



INTENT TO APPLY FORM

Clean Water Partners' Infrastructure Program

In July of 2007, the General Assembly allocated \$98 million in improvement funds for the purpose of making grants to rural communities in critical need of water and wastewater infrastructure improvements. Under new guidelines set by legislation, the North Carolina Rural Economic Development Center will award these funds through Planning and Supplemental programs to qualified applicants. The maximum grant amount under the 'Planning' program will be \$40,000.00, and the maximum grant amount under the 'Supplemental' program will be \$500,000.00. Requested Rural Center grant funding will require a dollar for dollar match of local funds from the grantee.

The whole of the \$98 million will be obligated over a 2-round disbursement period spanning fiscal years 2007-2008. In an effort to better prepare for these imminently heavy application rounds, the Rural Center asks that you express your interest for grant funding by completing this "Intent To Apply" form. You must mail, fax or email this completed form to the Rural Center by November 30, 2007.

Mail to: The NC Rural Center
4021 Cary Drive
Raleigh, NC 27610
Attn: Julie Haigler Cubeta

OR

Send Electronically to: jcubeta@ncruralcenter.org
or
fax: (919) 250-4325

Your genuine forethought and accuracy in completing this form will help us best assess your community's water and sewer needs within a timely manner. **Please be advised that this form is not an application and will not be accepted in lieu of a completed, full application.** Final details, application procedures and a copy of this form will be made available through the NC Rural Center website after October 25th, 2007: <http://www.ncruralcenter.org/>

GENERAL INFORMATION

Legal Name of Applicant / Unit: _____ **County:** _____

In which NC region is your county located? Mountains ☐ Piedmont ☐ Coastal Plain ☐

Name of Chief Elected Official: _____ **Title:** _____

Mailing Address: _____ **Street Address:** _____

City: _____ **State:** _____ **Zip:** _____

Primary Telephone(s): _____ **Fax:** _____

Email: _____ **Federal Tax ID #:** _____

Type of Applicant (check those that apply):

- | | | |
|---|---|--|
| <input type="checkbox"/> Municipality | <input type="checkbox"/> Water / Sewer District | <input type="checkbox"/> Joint Agency Pursuant to G.S. 160A-20 |
| <input type="checkbox"/> Incorporated Village | <input type="checkbox"/> Metro Water / Sewer District | <input type="checkbox"/> Joint Agency Pursuant to G.S. 63-56 |
| <input type="checkbox"/> County | <input type="checkbox"/> Water / Sewer Authority | <input type="checkbox"/> Sanitary District |
| <input type="checkbox"/> Other (be specific): _____ | | |

PROJECT INFORMATION

Project Title: _____

Project Description: Within the space provided, briefly describe the proposed project including water/sewer infrastructure needed).



INTENT TO APPLY FORM

Clean Water Partners' Infrastructure Program

Type of Grant to Apply for:
(check one)

☐

PLANNING (request not to exceed \$40K)

☐

SUPPLEMENTAL (request not to exceed \$500K)

PROJECT FINANCING

Indicate the sources, amounts and dates of availability (use the abbreviation table below to complete the 'Source' column). Clearly identify the sources of *Private* and *Other* funds (insert rows as needed).

	Source (Use Abbreviations Table Below)	Grant or Loan?	\$ Amount	Date Available
	(must be a dollar for dollar match)			
Funds from the Applicant	≥ Rural Center funds requested			
Federal Funds				
State Funds				
Private Funds (clearly identify)				
Other (clearly identify)				
Amount of this Grant Request	NC Rural Center	Grant		
TOTAL PROJECT FINANCING:			\$	

ABBREVIATIONS TABLE (use to complete the Source column above)

Federal Sources

Appalachian Regional Commission
Economic Development Administration
US Department of Agriculture
Community Development Block Grant
Community Devt Block Grt, Eco Devpt
Industrial Development Fund

Abbrev.

ARC
EDA
USDA
CDBG
CDBG-ED
IDF

State Sources

NC Dept of Environmental Natural Resources, Water Quality
NC Dept of Environmental Natural Resources, Water Supply
NC Dept of Commerce, Commerce Finance Division
NC Dept of Commerce, Division of Community Assistance
Clean Water Management Trust Fund
Golden Leaf Foundation

Abbrev.

DENR-WQ
DENR-WS
CFC
DCA
CWMTF
GOLD-LF

ENVIRONMENTAL REVIEW STATUS

This Project is Subject to (choose either NEPA or SEPA):

☐

NEPA

☐

Excluded Categorical

☐

E.A. Required

OR

☐

SEPA

☐

Excluded (Under Min. Criteria)

☐

E.A. Required

☐

E.A. Completed

SCH #

DENR #



PLANNING GRANTS PROGRAM

Clean Water Partners' Infrastructure Program

PROGRAM STATEMENT

In the summer of 2007, the North Carolina General Assembly included a \$100 million appropriation to the North Carolina Rural Economic Development Center in the FY 2007-2009 state budget, for the purpose of making grants to rural communities in need of water and wastewater infrastructure improvements. The primary emphasis of the funding is to assist those rural communities in violation of public health and environmental rules and regulations. These funds were provided in response to data produced by the Rural Center's Water 2030 study, which predicted a \$7.0 billion need in water and wastewater infrastructure improvements and expansions over the next five years, due to infrastructure age, tighter rules and regulations, and growth in the state of North Carolina. The program funded by these monies is being called the "Clean Water Partners' Infrastructure Program", to emphasize the need for a true partnership between the grantees and the Rural Center, and to differentiate these funds from previous funding programs.

Planning grants were included in the General Assembly's description of funded programs. A total of \$2.0 million will be allocated for planning grants to rural communities, with the most economically distressed rural communities receiving priority over other communities. Projects must address current (two years old, as of December 2007, or less), critical needs in water and wastewater infrastructure, and the projects must be located within one of the state's 85 rural counties.

FUNDING PERIODS

	Application Deadline	Review Period	Announcement Of Awards
Round I	December 17, 2007	December 18, 2007 - June 2008	No later than June 2008
Round II	July 2008	July 2008 - December 2008	No later than December 2008

Applications must be received at the Rural Center by 5:00 p.m. on the date the applications are due.

GRANT AMOUNTS

The maximum grant amount will be \$40,000. Rural Center funds must be matched on a one-to-one basis.

GENERAL GUIDELINES

ELIGIBLE APPLICANTS

To be considered eligible, an applicant **must** meet all of the following criteria:

1. Be a "unit of local government" as defined by G.S. 159-G, "Clean Water Revolving Loan and Grant Act of 1987", or;
2. Be a regional council of government organized under G.S. 160A-460, or a regional planning and development commission organized under G.S. 153A-391;
3. Be located in one of the state's rural counties as defined by Section 13.13A(b)(3) of House Bill 1473, the FY 07-09 State Budget;
4. Have a documented, critical, water and/or sewer infrastructure problem that impacts human health or the environment;
5. Have a governing or management official attend a "How to Apply to the Clean Water Partners' Infrastructure Program" workshop;
6. Have closed all Capacity Building Grant projects funded through the Clean Water Bond funds or through appropriation funds, which were awarded prior to December 31, 2004, by December 31, 2007.

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MATCHING FUNDS

A local government unit shall match a planning grant on a dollar-for-dollar basis, unless the unit meets one or more of the following descriptions, in which instance the Rural Center may require less than a dollar-for-dollar match:

1. It is an economically distressed county, or located in an economically distressed county (Tier One);
2. Its poverty rate is at least 150% of the state rate, based on the 2000 census;
3. If it is not a county, its ability to pay ranking is less than 50% of the ability to pay ranking of the county in which it is located.

The match for these communities will be defined by relative financial need, as compared with other rural communities. The determination of percent match will be made on a case-by-case basis (with a minimum of 5%).

Matching funds may come from other state or federal loans or grants, or from local funds contributed from the general or enterprise fund. Generally, in-kind services are not considered eligible as matching funds. Proof of matching funds is required by letters of commitment by other funding agencies, or by the completed, signed, and notarized **Commitment of Other Funds Form**. Once an applicant receives an award, a project ordinance is required to solidify the local funds commitment.

Clean Water Partners' Infrastructure Funds may not be matched by the following Rural Center programs; Clean Water Bond funds, Appropriation funds, or Economic Infrastructure funds.

TYPES OF PROJECTS

Planning Grants are made available under the Clean Water Partners' Infrastructure Program to support effective planning for infrastructure projects. Funds are available for costs associated with:

- developing preliminary engineering report for wastewater treatment system and collection system projects;
- developing preliminary engineering report for public water treatment system and distribution system projects;
- developing capital improvements plans;
- developing comprehensive land-use plans that provide for water quality protection;
- developing a regional or multi-jurisdictional infrastructure or water quality improvement plan;
- assembling a financing plan to carry out a project and developing the applications for the funds needed in a project;
- developing a master water or sewer plan;
- conducting inflow/infiltration studies;
- conducting leak detection studies;
- conducting water/sewer rate studies for a local government;
- developing a multi-jurisdictional training session for local leaders on capital improvements plans, financing, or management;
- developing a zoning ordinance that enforces a land-use plan protecting water quality;
- developing archeological and historic site surveys;
- developing environmental assessments;
- developing feasibility studies on regionalization of adjoining water or wastewater systems.

Projects should address either the elimination of an existing or imminent threat to public health or to the environment. Documentation will be required of the public health, or environmental need.

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PRIORITY POINTS

Priority points are points awarded to types of projects identified by the State Water Infrastructure Commission as a state priority. A total of 25 Priority Points will be awarded to each of the following:

1. Applications from communities under Special Order of Consent, Judicial Order of Consent, or water or sewer moratorium;
2. Applications from communities that are proposing to regionalize, either through physical interconnection, or through a sharing of common management and/or staff. If there is a compelling reason that the communities cannot regionalize, a discussion of that reason will be accepted, and points awarded.

