



IIJA Emerging Contaminants (EC) Funding Programs

Division of Water Infrastructure (DWI)





State Revolving Fund (SRF) – Emerging Contaminants (EC) Funding Program

Division of Water Infrastructure (DWI)



Agenda (PFAS/EC Funding)

- Program Summaries
 - Construction
 - Studies/Pre-Construction
- Funding Requirements
- Project Types
- Priority Rating System
- Questions

Guidance and other documents can be found on our website at: <https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources>

Acronyms

IIJA	Infrastructure Investment and Jobs Act (aka Bipartisan Infrastructure Law or BIL)
DWSRF	Drinking Water State Revolving Fund
CWSRF	Clean Water State Revolving Fund (Wastewater)
LGU	Local Government Unit
EC	Emerging Contaminants
SDC	Small & Disadvantaged Communities
LSLR	Lead Service Line Replacement
DWI	Division of Water Infrastructure
PRS	Priority Rating System
PFAS	Per- and Polyfluoroalkyl Substances
MCL	Maximum Contaminant Level
HI	Hazard Index

Where are the funds coming from?

- Federal funds made available from the **Infrastructure Investment and Jobs Act (IIJA)**
- Funds flow through the Drinking Water/Clean Water State Revolving Fund (DWSRF/CWSRF) Emerging Contaminants Funding Program (DWSRF-EC & CWSRF-EC)
- IIJA funds available for 5 fiscal years:
 - FY 2022 – FY 2026
- *We just finished awarding all FY 2025 funds; only FY 2026 remains*



Emerging Contaminants (EC) Funding: Summary

- North Carolina's IIJA SRF-EC funding program is limited to projects addressing PFAS contaminants only
- Must have documented PFAS contaminants in drinking water, wastewater, or wastewater residuals exceeding levels specified in the PRS and PRS guidance.
- PFAS contaminants with a final MCL or HI get higher priority compared to other PFAS contaminants without standards

PFAS Type	Maximum Contaminant Level (MCL) or Hazard Index (HI)
PFOA	4.0 ppt
PFOS	4.0 ppt
PFHxS	10 ppt
PFNA	10 ppt
GenX	10 ppt
Hazard Index (HI) mixture of 2 or more of PFHxS, PFNA, GenX, and PFBS	1 (unitless)

Who is eligible to apply?

- Applicants eligible for both Clean Water and Drinking Water Funds:
 - Local Government Units (LGUs)
 - Non-Profit Water/Sewer Corporations
- Applicants eligible for Drinking Water Funds Only:
 - Investor-Owned Drinking Water Corporations (e.g., Aqua, Carolina Water, etc.)



What work/projects are eligible for funding?

- Construction Projects (EC-C)
 - Addition of treatment to remove PFAS in drinking water and wastewater
 - Developing alternative drinking water sources
 - Treatment of landfill leachate
 - Distribution system interconnection
 - Extending waterlines to replace contaminated wells
- Study/Pre-Construction Activities (EC-S)
 - Planning
 - Alternatives Analysis
 - Design
 - Pilot/bench-scale testing of treatment alternatives
 - Merger/regionalization efforts



How much funding for NC?

