

CWSRF Integrated Priority Rating System Guidance

Note: Supporting documentation to determine priority points must be submitted with the funding application. Additional information will not be requested. Points will be determined based on the information submitted, and staff determinations are final.

This guidance is intended to aid in the understanding and implementation of the Clean Water State Revolving Fund (CWSRF) Integrated Priority Rating System (Rating System). Not all projects will neatly fit into one line item, and in those cases staff will determine points based on the best fit for a given project. The overall project scope, intent, and other guidance (e.g., engineering report guidance documents, green project guidance, etc.) will be used in making this determination. If you are unsure about how a given project will be viewed with respect to the Rating System, please discuss with Division of Water Quality (Division) Construction Grants and Loans Section (CG&L) staff. This guidance presents information in the same order as the Rating System sheet. Please ensure that submittals provide clear information needed to determine points.

A completed Rating System point sheet must be submitted with the funding application. A Rating System narrative (narrative) along with supporting documentation as required by guidance must also be attached to the funding application (i.e., it is considered part of the application) using the outline below:

CWSRF Integrated Priority Rating System Narrative
[Funding Applicant]
[Project Name]

- I. Project Type
- II. Environmental Benefits
- III. System Management
- IV. Financial Situation

The narrative must be consistent with information in the North Carolina Water / Wastewater Common Application Form (Common Application), DENR Application Appendix for Clean Water Funding Programs (DENR Appendix), and supporting information. The narrative must be complete to provide for accurate rating and concise such that critical information is not lost in unnecessary text. Text should only provide information related to this Rating System (e.g., describing environmental benefits not included in the Rating System is not needed). If there are no applicable points in any given section, please state that there are no applicable points under that heading.

Maps can be extremely helpful in staff determinations for priority points. Maps should include sufficient labels of geographical references and should be at a readable scale. Additional requirements for maps may be included for individual line items below.

Project Type Section

Points are given for only one type of project per funding application. Combining multiple types of projects into a single proposal will not gain additional points (e.g., combining a sewer rehabilitation project along with a reclaimed water project). Please ensure the project type on Page Two of the Common Application is checked and provide a project description on Page Three. These items must be consistent with Project Type narrative along with any required documentation.

In cases where a single application includes multiple project types, staff will review the application and assign the project type that best fits this guidance or, if not addressed by the guidance, assign a project type that best fits the overall project and / or this guidance. Points will then be assigned based on that determination.

Points in subsequent sections will be based on the project type determined / verified in this section.

1. Wastewater treatment plant (WWTP) construction or expansion. These projects include any project for a new or expanding (increased permitted capacity) WWTP. The questions in Line Items 1.1 and 1.2 may be skipped for WWTP projects that are not in a Tier 3 county or are not a major WWTP (defined for the Rating System as greater than 1 million gallons per day). Otherwise the narrative should include responses, as appropriate, to the questions in Line Items 1.1 and 1.2.

For Major WWTPs in Tier 3 counties, applicants will receive all 5 points only if they are actively distributing reclaimed water and have distributed a peak daily flow of more than 100,000 gallons per day (gpd) of reclaimed water prior to making application for funding. Where the applicant has multiple or satellite reclaimed water facilities, flows may be summed to meet the threshold. A monitoring report (i.e., NDMR) indicating the distribution of greater than 100,000 gpd shall be submitted (i.e., daily max flow distributed can be 100,001 gallons and the WWTP would qualify) as documentation. For WWTP projects that will include future reclaimed water at flows greater than 100,000 gpd, a commitment letter from the users must be submitted along with documentation that the users have the ability to use the flow in the commitment letter. The commitment letter must specifically state that the potential user is willing to utilize reclaimed water, the planned use of the reclaimed water, and that the quality of reclaimed water will meet their specific water quality needs. In some cases a letter is not necessary where ordinances require the use of reclaimed water when the reclaimed water is available (e.g., residential irrigation systems with separate irrigation meters).