SPECIAL EMPHASES / BONUS POINTS

Bonus points will be awarded as follows:

PARTICIPATION IN TRAINING PROGRAMS

1. To applications from communities who attended the "Getting to Success with Your Consulting Engineer" seminars presented by the North Carolina Rural Communities Assistance Project and sponsored by the North Carolina Rural Center;
2. To applications from communities participating in the Small Towns Economic Prosperity program sponsored by the North Carolina Rural Center;

WATER CONSERVATION

3. To applications from communities seeking to conserve water through identification of leaky distribution lines, or through exploring the feasibility of a water reuse system, or completing a preliminary engineering report for a water reuse system, through developing or having in place a fee structure that would promote residential water conservation;

LAND-USE PLANNING / ORDINANCE COMPLIANCE

4. To applications from communities that have adopted a land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A, but not a zoning ordinance, and who propose to develop a zoning ordinance;
5. To applications from communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A; and a comprehensive zoning ordinance or the project proposes to develop a land use plan and a zoning ordinance;
6. To applications from communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153 A or Article 19 of G.S. 160A that exceeds the minimum standard for protection of water resources, and a comprehensive zoning ordinance, and has submitted the documentation;
7. To applications from communities that have adopted a flood hazard prevention ordinance under G.S. 143-215.54A, or the project proposes to develop a flood hazard prevention ordinance, or the study area is not within the 100-year flood plain;
8. To applications from communities subject to the Coastal Resources Commission, that have projects implementing a recommendation of a Coastal Habitat Protection Plan from the Environmental Management Commission, the Coastal Resources Commission, and the Marine Fisheries Commission; or the community is not subject to Coastal Resources Commission oversight;

CAPITAL IMPROVEMENTS PLANS

9. To applications from communities having a *current, ten-year minimum* Capital Improvements Plan (updated within the last two years as of December 2007); and the proposed project is included in the plan or the proposed project will develop a Capital Improvements Plan;

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CAPACITY USE AREA NEEDS

10. To applications from communities or counties in the Central Coastal Plain Capacity Use Area, or in the Southern Coastal Plain Capacity Use Area that are attempting to address declining aquifers and alternative water resources.

See the section on scoring to determine the bonus points available for your particular project.

EXISTING PROJECTS

Units of local government with open Capacity Building projects funded prior to December 31, 2004 by the North Carolina Rural Center through the Clean Water Bond Program or through Appropriations funds are not eligible applicants for funding. All projects funded prior to December 31, 2004 must be paid out by December 31, 2007, in order for an applicant to be eligible.

PROHIBITED USES OF FUNDS

Clean Water Partners' Infrastructure Program funds may not be used for planning efforts associated with the repair, installation or replacement of low-pressure pipe wastewater systems. See the definitions section of the application for a description of these systems.

MEETING REQUIREMENT FOR CAPITAL IMPROVEMENTS PLANS

Two meetings must be held in the course of developing capital improvements plans, or revising capital improvements plans. The first public meeting should be held when projects listed in the Capital Improvements Plan are prioritized, preferably a regularly scheduled governing council or board meeting. The second meeting should be held when the plan is to be adopted by the governing council or board. Minutes of both meetings must be submitted with the final product, in order for payment to be in full.

ELIGIBLE COSTS

Planning Grant costs eligible for reimbursement under the Clean Water Partners' Infrastructure Program include:

1. Grant administration – up to 5% of the total project cost;
2. Professional services as may be related to the production of the document to be delivered under this grant;
3. Document development costs associated with printing and/or binding the document.

Staff reviews all grant amount requests and reserves the right to make adjustments based on reasonable and customary fees. Project budgets will be shared with other state and federal funders. *All applications must contain line item budget breakdowns.*

MULTIPLE APPLICATIONS IN THE SAME ROUND / AWARD CAPS

Local governments may submit as many applications as desired in each category during any round. However, a community is limited to one planning grant award, and one supplemental grant award, per round. Planning Grants projects are expected to be substantially complete no more than one year after the Rural Center award date.

If an applicant has more than one project score well enough to be funded, the applicant may select which project is to be funded.

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RESUBMITTAL OF THE SAME PROJECT

Projects not funded in the first round may be considered for funding in the second round if the deficiencies found in the first round review are revised in writing. A new and complete application must be submitted to the Rural Center by the second round deadline date, with current signatures and a revised schedule and budget.

APPLICATION FILING AND REVIEW

The Rural Center will base its funding decisions on information supplied by the applicant and by investigations into that information by Rural Center staff and/or a designee. **The application must be complete when submitted.** *For any application to be considered for review, an application must contain sufficient information to permit review and ranking. The applicant may not enter into a contract regarding the proposed project until after Rural Center award.*

AWARD NOTIFICATION

Successful applicants will be notified by letter of the intent to award a grant once the Rural Center's Executive Committee has voted to accept Rural Center staff recommendations. The intent to award letter may contain conditions that must be met prior to actual grant award. Once the conditions are met, the actual award letter will accompany a contract to be executed by the unit of local government and the Rural Center in order to procure the funds.

CONTRACTING WITH THE RURAL CENTER

The Rural Center will contract with the grantee once all other funds for the project are in place. The contract and the accompanying letter comprise the final award notice. Projects are expected to be under contract within six months of grant award. The Rural Center reserves the right to deobligate any funds awarded in connection with a project that are not under contract at that time. Projects in the Planning Grants Program are expected to be substantially complete within one year of award.

CONTRACT DISTRIBUTION

Contracts for awarded projects will be distributed to the grantee only. The grantee must forward a copy of the contract to their contractor/project engineer for his or her reference.

PROCUREMENT

Local governments receiving funds under the Planning Grants Program will be expected to comply at a minimum with state regulations regarding procurement (G.S. 143-128 as amended). Local governments are cautioned that funds received for the project from other sources may have additional procurement regulations that must also be followed.

AUDIT

All funds awarded to the recipient under this program are from direct appropriation by the North Carolina General Assembly. Accordingly, the recipients will be subject to the audit and reporting requirements prescribed by G.S. 159, the Local Government Budget and Fiscal Control Act. Such audit and reporting requirements may vary depending upon the amount and source of funding received by the recipient, and are subject to change from time to time. Upon completion, the recipient agrees to forward to the Rural Center one copy of any audited financial statements and accompanying reports generated covering the period that a recipient has an active award contract with the center. In addition to the audit and reporting requirements mandated by the State of North Carolina, the recipient agrees to comply with any requests made by the center from time to time for other financial and organizational materials to permit the center to comply with its fiscal monitoring responsibilities.

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GRANTS MONITORING / PROGRESS REPORTS

Under G.S. 143C, the State Budget Act, grants monitoring is required whenever state funds are granted to a non-State entity. Quarterly progress reports are required once an awarded project is contracted, and are to be submitted according to the schedule in the contract. In addition, a cash flow table will be required to be updated for each quarterly report. Site visits may also occur, depending upon the size and complexity of the project. Grantees must submit quarterly reports to fulfill their contract requirements with the Rural Center, and must accommodate site visits by Rural Center staff, when requested.

DISBURSEMENT POLICY

The Rural Center, following receipt of contract, may disburse up to 75 percent of the Planning Grant with approved invoices or receipts sufficient to support the disbursement. The recipient will be required to submit a payment request on the Rural Center approved form and shall demonstrate 1) all local funds are expended, and 2) that other sources of project funds have been drawn down to the 90 percent level. At that point, the grantee may request up to 75 percent of the grant funds. The remaining 25 percent of funds will be retained until the project package is submitted to the Rural Center, with a final report and final request for payment.

All Rural Center funding awards will be made on the basis of the availability of program funds and the payment formulas outlined in the **Memorandum of Understanding**.

REQUIREMENTS AND INSTRUCTIONS

Applicants must complete the following forms and submit the following information, tabbed in the application as indicated. Applications must be bound (three-ring binder, spiral binding, etc.) and pages must be numbered, starting with the Planning Grant application form.

TAB 1: Planning Grant Application. Application must be completed in full, signed and dated by the unit's chief elected official. This official is either the mayor, the chair of the county commission, or another official (city/county manager, etc.) who has the authority to authorize expenditures for the unit of government. If another official is named as the application signer, an authorizing resolution must be passed naming this individual as the Chief elected official's designee and included under this tab.

TAB 2: Project Description. Describe the proposed project, identifying the need that will be addressed through the project. Describe how the project supports planned investments by the applicant. Identify the document that will be the output of the planning effort, and how it will help the applicant to address critical infrastructure needs.

TAB 3: Project Justification. Describe how the project will address and help resolve a current, critical infrastructure need (environmental, or public health need). Identify documentation submitted for proof of critical need and detail how this information documents the need. *Projects that fail to document a critical need are ineligible for funding.*

TAB 4: Documentation of critical need. Acceptable critical need documentation includes the following:

Wastewater Treatment and Collection Projects.

- **Pit privies and straight piping.** Clearly labeled pictures (include location and date of when picture was taken) of the affected area along with a map noting where the pit privies and straight piping occurs. This information will be independently verified by the Rural Center or its designee.

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- **Failing septic tanks.** Clearly labeled pictures (include location and date of when pictures were taken) showing surfacing effluent/failure, along with a map of the project area showing the affected properties; ditch samples indicating bacterial contamination, with a map showing where the samples were taken. If total coliform bacteria is the contaminant of concern, colony counts must be submitted. Positive or negative tests only will not be accepted. Health Department letters from a registered sanitarian stating that the project area contains unsuitable soils, small lots, or that the septic systems were installed prior to regulatory oversight. If the installation of the tanks was prior to regulatory oversight, the Health Department letter needs to state when regulations were enacted in that particular county, and when the homes were built. This information will be independently verified by the Rural Center or its designee.
- **Inflow and infiltration in a wastewater collection system/collection system rehabilitation.** Effluent monitoring monthly reports as submitted to DENR, and a chart of rain events versus flow in the system; documentation of wastewater flow reaching the 80% capacity mark – monthly flow reports, Notices of Violation; sanitary sewer spill reports, newspaper announcements; Notices of Violation for exceeding discharge limits, or for sanitary sewer spills; Moratoria notices; Special Orders of Consent documents; smoke test results; DVDs of the collection system.
- **Wastewater treatment system upgrade.** Notices of Violation; Moratoria notices/letters; Special Orders of Consent; Judicial Orders of Consent; sanitary sewer spill documentation; newspaper accounts; letters from DENR regional specialists.

