



NORTH CAROLINA

CLEAN WATER STATE REVOLVING FUND

INTENDED USE PLAN

**Fiscal Years 2013 and 2014
Federal Capitalization Grant Appropriations**

Introduction to the Intended Use Plan Public Review Process

With each capitalization grant, the Intended Use Plan (IUP) serves to explain how the capitalization grant will be used and the Clean Water State Revolving Fund (CWSRF) will operate. This IUP, when finalized, becomes part of the grant application and is approved by EPA. The CWSRF program is administered by the Infrastructure Finance Section in the Division of Water Quality. For federal fiscal year (FFY) 2013 and 2014, the IUP outlines the activities associated with appropriations of approximately \$24,400,000 and the projected state match of \$4,880,000 for each fiscal year (see the financial history section for more information on appropriations). Note that the state matches have not yet been appropriated. However, the state will have immediate access to the federal funds by proceeding with the IUP process should the match be provided by the legislature.

The IUP will be finalized after public review (and changes are made based on that review), the state match has been obtained, and the IUP has been approved by EPA.

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I. Introduction

The Infrastructure Finance Section (IFS) is part of the Division of Water Quality (DWQ) within the North Carolina Department of Environment and Natural Resources (NCDENR). IFS administers financial assistance programs to assist local government units (LGUs) in constructing projects that both benefit water quality and improve the human environment.

Specific to this document, IFS administers the federal-state Clean Water State Revolving Fund (CWSRF) program as established by Title VI of the Federal Water Pollution Control Act (a.k.a. Clean Water Act) as amended in 1987. The CWSRF program offers low-interest loans to LGUs at interest rates lower than market rates for clean water infrastructure. As a LGU repays the loan, the monies are again loaned out, hence the revolving nature of the program. All loan repayments must go back into the CWSRF. The Intended Use Plan (IUP) serves to explain how the capitalization grant will be used and the CWSRF will operate.

The IUP provides the basic funding framework for the CWSRF along with the operating agreement both of which are approved by EPA. The IUP is incorporated into the capitalization grant agreement and becomes the grant work plan. Combined, the operating agreement, grant agreement, IUP, Clean Water Act, and state statutes, set the program requirements for the CWSRF. The IUP identifies anticipated projects scheduled for loan commitments from the CWSRF. It also explains how the CWSRF will utilize a priority rating system to identify those projects that will address the greatest need and/or provide the greatest positive environmental impact on the water resources in North Carolina.

II. Financial History

Congress appropriates an overall CWSRF funding level that is allocated to states based on percentages in the Clean Water Act. This allocation has not been updated since the 1987 amendments that established the CWSRF. The North Carolina allocation is approximately 1.8% of the national appropriation. Capitalization grants, including the required State match, have provided \$751,345,433 for investment in the CWSRF since the inception of the program. However, since the CWSRF is a revolving program, these government funds have enabled \$1,294,053,105 in loan commitments over this same time period. 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 clean water infrastructure need for LGUs in North Carolina. However, if capitalization grants continue (or are increased) the program will better be able to meet infrastructure financing needs for LGUs.

III. Programmatic Goals

Pursuant to the Clean Water Act, the State must identify the goals and objectives of its water pollution control revolving fund (i.e., the CWSRF). The State has the following goals for its CWSRF program:

A. Overall CWSRF Program Goal

Provide funding for clean water infrastructure while advancing the Division of Water Quality's mission to protect and enhance North Carolina's surface waters and groundwater resources for the citizens of North Carolina and future generations.

B. Short-Term Goals

Goal #1: Continue efforts to streamline the funding process to ensure the funds are used in an expeditious and timely manner in accordance with Sec. 602(b)(4) of the Clean Water Act.

Goal #2: Increase efforts to inform local government units of the availability of funds, benefits of the CWSRF program, and funding process improvements.

C. Long -Term Goals

Goal #1: Provide effective project management to improve the pace of the revolving fund so that more assistance can be provided over time.

