

Scope of Work Guidelines

Decentralized Wastewater Treatment Systems (DWTS) (Septic Systems)

Last updated July 2026

Clean Water State
Revolving Fund (CWSRF)
Helene Decentralized
Funding



Overview of This Guide

This Scope of Work (SOW) guide is intended to support the Clean Water State Revolving Fund (CWSRF) Hurricane Helene Decentralized Funding awardees in developing a SOW proposal that is compliant with CWSRF Hurricane Helene Decentralized Funding regulations. Each major section provides guidance for its related component in the SOW document prepared by each awardee and submitted to the North Carolina Department of Environmental Quality (DEQ), Division of Water Infrastructure (DWI) for review.

DWI started hosting weekly scope development meetings on Wednesday, June 10, 2026, at 10 a.m. These will continue throughout the summer. Awardees are encouraged to attend, ask questions, share draft text for review, and receive other technical assistance (TA) either at these meetings or by setting up an individual meeting with Rich Holder, Program Manager, at 828-296-4593 or rich.holder@deq.nc.gov.

The SOW submission should include, in a single PDF, the following components:

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Budget

Although projected budgets may be difficult to estimate due to the nature of decentralized wastewater treatment system (DWTS) (septic system) programs, which involve many properties and contractors, projected annual program expenditures should be estimated and provided in the project budget. The SOW submission should include:

- All expected administrative and staffing costs.
- Funding set aside for any professional services and subaward contracts, such as attorneys, soil scientists, grading companies, engineers, surveyors, and any other expected expenditures outside the installer contract.
- Estimated annual repair costs, based on estimates as presented in the application.
- Estimated properties served per year.
- Any other financial information.

These budgets are not considered final. Please provide the best estimates your agency can create and the justifications used for the estimates.

Timeline

The SOW submission should include an outline of major milestones and deliverables in your projected program design. These should include the following Letter of Intent to Fund (LOIF) requirements:

- SOW submission before 9/1/2026.
- Authority to Award submission before 2/1/2027.
- All contracts executed and all funds expended within five years of funding offer date or 12/31/2031, whichever comes first.

Program Staffing and Capacity

The SOW submission should include:

- A summary of how your agency will staff and provide resources for the project, including a description of any administrative or staffing costs that are listed in the budget section.
- A short description of staff qualifications and program capacity.
- If you are partnering with other agencies, formally or informally, provide the name of each partner, their expected role in the project, and contact information for the point of contact working with your agency.

Program Design, Management, and Compliance

The sections below outline the elements required to complete each step of the DWTS repair process in compliance with the CWSRF Hurricane Helene Decentralized Funding award regulations.

In the SOW submission, awardees should describe how their program design will ensure that requirements are met when working with contractors, subcontractors, property owners, and other program partners. The awardee should describe in the SOW how they plan to address each of the elements below. Awardees should explain how they will conduct recordkeeping for each project to guarantee project records and documentation will be verifiable when submitting invoices and claim requests (requests for reimbursement).

Application Process

Awardees should submit all property addresses to DWI using DEQ's templates and upload forms when provided. DWI will crosscheck addresses with Community Development Block Grant – Disaster Recovery Single Family Housing (CDBG - DR SFH) septic repair funding as part of the eligibility screening.

In addition, work on each property will require awardees to:

- Secure and/or obtain a copy of the construction permits.
 - If the property requires a septic permit, submit one of the following:
 - Construction Authorization (CA) Permit from the Local Health Department/District (LHD)
 - Notice of Intent to Construct (NOI) from an Authorized Onsite Wastewater Evaluator (AOWE)
 - NOI for an Engineered Option Permit (EOP)
 - If the property requires a discharge permit, submit:
 - DEQ Division of Water Resources (DWR) National Pollutant Discharge Elimination System (NPDES) Permit Authorization to Construct (ATC)
 - If the property requires spray irrigation or surface drip, submit:
 - DEQ DWR Spray Irrigation or Surface Drip Permit ATC
- Determine whether the system was affected by Hurricane Helene.
 - If yes, gather documentation (photos, insurance forms, other documentation to verify Helene damage, including documents from the property owner).
- Obtain signed Property Owner Consent Form.
- Obtain signed Property Owner Operations and Maintenance Manual/Agreement.

Awardees should collect relevant information from property owners at the time of application.

Contractor Procurement and Selection

Please refer to the Procurement Guidance for additional information on how to administer a qualified vendor pool and regulations governing other types of procurements.

Awardees are required to submit a bid certification form attesting that:

- Bids or Requests for Qualifications (RFQs) were posted for the required amount of time.
- Qualifications were received in sufficient number to create a pool of contractors.
- Contractors received training and signed an agreement to meet CWSRF Hurricane Helene Decentralized Funding requirements.

- Installers confirmed and provided a copy of their Certification with North Carolina Onsite Wastewater Contractor Inspector Certification Board.
- Contractors received education about resiliency measures.

Resiliency Measures

- A resiliency checklist for each address was reviewed to ensure that it specifies a resiliency measure appropriate for that address.
- Resiliency requirement was met and verified at each property by reviewing applicable documentation (photos of resiliency measures, copies of invoices from contractors, etc.).

Revolving Loan Programs (Applicable Awardees Only)

Awardees with a revolving loan fund (RLF) program should meet with DWI prior to submission of their scope of work.

If the awardee plans to use CWSRF Hurricane Helene Decentralized Funding to create and manage a local RLF program, the SOW must discuss the outline of the proposed process and the awardee's experience in managing such a program. The SOW should include a discussion about how the awardee will use the repayment dollars of the CWSRF Hurricane Helene Decentralized Funding to award more DWTS projects.

All revenue collected from property owners is considered program income and must be used to fund other DWTS programs. Failure to do so will result in the income being returned to DEQ. The first round of funding must support projects in the original 39-county Helene designation area identified in the application. Future program income can be used to support projects statewide, as long as they are DWTS programs in alignment with the original intention of the funds.

Program Design for RLF Awardees: Your SOW should outline how your program will determine terms and conditions for funding and what audiences are eligible for funds. The SOW should include:

- How your organization will reach and select property owners that receive funding.
- The criteria used to determine loan terms, interest rate, and other key factors.
- Accounting standards and methodologies to ensure program income is kept separate from general funds and that accounting is available for review by DWI staff.
- How your organization will ensure that both the initial RLF round and future rounds of funding will meet all applicable requirements.
- Sample loan covenants your organization intends to include.
- An estimated budget for how the RLF is funded, including administrative costs.
- How your agency will manage, verify, and track any other requirements outlined in other sections of this form for property owner agreements, permitting, and other necessary compliance documents.

First Payment Checklist

This checklist will help you submit all required documents for pre-construction costs to DEQ.

☐	Tax ID Form (Substitute W-9)
☐	Federal ID - Unique Entity Identifier (UEI) Memo
☐	Sales Tax Reimbursement Certification
☐	Executed Funding Offer and closing fee
☐	Fully executed Engineering and/or Administrative Services Agreement; or, if using own personnel "force account," a proposed budget with personnel identified and percent of time dedicated to project

Additional Reporting Requirements

DEQ will require submission of all property addresses to DWI using DEQ's templates for cross-checking verification with CDBG-DR SFH funding as part of the eligibility screening. Recipients will receive an Authorization to Proceed (ATP) after submission of bid verification forms and verification that the address is eligible for funding.