

**North Carolina
Drinking Water State Revolving Fund
(Base DWSRF)
And
Infrastructure Investment and Jobs Act
DWSRF General Supplemental Funds
(IIJA DWSRF-GS)**

**Intended Use Plan
Fiscal Year 2026**

April 20, 2026

Changes to the draft IUP after the March 13 – April 13, 2026, public comment period are identified in red font text. Changes include updates to the base SRF capitalization grant amounts and the public comment period.

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 Drinking Water State Revolving Fund (DWSRF) and to apply for the FY2026 base DWSRF capitalization grant and the FY2026 Infrastructure Investment and Jobs Act¹ (IIJA) DWSRF General Supplemental capitalization grant.

North Carolina's FY2026 DWSRF capitalization grant allotment was announced by the U.S. Environmental Protection Agency (EPA) on April 14, 2026, after the proposed draft Intended Use Plan's public comment period had ended on April 13, 2026. The draft IUP used during the public comment period indicated that the allotments were not known at that time, but that the public comment period must proceed to ensure that the Division can submit a grant application to EPA by their established application deadline on May 1, 2026. The Division assumed in the draft IUP that the FY2026 base DWSRF allotment would be similar to the FY2024 base DWSRF allotment and that the FY2026 IIJA DWSRF General Supplemental allotment would be similar to the FY2025 allotment. The draft IUP indicated that the Division will amend the IUP with the final allotments and use the percentages identified in the draft IUP to split the funds between Principal Forgiveness, reserves, and the various set-asides. This final IUP includes the allotments announced by EPA and applied the same percentages that were in the draft IUP that underwent a public comment period.

North Carolina's FY2026 base DWSRF capitalization grant allotment is **\$10,588,000**, and the FY2026 IIJA DWSRF General Supplemental capitalization grant allotment is **\$68,584,000**.

The table below summarizes the capitalization grants and the allotment of the funds between various uses described in this Intended Use Plan.

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.

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

Table Summary of Capitalization Grants

	FY2026 Base DWSRF	FY2026 IIJA DWSRF General Supplemental	Any potential reallotments (none)
Capitalization Grant Amount	\$10,588,000	\$68,584,000	N/A or TBD
State Match (20%)	\$2,117,600	\$13,716,800	N/A or TBD
<i>Total Cap. Grant and State Match</i>	<i>\$12,705,600</i>	<i>\$82,300,800</i>	<i>N/A or TBD</i>
Set-Asides from Capitalization Grant Amount			
A. Program Administration	Up to 4%:	Up to 4%:	0%
	Up to \$423,520	Up to \$2,743,360	\$0
B. Technical Assistance to Small Systems	Up to 2%:	Up to 2%:	0%
	Up to \$211,760	Up to \$1,371,680	\$0
C. Administration of the Public Water Supply Supervision Program	Up to 10%:	Up to 10%:	0%
	Up to \$1,058,800	Up to \$6,858,400	\$0
D. Local Assistance and Other State Programs	Up to 15%:	Up to 15%:	0%
	Up to \$1,588,200	Up to \$10,287,600	\$0
<i>Set-Asides Total²</i>	<i>Up to \$3,282,280</i>	<i>Up to \$21,261,040</i>	<i>\$0</i>
Available for project loans from grant and state match, including Principal Forgiveness	At least 69% of cap grant and 100% state match Est. \$9,423,320	At least 69% of cap grant and 100% state match Est. \$61,039,760	100% of cap grant and state match
Principal Forgiveness from Capitalization Grant Amount			
Minimum – Maximum range of the SDWA Disadvantaged Community Subsidization (base SRF)	12% – 35%. \$1,270,560 – \$3,705,800	N/A: \$0	TBD
Congressional Additional Subsidy (base SRF)	14%: \$1,482,320	N/A: \$0	TBD
IIJA General Supplemental Subsidization	N/A: \$0	49%: \$33,606,160	TBD
<i>Total min. – max. range of Principal Forgiveness</i>	<i>\$2,752,880 – \$5,188,120</i>	<i>\$33,606,160</i>	<i>TBD</i>

² Unused amounts that are budgeted for set-asides will be used for project loan disbursements prior to closing the capitalization grant.

The Division of Water Infrastructure is part of the North Carolina Department of Environmental Quality (NCDEQ). The Division administers financial assistance programs to assist eligible public water supply systems in constructing projects that both benefit public health and improve the human environment. Eligible public water supply systems³ are local government units (LGUs), non-profit water/wastewater utilities, and investor-owned drinking water companies. Most of the customers of public water supply systems are served by local government units across North Carolina.

In 2013 the North Carolina General Assembly created the State Water Infrastructure Authority (Authority) to determine projects eligible for certain water infrastructure funding programs, including the Drinking Water State Revolving Fund (DWSRF), consistent with federal law. The priorities reflected in this document have been approved by the Authority.

Specific to this document, the Division administers the DWSRF program as established by the 1996 Amendments to the Safe Drinking Water Act (SDWA), (P.L. 104-182), Section 1452. The DWSRF program offers loans to public water supply systems at interest rates lower than market rates for drinking water infrastructure. As a public water supply system repays the loan, the monies are again loaned out, hence the revolving nature of the program. All loan repayments must go back into the DWSRF. The Intended Use Plan serves to explain how the capitalization grant will be used and how the DWSRF will operate in accordance with Section 1452(b) of the SDWA.

The IUP is incorporated into the capitalization grant agreement and becomes the grant work plan. Combined, the operating agreement, grant agreement, IUP, SDWA, and state statutes set the program requirements for the DWSRF. The IUP identifies anticipated projects scheduled for funding commitments from the DWSRF. It also explains how the DWSRF will utilize a priority rating system to identify those projects that will address the greatest need and/or provide the greatest positive public health impact on the water resources in North Carolina.

2. Financial History

Congress appropriates an overall DWSRF funding level that is allocated to states based on a method established in the SDWA. The allocation is updated every four years based on a needs survey for projects eligible for DWSRF. Capitalization grants, including the required State match, enable increasing amounts of loan commitments. This is due to loan repayments being loaned again, thereby providing public benefits repeatedly through time. While providing substantial support, this infrastructure financing has only met a small percentage of the drinking water infrastructure need for public water supply systems in North Carolina. Congressional Directed Spending has recently significantly reduced the funding available to the base DWSRF program. However, if capitalization grants return to previous levels (as was done in the FY2025 SRF appropriations), or are increased, the program will be better able to meet infrastructure financing needs for public water supply systems.

Congress appropriated additional funds to the DWSRF in the Infrastructure Investment and Jobs Act of 2021. The IIJA appropriated additional funds for five fiscal years (FY2022-FY2026), referred to

³ For brevity, "LGUs" in this IUP refers to eligible entities, including local government units, non-profit utilities, and investor-owned drinking water utilities.

as the DWSRF General Supplemental Funding (or IJJA Supplemental DWSRF for short), to supplement the base DWSRF program and its yearly appropriations. The IJJA also appropriated funds specifically to address lead service line replacements and emerging contaminants issues; plans for which are described in separate IUPs.

North Carolina will receive allotments in a federal capitalization grant for the FY2026 base DWSRF and in a federal capitalization grant for the FY2026 IJJA DWSRF General Supplemental, in the amounts shown in the Table Summary of Capitalization Grants. North Carolina will provide a 20% state match from state appropriations, in the amounts shown in the Table Summary of Capitalization Grants, for the base DWSRF and the IJJA DWSRF General Supplemental capitalization grants. North Carolina will also provide a 20% state match from state appropriations or from fees or interest earnings from state funds in the amount necessary to apply for reallocation of funds, if available.

DWSRF funds will not be used to satisfy debt security requirements.

3. Programmatic Goals

Pursuant to the SDWA, the State must identify the goals and objectives of the state loan fund (i.e., the DWSRF). 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 DWSRF program:

3.1. Overall DWSRF Program Goal

Provide funding for drinking 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 public health goals of SDWA while targeting the systems with greatest needs.

3.2. Short-Term Goals

Goal #1: Continue efforts to inform LGUs of the availability of funds, benefits of the DWSRF program, and opportunities to utilize multiple funding programs to fund specialized projects.

Goal #2: Increase funding opportunities for small water systems.

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 in communities".

Goal #2: Support North Carolina Department of Environmental Quality's Strategy to "invest state and federal water infrastructure funding in intentional and efficient ways". Subcategories of this goal include:

- Provide loans to eligible public water supply systems to address acute health risks as a priority.