Water Treatment, Supply, and Distribution Projects.

- **Upgrade the water treatment system.** Notices of violation; Water quality samples revealing iron, lead, manganese, or radionuclides, etc., above the allowable limit. Water samples showing high trihalomethane concentrations.
- **Improvements to the existing distribution system by eliminating undersized or failed lines.** Documentation of low pressures in violation of state regulations; documentation of turbidity problems; flow reports showing a high percentage of water treated versus water sold; letter from DENR stating that all 2" lines longer than 1,000 feet must be replaced.
- **Increase water capacity to meet existing needs or to eliminate water shortages.** Letters from DENR citing the local government for being out of compliance with the rule of one-half day storage supply equal to the average annual daily demand; documentation that the treatment plant is at or above the 80% capacity rule; low pressure due to failing wells; loss of water source, with concurrent need for a secondary water source; documented need to comply with Central Coastal Plain Capacity Use Area Rules, or presence in the Southern Coastal Plain Capacity Use Area, for projects seeking alternative water sources only.
- **Contaminated wells.** Letter from the Health Department documenting well tests, along with a map of project area showing where the contaminated wells are located; well tests showing fecal coliform or *E. coli* contamination, along with a map of the project area, with the contaminated wells marked; well tests showing arsenic or other inorganic or organic contamination; well tests showing petroleum contamination; "boil water" notices from the past two years for communities dependent on wells for water.

TAB 5: Project Budget and Documentation of Other Funding Sources. Provide a copy of the adopted Project Budget showing line item expenses and project revenues. Provide a detailed, project-specific budget showing anticipated revenues and expenses. Sources of other grant or loan funds in the project should be clearly identified.

Provide commitment letters from other funders, or letters from other funders showing that other funds have been applied for. If local funds are committed, include a signed and notarized resolution passed by the governing body of the entity. Include the **Commitment of Other Funds Form**, filled in and signed by the chief elected official or by his/her designee.

TAB 6: Project Schedule. Provide the planned start and completion dates of the project. Include any benchmark dates.

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TAB 7: Certification of Minority Business Enterprise Percentage Goal. Provide a resolution from the unit of local government stating that an appropriate, verifiable percentage goal for participation by Minority Business Enterprises has been adopted in accordance with G.S. 143-128-c (as amended).

TAB 8: Conflict of Interest Form. The Conflict of Interest provisions apply to all projects funded by the Rural Center. If you do not have a board-adopted conflict of interest policy you must adopt one to receive this funding. If requested, we can provide a copy of language as reflected in the North Carolina General Statutes regarding conflict of interest. The applicant can copy this language to your letterhead and certify the statement once your board has approved it. If your community has a similar statement incorporated as part of your personnel policy, you may submit a certified copy of that statement.

TAB 9: Priority Points. Submit documentation for priority points under this tab. Priority points are given to:

- **Communities who are under Moratorium, Special Order of Consent, or Judicial Order of Consent**, from the North Carolina Department of Environment and Natural Resources. Submit letters from the Department, indicating the regulatory status of your system.
- **Communities whose water and/or wastewater systems are physically interconnected**, with each community's water and/or wastewater being treated by one treatment facility. Describe where the systems are **interconnected**, and where the water is treated, or where the wastewater is treated. Submit an interlocal agreement between the applicant unit and the other unit. If the *community has a compelling reason for not being able to physically interconnect*, and is able to describe it sufficiently, points will also be awarded.
- Priority points will also be given to **communities that share common public water or wastewater operators or management**. Points will not be given if two units of government share a common private management entity. Describe the operational arrangement and/or the management arrangement, and any interlocal agreements involved.

TAB 10: Bonus Points. Submit documentation for bonus points under this tab. Bonus points will be given for the following items:

PARTICIPATION IN TRAINING PROGRAMS

- Communities who send a member of their Board, or their manager/administrator, or their mayor or board chair, to one of the "Getting to Success with Your Consulting Engineer" seminars, sponsored by the N.C. Rural Center. Points will be given to communities that send an official, who then outlines the information to his/her governing board, with the discussion recorded in the minutes of the meeting. A notarized copy of the meeting minutes is the documentation required.
- Communities who are participating in the N.C. Rural Center's Small Towns Economic Prosperity Program; submit the award letter.

WATER CONSERVATION

- Proposed project would allow the applicant to conserve water by identifying leaking distribution pipes, or by engineering a water reuse system, or through developing a fee structure that would promote water conservation. Bonus points will also be awarded to communities who have in place a fee structure that would promote water conservation.

LAND USE PLANNING / ORDINANCE

- Communities that have adopted a comprehensive land use plan, but not a comprehensive zoning ordinance; submit a copy of the public meeting minutes during which the land use plan was adopted.
- Communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A; and a comprehensive zoning ordinance, submit the front page of the land-use plan and the minutes of the public meetings during which the plan and the zoning ordinance were adopted.

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- Communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A that exceeds the minimum standard for protection of water resources; submit pages of the land use plan listing the contents and the date prepared as well as the minutes of the public meeting during which the plan was adopted, and pages showing where the plan exceeds the standard. Discuss where the plan exceeds the state standards, and why the land-use plan was written in that manner.
- Communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A that exceeds the minimum standard for protection of water resources, and a zoning ordinance enforcing it, submit:
 - pages of the land use plan listing the contents and the date prepared;
 - the zoning ordinance;
 - the minutes of the public meetings during which the plan and the zoning ordinance were adopted;
 - and the pages showing where the land-use plan exceeds the standard.Discuss where the plan exceeds the state standards, and why the land-use plan was written in that manner.
- Communities that have adopted a flood hazard prevention ordinance under G.S. 143-215.54A, or the study area is not within the one hundred-year floodplain, submit a copy of the meeting minutes of the public meeting during which the flood hazard prevention ordinance was adopted, and a map of the study area showing the one hundred-year flood plain (or lack thereof).
- Communities subject to the Coastal Habitat Protection Plan from the Environmental Management Commission, the Coastal Resources Commission, and the Marine Fisheries Commission; submit pages from the plan demonstrating where the proposed project is in compliance with the Plan; or the community is not subject to Coastal Resources Commission oversight.

CAPITAL IMPROVEMENTS PLANS

- Communities that have a *current, ten-year minimum*, Capital Improvements Plan, and the proposed project is a priority in the Capital Improvements Plan; submit a copy of the Capital Improvements Plan, or the proposed project is for a Capital Improvements Plan for the community.

CAPACITY USE AREA RULE OR PLAN COMPLIANCE

- Communities that are located in the Central Coastal Plain Capacity Use Area, and are subject to the rules; or communities that are located in the Southern Coastal Plain Capacity Use Area, and are participating in the alternative water source planning.

ALL APPLICATIONS MUST BE BOUND, TABBED, AND PAGINATED. MAPS MUST HAVE THE SCALE AND DIRECTIONAL INDICATOR, AND THE PROJECT MUST BE IDENTIFIED PLAINLY ON THE MAP. ANY APPLICATIONS SUBMITTED UNBOUND, UNTABBED OR UNPAGINATED WILL BE RETURNED TO THE APPLICANT.

SUBMIT THREE PAPER COPIES OF THE APPLICATION WITH ALL EXHIBITS, AND ONE COPY ON A COMPACT DISK.

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FINANCIAL NEED (Maximum 100 points)

- a) Ability to Pay: Unit's ability to pay score provides points as follows, using the 2006-2007 scores as calculated by the N.C. Department of Commerce:

0 - 5.0 = 25 points
15.01 - 20.0 = 10 points

5.01 - 10.0 = 20 points
20.01 - 25 = 5 points

10.01 - 15.0 = 15 points
>25 = 0 points

- b) Project is located within a designated distressed county in accordance with G.S. 143B-437.01, and calculated by the N.C. Department of Commerce:

Tier 1 = 25 points

Tier 2 = 15 points

Tier 3 = 5 points

- c) Applicant's Median Household Income, as a percentage of the National Median Household Income (> \$41,994; based on the 2000 census), will generate the following number of points:

Less than 50% (\leq \$20,997) = 25 points
75.1% - 100% (\$31,497 - \$41,994) = 10 points

50.1 - 75% (\$20,998 - \$31,496) = 15 points
Greater than 100% (>\$41,994) = 0 points

- d) Applicant's poverty rate, as taken from the 2000 Census as a percentage of the state's poverty rate (12.3%, based on the 2000 census), will generate the following points:

Greater than 125% ($>$ 15.39%) = 25 points
75.1 - 100% (9.24 - 12.30%) = 15 points

100.1 - 125% (12.31 - 15.38%) = 20 points
50.1 - 75% (6.16 - 9.23%) = 10 points

Less than 50% of the state poverty rate (\leq 6.15%) = 0 points

FISCAL RESPONSIBILITY AND SOUND MANAGEMENT (Maximum 30 points)

- a) The applicant has submitted the most recent fiscal year's audit to the Local Government Commission. **yes = 10 points; no = 0 points**
- b) The applicant has followed proper accounting and fiscal reporting procedure as reflected in the applicants' most recent report of audit, and the applicant is in substantial compliance with the provisions of the general fiscal control laws of the state. **yes = 10 points; no = 0 points**
- c) The applicant's public water system and/or wastewater system is fiscally self-sufficient. **yes = 10 points; no = 0 points**

PRIORITY POINTS (Maximum 75 points)

- a) The applicant is under moratorium, Special Order of Consent, or Judicial Order of Consent, and the proposed project will assist in removing the moratorium, or the order. **yes = 25 points; no = 0 points**
- b) The applicant's water and/or wastewater system is physically **interconnected** with at least one other system, with each community's water and/or wastewater treatment plant serving both or multiple communities, or the proposed project will examine the feasibility of a regionalized system. **yes = 25 points; no = 0 points**
- c) If the applicant has a compelling reason for not being able to physically interconnect, and submits documentation to prove the point. **yes = 25 points; no = 0 points**

