

**State Water Infrastructure Authority
April 13-14, 2022 Meeting**

Agenda Item J – 2022 Assessment of Local Government Units for the Viable Utility Reserve

Division of Water Infrastructure Staff Report

Background

Session Law 2020-79, entitled in part “An Act to Improve the Viability of the Water and Wastewater Systems of Certain Units of Local Government...”, authorizes the State Water Infrastructure Authority (Authority) and Local Government Commission (LGC) to develop criteria to assess and review local government units (LGUs), and to utilize the assessment and review process to identify distressed units.

In the Fall of 2020, the Authority and LGC developed Identification Criteria and the Assessment Criteria to evaluate local government units and identify distressed units. The Authority adopted the Assessment Criteria and the Identification Criteria at its meeting on November 18, 2020.

Identification Criteria

The Authority and LGC adopted the following Identification Criteria to be used to identify distressed units:

1. An LGU whose fiscal affairs are under the control of the Commission pursuant to its authority granted by G.S. 159-181 (“under Commission fiscal control”), or
2. An LGU that has not submitted its annual audits for the last two (2) fiscal years to the Commission as required by G.S. 159-34, or
3. An LGU with a total Assessment Criteria (see Attachment 1) score that:
 - a) Equals or exceeds 9 for LGUs providing both drinking water and wastewater services, or
 - b) Equals or exceeds 8 for LGUs providing only one service, either drinking water or wastewater, or
4. An LGU for which other information is available to or known by the Authority or LGC that reflects and is consistent with, but does not expressly appear in, the Assessment Criteria to account for situations in which the Assessment Criteria score does not wholly or accurately reflect a system’s level of risk due to the limitations of available data.

Initial Assessment and Distressed Designations

In late 2020 and early 2021, Division and LGC staff compiled LGU data in accordance with the approved criteria to identify distressed LGUs. Initially, 119 LGUs were identified as potentially distressed based on the approved criteria. Based on additional review and information received

from LGUs, some of the 119 were determined to not be distressed or to no longer have active systems, 18 LGUs had their potential designations as distressed put on hold for further review, and the remainder were officially designated as distressed by the Authority and LGC. There are currently 93 LGUs with active water and/or wastewater systems that are designated as distressed, excluding three LGUs that were previously designated and no longer have active utilities. Once designated, LGUs must meet the requirements of the Viable Utility program before the designation is removed, even if future assessment scores drop below the threshold for designation.

Reassessment and Additional Designations

Session Law 2020-79 requires that the Authority and the LGC assess and review LGUs against the distressed criteria on a frequency of no less than every two years. At its July 14, 2021 meeting, the Authority agreed that the Division will conduct an annual review of the Assessment Criteria each spring, and use a two-year cycle for notifications and designations under Identification Criteria 2 and 3. Local Government Commission staff have determined the LGUs that have not submitted their annual audits for the past two fiscal years. Division staff have completed a reassessment based on updated financial, rates, and compliance data. The results of the reassessment are shown in Attachment 2.

Units that Have Not Submitted Their Annual Audits (Identification Criterion 2)

Eleven local government units have not submitted their FY2020 and FY2021 audits to the LGC, shown as indicated by “Missing Audits” in the “Other Notes” column of Attachment 2. No action is required of the Authority. If the LGC designates any of the units as distressed under Identification Criterion 2, the Authority’s designation will be automatic, based on a decision by the Authority at its September 16, 2021 meeting.

Units Exceeding the Assessment Score Thresholds (Identification Criterion 3)

At its July 14, 2021 meeting, the Authority agreed that LGUs that exceed the Assessment Score thresholds for a single year should be notified of pending designation and information about the Viable Utility program. Once notice of pending designation is received, LGUs can contact the Division and LGC staff to request designation as distressed, seek technical assistance, provide additional information relevant to the Assessment Score, or take no action. Local government units will not be designated as distressed under Identification Criterion 3 if they exceed the thresholds for one year and do not request designation after receiving a notice of pending designation. In the current assessment, 23 units exceed the Assessment Score thresholds for the first year, as indicated by “Letter” in the “Other Notes” column of Attachment 2. Staff are requesting approval from the Authority to prepare and transmit a notice of pending designation to these units.

Units with Assessment Scores that exceed the threshold in Identification Criterion 3 for two consecutive assessments will be considered for designation by the Authority and LGC under Criterion 3. Of the 18 LGUs whose designations were put “on hold” after the 2021 assessment,

12 LGUs scored above the designation thresholds for the second consecutive year in 2022, as indicated by “3” in the “Recommend Designation” column in Attachments 2 and 3. These 12 LGUs are to be considered for designation as distressed by the Authority and the LGC. One of the “on hold” LGUs is missing two years of audits and is included in the 11 LGUs discussed above for designation by the LGC under Criterion 2. The remaining five “on hold” units scored below the designation threshold during reassessment, and are no longer pending designation.

Identification Criterion 4 Distressed Designation Considerations

Given the availability of grant funding in the Viable Utility Reserve, non-distressed LGUs have recently expressed increased interest in becoming designated distressed. Two LGUs, the Towns of McAdenville and Shallotte, have recently presented information to Division staff in an effort to show that they are distressed units.

Criterion 4 in the approved distressed LGU Identification Criteria listed above allows for the Authority and LGC to consider additional information not explicitly reflected in the assessment process when considering units for designation. Division staff have developed a draft guidance document/standardized process by which non-distressed LGUs can request designation under Identification Criterion 4. This guidance document (Attachment 4) includes both the generalized process as well as proposed documentation requirements and is intended to ensure that a level of equity is achieved by following a consistent process.

