

Integrated Priority Rating System Guidance

March 23, 2009

This guidance may be periodically updated as questions arise – please check the [CG&L web site](#) for the latest version.

Construction Readiness

Construction readiness will be determined by the status of needed approvals for the construction of the project. For those projects that have all needed permits and easements, they will be placed in Category 1 and ranked using the ranking system for the first round of funding. Where projects are close to obtaining the needed permits, the ranking system provides a time of 45 days to obtain needed environmental documents and 60 days to obtain permits. A longer time period is provided for obtaining permits since permits usually can not be issued until the final environmental document is issued.

Green Projects

EPA has provided guidance on green projects in the Guidance Memo – [Award of Capitalization Grants with Funds Appropriated by P.L. 111-5, the “American Recovery and Reinvestment Act of 2009”](#) dated March 2, 2009. Green allocation requirements in the America Recovery and Reinvestment Act (ARRA) require a minimum of 20% of a State’s capitalization grant to be allocated to “green” projects (i.e., the green project reserve (GPR)). The priority rating system gives priority to green projects that are:

- Stormwater BMPs for existing sources of pollution.
- Restoration of streams, wetlands, and estuaries.
- Reclaimed water utilization where an existing water use is offset by the use of reclaimed water.
- Located in watersheds that are of high quality or where the green project will address an impairment will receive priority.

Green projects will be allocated based on construction readiness, the priority ranking system, and to local government entities in the same way non-green projects will be allocated.

In addition, green projects will be required to adhere to the special provisions of the ARRA such as the buy American and Davis-Bacon wage requirements – as all ARRA funded projects are required to do. The State will use the same project allocation cap (i.e., \$3 million) and subsidization formula (50% principal forgiveness) for green and non-green projects. These projects will be segregated into their own construction readiness category and ranked for funding. The State must adhere to the other requirements of the ARRA and the CWSRF program in allocating the GPR. As with all CWSRF projects, green projects must meet the criteria under Section 212 (wastewater treatment or collection facility), 319 (non-point source), or 320 (estuary) of the Clean Water Act to be eligible for funding through the CWSRF program.

EPA also allows states to allocate to the GPR portions of projects that meet the green definition. In NC, the State will fund only projects whose primary purpose is green since there appears to be demand that far exceeds the available funds and to simplify ranking and reporting on ARRA project funding. The State will only consider portioning only if the State can not allocate the full GPR to projects using this specific “green” guidance.

Project Specific Criteria

Project specific criteria ranking will be conducted for the primary purpose of the project. For example, multiple points for wastewater treatment non-compliance and sewer overflows will not be awarded. Overall water quality benefit will be used in case of tie where ranking determines funding. Below is specific guidance on each criteria used in ranking funding applications.

Sewer rehabilitation work is prioritized where inflow or infiltration is excessive and, more so, when inflow and infiltration cause sanitary sewer overflows. Where the applicant wishes to be considered for the higher prioritization, the applicant must have reported the overflows to the Division. Copies of written reports (as required by collection system permits) of the overflows should be submitted as evidence of reporting. For excessive inflow or infiltration that has not caused overflows, the engineering report calculation will be used to determine where either is excessive

Prioritization for *wastewater treatment plant non-compliance* may be obtained by correcting non-compliance at the wastewater treatment plant or by taking the non-compliant treatment plant offline by connecting the facility to another treatment plant (e.g., a regional system).

Similar consideration is provided for correcting *failing septic tanks* (same prioritization as above). Documentation of the failing systems must be submitted from the local county health department or, as appropriate, the Division of Environmental Health. Anecdotal information will not be accepted in lieu of regulatory agency documentation.

For *stormwater BMPs* please include information about each BMP to be utilized with respect to existing pollutant sources, typical pollutants associated with those sources (i.e., actual monitoring data is not needed), and the ability of the each BMP to remove those pollutants. Information about pollutant removal should consistent with permit / rule requirements (e.g., Universal stormwater program, Phase I / II stormwater permits, coastal stormwater rules, etc.) and the Division's Stormwater BMP Manual. Include in this analysis, hydrology of the watershed under natural conditions, current conditions, and after installation of the BMPs. For hydrologic conditions, as noted above with pollutants, the design storm should be consistent with any applicable stormwater rules / requirements.

Restoration projects should include information about existing conditions, specifically current degradation. The proposal should advise how the specific degradation will be mitigated.

Reclaimed water projects must include water records, if available, or a certification of water usage for the water use(s) to be offset by the reclaimed water system. Please indicate the source of water that is currently used (surface, ground, or potable).

For any of these types of projects, if the applicant has agreed to an SOC with the Division or other regulatory agency, additional prioritization is provided. A copy of the signed SOC must be submitted for consideration.

Environmental Information

Groundwater violations for pollutants above standards will receive prioritization. However, a greater priority is given where pollutants are above the standard and directly attributable to a permitted system (i.e., under Chapters 130 or 143). The applicant must provide specific data or Notices of Violation (NOV) from the regulatory agency. The applicant must provide sufficient information to correlate NOVs or monitoring data to the source of pollutants (i.e., the permitted system or other source of pollutants). Additional points are provided where potable wells are impacted. The potable well consideration does not require the pollutant to be above the standard but the pollutants must be directly attributable to the source).

Surface water impairment information that prioritizes projects includes documented impairment (as determined by the Division – see the [Integrated Report](#)). Projects that directly aid this impairment include those specifically mentioned as strategies in basinwide plans. Other strategies will also be considered for the highest prioritization as long as the primary goal of the project is to address the impairment. However, projects that do not directly address impairment may also receive consideration (at a lower level) if the project incidentally addresses the impairment. An example of a project that incidentally addresses impairment could include reclaimed water systems that reduce nutrient load in a nutrient related, impaired watershed.

Watershed classification and financial need will be taken directly from the application – additional information from the applicant is not needed.