

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER INFRASTRUCTURE**

**Proposed Priority Rating System Changes for Drinking Water and  
Wastewater Funding**

February 29, 2024

**Draft for Public Comment**

**Background**

The federal Clean Water Act and federal Safe Drinking Water Act provide states with the broad authority to implement and operate State Revolving Fund (SRF) loan programs, including project funding prioritization. North Carolina General Statute (G.S.) 159G-71 empowers the State Water Infrastructure Authority (SWIA) to establish priorities for making loans and grants consistent with federal law.

The US Environmental Protection Agency (USEPA) requires the Division of Water Infrastructure (Division) to update its Intended Use Plan (IUP) for the Clean Water SRF (CWSRF) and Drinking Water SRF (DWSRF) programs. Included within each program's IUP is the Priority Rating System (PRS), which establishes the points applied by Division staff when an application for funding is evaluated. The Division proposes the PRS to the USEPA each year in the IUP for each SRF (Drinking Water State Revolving Fund [DWSRF] and Clean Water State Revolving Fund [CWSRF]) and submits the IUPs to the USEPA as part of the capitalization grant applications.

These PRSs are currently applied to infrastructure construction projects funded by the following programs:

- State Revolving Funds
  - DWSRF
  - Bipartisan Infrastructure Law (BIL) DWSRF-Emerging Contaminants (these funds are exclusive to projects addressing PFAS)
  - CWSRF
  - Bipartisan Infrastructure Law (BIL) CWSRF-Emerging Contaminants (these funds are exclusive to projects addressing PFAS)
- State Reserve Program (Drinking Water and Wastewater)
- Viable Utility Reserve (Construction projects only)

A similar PRS is applied in the Community Development Block Grant-Infrastructure program.

The PRSs include four categories:

1. Category 1 – Project Purpose

2. Category 2 – Project Benefits
3. Category 3 – System Management
4. Category 4 – Affordability

The current PRSs provide a consistent and transparent methodology for prioritization that aligns with the Authority’s Master Plan and statutory requirements. The PRSs support applicants in their continued efforts toward long-term utility viability.

### **Proposed Changes to the Priority Rating Systems**

On February 20, 2024, the State Water Infrastructure Authority approved proposed changes to the Priority Rating System for public review. The proposed changes to the PRS include:

- Adjusting points assigned to addressing PFAS in order to rebalance the points scored between multiple high-priority project types. Projects addressing PFAS concurrently receive Project Purpose points (line items 1.J.1 – 1.J.3) and Project Benefits points (line items 2.H.3 – 2.H.4), usually scoring applications with a higher starting score than other equally important project types, such as replacing aging infrastructure or addressing other types of contamination. Since the State of North Carolina received Bipartisan Infrastructure Law funds that are exclusive to specifically addressing PFAS projects, the PRS line items addressing PFAS (1.J.1 – 1.J.3 and 2.H.3 – 2.H.4) are proposed to be brought closer, on the aggregate, to points scored for other types of high priority projects when being considered for funding that is not exclusive to addressing PFAS.
- Replacing the combined water and wastewater rates thresholds in line items 4.B.1 – 4.B.4 from dollar values (which have not changed since 2020) to percentiles of rates charged across the state. The percentiles will be included in application materials to indicate to applicants which line item their utility’s current water/wastewater rates would qualify for, compared to rates charged across the state.

In addition, on September 19, 2023, the State Water Infrastructure Authority approved two changes related to the applicability of the Priority Rating Systems for local government units under the fiscal control of the Local Government Commission. The Local Government Commission approved the same changes on February 5, 2024 as they pertain to evaluating applications for Viable Utility Reserve funds. The changes are:

- Allow local government units designated as distressed under Identification Criterion 1 (i.e., under the fiscal control of the Local Government Commission) to be eligible for line items 2.B.1 or 2.C.1 points in the PRS if the project will specifically address infrastructure, organizational, and financial issues that would improve the viability of the utility. Applicants would be required to participate in a pre-application meeting with Division and Commission staff.

- Allow applicants to claim the maximum number of Category 4: Affordability points (i.e., currently a maximum of 25) if the local government unit under the Local Government Commission’s fiscal control had received an Emergency Operating Grant under G.S. 159G-34.5 in the current or prior fiscal year.

