North Carolina Clean Water State Revolving Fund Decentralized – Supplemental Appropriation for Hurricanes Helene and Milton and the Hawai'i Wildfires (SA-HMW)

"CWSRF Helene Decentralized"

Intended Use Plan Fiscal Year 2025

Draft for Public Review May 2025

Division of Water Infrastructure

North Carolina Department of Environmental Quality

Table of Contents

1.	Introduction	3
2.	Financial History	4
3.	Programmatic Goals	4
4.	Information on Activities to be Supported	5
5.	Criteria and Methods for Distributing Funds	7
6.	Programmatic Conditions	11
7.	Program Evaluation Report	11
8.	Public Review and Comment	11
9.	Budget and Project Periods	12
10.	CWSRF SA-HMW Eligible Projects	12

Appendices

Appendix A – Intended Use Plan Project Priority List

Appendix B – CWSRF SA-HMW Decentralized Proposed Payment Schedule

Appendix C – CWSRF SA-HMW Decentralized Priority Rating System

1. Introduction

In late September 2024, Hurricane Helene devastated infrastructure in many communities in North Carolina. On December 21, 2024, the American Relief Act, 2025, P.L. 118-158, ("the Act") became law. Title VII of the Act included disaster relief supplemental funding for the State Revolving Fund (SRF) programs. On March 13, 2025, U.S. Environmental Protection Agency (EPA) published an implementation memorandum of the 2025 State Revolving Fund Supplemental Appropriation for Hurricanes Helene and Milton and the Hawai'i Wildfires (SA-HMW). For North Carolina, the funds are intended for wastewater treatment works and drinking water facilities impacted by Hurricane Helene and for decentralized wastewater treatment systems in affected areas.

This supplemental funding is a one-time injection of funding to promote flood resilience, including a specific amount for decentralized wastewater treatment systems. This Intended Use Plan (IUP) provides details on how the Division of Water Infrastructure (Division) intends to administer the SA-HMW funds allotted to the Clean Water State Revolving Fund for decentralized wastewater treatment systems, named "CWSRF SA-HMW Decentralized" or "CWSRF Helene Decentralized" by the Division for simplicity.

North Carolina's CWSRF SA-HMW Decentralized allotment is \$22,510,000. No state match is required.

North Carolina will administer these funds through the established CWSRF program, with specific program designs intended to meet the purpose and eligibilities that are unique to the SA-HMW Decentralized funds and the needs of the Helene-impacted communities of North Carolina. The Division is seeking public comments to this draft IUP and is planning to submit a grant application to EPA by their established application deadline of June 2025.

The Division intends to apply for any additional funds made available through reallotments of other states' grant allotments and apply the reallotment funds towards eligible projects.

Funds appropriated under this Act shall be used for eligible projects whose purpose is to reduce flood risk and vulnerability or to enhance resiliency to rapid hydrologic change or natural disaster and must meet the requirements of section 603 (i)of the Federal Water Pollution Control Act.

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.

The IUP is incorporated into the grant agreement with EPA 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 Helene Decentralized funds. It also explains how the program will utilize a priority rating system to identify those projects that will address the greatest need that meets the eligibility criteria for the funds. 1.1. Federal Eligibility for CWSRF SA-HMW Decentralized Funds

Funds appropriated under the 2025 American Relief Act shall be used for Clean Water State Revolving Fund-eligible projects to improve the resilience of decentralized wastewater treatment systems to flooding, to assess the potential to connect homes served by decentralized wastewater treatment systems to centralized wastewater systems, and/or to fund such connections, in areas that were affected by Hurricane Helene.

Examples of eligible projects presented in EPA's implementation memo are included in Section 10.

2. Financial History

Congress appropriated funds to the State Revolving Funds in the American Relief Act, 2025, in a one-time disaster relief supplemental funding. The EPA has allotted \$22,510,000 in SA-HMW Decentralized funds to North Carolina for the CWSRF program. The Division must apply to EPA to receive a grant award from this allotment. There is no state match required for the award of this grant.

