North Carolina
Infrastructure Investment and Jobs Act
Clean Water State Revolving Fund
Emerging Contaminants Funds
(IIJA CWSRF-EC)

Intended Use Plan
Fiscal Year 2026

Draft for Public Review
March 2026

Main changes to the draft IUP for FY2025 that was presented for public comment in March 2025 are identified in red font text.

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Division of Water Infrastructure

North Carolina Department of Environmental Quality

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1. Introduction and Capitalization Grants Summary

This Intended Use Plan (IUP) provides details on the Division of Water Infrastructure's (Division) intent to administer the Clean Water State Revolving Fund Emerging Contaminants (CWSRF-EC) and to apply for the FY2026 Infrastructure Investment and Jobs Act[1] (IIJA) CWSRF-EC capitalization grant.

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

North Carolina's FY2026 IIJA CWSRF-EC capitalization grant allotment is preliminarily estimated by EPA to be $3,838,000. 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 and the various set-asides.

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.

Table Summary of Capitalization Grants

	FY2026 IIJA CWSRF-EC	**Any potential reallotments** (none)
Capitalization Grant Amount	TBD. Estimated to be $3,838,000	N/A or TBD
State Match	0%. $0	0%. $0
Subtotal	*Est. $3,838,000*	*N/A or TBD*
Set-Asides from Cap. Grants:	0% $0	0% $0
Available for Principal Forgiveness loans from grant	*100%. Est. $3,838,000*	*100%*
Evaluation/Assessment Project Reserve (percent of available Principal Forgiveness loans)	Up to 50% (Est. $1,919,000)	Up to 50%.

The Division of Water Infrastructure (Division) is part of the North Carolina Department of Environmental Quality (NCDEQ). The Division administers financial assistance programs to assist local government units (LGUs) and non-profit water/wastewater utilities[2] in constructing projects that both benefit water quality and improve the human environment.

In 2013 the North Carolina General Assembly created the State Water Infrastructure Authority (Authority) to determine the eligibility of projects for certain water infrastructure funding programs, including the Clean Water State Revolving Fund (CWSRF), consistent with federal law.

[1] Infrastructure Investment and Jobs Act (IIJA) was formerly referred to as Bipartisan Infrastructure Law (BIL).

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

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The priorities reflected in this document have been approved by the Authority.

Specific to this document, the Division administers the federal-state CWSRF program as established by Title VI of the Federal Water Pollution Control Act (a.k.a. Clean Water Act) as amended in 1987. The CWSRF program offers loans to LGUs at interest rates lower than market rates for clean water infrastructure. As a LGU repays the loan, the monies are again loaned out, hence the revolving nature of the program. All loan repayments must go back into the CWSRF. The CWSRF-EC funds will, however, be offered entirely as principal forgiveness loans, meaning that the eligible recipients of the funds would not need to repay these loans. This Intended Use Plan explains how the FY2026 IIJA CWSRF Emerging Contaminants capitalization grants will be used and how the CWSRF-EC will operate.

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

The IIJA CWSRF-EC funds are made available as 100% principal forgiveness. There will not be any repayments associated with these funds.

2. Financial History

Congress appropriated funds to the CWSRF in the Infrastructure Investment and Jobs Act of 2021. The IIJA appropriated additional funds for five fiscal years (FY2022-FY2026) to address Emerging Contaminants (IIJA CWSRF-EC Funds). The IIJA also appropriated funds specifically to supplement the CWSRF funds, which is described in a separate IUP. This IUP will discuss the workplan for the IIJA CWSRF-EC funds for the Fiscal Year 2026. North Carolina received $1,688,000 for FY2022, $3,838,000 for FY2023, $3,838,000 for FY2024, and $3,838,000 for FY2025 from federal capitalization grants for the IIJA CWSRF-EC funds. North Carolina will receive the amount shown in the Table Summary of Capitalization Grants from the FY2026 capitalization grant for the IIJA CWSRF-EC funds. There is no state match required for these funds.