For Major WWTPs in a Tier 3 county answering “no” to both questions in Line Item 1.1, please answer the first question in Line Item 1.2. If answering “yes” to that question, provide a copy of the reclaimed water permit and skip the next question). If answering “no” to the first question, but “yes” to the second, please briefly describe the extent of additional treatment facilities that may be required to meet reclaimed water effluent and treatment standards.

2. WWTP replacement and rehabilitation projects are those that replace equipment or processes with same or similar capabilities. Included are WWTP upgrades (e.g., nutrient removal upgrade to meet nutrient limits). Increases in WWTP capacity will not receive points under Line Item 2. The narrative should specifically state that equipment will be like-size replacements with same or similar capacities (i.e., within five percent).
3. New sewer line extensions are generally not funded with CWSRF funds; however, when new lines are needed to relieve failing systems or to serve regional systems, they are fundable and may be prioritized under Line Item 3. The narrative must clearly state which criteria (e.g., failing septic tanks) in this line item is applicable and the needed documentation must be submitted to receive points.

To receive points for failing septic tanks, a letter from the local county health department that specifically documents failing systems must be provided. Letters that advise “failures are *likely*” or “soils do not allow *new* septic systems” are not acceptable documentation of failing systems and will not support the assignment of points. Indicate the year (approximate if unknown) the failing systems were installed.

For Division-permitted single-family discharges or spray irrigation systems, list the permits in the watershed that the sewer will replace.

Funding is available only for the lines necessary to serve those areas with the subject failing or Division-permitted single-family systems. Developed areas with similar characteristics that do not have documented failures or Division-permitted single-family systems cannot be part of the funded project. Upsizing of lines to accommodate future growth is not fundable if receiving points under this line item, but may be submitted as a bid alternate (owner to fund the increase in project costs). A project map must be provided that clearly shows the new sewer lines and specific locations of the systems to be connected to the new sewer.

4. Sewer line expansions (i.e., increase in pipe diameter) include expansions of existing sewers needed solely for future capacity as well as those combined with rehabilitation projects where line sizes are increasing due to existing capacity deficiencies. Line Item 4 does not include rehabilitation projects that include upsizing lines that do not meet the minimum size criteria in 2T .0305(i)(1) to 8-inch diameter pipe (i.e., those projects are Line Item 5).
5. Collection system replacement and rehabilitation projects are those that replace pump stations and sewer lines with same-size facilities. Included are gravity sewers that replace pump stations with same capacity except 8-inch gravity sewers (i.e., minimum size for public sewers) that have greater capacity than the pump station that is replaced. The applicant must include engineering calculations to support this determination. Sewer lines that are like-size replacements but gain capacity due to gradient changes, improved frictional head due to pipe material changes, etc. are not considered expansions. Rehabilitation projects that include upsizing lines that do not meet the minimum size criteria in 2T .0305(i)(1) to 8-inch diameter pipe are allowable. Additional enhancements at pump stations that do not add capacity are also allowable under this line item such as SCADA, VSDs, etc. The narrative should specifically state that equipment will be like-size replacements with same or similar capacities (i.e., within five percent). The narrative should explicitly describe applicability of Line Items 5.1 – 5.3.

For Line Item 5.1, the sanitary sewer evaluation survey (SSES) will be required as part of the engineering report if the project is funded. **The SSES must be a comprehensive survey of the entire sewershed for the project** (i.e., not necessarily for the entire collection system). The SSES must have evaluated all lines and manholes in the sewershed that rehabilitation takes place. Find and fix type projects will not qualify for this line item. The narrative must describe the comprehensiveness (e.g., manhole inspection, CCTV, dye testing, etc.) of the SSES. A map of the sewershed to be rehabilitated must be included showing all sewers.

For Line Item 5.2, submit a map of the project specifically showing sewer lines to be rehabilitated with the reported SSO location(s) and the SSO report(s) to the Division. The map must provide information (e.g., street name, manhole number, direction of flow in the sewers, etc.) to correlate the SSO reports to the location of SSOs on the map. Only SSOs that will be addressed by the rehabilitation project need to be shown on the map and listed in the narrative. To be considered for this line item, the SSOs must have occurred within the last five years prior to the application deadline.