Staff request feedback from the Authority regarding the proposed draft process for LGUs requesting designation under Criterion 4, with particular emphasis on the format, type, and delivery method for supporting documentation required by the Authority to make requested determinations. At this time, the Division is not recommending the two LGUs described for designation based on the limited information provided thus far but may present their information requesting designation to the Authority and the LGC in the future pending feedback on the proposal for Criterion 4.

Staff Recommendations

Staff recommend that the Authority take the following actions for units listed in Attachment 3:

- Designate as distressed the 12 LGUs that had their potential designations put “on hold” after the previous assessment and that scored above the designation thresholds under Criterion 3 in this year’s reassessment, for a second consecutive assessment (identified with a “3” in the “Recommend Designation” column of Attachment 3).
- Authorize the preparation and transmittal of “Notice of Pending Designation” letters to the 23 units that have scored above the designation thresholds for the first time (identified with “Letter” in the “Other Notes” column of Attachment 3) and to the LGUs that the LGC staff will confirm as having one late audit. These letters will be sent upon approval by the LGC.

State Water Infrastructure Authority
April 13-14, 2022 Meeting
Agenda Item J Attachment 1 – Distressed Unit Assessment Criteria

Distressed Unit Assessment Criteria

Parameter	Weight	Description	Formula / Other	Data Source
Criteria Required by Statute				
Service Population	1	Identifies smaller systems (less than 10,000 people served).		Varied
Transfers Out	1	Point scored when money is transferred out of the system's dedicated utility fund in 2 or more of the last 5 fiscal years if the system also has a negative surplus in the fiscal year of the transfer, or if the system has no debt and there is a negative surplus with debt service for a \$1 million "test" project. This indicates that money generated by the utilities is not being put back into the system for improvements.		Calculated from LGC data
Transfers In	1	Indicates that the system is not generating enough money to cover expenses. Point scored when money is transferred into the primary water/sewer fund from other sources in 2 or more of the last 5 years.		Calculated from LGC data
Debt Service Coverage Ratio (DSCR)	1	Measures unit's ability to cover loan payments by looking at revenue, expenses, and loan payments (principal and interest). Threshold value is less than 1.1.	(Operating revenues-operating expenses excluding depreciation) / (principal + interest payments)	Calculated from LGC data
Established, operational, and adequately funded program for repair, maintenance, and management		This criterion is measured by other parameters that are identified by an asterisk (*) including compliance, flow moratorium, and UAL control issues.		
Infrastructure/Organizational Criteria				
DW Compliance (*)	1	Point scored for more than 5 MCL violations in a 5-year period or for ongoing treatment technique violations.		NC DEQ-DWR

Parameter	Weight	Description	Formula / Other	Data Source
Infrastructure/Organizational Criteria (continued)				
WW / CS Compliance (*)	1	• WW: Point scored if either in the top 10% for number of violations in a 5-year period, or a combination of in the top 20% for number of violations in a 5-year period and more than 50% of inspections document violations for wastewater treatment operations. • CS: Point scored if either of the following occur: ○ The system is in the top 10% of systems for the number of SSO violations in a 5-year period and the top 20% for the number of SSOs per mile of collection system, or ○ The system is in the top 20% of systems for the number of SSO violations in a 5-year period and the top 10% for the number of SSOs per mile of collection system.		NC DEQ-DWR
Flow Moratorium (*)	4	Points scored when the system is under a moratorium preventing service expansion due to inability to treat wastewater or because the system has reached 90% of permitted capacity.		NC DEQ-DWR
Revenue Outlook	4	Reflects service unit's ability to generate income in the future. Points scored when the system has high rates AND declining population.		EFC rates; source of population varies
Affordability	1	Identifies economically disadvantaged communities by comparing the service area's population change rate, poverty rate, median household income (MHI), unemployment rate, and property valuation per capita to established state benchmarks. Point scored if 4 or 5 of these indicators are worse than the state benchmark. Note that the benchmark values are updated every year.	<u>Current Benchmarks:</u> Population change: 4.42% Poverty rate: 14.0% MHI: \$52,413 Unemployment rate: 4.0% Property valuation per capita: \$107,620	Developed by DWI/SWIA
Rates	1	Point scored when rates are already high. Indicates that the system is unlikely to be able to increase rates to improve revenue. High rates thresholds are: > \$100/month for combined water and sewer service; > \$50/month for water service only; and > \$60/month for wastewater service only.	2019 inside rate for 5,000 gallons used	EFC
DW Pop / Mile	1	Evaluates population density. Lower density areas tend to face more service challenges. Threshold value is less than 100.	Service Population/ Miles of drinking water pipe	LWSP (see above for population)
Sewer Pop / Mile	1	Evaluates population density. Lower density areas tend to face more service challenges. Note that there is a significant lack of data on miles of sewer line for small systems. Threshold value is less than 100.	Service Population/ Miles of sewer pipe	NC DEQ-DWR