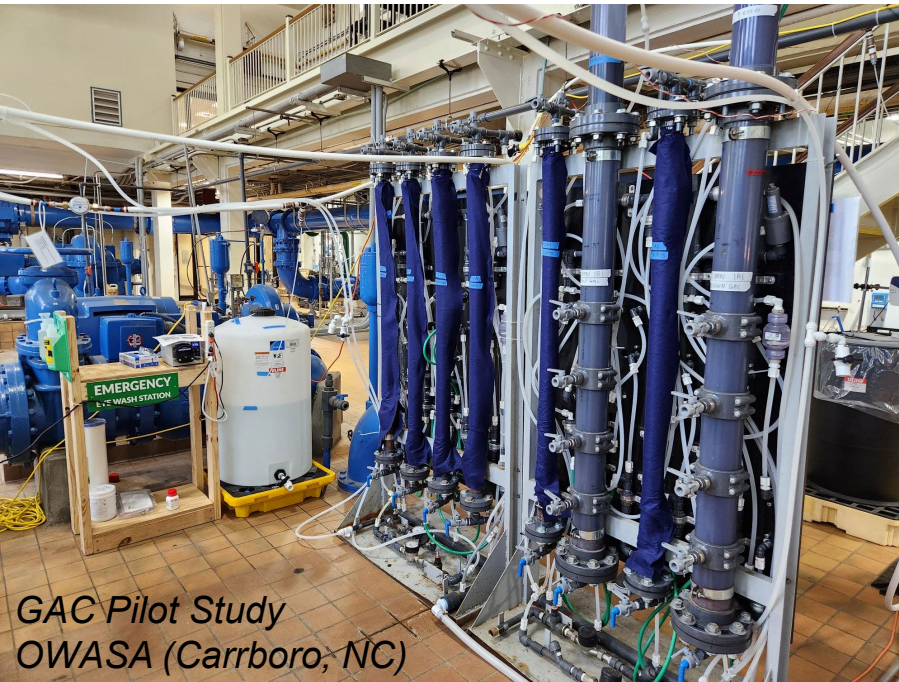
~~	DWSRF-EC	CWSRF-EC
FY22 Capitalization Grant	\$23,360,000	\$1,688,000
FY23 Capitalization Grant	\$21,054,000	\$3,838,000
FY24 Capitalization Grant	\$21,054,000	\$3,838,000
FY25 Capitalization Grant	\$21,054,000	\$3,838,000
<i>FY26 Allotment</i>	<i>\$21,054,000</i>	<i>\$3,838,000</i>

Funds can be moved back and forth between DWSRF-EC and CWSRF-EC depending on demand (*but NC incurs a penalty to the funding program to do so*)



PFAS Study Reserve

50% of funds for planning
(PFAS Studies)



50% of funds for
construction projects



We reserve 50% of funds for study projects, but after 2nd round of funding, unused funds are made available to construction projects.



Construction Projects (EC-C) Funding

- IJA EC Construction Funding
 - Approx. availability for Fall 2026
 - Drinking Water – \$10.5 million
 - Wastewater – \$1.9 million
 - Funding caps
 - Drinking Water - \$5 million per applicant
~~per project per year~~
 - Wastewater – No cap
- All EC funding is **100% Principal Forgiveness!**
- Common Application form used
- Funding awarded semi-annually: Spring and Fall funding rounds

Construction Projects (EC-C) Funding

- Priority Rating Systems (PRSs)
 - Claim all applicable line items, including EC-eligible line items
 - EC projects will compete only with other EC projects for IIJA EC funds
- Submit 1 application for EC funding → you get 2 scores

SRF score

&

EC score



Study Projects (EC-S) Funding

- EC studies

- Remaining funds from FY 2025 were awarded at the April 2026 SWIA meeting
- FY 2026 is the only funding remaining
 - Drinking Water - \$10.5 million
 - Wastewater - \$1.9 million

*DWI is currently funding 33 PFAS study projects across NC

Study Projects (EC-S) Funding

- Funding cap – \$500,000 per applicant ~~per year~~ for DW/WW
- All EC funding is **100% Principal Forgiveness!**
- Application – Use Rolling Application form
- Priority Rating System (PRS)
 - Only EC PRS used
 - Separate PRS scoresheet at end of guidance
- Guidance – Specific PRS for EC studies

EC-S Next Cutoff Date is August 3, 2026

Rolling Application Expected Cutoff Dates for 2026

(for LSLR and EC-S)

Approximate Application Due Date	Approximate SWIA Meeting (Award Date)
January 9, 2026	February 18, 2026
March 2, 2026	April 15-16, 2026
June 1, 2026	July 15, 2026
August 3, 2026	September 16, 2026
November 2, 2026	December 9, 2026



EC Priority Rating System – How the scoring works

Project Purpose

- More points if greater % of your project addresses PFAS

Project Benefits

- System mergers or regionalization = more points
- Documentation of PFAS contamination:
 - Private well samples < 3 years old
 - Public water system samples < 12 months old
 - For drinking water, must document PFAS contamination in finished water (not raw water)

System Management

- Asset Management Plan
- Capital Improvement Plan
- Generating sufficient revenues

Affordability

- Small systems get more points
- More expensive rates = more points
- Local Government Indicators – socioeconomic factors worse than NC average

Project MUST address PFAS (1.J) and applicant MUST document PFAS contamination (2.H.3/2.H.4) to be eligible





EC-Small and Disadvantaged Communities (SDC) Grant Funding Program Overview

Division of Water Infrastructure (DWI)



Eligible Funding Recipients

- Small: Population less than 10,000 individuals
- Disadvantaged:
 - PWS serving less than 20,000 residential connections
 - 3 out of 5 LGU indicators worse than state bench-mark
 - Operating Ratio less than 1.3 and
 - Utility rates are greater than state median

Pro tip: If an application is eligible to receive 4.C.4 points, the area can be claimed to be disadvantaged and if the proposed project specifically removes PFAS contamination in that area, project can be eligible.