For Line Item 5.3, indicate the age of sewer lines to be rehabilitated. At least 50 percent of the line length must be greater than 40 years old to receive points.

6. Stream restoration projects should clearly indicate in the narrative if either of the additional point line items applies and that the project will meet those criteria for receiving points.

Restoration of natural hydrology of the stream (Line Item 6.1) means no stormwater conveyances (i.e., not natural) remain that discharge directly into the stream without an intervening stormwater BMP that is eligible for peak runoff attenuation or runoff volume reduction regulatory credits per the NC DWQ [Stormwater Best Management Practices Manual](#).

Protection of riparian buffers (Line Item 6.2) means establishment of a buffer where one does not exist or protection of existing vegetation in a buffer meeting the following criteria:

- Woody vegetation for zone one (30 feet) of the buffer and
- Woody or herbaceous vegetation for zone two (Zone 1 plus 20 feet) of the buffer.

A minimum of 30 ft. on each side of the stream must be protected to qualify [Note: The maximum eligible buffer is 50 ft. on each side of the stream.]. The project must remove all stormwater discharges through the buffer that are not associated with natural drainageways.

7. Stormwater projects that receive points include those constructing / installing BMPs from the NC DWQ [Stormwater Best Management Practices Manual](#) (manual) and those proprietary BMPs approved under the process described in the manual (Note: Project must still meet public contracting statutes).

For Line Item 7.1 points will be given based on the regulatory credits provided in the manual. Where the manual lists “possible” credits, a letter from the Stormwater Permitting Unit must be included indicating the criteria needed to make the credits actual. The narrative should specifically state whether the project will adhere to the Stormwater BMP manual and percentage reductions that will be achieved.

8. Reclaimed water projects where no reclaimed water system exists must include a commitment letter from the user(s) along with documentation that the user(s) has(have) the ability to use the reclaimed water for an allowable use. Where the proposed reclaimed water system will be serving residential users or in other similar situations where a commitment letter is not practicable, the LGU may submit a commitment to approve, or documentation of, an ordinance that requires the use of reclaimed water upon its availability.

The project can only consist of the necessary equipment to provide reclaimed water to receive points under this line item (e.g., the project cannot include other WWTP upgrades or expansions, collection system facilities, etc.). For purposes of this line item and Line Item 9, a reclaimed water system exists when it is permitted unless the facility previously permitted is the proposed project (e.g., the project was not constructed due to a lack of funding). The narrative must specifically state the reclaimed water system does not exist and, if permitted, that the subject project is the previously permitted system.

9. For expanding reclaimed water system projects, describe the operational status of the reclaimed water facilities and how the proposed project will connect to the existing system in the narrative. Provide a copy of the reclaimed water permit and a commitment to utilize the reclaimed water in accordance with the guidance above in Line Item 8.
10. Energy efficiency projects are fundable only if they are associated with a treatment works facility. Energy reductions must be based on how existing equipment is currently being operated. All energy producing projects will receive points under this line item. The narrative should clearly describe the project along with expected energy reductions and / or energy production. Calculations must be submitted documenting the 20% reduction in energy use. Elimination of pump stations may qualify depending on the impact to downstream facilities (e.g., flow becomes tributary to a different pump station). For this type scenario, calculations should document increases in energy use at those impacted facilities.
11. For energy efficiency bonus points, the same criteria apply that apply to Line Item 10; however, the energy efficiency equipment are ancillary to the project. The energy efficiency measures must be directly related to the project (e.g., energy production from methane as part of a larger wastewater facility upgrade).

