award) for eligible projects in priority order. If principal forgiveness funds remain for that funding cycle, additional increments of up to \$500,000 principal forgiveness can be awarded (not to exceed the applicable eligibility limit) for eligible projects in priority order.

5.3.2.3.2. Principal Forgiveness percentages determined in 5.3.2.2.1., 5.3.2.2.2 and 5.3.2.2.3 may be exceeded by 10% (not to exceed 100%) for eligible projects in priority order. If funds remain after all eligible projects receive the first percentage increase, principal forgiveness percentages can be increased for eligible projects by additional 10-percent increments (not to exceed 100%) until all Principal Forgiveness funds are used.

5.3.2.4. Principal forgiveness is not available for Green Projects.

5.3.3. Green Projects

5.3.3.1. Not less than 10% of CWSRF capitalization grants **(see Table Summary of Capitalization Grants for amount)** will be provided for Green Projects,

provided there are sufficient applications to utilize this reserve. Funding may bypass a higher priority project to satisfy the Green Project Reserve. Any such bypassing will be shown in the Intended Use Plan Project Priority List. If sufficient applications are not received to utilize this reserve after two cycles of funding applications, funds may be utilized for non-green projects. However, the State will continue to conduct outreach to promote green project funding opportunities. Green projects funded through the Green Project Reserve will receive targeted interest rates.

- 5.3.3.2. Notwithstanding the above paragraph, the State will offer targeted interest rates to green projects beyond the requirements of the capitalization grant consistent with the Priority Rating System.
- 5.3.3.3. A green project will be eligible for a one-percentage point reduction from the targeted interest rate (but not less than zero percent).
- 5.3.3.4. Principal forgiveness is not available for green projects.

5.3.4. Decentralized Wastewater Treatment System Pilot Program (DWTSP)

- 5.3.4.1. Not more than **\$1,500,000** of available CWSRF (including not more than **\$1,500,000** of available Principal Forgiveness) may be provided for applicants for the decentralized wastewater treatment system pilot program, provided there are sufficient applications to utilize the funds. Funding may bypass a higher priority project. Any such bypassing will be shown in the Intended Use Plan Project Priority List.
- 5.3.4.2. The Decentralized Wastewater Treatment System Pilot Program will be a pass-through funding program where the CWSRF applicant passes funding to qualified recipients (e.g., homeowners) with failed or malfunctioning decentralized wastewater systems including onsite wastewater, single family non-discharge systems, or single-family discharge facilities, to repair or replace those systems.
- 5.3.4.3. Eligible recipients for pass-through funding must meet specific qualification criteria established by the CWSRF applicant (i.e., the local government unit) in consultation with the Division prior to disbursement of funds. 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.
- 5.3.4.4. The State will offer Principal Forgiveness funds and/or 0% targeted

interest rate loans to applicants.

5.3.4.5. Principal forgiveness eligibility will be:

- 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 as defined in Section 5.3.2.2.3.

5.3.5. Miscellaneous Criteria/Provisions:

- 5.3.5.1. Davis-Bacon prevailing wage rates apply to loans as required by funding agreements/conditions.
- 5.3.5.2. American Iron and Steel provisions will apply to loans as required by Federal mandates.
- 5.3.5.3. Build America, Buy America requirements will apply to loans providing funding assistance equivalent to the capitalization grant amount as required by US EPA and by Federal mandates.
- 5.3.5.4. Brooks Act requirements will be applied to projects in a dollar amount equal to or exceeding the capitalization grant.
- 5.3.5.5. The CWSRF loan interest rate is based on half of The Bond Buyer's 20-Bond Index except as specifically allowed herein. The maximum interest rate for each loan will be set at the time of application with a lower interest rate, if available, set at the time of the award offer.

- 5.3.5.6. Approval of a CWSRF loan is contingent on approval by the Local Government Commission (LGC). Applicants receiving 100% principal forgiveness loans must submit their audited financial statement of the latest fiscal year to the Local Government Commission by July 1 of the following calendar year prior to receiving disbursements from the CWSRF principal forgiveness loan.
- 5.3.5.7. CWSRF loan terms are set by the LGC.
- 5.3.5.8. The maximum CWSRF loan term is determined by State statute and federal requirements.
- 5.3.5.9. A 2% loan fee is required. The loan fee cannot be financed by the CWSRF fund.
- 5.3.5.10. Loan repayments are due in May (principal and interest) and November (interest only) of each year.
- 5.3.5.11. Interest begins accruing on date of completion in the Notice to Proceed.
- 5.3.5.12. The first loan repayment is due no sooner than six months after the completion date as established in the Notice to Proceed.