The proposed revised PRS for the Drinking Water construction projects and the proposed revised PRS for the Wastewater construction projects are attached below, with changes shown in **red font** in line items 1.J.1 – 1.J.2, 2.H.3 – 2.H.4, and 4.B.1 – 4.B.4, and in the footnotes. No other changes are proposed.

## Proposed PRS for Drinking Water Projects

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Drinking Water Projects</b>				
<p><b>Instructions:</b> For each line item, <u>mark "X" to claim the points for that line item</u>. 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.</p>				
Line Item #	EC Line Item †	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
<b>1.A</b>		Project will consolidate a nonviable drinking water or wastewater utility		25
<b>1.B</b>		Project will resolve failed or failing infrastructure issues		22
<b>1.C</b>		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, <b>OR</b> lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old <b>OR</b> lead service lines		8
<b>1.D</b>		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, <b>OR</b> lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		8
<b>1.E</b>		Project will provide service to disadvantaged areas		20
<b>1.F – 1.I</b>		Reserved for other programs		
<b>1.J</b>		Project addresses PFAS emerging contaminants		

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Drinking Water Projects</b>				
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 <b>OR</b>		<del>20</del> 12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) <b>OR</b>		<del>15</del> 5
1.J.3	EC	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
<b>Maximum points for Category 1 – Project Purpose</b>				25
<b>Subtotal claimed for Category 1 – Project Purpose</b>				
Line Item #	EC Line Item +	Category 2 – Project Benefits	Claimed Yes/No	Points
<b>2.A</b>		Reserved for other programs		
<b>2.B</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
<b>2.C</b>		Reserved for other programs		
<b>2.D</b>		Project addresses promulgated but not yet effective regulations		10
<b>2.E</b>		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, <b>OR</b>		5
2.E.2		Project directly resolves a Notice of Violation or Notice of Deficiency		3
<b>2.F</b>		Project includes system merger or regionalization		
2.F.1		Project includes system merger <b>OR</b>		10
2.F.2	EC	Project includes system regionalization and/or system partnerships		5

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Drinking Water Projects</b>				
<b>2.G</b>		Project addresses documented low pressure		10
<b>2.H</b>		Project addresses contamination		
2.H.1		Project addresses acute contamination of a water supply source <b>OR</b>		<del>15</del> 10
2.H.2		Project addresses contamination of a water supply source other than acute <b>OR</b>		<del>10</del> 5
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits <b>OR</b>		<del>5</del> 2
2.H.4	EC	Project addresses PFAS exceeding proposed MCL or Hazard Index		<del>10</del> 5
<b>2.I</b>		Project improves treated water quality by adding or upgrading a unit process		3
<b>2.J</b>		Water loss in system to be rehabilitated or replaced is 30% or greater		3
<b>2.K</b>		Project provides a public water system interconnection		
2.K.1		Project creates a new interconnection between systems not previously interconnected <b>OR</b>		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 <b>OR</b>		10
2.K.3		Project creates any other type of interconnection between systems		5
<b>2.L – 2.M</b>		Reserved for other programs		
<b>2.N</b>		Project provides resiliency for critical system functions		
2.N.1		Project relocates infrastructure from inside the 100-year floodplain to outside the 500-year floodplain <b>OR</b>		8
2.N.2		Project relocates infrastructure from inside the 100-year floodplain to outside the 100-year floodplain <b>OR</b>		5

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Drinking Water Projects</b>				
2.N.3		Project relocates infrastructure from between the 100-year and 500-year floodplains to outside a 500-year floodplain <b>OR</b>		3
2.N.4		Project fortifies or elevates infrastructure within floodplain, <b>OR</b>		4
2.N.5		Project improves ability to assure continued operation during flood events <b>OR</b>		4
2.N.6		Project downsizes infrastructure related to buyouts <b>OR</b>		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
<b>2.O – 2.S</b>		Reserved for other programs		
<b>Maximum points for Category 2 – Project Benefits</b>				<b>35</b>
<b>Subtotal claimed for Category 2 – Project Benefits</b>				
<b>Line Item #</b>	<b>EC Line Item †</b>	<b>Category 3 – System Management</b>	<b>Claimed Yes/No</b>	<b>Points</b>
<b>3.A</b>		Capital Planning Activities		
3.A.1	EC	Applicant has implemented an Asset Management Plan as of the date of application <b>OR</b>		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
<b>3.B</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
<b>3.C</b>		Applicant has an approved Source Water Protection Plan and/or a Wellhead Protection Plan		5
<b>3.D</b>		Applicant has implemented a water loss reduction program		5