Eligibility

- Document PFAS contamination:
 - Copies of the most recent laboratory test results
 - For finished drinking water or discharged wastewater
 - Must exceed the MCLs, HI and/or 10 ppt for any other unregulated PFAS compound
 - Samples no older than 12 months from application date
- Must use validated EPA methods:
 - EPA Method 533 (drinking water)
 - EPA Method 537.1 (drinking water)
 - EPA Method 8327 (non-potable)
 - EPA Method 1633 (non-potable)
- Private or individual drinking water wells must provide at least one sample exceeding threshold value(s) and data should not be older than **three years** from the date of application.



NC's EC-SDC Spending Plan

- Support testing of small and disadvantaged system for PFAS across NC
- Hire Technical Assistance providers/contractors to help with PFAS assessment and recommending feasible alternatives for systems that lack capacity to do so
- Help with both temporary and permanent construction costs to Department-identified small systems
- Supplement SRF-EC funds for Small and Disadvantaged Communities (using existing competitive application process)



EC-SDC Funding Summary

FY	Total Grants
2022-2023	\$61,715,000
2024	\$29,322,000
2025	\$28,554,000
2026	\$30,118,000
*From 2024 grant awards \$16M is going to Bernard Allen Fund to address PFAS in private wells	

These funds are also from the Infrastructure Investment & Jobs Act (IIJA).

Only about \$12M in funding remains



Spending Plan – what are the grants used for

Cost Category

Administrative and Operations (to run the program)

DEQ Testing, Contracts, Lab Costs

PFAS in Private Wells (Bernard Allen Fund)

Department identified public water systems to address PFAS

Supplement SRF-EC projects

**Costs vary for each capitalization grant, and DWI is coordinating with other DEQ agencies and EPA to finalize the spending plan.*



DEQ Contract – Technical Assistance for Water Systems

Using EC-SDC funds, DEQ - PWSS is procuring **technical assistance vendors** to provide free PFAS services for small and disadvantaged public water systems.



- Public water systems are prioritized through PWSS sampling efforts and do not apply for this assistance
- Goal: vendors to assist systems above MCL to become compliance ready
- *In development...more information to be made available soon*



DEQ Contract – Characterizing PFAS Contamination

Using EC-SDC funds, DEQ is also procuring **site/source assessment services** to conduct PFAS contamination modeling and additional PFAS sampling in order to identify potential PFAS sources and characterize the contamination

In development...more information to be made available soon



EC-SDC Programmatic Overview

- Use DWI's Common Application
 - If your application is not awarded EC-SRF funding, and it is SDC eligible, it will be considered for EC-SDC
- Funding Caps:
 - \$5M per project
 - \$10M per applicant (lifetime cap)
 - Caps may be removed
- Eligible projects:
 - Construction projects that address PFAS (e.g., treatment, interconnection, etc.)
 - Associated planning activities (but no stand-alone PFAS studies)



EC-SDC Program – Next Steps for You...

1. Help small communities apply for EC funds
2. Identify areas in your system that are disadvantaged and have PFAS contamination
3. Stay tuned for technical assistance from DEQ
4. Apply for funds using DWI's Common Application

Considered for IIJA SRF-EC funds first and then considered for EC-SDC if you meet SDC criteria