Since this is a new, one-time allotment of supplemental funding, a new financial history is being established. After receiving a grant award from EPA, funds can be disbursed to projects and expended on administrative costs.

3. Programmatic Goals

Pursuant to the SA-HMW implementation memo, the state must identify the short-term and long-term goals of the program. The state has the following goals for its CWSRF SA-HMW Decentralized funds and for the CWSRF program:

3.1. Overall CWSRF Program Goal

Provide funding for clean water infrastructure while advancing the NC DEQ'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 the Clean Water Act while targeting the systems with greatest needs.

- 3.2. Short-Term Goals of CWSRF SA-HMW Decentralized
 - Goal #1: Develop and implement initial plans for a new, specialized program to fund improvements to decentralized wastewater treatment systems, focusing on simplicity of implementation.
 - Goal #2: Inform potential eligible applicants of the availability of funds.
 - Goal #3: Support potential applicants, consultants, and technical assistance providers in identifying potential eligible projects and offer guidance in applying for funding.

- Goal #4: Develop application materials and support the State Water Infrastructure Authority in developing a Priority Rating System that is specific for the CWSRF Helene Decentralized funds.
- Goal #5: Design the CWSRF Helene Decentralized program to assist multiple jurisdictions that were impacted by Hurricane Helene.
- Goal #6: Prioritize assistance to address decentralized wastewater treatment systems that are vulnerable to floods, were damaged by Hurricane Helene, or are failed or failing.
- 3.3. Long -Term Goals of CWSRF SA-HMW Decentralized
 - Goal #1: Support North Carolina Department of Environmental Quality's Strategic Goal to strengthen North Carolina's infrastructure through thoughtful, strategic, and equitable investments in communities.
 - Goal #2: Support North Carolina Department of Environmental Quality's Strategic Objectives to invest funding in intentional ways to make sure projects serve communities with the greatest need, and to incorporate [flood] resiliency planning in public infrastructure.
 - Goal #3: Adjust implementation plans of the new, specialized program, based on experience, data, and input from funding recipients over time, to improve the efficiency and effectiveness of the program, and to further inform program design for the general CWSRF Decentralized Wastewater Treatment System Pilot Program.
 - Goal #4: 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 #5: Ensure the technical integrity of CWSRF projects through diligent and effective planning, design, and implementation.
 - Goal #6: Ensure the Priority Rating System reflects NCDEQ's and the State Water Infrastructure Authority's goals.

4. Information on Activities to be Supported

The CWSRF SA-HMW Decentralized funds will be offered to eligible recipients for projects only as principal forgiveness loans (i.e., no portion of the project funding will be in the form of a repayable loan). In addition to funding projects, the CWSRF also allows the use of the capitalization grant for administrative and technical assistance purposes.

Any CWSRF-eligible entity within the areas impacted by Hurricane Helene is eligible to receive CWSRF Helene Decentralized funds for an eligible project. Per North Carolina's General Statutes, local government units and nonprofit water/wastewater corporations are eligible recipients of CWSRF funds. If state legislation expands the eligibility to non-governmental organizations for the CWSRF SA-HMW Decentralized funds, the Division may fund those eligible entities.

For an activity to be eligible for CWSRF SA-HMW Decentralized funds, it must otherwise be CWSRF eligible and serve one or more of the following purposes:

- Improve the resilience of decentralized wastewater treatment systems to flooding,
- Assess the potential to connect homes served by decentralized wastewater treatment systems to centralized wastewater treatment systems, and
- To fund such connections.

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

The Division intends to access up to four percent of the CWSRF SA-HMW Decentralized grant (up to \$900,400) for the administrative costs associated with running the program. These costs include funding salaries of employees working on SA-HMW projects and programs, and to provide resiliency-related technical assistance to jurisdictions impacted by Hurricane Helene. Costs are associated with application preparations and outreach, training, direct technical assistance, public engagement, coordination with other agencies, application review, engineering report and environmental document review, design review, permitting, loan processing, construction inspection, disbursement processing and accounting for funded projects. These funds will also be used to procure all equipment, travel, training, and other administrative expenses necessary for the adequate performance of staff on related duties.