Parameter	Weight	Description	Formula / Other	Data Source
Infrastructure/Organizational Criteria (continued)				
UAL Control Issues - W/S only (*)	3	Points scored for systems that have been identified as medium risk (2) or high risk (1) of accounting control issues associated with water and/or sewer systems based on annual audits.		LGC
Financial Criteria				
UAL Missing Audit	3	If audit not submitted, then treat as if on the UAL for control issues (for FY 19 audits)		LGC
Surplus (deficit) w/ Debt	2	Identifies systems that are not generating enough revenue to cover expenses, asset depreciation, and debt payments. Threshold value is less than or equal to \$0.	Operating Revenues- ((Operating Expenses- Depreciation)+Long-term Debt Service)	Calculated from LGC data
No Debt DSCR Test	1	Similar to the DSCR calculated above but includes \$1 million "test" project if system has no debt to allow evaluation of the ability to finance a simple project. Threshold value is 1.1.		Calculated from LGC data
% Depreciated	1	Evaluates the financial impact of depreciation of water and sewer assets as they age. Threshold value is greater than 50%.		Calculated from LGC data
Operating Margin	1	Point scored if the system is not generating enough revenue to cover operating expenses. Threshold value is less than 0.	(Operating Revenue - Operating Expenses) / Operating Revenue Includes depreciation	Calculated from LGC data
Quick Ratio	1	Evaluates a system's ability to meet short-term financial obligations with cash or easily accessible funds. Threshold value is less than 1.1.	Current assets (excluding inventories and prepaids) / current liabilities	Calculated from LGC data
Receivables Ratio	1	Measures how well the system is collecting money from customers. Point scored for 3-year average greater than or equal to 2.3 or if there is an increase of greater than or equal to 0.2 in each of the last two years which demonstrates a declining trend in bill payment.	Days Receivables /billing period Days receivables=Net Customer Accounts Receivable/Charges for services /365	Calculated from LGC data

List of Acronyms		
CS = Collection System	DWR = Division of Water Resources	SSO = Sanitary Sewer Overflow
DEQ = Dept. of Environmental Quality	EFC = Environmental Finance Center	SWIA = State Water Infrastructure Authority
DSCR = Debt Service Coverage Ratio	LGC = Local Government Commission	WW = Wastewater (sewer)
DW = Drinking Water	LWSR = Local Water Supply Plan	UAL = Unit Assistant List generated by LGC to identify communities that may have problems with accounting procedures identified through audits
DWI = Division of Water Infrastructure	MCL = Maximum Contaminant Level	

