



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Division of Water Infrastructure

Joint Appropriations Subcommittee on  
Agriculture, Natural, and Economic Resources

**February 27, 2019**

# Outline

- Statistics
- Capital Needs
- State Water Infrastructure Authority
- Division of Water Infrastructure Overview
- Major funding programs
- Application process



# Drinking Water and Wastewater Numbers

**80% of the State is served by a public water system**

**2,000 Community water systems**

- 1,800 serve 10% of the population
- 10 serve 30% of the population
- 1/3 have customer bases of less than 100 people

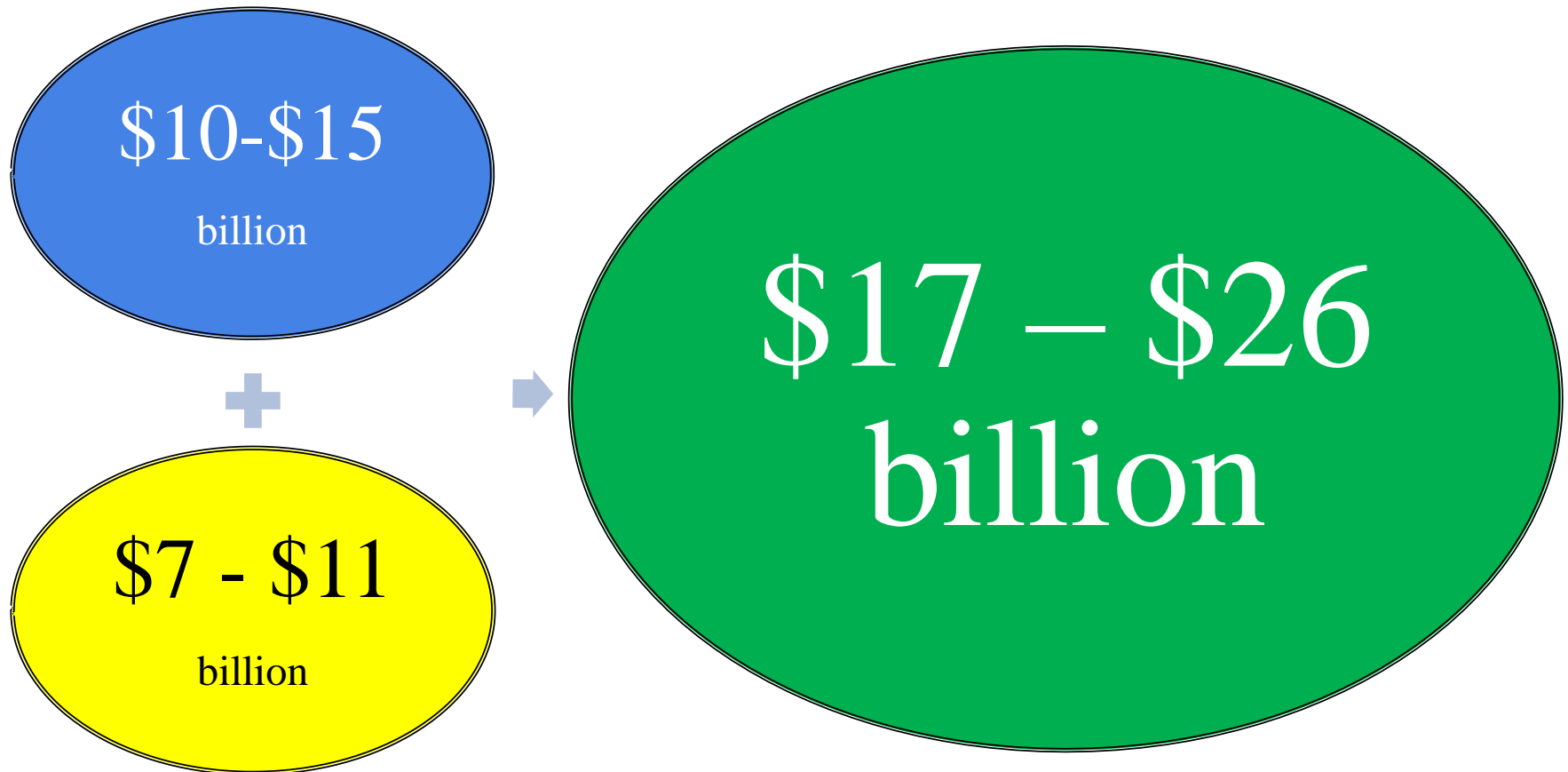
**1.4 b gallons of wastewater treated and discharged daily**