Goal #2: Aid compliance with State and Federal water quality standards by all funded publicly-owned wastewater treatment works.

Goal #3: Ensure the technical integrity of CWSRF projects through diligent and effective planning, design, and construction management.

Goal #4: Ensure the long term viability of the CWSRF program through effective financial practices.

Goal #5: Ensure the priority system reflects the Division of Water Quality's goals.

IV. 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 (i.e., currently 20% minimum and 30% maximum of the Federal appropriation over \$1 billion for the CWSRF program allocated to NC). A green project reserve of not less than 10% of the capitalization grant as required by federal appropriation statutes. The State intends to access four percent of the capitalization grant for the administrative costs associated with running the program. These costs include application review, engineering report and environmental document review, design review, loan processing, construction inspection and post-construction inspections for funded projects.

The following table provides a summary of the projected funds available as a result of the Federal capitalization grant:

Estimated Sources and Uses – 2013 & 2014 Federal Capitalization Grant

<u>Sources</u>	<u>Cumulative</u>	<u>Current</u>	<u>Total</u>
Federal Capitalization Grants	\$637,909,378		
State Match	\$113,436,055		
2013 Federal Capitalization Grant		\$24,400,000	
2013 State Match		\$4,880,000	
2014 Federal Capitalization Grant		\$24,400,000	
2014 State Match		\$4,880,000	
Total Capitalization Grant	\$751,345,433	\$58,560,000	\$809,905,433
Funds Available ¹		\$276,531,523	
Loan Repayments ²	\$446,612,400		\$446,612,400
Total Sources	\$1,197,957,833	\$335,091,523	\$1,533,049,356
<u>Uses</u>			
Loans ²	\$1,072,358,841		\$1,072,358,841
Sept 2012 Round		\$110,000,000	
March 2013 Round		\$95,000,000	
Projects Encumbered ¹		\$283,382,580	
Administrative allocation	\$25,516,375	\$1,952,000	\$27,468,375
Total Uses	\$1,097,875,216	\$490,334,580	\$1,588,209,796
Available ³	\$100,082,616	\$(155,243,057)	\$(55,160,441)

Notes:

1 – Current at the end of FY 2012

2 – Current as of March 31, 2013

3 – Does not consider future capitalization grants after 2014 or future loan repayments

V. Criteria and Methods for Distributing Funds

A. Project List and Prioritization

To be eligible for CWSRF funding a project or project applicant must be included on the State Project List. The State Project List may be supplemented or replaced based on applications received as a part of future funding cycles (see B., below). The State's priority rating criteria for categorizing and ranking projects for construction loans will be based on the Integrated Priority Rating System.

The prioritization system considers four elements of a project: (1) project type, (2) environmental benefit, (3) system management, and (4) financial situation.

For project type, IFS places higher priority on projects that repair, rehabilitate, or replace infrastructure that has already been installed for either wastewater treatment

plants or collection systems rather than on projects that are new or expansions. Projects that reduce nonpoint source pollution (e.g., stormwater best management practices) are also prioritized more highly.

In terms of environmental benefits, projects that seek to either proactively benefit the environment or correct water quality issues receive points for environmental benefits. For example, IFS more highly prioritizes projects implementing basinwide strategies, projects correcting groundwater violations, or projects directly benefitting impaired waters.

In addition to correcting water quality issues, IFS seeks to support those LGUs that seek to be proactive in their system management, including prioritization points for asset management plans and appropriate operating ratios.

Last, IFS has taken into account the financial situations of LGUs. Those LGUs who have a high poverty rate and/or high utility bills relative to median household income receive higher priority than other LGUs.