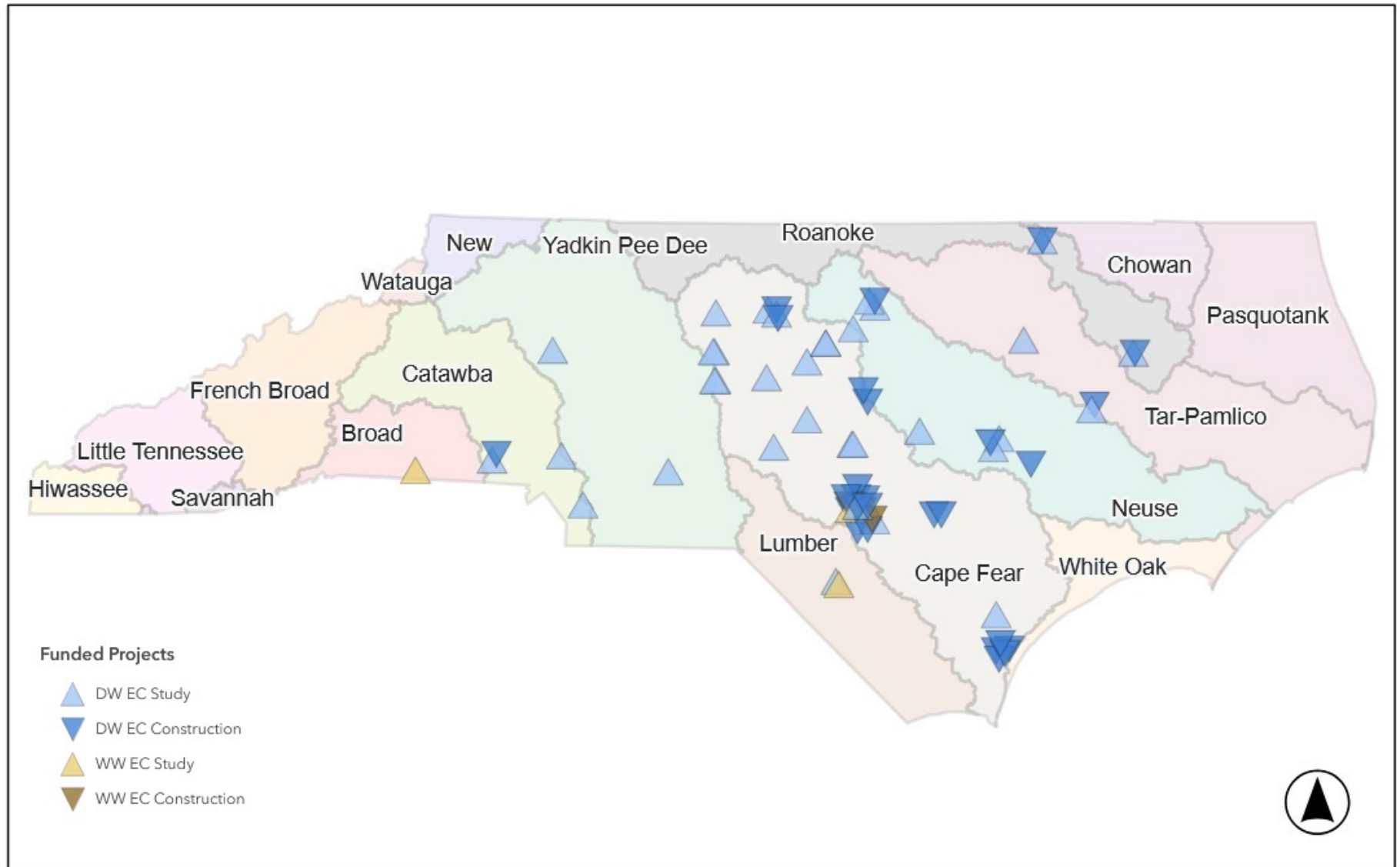


EC-SDC Success Story

- During the statewide monitoring and sampling event PWS identified high PFAS in an elementary school in Randolph County (July 2024)
- DEQ assisted with project planning funding
- Disconnected the well with highest PFAS levels
- Installed point of use treatment filters before school is re-opened in August 2024
- Design is under way for a permanent solution; however, connection to a utility is not feasible
- Several contaminated wells around CFPUA are planning to be replaced with public water service



EC Funded Projects



Additional Resources – EPA's PFAS OUTreach Initiative

- **What is PFAS OUT?**

EPA initiative to assist public water systems with future PFAS compliance

- **Which systems are eligible?**

EPA will use UCMR5 data to identify water systems in need of assistance from the program

- **When will this happen?**

EPA will begin reaching out to systems in Summer 2026

- **What is the goal?**

Provide free resources and technical assistance to systems in need

<https://www.epa.gov/water-infrastructure/pfas-out#systems>



Other Helpful Resources

- NCDEQ DWI Main Website-

<https://www.deq.nc.gov/about/divisions/water-infrastructure>

- Funding Application Training-

<https://www.deq.nc.gov/about/divisions/water-infrastructure/application-training>

- Funding Application Forms “I Need Funding”-

<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-need-funding>



Discussion Time

What questions do you have?