DRAFT 2024 PRIORITY RATING SYSTEM for Drinking Water Projects				
3.E		Applicant has implemented a water conservation incentive rate structure		3
<b>Maximum points for Category 3 – System Management</b>				15
<b>Subtotal claimed for Category 3 – System Management</b>				
Line Item #	EC Line Item †	Category 4 – Affordability	Claimed Yes/No	Points
<b>4.A</b>		Residential Connections		
4.A.1	EC	Less than 10,000 residential connections <b>OR</b>		2
4.A.2	EC	Less than 5,000 residential connections <b>OR</b>		4
4.A.3	EC	Less than 1,000 residential connections		8
<b>4.B</b>		Current Monthly Combined Utility Rates at 5,000 Usage		
4.B.1	EC	Greater than <del>\$79</del> the 50 <sup>th</sup> percentile <b>OR</b>		4
4.B.2	EC	Greater than <del>\$90</del> the 70 <sup>th</sup> percentile <b>OR</b>		6
4.B.3	EC	Greater than <del>\$107</del> the 85 <sup>th</sup> percentile <b>OR</b>		8
4.B.4	EC	Greater than <del>\$129</del> the 95 <sup>th</sup> percentile		10
<b>4.C</b>		Local Government Unit (LGU) Indicators		
4.C.1	EC	3 out of 5 LGU indicators worse than state benchmark <b>OR</b>		3
4.C.2	EC	4 out of 5 LGU indicators worse than state benchmark <b>OR</b>		5
4.C.3	EC	5 out of 5 LGU indicators worse than state benchmark <b>OR</b>		7
4.C.4	EC	Project benefits disadvantaged areas		5
<b>4.D – 4.G</b>		Reserved for other programs		
<b>Maximum points for Category 4 – Affordability</b>				25
<b>Subtotal claimed for Category 4 – Affordability<sup>†</sup></b>				
<b>Total of Points for All Categories</b>				

† 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.

**Proposed PRS for BIL Drinking Water SRF – Emerging Contaminants (PFAS) Projects**

<b>Draft 2024 PRIORITY RATING SYSTEM for DWSRF-EC Projects Only</b>			
<p><u>Instructions:</u> For each line item, <u>mark “X” to claim the points for that line item.</u> 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.</p>			
Line Item #	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A – 1.E	Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
1.F – 1.I	Reserved for other programs		
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 <b>OR</b>		<del>20</del> 12
1.J.2	At least 75% of the project costs are to address Emerging Contaminants (construction projects) <b>OR</b>		<del>15</del> 5
1.J.3	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
<b>Maximum points for Category 1 – Project Purpose</b>			20
<b>Subtotal claimed for Category 1 – Project Purpose</b>			
Line Item #	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A- 2.F.1	Reserved for other programs		
2.F.2	Project includes system regionalization and/or system partnerships		5
2.G	Reserved for other drinking water projects		
2.H	Project addresses contamination		

Draft 2024 PRIORITY RATING SYSTEM for DWSRF-EC Projects Only			
2.H.1 – 2.H.2	Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
2.H.3	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits <b>OR</b>		5 2
2.H.4	Project addresses PFAS exceeding proposed MCL or Hazard Index		<del>10</del> 5
2.I – 2.S	Reserved for other programs		
<b>Maximum points for Category 2 – Project Benefits</b>			15
<b>Subtotal claimed for Category 2 – Project Benefits</b>			
Line Item #	Category 3 – System Management	Claimed Yes/No	Points
<b>3.A</b>	Capital Planning Activities		
3.A.1	Applicant has implemented an Asset Management Plan as of the date of application <b>OR</b>		10
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
<b>3.B</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
<b>3.C – 3.E</b>	Reserved for other programs		
<b>Maximum points for Category 3 – System Management</b>			15
<b>Subtotal claimed for Category 3 – System Management</b>			
Line Item #	Category 4 – Affordability	Claimed Yes/No	Points
<b>4.A</b>	Residential Connections		
4.A.1	Less than 10,000 residential connections <b>OR</b>		2
4.A.2	Less than 5,000 residential connections <b>OR</b>		4
4.A.3	Less than 1,000 residential connections		8

