

**2004-2005 Clean Water bond Funds**

If you have questions or need assistance in completing this application, please visit The Rural Center's website at www.ncruralcenter.org or call the Rural Center's Water & Sewer Infrastructure Office at (919) 250-4314.

PROGRAM STATEMENT

In the fall of 1998, the North Carolina General Assembly enacted the Clean Water and Natural Gas Critical Needs Bond Act of 1998 (Bond Act). The Bond Act provided for a referendum on November 2, 1998, for the issuance of \$800 million in bonds to provide funding for critically needed water and wastewater projects and \$200 million in bonds to provide funds for extension of natural gas service to areas currently unserved. The bonds were approved by the voters. From these proceeds the Rural Economic Development Center, Inc. (Rural Center) provides Capacity Building Grants for units of local government to assist in financing costs associated with the preliminary planning for water and wastewater projects, rate studies, master plans for water and sewer systems, Capital Improvement Plans, etc. The total funds available in this category are \$17,620,000 including original bond and reallocated Clean Water loan funds. Projects must address critical water or wastewater needs. Eligible recipients must be located within the Rural Center service area, which is comprised of the state's 85 rural counties. Priority in program funding is given to projects in the most economically distressed counties as designated by the North Carolina Department of Commerce.

FUNDING PERIODS

The schedule for review periods and deadlines for application submittal is as follows:

	Application Deadline	Review Period	Announcement of Awards
2004/2005 Round 1	March 31, 2004	April 2004- July 2004	July 2004
2003/2004 - Round 2	September 30, 2003	October 1, 2003 - February 2004	February 2004
2004/2005 Round 2	September 30, 2004	July 2004	February, 2005

The deadlines for receipt of applications will be the close of business on March 31 and September 30 of each successive fiscal year until funds are exhausted. (If these deadlines fall on a weekend, all applications will be due on the Friday prior to the deadline.) Award dates for the March deadline will generally be July and for the September deadline will be February.

GRANT AMOUNTS

The maximum grant amount will be no more than \$40,000.

2/04

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 Session Law 1998-132 (Clean Water Revolving Loan and Grant Act of 1987).
2. Be located in one of the state's rural counties as defined by the Bond Act. The applicant may be a rural county, a local government unit located in a rural county, or a county that is applying for a grant on behalf of a rural school located in that county. A map of rural and urban counties is available on the Internet at www.ncruralcenter.org/databank/rural.htm.
3. Projects located in an economically distressed county as defined by G.S. 143B-437.01 (tiers 1, 2 and 3) will receive priority. If the project is proposed in a rural county that is **not** also an economically distressed county (tiers 4 and 5), the applicant must meet at least one of the following criteria:
 - a. Be located in that part of a rural non-distressed county in which the poverty rate is at least 150 percent of the state poverty rate (Available at www.ncruralcenter.org/grants/mhi.htm) or
 - b. Be located in that part of a rural non-distressed county in which the unemployment rate is at least double the state unemployment rate for the most recent reporting period available (Available at www.ncesc.com/lmi/laborStats/laborStatMain.asp); or
 - c. Be located in that part of a rural non-distressed county that experiences an actual or imminent loss of jobs in a number that equals or exceeds 5 percent of the total number of jobs by category in the county. Job losses must be substantiated by letters from the industry or from the economic development officer.

ANY GRANT APPLICATION SUBMITTED IN A TIER 4 OR 5 COUNTY MUST PROVIDE AT LEAST 50 PERCENT OF THE TOTAL PROJECT COST.

TYPES OF PROJECTS

Capacity Building Grants are made available under the Bond Act to support effective planning for infrastructure projects. Applicants are encouraged to utilize the funds to address a critical or current water or wastewater need. Funds may be used for the preparation of Capital Improvement Plans, Master Water and Sewer Plans, Rate Studies, Water Resource/Supply Studies, Water/Sewer Feasibility Studies, Regionalization Feasibility Studies, Infiltration/Inflow Studies, Preliminary Engineering Reports and other documents preparatory to submitting an application for funding of a critical water or wastewater project.

Projects should be structured to address either:

- 1) Elimination of an existing or imminent threat to public health or risk to the environment or,
- 2) Critical economic development need.

Documentation of the human health or environmental risks, or the economic need faced by the applicant community must be provided.

