

**North Carolina
Drinking Water State Revolving Fund
(Base DWSRF)
And
Infrastructure Investment and Jobs Act
DWSRF General Supplemental Funds
(IIJA DWSRF-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. 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 Drinking Water State Revolving Fund (DWSRF) and to apply for the FY2025 base DWSRF capitalization grant and the FY2025 Infrastructure Investment and Jobs Act¹ (IIJA) DWSRF General Supplemental capitalization grant.

North Carolina’s FY2025 base DWSRF 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 DWSRF allotment will be the same as it was in FY2024, i.e., \$12,843,000. When the FY2025 base DWSRF 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 DWSRF General Supplemental capitalization grant allotment is preliminarily estimated by EPA to be \$68,611,000. 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 reallotments of other states’ capitalization grant allotments and apply the reallotment funds towards awarded projects using the percentages shown in the summary table below.

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

Table Summary of Capitalization Grants

	FY2025 Base DWSRF	FY2025 IIJA DWSRF General Supplemental	Any potential reallotments (none)
Capitalization Grant Amount	TBD. Estimated to be \$12,843,000	TBD. Estimated to be \$68,611,000	N/A or TBD
State Match	20%. Est. \$2,568,600	20%. Est. \$13,722,200	N/A or TBD
<i>Subtotal</i>	<i>Est. \$15,411,600</i>	<i>Est. \$82,333,200</i>	<i>N/A or TBD</i>
Set-Asides from Cap. Grants:			
A. Program Administration	Up to 4%. Est. up to \$513,720	Up to 4%. Est. up to \$2,744,440	0% \$0
B. Technical Assistance to Small Systems	Up to 2%. Est. up to \$256,860	Up to 2%. Est. up to \$1,372,220	0% \$0
C. Administration of the Public Water Supply Supervision Program	Up to 10%. Est. up to \$1,284,300	Up to 10%. Est. up to \$6,861,100	0% \$0
D. Local Assistance and Other State Programs	Up to 15%. Est. up to \$1,926,450	Up to 15%. Est. up to \$10,291,650	0% \$0
<i>Set-Asides subtotal²</i>	<i>Est. up to \$3,981,330</i>	<i>Est. up to \$21,269,410</i>	<i>\$0</i>
<i>Available for loans from grant and state match, including Principal Forgiveness</i>	<i>At least 69% of cap grant and 100% state match Est. \$11,430,270</i>	<i>At least 69% of cap grant and 100% state match Est. \$61,063,790</i>	<i>100%</i>
Principal Forgiveness from Cap. Grants:			
Congressional Additional Subsidy (base SRF)	TBD. Assumed to be 14%, Est. \$1,798,020	N/A, \$0	TBD
Minimum – Maximum range of the SDWA Disadvantaged Community Subsidization	12% - 35%. Est. \$1,541,160 - \$4,495,050	N/A, \$0	TBD
IIJA General Supplemental Subsidization	N/A, \$0	49%. Est. \$33,619,390	TBD
<i>Total minimum - maximum range of Principal Forgiveness</i>	<i>Est. \$3,339,180 - \$6,293,070</i>	<i>Est. \$33,619,390</i>	<i>TBD</i>

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 eligible public water supply systems in constructing projects that both benefit public health and improve the human environment. Eligible public water supply systems³ are local government units (LGUs), non-profit water/wastewater utilities, and investor-owned drinking water companies. Most of the customers of public water supply systems are served by local government units across North Carolina.

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

Specific to this document, the Division administers the DWSRF program as established by the 1996 Amendments to the Safe Drinking Water Act (SDWA), (P.L. 104-182), Section 1452. The DWSRF program offers loans to public water supply systems at interest rates lower than market rates for drinking water infrastructure. As a public water supply system repays the loan, the monies are again loaned out, hence the revolving nature of the program. All loan repayments must go back into the DWSRF. The Intended Use Plan serves to explain how the capitalization grant will be used and how the DWSRF will operate in accordance with Section 1452(b) of the SDWA.

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

2. Financial History

Congress appropriates an overall DWSRF funding level that is allocated to states based on a method established in the SDWA. The allocation is updated every four years based on a needs survey for projects eligible for DWSRF. 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 drinking water infrastructure need for public water supply systems in North Carolina. Congressional Directed Spending has recently significantly reduced the funding available to the base DWSRF program. However, if capitalization grants return to previous levels, or are increased, the program will be better able to meet infrastructure financing needs for public water supply systems.

Congress appropriated additional funds to the DWSRF in the Infrastructure Investment and Jobs

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

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 DWSRF General Supplemental Funding (or IIJA Supplemental DWSRF for short), to supplement the base DWSRF program and its yearly appropriations. The IIJA also appropriated funds specifically to address lead service line replacements and emerging contaminants issues; plans for which are described in separate IUPs.

North Carolina will receive allotments in a federal capitalization grant for the FY2025 base DWSRF and in a federal capitalization grant for the FY2025 IIJA DWSRF 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 DWSRF and the IIJA DWSRF 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.**

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

3. Programmatic Goals

Pursuant to the SDWA, the State must identify the goals and objectives of the state loan fund (i.e., the DWSRF). 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 5.1 to Ensure Safe Drinking Water and Reliable Water Infrastructure. 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 DWSRF program:

3.1. Overall DWSRF Program Goal

Provide funding for drinking 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 public health goals of SDWA while targeting the systems with greatest needs.

3.2. Short-Term Goals

Goal #1: Continue efforts to inform LGUs of the availability of funds, benefits of the DWSRF program, and opportunities to utilize multiple funding programs to fund specialized projects.

Goal #2: Increase funding opportunities for small water systems.

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". Subcategories of this goal include:
- Provide loans to eligible public water supply systems to address acute health risks as a priority.
 - Provide loans to eligible public water supply systems to allow consolidation of non-viable water systems with systems having adequate capacity.
- 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 the SDWA and applicable State laws as required by Section 1452(g)(3)(A) of the SDWA.
- Goal #6: Ensure the technical integrity of DWSRF projects through diligent and effective planning, design, and construction management.
- Goal #7: Ensure that the Priority Rating System reflects NCDEQ's and the Authority's goals.
- Goal #8: Provide technical and financial assistance to public water supply systems in adapting to changing drinking water quality standards and maintaining the health objectives of the SDWA.
- Goal #9: Ensure the long-term viability of the DWSRF program through effective financial practices.
- Goal #10: Implement a capacity development strategy that may use innovative strategies and solutions to help public water supply systems improve compliance.