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

3. Programmatic Goals

Pursuant to the Clean Water Act, the State must identify the goals and objectives of its water pollution control revolving fund (i.e., the CWSRF). North Carolina has set its short- and long-term goals of this IUP to align with EPA's Pillar 1: Clean Air, Land, and Water for Every American. The State has the following goals for its CWSRF-EC program:

3.1. Overall CWSRF Program Goal

Provide funding for clean water infrastructure while advancing the NCDEQ's mission to provide science-based environmental stewardship for the health and prosperity of ALL

North Carolinians and to advance the water quality goals of the Clean Water Act while targeting the systems with greatest needs.

3.2. Emerging Contaminants Funding Program Short-Term Goals

Goal #1: Inform local governments and non-profit wastewater utilities of the availability of funds, benefits of the CWSRF-EC program, and funding process.

Goal #2: Work closely with local governments and non-profit wastewater utilities to address contamination of the environment with PFAS (per- and polyfluoroalkyl substances).

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".

Goal #2: Support North Carolina Department of Environmental Quality's Strategic Goal to "protect North Carolinian's people and natural resources from exposure to PFAS and other forever chemicals, using a transparent and science-based decision-making process", with special emphasis on reducing health risks associated with PFAS.

Goal #3: Support North Carolina Department of Environmental Quality's Strategic Objective to invest funding in intentional and efficient ways to make sure drinking water and wastewater projects serve communities with the greatest need.

Goal #4: Support U.S. Environmental Protection Agency's Pillar 1 that aims to ensure that every American have access to clean water.

Goal #5: Integrate the funding process with other CWSRF funding processes and continue to streamline them to ensure the funds are used in an expeditious and timely manner in accordance with §602(b)(4) of the Clean Water Act.

Goal #6: Ensure the technical integrity of CWSRF projects through diligent and effective planning, design, and construction management.

Goal #7: Ensure the Priority Rating System reflects NCDEQ's and the Authority's goals.

Goal #8: Aid compliance with state and federal water quality standards by all funded publicly-owned wastewater treatment works.

4. Information on Activities to be Supported

North Carolina's CWSRF program will continue to be one of low-interest loans, supplemented with principal forgiveness as allowed by §603(i)(3) of the Clean Water Act. The IIJA CWSRF-EC funds will be entirely funded as principal forgiveness loans.

The Division does not intend to use any set-asides from the IIJA CWSRF-EC funds. All of the

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capitalization grants will be used to fund projects. Funding for program administration and for technical assistance on emerging contaminants can be covered by set-asides from the base CWSRF and IIJA CWSRF General Supplemental capitalization grants, as described in a separate Intended Use Plan. The Division reserves the right to use unused portions of the set asides at a later date.

The Division reserves the authority to transfer IIJA Emerging Contaminants funds between the DWSRF-EC and CWSRF-EC from these years' 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. The capitalization grants have been conditionally awarded to the Division. The Division is providing updated Project Priority Lists to EPA, after public comment periods, to remove the conditions on previous capitalization grants. Project disbursements from this capitalization grant must occur within the performance period of the capitalization grant (maximum of four years). The project disbursements, by fiscal year, including projections for future fiscal years, are shown in the Sources and Uses table below. All revenue generated from the IIJA CWSRF-EC capitalization grants across all years will be spent on project disbursements as described in the Intended Use Plans.

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Sources and Uses for the Life of the Program (updated March 2025)

Historic Sources and Uses									
	Revenues					Expenditures		Net	
FY	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
2025 (FY22-24 cap grants)	$0	$0				$0.00	$0.00	$0.00	$0.00
Totals	**$0**	**$0**				**$0.00**	**$0.00**	**$0.00**	**$0.00**
Projected Sources and Uses for FY2026 and Beyond (based on Availability Model)									
	Revenues					Expenditures		Net	
FY	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
2026 (FY22-25 cap grants)	$0	$0				$0	$0	$0	$0
2027 (FY22-26 cap grants)	$1,600,000	$0				$1,000,000	$0	$600,000	$600,000
2028-2030 (FY22-26 cap grants)	$15,440,000	$0				$16,040,000	$0	($600,000)	$0
Totals	**$17,040,000**	**$0**				**$17,040,000**	**$0**	**$0**	**$0**

Values in BLUE as approximate values.