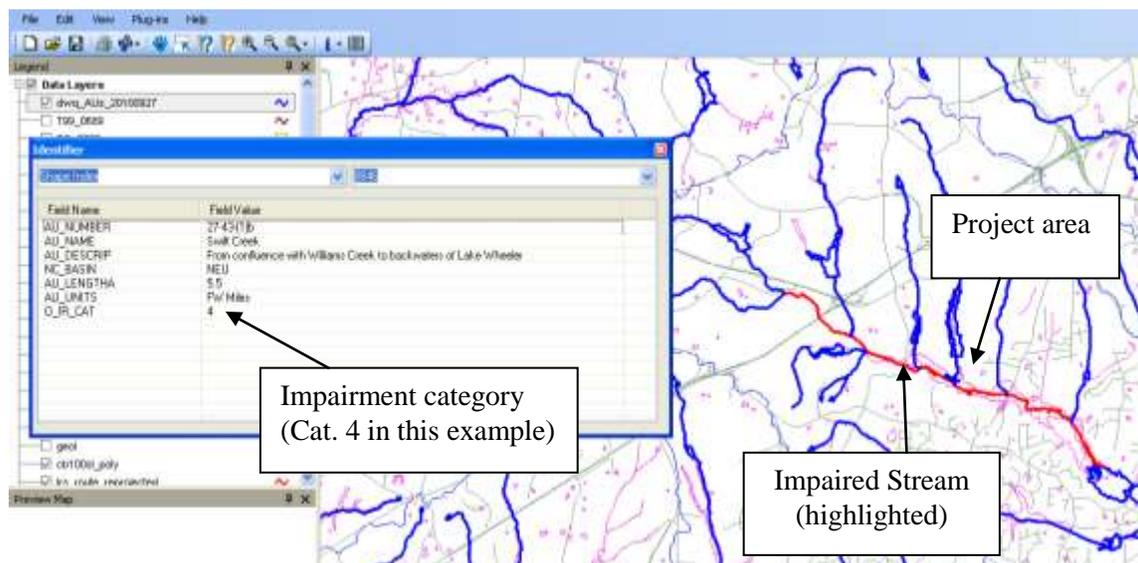
Environmental Benefits Section

12. To receive basinwide plan implementation points, the narrative must reference a specific recommendation or strategy (strategy) in an approved basinwide plan (specify River Basin, Chapter, and Page(s)). Provide a short discussion of the impairment or water quality issue related to the strategy and discuss how the project will directly implement the strategy. The project must not be incidental to implementation of the strategy. Points **will not** be awarded due to a non-compliant facility becoming compliant.

Points will usually not be given for WWTP or collection system expansions that also include implementation of a strategy (e.g., WWTP expansion that includes nutrient removal to meet a nutrient management strategy). However, if the applicant can document that loads for all pollutants of concern **will** decrease as a result of the expansion to any waters associated with the project that have a basin plan strategy or recommendation, points may be awarded as determined by CG&L. For an expanding NPDES WWTP, a speculative limits letter for the NPDES permit or effluent limits page from the NPDES permit documenting a reduction in load from currently permitted loads and a commitment letter to accept those limits **must** be submitted as part of the application package.

13. A subwatershed is the 6th-level, 12-digit hydrologic unit code. Provide the stream name, basin, and the 12-digit HUC. Provide a discussion of the impairment, a reference for the impairment and discussion of how the project will directly benefit the impairment. The discussion should relate the need and benefit of the project to the cause(s) of the impairment.

Provide a map(s) indicating the project location and stream location with impaired segment highlighted (as well as sufficient labeled landmarks such as roads, streams, political boundaries, etc. to locate the project). GIS layers are available at <http://datagateway.nrcs.usda.gov/>. In addition, the Division's Planning Section has GIS layers for impaired streams (2010 listing) at <http://portal.ncdenr.org/web/wq/ps/mtu/assessment>. This stream layer includes the stream name and impairment category (whether impaired or not). See figure below.



Example of GIS layer for stream impairment

Basinwide Assessment Reports may also be helpful in describing the impairment issues and the project will directly improve or address the impairment; these reports may be found at <http://portal.ncdenr.org/web/wq/ess/reports>. If used please reference the report name, date, and page number.