6. Programmatic Conditions

6.1. Assurances and Specific Proposals

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

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

6.2. Federal Requirements

- 6.2.1. The State will ensure that all federal requirements are met as noted in the CWSRF Operating Agreement between the State and US Environmental Protection Agency and the Grant Agreement, including Single Audit, Disadvantaged Business Enterprise compliance, federal environmental crosscutters, and Federal Funding Accountability and Transparency Act (FFATA) reporting requirements.

6.2.2. The State will enter all required reporting information at least quarterly into respective federal databases including FFATA and the SRF Data System.

6.2.3. The State will ensure that all applicants to the CWSRF program certify that they meet the fiscal sustainability planning requirements. Such certifications will be received by the time of loan offer.

6.3. Transfer between CWSRF and Drinking Water State Revolving Fund

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

7. Program Evaluation Report

CWSRF anticipates receiving and responding to the Program Evaluation Report (PER) for FY2024 funding in calendar year 2025, during and following the Annual Review. The Division participated in the EPA FY2023 Annual Review, which was kicked off on February 27-28, 2024. The State didn't have any audit findings during FY2023.

8. Public Review and Comment

The Intended Use Plan is drafted by the Division, including the Priority Rating System and the funding awards as approved by the State Water Infrastructure Authority, and sent to EPA's Regional Office for review. The draft IUP is published for public review and comment. Links for the documents and notification to the public are done through the Department's website and email notifications sent to various listservs. Once the public review is completed, the Division prepares responses to any comments received and any updates to the IUP, if necessary. If no changes are proposed by the Division, a reason is provided as the response and all of these comments and responses become part of the final IUP.

This section will be completed after the public review period is concluded. Public comments are sought for the draft IUP, including the proposed Priority Rating System established in February 2025 by the State Water Infrastructure Authority (see Appendix C).

The Division will update and finalize the Intended Use Plan after reviewing public comments and receiving the final allotments from EPA. The Division will also incorporate any additional changes to the Intended Use Plan that EPA identifies as necessary.

9. Budget and Project Periods

- 9.1. The budget and project periods being requested for the capitalization grants is shown in Appendix B and on EPA Form SF 424.
- 9.2. The anticipated cash draw ratio will be 100% State and, after all State matching funds are withdrawn, 100% federal for disbursements made from the capitalization grant.
- 9.3. The source of State match funds is from appropriations and supplemented by loan fees as needed. State match funds will be deposited into the CWSRF before drawing any federal funds. State matches for the base CWSRF and for the IJJA CWSRF General Supplemental grants **are listed in the Table Summary of Capitalization Grants.**
- 9.4. Loan fees (2% of loan) on loans from the grant and fees from loans from repayment funds will be deposited into separate account centers. Fees will be used to administer the program. In addition, fees considered non-program income will also be used for other water quality purposes within the Division of Water Infrastructure and the Division of Water Resources, including funding for positions.
- 9.5. In order to reduce and minimize federal unliquidated obligations and undisbursed non-federal cash balances, the state will draw down on the capitalization grants in the order it was received, fully spending on each year's capitalization grant fund types before drawing down from the next year's capitalization grant.

Appendix A

Draft - Intended Use Plan Project Priority List for Base CWSRF and IIJA CWSRF General Supplemental

The Intended Use Plan Project Priority List may be supplemented or replaced based on applications received as a part of future funding cycles. **Funds from this year's capitalization grants may also be disbursed to projects listed on previous years' Intended Use Plan Project Priority Lists that are in construction during this year's capitalization grants' performance period.**

Projects listed in the Intended Use Plan as scoring above the funding line may receive funding from the Base CWSRF allotment and/or the IIJA General Supplemental CWSRF allotment and/or recycled SRF funds. The tables below illustrate an example of how the projects may be allocated between Base CWSRF and IIJA General Supplemental CWSRF, but final determinations of the funding source will be made by the Division at a future date. The Division will ensure that total funding awards for the Base CWSRF and IIJA General Supplemental CWSRF (including additional subsidies) meets or exceeds their allotment amounts for the State of North Carolina. This Project Priority List items the output/outcomes of the policies and procedures outlined in this Intended Use Plan for the FY2025 funds.

All additional subsidy is provided as principal forgiveness. All principal forgiveness listed below are for LGUs that meet the state's affordability criteria or disadvantaged communities as defined in this IUP.

Spring 2025 applications and funding awards may be added to this draft Project Priority List at a later date. Spring 2025 funding applications are due April 30, 2025 and funding awards anticipated in July 2025.

