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| Logo  Description automatically generated | **North Carolina Department of Environmental Quality** |  |
| **Division of Water Infrastructure** |
| **Application for Lead Service Line Replacement Projects** |
| (Last updated: March 2024) |

Zero percent (0%) interest loans and principal forgiveness are available for projects eligible to receive funding from the Drinking Water State Revolving Fund - Lead Service Line Replacement (LSLR) program made available through the Bipartisan Infrastructure Law (BIL). Complete this Application for funding and submit it for consideration along with required additional forms and documentation to Division of Water Infrastructure (Division) of the NC Department of Environmental Quality.

Eligible projects include (1) removal of known lead service lines and lead connectors, (2) projects to find and replace lead service lines and lead connectors, and (3) projects to inventory lead service lines. A “lead service line” is defined as follows:

*A water service line made of lead, which connects the water main to the building inlet. A lead service line may be owned by the water system, owned by the property owner, or both. A galvanized service line is considered a lead service line if it ever was or currently is downstream of any lead service line or service line of unknown material. USEPA has expanded the eligible uses beyond the definition above to also include the replacement of lead goosenecks, pigtails, and connectors as eligible expenses, whether stand-alone or connected to a lead service line.*

For brevity, lead goosenecks, pigtails and connectors are included in the definition of “lead service lines (LSL)” in this application form.

Applications for LSLR projects may be submitted at any time (rolling submittals). The Division will score the applications and present them at various meetings of the State Water Infrastructure Authority (SWIA). Dates by which applications must be received to be considered for funding in the next State Water Infrastructure Authority meeting are identified [on the Division’s webpage](https://www.deq.nc.gov/about/divisions/water-infrastructure/lead-service-line-replacement-funding).

The LSLR Project Application Form is attached after the Instructions.

Additional forms and guidance for completing the LSLR Project Applications are available on the Division’s [application page](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources).

**Instructions for Completing the**

**NC DEQ Division of Water Infrastructure**

**Application for Lead Service Line Replacement Projects**

(Last updated: March 2024)

The following instructions relate to completing the LSLR Project Application Form, attached below. Please follow these directions when completing the form. In some cases, the instructions may refer you to the Division’s [applications webpage](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources) for additional information that may be helpful. Such cases are noted below.

**Section 1 – General Information**

This section contains information the Division will need to process your funding request. Complete each blank as directed below.

* **Applicant Name** – Provide the official name of your local government unit (LGU), utility, or organization eligible to apply for funding (e.g., Town of Anytown, Bixby Sanitary District).
* **County** – List the county in which the Applicant is located.
* **Unique Entity Identifier (UEI)** – Use [www.sam.gov](http://www.sam.gov) to find your Unique Entity Identifier number. The UEI replaces the former DUNS number. Make sure your number is up to date.
* **Federal Tax ID #** – Needed for loan disbursement purposes.
* **PWSID** – Public Water System ID number (format: NCXX XX XXX).
* **Project Name** – Enter a project name that is short yet captures the nature of your project.
* **Applicant Type** – Check the appropriate box.
* **Funding Amount Requested** – Enter the amount of funding you are requesting. Note funding amounts will be limited to the following per round (unless additional funds are available):
  + Replacement - $5 million per applicant per round
  + Find and replace - $2 million per application per round with a maximum of $1 million of the budget for inventory/material verification.
  + Inventory - $1 million per round.
* **Total Project Cost** – Enter the cost of the entire project, including costs that will be covered by other sources. Total Project Cost may vary from (but will not be less than) the Funding Amount Requested.
* **Project Type** – Check the box that is appropriate for the project type for which you are requesting funding. Check only one box. You may submit a separate LSLR Project Application Form for a different type of project.
* **Acceptance of Funding Offer** – Answer the question as described below.