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- d) If the applicant shares common public water or wastewater operators, or management, and the employees are public employees; or the project proposes to conduct a management analysis for the purpose of consolidating managements and operations of two communities. **yes = 25 points; no = 0 points**

BONUS POINTS (Maximum 80 points)

PARTICIPATION IN TRAINING PROGRAMS (Maximum 20 points)

- a) If the applicant has sent a member of their Board, or their manager/administrator, or their mayor or Board chair, to one of the "Getting to Success with Your Consulting Engineer" seminars, and they have submitted the required documentation. **yes = 10 points; no = 0 points**
- b) If the applicant is a participant in the Small Towns Economic Prosperity Program, and documentation is submitted. **yes = 10 points; no = 0 points**

WATER CONSERVATION (Maximum 10 points)

- c) Proposed project would allow the applicant to conserve water by identifying leaking distribution pipes, or by developing a preliminary engineering report for a water reuse system, or through developing a fee structure that would promote water conservation. Bonus points will also be awarded to communities who have in place a fee structure that promotes residential use water conservation. **yes = 10 points; no = 0 points**

LAND-USE PLANNING / ORDINANCE COMPLIANCE (Maximum 30 points)

- d) Applicant has adopted a comprehensive land use plan, but not a comprehensive zoning ordinance, and has submitted the documentation or the applicant proposes to develop a comprehensive zoning ordinance. **yes = 5 points; no = 0 points**
- e) Applicant has adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A; and a comprehensive zoning ordinance and has submitted the documentation; or project proposes to develop a land use plan and a zoning ordinance. **yes = 10 points; no = 0 points**
- f) Applicant has adopted a comprehensive land-use plan under Article 18 of G.S. 153 A or Article 19 of G.S. 160A that exceeds the minimum standard for protection of water resources, and a comprehensive zoning ordinance, and has submitted the documentation. **yes = 15 points; no = 0 points**
- g) Applicant has adopted a flood hazard prevention ordinance under G.S. 143-215.54A, and has submitted the documentation, or the applicant proposes to develop a flood hazard prevention ordinance, or the study area is not located within a flood zone. **yes = 5 points; no = 0 points**
- h) Applicant is subject to the Coastal Habitat Protection Plan and the proposed project is in compliance with the plan, and has submitted the documentation, or the community is not subject to Coastal Resources Commission oversight. **yes = 10 points; no = 0 points**

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CAPITAL IMPROVEMENTS PLANS (Maximum 10 points)

- i) Applicant has a current, ten year or more, Capital Improvements Plan, and the proposed project is a priority, or the proposed project is a ten year Capital Improvements Plan for the community. **yes = 10 points; no = 0 points**

CAPACITY USE AREA RULES / PLAN COMPLIANCE (Maximum 10 points)

- j) Applicant is located in the Central Coastal Plain Capacity Use Area, and subject to aquifer withdrawal reductions under the rules, or the applicant is located in the Southern Coastal Plain Capacity Use Area and is participating in the planning for an alternative water source, and has submitted documentation. **yes = 10 points; no = 0 points**

TOTAL AVAILABLE POINTS = 285

DEFINITIONS

Alternative Wastewater System. Refers to a wastewater treatment process, permissible by DENR Division of water quality, that employs other than conventional means to process wastewater. Examples of alternative wastewater systems include, but are not limited to, land application systems and constructed wetlands systems.

Capital Improvement Plan. Refers to a document that identifies water and sewer infrastructure and capital needs that address planned and strategic growth, as well as routine maintenance and upkeep of existing infrastructure. The document includes an assessment of current water and sewer systems, and a projection of the infrastructure needs over a minimum of a ten-year horizon. The document should take into account regulatory mandates impacting infrastructure needs, and short and long term operation and maintenance costs of existing and proposed infrastructure. The report should identify the means for funding the infrastructure costs, to include revenue projections from fees, the establishment of a capital reserve, and possible loan and grant opportunities. The document should also identify alternatives for meeting the identified needs including regionalization, consolidation and system mergers, water reuse, and water conservation policies.

Current Critical Need. Refers to an infrastructure deficiency that negatively impacts public health or the environment, and has been in existence for two years or less.

Capital Reserve. Refers to the establishment of and continued contributions to a reserve fund to be used for financing future improvements to the system.

Economic Tier. Refers to the economic tier system developed and maintained by the North Carolina Department of Commerce, and defined in General Statute 143B-437.08. Counties in economic development tier one are the forty most economically distressed in the state. Counties in economic development tier two are the next 40 most distressed. Counties in economic development tier three are those counties not included in tiers one or two.

Environmental Risk. Refers to real and imminent risks associated with insufficient or inappropriate wastewater collection, treatment or disposal, and can include, but not be limited to, straight-piping of waste into ditches and streams, septic tanks seeping wastewater effluent, public wastewater collection systems leaking or overflowing during rain events.

Flood Hazard Prevention Ordinance. Refers to an ordinance passed by a local government to help minimize loss of life and property during a flood.

High-unit-cost (as it relates to water and/or wastewater fees). Either of the following amounts determined on the basis of data from the most recent federal decennial census: a) one and one-half percent (1.5%) of the median household income in an area that receives both water and wastewater service; b) three-fourths of one percent (0.75%) of the median household income in an area that receives only water service or only wastewater service.

Land-Use Plan. Refers to a plan that allows for the scientific, esthetic, and orderly disposition of land, resources, facilities, and services with a view to securing the physical, economic, and social efficiency, health and well-being of a community. (Canadian Institute of Planning)

Local Government Unit. Refers to the definition established in General Statute 159G-20(13), as any of the following: a city as defined in G.S. 160A-1; a county; a consolidated city-county as defined in G.S. 160B-2; a county water and sewer district created pursuant to Article 6 of Chapter 162A of the General Statutes; a metropolitan sewerage district or a metropolitan water district created pursuant to Article 4 of Chapter 162A of the General Statutes; a water and sewer authority created under Article 1 of Chapter 162A of the General Statutes; a sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes; a joint agency that was created by agreement between two cities and towns to operate an airport pursuant to General Statute 63-56 and that provided drinking water and wastewater services off the airport premises before January 1, 1995.

Low-Pressure Pipe Wastewater System. Described as a shallow, pressure-dosed soil absorption system with a network of small diameter perforated pipes placed 25.4 to 45.7 cm (10 to 18 inches) deep in narrow trenches, 30.5 to 45.7 cm (12 to 18 inches) wide. Prohibited from funding by the Clean Water Partners' Infrastructure Program. (U.S. EPA)

Median Household Income. In a population group, the most commonly occurring household income.

National Median Household Income. Refers to the national median household income published in the latest decennial census. The 2000 national median household income is \$41,994.

Preliminary Engineering Report. A report that describes the applicant's present situation and that presents three (at a minimum) alternatives to resolve the problem, along with the costs involved in each alternative. The community then selects from the alternatives a specific and preferred course of action.

Project Ordinance. An ordinance passed allocating funds to a capital project that may spread across more than one fiscal year.

Public Health Need. A project needed in order to comply with the North Carolina Drinking Water Act or the federal Safe Drinking Water Act, or with drinking water standards established by the state for private groundwater wells.

Regionalization. Refers to the physical interconnection of two or more water or wastewater treatment and collection systems, or the sharing of a common public operator or public management oversight.

Rural County. A county with a population density of fewer than 250 people per square mile based on the most recent federal decennial census.

State Poverty Rate. Refers to the percentage of the state's population living at or below the poverty rate, as documented by the 2000 Census. The poverty rate for North Carolina is 12.3%.

State Unemployment Rate. Refers to most recent unemployment figures available from the North Carolina Employment Security Commission.

Water Reuse. Means the actual use or application of treated wastewater in or on areas, which require water but that do not require a potable water supply. This may include irrigation for agricultural or landscaping purposes, or reuse by an industrial or business facility. Most commonly used in golf courses, landscapes, and ball fields at schools, or as cooling water in industrial processes.

Zoning Ordinance. A permitting system to prevent new development from harming existing residents, and a means to segregate incompatible land uses from each other.

Mission Statement

The Rural Economic Development Center, Inc. is dedicated to the development, implementation and promotion of economic strategies that improve the quality of life of rural North Carolinians, with a special focus on individuals with low to moderate incomes and communities with limited resources.



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PROGRAM STATEMENT

In the summer of 2007, the North Carolina General Assembly included a \$100 million appropriation to the North Carolina Rural Economic Development Center in the FY 2007-2009 state budget, for the purpose of making grants to rural communities in need of water and wastewater infrastructure improvements. The primary emphasis of the funding is to assist those rural communities in violation of public health and environmental rules and regulations. These funds were provided in response to data produced by the Rural Center's Water 2030 study, which predicted a \$7.0 billion need in water and wastewater infrastructure improvements and expansions over the next five years, due to infrastructure age, tighter rules and regulations, and growth in the state of North Carolina. The program funded by these monies is being called the "Clean Water Partners' Infrastructure Program", to emphasize the need for a true partnership between the grantees and the Rural Center, and to differentiate these funds from previous funding programs.

Supplemental grants were included in the General Assembly's description of funded programs. A total of \$96.0 million will be allocated for supplemental grants to rural communities, with the most economically distressed rural communities receiving priority over other communities. From the \$96.0 million, a total of \$10.0 million will be set aside to address immediate **crisis needs** in the state. Crisis need project applications will be taken on a rolling basis, and awarded on a rolling basis, but must include the documentation required by legislation. See below for a definition of a crisis need.

Projects must address current (two years old or less), critical needs in water and wastewater infrastructure, and the projects must be located within one of the state's 85 rural counties.

CRISIS NEEDS. A crisis need is a public health emergency where a drinking water supply is contaminated with pollutants that constitute an acute health hazard, requiring the issuance of health advisories from the state toxicologist to protect human health, or the loss of water supply due to ground water or surface water sources depleting.