Fall 2024 Application Round – Funded Projects shown in Base CWSRF and IIJA CWSRF General Supplemental columns

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Mount Olive, Town of	Find & Fix Sewer Rehab Project	NC002 0575	Wayne	\$4,406,120	Funded using state grants and loans.							70	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Kingstown, Town of	Lift station, Gravity Sewer, Force Main		Cleveland	\$2,610,589	Funded using state grants.							64	
Cape Fear Public Utility Authority	Southside WWTP Replacement & Capacity Up	NC002 3973	New Hanover	\$137,056,884	Previously funded \$105M; needs an additional \$137M. Max CWSRF loan award per round is \$35M.			\$35,000,000				63	Aug. 2025
Milton, Town of	Milton Wastewater Grinder Pump	NC008 7645	Caswell	\$500,000	Funded using state grants.							56	
Magnolia, Town of	Newberry Sewer Pump Station Replacement	NC002 0346	Duplin	\$999,890		\$999,890						53	Feb. 2026

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Magnolia, Town of	2024 Sewer Rehabilitation /Replacement	NC002 0346	Duplin	\$1,968,050					\$1,968,050			53	Feb. 2026
White Lake, Town of	Phase 3 Sewer Improvements	NC002 3353	Bladen	\$4,428,322	Bypassed: not eligible for minimum PF requested							51	
Bay River Metropolitan Sewage District	Bayboro WWTF Improvements		Pamlico	\$2,604,700					\$651,175		\$1,953,525	50	Feb. 2026
Louisburg, Town of	Sanitary Sewer Rehabilitation		Franklin	\$3,038,300					\$1,519,150		\$1,519,150	50	Feb. 2026
Yadkin Valley Sewer Authority	2024 Wastewater Treatment Plant Improvement	NC002 0567	Surry	\$1,344,000		\$672,000		\$672,000				50	Feb. 2026

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Elizabethtown, Town of	Wastewater Treatment Plant Upgrades	NC002 6352	Bladen	\$21,400,000					\$3,000,000		\$18,400,000	50	Feb. 2026
Murfreesboro, Town of	Townwide Lift Station Improvements	WQ00 06785	Hertford	\$3,800,500					\$950,125		\$2,850,375	49	Feb. 2026
Magnolia, Town of	Wastewater Treatment Plant Improvements	NC002 0346	Duplin	\$980,000					\$980,000			48	Feb. 2026
Conover, City of	L'echo Park Outfall Sewer Replacement		Catawba	\$4,720,700					\$2,360,350		\$2,360,350	48	Feb. 2026
Spindale, Town of	WASTEWATER TREATMENT IMPROVEMENTS PROJECT	NC002 0664	Rutherford	\$7,848,500	Previously funded \$7,209,740 . Awarding remainder of project costs only.	\$319,380		\$319,380				47	Aug. 2025