14. Provide the river basin name, stream name and index number along with the stream classification. Watershed classification should be provided and be consistent with any subwatershed or basinwide plan mentioned above. Provide discussion of how the project will directly (i.e., not incidental) benefit the waters with applicable classification. To determine the watershed classification, the Planning Section's maps web page provides GIS layers to locate and document the location of waters and their respective classifications (<http://portal.ncdenr.org/web/wq/ps/csu/maps>). Provide mapping that indicates the project location and waters subject to Line Item 14.
15. For groundwater violation points, please provide documentation of groundwater violations and a copy of the disposal system permit. Provide a discussion of the correlation between the permitted activity and the groundwater violations.

Management Section

16. SOC – pending: Describe the violations that have occurred and the necessary construction to resolve the noncompliance (i.e., the funded project would correct the violations). Provide a copy of the SOC application and any correspondence with the appropriate regional office. Provide the regional office contact, if any. If available at the time of application, provide a draft construction schedule. It is highly recommended that Division Regional Office staff, along with CG&L staff, are consulted prior to submitting a funding application. **The SOC application must be submitted to the Division before the funding application submittal deadline.**

17. SOC – existing: Provide a copy of the SOC highlighting the action item(s) that include(s) the subject project. Describe the violations that have occurred and the necessary construction to resolve the noncompliance (i.e., the funded project would correct the violations). Discuss any conflicts that may arise between the funding schedule (see IUP) and the SOC compliance schedule.
- 18./19. For Asset Management criteria – please carefully read separate asset management guidance document before claiming either of these line items.
20. Operating ratios (OR) for purposes of the Rating System should be calculated using the following formula: OR equals operating revenues divided by operating expenditures including debt service (principal and interest). Revenues and expenditures shall be specific to the water and sewer enterprise fund (or the stormwater utility as applicable). Revenues and expenditures used in the formula may be averaged over a period of time greater than one year to account for unique circumstances. For instance, they can be averaged over the last five years to account for variations in capital expenditures. Future revenues may not be used.
21. Regionalization points are provided for management regionalization. Connectivity regionalization may qualify for other points (e.g., basinwide strategy). If the applicant has previously consolidated with other local government units that were providing wastewater service, indicate the systems consolidated. Management regionalization must include all collection systems as well as treatment facilities. Interconnectivity alone (e.g., providing only regionalized treatment) is not sufficient to obtain points. Management regionalization does not need to include physical regionalization (i.e., decentralized systems are allowable).

Financial Section

22. See the CG&L web site (<http://portal.ncdenr.org/web/wq/cgls>) for current poverty statistics. These statistics must be used for both the Rating System and Common Application. Poverty rate is required on Page Three of the Common Application. Use the formula as provided in the Rating System.
23. Use water and sewer rates (i.e., inside corporate boundary rates only) at the time of application as required on the Water and Sewer Rate Form that is part of DENR Appendix. See the CG&L web site (<http://portal.ncdenr.org/web/wq/cgls>) for current median household income (MHI) data. Include the appropriate MHI on Page Three of the Common Application. Calculate the combined water and sewer rate based on current rates and 5,000 gallons usage per month. The rates must have been in effect for 30 days prior to the application deadline. Use the formula as provided in the Rating System. If only one service is provided, use only the water or sewer rate as applicable. New systems without adopted rates should enter zero.
24. Provide the number of residential water and sewer customer accounts. Points must be calculated by using the average of the residential water and sewer accounts that are provided on Page Two of the Common Application. Data should be based on the most recent billing cycle. Use the formula as provided in the Rating System. New systems without users should enter zero points for this line item (i.e., do not enter zero into the equation).

A Note On Service Connections

The number of residential sewer accounts provided on Page Two of the Common Application will be used to determine eligibility for principal forgiveness as described in section D.3. of the Intended Use Plan and to verify points on Lines 18 and 19 of the Rating System sheet, if any.