The Division intends to access up to two percent of the CWSRF SA-HMW Decentralized grant (up to \$450,200) for technical assistance, including hiring staff, nonprofit organizations, or local or regional entities to assist rural, small jurisdictions that are eligible to apply for CWSRF SA-HMW Decentralized funds. Technical assistance includes costs related to outreach, training, direct technical assistance, public engagement, preparation of funding applications, and assessments of needs that may be eligible for project funding.

The Division reserves the right to use unused portions of the CWSRF administrative and technical assistance portions at a later date or make it available for project funds, as needed.

The following table provides a summary of the funds available as a result of the supplemental capitalization grant.

Funding Program	Total Capitalization Grant Amount	Up to 4% for program administration	Up to 2% for technical assistance	Minimum available to fund projects
CWSRF SA-HMW	\$22,510,000	Up to \$900,400	Up to \$450,200	At least
Decentralized				\$21,159,400

5. Criteria and Methods for Distributing Funds

5.1. Project List, Applications and Prioritization

The Intended Use Plan Project Priority List (see Appendix A) may be supplemented or replaced based on applications received as a part of future funding cycles. The State's priority rating criteria for categorizing and ranking projects for funding will be based on the Priority Rating System (see Appendix C).

5.1.1. Applications on a Rolling Basis

Eligible applicants may submit applications for SA-HMW funding for eligible projects on a rolling basis until all available funding has been awarded. Applications received by specific dates (to be published on the Division's website) will be reviewed and presented at the next scheduled State Water Infrastructure Authority meeting for consideration and potential awards. 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. It is anticipated that the Authority will award funding in multiple meetings until all funds have been awarded.

Funding awards for applications received prior to or by January 2, 2026 may be initially capped to provide other applicants an opportunity to apply for funds. Any capped funding awards will be re-evaluated after the January 2, 2026 funding round and potentially awarded additional funds exceeding the initial cap, if funds are available.

At the time of application, Applicants must identify a proposed project area (e.g., a set of streets, a distinct geographic area within a County, municipal, ETJ, or County boundaries, etc.). Project areas must be within a location that was impacted by Hurricane Helene, such as any area within a County designated under the FEMA-4827-DR North Carolina Disaster Declaration. However, Applicants do not need to identify at the time of application the specific decentralized wastewater treatment systems (i.e., specific home addresses) that will be addressed by the project. Identification of specific decentralized wastewater treatment systems will be made during project implementation after funding awards.

5.1.2. Prioritization

The CWSRF program operates on a priority basis. 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. The proposed Priority Rating System, as approved for public comment by the Authority (see Appendix C), contains only one Category with four line-items that generally describe types of projects that are eligible for the CWSRF Helene Decentralized funds. Applicants must choose only one line item that best describes their project.

The Priority Rating System places highest priority to projects where at least 50 percent of the decentralized wastewater treatment systems (DWTS) in the project area were damaged by Hurricane Helene. This does not require the Applicant to ensure that at least 50 percent of the

DWTS addressed in the funded project were themselves damaged, although the Applicant should prioritize addressing DWTS that were damaged.

The next highest priority is to projects where at least 50 percent of the DWTS in the project area (that was impacted by Hurricane Helene) are failed or failing. This does not require the Applicant to ensure that at least 50 percent of the DWTS addressed in the funded project were themselves failed or failing, although the Applicant should prioritize addressing failed or failing DWTS.

The third priority is for all other projects that would physically address DWTS in project areas (that were impacted by Hurricane Helene) that do not qualify under the first two priority line items. Applicants should prioritize addressing DWTS that were damaged by Hurricane Helene or are failed or failing within the project area in the funded project.