<b>Draft 2024 PRIORITY RATING SYSTEM for DWSRF-EC Projects Only</b>			
<b>4.B</b>	Current Monthly Combined Utility Rates at 5,000 Usage		
4.B.1	Greater than <del>\$79</del> the 50 <sup>th</sup> percentile <b>OR</b>		4
4.B.2	Greater than <del>\$90</del> the 70 <sup>th</sup> percentile <b>OR</b>		6
4.B.3	Greater than <del>\$107</del> the 85 <sup>th</sup> percentile <b>OR</b>		8
4.B.4	Greater than <del>\$129</del> the 95 <sup>th</sup> percentile		10
<b>4.C</b>	Local Government Unit (LGU) Indicators		
4.C.1	3 out of 5 LGU indicators worse than state benchmark <b>OR</b>		3
4.C.2	4 out of 5 LGU indicators worse than state benchmark <b>OR</b>		5
4.C.3	5 out of 5 LGU indicators worse than state benchmark <b>OR</b>		7
4.C.4	Project benefits disadvantaged areas		5
<b>4.D – 4.G</b>	Reserved for other programs		
<b>Maximum points for Category 4 – Affordability</b>			25
<b>Subtotal claimed for Category 4 – Affordability<sup>‡</sup></b>			
<b>Total of Points for All Categories</b>			

<sup>‡</sup> 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.

## Proposed PRS for Wastewater Projects

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Wastewater Projects</b>				
<p><b>Instructions:</b> 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.</p>				
Line Item #	EC Line Item †	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
<b>1.A</b>		Project will consolidate a nonviable drinking water or wastewater utility		25
<b>1.B</b>		Project will resolve failed or failing infrastructure issues		20
<b>1.C</b>		Project will rehabilitate or replace infrastructure, including replacement by a regionalization project		12
1.C.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, <b>OR</b> lines, or tanks to be rehabilitated or replaced are greater than 40 years old		8
<b>1.D</b>		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, <b>OR</b> lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		8
<b>1.E</b>		Project will provide service to disadvantaged areas		20
<b>1.F</b>		Reserved for other programs		
<b>1.G</b>		Project will provide stream/wetland/buffer restoration		10
1.G.1		Restoration project that includes restoration of a first order stream and includes stormwater infiltration SCMs		5
1.G.2		Restoration project that includes restoration and/or protection of riparian buffers to at least 30 feet on both sides of the stream		5
<b>1.H</b>		Project will provide SCMs to treat existing sources of pollution		10

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Wastewater Projects</b>				
1.H.1		Project that includes SCMs in series that achieve at least 35% nutrient reduction (both TN and TP) and 85% TSS reduction		10
1.I		Project will provide reclaimed water/usage or rainwater harvesting/usage		10
1.J		Project addresses PFAS emerging contaminants		
1.J.1	EC	Sole purpose of the project is to address Emerging contaminants (Construction projects). 100% of the costs are associated with this purpose <b>OR</b>		<del>20</del> 12
1.J.2	EC	At least 75% of the project is to address Emerging contaminants (Construction projects) <b>OR</b>		<del>15</del> 5
1.J.3	EC	Sole purpose of the project is to evaluate alternatives to address emerging contaminants (may include pilot scale treatment study)		5
<b>Maximum points for Category 1 – Project Purpose</b>				25
<b>Subtotal claimed for Category 1 – Project Purpose</b>				
Line Item #	EC Line Item †	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.B		Reserved for other programs		
2.C		Project provides a specific environmental benefit		
2.C.1		Project replaces or repairs certain sewer lines, eliminates failed onsite wastewater system or non-discharge system, or resolves managerial, technical & financial issues		15
2.C.2		Project eliminates malfunctioning onsite wastewater systems		10
2.D		Project addresses promulgated but not yet effective regulations		10
2.E		Project directly addresses enforcement documents		
2.E.1		Project directly addresses an EPA Administrative Order for a local government Applicant located in a Tier 1 county, or addresses an existing or pending SOC, or a DEQ Administrative Order, <b>OR</b>		5