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Fayetteville Public Works Commission	Rockfish Creek WRF Expansion Phase 3	NC0050105	Cumberland	\$149,263,250	Last CWSRF project funded in priority order. Uses remaining CWSRF loan availability.			\$31,000,000				47	Feb. 2026
Nags Head, Town of	Malfunctioning residential septic repair		Dare	\$500,000	Funded per IUP as a Decentralized WW Treatment System Pilot Project			\$500,000				45	Feb. 2026
Newton Grove, Town of	Wastewater Treatment Plant Improvements	NC0072877	Sampson	\$3,188,750	Bypassed to fund Green Project Reserve project							45	
Washington County	Pines Elementary Lift Station Replacement		Washington	\$827,500	Bypassed to fund Green Project Reserve project							44	
Pinetops, Town of	2024 Collection System Improvements	NC0020435	Edgecombe	\$1,918,000	Bypassed to fund Green Project Reserve project							44	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Louisburg, Town of	Green Hill Pump Station Upgrade		Franklin	\$3,533,200	Bypassed to fund Green Project Reserve project							44	
Junaluska Sanitary District	Hwy 209 Pump Station Rehabilitation		Haywood	\$488,650	Bypassed to fund Green Project Reserve project							43	
Fayetteville Public Works Commission	BRCO - Lift Station Elimination Outfall	NC005 0105	Cumberland	\$2,106,371	Funded Green Project Reserve project.					\$2,106,371		43	Feb. 2026
Newton Grove, Town of	Wastewater Collection System Repairs	NC007 2877	Sampson	\$1,488,250								42	
Hookerton, Town of	Sewer Collection Rehabilitation & Relini	NC002 5712	Greene	\$988,630								40	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Havelock, City of	Sanitary Sewer Collection System Impvts.		Craven	\$2,447,950								40	
Lumberton, City of	Sewer System Rehabilitation	NC0378010	Robeson	\$2,168,790								39	
Newton, City of	Clark Creek WWTP Improvements	NC0036196	Catawba	\$26,446,000								39	
Weldon, Town of	Weldon Wastewater Funding Application	NC0025721	Halifax	\$1,376,020								38	
Gamewell, Town of	Kincaid Hill Road Sewer Project		Caldwell	\$810,300								38	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IJA Suppl. CWSRF Principal Forgiveness	IJA Suppl. CWSRF Green Project Loans	IJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Yanceyville, Town of	W Main Street Sewer Rehabilitation	NC004 0011	Caswell	\$850,000								38	
Hendersonville, City of	WWTF 6.0 MGD Expansion and Improvements	NC002 5534	Henderson	\$35,000,000								38	
Clayton, Town of	Clayton Sams Branch WRF Improvements		Johnston	\$246,330,000								38	
Goldsboro, City of	Arrington Bridge Road WRF Plant Upgrade	NC002 3949	Wayne	\$150,000,000								38	
Oakboro, Town of	McCoy's Outfall Replacement Project		Stanly	\$1,718,855								37	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Johnston County	WW Collection SCADA & Security Improv	NC003 0716	Johnston	\$2,497,000								37	
Thomasville, City of	Northside PS Forcemain Rehabilitation	NC002 4112	Davidson	\$3,000,000								36	
Roseboro, Town of	2024 WWTP Improvements	NC002 6816	Sampson	\$3,083,400								36	
Vanceboro, Town of	Wastewater Collection System Improvement		Craven	\$7,378,725								35	
Anson County	Sanitary Sewer Force Main Replacement	NC019 0413	Anson	\$13,870,000								35	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IJA Suppl. CWSRF Principal Forgiveness	IJA Suppl. CWSRF Green Project Loans	IJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	Motts & Barnards Creek Oufall Rehab	NC002 3973	New Hanover	\$21,715,857								34	
Clay County	Sewer Plant Improvements	NC002 6697	Clay	\$707,209								34	
Randleman, City of	WWTP Lab Bldg. Replacement & Blower Bldg	NC002 5445	Randolph	\$2,170,500								32	
Newton Grove, Town of	Pump Station Improvements	NC007 2877	Sampson	\$1,000,000								32	
Fuquay-Varina, Town of	FV Middle Creek WWTP Decommission		Wake	\$15,125,000								32	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IJA Suppl. CWSRF Principal Forgiveness	IJA Suppl. CWSRF Green Project Loans	IJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Oxford, City of	Oxford WWTP Expansion	NC002 5054	Granville	\$35,000,000								32	
Johnston County	Duchess Downs Sewer Interceptor	NC003 0716	Johnston	\$4,400,000								28	
Fayetteville Public Works Commission	BRCO Sanitary Sewer	NC005 0105	Cumberland	\$11,024,963								28	
Cumberland County	Landfill Leachate PFAS Treatment		Cumberland	\$16,035,799	Funded \$1,919,000 using CWSRF-EC funds.							27	
Roanoke Rapids Sanitary District	Belmont Pump Station Improvement Project	NC002 4201	Halifax	\$3,405,937								24	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Surry County	Fisher River Sewer Extensions		Surry	\$2,822,500								7	
					Total:	\$1,991,270	\$0	\$67,491,380	\$11,428,850	\$2,106,371	\$27,083,400		

Total funding requested: \$972,393,961 including reconsidered applications. Total awarded: \$110,101,271.

Spring 2024 Application Round – Funded Projects shown in Base CWSRF; IIJA CWSRF General Supplemental columns

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Sanford, City of	Sanford Third Street Area Sewer Rehab		Lee	\$5,028,395	Co-funded with a state grant				\$2,000,000		\$2,514,198	68	Aug. 2025
Cape Fear Public Utility Authority	Southside WWTP Replacement and Capacity	NC002 3973	New Hanover	\$242,056,884	Previously partially funded. CWSRF loans capped at \$35M.	\$0		\$35,000,000				67	Feb. 2025
Laurinburg, City of	Bridge Creek & College Park Sewer Rehab	NC002 0656	Scotland	\$8,951,000	Bypassed; previously funded as CS370924-02. Did not qualify for additional PF.							64	
Eden, City of	City of Eden North Basin Repairs		Rockingham	\$7,203,212	Green project	\$1,800,803		\$5,402,409				64	Aug. 2025