CWSRF Integrated Priority Rating System			
For all CWSRF Project			
	<i>(Points are given for only one type of project per funding application)</i>	Points	Max Total Points
Line Item #	Project Type		30
	WASTEWATER TREATMENT AND COLLECTION SYSTEM PROJECTS		
1	WWTP - New construction or expansion projects	5	
1.1	The WWTP is a major facility in a Tier 3 county: 1. Does the applicant have a reclaimed water system that is actively distributing >100,000 gpd? YES NO (Circle One) 2. Will the project include reclaimed water that will use 100,000 gpd (must have commitment letters from users)? YES NO (Circle One) Subtract 2 points if answered “no” to both questions.	-2	
1.2	If answered “no” to both questions in Line Item 1.1 then: 1. Is the WWTP approved for reclaimed water distribution? YES NO 2. Will the project include meeting reclaimed water standards? YES NO Subtract 2 points if answered “no” to both questions.	-2	
2	WWTP REPLACEMENT/REHABILITATION that would not increase service area capacity	15	
2.1	Replacing WWTP infrastructure that is greater than 20 years old	5	
3	NEW SEWER LINE EXTENSION that primarily serves areas with failing septic tanks (must provide a letter from the Health Department), single-family residence discharges (NCG550000), or single-family residence spray / drip irrigation systems	20	
4	EXPANSION OF EXISTING SEWER LINES	5	
5	COLLECTION SYSTEM REPLACEMENT/REHABILITATION (pump station/force main/gravity sewer) that would not increase capacity	20	
5.1	Addresses infiltration/inflow (I/I) for a sewershed based on a SSES	3	
5.2	Addresses reported sanitary sewer overflows (SSOs)	2	
5.3	Replaces sewer infrastructure that is greater than 40 years old	5	
	GREEN PROJECTS		
6	STREAM RESTORATION project (includes wetlands)	15	
6.1	Stream restoration project that restores the natural hydrology of the watershed	10	
6.2	Stream restoration project that includes protection of riparian buffers beyond rule requirements	5	
7	STORMWATER project that addresses treating existing sources of pollution	15	
7.1	Stormwater project that includes infiltration BMPs as specified in the NC BMP stormwater manual or BMPs in series that achieve at least 35% nutrient reduction (both TN and TP) and 85% TSS reduction	10	
8	RECLAIMED WATER project where no reclaimed water system exists	15	
9	RECLAIMED WATER project where an existing reclaimed water system is being expanded	10	
10	ENERGY EFFICIENCY project at a WWTP or other wastewater infrastructure strictly to achieve a minimum 20% energy reduction	5	

	BONUS		
11	Project includes energy efficiency measures (20% reduction)	2	
	Subtotal for Project Type:		
			Max Total Points
	Environmental Benefits		35
12	Implementation of a basinwide water quality plan recommendation or strategy	25	
13	Project directly benefits subwatersheds that are impaired as noted on the most recent version of the Integrated Report	10	
14	Project directly benefits waters classified as HQW, ORW, Tr, WS-I, WS-II, SA; or Project directly benefits waters classified as WS-III or WS-IV that are covered by an approved Source Water Protection Plan <small>(points may not be combined; award higher applicable value; max of 5 total points)</small>	5 2	
15	Correct documented violations of groundwater standards for a permitted system (e.g., nondischarge facility, subsurface system, etc.)	25	
	Subtotal for Environmental Benefit:		
			Max Total Points
	System Management		20
16	Project directly addresses a SOC that is pending or being negotiated by including repair and rehabilitation as part of the expansion/construction project	5	
17	Project directly addresses an existing SOC by including repair and rehabilitation as part of the expansion/construction project	2	
18	Local government unit's (LGU) number of service connections are greater than 10,000 and the LGU has developed and is utilizing an Asset Management Plan	10	
19	Local government unit's (LGU) number of service connections are less than 10,000 and the LGU will implement an Asset Management Plan	10	
20	Operating Ratios are greater than or equal to 1	5	
21	Project will include regionalization of management of entire service area or applicant has already implemented regionalized management	5	
	Subtotal for System Management:		
		Max Points	Max Total Points
	Financial Situation		15
22	Poverty rate (%) of the service area divided 5	6	
23	Combined monthly water and wastewater bill for residential customers (based on 5,000 gal) / (median household income / 12) x 200	6	
24	1500 / number of residential water and sewer customer accounts	3	
	Subtotal for Financial Situation:		
	Total		