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5. Criteria and Methods for Distributing Funds

5.1. Eligible Projects

For IIJA CWSRF-EC capitalization grants, eligible projects must address any perfluoroalkyl and polyfluoroalkyl substances (PFAS) contaminants in publicly owned treatment works and/or publicly owned landfills.

Only projects successfully claiming 2.H.3 or 2.H.4 points will be eligible for IIJA CWSRF-EC funding. Only the portion of the project costs associated with the project activities that address PFAS will be eligible for IIJA CWSRF-EC disbursements.

5.2. 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 5.3 below). 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.

Projects eligible for CWSRF-EC funds will be prioritized using a Priority Rating System consisting of elements of the Priority Rating System that are specific to the CWSRF-EC funding as approved by the State Water Infrastructure Authority (see Appendix C). Applications will be ranked based on the following scores, in the following order: 1) total application score (points) of the Priority Rating System relevant for CWSRF-EC, 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, CWSRF-EC specific Priority Rating System places higher priority on construction projects over evaluation and assessment projects, and on projects with greater proportions of costs dedicated to addressing PFAS contamination. An application will only receive priority points for one project purpose. To be eligible for CWSRF-EC funds, it is not necessary that the project should successfully claim PFAS-related project purpose points, 1.J.1- 1.J.3. Having no project purpose points will not negatively affect CWSRF-EC funding eligibility or CWSRF-EC principal forgiveness eligibility.

For project benefits, CWSRF-EC specific Priority Rating System places higher priority on projects that address contamination exceeding proposed MCL and Hazard Index for drinking water standards. Additional prioritization is provided to regionalization projects to incentivize regional approaches to addressing PFAS. To be eligible for CWSRF-EC funds the project must successfully claim points under line items 2.H.3 or 2.H.4.

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

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

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

5.3. Application and Project Deadlines

The CWSRF program operates on a priority basis and accepts funding applications at various times of the year based on the type of Emerging Contaminants project. Projects are allocated funding in priority order (as noted above) until available funds in each funding round are exhausted and within special reserve requirements (e.g. Evaluation/Assessment Project Reserve, etc. as described herein). Funding availability is determined based on the capitalization grants. Results will be posted on the Division's website.

The applications for <u>construction projects</u> (i.e., projects that qualify for line items 1.J.1 or 1.J.2 in the Priority Rating System) will be accepted and assessed semi-annually as part of the regular Division application rounds, using the common application form. IIJA CWSRF-EC funds for construction projects will be made available for awards in up to two State Water Infrastructure Authority meetings during the year. These will occur at the same time that other construction project applications are awarded funding in the semi-annual process, e.g., from CWSRF funds.

Applications for <u>evaluation and assessment projects</u> (i.e., projects that qualify for line item 1.J.3 in the Priority Rating System) will be accepted year-round using a separate application form. IIJA CWSRF-EC funds for evaluation and assessment projects will be made available for awards as part of several regular State Water Infrastructure Authority meetings during the year. The Division will establish application due dates for each funding cycle, which will be posted on the Division's website. Applications for evaluation and assessment projects can be submitted at any time. Complete and eligible applications received on or prior to an application due date will be considered for funding at the next scheduled SWIA meeting. Projects not selected for funding will be automatically reconsidered for the next funding cycle. Applications for evaluation and assessment projects will be funded from the reserve established for evaluation and assessment projects as described in Section 5.4.1.5.

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

5.3.1. Funding application and supporting information must be received by the application deadline to be considered for any given funding cycle.

5.3.2. After the Authority provides final project rank eligibilities, the CWSRF program will issue Letters of Intent to Fund (LOIF) based on the projects' prioritization and the amount of funds being made available in the cycle.

5.3.3. Within four months of the issuance of the LOIF, a complete Engineering Report / Environmental Information Document must be submitted to the CWSRF program.

5.3.4. Within nine months, the Engineering Report / Environmental Information Document must be approved.

5.3.5. 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. Complete Operations and Maintenance (O&M) Plan must be submitted.