- Provide loans to eligible public water supply systems to allow consolidation of non-viable water systems with systems having adequate capacity.
- Goal #3: Support North Carolina Department of Environmental Quality's Objective to "support communities' efforts to build resilience to natural hazards and increasingly extreme weather."
- 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: Continue efforts to streamline the funding process to ensure the funds are used in an expeditious and timely manner in accordance with the SDWA and applicable State laws as required by Section 1452(g)(3)(A) of the SDWA.
- Goal #6: Ensure the technical integrity of DWSRF projects through diligent and effective planning, design, and construction management.
- Goal #7: Ensure that the Priority Rating System reflects NCDEQ's and the Authority's goals.
- Goal #8: Provide technical and financial assistance to public water supply systems in adapting to changing drinking water quality standards and maintaining the health objectives of the SDWA.
- Goal #9: Ensure the long-term viability of the DWSRF program through effective financial practices.
- Goal #10: Implement a capacity development strategy that may use innovative strategies and solutions to help public water supply systems improve compliance.

4. Information on Activities to be Supported

North Carolina's program will continue to be one of low-interest loans, supplemented with principal forgiveness as allowed by federal law. The State intends to access up to 4% of the base DWSRF and the IIJA DWSRF General Supplemental capitalization grants (see the Table Summary of Capitalization Grants for the amounts) for the administrative costs associated with running the program. The Division administers the DWSRF. These activities include application preparations and outreach, technical assistance, application review, engineering report and environmental document review, design review, loan processing, construction inspection, disbursement and repayment processing and accounting for funded projects. The State is not intending to access any set-aside funds from any additional funds made available through reallocations of other states' capitalization grant allotments.

In addition to funding water infrastructure projects, the SDWA also allows the use of capitalization grant funds for non-project purposes. The 1996 SDWA added significant new program responsibilities for states and provided for their funding through the set-asides from the DWSRF for non-project activities. Set-asides are uses of DWSRF money which are allowed by the SDWA to further the objectives of the Act, but are not construction related. These activities include the following:

- Program administration

- Technical assistance to small systems
- Administration of the Public Water Supply Supervision Program (State Program Management), and
- Local assistance and other state programs.

Non-project activities may be carried out directly by the Division, by the Public Water Supply (PWS) Section of the Division of Water Resources in the North Carolina Department of Environment Quality, and through contracts with other agencies and organizations. **Please see Appendix A for more information about set-aside activities.** The administrative set-aside is administered by the Division of Water Infrastructure. The Division reserves the right to use unused portions of set-asides at a later date.

The Division reserves the authority to transfer IJA funds between the DWSRF and CWSRF from this year's 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. With the capitalization grants, state matches, and projections of repayments from active loans, disbursements to active projects, and use of set-asides during the fiscal year, the DWSRF is projected to end with approximately \$481 million in cash at the end of the fiscal year, including amounts that are obligated (but not yet disbursed) to active projects. Since 2022, the Division has increased the DWSRF funds awarded to projects to approximately \$160 million per year and, as expected, project disbursements consequently increased concurrent with project timelines. Based on cash-flow models, approximately \$515 million is expected to be disbursed for active projects in future years, exceeding the amount of cash available at the end of the fiscal year. Revenues from repayments of loans and new capitalization grants are expected to cover the difference.

Sources and Uses For the Life of the Program (updated January 2026)

Historic Sources and Uses									
FY	Revenues					Expenditures		Net	
	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
1997	\$46,114,100	\$9,222,820					\$68,769	\$55,268,151	\$55,268,151
1998	\$12,859,400	\$2,571,880			\$69,818		\$-	\$15,501,098	\$70,769,249
1999	\$13,477,900	\$2,695,580			\$586,959	\$2,890,560	\$227,671	\$13,642,208	\$84,411,457
2000	\$14,007,400	\$2,801,480	\$40,000	\$13,905	\$608,276	\$19,057,539	\$60,327	\$(1,646,805)	\$82,764,652
2001	\$14,065,400	\$2,813,080	\$587,679	\$334,022	\$258,752	\$19,315,049	\$1,364,887	\$(2,621,003)	\$80,143,649
2002	\$14,139,900	\$2,827,980	\$1,857,907	\$941,153	\$217,248	\$10,709,361	\$2,685,949	\$6,588,878	\$86,732,527
2003	\$14,054,900	\$2,810,980	\$2,813,351	\$1,813,069	\$278,383	\$10,532,591	\$2,624,738	\$8,613,354	\$95,345,881
2004	\$14,579,900	\$2,915,980	\$3,365,856	\$1,804,035	\$354,820	\$12,422,756	\$2,416,501	\$8,181,334	\$103,527,215
2005	\$14,549,100	\$2,909,820	\$3,685,215	\$1,551,588	\$439,722	\$18,129,295	\$2,297,637	\$2,708,513	\$106,235,728
2006	\$27,694,900	\$5,538,980	\$4,035,387	\$1,625,535	\$632,462	\$28,926,461	\$2,707,617	\$7,893,186	\$114,128,914
2007	\$27,695,000	\$5,539,000	\$5,672,644	\$3,212,341	\$1,050,313	\$35,286,029	\$3,874,151	\$4,009,118	\$118,138,032
2008	\$30,155,400	\$5,482,800	\$5,750,737	\$2,452,052	\$1,466,071	\$21,651,882	\$4,012,022	\$19,643,156	\$137,781,188
2009	\$30,155,400	\$5,482,800	\$7,243,289	\$2,571,458	\$1,177,245	\$44,190,462	\$9,073,880	\$(6,634,150)	131,147,038
2010	\$35,593,000	\$7,118,600	\$7,582,863	\$3,136,216	\$534,577	\$44,970,254	\$4,894,214	\$4,100,788	135,247,826
ARRA	\$65,625,000	\$-					\$1,565,000	\$64,060,000	199,307,826
2011	\$24,698,000	\$4,939,600	\$12,948,194	\$4,555,083	\$398,693	\$61,697,071	\$4,869,229	\$(19,026,730)	\$180,281,096
2012	\$17,467,080	\$3,493,416	\$13,892,422	\$5,731,451	\$412,375	\$28,272,589	\$5,185,910	\$7,538,245	\$187,819,341
2013	\$22,084,000	\$4,416,800	\$18,689,369	\$5,317,608	\$329,895	\$34,714,618	\$5,312,482	\$10,810,572	\$198,629,913
2014	\$20,695,000	\$4,139,000	\$22,863,929	\$4,684,687	\$367,832	\$39,613,194	\$5,043,749	\$8,093,505	\$206,723,418
2015	\$20,546,063	\$4,111,800	\$19,111,676	\$4,342,780	\$438,944	\$64,055,993	\$6,023,794	\$(21,528,524)	\$185,194,894
2016	\$19,449,000	\$3,889,800	\$21,844,353	\$3,573,581	\$526,149	\$71,278,197	\$5,743,882	\$(27,739,196)	\$157,455,698
2017	\$19,283,000	\$3,856,600	\$21,102,258	\$3,222,958	\$728,965	\$54,000,307	\$8,153,283	\$(13,959,809)	\$143,495,889
2018	\$34,111,000	\$6,822,200	\$27,260,826	\$2,969,514	\$1,071,029	\$31,989,038	\$4,484,109	\$35,761,422	\$179,257,311
2019	\$34,107,000	\$6,821,400	\$25,631,573	\$2,755,014	\$2,065,733	\$31,161,867	\$6,380,022	\$33,838,831	\$213,096,142
2020	\$33,793,000	\$6,758,600	\$30,066,177	\$2,717,618	\$2,874,138	\$23,498,587	\$4,512,071	\$48,198,875	\$261,295,017
2021	\$33,782,000	\$6,756,400	\$58,739,317	\$2,584,670	\$1,131,720	\$28,318,673	\$7,229,276	\$67,446,158	\$328,741,175
2021 Reallotment	\$315,000	\$63,000						\$378,000	329,119,175
Base 2022	\$21,520,000	\$4,304,000	\$27,013,217	\$1,879,274	\$418,298	\$47,316,086	\$9,353,203	\$(1,534,500)	\$327,584,675
IIJA 2022	\$55,254,000	\$5,525,400						\$60,779,400	\$388,364,075

Sources and Uses For the Life of the Program (updated January 2026)