	A	D	E	F	G	I	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	
1										Criteria Required by Statute				Infrastructure/Organizational Criteria										Financial Criteria						
2		Utility Type	Previous Designation	Recommend Designation	Other Notes	Total Assessment Score	Total Statute Points	Total Inf/Org Poins	Total Financial Points	Service Population (1)	Transfers Out (1)	Transfers In (1)	Debt Service Coverage Ratio (1)	DW Compliance (1)	WW / CS Compliance (1)	Flow Moratorium (4)	Revenue Outlook (4)	Affordability (1)	Rate (2019 inside) \$/5000 gal (1)	DW Pop / Mile (1)	Sewer Pop / Mile (1)	UAL Control - W/S only (3)	UAL Financial - W/S only	Surplus (deficit) w/ Debt (2)	No Debt DSCR Test (1)	% Depreciated (1)	Operating Margin (1)	Quick Ratio	Receivables Ratio	
3	Aberdeen	BOTH				6	1	3	2	1												3				1	1		LimitedData	
4	Ahoskie	BOTH				8	2	6	0	1		1					4	1	1		1	NoData					1			
5	Alamance	BOTH				4	2	1	1	1	1									1	NoData						1			
6	Albemarle	BOTH			Letter	9	0	8	1						1	4		1		1	1					1				
7	Alexander County	BOTH				3	1	2	0			1						1		1	NoData									
8	Andrews	BOTH	D3			9	1	6	2	1	LimitedData	LimitedData			1			1		1	1	3	On List			1	1		LimitedData	
9	Angier	BOTH				2	1	0	1	1																			1	
10	Anson County	BOTH				8	0	6	2						1			1		1		3				1	1		LimitedData	
11	Ansonville	BOTH				5	1	2	2	1										1	1				1	1			LimitedData	
12	Apex	BOTH				1	0	0	1																		1			
13	Archdale	BOTH				1	0	1	0									1												
14	Asheboro	BOTH				4	0	2	2						1			1								1	1			
15	Asheville	DW				2	1	1	0			1								1									LimitedData	
16	Askeville	WW	D2			3	1	2	0	1	NoData	NoData	NoData					1			1			NoData	NoData	NoData	NoData	NoData	LimitedData	
17	Atkinson	DW				3	1	1	1	1	LimitedData	LimitedData						1	NoData	NoData							1		LimitedData	
18	Atlantic Beach	DW				3	1	0	2	1																1			1	
19	Aulander	BOTH				7	1	4	2	1								1				3				1	1		LimitedData	
20	Aurora	BOTH				7	1	4	2	1				1				1		1	1				1				LimitedData	
21	Autryville	DW	D3			13	2	7	4	1			1				4	1	1	1				2		1	1	NoData		
22	Ayden	BOTH				6	1	5	0	1								1	NoData	1		3	On List							
23	Bailey	BOTH	D3			8	1	7	0	1	LimitedData	LimitedData				4		1		1	1								LimitedData	
24	Bakersville	BOTH				5	1	3	1	1								1		1	1					1				
25	Bald Head Island	BOTH				7	2	3	2	1			1						1	1	1			2						
26	Banner Elk	BOTH				4	1	2	1	1										1	1					1				
27	Bath	BOTH	D3			22	2	15	5	1			1		1	4	4		1	1	1	3	On List	2		1	1	1	LimitedData	
28	Bay River Metropolitan Sewag	WW	D3			8	2	2	4	1			1		1			NoData			1			2		1	1		LimitedData	
29	Beaufort	BOTH				5	1	3	1	1								1		1	1								1	
30	Beaufort County	DW	On Hold	3		8	1	7	0				1				4	1	1	1										
31	Beech Mountain	BOTH				7	2	3	2	1			1						1	1	1			2						
32	Belfast/Patetown Sanitary Dis	DW				0	0	0	0	NoData								NoData	NoData	NoData									LimitedData	
33	Belhaven	BOTH	D3			9	2	4	3	1			1							1	1		On List	2				1	LimitedData	
34	Belmont	BOTH			Missing Audits	4	0	3	1		LimitedData	LimitedData			1				1	1							1		LimitedData	
35	Benson	BOTH			Letter	9	4	2	3	1	1	1	1							1	1			2			1		LimitedData	
36	Bermuda Run	BOTH				1	1	0	0	1										NoData	NoData									
37	Bertie County	DW	D3			9	1	5	3				1					1		1		3	On List	2			1			
38	Bessemer City	BOTH				3	1	1	1	1								1											1	
39	Beulaville	BOTH			Letter	10	1	8	1	1							4	1	1	1	1						1			
40	Biltmore Forest	BOTH				3	1	1	1	1										1	NoData					1				
41	Biscoe	BOTH				4	1	3	0	1								1		1	1									
42	Black Creek	BOTH			Missing Audits	4	1	3	0	1	LimitedData	LimitedData	NoData					1		1	1			NoData	NoData	NoData	NoData	NoData	LimitedData	
43	Black Mountain	DW				1	1	0	0	1																				
44	Bladen County	DW				4	1	2	1	1								1		1									1	
45	Bladenboro	BOTH	D3			9	2	3	4	1			1					1		1	1			2			1		1	
46	Blowing Rock	BOTH				6	3	2	1	1		1	1							1	1						1			
47	Boardman	BOTH	D3			8	1	3	4	1								1	NoData	1	1		On List	2	1		1	NoData		
48	Boiling Springs	BOTH				3	1	2	0	1										1	1									
49	Bolton	BOTH	D3			12	2	6	4	1			1					1		1	1	3	On List	2			1	1		
50	Boone	BOTH				1	0	0	1																				1	
51	Boonville	BOTH				8	2	2	4	1			1		1					1				2		1	1			
52	Bostic	DW				3	1	2	0	1								1		1										
53	Brevard	BOTH			Letter	11	3	5	3	1		1	1		1				1			3	On List	2				1		
54	Bridgeton	WW				5	2	1	2	1		1									1					1	1			
55	Broad River Water Authority	DW				6	0	6	0								4	NoData	1	1										
56	Broadway	BOTH				4	1	1	2	1					1						NoData					1	1			
57	Brunswick	BOTH				7	2	3	2	1		1						1		1	1				1					
58	Brunswick County	BOTH				2	1	1	0			1								1										
59	Brunswick Regional Water and Sewer	BOTH				0	0	0	0									NoData											LimitedData	
60	Bryson City	BOTH			Letter	10	2	7	1	1		1			1	4		1			1						1			
61	Buncombe County Metropolitan	WW				0	0	0	0									NoData												
62	Bunn	BOTH				7	2	3	2	1		1						1		1	1					1	1		LimitedData	
63	Burgaw	BOTH				4	1	2	1	1								1			1						1			
64	Burke County	BOTH			Letter	11	1	8	2	1							4	1	1	1	1					1	1			
65	Burlington	BOTH				3	0	1	2									1								1			1	
66	Burnsville	BOTH				3	1	1	1	1			1						1								1			
67	Cabarrus County Water & Sewer	BULK				1	0	0	1		LimitedData	LimitedData						NoData									1		LimitedData	
68	Cajah's Mountain	WW				3	1	0	2	1															1		1			
69	Caldwell County	DW				3	0	2	1									1		1										
70	Calypso	BOTH				4	1	3	0	1								1		1	1									
71	Camden County	BOTH				7	3	1	3	1	LimitedData	1	1						NoData	1	NoData			2			1		LimitedData	
72	Cameron	DW				7	1	1	5	1														2	1		1			
73	Candor	BOTH				4	1	2	1	1								1			1					1			LimitedData	
74	Canton	BOTH				2	1	1	0	1																			LimitedData	
75	Cape Fear Public Utility Authority	BOTH				0	0	0	0									NoData												
76	Carolina Beach	BOTH				1	1	0	0	1																				
77	Carteret County	DW	On Hold	3		8	3	2	3	1		1	1						1	1				2			1			
78	Carthage	BOTH																												