Projects submitted under (1) must demonstrate the critical nature of the public health or environmental need by meeting one of the following requirements:

- a. Be a wastewater project that will assist the applicant in removing a Special Order by Consent or Moratorium, significantly address inflow and infiltration, assist the applicant in meeting the requirements of the "80-90" rule promulgated by the Department of Environment and Natural Resources, make repairs to a failing public wastewater system, or eliminate failing private wastewater systems;
- b. Be a water project that will assist the applicant in eliminating an identified or imminent, documented risk to public health;

Projects submitted under (2) must be a water or wastewater project that meets a critical economic development need of the applicant posed by any one of the following:

- a. A project located in that part of a county where the poverty rate is at least 150 percent of the most recently available state poverty rate. (Available at www.ncruralcenter.org/grants/mhi.htm).
- b. A project in an area with documented job losses that equals or exceeds five percent of the total number of jobs by category in the county. Job losses must be documented by letters from the industry, letters from the economic development officer, or in newspaper clippings.
- c. A project that documents creation or retention of jobs that equals or exceeds five percent of the total number of jobs by category in the county. Job creation or retention must be documented by letters from the industry or the economic development officer or by newspaper reports.

SPECIAL EMPHASES

The funds to be derived from the sales of the Clean Water Bonds will be sufficient to meet only a fraction of the needs that now exist and will arise in the immediate future. For this reason, public necessity and the criteria stated above for the Capacity Building Grants Program will be the primary consideration in granting of these funds. In addition to public necessity and the applicable criteria, special emphasis will also be placed on the following:

1. The creation of efficient systems of water supply and distribution wastewater collection and treatment. Such efficiencies may result from the merger or consolidation of smaller systems into a regional sewer system. Such efficiencies may also be achieved through wastewater effluent reuse and water conservation projects.
2. The willingness and ability of the local government to meet its responsibilities through sound fiscal policies, creative planning and efficient operation and management.
3. A reduction in the overall volume of effluent discharged to the State's waters by using alternative methods of wastewater treatment when feasible.
4. The use of bond proceeds in a manner consistent with the water supply watershed protection requirements of G.S. 143-214.5.
5. The use of bond proceeds to address current critical infrastructure needs.

PROHIBITED USES

Funds provided by the sale of the Clean Water Bonds shall not be used to support construction of new sewer lines to provide sewer connections in any area that has been designated as WS-1 or the critical property of any area that has been designated as WS-II, WS-III, or WS-IV by the Environmental Management Commission pursuant to G.S. 143-214.5. The Secretary of Environment and Natural Resources may grant a waiver to allow construction of new sewer lines and to provide sewer connections if the Secretary finds that granting the waiver is necessary to protect public health or water quality. A waiver granted by the Secretary shall include a requirement that the sewer line shall be designed and sized to address only the public health or water quality concerns on which the waiver is based and shall not allow for additional connections beyond those necessary to protect public health and water quality.

In addition, the proceeds of the Bond Act may not be used to support the repair, installation or replacement of a low-pressure pipe wastewater system with another low-pressure pipe wastewater system. Design cost is also prohibited.

ELIGIBLE COSTS

Costs eligible for reimbursement under this program include: a) general administration (no more than 15 percent of total project cost); b) planning; and c) engineering services as may be related to the production of the document /product to be delivered under this grant. Stormwater projects are considered eligible if the applicant can demonstrate a connection between the sanitary sewer and stormwater collection system, and that this project will improve the function of the wastewater treatment plant and/or lines. Staff reviews all grant amount requests and reserves the right to make adjustments based on reasonable and customary fees. **The Rural Center staff reserves the right to adjust budgets to reasonable costs.**

ALL APPLICATIONS MUST CONTAIN LINE ITEM BUDGET BREAKDOWNS WITH A PER HOUR RATE FOR SERVICE-RELATED LINE ITEMS.

AWARD LIMITATIONS

To encourage local governments to make use of the Clean Water Bond Funds and to maximize availability of funds, limitations on the number of awards are as follows:

1. **Multiple applications in the same round.** Local governments may submit as many Supplemental, Capacity Building and/or Unsewered Communities grant applications as desired during any round. However, recommendations for award will be limited to the highest ranking project application in each grant category. In the case where multiple applications score closely, the local government will have the opportunity to select the project to be funded.
2. **Limitations on the number of awards to one local government.** The lookback period for grant funding is two rounds. Therefore, if a local government has been funded a total of two times in the previous two rounds, then the local government is not eligible for funding in the third round. These criteria apply separately to each of the program categories.
3. **Resubmittal of the same project.** If the project submitted for review has been previously funded by the Rural Center, the application is ineligible. The only exception to this practice will occur in the Supplemental Grants Program when a previously funded project has experienced a cost overrun and additional funding can be documented as critical to the success of the project. The local government applicant must document that efforts have been made to secure the cost overrun from other project funding sources.
4. **Maximum open grants.** To be eligible for funding in FY 2003, grants awarded prior to July 1, 2001 must be closed. This guideline will be transferred forward each fiscal year. To request an eligibility review due to extenuating circumstances, a detailed request must be submitted in writing at least two weeks prior to the application deadline.