B. Application and Project Deadlines

The CWSRF program operates on a priority basis and accepts funding applications semi-annually. Projects are allocated funding in priority order (as noted above) until available funds are exhausted and within special reserve requirements (e.g., Green Project Reserve, Principal Forgiveness Reserve, etc. as described herein). Funding availability is determined based on the 2013 and 2014 capitalization grants and projected recycled funds. Results will be posted on the program's web site. Project funding is contingent on adherence to the schedule below in accordance with § 159G-41 (**times listed are measured from initial application deadline**):

1. Funding application and supporting information must be received by the application deadline to be considered for any given funding cycle.
2. Within one month the CWSRF program will issue letters of intent to award funding based on the projects' ratings and the amount of funds being made available in the cycle.
3. Within five months a complete Engineering Report / Environmental Information Document must be submitted to the CWSRF program.
4. Within 10 months the Engineering Report / Environmental Information Document must be approved.
5. Within 16 months complete plans and specifications and permit applications and/or a request for an Authorization to Construct must be submitted with copies of all other required construction permits, encroachments, etc., or evidence that applications for remaining required permits have been submitted to the respective permitting agency.
6. Within 20 months the plans/specifications and all required permits must be approved/issued.
7. Within 24 months the following events/items must be completed/received:
 - a. The project must be advertised for bids

- b. Bids must be received
 - c. Bid information must be submitted to the CWSRF staff
 - d. The CWSRF program's Authority to Award construction contracts must be obtained.
8. Within 25 months of application construction contracts must be executed.

Notes:

- 1) **The milestones in the timeline above are absolute for all projects in a particular cycle and will not be extended. 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 CWSRF staff will be suspended and all documents returned to the applicant until the proposed project is resubmitted for consideration during a future cycle.**
- 2) **If an applicant desires CWSRF funding and the applicant's project requires an Environmental Impact Statement (EIS), Infrastructure Finance Section 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 then requires an EIS the milestone deadlines for the project will be suspended until a draft EIS has been sent to the SCH. After the draft EIS goes to the SCH the project must adhere to the same time frames specified above.**

C. Detailed Loan and Project Funding Criteria

1. General:

- a. To be eligible for CWSRF funding a project must be on the State Project List.
- b. Funding can be provided for all eligible projects as provided for in the Clean Water Act and NCGS 159G including wastewater treatment facilities, collection systems, stream restorations, stormwater BMPs, etc. that improve water quality.
- c. Funding will be provided in priority order based on project score and the amount of funds made available in a particular cycle with consideration of reserves detailed below. Projects cannot be substantively changed once funding is allocated.
- d. Maximum CWSRF loan amount will be established for each funding round to one-half the overall assistance level of the round per project, per applicant.
- e. Maximum CWSRF loan availability per applicant is not more than \$100,000,000 in outstanding debt to the CWSRF program.
- f. Notwithstanding the above limits in Items V.C.1.d. and V.C.1.e., if availability of funds exceeds project demand, these limits may be exceeded to ensure all available funds are utilized for any given cycle for projects on the priority list. Exceeding the maximum provided in Item V.C.1.d. will be considered prior to Item V.C.1.e.
- g. For replacement of existing infrastructure (i.e., wastewater treatment facility rehabilitation – Line Item 2, collection system rehabilitation – Line

Item 5, and septic tank / single family replacement projects – Line Item 3 of the priority rating system), 0% interest is available for local government units that have less than 10,000 residential sewer connections and a combined point total of 10 or more points for Line Items 20 and 21 on the priority rating sheet.

2. Principal Forgiveness:

- a. 20% minimum and 30% maximum of the Federal appropriation over \$1 billion for the 2013 and 2014 Federal capitalization grant will be provided in the form of principal forgiveness. This is approximately between \$1,300,000 and \$2,000,000 for each grant. Additional allowances may be made for principal forgiveness from previous capitalization grants not fully maximized based on federal statutes.
- b. Principal forgiveness will be limited to those systems with a current residential sewer connection base of less than 10,000.
- c. In addition to V.C.2.b. above, a financial indicator in the priority point system will be used to determine those applications that will be ranked and be eligible for principal forgiveness. This indicator consists of a combined point total of 10 or more points for Line Items 20 (poverty rate) and 21 (sewer rates / median household income) on the priority rating sheet.
- d. Principal forgiveness, if available, will be 50% of the loan amount up to a maximum of \$1,000,000.
- e. A 0% interest rate will be applied to the portion of the loan that is not forgiven.
- f. Principal forgiveness is not available for green projects.