	A	D	E	F	G	I	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	
1										Criteria Required by Statute				Infrastructure/Organizational Criteria										Financial Criteria						
2		Utility Type	Previous Designation	Recommend Designation	Other Notes	Total Assessment Score	Total Statute Points	Total Inf/Org Poins	Total Financial Points	Service Population (1)	Transfers Out (1)	Transfers In (1)	Debt Service Coverage Ratio (1)	DW Compliance (1)	WW / CS Compliance (1)	Flow Moratorium (4)	Revenue Outlook (4)	Affordability (1)	Rate (2019 inside) \$/5000 gal (1)	DW Pop / Mile (1)	Sewer Pop / Mile (1)	UAL Control - W/S only (3)	UAL Financial - W/S only	Surplus (deficit) w/ Debt (2)	No Debt DSCR Test (1)	% Depreciated (1)	Operating Margin (1)	Quick Ratio	Receivables Ratio	
84	Cherryville	BOTH				8	2	1	5	1			1					1						2		1	1		1	
85	Chimney Rock	DW			Missing Audits	6	1	5	0	1	LimitedData	LimitedData	NoData			4				1				NoData	NoData	NoData	NoData	NoData	LimitedData	
86	Chocowinity	BOTH			Letter	13	1	11	1	1							4	1	1	1	1	3				1	1		LimitedData	
87	Chowan County	DW				3	0	2	1									1		1						1				
88	Claremont	BOTH				5	2	2	1	1		1								1	1					1				
89	Clarkton	BOTH				8	1	6	1	1								1		1	1	3				1				
90	Clay County	BOTH				5	1	2	2	1								1		1	NoData				1	1				
91	Clayton	BOTH				4	1	0	3				1										2			1				
92	Cleveland	BOTH				2	1	1	0	1					1															
93	Cleveland County Water	DW				1	0	1	0									NoData		1										
94	Cliffside Sanitary District	WW	D1			1	0	1	0	NoData	LimitedData	LimitedData	NoData					NoData			1			NoData	NoData	NoData	NoData	NoData	LimitedData	
95	Clinton	BOTH				4	1	2	1	1								1			1					1				
96	Clyde	BOTH				7	1	6	0	1							4		1		1									
97	Coats	DW				4	1	2	1	1								1		1						1				
98	Cofield	BOTH				7	1	6	0	1								1		1	1	3							LimitedData	
99	Colerain	WW	D3			10	1	4	5	1											1	3	On List	2	1	1	1		LimitedData	
100	Columbia	BOTH				7	2	4	1	1			1					1				3	On List				1			
101	Columbus	BOTH				6	2	2	2	1			1							1	1			2						
102	Columbus County	DW				6	1	5	0			1						1		1		3	On List							
103	Concord	BOTH				0	0	0	0																					
104	Connelly Springs	BOTH				4	1	1	2	1	LimitedData	LimitedData						1	NoData	NoData	NoData				1		1		LimitedData	
105	Conover	BOTH				4	2	2	0	1		1								1	1									
106	Contentnea Metropolitan Sew	BULK				0	0	0	0	NoData	LimitedData	LimitedData						NoData											LimitedData	
107	Conway	BOTH				5	1	3	1	1								1		1	1						1			
108	Cove City	BOTH				4	1	2	1	1	LimitedData	LimitedData						1	NoData		1						1		LimitedData	
109	Craven County	DW				4	1	2	1			1						1		1							1			
110	Creswell	BOTH	D3			15	1	12	2	1		LimitedData			1		4	1	1	1	1	3			1	1		LimitedData		
111	Crossnore	BOTH				5	1	2	2	1										1	1				1		1			
112	Cumberland County	BOTH	D3			9	2	3	4			1	1					1	1	NoData	1			2			1		1	
113	Currituck County	BOTH				7	1	6	0			1							NoData	1									LimitedData	
114	Dallas	BOTH				6	1	5	0	1								1				3								
115	Dare County	BOTH				2	0	2	0						1					1	NoData									
