

Division of Water Infrastructure Funding Program Highlights

Last updated: February 2025

Application deadline is 5:00 p.m. on Wednesday, April 30, 2025. Applications may be submitted at: https://edocs.deq.nc.gov/Forms/Spring2025FundingApplication

Clean Water State Revolving Fund (CWSRF)

What types of projects can this program fund?

This program can fund construction projects related to wastewater treatment, wastewater collection, reclaimed water, stormwater control measures (SCMs), stream restoration, and energy efficiency projects. These projects may be funded by low-interest loans or Principal Forgiveness (PF).

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc.

How much funding is available this round?

Division staff anticipate having approximately \$90 million available, including \$13 million in PF.

What types of targeted funding are available?

The Division offers PF based upon the grant/PF percentage calculated by the Affordability Criteria (see Affordability Calculator under the Application Forms tab of the website), or if a project documents that it provides a direct benefit to a disadvantaged area. The PF portion of a SRF loan does not have to be repaid.

What are the interest rates related to the CWSRF?

Interest rates are ½ market rate of the 20-year Bond Index. At this time, the base interest rate is approximately 2%. The interest rate will be set when the Local Government Commission approves the loan and will be the lower of the interest rates determined at either the application due date, or at the time of LGC approval.

For projects that are eligible for 75% or 100% PF, any repayable portion of the loan will have a 0% interest rate. For loans that are eligible for 50% or 25% PF, any repayable portion of the loan will have an interest rate of 1% less than the half-market rate (e.g., approximately 1%).

All projects funded under the CWSRF Green Project Reserve will have an interest rate of 1% less than the half-market rate (e.g., approximately 1%).

What are the funding limits for my LGU?

Per application round, LGUs are limited to \$35 million.

Overall, any LGU may carry a total of approximately \$200 million in CWSRF debt.



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Drinking Water State Revolving Fund (DWSRF)

What types of projects can this program fund?

This program can fund construction projects related to drinking water sources, drinking water treatment, and drinking water transmission, distribution, and storage. These projects may be funded by low-interest loans or Principal Forgiveness (PF).

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply.

How much funding is available this round?

Division staff anticipate having approximately \$50 million available, including \$18 million in PF.

What types of targeted funding are available?

The Division offers PF based upon the grant/PF percentage calculated by the Affordability Criteria (see Affordability Calculator under the Application Forms tab of the website), or if a project documents that it provides a direct benefit to a disadvantaged area. The PF portion of a SRF loan does not have to be repaid.

What are the interest rates related to the DWSRF?

Interest rates are ½ market rate of the 20-year Bond Index. At this time, the base interest rate is approximately 2%. The interest rate will be set when the Local Government Commission approves the loan and will be the lower of the interest rates determined at either the application due date, or at the date of LGC approval.

For projects that are eligible for 75% or 100% PF, any repayable portion of the loan will have a 0% interest rate. For loans that are eligible for 50% or 25% PF, any repayable portion of the loan will have an interest rate of 1% less than the half-market rate (e.g., approximately 1%).

What are the funding limits for my LGU?

Per application round, LGUs are limited to \$25 million.

Overall, any LGU may carry a total of approximately \$200 million in DWSRF debt.



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Infrastructure Investment and Jobs Act Emerging Contaminants Funds for Construction (DWSRF-EC-C, CWSRF-EC-C)

What types of projects can this program fund?

This program can fund construction projects addressing any Per and Polyfluoroalkyl Substances (PFAS) in water or wastewater systems.

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply for DWSRF-EC-C.

How much funding is available this round?

- Approximately \$10 million for DWSRF-EC-C construction projects
- Approximately \$2 million for CWSRF-EC-C construction projects

What about EC study grant funding?

DWSRF-EC-C and CWSRF-EC-C funds for EC planning studies are available on a rolling basis and use a rolling application form.

What are the interest rates related to the DWSRF and CWSRF?

All DWSRF-EC-C and CWSRF-EC-C funds will be 100% PF and will not have a repayable loan portion of the funds.

What are the funding limits for my LGU?

- \$5 million for DWSRF-EC-C construction projects per applicant per year
- No funding limits for CWSRF-EC-C construction projects per applicant per year

What other information should I know about the EC funds?

- Projects seeking DWSRF-EC-C and CWSRF-EC-C construction funds must use the same common application and applicable priority rating systems (DW/CW PRSs).
- Claim applicable SRF-EC-C eligible priority rating line items and all other eligible line items.
- EC-eligible projects will be considered for regular DWSRF and CWSRF funds.
- EC-C applications will have two prioritization scores (one score for EC funds only and another score for base funds).