The fourth and final priority is for planning projects (i.e., no physical improvements) that assess the potential to address DWTS by repairing or replacing existing individual systems, implementing cluster systems to provide regional solutions for multiple systems, connecting to existing centralized wastewater systems, and by other feasible options to reduce vulnerability due to flood. Planning projects should analyze the best approach to integrate system and community sustainability/resiliency priorities in the face of a variety of uncertain futures, including natural disasters and more frequent and intense extreme weather events. Planning should result in a plan for a potential capital project(s) that may be reasonably expected to be implemented. Planning projects include damage assessments, outreach and public engagement, mapping and prioritization of DWTS, soil/site evaluations, feasibility studies, risk/vulnerability assessments considering recent floodplain maps, alternatives analyses, asset management plans, the development of emergency preparedness, response and recovery plans, and the creation of management entities, programs, districts and/or systems that improve the resilience of DWTS.

5.2. Project Funding and Project Deadlines

Projects are allocated funding in priority order until available funds are exhausted. Results of funding awards made by the State Water Infrastructure Authority 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 (LOIF) except as noted otherwise):

- 5.2.1. Funding application and supporting information must be complete and received by the application deadline to be considered at the next scheduled Authority meeting.
- 5.2.2. After the Authority provides final project rank eligibilities, the CWSRF program will issue Letters of Intent to Fund based on the projects' prioritization and the amount of funds being made available in the cycle.
- 5.2.3. Projects can complete the Engineering Report / Environmental Information Document, plans and specifications, and obtain all required permits, encroachments, property owner agreements, and other project requirements in phases as the project progresses through implementation.

- 5.2.4. Applicants must expend their awarded funds on eligible incurred costs, and must submit requests for disbursements to the Division in a timely and expeditious manner throughout their project period.
- 5.2.5. Applicants must expend their awarded funds within five years from the date of the funding award offer, or by December 31, 2031, whichever comes first.

The milestones in the timeline above are absolute for all projects and will not be extended except based upon a demonstrated need for extension by the applicant and based on the performance period of the capitalization grant by EPA. Projects may be able to meet these milestones ahead of schedule. However, in the event that any milestone established for the project is not met, work may be suspended.

- 5.3. Detailed Project Funding and Criteria
 - 5.3.1. General
 - 5.3.1.1. To be eligible for CWSRF SA-HMW Decentralized funding, a project must be on the Intended Use Plan Project List.
 - 5.3.1.2. Funding will be provided in priority order based on project scores, Authority determination, and the amount of funds made available. Projects cannot be substantively changed once funding is allocated.
 - 5.3.1.3. An initial funding cap per applicant might apply for applications received prior to or by January 2, 2026 to provide other applicants an opportunity to apply for funds. The initial funding cap will be determined after reviewing the list of eligible projects and corresponding project budgets. Any capped funding awards will be re-evaluated after the January 2, 2026 funding round and potentially awarded additional funds exceeding the initial cap, if funds are available.

- 5.3.2. Principal Forgiveness
 - 5.3.2.1. All applicants will receive CWSRF SA-HMW Decentralized funds as 100 percent principal forgiveness loans. No portion of the awarded project funding will be a repayable loan to the Division.
 - 5.3.2.2. Applicants may determine which decentralized wastewater treatment systems in the project area will benefit from the awarded project funds based on any criteria of their choosing (e.g., household income levels, readiness by the property owner to proceed with the project, proximity to a centralized wastewater collection system sewer line, etc.).
- 5.3.3. Miscellaneous Criteria/Provisions:
 - 5.3.3.1. Davis-Bacon prevailing wage rates apply to projects as required by funding agreements/conditions.
 - 5.3.3.2. American Iron and Steel provisions will apply to loans as required by Federal mandates.
 - 5.3.3.3. Build America, Buy America (BABA) requirements will <u>not</u> apply to projects funded by SA-HMW funds. However, the requirements may apply if the project is co-funded with another federal funding source with BABA requirements.
 - 5.3.3.4. Brooks Act requirements will be applied to all projects.
 - 5.3.3.5. If the project includes connecting properties to a centralized wastewater collection system sewer line, the applicant must provide the connection up to the premise plumbing and must not charge the property owner/resident any one-time connection fee. The applicant must cover all applicable connection costs from the principal forgiveness project funding.
 - 5.3.3.6. If the applicant is a local government unit, the applicant 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 SA-HMW Decentralized award.
 - 5.3.3.7. A two percent closing fee is required.
 - 5.3.3.8. Applicable permits issued by the NC Department of Environmental Quality, NC Department of Health and Human Services, or by any applicable local or state government agency, must be acquired prior to construction.