3. Green Projects:

- a. Not less than 10 percent of both the 2013 and 2014 Federal capitalization grant appropriations (approximately \$2,440,000 each year) will be provided for green projects provided there are sufficient applications to utilize this reserve. If sufficient applications are not received to utilize this reserve after two cycles of funding applications, funds may be utilized for non-green projects. However, the state will continue to conduct outreach to promote green project funding opportunities. Green projects funded through the green project reserve will receive 0% interest loans.
- b. Notwithstanding the above paragraph, the State will offer 0% interest to green projects beyond the requirements of the capitalization grant consistent with the priority rating system.
- c. Principal forgiveness is not available for green projects.

4. Miscellaneous Criteria/Provisions:
 - a. Davis-Bacon prevailing wage rates apply to all loans as required by Federal mandates.
 - b. The CWSRF loan interest rate is based on ½ of The Bond Buyer's 20-Bond Index except as specifically allowed herein. The interest rate will be set at the time of the notice of intent fund.
 - c. Approval of a CWSRF loan is contingent on approval by the Local Government Commission (LGC).
 - d. CWSRF loan terms are set by the LGC.
 - e. The maximum CWSRF loan term is 20 years.
 - f. A 2% loan fee is required. The loan fee cannot be financed by the CWSRF fund.
 - g. Loan repayments are due in May (principal and interest) and November (interest only) of each year.
 - h. Interest begins accruing on date of completion in the Notice to Proceed.
 - i. The first loan repayment is due no sooner than six months after the completion date as established in the Notice to Proceed.

VI. Programmatic Conditions

A. Assurances and Specific Proposals

Pursuant to Section 606(c)(4) of the Clean Water Act, the State of North Carolina certifies that:

1. The State will enter into binding commitments for 120 percent of the amount of each payment received under the capitalization grant within one year after receipt of each payment. The State has already entered into binding commitments equal to 160% of all capitalization grants.
2. The State will expend all funds in the CWSRF in an expeditious and timely manner.
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.

B. Federal Requirements

1. The State will ensure that all federal requirements are met as noted in the CWSRF 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.
2. The State will enter all required reporting information into respective federal databases including FFATA, CWSRF National Information Management System (NIMS), and the CWSRF Benefits Reporting (CBR) system.

VIII. Public Review and Comment

On April 18, 2013, the IUP, State's Project List, and Integrated Priority Rating System was published on the program's web site and direct solicitation was made seeking comments on the documents. A public meeting will be conducted on April 30, 2013 as well. A summary of comments will be included as part of the 2013 Capitalization Grant application package.

IX. Budget and Project Periods

- A. The budget and project periods being requested for the capitalization grants is shown in Appendix B and on EPA Form SF 424.
- B. The anticipated cash draw ratio will be 83.3% Federal and 16.7% State for disbursements made from the capitalization grant.
- C. The source of State match funds are from appropriations supplemented by loan fees as needed. State match funds will be deposited into the CWSRF before drawing any federal funds.
- D. 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 Division of Water Quality including funding for positions.