Historic Sources and Uses									
FY	Revenues					Expenditures		Net	
	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
Base 2023	\$13,607,000	\$2,721,400	\$27,142,782	\$1,784,835	\$6,071,012	\$75,787,803	\$8,962,413	\$(33,423,187)	\$354,940,888
IIJA 2023	\$58,021,000	\$5,802,100						\$63,823,100	\$418,763,988
Base 2024	\$12,843,000	\$2,568,600	\$30,928,583	\$2,074,170	\$13,819,737	\$70,814,053	\$8,598,568	\$(17,178,531)	\$401,585,457
IIJA 2024	\$63,340,000	\$12,668,000						\$76,008,000	\$477,593,457
2021 Reallotments	\$148,000	\$29,600						\$177,600	\$477,771,057
Base 2025	\$30,053,000	\$6,010,600	\$31,288,366	\$2,886,774	\$15,864,433	\$114,921,829	\$10,597,272	\$(39,415,928)	\$438,355,129
IIJA 2025	\$68,611,000	\$13,722,200						\$82,333,200	\$520,688,329
Totals	\$978,493,843	\$170,152,296	\$431,157,970	\$70,535,391	\$54,193,599	\$1,045,522,144	\$138,322,626	\$520,688,329	
Projected Sources and Uses for FY 2026 (based on Availability Model)									
FY	Revenues					Expenditures		Net	
	Federal Cap	State Match	Repayments Principal	Repayments Interest	Interest Earned	Project Disbursements	Set-Asides	Net For FY	Cumulative Net
Base 2026	\$12,843,000	\$2,568,600						\$15,411,600	
IIJA 2026	\$68,611,000	\$13,722,200						\$82,333,200	
			\$48,000,000	\$4,600,000	\$2,000,000	\$180,000,000	\$12,000,000	\$(137,400,000)	
Totals	\$81,454,000	\$16,290,800	\$48,000,000	\$4,600,000	\$2,000,000	\$180,000,000	\$12,000,000	\$(39,655,200)	\$481,033,129
Projected Uses for Active Projects beyond FY 2026 (disbursements) (Does not take into account future funding rounds or revenues which cover the negative)						\$515,000,000			\$(33,966,871)

Values in BLUE as approximate values.

IIJA funds only reflect the IIJA DWSRF General Supplemental Funds. IIJA funds for Lead Service Line Replacements and Emerging Contaminants are excluded from this table.

5. Criteria and Methods for Distributing Funds

5.1. 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 5.2 below) and/or based on applications for Emergency Relief Loans.

5.1.1. Emergency Relief Loans

Emergency relief loans may be used to fund projects to repair, restore and add resilience to drinking water infrastructure that suffered system damage or failure resulting from a natural disaster with a Presidential emergency declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act) authorizing Public Assistance for drinking water and wastewater facilities. Applications for emergency relief loans may be submitted at any time during the year following the Stafford Act declaration. Applications may be added to the Project Priority List at any time during the year based upon the applicant's successful demonstration of an emergency situation, certification from the Secretary of the North Carolina Department of Environmental Quality that a serious public health hazard related to the natural disaster-caused damage to the water supply system is present or imminent in a community, and receiving a funding award from the State Water Infrastructure Authority. Funding may bypass other high-scoring applications (for non-emergency relief loans) to prioritize emergency relief loans. Loans to eligible applicants must be approved by the Local Government Commission. Targeted interest rates may be used for emergency relief loans.

The intent of Emergency Relief Loans is to supplement the State's emergency loan program with the SRF program (if needed) to provide rapid financial assistance to eligible applicants in response to a Stafford Act-declared natural disaster to address critical infrastructure needs to restore services. The applicant must comply with all applicable federal and state requirements.

5.1.2. Applications in Funding Cycles (non-Emergency Relief Loans)

Eligible applicants may submit applications for funding for drinking water projects during the Division's funding cycles. 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.

The State's ranking for projects will be based on the Priority Rating System established by the State Water Infrastructure Authority working with the Division (see Appendix D). Applications will be ranked based on the following scores, in the following order: 1) total application score (points), 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, the Priority Rating System places higher priority on projects that will consolidate nonviable systems, resolve issues associated with failed or failing infrastructure,

will rehabilitate or replace infrastructure, address emerging contaminants, or serve disadvantaged areas. An application will only receive priority points for one project purpose.

In terms of project benefits, priority is given to implementing public water supply regulations, addressing source water or emerging contaminants issues, interconnections between public water supply systems, lead service line replacements, projects that extend water lines to areas with contamination of private water sources, and projects that improve the resiliency of a public water supply system by creating operational redundancy or adding backup power.

In addition to addressing public health issues, the Priority Rating System supports those public water supply systems that seek to be proactive in their system management, including prioritization points for source water protection programs, water conservation, water loss reduction, asset management plans, and appropriate operating ratios.

The Priority Rating System also takes into account the ability of the applicant to afford projects. For example, those applicants that 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 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.

Sections 5.2 and 5.3 describe the criteria that specifically apply to Applications in Funding Cycles (non-Emergency Relief Loans).

5.2. Application and Project Deadlines

The DWSRF program operates on a priority basis and accepts funding applications semi-annually. Projects are allocated funding in priority order (as noted above) and within special reserve requirements (e.g. Principal Forgiveness reserve, etc. as described herein) until available funds are exhausted. Funding availability is determined based on the capitalization grants and associated state match. Results will be posted on the Division's website.

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

- 5.2.1. Funding application and supporting information must be received by the application deadline to be considered for any given funding cycle.
- 5.2.2. After the Authority provides final project rank eligibilities, the DWSRF 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.
- 5.2.3. Within four months of the issuance of the LOIF, a complete Engineering Report / Environmental Information Document must be submitted to the DWSRF program.
- 5.2.4. Within nine months, the Engineering Report / Environmental Information Document must be approved.
- 5.2.5. 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.
- 5.2.6. Within 19 months, the plans/specifications and all required permits must be approved/issued.
- 5.2.7. Within 23 months, the following events/items must be completed/received:
 - 5.2.7.1. Advertise the project for bids
 - 5.2.7.2. Receive bids
 - 5.2.7.3. Submit bid information to DWSRF staff
 - 5.2.7.4. Obtain the Division's Authority to Award Construction Contracts.
- 5.2.8. 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 public water system. 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 DWSRF 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 DWSRF 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.

5.3. Detailed Loan and Project Funding Criteria

5.3.1. General

- 5.3.1.1. To be eligible for DWSRF funding, a project must be on the Intended Use Plan Project List.
- 5.3.1.2. Funding can be provided for any eligible projects as provided for in the Safe Drinking Water Act and NCGS 159G, including water treatment facilities, distribution systems, tanks, non-routine private well water sampling for extension/connection projects, etc. that improve drinking water quality.
- 5.3.1.3. Funding will be provided in priority order based on project scores, Authority determination, and the amount of funds made available with consideration of principal forgiveness reserve detailed below. Projects cannot be substantively changed once funding is allocated.
- 5.3.1.4. The maximum DWSRF loan amount will be established at \$25 million per applicant for each funding round.
- 5.3.1.5. The maximum DWSRF loan availability per applicant is not more than \$200,000,000 in outstanding debt to the DWSRF program, measured as the total amount of DWSRF loans (including principal forgiveness) awarded to and/or committed to active projects initiated by a Letter of Intent to Fund.
- 5.3.1.6. Notwithstanding the limits in Items 5.3.1.4., and 5.3.1.5., if availability of funds exceeds project demand, these limits may be exceeded to ensure all available funds are utilized. Exceeding the maximum provided in Item 5.3.1.4. will be considered prior to Item 5.3.1.5.
- 5.3.1.7. A project may be funded with a targeted interest rate if the project is eligible for principal forgiveness as described in 5.3.2 below. For projects that are eligible for 75% or more principal forgiveness, the targeted interest rate will be 0%. For projects that are eligible for 50% or 25% principal forgiveness funding, the targeted interest rate will be one percentage point lower than the Division's base interest rate (but no less than zero percent).

5.3.2. Principal Forgiveness

5.3.2.1. Applicants that are eligible to receive principal forgiveness are defined as “disadvantaged communities”. The Table Summary of Capitalization Grants in Section 1 provides the minimum and maximum additional subsidy to be provided for the base DWSRF and IIJA DWSRF General Supplemental capitalization grants. Included in these amounts, up to 14% of the base DWSRF capitalization grant can also be to provide principal forgiveness to any DWSRF-eligible recipient as initial financing to buy, refinance or restructure debt obligations for debt incurred after March 15, 2022 or for debt incurred prior to March 15, 2022 if the State and EPA Region 4 determine that such funds could be used to help address a threat to public health from heightened exposure to lead in drinking water.

5.3.2.2. The Division will provide additional subsidization to projects in the categories provided in 5.3.2.2.1 – 5.3.2.2.3 in project priority order. The Division will provide principal forgiveness to a project based on only one of the categories provided in 5.3.2.2.1 – 5.3.2.2.3.

5.3.2.2.1. Non-viable rescue: Projects that eliminate a non-viable system to benefit a disadvantaged community with a financial need consistent with the criteria in 5.3.2.2.2 and served by a public drinking water system will receive principal forgiveness for the full amount of the loan up to \$3,000,000. The disadvantaged community either meets the affordability criteria listed in 5.3.2.2.2 or is representative of the criteria.