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 100 percent 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 CWSRF SA-HMW Decentralized funds 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, if applicable, Single Audit, 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.

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 April 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 after incorporating 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 are shown in Appendix B and on EPA Form SF 424.
- 9.2. The anticipated cash draw ratio will be 100 percent federal for disbursements made from the capitalization grant.
- 9.3. Closing fees on the principal forgiveness loans 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.

10. CWSRF SA-HMW Eligible Projects

CWSRF SA-HMW Decentralized funds shall be used for Clean Water State Revolving Fund-eligible projects to improve the resilience of decentralized wastewater treatment systems to flooding, to assess the potential to connect homes served by decentralized wastewater treatment systems to centralized wastewater systems, and/or to fund such connections, in areas that were affected by Hurricane Helene.

10.1 Examples of Eligible Projects

Examples of projects that are eligible under the CWSRF SA-HMW Decentralized program are presented in EPA's March 13, 2025 implementation memo and copied here for reference. If a project is not specifically listed below, the funding applications must explain how the project addresses the purposes outlined above.

I. Projects that protect decentralized wastewater treatment systems from rising waters

- a) Anchor all buoyant components (e.g., fiberglass tanks, air-filled textile filters, pump basins, etc.) to prevent floating during flood events.
- b) Properly grade and slope areas around septic system components to reduce flood scouring.
- c) Brace septic system components properly to withstand saturated soil conditions.
- d) Plant resilient native plants with shallow root systems to hold soils and prevent erosion near drainfields.
- e) Elevate all electrical components above base flood elevation.
- f) Add artificial buffers or swales, curtain drains, and fill caps to protect infrastructure and divert excess water away from decentralized systems.
- g) Install backflow valves to prevent return flow and protect property from sewage backups.

II. Projects that protect decentralized wastewater treatment systems from power risks associated with flooding

- a) Install backup power systems/connections to ensure that systems remain operational during power outages.
- b) Install power shutoffs for emergency situations.

III. Projects that reduce the risk of decentralized wastewater treatment system failure associated with flooding

a) Install measures that reduce the amount of wastewater entering the decentralized treatment system.

IV. Projects that increase decentralized wastewater system capacity to handle flood risks

- a) Install additional drain lines, larger septic tanks, and holding tanks.
- b) Elevate drainfields to create more vertical separation distance (e.g., a mound system) or install alternative dispersion for drainfields (e.g., shallow pressurized drainfields or drip dispersal) allowing decentralized systems to return to normal operation more quickly after a flood event.
- V. Consolidation of decentralized wastewater treatment systems to reduce flood risk
- a) Install cluster systems to consolidate treatment and dispersal off-lot in a site that is more resilient (e.g., less flood risk, better soil conditions or terrain).
- b) Design and install shared cluster systems to pool financial resources so that resilient features and management practices can be incorporated.
- c) Integrate advanced treatment options into cluster systems to generate treated wastewater for reuse (e.g., membrane technologies)

VI. Planning projects that assess the potential to connect homes served by decentralized wastewater treatment systems to centralized wastewater systems due to vulnerability to flood damage or that analyze the best approach to integrate system and community sustainability/resiliency priorities in the face of a variety of uncertain futures including natural disasters and more frequent and intense extreme weather events, provided the planning work is reasonably expected to result in a capital project, including but not limited to:

- a) Feasibility studies to connect homes served by decentralized treatment systems to centralized treatment systems
- b) Risk/vulnerability assessments considering recent floodplain maps and projected sea level rise
- c) Alternatives analysis
- d) Asset Management Plans
- e) Emergency Preparedness, Response, and Recovery Plans

VII. Projects that make connections from homes served by decentralized wastewater treatment systems to centralized wastewater treatment systems

- a) Installation/construction of collection system components and equipment
- b) Decommissioning of decentralized wastewater systems so that they no longer pose risks to human health and the environment.