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 the program director or his/her designee(s). Applicants are expected to respond to requests for clarification or additional information in a timely fashion. It is advantageous to the applicant to respond accordingly as points allocation is largely dependent upon the quality and clarity of information provided by the applicant. **Any application that does not contain information sufficient to permit review and ranking will not be included in the final ranking for that funding period. The applicant cannot execute a planning contract prior to award of funds from the Rural Center. An application may be withdrawn by request of the applicant; if resubmitted, it will be considered a new application.**

RESUBMITTED APPLICATIONS

Resubmitted applications must contain three copies of the complete application with current signatures on all forms. Submit revised project timeline and budget as needed.

CONTRACT DISTRIBUTION

Contracts for awarded projects will be distributed to the grantee only. Grantees may want to forward a copy of their contract to their project engineer and/or consultant.

PROCUREMENT

Local governments receiving funds under the Capacity Building 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. Local governments are encouraged to consult with their attorney to ensure compliance with procurement regulations. 4

AUDIT

All funds awarded to the recipient under this program are proceeds from the Clean Water Bonds issued by the state of North Carolina. Accordingly, the recipients will be subject to the audit and reporting requirements prescribed by N.C.G.S. 159, 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 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.

ADDITIONAL FUNDING SPECIFICATIONS

Final award of funds will be made only after the other project funds have been committed and written evidence of this commitment has been received by the Rural Center. Projects are generally expected to be under contract within six months of award. The Rural Center shall retain the right to deobligate any funds awarded in connection with a project that is not under contract by this time. Projects are expected to be substantially complete within one year of award.

Financial information provided by the applicant should be in sufficient detail to show the maximum level of federal, state and local resources committed to the project. Project expenditures must contain line item expenses. Rural Center funds are intended to be used for the project pursued by the unit. These funds are not to be used to supplant other federal or state funds or to divert existing resources to other projects. Rural Center funds will not represent total funding for the project.

DISBURSEMENT POLICY

The Rural Center, following receipt of contract, may disburse up to 90 percent of the Capacity 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 that other sources of project funds have been drawn to the 90 percent level. In addition, all local funds must be expended and documented. The remaining 10 percent of funds will be retained until evidence of project completion and a final report summarizing program activities have been provided to the Rural Center and close out has been authorized by the Project Officer.

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 (attached).

REQUIREMENTS AND INSTRUCTIONS

Applicants will be required to complete the following:

1. **Capacity Building Grant Project Application** (enclosed). Application must be signed and dated by unit's chief elected officer (mayor, chairman, etc.) or an agent designated through an authorizing resolution.
2. **Narratives** (not to exceed a total of two pages for all narratives combined) that address the following items:

Project Description: Provide a narrative description of the proposed planning project. Identify the need which will be addressed through the project and how it supports planned and strategic investments by the applicant. Identify the product that will be the outcome of the planning effort and how it will be used to enhance the capacity of the applicant to address critical infrastructure needs. Include

information on what the project proposes to accomplish; the components of the project (contracting for technical assistance, engineering services, staff training, etc.); the capacity this project will build for the applicant; and a description of the geographic area and population to be served. 5

Project Justification: Show how the proposed project will meet either a critical environmental and public health need or a critical economic development need. **Projects that fail to document a critical need will be considered ineligible for funding.** Projects proposing to address an environmental and public health need must provide substantiating evidence (lab reports, letters from a registered sanitarian documenting specific instances of violation, notices of violation, special orders of consent decrees). Projects for economic development must include letters from the industry involved or the local economic developer documenting the proposed job creation, retention or job loss. See the Priority and Scoring system on the following page to ensure the project maximizes the available points.

Coordination with Comprehensive Plans: Provide a brief description of how this capacity building project will be developed in conjunction with area strategic, capital improvement, land use, Coastal Area Management Act (CAMA) and other plans as applicable. If the project is not to be developed in conjunction with an adopted plan, provide an explanation of how the project supports planned local development.