5.3.6. Within 19 months, the plans/specifications and all required permits must be approved/issued.

5.3.7. Within 23 months, the following events/items must be completed/received:

- 5.3.7.1. Advertise the project for bids
- 5.3.7.2. Receive bids
- 5.3.7.3. Submit bid information to CWSRF staff
- 5.3.7.4. Obtain the Division's Authority to Award Construction Contracts.

5.3.8. Within 24 months, construction contracts must be executed.

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

If an Applicant desires CWSRF funding and the Applicant's project requires an Environmental Impact Statement (EIS), Division staff will manage the environmental review process. However, a funding application for the project will not be accepted in any funding cycle until a draft EIS has been sent to the State Clearinghouse (SCH). 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.

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5.4. Detailed Project Funding Criteria

5.4.1. General

5.4.1.1. To be eligible for CWSRF-EC funding, a project must be on the Intended Use Plan Project List and successfully claim points under line items 2.H.3 or 2.H.4.

5.4.1.2. Funding can be provided for any eligible projects (that address PFAS) as provided for in the Clean Water Act and NCGS 159G, including wastewater treatment facilities, collection systems, landfill leachate treatment, etc. that improve water quality.

5.4.1.3. Funding will be provided in priority order based on project score, Authority determination, and the amount of funds made available. Projects cannot be substantively changed once funding is allocated.

5.4.1.4. CWSRF-EC funds will be offered as 100% principal forgiveness.

5.4.1.5. Evaluation/Assessment Project Reserve: At least 50% of the CWSRF-EC funds available for projects will be reserved for projects to evaluate alternatives to address PFAS (i.e. pilot scale treatment studies, assessments and evaluations, etc.). If there are not enough eligible applications for evaluation projects to award at least 50% of the project funding by the Fall 2026 funding round, the remainder of this reserve will be made available to other CWSRF-EC eligible projects in priority order. Funding may bypass a higher priority project to satisfy the Evaluation/Assessment Project Reserve. Any such bypassing will be shown in the Intended Use Plan Project Priority List.

5.4.1.6. The maximum CWSRF-EC funding amount for evaluation/assessment projects will be established at $500,000 per applicant, starting on August 1, 2025. Previous funding awards for evaluation projects from FY2022 through FY2026 IIJA CWSRF-EC capitalization grants count towards this limit.

5.4.1.7. Division reserves the right to borrow from future capitalization grants to meet the demand as and when needed.

5.4.2. Principal Forgiveness

CWSRF-EC funding will be provided with 100% principal forgiveness for the entire FY2026 capitalization grant. Total amounts available for principal forgiveness is estimated in the Table Summary of Capitalization Grants.

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5.4.3. Miscellaneous Criteria/Provisions:

5.4.3.1. Davis-Bacon prevailing wage rates apply to loans as required by funding agreements/conditions.

5.4.3.2. American Iron and Steel provisions will apply to loans as required by Federal mandates.

5.4.3.3. Build America, Buy America requirements will apply to loans as required by US EPA and by Federal mandates.

5.4.3.4. Brooks Act requirements will be applied to projects in a dollar amount equal to the capitalization grant.

5.4.3.5. Funding conditions for projects with capital improvements will include the requirement to develop an Operations and Maintenance (O&M) Plan to plan for adequate long-term operations of the assets, including plans for covering the operating costs and technical capacity of staff to operate and maintain the assets.

5.4.3.6. Funding conditions will specify that project costs that are paid by an identified Responsible Party are not eligible for CWSRF-EC funds and will be refunded to the Department.

5.4.3.7. Approval of a repayable loan (not principal forgiveness) that may supplement a CWSRF-EC award 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 principal forgiveness loan.

5.4.3.8. A 2% fee is required. The fee cannot be financed by the CWSRF-EC fund.

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% of the amount of each payment received under the capitalization grant within one year after receipt of each payment.

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6.1.2. The State will expend all funds in the CWSRF-EC in an expeditious and timely manner.

6.1.3. The State will conduct environmental reviews of treatment works projects according to procedures set forth in its Operating Agreement between the State and US Environmental Protection Agency.