Appendix A

Intended Use Plan Project List

Applicant Name	Project Name	County	CWSRF Loan Request	Green Project Reserve	Principle Forgiveness	CWSRF - Base	Project Cost	Priority Points	Est. Binding Commitment
Eden, City of	Matrimony Creek Outfall Rehabilitation	Rockingham	\$2,718,636		\$1,000,000	\$1,718,636	\$2,718,636	57.38	Sep-2013
Green Level, Town of	Basil Holt Pump Station Replacement	Alamance	\$645,800		\$322,900	\$322,900	\$645,800	54.25	Sep-2013
Green Level, Town of	Otter Creek Pump Station Renovation/Rehabilitation	Alamance	\$289,000		\$144,500	\$144,500	\$509,000	54.25	Sep-2013
Yadkin Valley Sewer Authority	Sewer Collection System Rehabilitation Phase II	Yadkin	\$1,050,000		\$525,000	\$525,000	\$1,371,000	53.39	Sep-2013
Lenoir, City of	Powell Road Greenway Sewer Replacement	Caldwell	\$578,500		\$289,250	\$289,250	\$590,070	51.81	Sep-2013
Parkton, Town of	Wastewater Treatment Plant Improvements	Robeson	\$1,000,000		\$500,000	\$500,000	\$1,020,000	50.72	Sep-2013
Clyde, Town of	Fire Station Branch Sewer Line Replacement	Haywood	\$310,100		\$155,050	\$155,050	\$316,302	49.07	Sep-2013
Wallace, Town of	Lift Station Rehabilitation	Duplin	\$499,886		\$249,943	\$249,943	\$499,886	48.69	Sep-2013
Conover, City of	Southwest Sewer Rehabilitation Project	Catawba	\$1,528,720			\$1,528,720	\$1,559,294	44.76	Sep-2013
Vanceboro, Town of	Sanitary Sewer Rehabilitation 2012	Craven	\$1,684,371		\$842,186	\$842,186	\$1,684,371	44.74	Sep-2013
Clyde, Town of	Hyder Mountain Pump Station	Haywood	\$165,100			\$165,100	\$168,402	44.07	Sep-2013
Robersonville, Town of	Robersonville Sewer Lift Station Rehabilitation	Martin	\$970,000			\$970,000	\$1,255,600	42.12	Sep-2013
Eureka, Town of	Sanitary Sewer Rehabilitation	Wayne	\$352,460			\$352,460	\$352,460	41.94	Sep-2013
Lenoir, City of	Gunpowder Creek WWTP Improvements	Caldwell	\$3,850,000			\$3,850,000	\$3,927,000	41.81	Sep-2013
Halifax, County of	Sanitary Sewer Rehabilitation	Halifax	\$1,169,974			\$1,169,974	\$1,169,974	40.91	Sep-2013
Edgecombe Water and Sewer District No. 4	Wastewater Collection and Transport to serve Town of Speed	Edgecombe	\$1,000,000			@	\$4,590,050	39.84	Sep-2013
Oxford, City of	Coon Creek (Fishing Creek) Stormwater Improvement Project	Granville	\$738,500	\$738,500			\$738,500	39.71	Sep-2013
Weldon, Town of	Sanitary Sewer Rehabilitation	Halifax	\$657,651			\$657,651	\$657,651	39.40	Sep-2013
Shelby, City of	First Broad Wastewater Treatment Plant Improvements	Cleveland	\$8,383,000			\$8,383,000	\$8,550,660	38.78	Sep-2013