5.3.2.2.2. Affordability: Projects that receive project purpose points when the applicant has less than 20,000 residential water connections, at least three (3) of five (5) LGU economic indicators (“LGU indicators”) worse than the state benchmark, an operating ratio (future) of less than 1.3 and either utility rates greater than the state median or project cost per connection that project to increase the utility rates above the 70th percentile of state-wide utility rates, will receive principal forgiveness following the affordability criteria grant percentage matrix found in Appendix E.

Projects that receive project purpose points when the benefiting system has been designated as distressed per NCGS §159G-45 and either has utility rates greater than the state median or project cost per connection that project to increase the utility rates above the 70th percentile of state-wide utility rates, will receive principal forgiveness percentages following

the affordability criteria grant percentage matrix found in Appendix E.

Local government units under the fiscal control of the Local Government Commission on the day of the application deadline qualify for 100% principal forgiveness.

Principal forgiveness will range from 25% to 100% in increments of 25%, up to \$500,000 per applicant per round with the targeted interest rate as described under 5.3.1.7 applied to the remaining portion of the loan.

- 5.3.2.2.3. Disadvantaged Area: Projects for which at least 50% of the project costs are to benefit disadvantaged areas will receive principal forgiveness for 50% of the award, up to \$500,000.

“Disadvantaged areas” are subsections or pockets of a local government unit area or utility service area, not the entire local government unit area or entire utility service area. Disadvantaged areas are limited to less than half the number of total connections served by the applicant at the time of application. A project that benefits the entire local government unit area or entire utility service area is not eligible to be considered a “disadvantaged area” project.

Applicants can demonstrate a targeted project area as a disadvantaged area if it meets the size specifications above and it falls within a Potentially Underserved Block Group or Tribal boundary layer in the North Carolina Department of Environmental Quality’s Community Mapping System.

Alternatively, Applicants can demonstrate a targeted project area is a disadvantaged area based on its socioeconomic data, which may be obtained for Census Block Groups or Census Tracts that provide the closest overlap with the targeted project area. Census Block Groups are recommended. A targeted project area will be considered a “disadvantaged area” based on at least three of the following factors:

- median household income of the targeted project area is lower than the state benchmark;
- poverty rate of the targeted project area is higher than the state benchmark;
- property values per capita of the targeted project area is lower than the state benchmark;

- unemployment rate of the targeted project area is higher than the state benchmark.

Additional factors that may qualify the targeted project area as disadvantaged, such as (but not limited to) demographic, historical, cultural, linguistic, socio-economic stressors, cost-of-living stressors, or existing contamination factors, may also be considered for targeted project areas that meet the size specification above. Additional factors cannot be considered if they contradict federal or state requirements for federal funding.

Applicants must provide a narrative in the application to justify the targeted project area as disadvantaged using the factors above and may use maps or other existing sources to document their justification.

5.3.2.3. Notwithstanding the above limits in Items 5.3.2.2.1, 5.3.2.2.2 and 5.3.2.2.3, if availability of principal forgiveness funds exceeds project demand, the limits may be exceeded in project priority order to ensure all available funds are utilized in the following order:

- 5.3.2.3.1. Principal Forgiveness limits of \$3,000,000 in item 5.3.2.2.1 and \$500,000 in item 5.3.2.2.2 may be exceeded by \$500,000 (not to exceed the applicant's principal forgiveness percentage eligibility determined in the grant percentage matrix in Appendix E) and principal forgiveness limit of \$500,000 in item 5.3.2.2.3 may be exceeded by \$500,000 (not to exceed 50% of the award) for eligible projects in priority order. If principal forgiveness funds remain for that funding cycle, additional increments of up to \$500,000 principal forgiveness can be awarded (not to exceed the applicable eligibility limit) for eligible projects in priority order.
- 5.3.2.3.2. Principal Forgiveness percentages determined in 5.3.2.2.1., 5.3.2.2.2 and 5.3.2.2.3 may be exceeded by 10% (not to exceed 100%) for eligible projects in priority order. If funds remain after all eligible projects receive the first percentage increase, principal forgiveness percentages can be increased for eligible projects by additional 10-percent increments (not to exceed 100%) until all Principal Forgiveness funds are used.

5.3.3. Small System Reserve

- 5.3.3.1. 40 CFR 35.3525(a)(5) requires that a minimum of 15% of the DWSRF loan assistance be awarded to small systems serving up to 10,000 people, to the extent such funds can be obligated for eligible projects. To further ensure that a significant portion of the DWSRF loan assistance is available to small systems, the Division will reserve a minimum of 30% of the DWSRF loan assistance to be awarded to small systems serving up to 10,000 people, to the extent such funds can be obligated for eligible projects. If sufficient applications are not received to fully utilize the minimum 30% small system reserve in each funding round, DWSRF loan assistance will first be made to the small systems and the remainder of the DWSRF loan assistance will then be made to larger systems.
- 5.3.3.2. Funding may bypass a higher priority project to satisfy the Small System Reserve. Any such bypassing will be shown in the Intended Use Plan Project Priority List.

5.3.4. Capacity Development Reviews

- 5.3.4.1. All public water supply systems receiving funding from the DWSRF must be reviewed to ensure that they can demonstrate adequate technical, financial, and managerial capacity [per NCAC 15A 18C .0307(c)] to operate the water system in compliance with the SDWA. Capacity Development reviews for construction projects that require permitting will be done by the Public Water Supply Section. A regulatory process was developed and has been approved by EPA as adequate to ensure technical, financial, and managerial capacity is demonstrated. This is measured by the issuance of an Authorization to Construct for the process occurring after capacity development criteria are reviewed and satisfied. A water system that lacks adequate capacity in one or more of these categories might remain eligible for funding if a strategy that would resolve the problem or issue can be developed and attached as a condition of the loan approval.

5.3.5. Miscellaneous Criteria/Provisions:

- 5.3.5.1. Davis-Bacon prevailing wage rates apply to loans as required by funding agreements/conditions.
- 5.3.5.2. American Iron and Steel provisions will apply to loans as required by Federal mandates.
- 5.3.5.3. Build America, Buy America requirements will apply to loans providing funding assistance equivalent to the capitalization grant amount as required by US EPA and by Federal mandates.

- 5.3.5.4. The DWSRF loan interest rate is based on half of The Bond Buyer's 20-Bond Index except as specifically allowed herein. The maximum interest rate for each loan will be set at the time of application with a lower interest rate, if available, set at the time of the award offer.
- 5.3.5.5. Approval of a DWSRF loan 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 DWSRF principal forgiveness loan.
- 5.3.5.6. DWSRF loan terms are set by the LGC.
- 5.3.5.7. The maximum DWSRF loan term is determined by State statute and federal requirements.
- 5.3.5.8. A 2% loan fee is required. The loan fee cannot be financed by the DWSRF fund.
- 5.3.5.9. Loan repayments are due in May (principal and interest) and November (interest only) of each year.
- 5.3.5.10. Interest begins accruing on date of completion in the Notice to Proceed.
- 5.3.5.11. The first loan repayment is due no sooner than six months after the completion date as established in the Notice to Proceed.
- 5.3.5.12. For projects with multiple construction contracts, debt will be amortized (or re-amortized) based on the latest known completion date as established in the Notices to Proceed, following 5.3.5.9 – 5.3.5.11. Earlier Promissory Notes will be replaced with a revised Promissory Note reflecting the start of repayments after the latest established completion date. All loan repayment schedules, including updated repayment schedules, will be coordinated with the LGC's staff. If a repayment is due based on the latest Promissory Note, the loan repayment must be made even if the project is not complete. All interest and principal payments made on an earlier amortization schedule will be credited upon the conclusion of the entire project and the development of a final amortization schedule. The credit will apply to the next scheduled repayment but may be spread out over the entire amortization period if requested. The Division may delay repayments in earlier amortization schedules in limited cases if completion of the project would create the revenues needed to make the repayments or for an unforeseen financial hardship (e.g., a natural disaster directly affecting the LGU's finances).

6. Programmatic Conditions

6.1. Assurances and Specific Proposals

Pursuant to the SDWA, the State of North Carolina certifies that:

- 6.1.1. The State will enter into binding commitments for 120% of the amount of each payment received under the capitalization grant within one year after receipt of each payment.
- 6.1.2. The State will expend all funds in the DWSRF 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 DWSRF 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 DWSRF 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 DWSRF and Clean Water State Revolving Fund

Transfer of funds between the DWSRF and the Clean Water State Revolving Fund 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 DWSRF 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, including the proposed Priority Rating System (PRS), 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.

The Division completed a public comment period for the draft IUP including the Priority Rating System (Appendix D) between March 13 and April 13, 2026. **No comments were received.** The State Water Infrastructure Authority confirmed on April 16, 2026, that the Priority Rating System shown in Appendix D, which was last modified by the Authority in 2025, would continue to apply under the current IUP.