3. **Special Emphases:** Provide a brief narrative not to exceed one page that addresses each of the Special Emphasis parameters included in the Bond Act. When addressing these parameters, please reference the point system below.
 - a. The creation of efficient systems of water supply and distribution or wastewater collection and treatment. Such efficiencies may result from the merger or consolidation of smaller systems into a regional sewer system. Such efficiencies may also be achieved through water reuse and water conservation projects.
 - b. The willingness and ability of the local government to meet their responsibilities through sound fiscal policies, creative planning, efficient operation and management.
 - c. The development of a Capital Improvement Plan. (Include a copy of the CIP.)
 - d. A reduction in the overall volume of effluent discharged to the State's waters by using alternative methods of wastewater treatment when feasible. (Wastewater projects only.)
 - e. The use of bond proceeds in a manner consistent with the water supply watershed protection requirements of G.S. 143-214.5.
 - f. The use of bond proceeds to address current critical infrastructure needs.

4. **Exhibits** to the application that address the following:

Project Budget: Provide a copy of the proposed budget including detailed information on project revenue sources and project expenditure line items. Sources of other grant or loan funds should be clearly identified. Bonus points will be given to those applications that leverage a portion of the total projected cost of the capacity building effort from local funds. (general funds, enterprise revenue funds, or loans)

Project Schedule: Provide the planned start and completion dates of the work. Planning projects generally extend for a period of one year.

Commitment of Other Funds Form: Must be signed by the applicant's chief elected officer or designated official. Local commitment amount must also be shown on this form.

Rural Center Memorandum of Understanding: Include the executed Memorandum of Understanding signed by the unit's chief elected officer or designated official.

Certification of Minority Business Enterprise (MBE) Percentage Goal: Provide a certificate 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).

Report annually to the Rural Center by November 30 on efforts to meet the goal.

5. **Bonus Points:** See the Priority and Scoring system on the following page to ensure the project maximizes the available points.

- a. **Local Commitment:** The applicant must provide evidence by resolution that the governing board supports the submission of the application and has committed local funds to the project. Local funds will include general or enterprise fund revenues or loans to be paid back by the applicant.

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- b. **Regionalization:** If the applicant utilizes an efficient regional wastewater or water system that consists of two or more local governments working in collaboration, provide a narrative and copies of interlocal agreements. If a regional approach is not feasible, describe why regionalization is not an achievable goal. If a project proposes to evaluate regional opportunities, provide a schedule for implementation.
- c. **Water Reuse or Reclamation:** If the applicant utilizes a system that incorporates wastewater reuse or water reclamation, provide documentation of the amount of reuse as a percentage of total treated wastewater.
- d. **Water Conservation:** Provide a narrative describing water conservation incentives including but not limited to adoption of an increasing block rate structure, creation of incentives documented by resolution for new or replacement installation of low-flow faucets, shower heads and toilets, or public education efforts.

PRIORITY AND SCORING

Applications will be reviewed and ranked in accordance with the following point scheme. **(Maximum – 250 points)**

1. Basic Eligibility (All criteria must be met for this application to be considered eligible for funding.)

- a. Project meets a current and critical need by providing the applicant with the resources and ability to eliminate a documented threat to public health or risk to the environment or to addresses a critical economic development need.
- b. The Local Government Commission has provided a satisfactory response that the applicant has demonstrated fiscal responsibility by following proper accounting and fiscal control measures as evidenced by the applicant's most recently completed audit and the applicant is in substantial compliance with the fiscal control laws of the state.
- c. The applicant has demonstrated commitment of all other funds necessary to undertake the project.

2. General Project Description. **(Maximum 30 points)**

3. Coordination with local plans. **(Maximum 10 points)**

- 4. Project proposes to use of bond proceeds in a manner consistent with the water supply watershed protection requirements of G.S. 143-214.5. **(yes = 20 points; no = 0)**

- 5. Ability to Pay: The unit's ability to pay score will provide points as follows:

0-5.0 = 25 points	5.1-10.0 = 20 points	10.1-15.0 = 15 points
15.1-20.0 = 10 points	20.1-25 = 5 points	greater than 25 = 0 points

- 6. The project is located within a designated distressed county in accordance with G.S. 143B-437.01:

Tier 1 = 25 points	Tier 2 = 20 points	Tier 3 = 15 points
Tier 4 = 10 points	Tier 5 = 5 points	

- 7. The 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 points:

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

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

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8. The applicant's Poverty Rate, as taken from the 2000 Census as a percentage of the state's poverty rate (12.3 percent, based on the 2000 census), will generate the following points.