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Wastewater Projects</b>				
2.E.2		Project directly resolves a Notice of Violation or Notice of Deficiency		3
<b>2.F</b>		Project includes system merger or regionalization		
2.F.1		Project includes system merger <b>OR</b>		10
2.F.2	EC	Project includes system regionalization and/or system partnerships		5
<b>2.G – 2.H.2</b>		Reserved for other programs		
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits <b>OR</b>		<del>5</del> 2
2.H.4	EC	Project addresses PFAS exceeding proposed MCL or Hazard Index		<del>10</del> 5
<b>2.I</b>		Project improves treated water quality by adding or upgrading a unit process		3
<b>2.J – 2.M</b>		Reserved for other programs		
<b>2.N</b>		Project provides resiliency for critical system functions		
2.N.1		Project relocates infrastructure from inside 100-year floodplain to outside 500-year floodplain <b>OR</b>		8
2.N.2		Project relocates infrastructure out of a 100-year floodplain <b>OR</b>		5
2.N.3		Project relocates infrastructure from between the 100-year and 500-year floodplains to outside the 500-year floodplain <b>OR</b>		3
2.N.4		Project fortifies or elevates infrastructure within floodplain <b>OR</b>		4
2.N.5		Project improves ability to assure continued operation during flood events <b>OR</b>		4
2.N.6		Project reduces the size of infrastructure as a result of a buyout or other abrupt loss of population <b>OR</b>		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

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Wastewater Projects</b>				
<b>2.O</b>		Project <u>directly benefits</u> subwatersheds that are impaired as noted on the most recent version of the Integrated Report		20
<b>2.P</b>		Project <u>directly benefits</u> specific classified waters		10
<b>2.Q</b>		Project will result in elimination of an NPDES discharge		3
<b>2.R</b>		Primary purpose of the project is to achieve at least 20% reduction in energy use		5
<b>2.S</b>		Reserved for other programs		
<b>Maximum points for Category 2 – Project Benefits</b>				35
<b>Subtotal claimed for Category 2 – Project Benefits</b>				
<b>Line Item #</b>	<b>EC Line Item †</b>	<b>Category 3 – System Management</b>	<b>Claimed Yes/No</b>	<b>Points</b>
<b>3.A</b>		Capital Planning Activities		
3.A.1	EC	Applicant has implemented an Asset Management Plan as of the date of application <b>OR</b>		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
<b>3.B</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
<b>3.C – 3.E</b>		Reserved for other programs		
<b>Maximum points for Category 3 – System Management</b>				15
<b>Subtotal claimed for Category 3 – System Management</b>				
<b>Line Item #</b>	<b>EC Line Item †</b>	<b>Category 4 – Affordability</b>	<b>Claimed Yes/No</b>	<b>Points</b>
<b>4.A</b>		Residential Connections		
4.A.1	EC	Less than 10,000 residential connections <b>OR</b>		2
4.A.2	EC	Less than 5,000 residential connections <b>OR</b>		4
4.A.3	EC	Less than 1,000 residential connections		8
<b>4.B</b>		Current Monthly Combined Utility Rates at 5,000 Usage		