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Kinston, City of	Herritage Street Sewer Replacement	NC002 4236	Lenoir	\$3,384,756					\$846,189		\$2,538,567	63	Aug. 2025
Kinston, City of	Upper Neuse Sewer Rehabilitation/Replacement	NC002 4236	Lenoir	\$6,292,450					\$1,573,113		\$4,719,338	63	Aug. 2025
Warrenton, Town of	WWTP Improvements	NC002 0834	Warren	\$1,250,000	Funded with a state grant							63	
Enfield, Town of	Phase 7 Sewer System Improvements		Halifax	\$4,900,000	Bypassed - ineligible for minimum PF requested							61	
Warrenton, Town of	Sanitary Sewer Rehabilitation		Warren	\$1,000,000	Funded with a state grant							60	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Pinetops, Town of	2024 WWTP Rehabilitation	NC002 0435	Edgecombe	\$6,280,240	Co-funded with a state grant				\$2,000,000		\$3,194,437	58	Aug. 2025
White Lake, Town of	Phase 3 Sewer Improvements	NC002 3353	Bladen	\$4,428,322	Bypassed - ineligible for minimum PF requested							57	
Gates County	Cooper School Wastewater Improvements	WQ00 00267	Gates	\$2,816,052					\$2,000,000		\$816,052	56	Aug. 2025
Gates County	Buckland School Wastewater Improvements	WQ00 0267	Gates	\$1,305,333					\$326,333		\$979,000	56	Aug. 2025
Stantonsburg, Town of	Sewer Collection System Phase II Rehabil	NC005 7606	Wilson	\$2,126,642	Previously partially funded. Now fully funded.	\$554,150		\$184,717				56	Aug. 2025

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Kingstown, Town of	Lift Station, Gravity Sewer, and Force M		Cleveland	\$2,486,370	Bypassed - insufficient PF available to meet minimum requested amount.							56	
Durham County	Triangle WWTP Rehab and Improvements	NC002 6051	Durham	\$30,365,940		\$0		\$30,365,940				55	Aug. 2025
Sharpsburg, Town of	2024CWSRF Wastewater System Improvements		Nash	\$3,215,000	Last funded CWSRF project.				\$2,000,000		\$1,215,000	54	Aug. 2025
Louisburg, Town of	Sanitary Sewer Rehabilitation		Franklin	\$3,038,300								52	
Magnolia, Town of	2024 Sewer Rehabilitation/Replacement	NC002 0346	Duplin	\$1,968,050								51	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Murfreesboro, Town of	Townwide Lift Station Improvements	WQ0006785	Hertford	\$3,800,500								51	
Magnolia, Town of	Newberry Sewer Pump Station Replacement	NC0020346	Duplin	\$1,075,310								49	
Fayetteville Public Works Commission	Rockfish Creek WRF Expansion Phase 3	NC0050105	Cumberland	\$149,263,250								49	
Nashville, Town of	Nashville-Sewer Rehab-Phase 1-Regency		Nash	\$584,574								48	
Conover, City of	L'echo Park Outfall Sewer Replacement		Catawba	\$4,720,700								48	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Ansonville, Town of	Sewer System Improvements	NC0081825	Anson	\$3,820,895								47	
Snow Hill, Town of	WWTP Bar Screen Replacement	NC0020842	Greene	\$2,384,200								47	
Franklinville, Town of	Ogle's Creek Pump Station and Force Main	NC0007820	Randolph	\$2,000,000								47	
Spindale, Town of	WASTEWATER TREATMENT IMPROVEMENTS PROJEC	NC0020664	Rutherford	\$7,209,740								46	
Hookerton, Town of	Sewer Collection Rehabilitation & Relini	NC0025712	Greene	\$988,630								46	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Maysville, Town of	Wastewater Collection System Upgrades	NC002 1482	Jones	\$949,000								46	
Haw River, Town of	Haw River I/I Reduction Project		Alamance	\$3,250,000								46	