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 federal law. The State intends to access up to 4% of the base DWSRF and the IJA DWSRF General Supplemental capitalization grants (see the Table Summary of Capitalization Grants for the amounts) for the administrative costs associated with running the program. The Division administers the DWSRF. These activities 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 water infrastructure projects, the SDWA also allows the use of capitalization grant funds for non-project purposes. The 1996 SDWA added significant new program responsibilities for states and provided for their funding through the set-asides from the DWSRF for non-project activities. Set-asides are uses of DWSRF money which are allowed by the SDWA to further the objectives of the Act, but are not construction related. These activities include the following:

- Program administration
- Technical assistance to small systems
- Administration of the Public Water Supply Supervision Program (State Program Management), and
- Local assistance and other state programs.

Non-project activities may be carried out directly by the Division, by the Public Water Supply (PWS) Section of the Division of Water Resources in the North Carolina Department of Environment Quality, and through contracts with other agencies and organizations. **Please see Appendix A for more information about set-aside activities.** The administrative set-aside is administered by the Division of Water Infrastructure. The Division reserves the right to use unused portions of set-asides at a later date.

The Division reserves the authority to transfer IJA 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 DWSRF is projected to end with approximately \$459 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 DWSRF funds awarded to projects to approximately \$160 million per year and, as expected, project disbursements consequently increased concurrent with project timelines. Based on cash-flow models, approximately \$500 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.

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

Historic Sources and Uses									
FY	Revenues					Expenditures		Net	
	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
1997	\$46,114,100	\$9,222,820					\$68,769	\$55,268,151	\$55,268,151
1998	\$12,859,400	\$2,571,880			\$69,818		\$-	\$15,501,098	\$70,769,249
1999	\$13,477,900	\$2,695,580			\$586,959	\$2,890,560	\$227,671	\$13,642,208	\$84,411,457
2000	\$14,007,400	\$2,801,480	\$40,000	\$13,905	\$608,276	\$19,057,539	\$60,327	\$(1,646,805)	\$82,764,652
2001	\$14,065,400	\$2,813,080	\$587,679	\$334,022	\$258,752	\$19,315,049	\$1,364,887	\$(2,621,003)	\$80,143,649
2002	\$14,139,900	\$2,827,980	\$1,857,907	\$941,153	\$217,248	\$10,709,361	\$2,685,949	\$6,588,878	\$86,732,527
2003	\$14,054,900	\$2,810,980	\$2,813,351	\$1,813,069	\$278,383	\$10,532,591	\$2,624,738	\$8,613,354	\$95,345,881
2004	\$14,579,900	\$2,915,980	\$3,365,856	\$1,804,035	\$354,820	\$12,422,756	\$2,416,501	\$8,181,334	\$103,527,215
2005	\$14,549,100	\$2,909,820	\$3,685,215	\$1,551,588	\$439,722	\$18,129,295	\$2,297,637	\$2,708,513	\$106,235,728
2006	\$27,694,900	\$5,538,980	\$4,035,387	\$1,625,535	\$632,462	\$28,926,461	\$2,707,617	\$7,893,186	\$114,128,914
2007	\$27,695,000	\$5,539,000	\$5,672,644	\$3,212,341	\$1,050,313	\$35,286,029	\$3,874,151	\$4,009,118	\$118,138,032
2008	\$30,155,400	\$5,482,800	\$5,750,737	\$2,452,052	\$1,466,071	\$21,651,882	\$4,012,022	\$19,643,156	\$137,781,188
2009	\$30,155,400	\$5,482,800	\$7,243,289	\$2,571,458	\$1,177,245	\$44,190,462	\$9,073,880	\$(6,634,150)	131,147,038
2010	\$35,593,000	\$7,118,600	\$7,582,863	\$3,136,216	\$534,577	\$44,970,254	\$4,894,214	\$4,100,788	135,247,826
ARRA	\$65,625,000	\$-					\$1,565,000	\$64,060,000	199,307,826
2011	\$24,698,000	\$4,939,600	\$12,948,194	\$4,555,083	\$398,693	\$61,697,071	\$4,869,229	\$(19,026,730)	\$180,281,096
2012	\$17,467,080	\$3,493,416	\$13,892,422	\$5,731,451	\$412,375	\$28,272,589	\$5,185,910	\$7,538,245	\$187,819,341
2013	\$22,084,000	\$4,416,800	\$18,689,369	\$5,317,608	\$329,895	\$34,714,618	\$5,312,482	\$10,810,572	\$198,629,913
2014	\$20,695,000	\$4,139,000	\$22,863,929	\$4,684,687	\$367,832	\$39,613,194	\$5,043,749	\$8,093,505	\$206,723,418
2015	\$20,546,063	\$4,111,800	\$19,111,676	\$4,342,780	\$438,944	\$64,055,993	\$6,023,794	\$(21,528,524)	\$185,194,894
2016	\$19,449,000	\$3,889,800	\$21,844,353	\$3,573,581	\$526,149	\$71,278,197	\$5,743,882	\$(27,739,196)	\$157,455,698
2017	\$19,283,000	\$3,856,600	\$21,102,258	\$3,222,958	\$728,965	\$54,000,307	\$8,153,283	\$(13,959,809)	\$143,495,889
2018	\$34,111,000	\$6,822,200	\$27,260,826	\$2,969,514	\$1,071,029	\$31,989,038	\$4,484,109	\$35,761,422	\$179,257,311
2019	\$34,107,000	\$6,821,400	\$25,631,573	\$2,755,014	\$2,065,733	\$31,161,867	\$6,380,022	\$33,838,831	\$213,096,142
2020	\$33,793,000	\$6,758,600	\$30,066,177	\$2,717,618	\$2,874,138	\$23,498,587	\$4,512,071	\$48,198,875	\$261,295,017
2021	\$33,782,000	\$6,756,400	\$58,739,317	\$2,584,670	\$1,131,720	\$28,318,673	\$7,229,276	\$67,446,158	\$328,741,175
2021 Reallotment	\$315,000	\$63,000						\$378,000	329,119,175
Base 2022	\$21,520,000	\$4,304,000	\$27,013,217	\$1,879,274	\$418,298	\$47,316,086	\$9,353,203	\$(1,534,500)	\$327,584,675
IIJA 2022	\$55,254,000	\$5,525,400						\$60,779,400	\$388,364,075