6.2. Federal Requirements

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

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

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

6.3. Transfer between CWSRF-EC and Drinking Water State Revolving Fund-EC

Transfer of funds between the CWSRF-EC and the IIJA Drinking Water State Revolving Fund Emerging Contaminants funding 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

The CWSRF program anticipates receiving and responding to the Program Evaluation Report (PER) for FY2025 funding in calendar year 2026, during and following the Annual Review. The Division participated in the EPA FY2024 Annual Review.

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 and attached Priority Rating System.

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 grant are shown in Appendix B and on EPA Form SF 424.

9.2. Fees (2% of the funding award) on funding from the grant 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 Resources and Water Infrastructure, including funding for positions.

9.3. 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.

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Appendix A

Draft - Intended Use Plan Project Priority List for IIJA CWSRF-EC Funds

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.

No funding has been awarded from the FY2026 capitalization grant at this time. Funding awards for FY2026 IIJA CWSRF-EC funding is anticipated to begin in April 2026 and end in February 2027, although that may be extended if not enough applications have been received to fully award the funds from the capitalization grant. The Project Priority List will be created and subjected to a public comment period after applications are received and awarded FY2026 IIJA CWSRF-EC funds pending receipt from US EPA.

This project priority list items the output/outcomes of the policies and procedures outlined in this Intended Use Plan.

FY2026 Capitalization Grant Applications and Awards (to be completed after April 2026)

Construction project applications will be accepted in Spring 2026 (through April 30, 2026) and Fall 2026 (through September 30, 2026) for IIJA CWSRF-EC funding. Evaluation/Assessment Study project applications are accepted year-round and will be awarded between April 2026 and February 2027. Projects will be awarded FY2026 funding starting in April 2026 and in various SWIA meetings to applications throughout 2026 and into 2027. The Intended Use Plan Project Priority List will be updated based on applications received and awarded FY2026 funding as a part of future funding cycles.

Funding tables below this line are awarded funding from previous capitalization grants (FY2022, FY2023, FY2024 and FY2025 capitalization grants). They are currently/were previously presented in previous public comment periods. Projects below are anticipated to be funded from the FY2022 – FY2025 capitalization grants. However, depending on the projects' timelines, IIJA CWSRF-EC disbursements to projects below may come from the FY2026 capitalization grant during the performance period of the FY2026 capitalization grant and hence are included in the FY2026 capitalization grant Intended Use Plan's Project Priority List to cover that possibility.

Spring 2025 Application Round for Construction Projects – SWIA awards in July 2025 (presented in March 13 – 30, 2026 public comment period)

The following applications were reviewed and awarded IIJA CWSRF-EC funding initially from the FY2024 IIJA CWSRF-EC capitalization grant ($1,140,040) and from the FY2025 IIJA CWSRF-EC capitalization grant ($1,710,782), pending receipt of federal funds.

Applicant Name	Project Name	Project Type	NPDES Permit Number	County	Total Funding Request	Notes	CWSRF-EC Funding	Priority Points	Estimated Binding Commitment
Cumberland County	Landfill Leachate PFAS Treatment	Construction	N/A	Cumberland	$10,074,782	Was previously partially funded $7,223,960; fully funded with $2,850,822	**$2,850,822**	24	Feb. 2026

Total funding requested: $10,074,782. Total funding awarded: $2,850,822.

Fall 2024 Application Round for Construction Projects – SWIA awards in February 2025 (presented in the Feb 28 - March 14, 2025 public comment period)

The following applications were reviewed and awarded IIJA CWSRF-EC funding initially from the FY2024 IIJA CWSRF-EC capitalization grants, pending receipt of federal funds. Depending on the projects' timelines, IIJA CWSRF-EC disbursements to projects may come from the FY2025 capitalization grant and hence are included in the FY2025 capitalization grant Intended Use Plan to cover that possibility.

Applicant Name	Project Name	Project Type	NPDES Permit Number	County	Total Funding Request	Notes	CWSRF-EC Funding	Priority Points	Estimated Binding Commitment
Cumberland County	Landfill Leachate PFAS Treatment	Construction	N/A	Cumberland	$16,035,799	Was previously partially funded $5,304,960; reconsidered and awarded additional funds, up to max available EC funding in this round.	**$1,919,000**	24	Feb. 2026

Total funding requested: $16,035,799, including reconsiderations. Total funding awarded: $1,919,000.