Projects that address documented nitrate, nitrite, or fecal coliform contamination at levels above the Maximum Contaminant Levels, projects that address drinking water supplies contaminated with petroleum products, projects that address contamination of drinking water with compounds in excess of levels listed in 15A NCAC 02L.0202 (g), constitute critical need. Documentation must be submitted showing the level of contamination, or the loss of water supply. In the case of contamination, a letter from the local health department will be required, as well as any health advisory notices issued by the state. Applications for these crisis projects will be evaluated for possible award on an as-needed basis.

FUNDING PERIODS

	Intent to Apply Notice Due	Application Deadline	Review Period	Announcement Of Awards
Round I	November 30, 2007	December 17, 2007	December 18, 2007 - June 2008	No later than June 2008
Round II	June 2008	July 2008	July 2008 - December 2008	No later than December 2008

Projects that are ready to go to construction, with all environmental reviews, design, permitting, and all other funding committed, will receive special consideration with regard to timing of the review. Applications must be received at the Rural Center by 5:00 p.m. on the date the applications are due.

GRANT AMOUNTS

The maximum grant amount will be \$500,000. Rural Center funds **must** be matched on a one-to-one basis.

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GENERAL GUIDELINES

ELIGIBLE APPLICANTS

To be considered eligible, an applicant must meet all of the following criteria:

1. Be a "unit of local government" as defined by G.S. 159-G, "Clean Water Revolving Loan and Grant Act of 1987", or;
2. Be located in one of the state's rural counties as defined by Section 13.13A. (b)(3) of House Bill 1473, the FY 07-09 State Budget;
3. Have a documented, critical, water and/or sewer infrastructure problem that impacts human health or the environment;
4. Have a governing or management official attend a "How to Apply to the Clean Water Partners' Infrastructure Program" workshop;
5. Adopt a resolution to set the household user fee for water and sewer service at an amount that equals to or exceeds the high-unit-cost threshold;
6. Have closed all Supplemental Grant projects funded through the Clean Water Bond funds or through appropriation funds, which were awarded prior to December 31, 2004 by December 31, 2007;
7. Submit an "Intent to Apply" form to the Rural Center by November 30, 2007.

MATCHING FUNDS

A local government unit shall match a supplemental grant on a dollar-for-dollar basis, unless the unit meets one or more of the following descriptions, in which instance the Rural Center may require less than a dollar-for-dollar match:

1. It is an economically distressed county, or located in an economically distressed county (Tier One);
2. Its poverty rate is at least 150% of the state rate;
3. If it is not a county, its ability to pay ranking is less than 50% of the ability to pay ranking of the county in which it is located.

The match for these communities will be defined by relative financial need, as compared with other rural communities. The determination of percent match will be made on a case-by-case basis (with a minimum of 5%).

Matching funds may come from other state or federal loans or grants, or from local funds contributed from the general or enterprise fund. Generally, in-kind services are not considered eligible as matching funds. Other Rural Center water and sewer funds may not be used as a match. Proof of matching funds is required by letters of commitment by other funding agencies, or by the completed, signed, and notarized **Commitment of Other Funds Form**. Once an applicant receives an award, a project ordinance is required to solidify the local funds commitment.

TYPES OF PROJECTS

Supplemental Grants are made available under the Clean Water Partners' Infrastructure Program to support construction of critically needed water and sewer infrastructure projects. Funds are available for costs associated with:

- Construction costs associated with water line repair, upgrade, or extension to areas in critical need for a public water supply due to contaminated drinking water source;
- Costs associated with the construction, expansion or upgrade of a water treatment facility;
- Construction costs associated with sewer line repair, upgrade, or extension to areas with failing wastewater disposal systems;
- Costs associated with the construction, expansion, or upgrade of a wastewater treatment facility;

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- Costs associated with the construction of a wastewater land application system, or a wetlands wastewater treatment system;
- Construction administration;
- Construction inspection;
- Legal fees;
- Land acquisition;
- Grant administration, not to exceed 5% of the project cost.

Projects should address either the elimination of an existing or imminent threat to public health or to the environment. Documentation will be required of the public health or environmental need. **Engineering design costs are not an eligible expense under this program.**

PRIORITY POINTS

Priority points are points awarded to types of projects identified by the State Water Infrastructure Commission as a state priority. A total of 25 Priority Points will be awarded to each of the following:

1. Applications from communities under Special Order of Consent, Judicial Order of Consent, or water or sewer moratorium;
2. Applications from communities that are proposing to regionalize, either through physical interconnection, or through a sharing of common management and/or staff. If there is a compelling reason that the communities cannot regionalize, a discussion of that reason will be accepted, and points awarded.

SPECIAL EMPHASES / BONUS POINTS

Bonus points will be awarded as follows:

Participation In Training Programs

1. To applications from communities who attended the "Getting to Success with Your Consulting Engineer" seminars presented by the North Carolina Rural Communities Assistance Project and sponsored by the North Carolina Rural Center;
2. To applications from communities participating in the Small Towns Economic Prosperity program sponsored by the North Carolina Rural Center;

Water Conservation

3. To applications from communities seeking to conserve water through repair of leaky distribution lines, through constructing a water reuse system, or through having a fee structure that promotes residential water use conservation;

Land-Use Planning / Ordinance Compliance

4. To applications from communities that have passed a land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A, but not a zoning ordinance;
5. To applications from communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A, and a comprehensive zoning ordinance;
6. Applicant has adopted a comprehensive land-use plan under Article 18 of G.S. 153 A or Article 19 of G.S. 160A that exceeds the minimum standard for protection of water resources, and a comprehensive zoning ordinance, and has submitted the documentation;
7. To applications from communities that have adopted a flood hazard prevention ordinance under G.S. 143-215.54A, or the project will be constructed outside of the one hundred-year flood plain;
8. To applications from communities subject to the Coastal Resources Commission, that have projects implementing a recommendation of a Coastal Habitat Protection Plan from the Environmental Management Commission, the Coastal Resources Commission, and the Marine

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Fisheries Commission; or the community is not subject to Coastal Resources Commission oversight;

Capital Improvements Plan

9. To applications from communities having a *current, ten-year minimum*, Capital Improvements Plan (defined as being updated within the last two years ending December 2007), and the proposed project is included in the plan;

Capacity Use Area Rule or Plan Compliance

10. To applications from communities or counties in the Central Coastal Plain Capacity Use Area, or in the Southern Coastal Plain Capacity Use Area that are attempting to address declining aquifers and alternative water resources.

See the section on scoring to determine the bonus points available for your particular project.

DETERMINING THE INCOME LEVEL FOR SETTING USER RATES

Applicants who are not charging the high-unit-cost for residential user fees must pass a resolution setting fees to the high-unit-cost prior to the release of Rural Center funding. Submit a copy of the proposed resolution. The average residential use is defined as 5,000 gallons per month. The high-unit-cost is defined as 1.5% of the median household income (MHI) for water and sewer, and 0.75% for one utility, either water or sewer. The applicant's MHI will be as of the 2000 Census. Applicants that were incorporated units when the 2000 Census was conducted should use the data posted.

Non-incorporated units or units unincorporated as of the 2000 Census. Median household income data is available to the township level. Applicants who were not incorporated units as of the 2000 Census, or applicants who are not incorporated units of government should use the township level data for that unit. If the area of service proposed by the applicant covers more than one township, or if the service area involves an incorporated area and an unincorporated extra-territorial jurisdiction (ETJ), the applicant should aggregate the data to arrive at an average MHI figure as shown below. No update factors will be applied.

Township #	Population	2000 MHI	Total Income
1	800	\$12,700	\$10,160,000
2	1,800	\$14,000	\$25,200,000
3	2,100	\$21,300	\$44,730,000
Totals	4,700		<u>\$80,090,000</u>

(CALCULATE: $\$80,090,000 \div 4,700 = \$17,040$ average MHI)

Service Area	Population	2000 MHI	Total Income
Town	1,200	29,000	\$34,800,000
ETJ	500	32,130	\$16,065,000
Totals	1,700		<u>\$50,865,000</u>

(CALCULATE: $\$50,865,000 \div 1,700 = \$29,920.59$ average MHI)

EXISTING PROJECTS

Units of local government with open Supplemental projects funded prior to December 31, 2004 by the North Carolina Rural Center through the Clean Water Bond Program or through Appropriations funds are not

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eligible applicants for funding. All projects funded prior to December 31, 2004 must be paid out by December 31, 2007, in order for an applicant to be eligible.

PROHIBITED USES OF FUNDS

Clean Water Partners' Infrastructure Program funds may not be used for construction associated with the repair, installation or replacement of low-pressure pipe wastewater systems. **Funds may not be used for engineering design. However, local funds &/or other matching funds may be utilized.** See the definitions section of the application for a full description of these systems.

ELIGIBLE COSTS

Supplemental Grant costs eligible for reimbursement under the Clean Water Partners' Infrastructure Program include:

1. Construction costs associated with water and sewer infrastructure extension, rehabilitation, or upgrade;
2. Construction administration;
3. Construction inspection;
4. Legal fees;
5. Land acquisition;
6. Grant administration – up to 5% of the project cost.

Staff reviews all grant amount requests and reserves the right to make adjustments based on reasonable and customary fees. Engineering costs shall be held to the U.S.D.A. or E.P.A. fee curve, depending on the funding partner. Project budgets will be shared with other state and federal funders. *All applications must contain line item budget breakdowns.*

MULTIPLE APPLICATIONS IN THE SAME ROUND / AWARD CAPS

Local governments may submit as many applications as desired in each category during any round. However, a community is limited to one planning grant award, and one supplemental grant award, per round. According to the enabling legislation for the Clean Water Partners' Infrastructure Program, construction projects are required to be in construction no more than one year after the Rural Center award date.

If an applicant has more than one project score well enough to be funded, the applicant will have the opportunity to select the project to be funded.

RESUBMITTAL OF THE SAME PROJECT

Projects not funded in the first round may be considered for funding in the second round if the deficiencies found in the first round review are revised in writing. A new and complete application must be submitted to the Rural Center by the second round deadline date, with current signatures on all forms. Revise the timeline, the preliminary engineering report, and budget accordingly.