Greater than 125% (≥ 15.39) = 20 points
75.1 – 100% (12.30-9.24) = 10 points
Less than 50% of state rate (≤ 6.15)= 0 points)

100.1 – 125% (15.38-12.31) = 15 points
50.1% - 75% (9.23-6.16) = 5 points

9. Bonus Points (Maximum 100 points)

- a. **Local Commitment:** The applicant has provided evidence by resolution that the governing board has committed local funds (general funds, enterprise fund revenues, or loans) to the project. (Local funds as a percentage of total project cost.)

0 = 0 points

0.1- 2.5% = 5 points

2.6 -5.0% = 10 points

5.1-7.5% = 15 points

7.6-10% = 20 points

10.1 % or more = 25 points

- b. **Regionalization:** Applicant utilizes or proposes to construct an efficient, regional wastewater or water system that consists of two or more local governments working in collaboration (25 points). If a regional approach is not feasible, and documentation is provided (25 points). If a project proposes to evaluate regional opportunities (10 points).

- c. **Water Reuse or Reclamation:** The applicant utilizes or proposes to incorporate wastewater effluent reuse or water reclamation in the project and documentation of the amount of reuse or reclamation as a percentage of total treated wastewater is provided. **(4.6%+ = 25 points; 3.1% - 4.5% = 20 points; 1.6% - 3% = 15 points; 0.1% -1.5% = 10 points)**

- d. **Water Conservation:** The applicant demonstrates a commitment of the governing body to a continuing program of water conservation education and technical assistance including:

1. Adoption of an increasing block rate structure, **(25 points)**
2. Creation of incentives documented by resolution for new or replacement installation of low-flow faucets, shower heads and toilets, **(20 points)**
3. Public education efforts. **(5 points)**

DEFINITIONS

Alternative Wastewater System: Refers to a wastewater treatment process that employs other than conventional means to process wastewater. Examples of alternative systems include, but are not limited to, land application systems and constructed wetland polishing systems.

Bond Rating: Refers to the numerical rating of a unit of local government developed by the North Carolina Municipal Council (NCMC). The rating formula is based on 100 being a theoretically "perfect" unit of local government and is an assessment of the creditworthiness of the unit. Units of local government with a rating below 75 or with no ratings may have limited, if any, access to the private market for financing of water and sewer or other debt.

Capital Improvement Plan: Refers to a report that identifies water and sewer infrastructure and capital needs that address planned and strategic growth. Such a plan includes an assessment of current water and wastewater systems and a projection of those infrastructure needs over a 20-year horizon. The report shall take into consideration government mandates, usefulness of the improvements to the community and the effect on both short and long-term operation and maintenance of the schedule improvements. The report shall identify alternatives for meeting the identified needs including regionalization, consolidation and system mergers, water reuse and water conservation.

Critical Need: Refers to a critical environmental, public health or economic development need.

Critical Needs Bond Act: Refers to SB 1354, the Clean Water and Natural Gas Critical Needs Bond Act of 1998.

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

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Economic Tier: Refers to the Economic Tier system developed and maintained by the North Carolina Department of Commerce. As provided in the William S. Lee Quality Jobs and Business Expansion Act, enterprise tiers are calculated annually based upon each county's ranking in unemployment, per capita income growth (for prior three years) and percentage growth of population. Counties in Tiers 1, 2 and 3 are considered "distressed" and are eligible for certain incentive programs offered by the state. Counties in economic Tiers 4 and 5 are considered "non-distressed."

Environmental Risk: Refers to risk both real and imminent posed to the natural environment as a result of insufficient or inappropriate wastewater collection, treatment or disposal. Environmental risks identified as critical under the 1998 Bond Act include: 1) systems under Special Order by Consent; 2) systems under imposed moratoria; 3) systems operating at 80 percent or more of rated capacity; or 4) systems experiencing significant infiltration/inflow.

Local Government Unit: A county, city, town, incorporated village, sanitary district, metropolitan sewerage district, metropolitan water district, county water and sewer district, county water and sewer authority, a joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the North Carolina General Statutes, or a joint agency authorized by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that also provided water and wastewater services off the airport premises before January 1, 1995.

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.