- 300 publically owned wastewater treatment facilities
- About half of facilities treat less than 1 m gallons per day



# Twenty-Year Capital Cost Needs

## Water Systems



## Wastewater Systems

*Source: Statewide Water and Wastewater Infrastructure Master Plan 2017*



# State Water Infrastructure Authority

Created in 2013 - G.S. 159G-70 *et seq.*

- Nine members
- Meet at least four times per year
- Develop statewide master plan
- Establish criteria and priorities for funding
- Award loans and grants from the five water infrastructure funds



# Division of Water Infrastructure

**Provides financial assistance for projects that improve water quality**

## Project Types

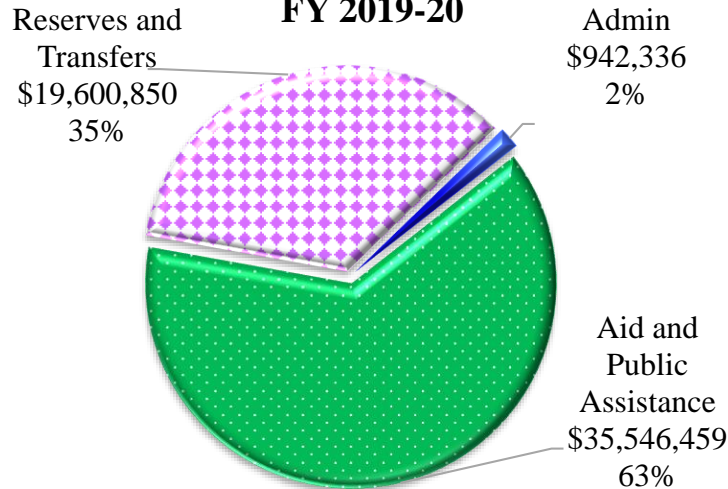
- Sewer collection and treatment systems
- Drinking water distribution systems
- Water treatment plants
- Storm water management systems
- Stream restoration



# DWI: General Fund Budget

## Total General Fund Requirements

FY 2019-20



## Total General Fund FTE

Appropriated: 4.00

Receipt Supported: 3.00

**Total: 7.00**

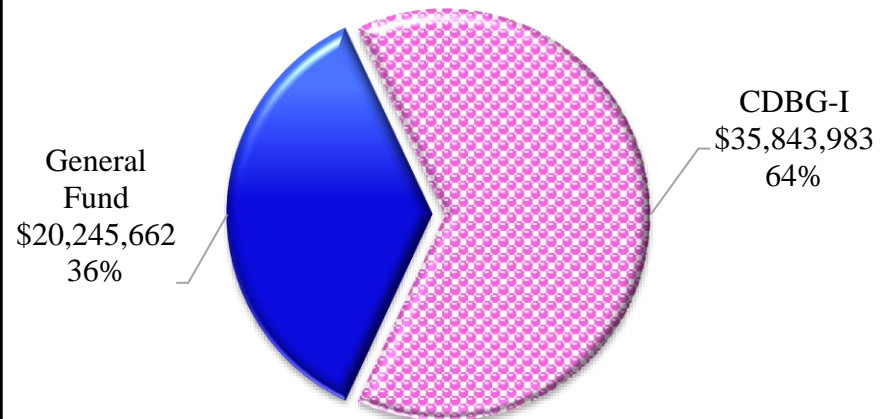
## Total General Fund Budget

Requirements: \$56,089,645

Receipts: \$35,843,983

**Net GF Approp.: \$20,245,662**

## Source of Funds FY 2019-20



Source: Base Budget Worksheet I



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# DWI: Major Programs

## Clean Water State Revolving Fund (CWSRF)

- Provides loans at ½ the market rate for up to 20 years
- Some principal forgiveness loans
- 0% interest loans for green projects rehabilitation projects