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

Historic Sources and Uses									
FY	Revenues					Expenditures		Net	
	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
Base 2023	\$13,607,000	\$2,721,400	\$27,142,782	\$1,784,835	\$6,071,012	\$75,787,803	\$8,962,413	\$(33,423,187)	\$354,940,888
IIJA 2023	\$58,021,000	\$5,802,100						\$63,823,100	\$418,763,988
Base 2024	\$12,843,000	\$2,568,600	\$30,928,583	\$2,074,170	\$13,819,737	\$70,814,053	\$8,598,568	\$(17,178,531)	\$401,585,457
IIJA 2024	\$63,340,000	\$12,668,000						\$76,008,000	\$477,593,457
2021 Reallotments	\$148,000	\$29,600						\$177,600	\$477,771,057
Totals	\$879,829,843	\$150,419,496	\$399,869,604	\$67,648,617	\$38,329,166	\$930,600,315	\$127,725,354	\$477,771,057	
Projected Sources and Uses for FY 2025 (based on Availability Model)									
FY	Revenues					Expenditures		Net	
	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
Base 2025	\$12,843,000	\$2,568,600						\$15,411,600	
IIJA 2025	\$68,611,000	\$13,722,200						\$82,333,200	
			\$40,000,000	\$3,800,000	\$5,000,000	\$155,000,000	\$10,000,000	\$(116,200,000)	
Totals	\$81,454,000	\$16,290,800	\$40,000,000	\$3,800,000	\$5,000,000	\$155,000,000	\$10,000,000	\$(18,455,200)	\$459,351,857
Projected Uses for Active Projects beyond FY 2025 (disbursements) (Does not take into account future funding rounds or revenues which cover the negative)						\$500,000,000		(\$40,684,143)	

Values in BLUE as approximate values.

IIJA funds only reflect the IIJA DWSRF General Supplemental Funds. IIJA funds for Lead Service Line Replacements and 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 drinking water infrastructure 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 water supply 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 drinking water 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 D). 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 Priority Rating System places higher priority on projects that will consolidate nonviable systems, resolve issues associated with failed or failing infrastructure,

will rehabilitate or replace infrastructure, address emerging contaminants, or serve disadvantaged areas. An application will only receive priority points for one project purpose.

In terms of project benefits, priority is given to implementing public water supply regulations, addressing source water or emerging contaminants issues, interconnections between public water supply systems, lead service line replacements, projects that extend water lines to areas with contamination of private water sources, and projects that improve the resiliency of a public water supply system by creating operational redundancy or adding backup power.

In addition to addressing public health issues, the Priority Rating System supports those public water supply systems that seek to be proactive in their system management, including prioritization points for source water protection programs, water conservation, water loss reduction, asset management plans, and appropriate operating ratios.

The Priority Rating System also takes into account 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 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.

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 DWSRF 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 project 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 DWSRF 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 DWSRF 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 DWSRF 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 public water system. Projects may be able to meet these milestones ahead of schedule. However, in the event that any milestone noted above is not met, work by the DWSRF 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 DWSRF 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). In the event that 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 DWSRF 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 Safe Drinking Water Act and NCGS 159G, including water treatment facilities, distribution systems, tanks, non-routine private well water sampling for extension/connection projects, etc. that improve drinking 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 DWSRF loan amount will be established at \$25 million per applicant for each funding round.
- 5.3.1.5. The maximum DWSRF loan availability per applicant is not more than \$200,000,000 in outstanding debt to the DWSRF 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 the minimum and maximum additional subsidy to be provided for the base DWSRF and IIJA DWSRF General Supplemental capitalization grants. Included in these amounts, up to 14% of the base DWSRF capitalization grant can also be to provide principal forgiveness to any DWSRF-eligible recipient as initial financing to buy, refinance or restructure debt obligations for debt incurred after March 15, 2022 or for debt incurred prior to March 15, 2022 if the State and EPA Region 4 determine that such funds could be used to help address a threat to public health from heightened exposure to lead in drinking water.

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 drinking water 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 water 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 E.

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 E.

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 E) 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.

5.3.3. Small System Reserve

5.3.3.1. 40 CFR 35.3525(a)(5) requires that a minimum of 15% of the DWSRF loan assistance be awarded to small systems serving up to 10,000 people, to the extent such funds can be obligated for eligible projects. To further ensure that a significant portion of the DWSRF loan assistance is available

to small systems, the Division will reserve a minimum of 30% of the DWSRF loan assistance to be awarded to small systems serving up to 10,000 people, to the extent such funds can be obligated for eligible projects. If sufficient applications are not received to fully utilize the minimum 30% small system reserve in each funding round, DWSRF loan assistance will first be made to the small systems and the remainder of the DWSRF loan assistance will then be made to larger systems.

- 5.3.3.2. Funding may bypass a higher priority project to satisfy the Small System Reserve. Any such bypassing will be shown in the Intended Use Plan Project Priority List.

5.3.4. Capacity Development Reviews

- 5.3.4.1. All public water supply systems receiving funding from the DWSRF must be reviewed to ensure that they can demonstrate adequate technical, financial, and managerial capacity [per NCAC 15A 18C .0307(c)] to operate the water system in compliance with the SDWA. Capacity Development reviews for construction projects that require permitting will be done by the Public Water Supply Section. A regulatory process was developed and has been approved by EPA as adequate to ensure technical, financial, and managerial capacity is demonstrated. This is measured by the issuance of an Authorization to Construct for the process occurring after capacity development criteria are reviewed and satisfied. A water system that lacks adequate capacity in one or more of these categories might remain eligible for funding if a strategy that would resolve the problem or issue can be developed and attached as a condition of the loan approval.

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. The DWSRF 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.