Louisburg, Town of	Green Hill Pump Station Upgrade		Franklin	\$3,533,200								46	
Johnston County	CJCRWWTF Improvements	NC003 0716	Johnston	\$14,060,000								45	
Hookerton, Town of	Hookerton-Sewer Rehab	NC002 5712	Greene	\$2,513,949								45	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Junaluska Sanitary District	Hwy 209 Pump Station Rehabilitation		Haywood	\$488,650								45	
Clayton, Town of	Clayton Sams Branch WRF Improvements		Johnston	\$246,330,000								45	
Spindale, Town of	WASTEWATER COLLECTION SYSTEM IMPROVEMENT		Rutherford	\$5,334,380								44	
Conway, Town of	F23-Conway-Spray Field Rehabilitation		Northampton	\$817,487								44	
Fairmont, Town of	Regional WWTP Improvements	NC0086550	Robeson	\$10,140,000								42	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Yadkin Valley Sewer Authority	2024 WWTP Improvements	NC0020567	Surry	\$1,344,000								42	
Princeton, Town of	Sewer I&I Remediation	NC0026662	Johnston	\$1,031,820								41	
Sharpsburg, Town of	Fall 2023 CWSRF Pump Station & WWCS Imp.		Edgecombe, Nash, Wilson	\$555,000								41	
Cumberland County	Landfill Leachate PFAS Treatment		Cumberland	\$16,035,799								40	
Albemarle, City of	US52 WTP Sludge Dewatering System		Stanly	\$6,246,000								40	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Weldon, Town of	Weldon Wastewater Funding Application	NC0025721	Halifax	\$1,376,020								38	
Vanceboro, Town of	Wastewater Collection System Improvement		Craven	\$7,378,725								38	
Gamewell, Town of	Kincaid Hill Road Sewer Project		Caldwell	\$810,300								38	
Havelock, City of	Sanitary Sewer Collection System Impvts.		Craven	\$2,447,950								38	
Clay County	Sewer Plant Improvements	NC0026697	Clay	\$707,209								38	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Waynesville, Town of	Wastewater Infrastructure Project	NC0025321	Haywood	\$6,887,300								37	
Bay River Metropolitan Sewage District	Bayboro WWTF Improvement		Pamlico	\$1,714,450								36	
Elizabeth City, City of	Main Street Basin Rehabilitation, Ph. I	NC0470010	Pasquotank, Camden	\$3,000,000								36	
Norwood, Town of	Norwood Sewer Replacement & Rehab.	NC0021628	Stanly	\$4,534,210								35	
Fuquay-Varina, Town of	FV Middle Creek WWTP Decommission		Wake	\$15,125,000								34	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Mebane, City of	Water Resource Recovery Facility Expansi	NC002 1474	Alamance	\$45,892,900								33	
Randleman, City of	WWTP Lab Bldg. Replacement & Blower Bldg	NC002 5445	Randolph	\$2,170,500								32	
Goldsboro, City of	Arrington Bridge Road WRF Improvements	NC002 3949	Wayne	\$150,000,000								32	
Sanford, City of	Sanford Stream Restoration Project	NC002 4147	Lee	\$4,000,000								31	
Fayetteville Public Works Commission	Big Rockfish Creek Sanitary Sewer	NC005 0105	Cumberland	\$6,031,750								30	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Maysville, Town of	WWTP Upgrades Phase 2	NC0021482	Jones	\$331,030								29	
Johnston County	Selma EQ & Pumping Facility Upgrade	NC0030716	Johnston	\$28,500,000								28	
Johnston County	210 WWTF 4-8 MGD Expansion	NC0030716	Johnston	\$35,000,000								28	
Holly Springs, Town of	Utle Creek WRF 6-8 MGD Expansion	NC0063096	Wake	\$189,977,200								27	
Snow Hill, Town of	Wastewater Pump Stations Restore & Replace	NC0020842	Greene	\$1,683,000								27	