Applicant Name	Project Name	County	CWSRF Loan Request	Green Project Reserve	Principle Forgiveness	CWSRF - Base	Project Cost	Priority Points	Est. Binding Commitment
Orange Water & Sewer Authority	Aeration & Mixing Sys. Eff Imp.@ OWASA's Mason Farm WWTP	Orange	\$5,963,700	\$5,963,700			\$6,083,700	37.89	Sep-2013
Robersonville, Town of	Robersonville Wastewater Treatment Plant Rehabilitation	Martin	\$2,075,000			\$2,075,000	\$2,794,540	37.12	Sep-2013
Public Works Commission of Fayetteville	Sanitary Sewer Replacement on Person Street at the Lobster House	Cumberland	\$3,026,588			\$3,026,588	\$3,026,588	35.51	Sep-2013
Grover, Town of	Wastewater Project	Cleveland	\$1,936,000			\$1,936,000	\$1,936,000	32.13	Sep-2013
Onslow Water and Sewer Authority	Summerhouse Water Reclamation Facility Rehabilitation	Onslow	\$1,933,530			\$1,933,530	\$1,933,530	32.04	Sep-2013
Spring Hope, Town of	Country Inn Lift Station Elimination Project	Nash	\$113,934			\$113,934	\$268,286	30.91	Sep-2013
Oxford, City of	WWTP Equalization Basin Project	Granville	\$2,220,825			\$2,220,825	\$2,220,825	28.52	Sep-2013
Statesville, City of	Fourth Creek WWTP Improvements	Iredell	\$4,800,000			\$4,800,000	\$4,896,000	27.65	Sep-2013
Drexel, Town of	Sewer Pump Station Replacement	Burke	\$428,260		#	\$428,260	\$436,825	25.42	Sep-2013
Shelby, City of	Outfall Improvements	Cleveland	\$3,332,000			\$3,332,000	\$3,398,640	23.78	Sep-2013
New Hanover, County of	Heritage Park Area-Sewer Installation to Replace Failing Septic Tanks	New Hanover	\$5,616,862			\$5,616,862	\$5,616,862	23.62	Sep-2013
New Hanover, County of	Marquis Hills Area-Sewer Installation to Replace Failing Septic Tanks	New Hanover	\$11,237,503			\$11,237,503	\$11,237,503	23.62	Sep-2013
Raleigh, City of	Neuse River Wastewater Treatment Plant Expansion to 75 MGD Phase III	Wake	\$28,191,219			\$28,191,219	\$28,191,219	19.55	Sep-2013
Raleigh, City of	Crabtree Basin Wastewater System Conveyance Improvements Phase II	Wake	\$25,451,406			\$17,000,000	\$25,451,406	19.55	Sep-2013
Pine Knoll Shores, Town of	Pine Knoll Shores East End Drainage Project	Carteret	\$419,000	\$419,000			\$419,000	55.00	Mar-2014
Bessemer City, City of	Sewer System Improvements	Gaston	\$1,565,000		\$782,500	\$782,500	\$1,596,300	52.50	Mar-2014
Aulander, Town of	Wastewater Collection System Improvements	Bertie	\$543,415		\$271,708	\$271,708	\$554,283	51.21	Mar-2014
Elizabethtown, Town of	Downtown WWTP Collection System Rehab and Replacement	Bladen	\$795,640		\$397,820	\$397,820	\$795,640	49.40	Mar-2014