- 5.3.5.5. Approval of a DWSRF 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 DWSRF principal forgiveness loan.
- 5.3.5.6. DWSRF loan terms are set by the LGC.
- 5.3.5.7. The maximum DWSRF loan term is determined by State statute and federal requirements.
- 5.3.5.8. A 2% loan fee is required. The loan fee cannot be financed by the DWSRF fund.
- 5.3.5.9. Loan repayments are due in May (principal and interest) and November (interest only) of each year.
- 5.3.5.10. Interest begins accruing on date of completion in the Notice to Proceed.
- 5.3.5.11. 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 the SDWA, 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 DWSRF 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 DWSRF 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 DWSRF 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 DWSRF and Clean Water State Revolving Fund

Transfer of funds between the DWSRF and the Clean 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

DWSRF 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 D).

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 C 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 DWSRF before drawing any federal funds. State matches for the base DWSRF and IJJA DWSRF 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 Divisions of Water Infrastructure and 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

Set-Aside Activity Description

Note: the State does not intend to use set-asides from any potential reallocation of funds. Set-asides described below will come from the base DWSRF and the IJIA DWSRF General Supplemental capitalization grants only.

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

A. Program Administration

Up to 4% of the capitalization grants (see amounts in the Table Summary of Capitalization Grants) will be used for program administration. Administration includes management of the program; financial management; development of yearly comprehensive project priority lists; engineering report and environmental document review; construction inspections for funded projects; conducting the DWSRF needs survey every four years; inventorying lead service lines; data management; data analysis; reporting; and records keeping; public engagement; etc. These funds will also be used to procure all equipment and training necessary for the adequate performance of staff on related duties.

B. Technical Assistance to Small Systems

The State will allocate up to 2% of the capitalization grants (see amounts in the Table Summary of Capitalization Grants) to provide technical assistance to small water systems. The Public Water Supply (PWS) Section of the Division of Water Resources will provide funding support for staff in central and regional offices. In addition, the PWS Section provides a contract to the North Carolina Rural Water Association (NCRWA). The NCRWA contract will continue the support of one circuit rider. In addition, the Divisions may contract with organizations to assist small systems with inventorying lead service lines, water quality sampling, funding applications, and/or public engagement in disadvantaged areas. Assistance provided with these funds must be directed to benefit public water supply systems serving a population of less than 10,000. A list of some of the general activities to be performed and assistance to be provided using this money is as follows:

- Investigate MCL violations and identify corrective actions.
- Investigate and evaluate systems malfunctions or operational problems and advise regarding corrective actions.
- Inspect systems for compliance with required design standards and advise regarding needed modifications.
- Interpret sample results and advise regarding health risk.
- Interpret and advise concerning regulatory or monitoring requirements.
- Assist with sample siting plans.
- Provide emergency response to water outages and other serious conditions.

- Train operators and provide hands-on assistance when needed.
- Investigate and advise concerning source water contamination and water source selection.
- Assist in setting up pilot studies.
- Assist with capacity development and source water protection activities.
- Provide water system security assistance.
- Provide water systems with public notice assistance.
- Assist with asset management.
- Inventorying lead service lines.
- Water quality sampling to help small systems investigate the presence and concentrations of PFAS and/or emerging contaminants.
- Assisting small systems with applications for DWSRF funding.
- Assisting small systems in engaging with people in disadvantaged areas to identify potential projects and communicate impacts of capital projects.

C. Administration of the Public Water Supply Supervision Program (State Program Management)

Up to 10% of the capitalization grants ([see amounts in the Table Summary of Capitalization Grants](#)) will be used for this set-aside primarily to supplement the Public Water System Supervision Grant from EPA for salary and support for basic program implementation of the SDWA. The set-aside provides funding for staff plus any additional permanent, time-limited, or temporary positions, as resources allow, and/or contracts, as well as additional staff to cover additional resources needs due to new tasks or reduced state budgets.

D. Local Assistance and Other State Programs

Up to 15% of the capitalization grants ([see amounts in the Table Summary of Capitalization Grants](#)) will be used for Local Assistance and Other State Programs. Activities include wellhead protection, capacity development, water quality sampling, and lead service line inventory.

a. Wellhead Protection

The State will allocate a portion of this set-aside from the capitalization grants for the Wellhead Protection (WHP) Program and to implement efforts to protect source water, as per revisions to Section 1452(k) of the Safe Drinking Water Act. Valuable information, tools and interest for protecting public water supplies have been generated by the Source Water Assessment Program (SWAP), which was developed and implemented with funding from the FY 97 grant. Funding will be used for contracts, purchase of equipment and supplies, and to fund and support positions.

This set-aside also includes a contract for technical assistance for local wellhead protection efforts with NCRWA that supports one or more technicians to assist in the preparation of wellhead protection plans and to implement efforts to protect source water. Included also is funding for contractors, equipment and supplies to: (1) identify public water supply

sources and potential contaminant source locations within source water protection areas, (2) update the system inventory, (3) computerize records, (4) conduct well inspections, and (5) protect source water in delineated areas. These funds will also provide for maintenance and necessary upgrade of the computer applications used to complete source water assessments. This includes software and hardware upgrades to allow for efficient operation of the applications and data conversions to allow expanded use of Global Positioning System (GPS) and Geographic Information System (GIS) data in analytical work. It also may include enhanced data management and internet access to system data through SDWIS State, or its subsequent replacement, such as SDWIS NextGen.

b. Capacity Development

Support for capacity development will be continued through allocation of a portion of the capitalization grants for these activities. Funding will be used for contracts, purchase of equipment and supplies, and to fund and support positions.

Note: the State of North Carolina has an [Operator Certification program](#). Funding for the Operator Certification Program is not provided by DWSRF set-asides, but is paid for from other fee revenues.

c. Water Quality Sampling

Support for water quality sampling may be provided to help public water systems and communities investigate the presence and concentrations of PFAS and/or emerging contaminants. Funding may be used for contracts to provide communities technical support to conduct water quality sampling in the public water system and/or nearby private water wells to better assess the need and prioritization for capital projects potentially funded with the IIJA DWSRF Emerging Contaminant Funds and IIJA Emerging Contaminants for Small and Disadvantaged Communities.