Applicant Name	Project Name	NPDES Permit	County	Total Funding Request	Notes	Base CWSRF Principal Forgiveness	Base CWSRF Green Project Loans	Base CWSRF Loans	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Green Project Loans	IIJA Suppl. CWSRF Loans	Priority Points	Estimated Binding Commitment
Newton, City of	Clark Creek WWTP Improvements	NC0036196	Catawba	\$20,250,000								26	
Roanoke Rapids Sanitary District	Belmont Pump Station Improvement Project	NC0024201	Halifax	\$3,405,937								24	
Johnston County	WW Collection SCADA & Security Improv.	NC0030716	Johnston	\$2,497,000								20	
Surry County	Fisher River Sewer Extensions		Surry	\$2,822,500								7	
					Total:	\$2,354,953	\$0	\$70,953,066	\$10,745,635	\$0	\$15,976,592		

Total funding requested: \$1,363,117,011 including reconsidered applications. Total awarded: \$100,030,246.

TOTALS

	Base CWSRF Principal Forgiveness	Base CWSRF Loans (excl. PF)	Total Base CWSRF	Base CWSRF Green Project Reserve	IIJA Suppl. CWSRF Principal Forgiveness	IIJA Suppl. CWSRF Loans (excl. PF)	Total IIJA Suppl. CWSRF	IIJA Green Project Reserve
Total Awarded	\$4,346,223	\$138,444,446	\$142,790,669	\$0 ¹	\$22,174,485	\$45,166,363	\$67,340,848	\$2,106,371 ¹
Minimum Requirement of the Capitalization Grant Amounts (Estimates)	\$2,946,600	\$10,902,420	\$13,849,020	\$1,473,300	\$21,785,400	\$20,007,000	\$41,792,400	\$4,446,000

¹ In the FY2024 IUP, Green Project Reserve (GPR) projects were awarded \$12,381,470 in funding in Spring 2023 and Fall 2023, while the minimum GPR requirements from the FY2024 base CWSRF and FY2024 IIJA CWSRF General Supplemental grants was \$5,577,600. Spring 2023 and Fall 2023 GPR projects were awarded \$6,803,870 above the minimum GPR requirements. Per CWSRF allowance, the difference can be carried forward to fulfill the minimum GPR requirements of the next capitalization grants. That amount (\$6,803,870) plus the \$2,106,371 awarded to a GPR project in Fall 2024 more than satisfies the \$5,919,300 total minimum GPR requirements for the FY2025 base CWSRF and FY2025 IIJA CWSRF General Supplemental grants combined. Applications that are eligible for GPR in the Spring 2025 application round may also be considered.

Appendix B

2025 CWSRF Proposed Payment Schedule

(Dependent on timing of state match and award of federal grant)

This proposed schedule may be updated in the final Intended Use Plan.

<u>Payment Quarter</u>	<u>2025 Base CWSRF Payment Amount</u>	<u>2025 IIJA CWSRF General Allotment Payment Amount</u>	<u>Reallotment from other capitalization grants (TBD)</u>
April 1, 2025 – June 30, 2025			
July 1, 2025 - September 30, 2025			
October 1, 2025 - December 31, 2025	\$14,733,000		
January 1, 2026 - March 31, 2026			
April 1, 2026 - June 30, 2026		\$44,460,000	
July 1, 2026 - September 30, 2026			
October 1, 2026 - December 31, 2026			
Total	\$14,733,000	\$44,460,000	

Appendix C

Proposed PRIORITY RATING SYSTEM for Wastewater Projects

Proposed changes to the current Priority Rating System are shown in red font text, reflecting the latest proposal by the State Water Infrastructure Authority on February 19, 2025.

Proposed 2025 PRIORITY RATING SYSTEM for 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 #	EC Line Item [†]	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> 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

Proposed 2025 PRIORITY RATING SYSTEM for Wastewater Projects				
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		
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	EC	Reserved for EC-Study Program. Please use the appropriate guidance and the rolling application.		
Maximum points for Category 1 – Project Purpose				25
Subtotal claimed for Category 1 – Project Purpose				
Line Item #	EC Line Item [†]	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.B		Reserved for other programs		
2.C		Project provides a specific environmental benefit		
2.C.1		Project replaces or repairs certain sewer lines, eliminates failed onsite wastewater system or non-discharge system, or resolves managerial, technical & financial issues		15
2.C.2		Project eliminates malfunctioning onsite wastewater systems		10
2.D		Project addresses promulgated but not yet effective regulations		10
2.E		Project directly addresses enforcement documents		
2.E.1		Project directly addresses an EPA Administrative Order for a local government Applicant located in a Tier 1 county, or addresses an existing or pending SOC, or a DEQ Administrative Order, OR		5

Proposed 2025 PRIORITY RATING SYSTEM for Wastewater Projects				
2.E.2		Project directly resolves a Notice of Violation or Notice of Deficiency		3
2.F		Project includes system merger or regionalization		
2.F.1		Project includes system merger OR		10
2.F.2	EC	Project includes system regionalization and/or system partnerships		5
2.G – 2.H.2		Reserved for other programs		
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
2.I		Project improves treated water quality by adding or upgrading a unit process		3
2.J – 2.M		Reserved for other programs		
2.N		Project provides resiliency for critical system functions moves existing infrastructure from the floodplain or fortifies infrastructure within the floodplain		
2.N.1		Project relocates infrastructure to outside the 500-year floodplain Project relocates and/or improves infrastructure to assure continued operation during a 500-year flood event OR		8
2.N.2		Project relocates infrastructure from inside the 100-year floodplain to outside the 100-year floodplain OR Project relocates and/or improves infrastructure to assure continued operation during a 100-year flood event		5
2.N.3		Project relocates infrastructure from between the 100-year and 500-year floodplains to outside a 500-year floodplain OR		3
2.N.4		Project fortifies or elevates infrastructure within floodplain, OR		4
2.N.5		Project improves ability to assure continued operation during flood events OR		4