Public Health Need: A proposed project shall be necessary to facilitate compliance with the North Carolina Drinking Water Act or the federal Safe Drinking Water Act Projects may address 1) acute or imminent health hazards, 2) nitrate, nitrite or fecal coliform MCL violations or contaminant levels in drinking water which constitute acute health risks as defined in 40 C.F.R. 141.32(a)(1)(iii); 3) any contaminant in a public water system that poses an acute risk or imminent hazard to public health as determined by the State Health Director or a health risk assessment from the Division of Epidemiology, Department of Health and Human Services in accordance with G.S. 130A-2(3); 4) any contamination of an unfiltered surface water source or a well determined to be under the direct influence of surface water; 5) recurrent water outages or low pressures situations resulting in violation of 15A NCAC 18C.2001; or any other public health need related to drinking water identified in the temporary rules 15A NCACJ.0701 as promulgated by the Department of Environment and Natural Resources.

Regional System: Refers to a public utility system serving two or more units of local government.

Rural School: Refers to a school that is located in a rural county or a school that is located outside the corporate limits of any municipality located in a county that is not a rural county.

School Water or Wastewater Project: Refers to a project to provide clean water or wastewater treatment for a school by upgrading, replacing or constructing school water or wastewater facilities.

Sewer Use Ordinance: An ordinance adopted by resolution of the governing body that outlines the expectations and conditions for use of the sewer system. Such an ordinance must specify a schedule of rates, fees and other charges for each category of system user. Revenues generated from the system shall be sufficient to pay for the total cost of operation, maintenance and administration of the project. Such an ordinance may contain a provision for the establishment of a capital reserve fund to help offset costs associated with the future operation, expansion and upgrade of the system.

State Poverty Rate: A figure derived from data available from the Bureau of the Census, which indicates the percent of persons in poverty as defined by the Bureau of the Census.

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

Unsewered Community: Refers to a community having no central, publicly owned wastewater treatment or collection system. Does not include remote or unserved areas within the corporate boundary of a larger city or town.

Water Conservation Project: Refers to the construction or other capital improvement, including related equipment and land acquisition, designed to:

- a. Eliminate the wasteful or unnecessary use or loss of water in the operations of a wastewater collection system or wastewater treatment works;
- b. Enhance the operation of a wastewater collection system or wastewater treatment works to provide for more efficient use of water.

Water Reuse: Means the actual use or application of treated wastewater in or on areas that require water but do not require a potable water supply. This may include spray irrigation for silviculture, agriculture or landscaping purposes; reuse by an industrial or business facility; or reuse within the wastewater treatment plant.

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.

Please mail application to:
Capacity Building Grants Program
4021 Carya Drive
Raleigh, NC 27610

Project # _ _____

CAPACITY BUILDING GRANT APPLICATION

2003 - 2004 Clean Water Bond Funds

☐ New application

☐ Resubmittal

GENERAL INFORMATION

Legal Name of Applicant Unit: _____

Name and Title of Chief Elected Official: _____

Mailing Address: _____

Street Address: _____

City: _____

State: _____

Zip: _____

Telephone: _____

FAX: _____

E-Mail: _____

Contact from unit of local government: _____

(This contact must be designated by authorizing resolution from the chief elected official.)

Telephone: _____

E-Mail: _____

Name, title, and agency of person who wrote this application: _____

Telephone: _____

E-Mail: _____

Project Contact (Manager/Engineer/Grant Consultant): _____

(The project contact should be the person who can best answer questions regarding this project.)

Address: _____

Telephone/FAX/E-mail if different than above: _____

Federal Tax ID Number: _____

Fiscal Year-End Date: _____

Type of Applicant (check those that apply):

☐ Municipality

☐ County

☐ Joint agency pursuant to G.S. 160A-20

☐ Incorporated Village

☐ Water/Sewer Authority

☐ Joint agency pursuant to G.S. 63-56

☐ Water/Sewer District

☐ Metro W/S District

☐ Sanitary District

Amount Requested: \$

Total Project Cost: \$

PROJECT INFORMATION

Project Title:

Project start date:

Project end date:

County(s) to be served by project:

Region (check one): ☐ West ☐ Central ☐ East

Type of project (check one): ☐ Water ☐ Wastewater ☐ Other

PROJECT BUDGET

1. Indicate the sources, amounts and dates of availability or status of funds to finance this project. Clearly identify the sources of funds.

Source	Amount	Date Available	Status
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Funds from the Applicant:

Federal Funds:

Other State Funds:

Amount of this grant request:

Project Total:

2. Indicate whether the applicant has followed proper accounting and fiscal reporting procedures, as evidenced by the applicant's most recent audit report, and that the applicant is in substantial compliance with provision of the general fiscal control laws of the State.

☐ Yes ☐ No Explain exceptions:

PROJECT STATISTICS: Applicants must fill out this section completely as the information is used to score the project. Statistical information can be found on the Rural Center's web site www.ncruralcenter.org. If not completed, the application will be returned to the applicant.