Appendix B

Draft - Intended Use Plan Project Priority List for Base DWSRF and IIJA DWSRF 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 DWSRF allotment and/or the IIJA General Supplemental DWSRF allotment and/or recycled SRF funds. The tables below illustrate an example of how the projects may be allocated between Base DWSRF and IIJA General Supplemental DWSRF, 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 DWSRF and IIJA General Supplemental DWSRF (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 DWSRF; IIJA DWSRF General Supplemental columns

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
River Bend, Town of	Wtr Treatment Impvts & Wtr Supply Wells	NC0525113	2,846	Craven	\$10,429,895	Adding additional funds to a previously funded ARPA project.		\$6,929,895	\$3,500,000		79	Feb. 2026

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Sanford, City of	Sanford-Pittsboro Water Main Project	NC0353010, NC0319015	46,642	Lee	\$25,000,000			\$21,500,000	\$3,500,000		64	Feb. 2026
Fair Bluff, Town of	Water Supply Well Improvements	NC0424030	998	Columbus	\$1,000,000	Funded using state grants					61	
Columbus County Water District IV	Buckhead Disadv. Comm. WaterSys. Improv	NC7024013	2,598	Columbus	\$15,089,282				\$3,500,000	\$11,589,282	59	Feb. 2026
Magnolia, Town of	Water Supply Well Replacement Project	NC0431035	980	Duplin	\$2,381,775	Funded using state grants					58	
Wilkesboro, Town of	Yadkin River Intake & Interconnect Upgrade	NC0197025	3,687	Wilkes	\$9,970,243	Partially funded with \$1,491,896 in state grants.		\$8,478,347			56	Feb. 2026

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Magnolia, Town of	Automatic Meter Infrastructure Project	NC0431035	980	Duplin	\$634,855				\$634,855		55	Feb. 2026
Carolina Water Service, Inc	High Meadows - Replace Main and Valves	NC0103102	40,274	Alleghany	\$655,000			\$655,000			53	Feb. 2026
Whiteville , City of	Phase 1 Water Improvements	NC0424010	5,426	Columbus	\$4,735,350		\$2,367,675	\$2,367,675			53	Feb. 2026
North Lenoir Water Corporation	2024 Water System Improvements	NC0454025	15,494	Lenoir	\$1,414,900				\$1,414,900		46	Feb. 2026
Aqua North Carolina, Inc	Idlewood Acres Water Line Replacement	NC0118130	70	Catawba	\$800,000			\$400,000	\$400,000		50	Feb. 2026
Cumberland County	Gray's Creek WSD Phase 2	N/A	N/A	Cumberland	\$19,614,136	Last funded DWSRF project		\$16,114,136	\$3,500,000		50	Feb. 2026

