

**State Water Infrastructure Authority**  
**Meeting Date: December 10, 2025**  
**Agenda Item G – Funding Awards for Clean Water State Revolving Fund and Drinking Water**  
**State Revolving Fund Emerging Contaminants Study Projects**

---

**Division of Water Infrastructure Staff Report**

This report presents a preliminary funding scenario for the consideration of the State Water Infrastructure Authority (Authority). Subsequent updates and corrections to the application information and funding scenario (including application scores, ranking, potential funding amount, etc.) may occur and will be presented to the Authority during the December 10, 2025 meeting. This staff report represents applications received as of November 3, 2025. Applications are selected for funding by the Authority during the meeting, and the Authority's selections are final.

**Background**

Congress appropriated funds to the Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF) in the Infrastructure Investment and Jobs Act (IIJA) of 2021. The IIJA appropriated additional funds for five fiscal years (FY 2022 – FY 2026) specifically for the purpose of addressing emerging contaminants (EC) in drinking water and wastewater with a focus on perfluoroalkyl and polyfluoroalkyl substances (PFAS). For drinking water, these funds are referred to as the IIJA DWSRF-Emerging Contaminants (DWSRF-EC) funds, and for wastewater, these funds are referred to as the CWSRF-EC funds.

Table 1 summarizes the DWSRF-EC and CWSRF-EC funds that North Carolina is receiving from the FY 2025 capitalization grants. Note that up to four percent of the DWSRF-EC allotments are used for set-asides to cover administrative costs. All of the CWSRF-EC capitalization grant will be used for funding projects. The Intended Use Plans (IUPs) for the two funds specify that at least half of the funding will be reserved in the Evaluation/Assessment Project Reserves for projects to evaluate alternatives to address PFAS (hereinafter referred to as EC study projects).

<b>Table 1. Summary of NC's IIJA DWSRF-EC and IIJA CWSRF-EC Capitalization Grant Allotments for FY 2025</b>		
	<b>DWSRF-EC</b>	<b>CWSRF-EC</b>
FY 2025 Capitalization Grant	\$21,054,000	\$3,838,000
Total Available Grant Funding for EC Projects (excluding Set-Asides)	\$20,211,840*	\$3,838,000
Funds in the Evaluation/Assessment Project Reserves for EC study projects	\$10,105,920	\$1,919,000

\*Includes the \$5,000,000 that was awarded to an EC construction project in Spring 2025 round

Rolling applications for EC study projects were first received by November 1, 2024, and awarded funding at the December 10, 2024 Authority meeting. Table 2 summarizes the rounds of rolling applications completed since then and to date in which EC study project applications were awarded funds from the Evaluation/Assessment Project Reserve shown in Table 1.

<b>Table 2. Awards from the IJJA DWSRF-EC and IJJA CWSRF-EC Evaluation/Assessment Project Reserves</b>			
<b>SWIA Meeting/Funding Rounds</b>	<b>Rolling Application Cutoff Date</b>	<b>SWIA Awards for DWSRF-EC Study Projects</b>	<b>SWIA Awards for CWSRF-EC Study Projects</b>
December 10, 2024	November 1, 2024	\$1,500,000	\$0
February 19, 2025	January 10, 2025	\$1,392,495	\$500,000
April 16-17, 2025	March 3, 2025	\$0	\$0
July 16, 2025	June 2, 2025	\$2,500,000	\$0
September 17, 2025	August 1, 2025	\$500,000	\$0
<b>Study Funds Awarded Prior to December 2025 Awards</b>		<b>\$5,892,495</b>	<b>\$500,000</b>
<b>Total Study funds awarded prior to Rolling Application</b>		<b>\$9,030,000</b>	<b>\$500,000</b>
<b>Total Study Funds Awarded</b>		<b>\$14,922,495</b>	<b>\$1,000,000</b>
<b>FY 2025 Evaluation/Assessment Project Reserve Available for December 2025 Awards</b>		<b>\$9,605,920</b>	<b>\$1,919,000</b>

The current round of rolling applications for DWSRF-EC and CWSRF-EC study projects were received by November 3, 2025. This staff report provides a summary of those DWSRF-EC and CWSRF-EC study project applications and presents a preliminary funding scenario for the Authority's consideration.

If there are not enough eligible applications for EC study projects to award at least 50 percent of the capitalization grant funding by the second semi-annual application round in which construction project applications are considered, the remainder of the Evaluation/Assessment Project Reserve will be made available to construction projects. Applications for the next semi-annual construction round are due January 9, 2026, with awards being made at the Authority's February 2026 meeting.

#### Program Schedule

The Division has established application cutoff dates for each funding cycle for EC study projects in the new rolling application process. Complete and eligible applications received prior to the application cutoff date will be considered for funding by the Authority at the next scheduled Authority meeting. Emerging Contaminants study projects not selected for funding will be automatically reconsidered for the next funding cycle. Applications for the EC study projects will be considered on a rolling basis to award the full amount of the Evaluation/Assessment Project Reserve as quickly as possible without a set schedule.

The Evaluation/Assessment Project Reserve in the FY 2025 capitalization grant provides \$1,919,000 for CWSRF-EC Study projects and \$10,105,920 for DWSRF-EC Study projects.

All funding awarded from the DWSRF-EC and CWSRF-EC will be made available as 100 percent principal forgiveness (PF).

FY 2025 DWSRF-EC and CWSRF-EC funding caps for EC study projects are \$500,000 per applicant, starting in August 2025, with funds received from 2022 through 2026 counting towards the cap.

### **Summary of Applications Received**

Table 3 shows the number of complete and eligible applications and ineligible applications for EC study projects received by the Division as of November 3, 2025, through the rolling application process. Total funding requested is also listed in Table 3.

<b>Table 3. Summary of EC Study Project Applications Received by November 3, 2025</b>			
	<b>DWSRF-EC Study Projects</b>	<b>CWSRF-EC Study Projects</b>	<b>Total Requested Funds</b>
Eligible Applications	0	0	<b>\$0</b>
Ineligible Applications	1	0	<b>\$500,000</b>
Funding Requested from Eligible Applications	\$0	\$0	<b>\$0</b>

The one application received was not eligible due to PFAS levels being below the MCL.

### **Staff Recommendations**

Due to the ineligibility of the one project received, there are no staff recommendations for funding (See Table G-1).

Table 4 shows the funds available from the FY2025 DWSRF-EC and CWSRF-EC Evaluation/Assessment Project Reserve funds.

<b>Table 4. Potential IIJA DWSRF-EC and IIJA CWSRF-EC Evaluation/Assessment Project Reserve Funds Available for Future Funding Rounds for EC Study Projects</b>		
	<b>IIJA DWSRF-EC Principal Forgiveness</b>	<b>IIJA CWSRF-EC Principal Forgiveness</b>
Estimated FY2025 EC funds available for EC study projects for this funding round and funds remaining	\$9,605,920	\$1,919,000