APPLICATION FILING AND REVIEW

The Rural Center will base its funding decisions on information supplied by the applicant and by investigations into that information by Rural Center staff and/or a designee. **The application must be complete when submitted.** *Any application that does not contain information sufficient to permit review and ranking will not be included in the ranking for that round. The applicant may not enter into a contract regarding the proposed project until after Rural Center award.*

AWARD NOTIFICATION

Successful applicants will be notified by letter of the intent to award a grant once the Rural Center's Executive Committee has voted to accept Rural Center staff recommendations. The intent to award letter

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may contain conditions that must be met prior to actual grant award. Once the conditions are met, the actual award letter will accompany a contract to be executed by the unit of local government and the Rural Center in order to procure the funds.

CONTRACTING WITH THE RURAL CENTER

The Rural Center will contract with the grantee once all other funds for the project are in place. The contract and the accompanying letter comprise the final award notice. Projects are expected to be under contract within nine months of grant award. The Rural Center reserves the right to deobligate any funds awarded in connection with a project that are not under contract at that time. Projects in the Supplemental Grants Program are expected to be under a construction contract within one year of award, according to Section 13.13A.(k) of House Bill 1473, the state budget for FY 07-09.

CONTRACT DISTRIBUTION

Contracts for awarded projects and subsequent contract amendments will be distributed to the grantee only. The grantee must forward a copy of the contract to their contractor/project engineer for his or her reference.

PROCUREMENT

Local governments receiving funds under the Supplemental Grants Program will be expected to comply at a minimum with state regulations regarding procurement (G.S. 143-128 as amended). Local governments are cautioned that funds received for the project from other sources may have additional procurement regulations that must also be followed.

AUDIT

All funds awarded to the recipient under this program are from direct appropriation by the North Carolina General Assembly. Accordingly, the recipients will be subject to the audit and reporting requirements prescribed by G.S. 159, the Local Government Budget and Fiscal Control Act. Such audit and reporting requirements may vary depending upon the amount and source of funding received by the recipient, and are subject to change from time to time. Upon completion, the recipient agrees to forward to the Rural Center one copy of any audited financial statements and accompanying reports generated covering the period that a recipient has an active award contract with the center. In addition to the audit and reporting requirements mandated by the State of North Carolina, the recipient agrees to comply with any requests made by the center from time to time for other financial and organizational materials to permit the center to comply with its fiscal monitoring responsibilities.

GRANTS MONITORING / PROGRESS REPORTS

Under G.S. 143C, the State Budget Act, grants monitoring is required whenever state funds are granted to a non-State entity. Quarterly progress reports are required once an awarded project is contracted, and are to be submitted according to the schedule in the contract. In addition, a cash flow table will be required to be updated for each quarterly report. Site visits may also occur, depending upon the size and complexity of the project. Grantees must submit quarterly reports to fulfill their contract requirements with the Rural Center, and must accommodate site visits by Rural Center staff, when requested.

DISBURSEMENT POLICY

The Rural Center, following receipt of contract, may disburse up to 90 percent of the Supplemental Grant with approved invoices or receipts sufficient to support the disbursement. The recipient will be required to submit a payment request on the Rural Center approved form and shall demonstrate 1) all local funds are expended, and 2) that other sources of project funds have been drawn down to the 90 percent level. The Rural Center may then pay up to 90 percent of the grant funds. The remaining 10 percent of funds will be retained until the remaining project funds are spent to 100 percent, and a final report and final request for payment is submitted to the Rural Center.

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All Rural Center funding awards will be made on the basis of the availability of program funds and the payment formulas outlined in the **Memorandum of Understanding**.

REQUIREMENTS AND INSTRUCTIONS

Applicants must complete the following forms and submit the following information, tabbed in the application as indicated. Applications must be bound (three-ring binder, spiral binding, etc.) and pages for tabs one through three must be numbered, starting with the Supplemental Grant application form.

TAB 1: Supplemental Grant Application. Application must be completed in full and signed and dated by the unit's chief elected official. This official is either the mayor, the chair of the county commission, or another official (city/county manager, etc.) who has the authority to authorize expenditures for the unit of government. If another official is named as the application signer, an authorizing resolution must be passed naming this individual as the Chief elected official's designee and included under this tab.

TAB 2: Project Description. Describe the proposed project, identifying the need that will be addressed through the project. Project need must be supported by documentation of the need as described below. Identify the benefits/beneficiaries of the proposed project.

TAB 3: Project Justification. Describe how the project will address and help resolve a current, critical infrastructure need (environmental or public health need). Identify documentation submitted for proof of critical need and detail how this information documents the need. *Projects that fail to document a critical need are ineligible for funding.*

TAB 4: Preliminary Engineering Report. Insert the preliminary engineering report for the project under this tab.

TAB 5: Documentation of Critical Need. Acceptable critical need documentation includes the following:

Wastewater Treatment and Collection Projects

- **Pit privies and straight piping.** Clearly labeled pictures (include location and date of when pictures were taken) of the affected area along with a map noting where the pit privies and straight piping occurs. This information will be independently verified by the Rural Center or its designee.
- **Failing septic tanks.** Clearly labeled pictures (include location and date of when pictures were taken) showing surfacing effluent/failure, along with a map of the project area showing the affected properties; ditch samples indicating bacterial contamination, with a map showing where the samples were taken. If total coliform bacteria is the contaminant of concern, colony counts must be submitted. Positive or negative tests only will not be accepted. Health Department letters from a registered sanitarian stating that the project area contains unsuitable soils, small lots, or that the septic systems were installed prior to regulatory oversight. If the installation of the tanks was prior to regulatory oversight, the Health Department letter needs to state when regulations were enacted in that particular county, and when the homes were built. This information will be independently verified by the Rural Center or its designee.
- **Inflow and infiltration in a wastewater collection system/collection system rehabilitation.** Effluent monitoring monthly reports as submitted to DENR, and a chart of rain events versus flow in the system; documentation of wastewater flow reaching the 80% capacity mark – monthly flow reports, Notices of Violation; sanitary sewer spill reports, newspaper announcements; Notices of Violation for exceeding discharge limits, or for sanitary sewer spills; Moratoria notices; Special Orders of Consent documents; smoke test results; DVDs of the collection system.
- **Wastewater treatment system upgrade.** Notices of Violation; Moratoria notices/letters; Special Orders of Consent; Judicial Orders of Consent; sanitary sewer spill documentation; newspaper accounts; letters from DENR regional specialists.

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Water Treatment, Supply, and Distribution Projects

- **Upgrade the water treatment system.** Notices of Violation; water quality samples revealing iron, lead, manganese, radionuclides, etc., above the allowable limits; water samples showing high trihalomethane concentrations.
- **Improvements to the existing distribution system by eliminating undersized or failed lines.** Documentation of low pressures in violation of state regulations; documentation of turbidity problems; flow reports showing a high percentage of water treated versus water sold; letter from DENR stating that all 2" lines longer than 1,000 feet must be replaced.
- **Increase water capacity to meet existing needs or to eliminate water shortages.** Letters from DENR citing the local government for being out of compliance with the rule of one-half day storage supply equal to the average annual daily demand; documentation that the treatment plant is at or above the 80% capacity rule; low pressure due to failing wells; loss of water source, with concurrent need for a secondary water source; documented need to comply with Central Coastal Plain Capacity Use Area Rules, or documentation showing that the proposed project will assist in the development of an alternate water source, for communities and counties in the Southern Coastal Plain Capacity Use Area.
- **Contaminated wells.** Letter from the Health Department documenting well tests, along with a map of project area showing where the contaminated wells are located; well tests showing fecal coliform or *E. coli* contamination, along with a map of the project area, with the contaminated wells marked; well tests showing arsenic or other inorganic or organic contamination; well tests showing petroleum contamination; "boil water" notices from the past two years for communities dependent on wells for water.

TAB 6: Project Budget and Documentation of Other Funding Sources. Provide a copy of the adopted Project Budget showing line item expenses and project revenues. Provide a detailed, project-specific budget showing anticipated revenues and expenses. Sources of other grant or loan funds in the project should be clearly identified.

Provide commitment letters from other funders, or letters from other funders showing that other funds have been applied for, and when a decision is expected. If local funds are committed, include a signed and notarized resolution passed by the governing body of the entity. Include the **Commitment of Other Funds Form**, filled in and signed by the chief elected official or by his/her designee.

TAB 7: Project Schedule. Provide the planned start and completion dates of the project. Include any benchmark dates. *If the project is awarded funding, the construction meeting schedule will have to be submitted.*

TAB 8: Certification of Minority Business Enterprise Percentage Goal. Provide a resolution from the unit of local government stating that an appropriate, verifiable percentage goal for participation by Minority Business Enterprises has been adopted in accordance with G.S. 143-128-c (as amended). *Submit evidence of outreach and advertising efforts prior to taking bids, and results of outreach efforts to reach the stated MBE goals after bids are awarded. This documentation is required before any construction costs will be paid by the Rural Center.*

TAB 9: Environmental Assessment. Provide a statement whether the project to be funded by the grant requires an environmental assessment. If an environmental assessment is not required, cite the exclusion in the North Carolina Environmental Policy Act, Article 1, Chapter 113A of the General Statutes, applying to the project. If an environmental assessment is required for the project, submit the same environmental assessment of the project's probable impacts on the environment that was submitted to the Department of Environment and Natural Resources under this tab, as well as a copy of the Finding of No Significant Impact (FONSI).

TAB 10: Schedule of Rates and Charges, or Resolution to Raise Rates. The applicant's schedule of rates and charges should be included under this tab. Should the current schedule of rates and charges not reflect a residential use fee equaling to the high-unit-cost for the applicant (1.5% of the median household income, for water and sewer, or 0.75% for one utility, per the 2000 Census), a resolution must be passed setting rates at that level, before any Rural Center funds are released for construction. Submit a copy of the proposed resolution if one is required.