Appendix A

Draft-Intended Use Plan Project Priority List for CWSRF SA-HMW Decentralized funds

The Intended Use Plan Project Priority List may be supplemented or replaced based on applications received.

Projects listed in the Intended Use Plan as scoring above the funding line will receive funding from CWSRF SA-HMW Decentralized funds. The Division will ensure that total funding awards for the supplemental CWSRF program meets or exceeds the allotment amounts for the State of North Carolina. The Project Priority List itemizes the output/outcomes of the policies and procedures outlined in this Intended Use Plan for the SA-HMW funds.

All CWSRF SA-HMW Decentralized project funding will be provided as principal forgiveness.

Applications–Future Funding Rounds

Full applications will be accepted after July 16, 2025, when the State Water Infrastructure Authority is anticipated to finalize a Priority Rating System for CWSRF SA-HMW Decentralized following public comments. Between May – July, 2025, interested applicants may submit a pre-application to the Division to indicate their intent to apply. The Division will inform the pre-applicants of the availability of application materials soon after the Priority Rating System has been finalized.

Applications will be accepted year-round. Applications received by a specified date (as identified on the Division's website) will be presented at the next State Water Infrastructure Authority for consideration and potential funding award. The Project Priority List below will be completed after multiple rounds of Authority meetings and funding awards, and subsequent public comment periods for the updated Project Priority Lists.

Applicant Name	Project Name	County	Total Funding Request	Notes	CWSRF SA-HMW Decentralized Funds (principal forgiveness)	Priority Points	Estimated Binding Commitment
TBD							

Appendix B

CWSRF SA-HMW Decentralized Funds Proposed Payment Schedule

(Dependent on timing of award of federal grant)

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

Payment Quarter	<u>CWSRF SA-HMW</u> <u>Decentralized</u> <u>Payment Amount</u>
October 1, 2025 - December 31, 2025	
January 1, 2026 - March 31, 2026	\$3,000,000
April 1, 2026 - June 30, 2026	
July 1, 2026 - September 30, 2026	
October 1, 2026 - December 31, 2026	
January 1, 2027 - March 31, 2027	\$5,000,000
April 1, 2027 - June 30, 2027	
July 1, 2027 - September 30, 2027	
October 1, 2027 - December 31, 2027	
January 1, 2028 - March 31, 2028	\$5,000,000
April 1, 2028 - June 30, 2028	
July 1, 2028 - September 30, 2028	
October 1, 2028 - December 31, 2028	
January 1, 2029 - March 31, 2029	\$5,000,000
April 1, 2029 - June 30, 2029	
July 1, 2029 - September 30, 2029	
October 1, 2029 - December 31, 2029	
January 1, 2030 - March 31, 2030	\$4,510,000
April 1, 2030 - June 30, 2030	
July 1, 2030 - September 30, 2030	
October 1, 2030 - December 31, 2030	
January 1, 2031 - March 31, 2031	
Total	\$22,510,000

Appendix C

Proposed PRIORITY RATING SYSTEM for CWSRF SA-HMW Decentralized Wastewater Treatment System (Resiliency) Projects

As proposed by the State Water Infrastructure Authority on April 17, 2025.

Proposed CWSRF SA-HMW Funding PRIORITY RATING SYSTEM for Decentra Wastewater Treatment System Projects					
<u>Instructions</u> : <u>Mark "X" to claim the points for the applicable line item</u> . Be sure that your n includes justification for the line item claimed.					
Line Item #	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose; note that the project must be eligible for SA-HMW funds)	Claimed Yes/No	Points		
1.A	At least 50% of the decentralized wastewater treatment systems in the project area were damaged by Hurricane Helene $^{\pm}$		15		
1.B	At least 50% of the decentralized wastewater treatment systems in the project area are failing or failed $^{\pm}$		10		
1.C	All other projects to repair, improve or replace decentralized wastewater treatment systems [±]		5		
1.D	Planning project to assess options to improve resiliency against flood damage		2		
Maximum Points for Category 1 – Project Purpose					
Total Points Claimed for Category 1 – Project Purpose					

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