Proposed 2025 PRIORITY RATING SYSTEM for Wastewater Projects				
2.N.6		Project downsizes infrastructure related to buyouts OR		4
2.N.7		Project provides redundancy/resiliency for critical treatment and/or transmission/distribution system functions including cybersecurity and/or backup electrical power source		3
2.O		Project <u>directly benefits</u> subwatersheds that are impaired as noted on the most recent version of the Integrated Report		20
2.P		Project <u>directly benefits</u> specific classified waters		10
2.Q		Project will result in elimination of an NPDES discharge		3
2.R		Primary purpose of the project is to achieve at least 20% reduction in energy use		5
2.S		Reserved for other programs		
2.T		Project provides redundancy/resiliency for critical treatment and/or transmission/distribution system functions including cybersecurity and/or backup electrical power source		3
Maximum points for Category 2 – Project Benefits				35
Subtotal claimed for Category 2 – Project Benefits				
Line Item #	EC Line Item [†]	Category 3 – System Management	Claimed Yes/No	Points
3.A		Capital Planning Activities		
3.A.1	EC	Applicant has implemented an Asset Management Plan as of the date of application OR		10
3.A.2	EC	Applicant has a current Capital Improvement Plan (CIP) that spans at least 10 years and proposed project is included in the plan		2
3.B	EC	System Operating Ratio is greater than or equal to 1.00 based on a current audit, or is less than 1.00 and unit cost is greater than 2.5% of MHI		5
3.C – 3.E		Reserved for other programs		
3.F		Applicant has completed a local flood resiliency action plan with the proposed project included in the plan		5
Maximum points for Category 3 – System Management				15

Proposed 2025 PRIORITY RATING SYSTEM for Wastewater Projects				
Subtotal claimed for Category 3 – System Management				
Line Item #	EC Line Item [†]	Category 4 – Affordability	Claimed Yes/No	Points
4.A		Residential Connections		
4.A.1	EC	Less than 10,000 residential connections OR		2
4.A.2	EC	Less than 5,000 residential connections OR		4
4.A.3	EC	Less than 1,000 residential connections		8
4.B		Current Monthly Combined Utility Rates at 5,000 Usage		
4.B.1	EC	Greater than the 50 th Percentile OR		4
4.B.2	EC	Greater than the 70 th Percentile OR		6
4.B.3	EC	Greater than the 85 th Percentile OR		8
4.B.4	EC	Greater than the 95 th Percentile		10
4.C		Local Government Unit (LGU) Indicators		
4.C.1	EC	3 out of 5 LGU indicators worse than state benchmark OR		3
4.C.2	EC	4 out of 5 LGU indicators worse than state benchmark OR		5
4.C.3	EC	5 out of 5 LGU indicators worse than state benchmark OR		7
4.C.4	EC	Project benefits disadvantaged areas		5
4.D – 4.G		Reserved for other programs		
Maximum points for Category 4 – Affordability				25
Subtotal claimed for Category 4 – Affordability [‡]				
Total of Points for All Categories				
Total Points for EC funding (if applicable)				

[†] Only line items marked with “EC” will be used in scoring eligible applications for CWSRF-EC funding. These applications will also be scored using the full PRS for all other wastewater funding sources.

[‡] Local government units under Local Government Commission’s fiscal control that have received an Emergency Operating Grant under NC GS 159G-34.5 in the current or prior fiscal year qualify for the maximum points for Category 4: Affordability.

Appendix D

Grant Percentage Matrix

Table 4. Proposed Step 4 (Affordability Matrix)¹				
Percentile Ranges for grant eligibility categories	Combined Monthly Bills² based on 2024 data (\$/5000 gallons)	% Grant or PF	Combined Monthly Bills + Project cost per customer per month³ based on 2024 data (\$/5000 gallons)	% Grant or PF
> 99 Percentile	> \$166	100%	> \$166	100%
95 - 99 Percentile	\$145 - \$166	100%	\$145 - \$166	75%
85 - 95 Percentile	\$126 - \$145	75%	\$126 - \$145	50%
70 - 85 Percentile	\$107 - \$126	50%	\$107 - \$126	25%
50 - 70 Percentile	\$89 - \$107	25%	\$89 - \$107	0%
0 - 50 Percentile	\$0 - \$89	0%	\$0 - \$89	0%
¹ Local government units under the fiscal control of the Local Government Commission on the day of the application deadline qualify for 100% grant or principal forgiveness. ² Single utility providers may divide by 0.4 for water or 0.6 for sewer applicant for calculating a combined monthly bill. ³ Project cost per customer per month calculated assuming 0% interest financing for 20 years.				

Monthly bill data updated May 2024 using January 2024 statewide rates data compiled by the Environmental Finance Center at the University of North Carolina, Chapel Hill.