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The application deadline is a rolling deadline. Applications will be reviewed on a rolling basis by the State Water Infrastructure Authority (SWIA). Submit Applications at <u>https://edocs.deg.nc.gov/Forms/ApplicationsForLSLRandEC-S</u> Infrastructure Investment and Jobs Act Emerging Contaminants Funds for Planning Studies (DWSRF-EC-S, CWSRF-EC-S)

What types of projects can this program fund?

This program can fund planning and study projects addressing any Per and Polyfluoroalkyl Substances (PFAS) in water or wastewater systems. Pre-construction activities, including planning, alternative analysis, design, and pilot or bench-scale testing of treatment alternatives are examples of projects eligible for funding.

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply for DWSRF-EC-S.

How much funding is available this year?

- Approximately \$10.1 million for DWSRF-EC planning and study projects during FY 2024-2025
- Approximately \$1.64 million for CWSRF-EC planning and study projects during FY 2024-2025 ٠

What about EC study grant funding?

DWSRF-EC-S and CWSRF-EC-S funds for planning studies are available on a rolling basis and use a rolling application form. Application due dates are available in the chart below.

Expected Funding Round DWSRF-LSLR and DWSRF-EC Study Grant, Fall 2024 and Winter 2025		
Application Due date	SWIA Meeting (Award date)	
Mar. 3, 2025	Apr. 16-17, 2025	
June 2, 2025*	July 16, 2025*	
*Dates subject to change		

What are the interest rates related to the DWSRF and CWSRF?

All DWSRF-EC and CWSRF-EC planning and study funds will be 100% PF and will not have a repayable loan portion of the funds.

What are the funding limits for my LGU?

- \$500,000 for DWSRF-EC planning and study projects per applicant per round
- \$500,000 for CWSRF-EC planning and study projects per applicant per round

What other information should I know about the EC funds?

Projects seeking DWSRF-EC-S and CWSRF-EC-S planning and study funds must use the same rolling application and applicable priority rating systems (DW/CW PRSs) available at the Division's Application Forms and Additional Resources page.



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The application deadline is a rolling deadline. Applications will be reviewed on a rolling basis by the State Water Infrastructure Authority (SWIA). Submit applications at https://edocs.deg.nc.gov/Forms/ApplicationsForLSLRandEC-S

Infrastructure Investment and Jobs Act – Drinking Water State Revolving Fund Lead Service Line Replacement (DWSRF-LSLR)

What types of projects can this program fund?

This program can fund drinking water construction projects related to replacing lead service lines from the house to the water main on the street. Projects that can be funded include lead service line replacement (LSLR), lead service line find-and-replace projects, and lead service line inventories, especially to comply with the Lead and Copper Rule Revisions that are due by October 16, 2024. DWSRF-LSLR funds may also be awarded after the October 16, 2024 deadline to fund activities above and beyond the required minimum compliance activities.

Who can apply for this funding?

Any local government unit (LGU) may apply for this funding. LGUs include counties, cities, towns, sanitary districts, water and sewer authorities, etc. Non-profit Water Corporations and Investor-Owned Drinking Water Corporations may also apply.

When are applications due?

While Division of Water Infrastructure staff take applications for LSLR projects year-round, applications inhouse at the due dates listed in the table below will go before the State Water Infrastructure Authority at the dates listed.

Expected Funding Round DWSRF-LSLR and DWSRF-EC Study Grant, Fall 2024, Winter 2025	
Application Due date	SWIA Meeting
	(Award date)
Mar. 3, 2025	Apr. 16-17, 2024
June 2, 2025*	July 16, 2025*
*Dates subject to change	

How much funding is available this round?

Division staff are accepting applications on a rolling basis. For FY 2024, Division staff have \$12.9 million available for funding the LSLR program, including \$9.4 million in Principal Forgiveness (PF). 50% of the awarded funds each round will be reserved for inventory projects.

What types of targeted funding are available?

The Division offers PF based upon the grant/PF percentage calculated by the Affordability Criteria (see Affordability Calculator under the Application Forms tab of the website), or if a project documents that it provides a direct benefit to a disadvantaged area. The principal forgiveness portion of a SRF loan does not have to be repaid.

What are the interest rates related to the LSLR?

Interest rates are set at 0% for loans awarded from the LSLR program.

What are the funding limits for my LGU?

- \$5 million per round for replacing known LSLs
- \$2 million per round for verifying and replacing LSLs

 Cap of \$1 million of budget for inventory/verification of materials
- \$1 million per round for inventory/verification of materials