Number of jobs created:
(Projected 2 years out)

Number of jobs retained:

Total public investment: \$

Total private investment: \$

Water customers currently served

Business/industry: Residential:

Water customers served by project

Business/industry: Residential:

Wastewater customers currently served

Business/industry: Residential:

Wastewater customers served by project

Business/industry: Residential:

Poverty rate: Median household income:

Ability to pay: Population:

Unemployment rate: Tier number:

If tier 4 or 5, how are additional eligibility criteria met? (Check one) Eligible tier 4 and 5 counties must provide a 50 percent match.

- ☐ Poverty rate greater than 1.5 X the current state poverty rate.
- ☐ Unemployment rate greater than 2 X the current state unemployment rate.
- ☐ Manufacturing job loss over the past two years greater than 5 percent.

Total manufacturing jobs: Total job loss: Percentage: %

Do you have an open Rural Center grant awarded prior to July 1, 2001? (Eligible applicants must have closed all Rural Center grants awarded prior to July 1, 2001. If you wish to request an eligibility review due to extenuating circumstances, a detailed request must be submitted at least two weeks prior to application deadline.)

☐ No ☐ Yes, Project name(s) & award date(s)

Brief project description:

CERTIFICATION BY CHIEF ELECTED OFFICIAL

The attached statements and exhibits are hereby made part of this application and the undersigned representative of the applicant certifies that the information in this application and the attached statements and exhibits is true, correct, and complete to the best of his/her knowledge and belief. He/She further certifies that:

1. as Authorized Representative, he/she has been authorized to file this application by formal action of the governing body;
2. that the governing body agrees that if a grant from the Unsewered Communities program as funded by the 1998 Critical Needs Bond Act is awarded, the applicant will provide proper and timely submittal of all documentation requested by the Grantor Agency (Rural Center);
3. that the governing body agrees to provide for proper maintenance and operation of the approved project after its completion;
4. that the applicant has substantially complied with or will comply with all federal, state and local laws, rules and regulations and ordinances as applicable to this project; and
5. that the applicant will adopt and place into effect on or before the completion of the project a schedule of fees and charges which will provide for the adequate and proper operation, maintenance and administration of the project.

SIGNATURE OF CHIEF ELECTED OFFICIAL/AUTHORIZED REPRESENTATIVE

TYPED NAME AND TITLE

DATE

CHECKLIST FOR ADDITIONAL FORMS:

Please enclose the following items before submitting:

- | | |
|--|---|
| <input type="checkbox"/> Application Form (attached) | <input type="checkbox"/> Authorizing Resolution |
| <input type="checkbox"/> Narratives (see guidelines) | <input type="checkbox"/> Project Budget |
| <input type="checkbox"/> Project Description | <input type="checkbox"/> Project Schedule |
| <input type="checkbox"/> Project Justification | <input type="checkbox"/> Memorandum of Understanding (attached) |
| <input type="checkbox"/> Comprehensive Plans | <input type="checkbox"/> Minority Business Enterprise Certification |
| <input type="checkbox"/> Special Emphases | <input type="checkbox"/> Commitment of Other Funds Form (attached) |
| <input type="checkbox"/> Exhibits (see guidelines) | |

SUBMISSION PROCEDURE

Three copies of this application and all relevant materials must be received by 5:00 p.m. on deadline date. Faxes are not acceptable.

Rural Economic Development Center, Inc.
Capacity Building Grants Program
4021 Carya Drive
Raleigh, NC 27610

CAPACITY BUILDING GRANT PROGRAM

MEMORANDUM OF UNDERSTANDING

between

North Carolina Rural Economic Development Center, Inc.

and

(applicant)

Project Title:

Address:

The purpose of this Memorandum of Understanding is to outline conditions and regulations for a general working relationship between the North Carolina Rural Economic Development Center (Rural Center) and the applicant organization regarding the Rural Center Capacity Grant Program.

The following conditions and regulations apply to all Rural Center Capacity Building Projects:

Disbursement Policy

The Rural Center will disburse up to 90 percent of capacity grant funds upon submission of satisfactory evidence other funds have been drawn down by 90 percent and that 100 percent of local funds, if committed, have been expended. Documentation in support of expenses must accompany the Financial Request Form. The final ten percent will be disbursed upon completion of the project and submittal of the final approved product.