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Greensboro, City of	Mitchell WTP Advanced Treatment for ECs	NC0241010		Guilford	\$55,674,000						50	
Seaboard, Town of	2024 Water System Improvements	NC0466035		Northampton	\$2,500,000						49	
Parmele, Town of	Fire Hydrant Replacement	NC0459113		Martin	\$500,000						49	
Edgecombe County	2024 General Water System Improvements	NC0433050		Edgecombe	\$6,739,000						48	
Whitakers, Town of	Automatic Meter Reading System	NC0433040		Nash, Edgecombe	\$301,000						48	
River Bend, Town of	Water Supply Wells	NC0425113		Craven	\$2,211,000						48	
Fairmont, Town of	Water Supply & Dist. Improvements	NC0378025		Robeson	\$13,480,000						47	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Ayden, Town of	Galvanized/Cast Iron Waterline Replaceme	NC0474025		Pitt	\$500,000						46	
Carolina Water Service, Inc	Whispering Pines - Pine Lake Water Main	NC0363112		Moore	\$985,000						45	
Carolina Water Service, Inc	Whispering Pines - Thagards Lake WM	NC0362112		Moore	\$1,100,000						45	
Roper, Town of	Phase 3 Waterline Replacement	NC0494015		Washington	\$1,083,140						44	
Landis, Town of	Mt. Moriah Ch – N Main St WL Replacement	NC0180038		Rowan	\$4,631,063						43	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Fayetteville Public Works Commission	PO Hoffer WTF Phase 3 Residuals	NC0326010		Cumberland	\$34,184,606						43	
Fayetteville Public Works Commission	PO Hoffer/Glenville Lake WTP GAC Facilit	NC0326010		Cumberland	\$51,182,600						43	
Newton Grove, Town of	Water System Upgrade	NC0382035		Sampson	\$996,000						42	
Oriental, Town of	WTP Generator Replacement	NC0469020		Pamlico	\$220,000						42	
Roanoke Rapids Sanitary District	Drinking Water EC Construction Project	NC0442010		Halifax	\$31,115,000	Funded \$5M using DWSRF-EC funds					41	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Anson County	Rehab of Filter Plant Raw Supply	NC0304010		Anson	\$25,075,000						40	
Beech Mountain, Town of	2023 Water System Rehab (Expansion)	NC0195104		Avery, Watauga	\$1,469,900						40	
Perquimans County	Water Treatment Plant Discharge	NC0472025		Perquimans	\$6,142,000						40	
Graham, City of	Graham-Mebane WTP Improvements	NC0201015		Alamance	\$30,250,000						39	
Pfeiffer-North Stanly Water Association	N Main St & Old 52 Waterline Replacement	NC0184025		Stanly	\$4,931,200						38	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Oakboro, Town of	South Oakboro Waterline Replacement	NC0184020		Stanly	\$2,676,723						38	
Johnston County	TGB WTP PFAS Treatment Addition	NC0351070, NC4051018		Johnston	\$4,100,000						38	
Rocky Point Topsail Water and Sewer District	RO WTP and Assoc Improvements	NC7071011		Pender	\$37,200,000						38	
Winterville, Town of	2025 Water System Improvements	NC0474040		Pitt	\$3,448,150						37	
Cape Fear Public Utility Authority	Brentwood Area Water Main Ext - PFAS	NC0465010		New Hanover	\$1,250,808						37	
Cape Fear Public Utility Authority	Chadwick Acres Area Water Main Ext -PFAS	NC0465010		New Hanover	\$657,610						37	
Cape Fear Public Utility Authority	Hanover Gardens Area Water Main Ext-PFAS	NC0465010		New Hanover	\$666,649						37	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	Garden Place CFPUA Water Ext PFAS	NC0465010		New Hanover	\$1,280,519						37	
Cape Fear Public Utility Authority	Wrightsboro Acres Water Ext. to PFAS	NC0465010		New Hanover	\$3,312,783						37	
Cape Fear Public Utility Authority	Arlington Heights Water Extension PFAS	NC0465010		New Hanover	\$2,615,143						37	
Cape Fear Public Utility Authority	Whitman Water Main Ext. to PFAS Wells	NC0465010		New Hanover	\$1,138,519						37	
Cape Fear Public Utility Authority	Prince George & Lynn Water Ext. to PFAS	NC0465010		New Hanover	\$3,085,762						37	
Cape Fear Public Utility Authority	Old Bridge Site Water Ext. to PFAS Wells	NC0465010		New Hanover	\$3,430,607						37	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	North College Water Ext. to PFAS Wells	NC0465010		New Hanover	\$959,659						37	
Cape Fear Public Utility Authority	Orange Street Water Ext. to PFAS Wells	NC0465010		New Hanover	\$1,191,796						37	
Cape Fear Public Utility Authority	Oakley Water Ext. to PFAS Wells	NC0465010		New Hanover	\$7,024,392						37	
Cape Fear Public Utility Authority	Marathon Farms Water Ext. to PFAS Wells	NC0465010		New Hanover	\$7,780,188						37	
Cape Fear Public Utility Authority	Blossom St Area Water Main Ext PFAS	NC0465010		New Hanover	\$1,908,224						37	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	Burton Area Water Main Ext - PFAS	NC0465010		New Hanover	\$2,136,937						37	
New Hanover County	NHC Garden Place Water Main Ext PFAS	NC0465010		New Hanover	\$1,963,096						37	
Carolina Water Service, Inc	Pinnacle Shores - Water Main Relocation	NC0149188		Iredell	\$2,360,000						37	
Chowan County	Cape Colony Wtr Syst Imp & Fire Hyd Repl	NC0421015		Chowan	\$15,290,696						36	
Goldsboro , City of	PFAS Treatment Improvement Project	NC0496010		Wayne	\$35,584,800						32	
Carolina Water Service, Inc	Ski Mountain - Drill New Well	NC0195119		Watauga	\$530,000						30	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Burlington , City of	PFAS Drinking Water Treatment Upgrades	NC0201010		Alamance	\$28,160,000						27	
Carolina Water Service, Inc	Elk River - Drill New Well	NC0106118		Avery	\$450,000						27	
Surry County	Hiatt Road Water Extensions	N/A		Surry	\$1,303,600						25	
Harkers Island Sanitary District	HISD Water System Improvements	NC0416025		Carteret	\$1,634,750						24	
Johnston County	Water Trans SCADA, Smart Meter &Security	NC0351070, NC4051018		Johnston	\$3,724,500						24	
Landis, Town of	Patterson / Flat Rock Rds WL Extension	NC0180038		Rowan	\$6,521,449						23	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Princeton, Town of	Radio Read Meter Installation	NC051050		Johnston	\$579,500						21	
Pender County	Penderlea-Hwy421 Waterline Improvements	NC7071011		Pender	\$35,590,000						20	
Carolina Water Service, Inc	AMI Meter Exchange - Phase 3	Multiple		Wake, New Hanover, Johnston, Carteret, Craven	\$2,161,800						15	
Carolina Water Service, Inc	AMI Meter Exchange - Phase 4	Multiple		Cumberland, Wake, Pender, Lee, Durham, Cabarrus, New Hanover, Johnston	\$2,782,400						15	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Carolina Water Service, Inc	AMI Meter Exchange - Phase 5	Multiple		Forsyth, Mecklenburg, Gaston, Montgomery, Alleghany, Yancey, Iredell, Macon	\$3,120,600						15	
						Total	\$2,367,675	\$56,445,053	\$16,449,755	\$11,589,282		

Total funding requested: \$594,617,605, including reconsidered applications. Total awarded: \$86,851,765.

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

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Neuse Regional Water and Sewer Authority	PFAS Treatment	NC6054001		Lenoir	\$32,160,000	Previously partially funded. Fully funded with DWSRF-EC funds.					63	Feb. 2025
Beech Mountain, Town of	2023 Water System Rehabilitation Project	NC0195104	2,468	Avery, Watauga	\$10,000,000		\$0	\$10,000,000			62	Aug. 2025
Weldon, Town of	WaterPlant Replace, Emerg. Contam. Remove	NC0442020	1,402	Halifax	\$48,036,000	Previously partially funded. Now fully funded.		\$16,077,000	\$5,000,000		61	Feb. 2025
Fairmont, Town of	Water Supply & Dist. Improvements	NC0378025		Robeson	\$13,480,000	Bypassed - ineligible for minimum PF requested					59	
Junaluska Sanitary District	HCC/Oak Park Low Pressure Water Line Reh	NC0144035	4,613	Haywood	\$9,495,104		\$1,000,000	\$4,495,104	\$4,000,000		58	Aug. 2025

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Fayetteville Public Works Commission	PO Hoffer Glenville Lake GAC Construction	NC0326010	214,137	Cumberland	\$74,307,300	Previously partially funded. DWSRF loan capped at \$25M. Co-funded with DWSRF-EC funds.			\$5,000,000	\$20,000,000	58	Feb. 2025
Fuquay-Varina, Town of	Sanford WFF - GAC Facility	NC0392055	39,065	Wake	\$10,532,889	Co-funded with DWSRF-EC funds.	\$0	\$5,532,889			56	Aug. 2025
Bailey, Town of	2023 Water System Improvements	NC0464035		Nash	\$500,000	Bypassed - ineligible for minimum PF requested					56	
Aqua North Carolina, Inc	Brookwood Community Ion Exchange Filters	NC0326127 ; NC0326124 ; NC0326332	31,213	Cumberland	\$5,795,400	Co-funded with DWSRF-EC funds.			\$4,347,960	\$0	55	Aug. 2025
Holly Springs, Town of	Sanford WFF Expansion – GAC Facility	NC0392050	45,058	Wake	\$7,021,926	Co-funded with DWSRF-EC funds.			\$0	\$2,021,926	54	Aug. 2025