February 2025 Applications for Evaluation/Assessment Projects – SWIA awards in February 2025 (presented in the Feb 28 - March 14, 2025 public comment period)

Since July 2024, evaluation/assessment project applications are accepted year-round and presented to SWIA at their next meeting for funding awards from the Evaluation/Assessment Project Reserve. The following applications for Evaluation/Assessment projects were reviewed and awarded CWSRF-EC funding from the FY2024 IIJA CWSRF-EC capitalization grants, pending receipt of federal funds, in SWIA's February 2025 meeting. Depending on the projects' timelines, IIJA CWSRF-EC disbursements to projects may come from the FY2025 capitalization grant and hence are included in the FY2025 capitalization grant Intended Use Plan to cover that possibility.

Applicant Name	Project Name	Project Type	NPDES Permit Number	County	Total Funding Request	Notes	CWSRF-EC Funding	Priority Points	Estimated Binding Commitment
Cumberland County	Landfill Leachate PFAS Treatment PER	Evaluation/ Assessment Project	N/A	Cumberland	$500,000		**$500,000**	17	Feb. 2026

Total funding requested: $500,000. Total funding awarded: $500,000.

Fall 2023 Application Round – SWIA awards in February 2024 (presented in the May-June 2024 public comment period)

The following applications were reviewed and awarded IIJA CWSRF-EC funding initially from the FY2022, FY2023, and FY2024 IIJA CWSRF-EC capitalization grants, pending receipt of federal funds. Depending on the projects' timelines, IIJA CWSRF-EC disbursements to projects may come from the FY2025 capitalization grant and hence are included in the FY2025 capitalization grant Intended Use Plan to cover that possibility.

Applicant Name	Project Name	NPDES Permit Number	County	Notes	Total Funding Request	Notes	IIJA CWSRF-EC Principal Forgivenes s Funding	Priority Points	Estimated Binding Commitment
Cumberland County	Landfill Leachate Treatment and PFAS Removal	N/A	Cumberland		$16,035,799	Partially funded; eligible for reconsideration for additional funds	**$5,304,960**	37	Jan 2025
Lumberton, City of	PFAS Wastewater Treatment Plant		Robeson		$500,000	Evaluation/ Assessment Project	**$500,000**	24	Jan 2025
Total					**$15,803,886**		**$5,804,960**		

Total funding requested: $16,535,799. Total funding awarded: $5,804,960.

TOTALS

Cumulative awards to date = $11,074,782. This is split between FY2022 CWSRF-EC cap grant ($1,688,000), FY2023 CWSRF-EC cap grant ($3,838,000), FY2024 CWSRF-EC cap grant ($3,838,000), and FY2025 CWSRF-EC cap grant ($1,710,782 to date). FY2026 CWSRF-EC cap grant awards will be determined from Spring 2026 (July 2026 SWIA meeting) through Fall 2026 (February 2027 SWIA meeting). Additional funding rounds will be used as needed to fully obligate the funding assistance.

	FY2022 CWSRF-EC	FY2023 CWSRF-EC	FY2024 CWSRF-EC	FY2025 CWSRF-EC (through Feb. 2026 awards)	FY2026 CWSRF-EC	Total Over Five Cap Grants
Total Awarded	$1,688,000	$3,838,000	$3,838,000	$1,710,782	TBD	Will be determined on/after February 2027. To-date: $11,074,782.
Availability	$1,688,000	$3,838,000	$3,838,000	$3,838,000	$3,838,000	$17,040,000

Appendix B

2026 IIJA CWSRF-EC 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.

Payment Quarter	2026 DWSRF-EC Payment Amount
October 1, 2026 - December 31, 2026	
January 1, 2027 - March 31, 2027	
April 1, 2027 – June 30, 2027	
July 1, 2027 - September 30, 2027	
October 1, 2027 - December 31, 2027	
January 1, 2028 - March 31, 2028	
April 1, 2028 – June 30, 2028	$200,000
July 1, 2028 - September 30, 2028	
October 1, 2028 - December 31, 2028	
January 1, 2029 - March 31, 2029	
April 1, 2029 – June 30, 2029	$3,000,000
July 1, 2029 - September 30, 2029	
October 1, 2029 - December 31, 2029	$638,000
January 1, 2030 - March 31, 2030	
April 1, 2030 – June 30, 2030	
Total	**$3,838,000**

Appendix C

Proposed PRIORITY RATING SYSTEM for CWSRF-EC Projects

No changes are proposed from the Priority Rating System for EC projects that was finalized by the State Water Infrastructure Authority in April 2024 after a public comment period was completed between March 1 – April 1, 2024.