9. Budget and Project Periods

- 9.1. The budget and project periods being requested for the capitalization grants is shown in Appendix C and on EPA Form SF 424.
- 9.2. The anticipated cash draw ratio will be 100% State and, after all State matching funds are withdrawn, 100% federal for disbursements made from the capitalization grant.
- 9.3. The source of State match funds is from appropriations and supplemented by loan fees and interest earnings on state funds as needed. State match funds will be deposited into the DWSRF before drawing any federal funds. State matches for the base DWSRF and IIJA DWSRF General Supplemental grants are listed in the Table Summary of Capitalization Grants.
- 9.4. Loan fees (2% of loan) on loans from the grant and fees from loans from repayment funds 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 Infrastructure and the Division of Water Resources, including funding for positions.
- 9.5. 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.

Appendix A

Set-Aside Activity Description

Note: the State does not intend to use set-asides from any potential reallocation of funds. Set-asides described below will come from the base DWSRF and the IJIA DWSRF General Supplemental capitalization grants only.

Unused amounts that are budgeted for set-asides will be used for project loan disbursements prior to closing the capitalization grant.

A. Program Administration

Up to 4% of the capitalization grants (see amounts in the Table Summary of Capitalization Grants) will be used for program administration. Administration includes management of the program; financial management; development of yearly comprehensive project priority lists; engineering report and environmental document review; construction inspections for funded projects; conducting the DWSRF needs survey every four years; inventorying lead service lines; data management; data analysis; reporting; and records keeping; public engagement; etc. These funds will also be used to procure all equipment and training necessary for the adequate performance of staff on related duties.

B. Technical Assistance to Small Systems

The State will allocate up to 2% of the capitalization grants (see amounts in the Table Summary of Capitalization Grants) to provide technical assistance to small water systems. The Public Water Supply (PWS) Section of the Division of Water Resources will provide funding support for staff in central and regional offices. In addition, the PWS Section provides a contract to the North Carolina Rural Water Association (NCRWA). The NCRWA contract will continue the support of one circuit rider. In addition, the Divisions may contract with organizations to assist small systems with inventorying lead service lines, water quality sampling, funding applications, and/or public engagement in disadvantaged areas. Assistance provided with these funds must be directed to benefit public water supply systems serving a population of less than 10,000. A list of some of the general activities to be performed and assistance to be provided using this money is as follows:

- Investigate MCL violations and identify corrective actions.
- Investigate and evaluate systems malfunctions or operational problems and advise regarding corrective actions.
- Inspect systems for compliance with required design standards and advise regarding needed modifications.
- Interpret sample results and advise regarding health risk.
- Interpret and advise concerning regulatory or monitoring requirements.
- Assist with sample siting plans.
- Provide emergency response to water outages and other serious conditions.

- Train operators and provide hands-on assistance when needed.
- Investigate and advise concerning source water contamination and water source selection.
- Assist in setting up pilot studies.
- Assist with capacity development and source water protection activities.
- Provide water system security assistance.
- Provide water systems with public notice assistance.
- Assist with asset management.
- Inventorying lead service lines.
- Water quality sampling to help small systems investigate the presence and concentrations of PFAS and/or emerging contaminants.
- Assisting small systems with applications for DWSRF funding.
- Assisting small systems in engaging with people in disadvantaged areas to identify potential projects and communicate impacts of capital projects.

C. Administration of the Public Water Supply Supervision Program (State Program Management)

Up to 10% of the capitalization grants (see amounts in the Table Summary of Capitalization Grants) will be used for this set-aside primarily to supplement the Public Water System Supervision Grant from EPA for salary and support for basic program implementation of the SDWA. The set-aside provides funding for staff plus any additional permanent, time-limited, or temporary positions, as resources allow, and/or contracts, as well as additional staff to cover additional resources needs due to new tasks or reduced state budgets.

D. Local Assistance and Other State Programs

Up to 15% of the capitalization grants (see amounts in the Table Summary of Capitalization Grants) will be used for Local Assistance and Other State Programs. Activities include wellhead protection, capacity development, water quality sampling, and lead service line inventory.

a. Wellhead Protection

The State will allocate a portion of this set-aside from the capitalization grants for the Wellhead Protection (WHP) Program and to implement efforts to protect source water, as per revisions to Section 1452(k) of the Safe Drinking Water Act. Valuable information, tools and interest for protecting public water supplies have been generated by the Source Water Assessment Program (SWAP), which was developed and implemented with funding from the FY 97 grant. Funding will be used for contracts, purchase of equipment and supplies, and to fund and support positions.

This set-aside also includes a contract for technical assistance for local wellhead protection efforts with NCRWA that supports one or more technicians to assist in the preparation of wellhead protection plans and to implement efforts to protect source water. Included also is funding for contractors, equipment and supplies to: (1) identify public water supply

sources and potential contaminant source locations within source water protection areas, (2) update the system inventory, (3) computerize records, (4) conduct well inspections, and (5) protect source water in delineated areas. These funds will also provide for maintenance and necessary upgrade of the computer applications used to complete source water assessments. This includes software and hardware upgrades to allow for efficient operation of the applications and data conversions to allow expanded use of Global Positioning System (GPS) and Geographic Information System (GIS) data in analytical work. It also may include enhanced data management and internet access to system data through SDWIS State, or its subsequent replacement, such as SDWIS NextGen.

b. Capacity Development

Support for capacity development will be continued through allocation of a portion of the capitalization grants for these activities. Funding will be used for contracts, purchase of equipment and supplies, and to fund and support positions.

Note: the State of North Carolina has an [Operator Certification program](#). Funding for the Operator Certification Program is not provided by DWSRF set-asides, but is paid for from other fee revenues.

c. Water Quality Sampling

Support for water quality sampling may be provided to help public water systems and communities investigate the presence and concentrations of PFAS and/or emerging contaminants. Funding may be used for contracts to provide communities technical support to conduct water quality sampling in the public water system and/or nearby private water wells to better assess the need and prioritization for capital projects potentially funded with the IIJA DWSRF Emerging Contaminant Funds and IIJA Emerging Contaminants for Small and Disadvantaged Communities.

Appendix B

Intended Use Plan Project Priority List for Base DWSRF and IIJA DWSRF General Supplemental

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 and future years' Intended Use Plan Project Priority Lists that are in construction during this year's capitalization grants' performance period.

Projects listed in the Intended Use Plan as scoring above the funding line may receive funding from the Base DWSRF allotment and/or the IIJA General Supplemental DWSRF allotment and/or recycled SRF funds. The tables below illustrate an example of how the projects may be allocated between Base DWSRF and IIJA General Supplemental DWSRF, but final determinations of the funding source will be made by the Division at a future date. The Division will ensure that total funding awards for the Base DWSRF and IIJA General Supplemental DWSRF (including additional subsidies) meets or exceeds their allotment amounts for the State of North Carolina. This Project Priority List items the output/outcomes of the policies and procedures outlined in this Intended Use Plan.

All additional subsidy is provided as principal forgiveness. All principal forgiveness listed below are for LGUs that meet the state's affordability criteria or disadvantaged communities as defined in this IUP.

Spring 2026 applications and funding awards may be added to this Project Priority List at a later date. Spring 2026 funding applications are due April 30, 2026 and funding awards anticipated in July 2026.

Fall 2025 Application Round – Funded Projects shown in Base DWSRF; IIJA DWSRF General Supplemental columns

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Fairmont, Town of	Water System Distribution Improvements	NC0378025	2,828	Robeson	\$7,240,700	Bypassed ; not eligible for minimum Principal Forgiveness requested					57	
McAdenville, Town of	McAdenville Main St Interconnect Project	NC0136045	930	Gaston	\$3,959,380	Fully funded remainder using a state grant/loan			\$2,969,535	\$0	57	Feb. 2027
Aurora, Town of	Downtown Water Lines & Well 1 & 2 Rehab	NC0407020	805	Beaufort	\$2,429,589	Fully funded remainder using a state grant/loan			\$1,822,192	\$0	56	Feb. 2027
Seaboard, Town of	2025 Water System Improvements	NC0466035	881	Northampton	\$2,500,000	Bypassed ; not eligible for minimum Principal Forgiveness requested					56	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
TriRiver Water	Sanford-Pittsboro Water Transmission	NC0353010	48,350	Lee	\$25,000,000	Previously funded and requesting additional funds. DWSRF capped at \$25M per round.			\$3,000,000	\$22,000,000	51	Feb. 2027
Newport, Town of	Two New Wells for Newport	NC0416020	4,829	Carteret	\$2,163,500	Fully funded remainder using a state grant/loan			\$1,081,750	\$0	50	Feb. 2027
Parmele, Town of	Fire Hydrant Replacement	NC0459113	262	Martin	\$500,000	Fully funded remainder using a CDBG-I grant					46	
McDowell County	Providence Hill Water Line Extension	NC1056032	902	McDowell	\$3,538,500				\$3,000,000	\$538,500	46	Feb. 2027