116	Davidson County	WW	On Hold			7	2	2	3			1	1					1			1			2			1			
117	Davie County	BOTH				5	1	3	1			1							1	1	1					1				
118	Denton	BOTH				8	2	4	2	1			1		1				1	1	1			2						
119	Dobson	BOTH				5	1	3	1	1								1		1	1						1			
120	Dover	BOTH	D3			8	1	6	1	1								1	NoData	1	1	3	On List				1		LimitedData	
121	Drexel	BOTH				6	2	0	4	1			1											2		1	1			
122	Dublin	BOTH	D3			9	2	3	4	1			1					1		1	1			2		1	1			
123	Dunn	BOTH				8	1	7	0	1					1	4		1		1									LimitedData	
124	Duplin County	DW				3	1	2	0				1					1		1										
125	Durham	BOTH				1	1	0	0			1																		
126	Durham County	WW				1	0	0	1																		1			
127	East Arcadia	DW	D3			8	1	2	5	1								1	NoData	1				2	1	1	1			
128	East Bend	BOTH	D3			9	1	3	5	1									1	1	1			2	1	1	1			
129	East Spencer	BOTH	D3			14	2	6	6	1			1					1	1	1	NoData	3	On List	2		1	1	1	1	
130	Eden	BOTH				4	0	4	0						1			1		1	1									
131	Edenton	BOTH	On Hold	3		10	1	8	1	1								1		1	1					1				
132	Edgecombe County	BOTH	On Hold	3		9	0	8	1		LimitedData	LimitedData		1			4	1	1	1	1							1	LimitedData	
133	Elizabeth City	BOTH				5	0	5	0									1		1		3						1	LimitedData	
134	Elizabethtown	BOTH				5	1	3	1	1								1		1	1						1			
135	Elk Park	BOTH				4	1	2	1	1										1	1						1			
136	Elkin	DW				3	1	1	1	1										1							1			
137	Ellenboro	BOTH				5	1	3	1	1								1		1	1						1			
138	Ellerbe	BOTH	D3			11	2	6	3	1			1					1		1	1	3	On List	2			1			
139	Elm City	BOTH	D3			20	2	14	4	1			1			4	4	1	1	1		3	On List	2			1	1		
140	Elon	BOTH				5	1	0	4				1											2			1	1		
141	Enfield	BOTH	D3			6	1	2	3	1								1	1							1	1		1	
142	Engelhard Sanitary District	WW	D3			8	0	4	4	NoData	LimitedData	LimitedData				4		NoData			NoData			2	1		1		LimitedData	
143	Eureka	WW	D1			2	1	1	0	1	LimitedData	LimitedData	NoData								1		On List	NoData	NoData	NoData	NoData	NoData	LimitedData	
144	Everetts	BOTH	D3			9	2	2	5	1		1							NoData	1	1		On List	2	1		1	1	LimitedData	
145	Fair Bluff	BOTH	D3			11	2	6	3	1			1					1		1		3	On List	2			1			
146	Fairmont	BOTH	D3			12	2	6	4	1			1			4		1			1		On List	2			1		1	
147	Faison	BOTH				4	1	2	1	1								1			1						1			
148	Faith	BOTH				5	2	2	1	1			1					1			1						1			
149	Falcon	DW				6	1	2	3	1								1	NoData	1						1	1		LimitedData	
150	Fallston	BOTH			Letter	9	2	3	4	1			1					1		1	1			2			1		1	
151	Farmville	BOTH			Letter	9	1	7	1	1							4	1	1	1									1	
152	First Craven Sanitary District	DW				3	1	1	1	1								NoData		1						1			LimitedData	
153	Flat Rock/Bannertown Water	DW				5	1	0	4	NoData	LimitedData	LimitedData	1					NoData	NoData	NoData				2			1	1	LimitedData	
154	Fontana Dam	BOTH				5	1	2	2	1									NoData	1	1		On List		1		1		LimitedData	
155	Forest City	BOTH				4	1	3	0	1								1		1	1									
156	Fork Township Sanitary District	BOTH				4	0	4	0									NoData	NoData	1	NoData	3							LimitedData	
157	Fountain	BOTH	D3			12	1	8	3	1							4	1	1	1	1					1	1			
158	Four Oaks	BOTH				5	2	2	1	1			1					1												