**State Match is 20% - \$5.1 m R**

**~\$130 m available per year**

**Loan max is \$30 m**





# DWI: Major Programs

## Drinking Water State Revolving Fund (DWSRF)

- Provides loans at ½ the market rate for up to 20 years
- Some principal forgiveness loans
- 0% interest loans for some projects

**State Match is 20% - \$4.5 m R**

**~\$55 m available per year**

**Loan max is \$20 m**



# DWI: Major Programs

## State Wastewater and Drinking Water Reserve

- Provides grants and loans
- Merger/regionalization feasibility grants
- Asset inventory and assessment grants
- G.S. 159G-36(c)

**\$10 m recurring appropriation**

**Connect NC bond funds**

**Loan max is \$3 m**



# DWI: Major Programs

## Community Development Block Grant (CDBG-I)

- Grants
- Water and sewer
- Low to moderate income areas

**Federally funded - \$35.8 m**

**Loan max is \$2 m**



# DWI: Grant Process

One application  
All programs

North Carolina Department of Environmental Quality Division of Water Infrastructure Application for Funding (Last updated: June 2018)		
<b>1. General Information</b>		
Applicant Name	County	DUNS Number
Project Name	Total Project Cost	Total Funding Requested
<b>Applicant Type</b>		
<input type="checkbox"/> Municipality	<input type="checkbox"/> Sanitary District	
<input type="checkbox"/> County	<input type="checkbox"/> Non-Profit Water Corporation	
<input type="checkbox"/> Water and Sewer District	<input type="checkbox"/> Other (Specify: )	
<input type="checkbox"/> Water and Sewer Authority		
<b>Funding Type(s) Requested</b>		
<input type="checkbox"/> Asset Inventory and Assessment Grant	<input type="checkbox"/> Community Development Block Grant for Infrastructure <sup>†</sup>	
<input type="checkbox"/> Merger/Regionalization Feasibility Grant	<sup>†</sup> All CDBG-I grants are 100% grants.	
<input type="checkbox"/> Construction Project	LMI determination method:	
<input type="checkbox"/> Drinking Water (all funding except CDBG-I)	<input type="checkbox"/> Survey <input type="checkbox"/> ACS	
<input type="checkbox"/> Wastewater (all funding except CDBG-I)	LMI Percentage:	
<input type="checkbox"/> Stormwater, stream restoration		
<b>2. Affordability (applies to all but CDBG-I only applicants)</b>		
Residential Sewer Connections	Residential Water Connections	

# DWI: Grant Process

## Priority Consideration (G.S. 159G-23):

- Public necessity
- Effect on impaired waters
- Efficiency
- Land use plan
- Flood hazard ordinance
- Sound management
- Asset management plan
- Capital improvement plan
- Coastal habitat protection
- Affordability
- Merger and regionalization
- State water supply plan
- Drought plan
- Low-income residents



# DWI: 2017-19 Budget Actions

## 2017 Budget

- Provided \$345,000 NR for four special appropriations
- Earmarked \$3 million NR in FY 2017-18 and \$2 million NR in FY 2018-19 from State Reserve funds for Johnston County Research Training Zone Association
- Directed that \$1 million from State Reserve funds be used in Tier 1 or 2
- Earmarked an additional \$1 million NR from State Reserve for various other projects

## 2018 Budget

- Appropriated \$3.7 million NR for State match for State Revolving Funds
- Created a \$2 million NR grant fund to address water connections for PFAS
- Provided \$2.8 million NR for nine special appropriations
- Earmarked \$2.6 million NR from State Reserve funds for various projects



# Questions?