Proposed PRIORITY RATING SYSTEM for CWSRF-EC Projects Only			
Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.			
Line Item #	**Category 1 – Project Purpose (Points will be awarded for only one Project Purpose)**	**Claimed Yes/No**	**Points**
1.A-1.E	Reserved for other wastewater projects (not to be used for CWSRF-EC funds)		
1.F	Reserved for other programs		
1.G – 1.I	Reserved for other wastewater projects (not to be used for CWSRF-EC funds)		
1.J.1	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	At least 75% of the project costs are to address Emerging Contaminants (construction projects) **OR**		5
1.J.3	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
	Maximum points for Category 1 – Project Purpose		12
	Subtotal claimed for Category 1 – Project Purpose		
Line Item #	**Category 2 – Project Benefits**	**Claimed Yes/No**	**Points**
2.A – 2.B	Reserved for other programs		

Proposed PRIORITY RATING SYSTEM for CWSRF-EC Projects Only			
2.C – 2.F.1	Reserved for other wastewater projects (not to be used for CWSRF-EC funds)		
2.F.2	Project includes system regionalization and/or system partnerships		5
2.G – 2.H.2	Reserved for other programs		
2.H	Project addresses contamination		
2.H.3	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits **OR**		2
2.H.4	Project addresses PFAS exceeding proposed or promulgated MCL or Hazard Index		5
2.I	Reserved for other wastewater projects (not to be used for CWSRF-EC funds)		
2.J – 2.M	Reserved for other programs		
2.N – 2.R	Reserved for other wastewater projects (not to be used for CWSRF-EC funds)		
2.S-2.T	Reserved for other programs		
	Maximum points for Category 2 – Project Benefits		10
	Subtotal claimed for Category 2 – Project Benefits		
Line Item #	**Category 3 – System Management**	**Claimed Yes/No**	**Points**
3.A	Capital Planning Activities		
3.A.1	Applicant has implemented an Asset Management Plan as of the date of application **OR**		10

Proposed PRIORITY RATING SYSTEM for CWSRF-EC Projects Only			
3.A.2	Applicant has a current Capital Improvement Plan (CIP) that spans at least 10 years and proposed project is included in the plan		2
3.B	System Operating Ratio is greater than or equal to 1.00 based on a current audit, or is less than 1.00 and unit cost is greater than 2.5% of MHI		5
3.C – 3.F	Reserved for other programs		
	Maximum points for Category 3 – System Management		15
	Subtotal claimed for Category 3 – System Management		
Line Item #	**Category 4 – Affordability**	**Claimed Yes/No**	**Points**
4.A	Residential Connections		
4.A.1	Less than 10,000 residential connections **OR**		2
4.A.2	Less than 5,000 residential connections **OR**		4
4.A.3	Less than 1,000 residential connections		8
4.B	Current Monthly Combined Utility Rates at 5,000 Usage		
4.B.1	Greater than the 50th percentile **OR**		4
4.B.2	Greater than the 70th percentile **OR**		6
4.B.3	Greater than the 85th percentile **OR**		8
4.B.4	Greater than the 95th percentile		10
4.C	Local Government Unit (LGU) Indicators		
4.C.1	3 out of 5 LGU indicators worse than state benchmark **OR**		3
4.C.2	4 out of 5 LGU indicators worse than state benchmark **OR**		5

Proposed PRIORITY RATING SYSTEM for CWSRF-EC Projects Only			
4.C.3	5 out of 5 LGU indicators worse than state benchmark **OR**		7
4.C.4	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	

‡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.