Applicant Name	Project Name	County	CWSRF Loan Request	Green Project Reserve	Principle Forgiveness	CWSRF - Base	Project Cost	Priority Points	Est. Binding Commitment
Bay River Metropolitan Sewer District	Oriental Sewage Collection System Rehab	Pamlico	\$429,658		\$214,829	\$214,829	\$1,195,423	47.76	Mar-2014
Robersonville, Town of	Robersonville Lift Stations Improvements	Martin	\$1,323,837		\$661,919	\$661,919	\$1,350,314	47.00	Mar-2014
Robersonville, Town of	WWTP Rehabilitation	Martin	\$3,021,100		\$1,000,000	\$2,021,000	\$3,081,522	47.00	Mar-2014
Tarboro, City of	Sewer System Rehabilitation	Edgecombe	\$955,046		\$477,523	\$477,523	\$970,000	46.52	Mar-2014
Roanoke Rapids Sanitary District	Sub Basin C & D Sewer Rehabilitation Project	Halifax	\$3,535,000		\$194,000	\$3,341,000	\$3,594,000	44.44	Mar-2014
Yanceyville, Town of	WWTP Improvements	Caswell	\$1,893,500			\$1,893,500	\$1,931,370	43.23	Mar-2014
Roanoke Rapids Sanitary District	Outfall G Sewer Rehabilitation	Halifax	\$1,371,500			\$1,371,500	\$1,392,800	41.44	Mar-2014
Edgecombe W& S	WW Collection & Transport System to Serve Town of Speed and vicinity	Edgecombe	\$1,015,000			\$1,015,000	\$4,793,545	39.84	Mar-2014
Henderson, City of	Elmwood Cemetery Sewer Main Replacement	Vance	\$1,800,000			\$1,800,000	\$1,836,000	37.83	Mar-2014
Lenoir, City of	Meadowood Sewer Replacement	Caldwell	\$1,275,000			\$1,275,000	\$1,300,500	36.72	Mar-2014
Selma, Town of	Noble St. Interceptor Rehab.	Johnston	\$1,214,053			\$1,214,053	\$1,257,627	35.30	Mar-2014
Kinston, City of	Briery Run Phase IV Sewer Rehabilitation Project	Lenoir	\$2,100,000			@	\$2,142,000	35.15	Mar-2014
Yadkin Valley Sewer Authority	Johnson Ridge Rd/Dutchman Crk Outfall & PGW Dr Sewer Improvements	Yadkin	\$362,800			\$362,800	\$1,734,300	33.39	Mar-2014
Reidsville, City of	WWTP Improvements	Rockingham	\$13,845,000			\$13,845,000	\$13,845,000	33.04	Mar-2014
Marion, City of	East Court Street Sewer Rehabilitation	McDowell	\$1,250,550			\$1,250,550	\$1,275,561	32.91	Mar-2014
Greenville Utilities	WWTP Ultraviolet Disinfection Sys. Replacement/Upgrade for Energy Eff.	Pitt	\$3,360,000	\$3,360,000			\$3,427,200	32.20	Mar-2014
Brevard, City of	City Wide 6 Inch Gravity Sewer Upgrade	Transylvania	\$1,680,000			\$1,680,000	\$1,738,600	30.49	Mar-2014
Hope Mills, Town of	Town Hall Drainage & BMP Retrofit Project	Cumberland	\$1,075,000	\$1,075,000			\$1,096,500	27.82	Mar-2014
Brevard, City of	Waste Sludge Management-Belt Press 2013	Transylvania	\$1,444,400			\$1,444,400	\$1,489,200	25.49	Mar-2014

Applicant Name	Project Name	County	CWSRF Loan Request	Green Project Reserve	Principle Forgiveness	CWSRF - Base	Project Cost	Priority Points	Est. Binding Commitment
Cumberland, County of	Overhills Sewer Extension	Cumberland	\$3,134,416			\$3,134,416	\$3,197,104	23.64	Mar-2014
Midland, Town of	Cabarrus Acres Phase 2 Sewer Project	Cabarrus	\$2,210,000			\$2,210,000	\$2,254,200	21.84	Mar-2014
Winston-Salem, City of	Muddy Creek Consolidated Pumping Sta.	Forsyth	\$50,000,000			\$50,000,000	\$60,380,500	20.51	Mar-2014
Winston-Salem, City of	Kerners Mill Lift Station Upgrade	Forsyth	\$5,600,000				\$5,712,000	20.51	
Winston-Salem, City of	South Fork Interceptor Upgrades	Forsyth	\$34,068,800				\$34,750,176	20.51	
Raleigh, City of	Crabtree Basin Wastewater System Conveyance Improvements Phase II	Wake	\$8,451,406				\$25,451,406	19.55	
Raleigh, City of	Richland Creek Sanitary Sewer System Conveyance Improvements	Wake	\$8,783,055				\$9,329,646	19.55	
Raleigh, City of	Smith Creek Wastewater System Conveyance Improvements	Wake	\$9,468,652				\$9,658,025	19.55	
Grover, Town of	Collection System Pump Station Upgrades Project	Cleveland	\$447,500				\$456,450	17.13	
Onslow Water and Sewer Authority	Holly Ridge Jenkins Street Pump Station Connection to Summerhouse WRF	Onslow	\$1,614,690				\$1,614,690	17.04	
Onslow Water and Sewer Authority	Piney Green Sewer Infrastructure Phase 3 Gravity Sewer Outfall	Onslow	\$798,888				\$798,888	17.04	
Clay, County of	Highway 69 Sewer Extension	Clay	\$1,000,000				\$2,220,025	10.25	