Most applications will be offered a combination of zero-interest loans and limited principal forgiveness (PF). Projects are eligible for PF up to a percentage of the funding award, based on the results of the Affordability Calculator that is part of the funding application (available on the Division’s [application page](https://www.deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources)). PF is also initially limited to $500,000, even if that is less than the percentage the applicant is eligible for according to the Affordability Calculator. If, after including the initial $500,000 (or less) of PF in all eligible applications’ potential funding, there is additional PF available, additional PF will be added to applicants’ funding offers in $500,000 increments up to their percentage eligibility. In some situations, even more PF may be offered, but never more than 100%.

In almost all cases, applicants should expect a portion of their funding offer to be in the form of zero-interest loans. The Division will maximize the PF offered to the applicant based on eligibility and availability. Indicate in the application whether you are willing to accept a funding offer that may include a portion of zero-interest loans. If you indicate that you will not accept any portion of funding as zero-interest loan, no funding offer (principal forgiveness or loan) will be made if less than 100% of principal forgiveness can be offered to you based on eligibility and availability.

Provide a copy of the Affordability Calculator (available on the Division’s [application page](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources)) or handwritten affordability calculations as part of the application package.

**Section 2 – Water System Parameters**

Complete this section with all pertinent information. Please complete all blanks unless otherwise noted.

* **Residential and Non-Residential Water Connections** – Follow the guidance found in Line Item 4.A of the *Priority Rating System Guidance and Form for Application for Lead Service Line Replacement Projects* (available on the Division’s [application page](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources)). Include only existing connections.
* **Service Population** – Enter the number of individuals the utility serves directly, excluding wholesale customers. If your utility is primarily or solely a wholesale provider, please type “Wholesaler”.
* **Monthly Water and Sewer Bills for 5,000 gallons** – If your system offers both water and sewer service, provide the monthly bills for 5,000 gallons of use for **each water and sewer**. These rates are used (1) to determine points for Line Item 4.B; and (2) to determine principal forgiveness eligibility. See Line Item 4.B in the Priority Rating System guidance for what is needed for this parameter.

**Sections 3, 4, and 5 – Applicant, Application Preparer, and Engineer Contact Information**

Complete this section with all pertinent information. The following bullet points contain specific information.

* **Authorized Representative Name** – This name must be either: (1) the top elected official (e.g., Mayor, Chair of the Board); (2) the top administrative official (e.g., Town Manager, Town Administrator, County Manager, CEO, etc.); or (3) must match the name listed on the Resolution by Governing Body of Applicant as the Authorized Representative. The Resolution by Governing Body authorizing filing of the application must be submitted as part of the application package.
* **Mailing Address of the Applicant** – Provide the mailing address where the Applicant receives mail. For example, if the Applicant has a PO Box, provide this information rather than the physical address.
* **Engineer Contact Information** – If your Application Preparer is the same as the Engineer Contact, check the “NO” box. Section 5 may then be left blank. If the answer is “YES”, provide their information.

**Section 6 – Project Description**

In this section, provide a description of the proposed project in detail. Include the project purpose and what the project entails. For example: “Replacement of approximately 50 known lead service lines along Broad Street West of Main. Replacement includes approximately 2,000 linear feet of LSL, and 35 leaded goosenecks.” Descriptions of the work related to the major line items details in the Project Budget (Section 7) must be included in this section. For example, if 50 known lead service lines will be replaced, this should be listed in both the project description and the project budget with the associated costs.

**Section 7 – Project Budget for All LSL Projects**

Complete the project budget by addressing the categories provided in the table (insert rows as needed). Add up the cost amount for each line and provide subtotals and total cost amount. Please note the following related to this section:

* Project budget is **required.**
* If applying for a project to replace lead service lines, the pre-construction planning costs may be included in the budget.
* If claiming line item 4.C.4 points (benefitting a disadvantaged area), separate costs and labeling them to show portions of the project costs that are attributable to disadvantaged areas vs. non-disadvantaged areas. Also separate and label costs for replacement of lead service lines. This can be done by adding additional lines to the project budget (e.g.: (1) replacement of 50 lead service lines of approximately 2,000 LF and 35 goosenecks, in disadvantaged areas, and (2) replacement of 4 lead service lines of approximately 150 LF and 4 goosenecks in non-disadvantaged areas).
* **For projects to replace known lead service lines and for projects to find-and-replace lead service lines**, the project budget must be signed, dated, and sealed by a licensed Professional Engineer (PE). **If you do not provide a PE signature, date, and seal for those project types, the application will be incomplete and will not be considered for funding.** The PE’s signature and seal are not required for inventory-only projects. Note: If not using DocuSign to seal and sign the budget, put the seal/signature on the Word document or use a wet seal/signature with a scan of the wet seal/signature.

**Certification by Authorized Representative**

The Authorized Representative must read and either initial in the space beside each question or use “N/A”.

**Completeness Checklist**

When assembling the package, initial next to the checklist items to show that the information is in the package, if applicable. **Failure to include or properly document an item marked with \* will result in the application being incomplete and ineligible for consideration of funding**. Forms are available separately on the Division’s [application page](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources).

**Submittal Information**

* Submit the form electronically, following the directions shown on the website at: <https://edocs.deq.nc.gov/Forms/LeadServiceLineReplacementProjectApplication>
* Complete the required fields, almost all of which can be found directly on this Application for Funding form.
* Upload each required document (e.g., completed LSLR Project Application Form, Narrative to Claim Points, etc.) **individually; do not upload a single file with the entire application package**. Combine all documentation to support the narrative in claiming points into one file before uploading. **Individual file sizes must be limited to 250 MB.**
* Uploading files may take several minutes and may be slow during high volume periods.
* Once you have submitted your application package online, you should receive a confirmation email.

**Application Signature**

Signing of this application form indicates the applicant’s willingness to accept federal conditions when funds become available. The top elected official, the top administrative official, or the Authorized Representative who is to be named when the Resolution by Governing Body of Applicant is submitted must sign the application form. Use a scanned wet signature, or DocuSign signature if signing electronically. **An application form without this signature is incomplete and will not be considered.**

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|  | **North Carolina Department of Environmental Quality** | | | | |  |
| **Division of Water Infrastructure** | | | | |
| **Lead Service Line Replacement (LSLR) Project Application Form** | | | | |
|  | (Last updated: March 2024) | | | | |
| 1. **General Information** | | | | | | |
| **Applicant Name** | | | | **County** | **Unique Entity Identifier (UEI)** | |
|  | | | |  |  | |
| **Project Name** | | | | **Federal Tax ID #** | **PWSID** | |
|  | | | |  |  | |
| **Applicant Type** | | | | | **Funding Amount Requested** | |
| Municipality  County  Water and Sewer District  Water and Sewer Authority  Sanitary District | | Metropolitan Water/Sewerage District  Non-Profit Water Corporation  Investor-Owned Drinking Water Corporation  Other (Specify:      ) | | |  | |
| **Total Project Cost** | |
|  | |
| **Project Type (please submit multiple forms if funding is needed for multiple project types)** | | | | | | |
| Funding for Lead Service Line and Lead Connectors (LSL)  Replacing already-known LSLs. Limit of $5 million per funding round.  Finding and replacing LSLs. Limit of $2 million per funding round with $1 million limit on inventory.  Inventory LSLs only (no replacement). Limit of $1 million per funding round. | | | | | | |
| **Acceptance of Funding Offer** *Please read the Instructions page for details.*  Due to federal requirements, LSLR funding offers are in the form of a loan. DEQ’s LSLR loans are set at 0% interest. In many cases, a portion of that loan – called principal forgiveness (PF) – is forgiven from the beginning, not requiring repayment. The PF portion is like a grant. The portion of the principal forgiveness that will be offered to your application is based on the applicant’s eligibility and based on the availability and program limits of PF. The greatest amount of PF available for your application based on eligibility and availability will be offered to your application but will likely not be for the full funding amount requested. | | | | | | |
| 1. I am willing to accept a funding offer that may include a portion with zero-interest loans (in addition to the principal forgiveness amount for which my application can receive based on eligibility and availability).   Yes or  No, I will only accept 100% principal forgiveness (*Caution: this is rarely possible and will possibly result in your application being bypassed for funding*). | | | | | | |
| 1. **Water System Parameters** | | | | | | |
| **Residential Water Connections** | | | | | | |
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| **Non-Residential Water Connections** | | | | | | |
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| **Service Population (Number of Individual Served Excluding Wholesale Customers)** | | | | | | |
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| **Monthly Water Bill for 5,000 gallons** | | | **Monthly Sewer Bill for 5,000 gallons** | | | |
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| 1. **Applicant Contact Information** (See Instructions regarding the Authorized Representative) | |
| **Authorized Representative Name**: |  |
| **Authorized Representative Title:** |  |
| **Mailing Address Line 1:** |  |
| **Mailing Address Line 2:** |  |
| **City:** |  |
| **State:** |  |
| **Zip Code:** |  |
| **Physical Address Line 1:** |  |
| **Physical Address Line 2:** |  |
| **Physical Address City:** |  |
| **Physical Address State:** |  |
| **Physical Address Zip Code:** |  |
| **Phone Number:** |  |
| **Email Address:** |  |
| 1. **Application Preparer Contact Information** | |
| **Firm Name:** |  |
| **Contact Name:** |  |
| **Phone Number:** |  |
| **Email Address:** |  |
| 1. **Engineer Contact Information** | |
| Is the engineer different from the application preparer? | Yes  No |
| **Engineering Firm Name**: |  |
| **Contact Name:** |  |
| **Phone Number:** |  |
| **Email Address:** |  |