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Goldsboro, City of	PFAS Treatment Improvement Project	NC0496010	34,959	Wayne	\$49,605,000	DWSRF capped at \$25M per round. Partially funded with a state loan/grant.			\$3,000,000	\$22,000,000	46	Feb. 2027
Carolina Water Service of North Carolina	Mt. Mitchell - Water Main Replacement	NC0100105	664	Yancey	\$253,750		\$0	\$253,750			45	Feb. 2027
Carolina Water Service of North Carolina	Sherwood Forest - Water Line Replacement	NC0188116	680	Transylvania	\$400,000		\$0	\$400,000			45	Feb. 2027
Carolina Water Service of North Carolina	Ski Mountain - Water Main Improvements	NC0195119	397	Watauga	\$630,000		\$0	\$630,000			45	Feb. 2027

South Granville Water & Sewer Authority	Post-Filter PFAS Treatment Improvements	NC0239107	18,555	Granville	\$21,868,000	Last project awarded DWSRF loan amount that is available for a large system due to the requirement to provide at least 30% of DWSRF funds to small systems in the Small Systems Reserve. Awarded the maximum (i.e., remaining) DWSRF amount available for large systems in this round. Partially funded using state loan/grant .			\$3,000,000	\$1,000,000	45	Feb. 2027
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Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Louisburg, Town of	Water Treatment Plant Sludge Disposal	NC0235015	4,554	Franklin	\$5,752,395				\$2,876,198	\$2,876,198	45	Feb. 2027
Oriental, Town of	Water Treatment Plant Renovations	NC0469020	1,880	Pamlico	\$1,052,000	Fully funded remainder using a state grant/loan					43	
Fayetteville Public Works Commission	PWC POHoffer GL GAC	NC0326010	215590	Cumberland	\$62,380,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					43	
Cerro Gordo, Town of	Well #2 Rehabilitation	NC0424055	246	Columbus	\$500,000	Fully funded remainder using a state grant/loan					43	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Pink Hill, Town of	Automatic Meter Infrastructure Project	NC0454020	950	Lenoir	\$364,700	Fully funded remainder using a state grant	\$182,350	\$0			43	Feb. 2027
Hamilton, Town of	Well No. 3	NC0459025	300	Martin	\$1,002,340		\$1,002,340	\$0			43	Feb. 2027
Henders onville, City of	WTF Sludge Transfer & Bwash Pump Upgrade	NC0145010	79,278	Henders on	\$7,022,992	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					42	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Murfreesboro, Town of	Main Street Waterline Replacement	NC0446015	2,612	Hertford	\$2,417,386				\$604,347	\$1,813,040	42	Feb. 2027
Princeton, Town of	Water System Improvements	NC0351050	1,326	Johnston	\$993,980	Fully funded remainder using a state grant	\$745,485	\$0			41	Feb. 2027
Fayetteville Public Works Commission	PO Hoffer WTF Phase 3 Residuals	NC0326010	215,590	Cumberland	\$48,635,606	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve.					41	
Gibson, Town of	Gibson Water Meter Replacement Project	NC0383015	589	Scotland	\$478,000	Fully funded remainder using a state grant/loan					40	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Belfast-Patetown Sanitary District	Eureka Water Line Replacement	NC0496065	5,696	Wayne	\$2,800,000	Fully funded remainder using a state grant/loan					40	
Greensboro, City of	Mitchell WTP Advanced Treatment for EC	NC0241010	316,082	Guilford	\$87,817,093	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					40	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Graham, City of	Graham-Mebane WTP PFAS Improvements	NC0201015	18,354	Alamance	\$30,250,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					37	
Carolina Water Service of North Carolina	Wolf Laurel - McKinney Gap	NC0158101	1,819	Madison	\$900,000		\$0	\$900,000			37	Feb. 2027

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Roanoke Rapids Sanitary District	Drinking Water EC Construction Project	NC0442010	15,630	Halifax	\$44,739,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					36	
Valdese, Town of	Raw Water Intake Relocation	NC0112010	13,571	Burke	\$20,361,090	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					35	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Morganton, City of	Morganton-Valdese-Drexel Interconnect	NC0112015	27,221	Burke	\$2,581,940	Fully funded remainder using a state grant					35	
Johnston County	King Rd BPS & Pipeline Improvements		116,850	Johnston	\$3,913,400	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					34	
Sampson County	Mintz Area Water Main Extensions		6,532	Sampson	\$5,000,000	Bypassed ; not eligible for minimum Principal Forgiveness requested .					30	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Burlington, City of	PFAS Drinking Water Treatment Upgrades	NC0201010	61,365	Alamance	\$51,672,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					29	
Lenoir, City of	Lenoir-Valdese Water Interconnect	NC0114010	25,573	Caldwell	\$7,550,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					27	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Johnston County	Cleveland Water Supply Improvements		116,850	Johnston	\$39,050,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve.					26	
Johnston County	Cleveland WD 1 MG Tank		116,850	Johnston	\$9,500,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve.					26	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Pender County	Membrane WTP and Associated Improvements	NC7071011	31,600	Pender	\$76,250,000	Bypassed for DWSRF funding in order to fund small system projects to meet the 30% DWSRF Small Systems Reserve. Partially funded with state loan/grant					25	
Drexel, Town of	Morganton-Valdese-Drexel Interconnect	NC0112045	3,302	Burke	\$5,361,850	Fully funded remainder using a state grant					25	
Carolina Water Service of North Carolina	Wolf Laurel - Wells 4&6 Tie In	NC0158101	1,819	Yancey	\$1,477,150	Last funded DWSRF project.	\$0	\$1,477,150			25	Feb. 2027

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Stanly County	Tyson Road Waterline	NC0184035	9,939	Stanly	\$4,010,450	0					20	
Lenoir, City of	Whitnel Transmission Main Replacement	NC0114010	25,573	Caldwell	\$8,200,000	0					19	
Wilkesboro, Town of	Brown Fords Loop Waterline Project	NC0197025	3,643	Wilkes	\$1,890,600	0					19	
Landis, Town of	Two Water Tanks		5,510	Rowan	\$7,781,695	0					18	
Carolina Water Service of North Carolina	Brandywine Bay - Ion Exchange	NC0416163	2,245	Carteret	\$629,709	0					18	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Carolina Water Service of North Carolina	Belvedere - Ion Exchange		1,498	Pender	\$2,818,334	0					18	
Carolina Water Service of North Carolina	PFAS Priority Sites	Multiple		Mecklenburg	\$3,325,000	0					15	
Pine Level, Town of	Well #3 Development		2,277	Johnston	\$1,921,999	0					13	
						Total	\$1,930,175	\$3,660,900	\$21,354,021	\$50,227,737		

Total funding requested: \$670,489,128, including reconsidered applications. Total awarded: \$77,172,833.

Spring 2025 Application Round – Funded Projects shown in Base DWSRF; IIJA DWSRF General Supplemental columns

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
River Bend, Town of	Drinking Water Impvts. - Phase II	NC0425113	2,846	Craven	\$8,712,600	Previously funded and Applicant needs an additional \$6,274,250 to fund modifications to the project. Fully funded by DWSRF.	\$3,137,125	\$3,137,125			66	Aug. 2026
Chocowinity, Town of	WTP and Waste Discharge Impvts	NC0083224, NC0087041	2,565	Beaufort	\$4,485,000				\$3,363,750	\$1,121,250	58	Aug. 2026
Fairmont, Town of	Water System Distribution Improvements	NC0378025	2,837	Robeson	\$7,240,700	Bypassed; not eligible for minimum Principal Forgiveness requested					57	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Aqua North Carolina, Inc	Brookwood Community Ion Exchange Filters	NC0326127	15,380	Cumberland	\$1,327,800	Fully funded using IIJA DWSRF-EC funds.					53	
Carolina Water Service, Inc	Olde Point - Fe Mn Filtration	NC0471112	516	Pender	\$1,403,959		\$0	\$1,403,959			53	Aug. 2026
Carolina Water Service, Inc	PFAS Implementation - College Park	NC0136214	208	Gaston	\$614,026	Fully funded using IIJA DWSRF-EC funds.					50	
Energy United Water Corporation	Energy United Water Corp DWSRF	NC0102015	13,975	Alexander , Iredell	\$2,422,745		\$605,686	\$1,817,059			49	Aug. 2026
Hobgood, Town of	DW Dist System Replace and Improvements	NC0442035	665	Halifax	\$3,523,425				\$3,523,425	\$0	49	Aug. 2026