	A	D	E	F	G	I	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK		
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2		Utility Type	Previous Designation	Recommend Designation	Other Notes	Total Assessment Score	Total Statute Points	Total Inf/Org Poin	Total Financial Points	Service Population (1)	Transfers Out (1)	Transfers In (1)	Debt Service Coverage Ratio (1)	DW Compliance (1)	WW / CS Compliance (1)	Flow Moratorium (4)	Revenue Outlook (4)	Affordability (1)	Rate (2019 inside) \$/5000 gal (1)	DW Pop / Mile (1)	Sewer Pop / Mile (1)	UAL Control - W/S only (3)	UAL Financial - W/S only	Surplus (deficit) w/ Debt (2)	No Debt DSCR Test (1)	% Depreciated (1)	Operating Margin (1)	Quick Ratio	Receivables Ratio		
165	Gamewell	WW	D3			9	2	2	5	1		1						1			1		2	1		1	NoData	1			
166	Garland	BOTH				4	1	3	0	1					1			1		1	NoData										
167	Gastonia	BOTH				1	0	1	0									1													
168	Gates County	BOTH	On Hold	3		9	1	6	2			1				4		1		1	NoData					1		1			
169	Gibson	BOTH	D3			13	1	6	6	1		1						1		1	1	3	On List	2	1	1	1	1			
170	Gibsonville					2	1	0	1	1															1						
171	Glen Alpine	WW	D3			9	1	4	4	1	LimitedData	LimitedData					1				NoData	3	On List	2	1		1	LimitedData			
172	Godwin	DW	D3			12	1	7	4	1							4	1	1	1				1	1	1	1				
173	Goldsboro	BOTH	D3			6	1	1	4		LimitedData	LimitedData	1					1					2		1	1		LimitedData			
174	Goldston	WW				6	2	1	3	1			1								1		2			1					
175	Goldston/Gulf Sanitary District	DW				4	0	2	2									NoData	1	1				2			1	1			
176	Graham	BOTH				2	0	2	0						1			1													
177	Granite Falls	BOTH	On Hold	3		9	3	2	4	1		1	1							1	1		2		1	1					
178	Green Level	BOTH			Missing Audits	2	1	1	0	1	LimitedData	LimitedData						1	NoData		NoData							LimitedData			
179	Greene County	BOTH	D3			9	3	2	4	1	1		1					1		1	NoData		2			1		1			
180	Greenevers	BOTH	D3			17	2	10	5	1		1					4	1	1	1	3	On List	2	1		1		1			
181	Greensboro	BOTH				2	0	2	0						1			1													
182	Greenville Utilities Commission	BOTH				0	0	0	0									NoData													
183	Grifton	BOTH	D3			8	3	1	4	1	1		1					1	NoData				2		1	1					
184	Grimesland	BOTH				8	2	3	3	1		LimitedData	1					1	1		1		2			1		LimitedData			
185	Grover	BOTH			Letter	11	1	5	5	1								1		1	1	3	On List	2	1	1	1				
186	Halifax	BOTH	D3			13	1	8	4	1	LimitedData	LimitedData					4	1	1	1	1	On List	2	1		1		LimitedData			
187	Halifax County	DW				2	0	2	0									1		1											
188	Hamilton	BOTH	D3			6	2	1	3	1	LimitedData	LimitedData	1								1		2			1		LimitedData			
189	Hamlet	BOTH				7	1	4	2	1				1				1		1	1				1	1					
190	Handy Sanitary District	BOTH				3	1	2	0	1								NoData	1	1	NoData										
191	Harkers Island Sanitary District	DW				2	1	0	1	1								NoData							1						
192	Harmony	WW				4	1	1	2	1											1					1		1			
193	Harnett County	BOTH				4	0	4	0						1			1		1	1										
194	Harrellsville	DW				4	1	2	1	1								1		1					1						
195	Harrisburg	BOTH				0	0	0	0																						
196	Havelock	BOTH				1	0	1	0									1													
197	Haw River	BOTH				8	2	1	5	1		1								1			On List	2		1	1	1			
198	Henderson	BOTH				6	1	5	0			1			1			1		NoData		3									
199	Henderson County	WW				2	1	1	0	1											1										
200	Hendersonville	BOTH				3	1	2	0		1				1					1											
201	Hertford	BOTH	D3			15	2	10	3	1	LimitedData		1				4	1	1	1		3	On List	2			1	LimitedData			
202	Hertford County	DW				3	1	2	0	1								1		1											
203	Hickory	BOTH				3	1	2	0			1								1	1										
204	High Point	BOTH				2	0	1	1									1													
205	High Shoals	BOTH				7	1	2	4	1										1	1			2	1		1				
206	Highlands	BOTH				4	2	1	1	1		1								1						1					
207	Hillsborough	BOTH				4	2	2	0	1		1								1								LimitedData			
208	Hobgood	BOTH			Letter	11	1	8	2	1							4	1	1	1	1				1		1				
209	Hoke County	BOTH				2	0	2	0									1			1										
210	Holden Beach	BOTH				7	2	2	3	1		1								1	1			2		1					
211	Holly Springs	BOTH				1	1	0	0			1																			
212	Hookerton	BOTH	D3			8	3	2	3	1	1	LimitedData	1							1	1			2			1	LimitedData			
213	Hot Springs	BOTH	D3			5	1	3	1	1								1		1	1					1					
214	Hyde County	DW	D3			11	2	6	3	1			1		1			1		1		3	On List	2		1	1	LimitedData			
215	Jackson	BOTH			Missing Audits	3	1	2	0	1	LimitedData	LimitedData	NoData					1			1		NoData	NoData	NoData	NoData	NoData	LimitedData			
216	Jacksonville	BOTH				2	1	0	1			1													1						
217	Jamestown	BOTH				1	1	0	0	1																					
218	Jamesville	BOTH				7	1	3	3	1									1	1	1				1	1		LimitedData			
219	Jefferson	BOTH				5	2	2	1	1		1								1	1				1						
220	Johnston County	BOTH				4	1	3	0			1							1	1	1										
221	Jones County	DW				3	1	2	0	1								1		1											
222	Jonesville	BOTH	D3			8	1	7	0	1							4	1	1	1	NoData							LimitedData			
223	Junaluska Sanitary District	BOTH				3	1	2	0	1								NoData	1	1											
224	Kannapolis	BOTH				3	2	0	1			1	1															1			
225	Kenansville	BOTH				5	1	1	3	1								1								1	1	1			
226	Kenly	BOTH				6	1	4	1	1					1			1		1	1					1		LimitedData			
227	Kill Devil Hills	BOTH				3	1	1	1	1	LimitedData	LimitedData							NoData	1	NoData					1		LimitedData			
228	King	BOTH				3	1	2	0	1									1												
229	Kings Mountain	BOTH				3	0	2	1									1			1					1					
230	Kingstown	WW	D3			3	1	2	0	1	LimitedData	LimitedData	NoData					1			1		NoData	NoData	NoData	NoData	NoData	LimitedData			
231	Kinston	BOTH				2	1	1	0			1						1													
232	Kure Beach	BOTH				1	1	0	0	1																					
233	La Grange	BOTH				4	1	2	1	1					1			1								1					
234	Lake Lure	BOTH			Letter Letter	9	1	8	0	1					1	4			1	1	1										
235	Lake Santeetlah	DW				8	2	2	4	1			1						1	1			2		1	1					
236	Lake Waccamaw	BOTH				4	1	2	1	1										1	1					1					
237	Landis	BOTH	On Hold			7	1	6	0	1	LimitedData	LimitedData					4		1	1								LimitedData			
238	Lansing	BOTH				8	1	3	4	1								1		1	1				1	1		1			
239	Laurel Park	BOTH				3	2	1	0	1	LimitedData	1							NoData	1	NoData							LimitedData			
240	Laurinburg	BOTH				3	0	2	1									1		1						1					
241	Lawndale	BOTH	D3			8	1	3	4	1								1		1	1		2	1		1					
242	Leland	BOTH																													