Project Schedule

A timeline has been provided to the Rural Center as part of the application package. This represents the adopted schedule for this project. The grantee understands that the Rural Center will establish the date for termination of its contract using this information and that time is of the essence. Updates or changes to the project schedule must be provided to the Rural Center as they are adopted by the grantee for use in administering this project. Rural Center reserves the right to reject or ask for further clarification regarding the timeline and its implementation.

Contract Time Requirements

Rural Center may revoke or revise its approval of funding for the project if work intended is not under contract within six months after the Rural Center approval date of the project and if not completed within one year of Rural Center approval. The Rural Center approval date will be incorporated in the contract as the Commencement Date.

Changes in Project Scope

It is clearly understood that a change in the project scope may not be implemented without prior written approval from Rural Center and submission to Rural Center of evidence of other funders approval of

the change(s). A change of scope will include any change to the project design, capacity of the system, the number and/or type of customers served, or equipment items purchased.

Changes in Project Funding

It is further understood that if the grantee receives additional funding for the project after the Rural Center approval, these funds cannot be used to reduce the amount of local funds pledged or to displace other grant funds committed to this project; any such action could result in the reduction of the Rural Center capacity grant by the amount of funds added to the project. If new funds are made available to this project, the Rural Center must be notified immediately. Likewise, it is understood that the local share, as pledged to the Rural Center in the original application, will not be diminished in the event of a cost underrun in the completed project.

Cooperation with Primary Funder and Rural Center

It is understood that the grantee will cooperate with its other funders as identified in the application and will provide information and reports as prescribed by the funder and will adhere to all applicable regulatory and/or statutory requirements of the Primary Funder and the State of North Carolina particularly as they relate to the procurement of goods and services and in the maintenance of proper accounting records.

Reporting Procedure

Quarterly progress reports will be submitted to Rural Center as set forth in the terms of the contract document to be executed. The first report will be due 90 days from the date of award. Subsequent quarterly reports will be required until project completion and close of the contract.

Final Report

A final report is required and will be due upon close of the project. This report must be submitted and approved by the Rural Center prior to disbursement of final funds.

SIGNATURE OF CHIEF ELECTED OFFICIAL/AUTHORIZED REPRESENTATIVE

TYPED NAME AND TITLE

DATE

COMMITMENT OF OTHER FUNDS FORM

Capacity Building Program

between

North Carolina Rural Economic Development Center, Inc.

and

(applicant)

PROJECT TITLE: _____

ADDRESS: _____

Provide a copy of correspondence indicating commitment of these funds with the application.

1. Local Funds. Include loans and cash matches from the applicant.

Amount: \$ _____

Type: _____

2. Other Funds. Include other grant funds. Please attach commitment letters from those agencies to this form when submitting.

Amount: \$ _____

Source: _____

Under the Capacity Building Grants program local commitment dollars may be provided by a number of sources. Local Governments will provide matching funds from other sources to meet total project costs.

In reviewing application for Capacity Building funding, the Rural Center will take into consideration the applicant's financial position relative to other, similar units of local government (as through the Ability to Pay Ranking).

SIGNATURE OF CHIEF ELECTED OFFICIAL/AUTHORIZED REPRESENTATIVE

TYPED NAME AND TITLE

DATE

AUTHORIZING RESOLUTION BY GOVERNING BODY OF THE APPLICANT

Capacity Building Grants Program

WHEREAS, The 1998 Critical Needs Bond Act has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects; and

WHEREAS, The (unit of government) has need for and intends to construct or rehabilitate a publicly-owned treatment works or an alternate wastewater system, for wastewater collection systems or for water supply and distribution systems, project described as (give brief description of project); and

WHEREAS, The (unit of government) intends to request grant assistance from the Capacity Building Grants Program for the project;

NOW THEREFORE BE IT RESOLVED, BY THE (GOVERNING BODY) OF THE (UNIT OF GOVERNMENT):

That (unit of government) will arrange financing for all remaining costs of the project, if approved for a grant.

That (unit of government) will provide for efficient operation and maintenance of the project on completion of construction thereof.

That (name and title of official), and successors so titled, is hereby authorized to execute and file an application on behalf of (unit of government) with the NCREDC (Rural Center) for a grant to assist in the construction of the project described above.

That (name and title of official designated above), and successors so titled, is hereby authorized and directed to furnish such information as the Rural Center may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That (unit of government) has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, and ordinances applicable to the project and to the grants pertaining thereto.

Adopted this the (date adopted) at (place), North Carolina.

(Signature of Chief Executive Officer)

(Title)

ATTEST:

Clerk

(Seal)