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Hamilton, Town of	Water System Improvements	NC0459025	408	Martin	\$2,014,940		\$2,014,940	\$0			48	Aug. 2026
Whitakers , Town of	Automatic Meter Reading System	NC0433040	869	Nash, Edgecombe	\$301,000	Bypassed; not eligible for minimum Principal Forgiveness requested					48	
Pfeiffer-North Stanly Water Association	N Main St and Old 52 W/L Replacement	NC0184025	4,513	Stanly	\$4,931,200				\$2,465,600	\$2,465,600	48	Aug. 2026
Aurora, Town of	Water Supply Well #1 and Well #2 Rehab	NC0407020	805	Beaufort	\$1,071,489		\$535,745	\$535,745			48	Aug. 2026
Fairmont, Town of	Water Supply & Dist. Improvements	NC0378025	2,837	Robeson	\$13,480,000	Bypassed; not eligible for minimum Principal Forgiveness requested					47	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Aqua North Carolina, Inc	Brookwood Community Ion Exchange Filters	NC0326127	15,380	Cumberland	\$3,983,400	Partially funded with IIJA DWSRF-EC funds. Remainder funded using DWSRF loan.	\$0	\$311,200			47	Aug. 2026
Carolina Water Service, Inc	PFAS Implementation - Tanglewood Estates	NC0326342	309	Cumberland	\$450,313	Fully funded using IIJA DWSRF-EC funds.					47	
Cumberland County	Gray's Creek Phase 2	N/A	N/A	Cumberland	\$19,614,136	Bypassed; project was fully funded in February 2025 with DWSRF.					47	
Walstonburg, Town of	Water System Improvements Phase 2	NC0440030	240	Greene	\$909,976				\$909,976	\$0	46	Aug. 2026
Ayden, Town of	Galvanized/Cast Iron Waterline Replacement	NC0474025	6,366	Pitt	\$500,000				\$500,000	\$0	46	Aug. 2026
Martin County Regional Water and Sewer Authority	GAC Filters for PFAS Removal	NC6059015	10,162	Martin	\$1,015,500	Fully funded using IIJA DWSRF-EC funds.					46	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Carolina Water Service, Inc	Whispering Pines - Pine Lake Water Main	NC0363112	4,178	Moore	\$985,000		\$0	\$985,000			45	Aug. 2026
Carolina Water Service, Inc	Whispering Pines - Thagards Lake WM	NC0363112	4,178	Moore	\$1,100,000		\$0	\$1,100,000			45	Aug. 2026
Norwood, Town of	C&A Booster Pump Station Replacement	NC0184015	4,323	Stanly	\$2,204,900				\$1,653,675	\$551,225	44	Aug. 2026
Ansonville, Town of	Water Pipeline Replacement Bore	NC0304012	1,262	Anson	\$659,500				\$164,875	\$494,625	44	Aug. 2026
Landis, Town of	Mt. Moriah Ch – N Main St WL Replacement	NC0180038	5,510	Rowan	\$4,631,063		\$0	\$4,631,063			43	Aug. 2026

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Fayetteville Public Works Commission	PO Hoffer/Glenville Lake WTP GAC Facilit	NC0326010	215,590	Cumberland	\$51,182,600	Last funded SRF project. Partially funded using remaining available DWSRF funds.	\$0	\$15,500,000			43	Aug. 2026
Fayetteville Public Works Commission	PO Hoffer WTP Phase 3 Residuals	NC0326010	215,590	Cumberland	\$34,184,606						43	
Newton Grove, Town of	Water System Upgrade			Sampson	\$996,000						42	
Murfreesboro, Town of	Main Street Waterline Replacement			Hertford	\$2,417,386						42	
Oriental, Town of	WTP Generator Replacement			Pamlico	\$220,000						42	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
South Granville Water and Sewer Authority	Post-Filter PFAS Treatment Improvements			Granville	\$21,718,000						42	
Roanoke Rapids Sanitary District	Drinking Water EC Construction Project			Halifax	\$31,115,000						41	
Hamilton, Town of	Well No. 3			Martin	\$1,002,340						41	
Anson County	Rehab of Filter Plant Raw Supply			Anson	\$25,075,000						40	
Oriental, Town of	Water Treatment Plant Renovations			Pamlico	\$1,052,000						40	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Belfast-Patetown Sanitary District	Eureka Water Line Replacement			Wayne	\$2,800,000						40	
Greensboro, City of	Mitchell WTP Advanced Treatment for EC			Guilford	\$87,817,093						40	
Graham, City of	Graham-Mebane WTP Improvements			Alamance	\$30,250,000						39	
Carolina Water Service, Inc	Sherwood Forest - Turkey Run 2-inch Line			Transylvania	\$250,000						38	
Carolina Water Service, Inc	Wolf Laurel - McKinney Gap Water Line			Madison	\$530,000						38	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Oakboro, Town of	South Oakboro Waterline Replacement			Stanly	\$2,676,723						38	
Johnston County	TGB WTP PFAS Treatment Addition			Johnston	\$4,100,000						38	
Winterville, Town of	2025 Water System Improvements			Pitt	\$3,448,150						37	
Cape Fear Public Utility Authority	Arlington Heights Water Extension PFAS			New Hanover	\$2,615,143						37	
Cape Fear Public Utility Authority	Blossom St Area Water Main Ext PFAS			New Hanover	\$1,908,224						37	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	Brentwood Area Water Main Ext - PFAS			New Hanover	\$1,250,808						37	
Cape Fear Public Utility Authority	Burton Area Water Main Ext - PFAS			New Hanover	\$2,136,937						37	
Cape Fear Public Utility Authority	Chadwick Acres Area Water Main Ext -PFAS			New Hanover	\$657,610						37	
Cape Fear Public Utility Authority	Garden Place CFPUA Water Ext PFAS			New Hanover	\$1,280,519						37	
Cape Fear Public Utility Authority	Hanover Gardens Area Water Main Ext-PFAS			New Hanover	\$666,649						37	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	Marathon Farms Water Ext. to PFAS Wells			New Hanover	\$7,780,188						37	
Cape Fear Public Utility Authority	North College Water Ext. to PFAS Wells			New Hanover	\$959,659						37	
Cape Fear Public Utility Authority	Oakley Water Ext. to PFAS Wells			New Hanover	\$7,024,392						37	
Cape Fear Public Utility Authority	Old Bridge Site Water Ext. to PFAS Wells			New Hanover	\$3,430,607						37	
Cape Fear Public Utility Authority	Orange Street Water Ext. to PFAS Wells			New Hanover	\$1,191,796						37	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Cape Fear Public Utility Authority	Prince George & Lynn Water Ext. to PFAS			New Hanover	\$3,085,762						37	
Cape Fear Public Utility Authority	Whitman Water Main Ext. to PFAS Wells			New Hanover	\$1,138,519						37	
Cape Fear Public Utility Authority	Wrightsboro Acres Water Ext. to PFAS			New Hanover	\$3,312,783						37	
New Hanover County	NHC Garden Place Water Main Ext PFAS			New Hanover	\$1,963,096						37	
Carolina Water Service, Inc	Pinnacle Shores - Water Main Relocation			Iredell	\$2,360,000						37	
Sampson County	Old Warsaw Rd Water Main Extensions			Sampson	\$3,343,750						35	
Johnston County	King Rd BPS & Pipeline Improvements			Johnston	\$3,913,400						34	
Carolina Water Service, Inc	Ski Mountain - Drill New Well			Watauga	\$530,000						30	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Sampson County	Mintz Area Water Main Extensions			Sampson	\$5,000,000						30	
Princeton, Town of	Water System Improvements			Johnston	\$993,980						28	
Alamance County	Water Service for PFAS Contaminated Well			Alamance	\$924,190						27	
Burlington , City of	PFAS Drinking Water Treatment Upgrades			Alamance	\$28,160,000						27	
Carolina Water Service, Inc	Elk River - Drill New Well			Avery	\$450,000						27	
Johnston County	Cleveland Water Supply Improvements			Johnston	\$39,050,000						26	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Johnston County	Cleveland WD 1 MG Tank			Johnston	\$9,500,000						26	
Harkers Island Sanitary District	HISD Water System Improvements			Carteret	\$1,634,750						24	
Johnston County	Water Trans SCADA, Smart Meter & Security			Johnston	\$3,724,500						24	
Landis, Town of	Patterson / Flat Rock Rds WL Extension			Rowan	\$6,521,449						23	
Princeton, Town of	Radio Read Meter Installation			Johnston	\$579,500						21	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IJA Suppl. DWSRF Principal Forgiveness	IJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Landis, Town of	Two Water Tanks			Rowan	\$7,781,695						18	
Carolina Water Service, Inc	Belvedere - Ion Exchange			Pender	\$2,818,334						18	
Pine Level, Town of	Well #3 Development			Johnston	\$1,921,999						16	
Carolina Water Service, Inc	AMI Meter Exchange - Phase 3			Wake, New Hanover, Johnston, Carteret, Craven	\$2,161,800						15	
Carolina Water Service, Inc	AMI Meter Exchange - Phase 4			Cumberland, Wake, Pender, Lee, Durham, Cabarrus, New Hanover, Johnston	\$2,782,400						15	

Applicant Name	Project Name	PWSID	Service Population	County	Total Funding Request	Notes	Base DWSRF Principal Forgiveness	Base DWSRF Loans	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans	Priority Points	Estimated Binding Commitment
Carolina Water Service, Inc	AMI Meter Exchange - Phase 5			Forsyth, Mecklenburg, Gaston, Montgomery, Alleghany, Yancey, Iredell, Macon	\$3,120,600						15	
						Total	\$6,293,496	\$29,421,150	\$12,581,301	\$4,632,700		

Total funding requested: \$556,092,608, including reconsidered applications. Total awarded: \$52,928,647.