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TAB 11: Job Retention Documentation. Letters from employers stating the jobs retained due to project; letters from the Economic Developer stating the jobs retained due to project. Job creation will not be considered in this program. If the proposed project creates jobs, please apply to the N.C. Economic Infrastructure Program, also administered by the N.C. Rural Center.

TAB 12: Conflict of Interest Form. The Conflict of Interest provisions apply to all projects funded by the Rural Center. If you do not have a board-adopted conflict of interest policy you must adopt one to receive this funding. If requested, we can provide a copy of language as reflected in the North Carolina General Statutes regarding conflict of interest. The applicant can copy this language to your letterhead and certify the statement once your board has approved it. If your community has a similar statement incorporated as part of your personnel policy, you may submit a certified copy of that statement.

TAB 13: Priority Points. Submit documentation for priority points under this tab. Priority points are given to:

- **Communities who are under Moratorium, Special Order of Consent, or Judicial Order of Consent,** from the North Carolina Department of Environment and Natural Resources. Submit letters from the Department, indicating the regulatory status of your system.
- **Communities whose water and/or wastewater systems are physically interconnected,** with each community's water and/or wastewater being treated by one treatment system. Describe where the systems are interconnected, and where the water is treated, or where the wastewater is treated. Submit an interlocal agreement between the applicant unit and the other unit. If the *community has a compelling reason for not being able to physically interconnect*, and is able to describe it sufficiently, points will also be awarded.
- Priority points will also be given to **communities that share common public water or wastewater operators or management.** Points will not be given if two units of government share a common private management entity. Describe the operational arrangement and/or the management arrangement, and any interlocal agreements involved.

TAB 14: Bonus Points. Submit documentation for bonus points under this tab. Bonus points will be given for the following items:

PARTICIPATION IN TRAINING PROGRAMS

- Communities who send a member of their Board, or their manager/administrator, or their mayor or board chair, to one of the "Getting to Success with Your Consulting Engineer" seminars, sponsored by the N.C. Rural Center. Points will be given to communities that send an official, who then outlines the information to his/her governing board, with the discussion recorded in the minutes of the meeting. A notarized copy of the meeting minutes is the documentation required.
- Communities who are participating in the N.C. Rural Center's Small Towns Economic Prosperity Program; submit the award letter.

WATER CONSERVATION

- Proposed projects seeking to conserve water through repair of leaky distribution lines, through constructing a water reuse system, or through having a fee structure that promotes residential water use conservation. Bonus points will also be awarded to communities who have in place a fee structure that would promote residential water use conservation.

LAND-USE PLANNING / ORDINANCE COMPLIANCE

- Communities that have adopted a comprehensive land use plan, but not a comprehensive zoning ordinance; submit a copy of the public meeting minutes during which the land use plan was adopted.
- Communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A; and a comprehensive zoning ordinance, submit the front page of the

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Clean Water Partners' Infrastructure Program

land-use plan and the minutes of the public meetings during which the plan and the ordinance were adopted.

- Communities that have adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A that exceeds the minimum standard for protection of water resources, and a zoning ordinance enforcing it, submit:
 - pages of the land use plan listing the contents and the date prepared;
 - the zoning ordinance;
 - the minutes of the public meetings during which the plan and the zoning ordinance were adopted;
 - and the pages showing where the land-use plan exceeds the standard.

Discuss where the plan exceeds the state standards, and why the land-use plan was written in that manner.

- Communities that have adopted a flood hazard prevention ordinance under G.S. 143-215.54A, submit a copy of the meeting minutes of the public meeting during which the flood hazard prevention ordinance was adopted, and a map of the project area showing the one hundred-year flood plain *or* the project is not within the one hundred-year flood plain.
- Communities subject to the Coastal Habitat Protection Plan from the Environmental Management Commission, the Coastal Resources Commission, and the Marine Fisheries Commission; submit pages from the plan demonstrating where the proposed project is in compliance with the Plan; *or* the community is not subject to Coastal Resources Commission oversight.

CAPITAL IMPROVEMENTS PLANS

- Communities that have a *current, ten-year minimum*, Capital Improvements Plan, and the proposed project is a priority in the Capital Improvements Plan; submit a copy of the Capital Improvements Plan.

CAPACITY USE AREA RULE OR PLAN COMPLIANCE

- Communities that are located in the Central Coastal Plain Capacity Use Area, and are subject to the rules; *or* communities that are located in the Southern Coastal Plain Capacity Use Area, and are attempting to address declining aquifers and alternate water sources.

ALL APPLICATIONS MUST BE BOUND, TABBED, AND PAGINATED. MAPS MUST HAVE THE SCALE AND DIRECTIONAL INDICATOR, AND THE PROJECT MUST BE IDENTIFIED PLAINLY ON THE MAP. ANY APPLICATIONS SUBMITTED UNBOUND, UNTABBED OR UNPAGINATED WILL BE RETURNED TO THE APPLICANT.

SUBMIT THREE PAPER COPIES OF THE APPLICATION WITH ALL EXHIBITS, AND ONE COPY ON A COMPACT DISK.

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PRIORITY AND SCORING

WASTEWATER TREATMENT AND COLLECTION (Maximum 75 points)

- a) Project will achieve a reduction in wastewater discharged to the state's surface waters through use of alternative methods of wastewater disposal, such as land application. **yes = 15 points; no = 0 points**
- b) Project proposes to eliminate pit privies, straight piping of wastewater, or failing septic systems, and documentation has been provided as previously described. **yes = 30 points; no = 0 points**
- c) Project proposes to rehabilitate the sewer collection system and documentation of the need has been provided. **yes = 15 points; no = 0 points**
- d) Project proposes the upgrade of the wastewater treatment system, and documentation of the need has been provided. **yes = 15 points; no = 0 points**

WATER SUPPLY AND DISTRIBUTION SYSTEMS (Maximum 60 points)

- a) Project proposes the upgrade of a treatment system, and documentation has been provided. **yes = 15 points; no = 0 points**
- b) Project proposes to make improvements to the existing distribution system by eliminating failed lines and appurtenances, or undersized lines resulting in low pressures, and documentation has been provided. **yes = 15 points; no = 0 points**
- c) Project proposes a solution for a water capacity increase to meet existing needs, and documentation of the water shortage has been submitted. **yes = 15 points; no = 0 points**
- d) Project will provide for the elimination of contaminated sources of water, and the contaminant **does not** meet the definition of a "crisis contaminant", and documentation is provided showing the presence of the contaminant and the levels of the contaminant. **yes = 15 points; no = 0 points**

FINANCIAL NEED (Maximum 100 points)

- a) Ability to Pay: Unit's ability to pay score provides points as follows, using the 2006-2007 scores as calculated by the N.C. Department of Commerce:

0 - 5.0 = 25 points
15.01 - 20.0 = 10 points

5.01 - 10.0 = 20 points
20.01 - 25 = 5 points

10.01 - 15.0 = 15 points
>25 = 0 points

- b) Project is located within a designated distressed county in accordance with G.S. 143B-437.01, and calculated by the N.C. Department of Commerce:

Tier 1 = 25 points

Tier 2 = 15 points

Tier 3 = 5 points

- c) Applicant's Median Household Income, as a percentage of the National Median Household Income (> \$41,994; based on the 2000 census), will generate the following number of points:

Less than 50% (\leq \$20,997) = 25 points
75.1% - 100% (\$31,497 - \$41,994) = 10 points

50.1 - 75% (\$20,998 - \$31,496) = 15 points
Greater than 100% (>\$41,994) = 0 points

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- d) Applicant's poverty rate, as taken from the 2000 Census as a percentage of the state's poverty rate (12.3%, based on the 2000 census), will generate the following points:

Greater than 125% (> 15.39%) = 25 points	100.1 - 125% (12.31 - 15.38%) = 20 points
75.1 - 100% (9.24 - 12.30%) = 15 points	50.1 - 75% (6.16 - 9.23%) = 10 points
Less than 50% of the state poverty rate (\leq 6.15%) = 0 points	

FISCAL RESPONSIBILITY AND SOUND MANAGEMENT (Maximum 30 points)

- a) The applicant has submitted the most recent fiscal year's audit to the Local Government Commission. **yes = 10 points; no = 0 points**
- b) The applicant has followed proper accounting and fiscal reporting procedure as reflected in the applicants' most recent report of audit, and the applicant is in substantial compliance with the provisions of the general fiscal control laws of the state. **yes = 10 points; no = 0 points**
- c) The applicant's public water system and/or wastewater system is fiscally self-sufficient. **yes = 10 points; no = 0 points**

PRIORITY POINTS (Maximum 75 points)

- a) The applicant is under moratorium, Special Order of Consent, or Judicial Order of Consent, and the proposed project will assist in the removal of the moratorium, or the order. **yes = 25 points; no = 0 points**
- b) The applicant's water and/or wastewater system is physically interconnected with at least one other system, with each community's water and/or wastewater treatment plant serving both or multiple communities, or the proposed project will construct an interconnection to regionalize two or more systems. **yes = 25 points; no = 0 points**
- c) If the applicant has a compelling reason for not being able to physically interconnect, and submits documentation to support the case. **yes = 25 points; no = 0 points**
- d) If the applicant shares common public water or wastewater operators, or management, and the employees are public employees. **yes = 25 points; no = 0 points**

BONUS POINTS (Maximum 80 points)

PARTICIPATION IN TRAINING PROGRAMS (Maximum 20 points)

- a) If the applicant has sent a member of their board, or their manager/administrator, or their mayor or board chair, to one of the "Getting to Success with Your Consulting Engineer" seminars, and they have submitted the required documentation. **yes = 10 points; no = 0 points**
- b) If the applicant is a participant in the Small Towns Economic Prosperity Program, and documentation is submitted. **yes = 10 points; no = 0 points**

WATER CONSERVATION (Maximum 10 points)

- c) Proposed projects from communities seeking to conserve water through repair of leaky distribution lines, through constructing a water reuse system, or through having a fee structure that promotes residential water use conservation. **yes = 10 points; no = 0 points**