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| 1. **Project Description** (see Instructions) | | | |
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| **50% or more of the project budget is to benefit a Disadvantaged Area.** Both Application Budget and Narrative must demonstrate project area includes a disadvantaged area and that 50% or more of the budget benefits the disadvantaged area. See Application Guidance for line item 4.C.4 for details on minimum documentation to be included in Budget and Narrative. | | | |
| **Is the proposed project a result of a complete or partial inventory of lead service lines in the drinking water system?**  Yes, from a complete inventory of the entire drinking water system.  Yes, from a partial inventory of the drinking water system.  No. | | | |
| 1. **Project Budget** | | | |
| **Projects benefiting Disadvantaged Areas should check the Guidance on how to document costs.** | | | |
| Indicate project costs by line-item | **Division Funding Requested** | **Other Secured Funding Source(s)** | **Total Cost Amount** |
| **Inventory Costs** |  |  |  |
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| ***Inventory Subtotal:*** |  |  |  |
| **Construction Costs** |  |  |  |
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| *Contingency (we recommend 10% of construction costs):* |  |  |  |
| ***Construction Subtotal:*** |  |  |  |
| **Engineering Costs** |  |  |  |
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| ***Engineering Subtotal:*** |  |  |  |
| **Administration Costs** |  |  |  |
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| ***Administration Subtotal:*** |  |  |  |
| **TOTAL FUNDING REQUESTED AND PROJECT COST:** |  |  |  |
| **For LSL replacement projects and find-and-replace projects, a Professional Engineer’s seal, signature, and date *must be provided* for the estimate in the space to the right for the application to be considered complete.**  Note: If not using DocuSign to seal and sign the budget, put the seal/signature on the Word document or use a wet seal/signature with a scan of the wet seal/signature. | |  | |