TOTALS

	Base DWSRF Principal Forgiveness	Base DWSRF Loans (excl. PF)	Total Base DWSRF	IIJA Suppl. DWSRF Principal Forgiveness	IIJA Suppl. DWSRF Loans (excl. PF)	Total IIJA Suppl. DWSRF
Total Awarded	\$8,223,671	\$33,082,050	\$41,305,721	\$33,935,322	\$54,860,437	\$88,795,759
Minimum Requirement of the Capitalization Grant Amounts (Estimates)	\$2,752,880	\$4,552,840	\$7,305,720	\$33,606,160	\$13,716,800	\$47,322,960

Appendix C
2026 DWSRF Proposed Payment Schedule
(Dependent on timing of state match and award of federal grant)

<u>Payment Quarter</u>	<u>2026 Base DWSRF Payment Amount</u>	<u>2026 IIJA DWSRF General Allotment Payment Amount</u>	<u>Reallotment from other capitalization grants (TBD)</u>
April 1, 2026 – June 30, 2026			
July 1, 2026 - September 30, 2026			
October 1, 2026 - December 31, 2026	\$10,588,000		
January 1, 2027 - March 31, 2027			
April 1, 2027 - June 30, 2027		\$68,584,000	
July 1, 2027 - September 30, 2027			
October 1, 2027 - December 31, 2027			
January 1, 2028 - March 31, 2028			
April 1, 2028 - June 30, 2028			
Total	\$10,588,000	\$68,584,000	

Appendix D

PRIORITY RATING SYSTEM for Drinking Water Projects

2026 PRIORITY RATING SYSTEM for Drinking Water Projects				
<i>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.</i>				
Line Item #	EC Line Item [†]	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A		Project will consolidate a nonviable drinking water or wastewater utility		25
1.B		Project will resolve failed or failing infrastructure issues		22
1.C		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, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old OR lead service lines		8
1.D		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, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		8
1.E		Project will provide service to disadvantaged areas		20
1.F – 1.I		Reserved for other programs		
1.J		Project addresses PFAS emerging contaminants		

2026 PRIORITY RATING SYSTEM for Drinking Water Projects				
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 OR		12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.J.3		Reserved for EC-Study Program. Please use the appropriate guidance and the rolling application.		
Maximum points for Category 1 – Project Purpose				25
Subtotal claimed for Category 1 – Project Purpose				
Line Item #	EC Line Item [†]	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A		Reserved for other programs		
2.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
2.C		Reserved for other programs		
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, OR		5
2.E.2		Project directly resolves a Notice of Violation or Notice of Deficiency		3
2.F		Project includes system merger or regionalization		
2.F.1		Project includes system merger OR		10
2.F.2	EC	Project includes system regionalization and/or system partnerships		5
2.G		Project addresses documented low pressure		10

2026 PRIORITY RATING SYSTEM for Drinking Water Projects				
2.H		Project addresses contamination		
2.H.1		Project addresses acute contamination of a water supply source OR		15
2.H.2		Project addresses contamination of a water supply source other than acute OR		5
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits OR		2
2.H.4	EC	Project addresses PFAS exceeding proposed or promulgated MCL or Hazard Index		5
2.I		Project improves treated water quality by adding or upgrading a unit process		3
2.J		Water loss in system to be rehabilitated or replaced is 30% or greater		3
2.K		Project provides a public water system interconnection		
2.K.1		Project creates a new interconnection between systems not previously interconnected OR		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 OR		10
2.K.3		Project creates any other type of interconnection between systems		5
2.L – 2.M		Reserved for other programs		
2.N		Project moves existing infrastructure from the floodplain or fortifies infrastructure within the floodplain		
2.N.1		Project relocates and/or improves infrastructure to assure continued operation during a 500-year flood event OR		8
2.N.2		Project relocates and/or improves infrastructure to assure continued operation during a 100-year flood event		5

2026 PRIORITY RATING SYSTEM for Drinking Water Projects				
2.O – 2.S		Reserved for other programs		
2.T		Project provides redundancy/resiliency for critical treatment and/or transmission/distribution system functions including cybersecurity and/or backup electrical power source		3
Maximum points for Category 2 – Project Benefits				35
Subtotal claimed for Category 2 – Project Benefits				
Line Item #	EC Line Item [†]	Category 3 – System Management	Claimed Yes/No	Points
3.A		Capital Planning Activities		
3.A.1	EC	Applicant has implemented an Asset Management Plan as of the date of application OR		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
3.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
3.C		Applicant has an approved Source Water Protection Plan and/or a Wellhead Protection Plan		5
3.D		Applicant has implemented a water loss reduction program		5
3.E		Applicant has implemented a water conservation incentive rate structure		3
3.F		Applicant has completed a local flood resiliency action plan with the proposed project included in the plan		5
Maximum points for Category 3 – System Management				15
Subtotal claimed for Category 3 – System Management				
Line Item #	EC Line Item [†]	Category 4 – Affordability	Claimed Yes/No	Points
4.A		Residential Connections		

2026 PRIORITY RATING SYSTEM for Drinking Water Projects				
4.A.1	EC	Less than 10,000 residential connections OR		2
4.A.2	EC	Less than 5,000 residential connections OR		4
4.A.3	EC	Less than 1,000 residential connections		8
4.B		Current Monthly Combined Utility Rates at 5,000 Usage		
4.B.1	EC	Greater than the 50 th Percentile OR		4
4.B.2	EC	Greater than the 70 th Percentile OR		6
4.B.3	EC	Greater than the 85 th Percentile OR		8
4.B.4	EC	Greater than the 95 th Percentile		10
4.C		Local Government Unit (LGU) Indicators		
4.C.1	EC	3 out of 5 LGU indicators worse than state benchmark OR		3
4.C.2	EC	4 out of 5 LGU indicators worse than state benchmark OR		5
4.C.3	EC	5 out of 5 LGU indicators worse than state benchmark OR		7
4.C.4	EC	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				
Total Points for EC funding (if applicable)				

[†] 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.

Appendix E

Grant Percentage Matrix

Thresholds will be updated from 2024 rates to 2026 rates (shown below) in assessing applications **starting with the Fall 2026 funding round**. Applications received prior to that date will be assessed using the 2024 rates data that are shown in the [FY2025 IUP](#), which underwent a public comment period in March 2025.

Table 4. Proposed Step 4 (Affordability Matrix)¹				
Percentile Ranges for grant eligibility categories	Combined Monthly Bills² based on 2026 data (\$/5000 gallons)	% Grant or PF	Combined Monthly Bills + Project cost per customer per month³ based on 2026 data (\$/5000 gallons)	% Grant or PF
> 99 Percentile	> \$190	100%	> \$190	100%
95 - 99 Percentile	\$161 - \$190	100%	\$161 - \$190	75%
85 - 95 Percentile	\$134 - \$161	75%	\$134 - \$161	50%
70 - 85 Percentile	\$117 - \$134	50%	\$117 - \$134	25%
50 - 70 Percentile	\$97 - \$117	25%	\$97 - \$117	0%
0 - 50 Percentile	\$0 - \$97	0%	\$0 - \$97	0%
¹ Local government units under the fiscal control of the Local Government Commission on the day of the application deadline qualify for 100% grant or principal forgiveness. ² Single utility providers may divide by 0.4 for water or 0.6 for sewer applicant for calculating a combined monthly bill. ³ Project cost per customer per month calculated assuming 0% interest financing for 20 years.				

Monthly bill data updated March 2026 using January 2026 statewide rates data compiled by the Environmental Finance Center at the University of North Carolina, Chapel Hill.