<b>DRAFT 2024 PRIORITY RATING SYSTEM for Wastewater Projects</b>				
4.B.1	EC	Greater than <del>\$79</del> the 50 <sup>th</sup> percentile <b>OR</b>		4
4.B.2	EC	Greater than <del>\$90</del> the 70 <sup>th</sup> percentile <b>OR</b>		6
4.B.3	EC	Greater than <del>\$107</del> the 85 <sup>th</sup> percentile <b>OR</b>		8
4.B.4	EC	Greater than <del>\$129</del> the 95 <sup>th</sup> percentile		10
<b>4.C</b>		Local Government Unit (LGU) Indicators		
4.C.1	EC	3 out of 5 LGU indicators worse than state benchmark <b>OR</b>		3
4.C.2	EC	4 out of 5 LGU indicators worse than state benchmark <b>OR</b>		5
4.C.3	EC	5 out of 5 LGU indicators worse than state benchmark <b>OR</b>		7
4.C.4	EC	Project benefits disadvantaged areas		5
<b>4.D – 4.G</b>		Reserved for other programs		
<b>Maximum points for Category 4 – Affordability</b>				25
<b>Subtotal claimed for Category 4 – Affordability<sup>±</sup></b>				
<b>Total of Points for All Categories</b>				

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

<sup>±</sup> 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.

**Proposed PRS for BIL Clean Water SRF – Emerging Contaminants (PFAS) Projects**

<b>Draft 2024 PRIORITY RATING SYSTEM for CWSRF-EC Projects Only</b>			
<p><u>Instructions:</u> For each line item, <u>mark "X" to claim the points for that line item.</u> 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.</p>			
Line Item #	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> 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 <b>OR</b>		<del>20</del> 12
1.J.2	At least 75% of the project costs are to address Emerging Contaminants (construction projects) <b>OR</b>		<del>15</del> 5
1.J.3	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
<b>Maximum points for Category 1 – Project Purpose</b>			20
<b>Subtotal claimed for Category 1 – Project Purpose</b>			
Line Item #	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.B	Reserved for other programs		
2.C – 2.F.1	Reserved for other wastewater projects (not to be used for CWSRF-EC funds)		

<b>Draft 2024 PRIORITY RATING SYSTEM for CWSRF-EC Projects Only</b>			
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 <sup>1</sup>		
2.H.3	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits <b>OR</b>		<del>5</del> 2
2.H.4	Project addresses PFAS exceeding proposed MCL or Hazard Index		<del>10</del> 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	Reserved for other programs		
<b>Maximum points for Category 2 – Project Benefits</b>			15
<b>Subtotal claimed for Category 2 – Project Benefits</b>			
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 <b>OR</b>		10
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

<b>Draft 2024 PRIORITY RATING SYSTEM for CWSRF-EC Projects Only</b>			
<b>3.B</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
<b>3.C – 3.E</b>	Reserved for other programs		
<b>Maximum points for Category 3 – System Management</b>			15
<b>Subtotal claimed for Category 3 – System Management</b>			
<b>Line Item #</b>	<b>Category 4 – Affordability</b>	<b>Claimed Yes/No</b>	<b>Points</b>
<b>4.A</b>	Residential Connections		
4.A.1	Less than 10,000 residential connections <b>OR</b>		2
4.A.2	Less than 5,000 residential connections <b>OR</b>		4
4.A.3	Less than 1,000 residential connections		8
<b>4.B</b>	Current Monthly Combined Utility Rates at 5,000 Usage		
4.B.1	Greater than <del>\$79</del> the 50 <sup>th</sup> percentile <b>OR</b>		4
4.B.2	Greater than <del>\$90</del> the 70 <sup>th</sup> percentile <b>OR</b>		6
4.B.3	Greater than <del>\$107</del> the 85 <sup>th</sup> percentile <b>OR</b>		8
4.B.4	Greater than <del>\$129</del> the 95 <sup>th</sup> percentile		10
<b>4.C</b>	Local Government Unit (LGU) Indicators		
4.C.1	3 out of 5 LGU indicators worse than state benchmark <b>OR</b>		3
4.C.2	4 out of 5 LGU indicators worse than state benchmark <b>OR</b>		5
4.C.3	5 out of 5 LGU indicators worse than state benchmark <b>OR</b>		7

<b>Draft 2024 PRIORITY RATING SYSTEM for CWSRF-EC Projects Only</b>			
4.C.4	Project benefits disadvantaged areas		5
<b>4.D – 4.G</b>	Reserved for other programs		
<b>Maximum points for Category 4 – Affordability</b>			25
<b>Subtotal claimed for Category 4 – Affordability<sup>±</sup></b>			
<b>Total of Points for All Categories</b>			

<sup>±</sup> 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.