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| **Certification by Authorized Representative** | |
| 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 are true, correct, and complete to the best of his/her knowledge and belief. By initialing each item and signature at the end of this application, he/she further certifies that: | |
| \_\_\_\_\_\_\_ | 1. as Authorized Representative, I have been authorized to file this application by formal action of the governing body (e.g., by resolution) or as defined in this application as the Authorized Representative in Section 3 following the Instructions; |
| \_\_\_\_\_\_\_ | 1. the Applicant has substantially complied with or will comply with all federal, state, and local laws, rules, regulations, ordinances, and funding conditions as applicable to this project; |
| \_\_\_\_\_\_\_ | 1. 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 and repayment of all principal and interest on loans (if applicable) of the project [if not applicable, initial “N/A”]; |
| \_\_\_\_\_\_\_ | 1. 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; |
| \_\_\_\_\_\_\_ | 1. the Project Budget provided in this application form (Section 7, if applicable) includes all funding requested from all sources of funding proposed for this project; |
| \_\_\_\_\_\_\_ | 1. the (Town or County), North Carolina is organized and chartered under the laws of North Carolina, or the special purpose unit of local government is incorporated under the laws of North Carolina. All officials and employees are aware of, and in full compliance with NCGS 14-234, “Public officers or employees benefiting from public contracts; exceptions.” (For units of local government only. All others should initial “N/A”); |
| \_\_\_\_\_ | 1. the Applicant acknowledges that all loans are subject to approval by the Local Government Commission; |
| \_\_\_\_\_\_\_ | 1. the Applicant acknowledges that, in accordance with G.S. 120-157.2, for local government debt to be issued greater than $1,000,000, the local government must report to Committee Chairs, Committee Assistant, and the Fiscal Research Division of the General Assembly at least 45 days prior to presentation before the Local Government Commission (for units of local government only). |

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| **Completeness Checklist** | |
| In addition to this application form the following items must be included in the application package to be eligible or to successfully claim priority points. **Failure to include or properly document an item marked with \* will result in an incomplete and ineligible application which will not be considered for funding.** Please initial that each item is included in this submittal. If not applicable for the project, please initial “N/A”. | |
| \_\_\_\_\_\_\_\_\_\_\_ | Resolution by Governing Body of Applicant and the Form for Certification/Attestation by the Recording Officer \* † |
| \_\_\_\_\_\_\_\_\_\_\_ | Fund Transfer Certification Form with appropriate box checked \* † |
| \_\_\_\_\_\_\_\_\_\_\_ | Comprehensive Narrative to Claim Points in the Priority Rating System \* |
| \_\_\_\_\_\_\_\_\_\_\_ | Documentation to Support the Comprehensive Narratives, including maps or images as needed |
| \_\_\_\_\_\_\_\_\_\_\_ | Priority Rating System Form to Claim Points \* † |
| \_\_\_\_\_\_\_\_\_\_\_ | Affordability Calculator † or handwritten affordability calculations |
| \_\_\_\_\_\_\_\_\_\_\_ | Water & Sewer Financial Information Form † |
| \_\_\_\_\_\_\_\_\_\_\_ | Current water and wastewater rate sheets in effect on application deadline (for both water and sewer if the utility provides both water and sewer, or for water or sewer depending on the utility service) |
| \_\_\_\_\_\_\_\_\_\_\_ | Professional Engineer seal with signature and date on Project Budget \* (for Replacement projects and Find and Replace projects) |
| \* Required with the application package. Failure to include or properly document will result in an incomplete and ineligible application which will not be considered for funding.  † Forms and templates are available separately on the [Division’s application webpage](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources). | |

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| **Submittal Information** | | | | |
| **All application packages must be submitted electronically at** <https://edocs.deq.nc.gov/Forms/LeadServiceLineReplacementProjectApplication>  See Instructions on completing the form online. | | | | |
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| **Application Signature** | | | | |
| Original signature is required for the application form.  Application with no signature is incomplete and ineligible for consideration. | | | | |
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| **SIGNATURE OF TOP ELECTED OFFICAL, TOP ADMINISTRATIVE OFFICIAL, OR AUTHORIZED REPRESENTATIVE AS NAMED IN RESOLUTION** | | | | |
|  | , |  | , |  |
| **TYPED NAME** |  | **TYPED TITLE** |  | **DATE** |