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	Alandale Area Water Extension - PFAS	NC0465010		New Hanover	\$2,548,075	To be funded from EC-SDC.					54	
Columbus County Water District IV	Water System Improvements	NC7024013	2,598	Columbus	\$2,574,639	Last funded DWSRF project.	\$0	\$2,574,639			54	Aug. 2025
South Granville Water and Sewer Authority	Post-Filter PFAS Treatment Improvements	NC0239107		Granville	\$22,210,000						53	
Greensboro, City of	Greensboro Mitchell ATEC	NC0241010		Guilford	\$55,674,000						53	
Whiteville, City of	Phase 1 Water Improvements	NC0424010		Columbus	\$4,735,350						53	
Ayden, Town of	Galvanized/Cast Iron Waterline Replace	NC0474025		Pitt	\$500,000						53	
Bald Head Island, Town of	BHI DW Construction-Emerging Contaminant	NC0410130		Brunswick	\$5,000,000						52	
Wadesboro, Town of	Uptown Water Replacements Phase 2	NC0304020		Anson	\$8,575,000						52	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Sanford, City of	Sanford WFF Expansion	NC0353010		Lee	\$151,785,268						52	
Wilkesboro, Town of	Yadkin River Raw Water Intake	NC0197025		Wilkes	\$9,805,243						51	
Robersonville, Town of	Unified SCADA and Meter Replacement Proj	NC0459015		Martin	\$2,161,996						51	
Magnolia, Town of	Water Supply Well Replacement Project	NC0431035		Duplin	\$2,381,775						51	
Gates County	WaterSys.Improve.DisadvantagedCommunity	NC0437020		Gates	\$2,876,634						51	
Parmele, Town of	Fire Hydrant Replacement	NC0459113		Martin	\$500,000						51	
North Lenoir Water Corporation	2023 Water System Improvements	NC0454025		Lenoir	\$1,815,445						51	
Aqua North Carolina, Inc	Idlewood Acres Water Line Replacement	NC0118130		Catawba	\$800,000						50	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Edgecombe County	2024 General Water System Improvements	NC0433050		Edgecombe	\$6,739,000						50	
Whitakers, Town of	Advanced Metering Infrastructure System	NC0433040		Nash, Edgecombe	\$677,886						50	
Goldsboro, City of	PFAS Treatment Improvement Project	NC0496010		Wayne	\$35,584,800						49	
Maysville, Town of	Waterline Repairs	NC0452010		Jones	\$3,161,730						49	
Seaboard, Town of	2024 Water System Improvements	NC0466035		Northampton	\$2,500,000						49	
Murfreesboro, Town of	Main St. & Third St. Water Line Replacement	NC0446015		Hertford	\$1,237,500						49	
Murfreesboro, Town of	System Water Valve Replacement	NC0446015		Hertford	\$761,000						49	
Wilkesboro, Town of	Water Treatment Plant Upgrades	NC0197025		Wilkes	\$25,472,700						48	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Magnolia, Town of	Automatic Meter Infrastructure Project	NC0431035		Duplin	\$634,855						48	
River Bend, Town of	Water Supply Wells	NC0425113		Craven	\$2,211,000						47	
Roper, Town of	Phase 3 Waterline Replacement	NC0494015		Washington	\$1,083,140						46	
North Lenoir Water Corporation	2024 Water System Improvements	NC0454025		Lenoir	\$1,414,900						46	
Ansonville, Town of	Water Distribution System Improvements	NC0304012		Anson	\$955,000						44	
Newland, Town of	Avery Square WM Improvements	NC0106020		Avery	\$407,683						43	
Henderson, City of	Kerr Lake WTP Expansion Project	NC0291010		Vance	\$45,000,000						43	
Greenville Utilities Commission	GAC Filter Media Replacement	NC0474010		Pitt	\$1,815,000						42	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Hookerton, Town of	Drinking Water Improvements	NC0440020		Greene	\$972,515						42	
Beech Mountain, Town of	2023 Water System Rehab (Expansion)	NC0195104		Avery, Watauga	\$1,469,900						42	
Perquimans County	Water Treatment Plant Discharge	NC0472025		Perquimans	\$6,142,000						42	
Burlington, City of	GAC Construction Project	NC0201010		Alamance	\$28,160,000						40	
Chowan County	Cape Colony Wtr Syst Imp & Fire Hyd Repl	NC0421015		Chowan	\$15,290,696						40	
Jonesville, Town of	Elevated Water Tank	NC0299010		Yadkin	\$9,379,600						40	
Carolina Water Service, Inc	Watauga Vista - Water Main Replacement	NC0157125		Mecklenburg	\$151,083						40	
Fayetteville Public Works Commission	PO Hoffer WTF Phase 3 Residuals	NC0326010		Cumberland	\$34,184,606						40	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Carolina Water Service, Inc	High Meadows - Mains & Valves Replacement	NC0103102		Mecklenburg	\$410,000						40	
Pender County (Rocky Point Topsail Water and Sewer District)	RO WTP and Assoc Improvements	NC7071011		Pender	\$37,200,000						40	
Cape Fear Public Utility Authority	Rockhill Area Water Extension - PFAS	NC0465010		New Hanover	\$671,700						39	
Edenton, Town of	Replacement of Virginia Road Well	NC0421010		Chowan	\$1,449,300						39	
Cerro Gordo, Town of	Water St. Well Rehab & Emergency Interco	NC0424055		Columbus	\$1,375,000						39	
Stoneville, Town of	Water System Improvements	NC0279035		Rockingham	\$8,825,000						39	
Roanoke Rapids Sanitary District	Drinking Water Emerging Contaminant Study	NC0442010		Halifax	\$500,000	Co-funded with DWSRF-EC funds.					39	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Pine Level, Town of	Water Treatment Plant Renovation	NC0351040		Johnston	\$1,118,000						38	
Haw River, Town of	Spray Street Watermain Replacement	NC0202020		Alamance	\$1,000,000						38	
Carolina Water Service, Inc	Rutledge Landing - Well#3 Rehabilitation	NC4092085		Mecklenburg	\$495,980						38	
Piedmont Triad Regional Water Authority	PFAS Construction RO Treatment System	NC3076010		Randolph	\$74,646,250						37	
Fuquay-Varina, Town of	Sanford WFF Expansion - Conventional	NC0392055		Wake	\$87,424,925						36	
Albemarle, City of	Albemarle – Old Whitney Raw Water Main	NC0184010		Stanly	\$32,083,000						35	
Cove City, Town of	Automatic Meter Reading System Project	NC0425045		Craven	\$394,627						35	
Holly Springs, Town of	Sanford WFF Expansion	NC0392050		Wake	\$58,349,762						34	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Albemarle , City of	US52 WTP 20-inch Water Transmission	NC0184010		Stanly	\$6,276,000						32	
Goldsboro , City of	PFAS Treatment Evaluation and Pilot	NC0496010		Wayne	\$500,000	Co-funded with DWSRF-EC funds.					31	
Holly Springs, Town of	HS and F-V Waterline Transmission Main	NC0392050		Wake	\$51,011,755						31	
Gates County	Water Tank Replacement and Resiliency	NC0437020		Gates	\$1,453,600						31	
Hertford County Northern Rural Water District	Eleytown Road Waterline Extension	NC0446045		Hertford	\$486,750						31	
Carolina Water Service, Inc	Bear Paw - Drill New Well	NC0120103		Mecklenburg	\$447,329						30	
Orange Water and Sewer Authority	PFAS Treatment at Jones Ferry WTP	NC0368010		Orange	\$500,000	Co-funded with DWSRF-EC funds.					28	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Harkers Island Sanitary District	HISD Water System Improvements	NC0416025		Carteret	\$1,634,750						27	
Hertford County Southern Rural Water District	Blowe Rd. Waterline Extension	NC0446045		Hertford	\$925,800						27	
Bladen County Water District	Bladen Co. West - Water System Improvs.	NC0309055		Bladen	\$3,410,000						26	
Surry County	Hiatt Road Water Extensions	NA		Surry	\$1,303,600						25	
Carolina Water Service, Inc. of North Carolina	Phase 2 - AMI Meter Exchange	Multiple		Mecklenburg	\$2,745,537						25	
Asheboro, City of	W L Brown WTP Emerg Cont Planning Study	NC0276010		Randolph	\$500,000	Co-funded with DWSRF-EC funds.					23	
Johnston County	Water TransSCADA & Security Improvements	NC0351070		Johnston	\$1,540,000						23	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Rocky Mount, City of	PFAS Treatment at Rocky Mount WTPs	NC0464010		Nash	\$500,000	Co-funded with DWSRF-EC funds.					22	
Pender County	Penderlea-Hwy421 Waterline Improvements	NC7071011		Pender	\$35,590,000						22	
High Point, City of	PTRWA Emerging Compound Treatment	NC3076010		Randolph	\$16,150,000						16	
Blue Ridge Water Association, Inc.	Water System Improvements 2023	NC0197030		Wilkes	\$2,245,000						15	
Carolina Water Service, Inc. of North Carolina	Phase 1 - AMI Meter Exchange	Multiple		Mecklenburg	\$5,628,879						15	
					Total:		\$1,000,000	\$38,679,632	\$18,347,960	\$22,021,926		