Thank you!

See our website for contact information.
<https://www.deq.nc.gov/water-infrastructure-contacts>

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Additional Slides



Construction Projects – Priority Rating System (PRS)

Priority Rating System Score Sheet for Drinking Water Projects

2024 PRIORITY RATING SYSTEM for Drinking Water Projects				
Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each Category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.				
Line Item #	EC Line Item†	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A		Project will consolidate a nonviable drinking water or wastewater utility		25
1.B		Project will resolve failed or failing infrastructure issues		22
1.C		Project will rehabilitate or replace infrastructure, including replacement by regionalization projects		12
1.C.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old OR lead service <u>lines</u>		8
1.D		Project will expand infrastructure		2
1.D.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		8
1.E		Project will provide service to disadvantaged areas		20
1.F – 1.I		Reserved for other programs		
1.J		Project addresses PFAS emerging contaminants		
1.J.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR		12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.J.3		Reserved for EC-Study Program. Please use appropriate guidance and rolling application.		
Maximum points for Category 1 – Project Purpose				25

Priority Rating System Score Sheet for Wastewater Projects

2024 PRIORITY RATING SYSTEM for Wastewater Projects				
Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.				
Line Item #	EC Line Item†	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A		Project will consolidate a nonviable drinking water or wastewater utility		25
1.B		Project will resolve failed or failing infrastructure issues		20
1.C		Project will rehabilitate or replace infrastructure, including replacement by a regionalization <u>projects</u>		12
1.C.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, or tanks to be rehabilitated or replaced are greater than 40 years old		8
1.D		Project will expand infrastructure		2
1.D.1		Treatment units, pumps and/or pump stations to be rehabilitated or replaced are greater than 20 years old, OR lines, storage tanks, drinking water wells or intake structures to be rehabilitated or replaced are greater than 40 years old		8
1.E		Project will provide service to disadvantaged areas		20
1.F		Reserved for other programs		
1.G		Project will provide stream/wetland/buffer restoration		10
1.G.1		Restoration project that includes restoration of a first order stream and includes stormwater infiltration SCMs		5
1.G.2		Restoration project that includes restoration and/or protection of riparian buffers to at least 30 feet on both sides of the stream		5
1.H		Project will provide SCMs to treat existing sources of pollution		10
1.H.1		Project that includes SCMs in series that achieve at least 35% nutrient reduction (both TN and TP) and 85% TSS reduction		10
1.I		Project will provide reclaimed water/usage or rainwater harvesting/usage		10
1.J		Project addresses PFAS emerging contaminants		

EC Study Projects – Priority Rating System (PRS)

2024 PRIORITY RATING SYSTEM for DWSRF-EC Projects

Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each Category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.

Line Item #	EC Line Item*	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A – 1.E		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
1.J		Project addresses PFAS emerging contaminants		
1.J.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR		12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.J.3	EC	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
Maximum points for Category 1 – Project Purpose				12
Subtotal claimed for Category 1 – Project Purpose				
Line Item #	EC Line Item*	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.E.1		Reserved for other programs		
2.F.2	EC	Project includes system regionalization and/or system partnerships		5
2.G		Reserved for other drinking water projects		
2.H		Project addresses contamination		
2.H.1 – 2.H.2		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits OR		2

2024 PRIORITY RATING SYSTEM for CWSRF-EC Projects

Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each Category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a maximum allowed points that may be less than the total of individual line items.

Line Item #	EC Line Item*	Category 1 – Project Purpose (Points will be awarded for <u>only one</u> Project Purpose)	Claimed Yes/No	Points
1.A – 1.E		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
1.J		Project addresses PFAS emerging contaminants		
1.J.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR		12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR		5
1.J.3	EC	Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)		5
Maximum points for Category 1 – Project Purpose				12
Subtotal claimed for Category 1 – Project Purpose				
Line Item #	EC Line Item*	Category 2 – Project Benefits	Claimed Yes/No	Points
2.A – 2.E.1		Reserved for other programs		
2.F.2	EC	Project includes system regionalization and/or system partnerships		5
2.G		Reserved for other drinking water projects		
2.H		Project addresses contamination		
2.H.1 – 2.H.2		Reserved for other drinking water projects (not to be used for DWSRF-EC funds)		
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits OR		2
2.H.4	EC	Project addresses PFAS exceeding proposed or promulgated MCL or Hazard Index		5

