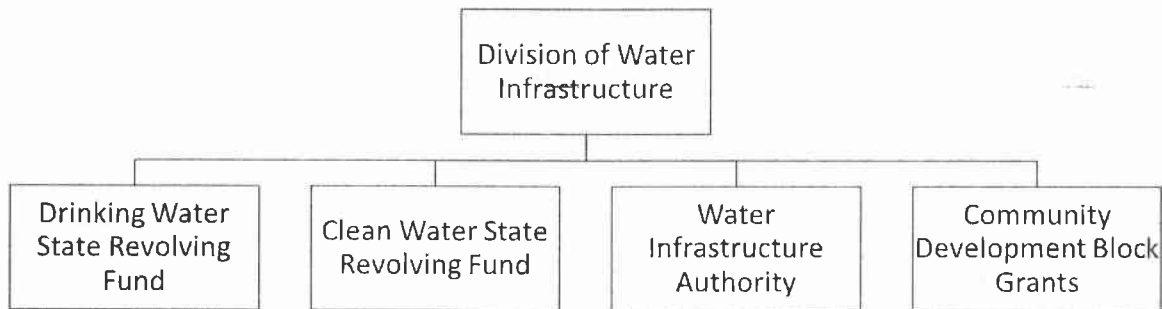


North Carolina Department of Environment and Natural Resources

DIVISION OF WATER INFRASTRUCTURE OVERVIEW

The Division of Water Infrastructure was created by the 2013-14 State Budget. The primary goal in creating the Division was to consolidate key infrastructure funding programs previously administered by the Division of Water Quality, Division of Water Resources, and the Department of Commerce. The general structure of the Division is:



I. DRINKING WATER STATE REVOLVING FUND

To fund drinking water capital projects that protect public health, North Carolina makes loans at one-half (1/2) of the market rate for a period of up to 20 years. The actual term of the loan is determined by the State Treasurer's Office. All funded projects must address a threat to public health are subject to federal regulations regarding environmental review and outreach for disadvantaged businesses. Under G.S. § 159G-31, applicants must be either a local government unit or a water corporation in order to be eligible.

Applications for DWSRF loans are due September 30th of each year.

II. CLEAN WATER STATE REVOLVING FUND

The 1987 amendments to the Federal Clean Water Act replaced the Construction Grants program with the Clean Water State Revolving Fund Program (CWSRF). Under the CWSRF, Congress provides the states with grant funds to establish revolving loan programs to assist in the funding of wastewater treatment facilities and projects associated with estuary and non-point source programs. The states are required to provide 20% matching funds. In North Carolina, these funds are made available to units of local government at one-half (1/2)

of the market rate for a period of up to 20 years. The actual term of the loan is determined by the State Treasurer's Office.

III. WATER INFRASTRUCTURE AUTHORITY

The State Water Infrastructure Authority was created as part of the 2013-14 State Budget is codified at G.S. § 159G-70. The primary task of the Authority at this time is to establish guidelines for making loans and grants for wastewater, drinking water, and stormwater infrastructure in the State. The Authority has \$3,500,000 in fiscal year 2013-14 and \$5,000,000 in fiscal year 2014-15 to fund projects in these areas.

The Authority will be establishing an application process, priority system, and application deadlines at their second meeting which be held before the end of the first quarter of 2014.

IV. COMMUNITY DEVELOPMENT BLOCK GRANTS

The Community Block Development Grant (CDBG) program is a program funded by the U.S. Department of Housing and Urban Development (USHUD). The state administers CDBG grants to all non-entitlement areas within the state. Non-entitlement areas are cities with populations of less than 50,000 (except cities that are designated principal cities of Metropolitan Statistical areas), and counties with populations of less than 200,000. For Fiscal Year 2013-14, the Division will have approximately \$25,800,000 to fund projects.

The Division of Water Infrastructure administers the infrastructure portion of CDBG funding for the State. These funds will be utilized for water and sewer infrastructure projects only.

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