- Requested principal forgiveness but did not meet requirements

@ - Declined CWSRF loan without principal forgiveness included

Appendix B

FY 2013 and 2014 (Capitalization Grant) Proposed Payment Schedule (Dependent on timing of state match and award of federal grant)

<u>Payment Quarter</u>	<u>2013 Payment Amount</u>	<u>2014 Payment Amount</u>
July 1, 2013 - September 30, 2013	\$0	
October 1, 2013 - December 31, 2013	\$24,400,00	\$0
January 1, 2014 - March 31, 2014	\$0	\$24,400,00
April 1, 2014 - June 30, 2014	\$0	\$0
July 1, 2014 - September 30, 2014	\$0	\$0
October 1, 2014 - December 31, 2014	\$0	\$0
January 1, 2015 - March 31, 2015	\$0	\$0
April 1, 2015 - June 30, 2015	\$0	\$0
July 1, 2015 - September 30, 2015	\$0	\$0
October 1, 2015 - December 31, 2015		\$0
Total	\$24,400,00	\$24,400,00

Appendix C

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	
1.3	Replaces WWTP infrastructure that is greater than 20 years old	5	
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 OR NEW SEWER LINES that consolidate existing point sources	5	
4.1	Replaces sewer infrastructure that is greater than 40 years old	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	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 includes restoration of a first order stream and includes stormwater infiltration BMPs	12	
6.2	Stream restoration project that includes restoration and / or protection of riparian buffers to 50 ft.	3	
7	STORMWATER project that treats existing sources of pollution	20	
7.1	Stormwater project that includes BMPs or BMPs in series that achieve at least 35% nutrient reduction (both TN and TP) and 85% TSS reduction	10	
8	RECLAIMED WATER project	15	
9	RAINWATER HARVESTING / UTILIZATION project	10	

BONUS			
10	Project includes energy efficiency measures (20% reduction); in addition to points for Line Item 2 and 5, this qualifies a project as green	5	
		Subtotal for Project Type:	
			Max Total Points
Environmental Benefits			35
11	Implementation of a basinwide water quality plan recommendation or strategy	25	
12	Project directly benefits subwatersheds that are impaired as noted on the most recent version of the Integrated Report	10	
13	Project directly benefits waters classified as HQW, ORW, Tr, SA, WS-I, WS-II, WS-III* or WS-IV* *classifications that must be covered by an approved Source Water Protection Plan	5	
14	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
15	Project directly addresses a SOC that is pending or being negotiated by including repair and rehabilitation as part of the expansion/construction project	5	
16	Project directly addresses an existing SOC by including repair and rehabilitation as part of the expansion/construction project	2	
17	Local government unit (LGU) has adopted an Asset Management Plan	5	
18	Operating Ratios are greater than or equal to 1	5	
19	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			20
20	Poverty rate (%) of the service area divided 4		
21	Monthly sewer (based on 5,000 gal) or stormwater bill for residential customers / (median household income / 12) x 500		
		Subtotal for Financial Situation:	
		Total	

Appendix D

Green Projects

Green projects will be funded in accordance with Item V.C.3. of the North Carolina Intended Use Plan. The priority rating system gives priority to green projects that are:

- restoration of streams, wetlands, and estuaries;
- stormwater BMPs for existing sources of pollution;
- reclaimed water utilization; and
- energy efficiency projects at wastewater facilities.

Other green projects may be eligible under CWSRF and may be funded regardless of priority depending on fund availability. EPA provided general guidance on green projects for the American Recovery and Reinvestment Act in the Guidance Memo – [Award of Capitalization Grants with Funds Appropriated by P.L. 111-5, the “American Recovery and Reinvestment Act of 2009”](#) dated March 2, 2009. Green project awards will be based on priority rating points.