SUPPLEMENTAL GRANTS PROGRAM

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LAND-USE PLANNING / ORDINANCE COMPLIANCE (Maximum 30 points)

- d) Applicant has adopted a comprehensive land use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A, but not a comprehensive zoning ordinance, and has submitted the documentation. **yes = 5 points; no = 0 points**
- e) Applicant has adopted a comprehensive land-use plan under Article 18 of G.S. 153A or Article 19 of G.S. 160A; and a comprehensive zoning ordinance, and has submitted the documentation. **yes = 10 points; no = 0 points**
- f) Applicant has adopted a comprehensive land-use plan under Article 18 of G.S. 153 A or Article 19 of G.S. 160A that exceeds the minimum standard for protection of water resources, and a comprehensive zoning ordinance, and has submitted the documentation. **yes = 15 points; no = 0 points**
- g) Applicant has adopted a flood hazard prevention ordinance under G.S. 143-215.54A, and has submitted the documentation *or* the project is not located in the one hundred-year flood plain. **yes = 5 points; no = 0 points**
- h) Applicant is subject to the Coastal Habitat Protection Plan and the proposed project is in compliance with the plan, and has submitted the documentation, *or* the community is not subject to Coastal Resources Commission oversight. **yes = 10 points; no = 0 points**

CAPITAL IMPROVEMENT PLANS (Maximum 10 points)

- i) Applicant has a current, ten-year or more, Capital Improvements Plan, and the proposed project is a priority in the plan. **yes = 10 points; no = 0 points**

CAPACITY USE AREA RULES / PLAN COMPLIANCE (Maximum 10 points)

- j) Applicant is located in the Central Coastal Plain Capacity Use Area, and subject to aquifer withdrawal reductions under the rules, *or* the applicant is located in the Southern Coastal Plain Capacity Use Area and is participating in the planning for an alternative water source. **yes = 10 points, no = 0 points**

TOTAL AVAILABLE POINTS = 420

IF PROJECT MEETS THE DEFINITION OF A CRISIS NEED, ADD 100 POINTS.

SUPPLEMENTAL PROGRAM

AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT

DEFINITIONS

Alternative Wastewater System. Refers to a wastewater treatment process, permissible by DENR Division of water quality, that employs other than conventional means to process wastewater. Examples of alternative wastewater systems include, but are not limited to, land application systems and constructed wetlands systems.

Capital Improvement Plan. Refers to a document that identifies water and sewer infrastructure and capital needs that address planned and strategic growth, as well as routine maintenance and upkeep of existing infrastructure. The document includes an assessment of current water and sewer systems, and a projection of the infrastructure needs over a minimum of a ten-year horizon. The document should take into account regulatory mandates impacting infrastructure needs, and short and long term operation and maintenance costs of existing and proposed infrastructure. The report should identify the means for funding the infrastructure costs, to include revenue projections from fees, the establishment of a capital reserve, and possible loan and grant opportunities. The document should also identify alternatives for meeting the identified needs including regionalization, consolidation and system mergers, water reuse, and water conservation policies.

Current Critical Need. Refers to an infrastructure deficiency that negatively impacts public health or the environment, and has been in existence for two years or less.

Capital Reserve. Refers to the establishment of and continued contributions to a reserve fund to be used for financing future improvements to the system.

Economic Tier. Refers to the economic tier system developed and maintained by the North Carolina Department of Commerce, and defined in General Statute 143B-437.08. Counties in economic development tier one are the forty most economically distressed in the state. Counties in economic development tier two are in the next 40 most distressed. Counties in economic development tier three are those counties not included in tiers one or two.

Environmental Risk. Refers to real and imminent risks associated with insufficient or inappropriate wastewater collection, treatment or disposal, and can include, but not be limited to, straight-piping of waste into ditches and streams, septic tanks seeping wastewater effluent, public wastewater collection systems leaking or overflowing during rain events.

Flood Hazard Prevention Ordinance. Refers to an ordinance passed by a local government to help minimize loss of life and property during a flood.

High-unit-cost (as it relates to water and/or wastewater fees). Either of the following amounts determined on the basis of data from the most recent federal decennial census: a) one and one-half percent (1.5%) of the median household income in an area that receives both water and wastewater service; b) three-fourths of one percent (0.75%) of the median household income in an area that receives only water service or only wastewater service.

Land-Use Plan. Refers to a plan that allows for the scientific, esthetic, and orderly disposition of land, resources, facilities, and services with a view to securing the physical, economic, and social efficiency, health and well-being of a community. (Canadian Institute of Planning)

Local Government Unit. Refers to the definition established in General Statute 159G-20(13), as any of the following: a city as defined in G.S. 160A-1; a county; a consolidated city-county as defined in G.S. 160B-2; a county water and sewer district created pursuant to Article 6 of Chapter 162A of the General Statutes; a metropolitan sewerage district or a metropolitan water district created pursuant to Article 4 of Chapter 162A of the General Statutes; a water and sewer authority created under Article 1 of Chapter 162A of the General Statutes; a sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes; a joint agency that was created by agreement between two cities and towns to operate an airport pursuant to General Statute 63-56 and that provided drinking water and wastewater services off the airport premises before January 1, 1995.

Low-Pressure Pipe Wastewater System. Described as a shallow, pressure-dosed soil absorption system with a network of small diameter perforated pipes placed 25.4 to 45.7 cm (10 to 18 inches) deep in narrow trenches, 30.5 to 45.7 cm (12 to 18 inches) wide. Prohibited from funding by the Clean Water Partners' Infrastructure Program.

Median Household Income. In a population group, the most commonly occurring household income.

National Median Household Income. Refers to the national median household income published in the latest decennial census. The 2000 national median household income is \$41,994.

Preliminary Engineering Report. A report that describes the applicant's present situation and that presents three (at a minimum) alternatives to resolve the problem, along with the costs involved in each alternative. The community then selects from the alternatives a specific and preferred course of action.

SUPPLEMENTAL PROGRAM
AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT

Project Ordinance. An ordinance passed allocating funds to a capital project, which may spread across more than one fiscal year.

Public Health Need. A project needed in order to comply with the North Carolina Drinking Water Act or the federal Safe Drinking Water Act, or with drinking water standards established by the state for private groundwater wells.

Regionalization. Refers to the physical interconnection of two or more water or wastewater treatment and collection systems, or the sharing of a common public operator or public management oversight.

Rural County. A county with a population density of fewer than 250 people per square mile based on the most recent federal decennial census.

State Poverty Rate. Refers to the percentage of the state's population living at or below the poverty rate, as documented by the 2000 Census. The poverty rate for North Carolina is 12.3%.

State Unemployment Rate. Refers to most recent unemployment figures available from the North Carolina Employment Security Commission.

Water Reuse. Means the actual use or application of treated wastewater in or on areas, which require water but that do not require a potable water supply. This may include irrigation for agricultural or landscaping purposes, or reuse by an industrial or business facility. Most commonly used in golf courses, landscapes, and ball fields at schools, or as cooling water in industrial processes.

Zoning Ordinance. A permitting system to prevent new development from harming existing residents, and a means to segregate incompatible land uses from each other.

Mission Statement

The Rural Economic Development Center, Inc. is dedicated to the development, implementation and promotion of economic strategies that improve the quality of life of rural North Carolinians, with a special focus on individuals with low to moderate incomes and communities with limited resources.



Memorandum

To: Our Rural Partners
From: Billy Ray Hall, President
Date: November 20, 2007
Subject: Addendum to Clean Water Partners Infrastructure Program Guidelines

As promised, we are offering additional guidance for local governments preparing to apply for planning or supplemental grants under the new Clean Water Partners Infrastructure Program. The legislation establishing this new grant program (House Bill 1473) sets requirements for applicants to match grant dollars on a dollar-for-dollar basis and establishes a cap on the amount of grant funds applicants may request.

The bill permits the Rural Center to require less than a dollar-for-dollar match for planning and supplemental grants or to increase the level of grant assistance for supplemental grants. House Bill 1473 specifies these criteria for granting exceptions:

- The grant applicant is an economically distressed county or located in an economically distressed county
- The grant applicant has a poverty rate that is at least 150% of the State poverty rate
- The grant applicant is not a county and has an ability to pay that is less than 50% of the ability to pay of the county in which it is located

Exceptions will be granted based on the following parameters:

Supplemental grants – exceptions may be requested to reduce the dollar-for-dollar matching requirement OR to increase the maximum grant, but not both.

Maximum grant - If a local government meets at least one of the criterion, they may request an increase in the maximum grant up to \$1,000,000 or 25% of the total project cost, whichever is less, and the contingency for the project may not exceed 10% of the project cost.

Match reduction - Match reductions are based on the number of criteria the unit of local government meets.

- The match may be reduced to 50% if the unit meets at least one indicator (a \$250,000 match would be required for a \$500,000 grant).

- The match may be reduced to 35% if the unit meets at least two indicators (a \$175,000 match would be required for a \$500,000 grant).
- The match may be reduced to 25% if the unit meets all three indicators (a \$125,000 match would be required for a \$500,000 grant).

Matching resources may come from any source except another grant from the Rural Center.

Planning grants – exceptions may be requested to reduce the dollar-for-dollar matching requirement based on the number of criteria the unit of local government meets.

- The match may be reduced to 50% if the unit meets at least one indicator (a \$20,000 match would be required for a \$40,000 grant).
- The match may be reduced to 35% if the unit meets at least two indicators (a \$14,000 match would be required for a \$40,000 grant).
- The match may be reduced to 25% if the unit meets all three indicators (a \$10,000 match would be required for a \$40,000 grant).

Matching resources may come from any source except another grant from the Rural Center.

Local government units that meet one or more of these criteria are listed on our Rural Center website (www.ncruralcenter.org). If a local government needs an exception due to a financial hardship, they must request an exception and provide a justification based on that hardship. Requests may be made by email, by fax, or by US Postal Service and the request should either accompany or precede the Intent to Apply (for supplemental grants) or the application (for planning grants). Intents to Apply are due to the Rural Center on November 30, 2007. Applications are due to the Rural Center on December 17, 2007.