Total funding requested: \$1,149,471,182, including reconsidered applications. Total awarded: \$80,049,518.

TOTALS

	Base DWSRF Principal Forgiveness	Base DWSRF Loans (excl. PF)	Total Base DWSRF	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans (excl. PF)	Total IIJA Suppl. DWSRF
Total Awarded	\$3,367,675	\$95,124,685	\$98,492,360	\$34,797,715	\$33,611,208	\$68,408,923
Minimum Requirement of the Capitalization Grant Amounts (Estimates)	\$3,339,180	\$5,522,490	\$8,861,670	\$33,619,390	\$13,722,200	\$47,341,590

Appendix C

2025 DWSRF 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 DWSRF Payment Amount</u>	<u>2025 IIJA DWSRF 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	\$12,843,000		
January 1, 2026 - March 31, 2026			
April 1, 2026 - June 30, 2026		\$68,611,000	
July 1, 2026 - September 30, 2026			
October 1, 2026 - December 31, 2026			
January 1, 2027 - March 31, 2027			
April 1, 2027 - June 30, 2027			
Total	\$12,843,000	\$68,611,000	

Appendix D

Proposed PRIORITY RATING SYSTEM for Drinking Water 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 Drinking Water 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		22
1.C		Project will rehabilitate or replace infrastructure, including replacement by regionalization projects		12
1.C.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old OR lead service lines		8
1.D		Project will expand infrastructure		2
1.D.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		8
1.E		Project will provide service to disadvantaged areas		20
1.F – 1.I		Reserved for other programs		

Proposed 2025 PRIORITY RATING SYSTEM for Drinking Water Projects				
1.J		Project addresses PFAS emerging contaminants		
1.J.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR		12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.J.3		Reserved for EC-Study Program. Please use 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		Reserved for other programs		
2.B		Project provides a specific public health benefit		
2.B.1		Project addresses dry wells or contamination of a drinking water source; or resolves managerial, technical & financial issues		20
2.B.2		Projects that eliminate lead service lines		10
2.C		Reserved for other programs		
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
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

Proposed 2025 PRIORITY RATING SYSTEM for Drinking Water Projects				
2.G		Project addresses documented low pressure		10
2.H		Project addresses contamination		
2.H.1		Project addresses acute contamination of a water supply source OR		15
2.H.2		Project addresses contamination of a water supply source other than acute OR		5
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		Water loss in system to be rehabilitated or replaced is 30% or greater		3
2.K		Project provides a public water system interconnection		
2.K.1		Project creates a new interconnection between systems not previously interconnected OR		10
2.K.2		Project creates an additional or larger interconnection between two systems already interconnected which allows one system's public health water needs to be met during an emergency OR		10
2.K.3		Project creates any other type of interconnection between systems		5
2.L – 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

Proposed 2025 PRIORITY RATING SYSTEM for Drinking Water Projects				
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
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 – 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

Proposed 2025 PRIORITY RATING SYSTEM for Drinking Water Projects				
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		Applicant has an approved Source Water Protection Plan and/or a Wellhead Protection Plan		5
3.D		Applicant has implemented a water loss reduction program		5
3.E		Applicant has implemented a water conservation incentive rate structure		3
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
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

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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 DWSRF-EC funding. These applications will also be scored using the full PRS for all other drinking water 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 E

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.