EC – Priority Rating System – Project Purpose

1.J		Project addresses PFAS emerging contaminants	Points
1.J.1	EC	Sole purpose of the project is to address Emerging Contaminants (construction projects) where 100% of the costs are associated with this purpose OR	12
1.J.2	EC	At least 75% of the project costs are to address Emerging Contaminants (construction projects) OR	5
1.J.3	EC	(Study projects) Sole purpose of the project is to evaluate alternatives to address Emerging Contaminants (may include pilot scale treatment study)	5
Maximum points for Category 1 – Project Purpose			12

EC - Priority Rating System – Project Benefits

2.F		Project includes system merger or regionalization		Points
2.F.1		Project includes system merger OR		10
2.F.2	EC	Project includes system regionalization and/or system partnerships		5
2.G		Project addresses documented low pressure		10
2.H		Project addresses contamination		
2.H.1		Project addresses acute contamination of a water supply source OR		15
2.H.2		Project addresses contamination of a water supply source other than acute OR		5
2.H.3	EC	Project addresses any PFAS compounds exceeding 10 ppt or State-established regulatory standards or limits OR		2
2.H.4	EC	Project addresses PFAS exceeding promulgated MCL or Hazard Index		5
		Maximum points for Category 2 – Project Benefits		35

EC – Priority Rating System – System Management

3.A		Capital Planning Activities	Points
3.A.1	EC	Applicant has implemented an Asset Management Plan as of the date of application OR	10
3.A.2	EC	Applicant has a current Capital Improvement Plan (CIP) that spans at least 10 years and proposed project is included in the plan	2
3.B	EC	System Operating Ratio is greater than or equal to 1.00 based on a current audit, or is less than 1.00 and unit cost is greater than 2.5% of MHI	5
Maximum points for Category 3 – System Management			15

EC – Priority Rating System - Affordability

4.A		Residential Connections	
4.A.1	EC	Less than 10,000 residential connections OR	2
4.A.2	EC	Less than 5,000 residential connections OR	4
4.A.3	EC	Less than 1,000 residential connections	8
4.B		Current Monthly Combined Utility Rates at 5,000 Usage	
4.B.1	EC	Greater than the 50 th percentile OR	4
4.B.2	EC	Greater than the 70 th percentile OR	6
4.B.3	EC	Greater than the 85 th percentile OR	8
4.B.4	EC	Greater than the 95 th percentile	10
4.C		Local Government Unit (LGU) Indicators	
4.C.1	EC	3 out of 5 LGU indicators worse than state benchmark OR	3
4.C.2	EC	4 out of 5 LGU indicators worse than state benchmark OR	5
4.C.3	EC	5 out of 5 LGU indicators worse than state benchmark OR	7
4.C.4	EC	Project benefits disadvantaged areas	5
Maximum points for Category 4 – Affordability			25

EC Study Projects - Rolling Application

	North Carolina Department of Environmental Quality Division of Water Infrastructure Rolling Application Form for Lead Service Line Replacement (LSLR) Projects and Emerging Contaminants Studies (Last updated: March 2026)	
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1. General Information

Applicant Name []	County []	Unique Entity Identifier (UEI) []
Project Name []	Federal Tax ID # []	PWSID []
Applicant Type ☐ 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: [])		Funding Amount Requested [] Total Project Cost []

Project Type (please submit multiple forms if funding is needed for multiple project types)

- ☐ CWSRF DWTS Pilot Program
- Funding for Lead Service Line and Lead Connectors (LSL)**
- ☐ Replacing already-known LSLs.
- ☐ Finding and replacing LSLs.
- ☐ Inventory LSLs only (no replacement).
- Funding for Emerging Contaminants (EC) studies**
- ☐ Drinking Water Emerging Contaminants Studies (DWSRF-EC).
- ☐ Wastewater Emerging Contaminants Studies (CWSRF-EC).

Funds for Existing SWIA-Funded Project

If this application is for additional funding for an existing SWIA-funded project, provide the projects Agreement Number (example format 20000#####) or Project Numbers (example formats CS370123-45, SRP-W-ARP-0000, 21-I-1234)

[]

*Note: Applications for projects that have been previously funded from any DWI funding source by the State Water Infrastructure Authority (SWIA) will only be considered for **additional funds** to cover unfunded project costs. To replace existing funding, Applicants must decline the existing DWI funding award by the application deadline.*