[illegible]

	A	D	E	F	G	I	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	
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2		Utility Type	Previous Designation	Recommend Designation	Other Notes	Total Assessment Score	Total Statute Points	Total Inf/Org Poins	Total Financial Points	Service Population (1)	Transfers Out (1)	Transfers In (1)	Debt Service Coverage Ratio (1)	DW Compliance (1)	WW / CS Compliance (1)	Flow Moratorium (4)	Revenue Outlook (4)	Affordability (1)	Rate (2019 inside) \$/5000 gal (1)	DW Pop / Mile (1)	Sewer Pop / Mile (1)	UAL Control - W/S only (3)	UAL Financial - W/S only	Surplus (deficit) w/ Debt (2)	No Debt DSCR Test (1)	% Depreciated (1)	Operating Margin (1)	Quick Ratio	Receivables Ratio	
327	Peachland	BOTH				6	1	4	1	1								1	1	1	1						1			
328	Pembroke	BOTH				3	1	2	0	1								1		1										
329	Pender County	BOTH				9	1	6	0		0	0	1		1			1	1	NoData	3								LimitedData	
330	Perquimans County	DW			Letter	11	1	7	3			1					4	1	1	1				2		1				
331	Piedmont Triad Regional Water	BULK				1	1	0	0	1	LimitedData	LimitedData					NoData	NoData											LimitedData	
332	Pikeville	BOTH	D3			15	1	12	2	1	LimitedData	LimitedData				4	4	1	1	1	1						1	1	LimitedData	
333	Pilot Mountain	BOTH	D3			11	2	6	3	1		LimitedData	1					1	1	1	3	On List			1	1	1	LimitedData		
334	Pine Knoll Shores	DW				2	1	1	0	1										1										
335	Pine Level	BOTH				7	2	1	4	1			1							1	NoData			2		1	1			
336	Pinebluff	BOTH				3	1	1	1	1										1	NoData					1				
337	Pinetops	BOTH	D3			12	1	6	5	1	LimitedData					4		1		1				2	1	1	1		LimitedData	
338	Pink Hill	BOTH	D3			9	2	4	3	1			1					1	1	1				2						
339	Pittsboro	BOTH				8	3	3	2	1	1	1						1	1	1						1	1			
340	Plymouth	BOTH	D3			8	1	6	1	1		LimitedData					4	1	1								1		LimitedData	
341	Polkton	BOTH			Letter	13	2	7	4	1		1					4	1	1	1	NoData			2	1			1		
342	Polkville	WW	D3			11	1	5	5	1	LimitedData	LimitedData						1		1	3	On List		2	1		1	1	LimitedData	
343	Pollocksville	BOTH	D3			13	3	7	3	1		1	1					1	1	1	3			2			1		LimitedData	
344	Powellsville	BOTH				8	2	3	3	1			1					1		1	1			2			1			
345	Princeton	BOTH				8	1	7	0	1						4		1		1	1									
346	Proctorville	WW			Letter	9	1	5	3	1								1		1	3	On List			1		1		1	
347	Public Work Commission of the	BOTH				2	1	0	1			1						NoData			NoData								1	
348	Raeford	BOTH				8	2	2	4	1			1					1		1				2			1			
349	Raleigh	BOTH				1	1	0	0			1																		
350	Ramseur	BOTH	On Hold		Missing Audits	5	1	3	1	1	LimitedData	LimitedData						1		1	1						1		LimitedData	
351	Randleman	BOTH				3	1	1	1	1										1										
352	Ranlo	BOTH				7	1	4	2	1								1	NoData			3	On List		1		1		LimitedData	
353	Red Springs	BOTH				7	2	4	1	1		1						1			3	On List				1				
354	Reidsville	BOTH				3	1	1	1			1						1											1	
355	Rhodhiss	BOTH				7	2	2	3	1			1					1	1		NoData			2			1			
356	Rich Square	BOTH	D3			13	1	11	1	1	LimitedData	LimitedData			1	4		1	NoData	1	1	3					1		LimitedData	
357	Richfield	WW				7	3	1	3	1	LimitedData	1	1							1	1		On List	2			1		LimitedData	
358	Richmond County	DW				3	0	2	1		LimitedData	LimitedData						1	NoData	1	1						1		LimitedData	
359	River Bend	BOTH			Letter	9	2	5	2	1			1				4		1										1	
360	Roanoke Rapids Sanitary District	BOTH				0	0	0	0									NoData											1	
361	Robbins	BOTH	D3			10	2	4	4	1	LimitedData	LimitedData	1		1				1	1	1			2			1		LimitedData	
362	Robbinsville	BOTH				6	1	4	1	1								1	1	1	1						1			
363	Robersonville	BOTH	D1			3	1	2	0	1	LimitedData	LimitedData	NoData						NoData	1	1			NoData	NoData	NoData	NoData	NoData	LimitedData	
364	Robeson County	DW				3	0	2	1									1		1							1		LimitedData	
365	Rockingham	BOTH				4	1	2	1	1								1	NoData		1						1		LimitedData	
366	Rockingham County	BOTH	D3			16	3	9	4	1		1	1	1			4	1	1	1	1			2			1		1	
367	Rocky Mount	BOTH				2	0	1	1									1												
368	Ronda	DW	D2			2	1	1	0	1	LimitedData	LimitedData	NoData							1				NoData	NoData	NoData	NoData	NoData	LimitedData	
369	Roper	BOTH				8	1	4	3	1					1			1		1	1						1		1	
370	Rose Hill	BOTH				8	2	3	3	1			1					1		1	1			2			1			
371	Roseboro	BOTH				7	2	3	2	1		1						1		1	1						1	1		
372	Rosman	BOTH				8	1	6	1	1								1		1	1						1			
373	Rowland	BOTH	D3			17	2	10	5	1			1			4		1		1	1	3	On List	2		1	1		1	
374	Roxboro	BOTH			Missing Audits	6	2	1	3	1	LimitedData	LimitedData	1					1		1				2			1		LimitedData	
375	Rutherford College	BOTH				5	2	1	2	1			1							1	NoData			2						
376	Rutherfordton	WW	On Hold	3		8	2	2	4	1			1					1			1			2			1		1	
377	Saint Pauls	BOTH	D3			10	0	7	3	NoData						4	NoData	NoData				3					1	1	1	
378	Salemburg	BOTH				7	1	3	3	1								1		1	1					1	1			
379	Salisbury	BOTH				2	0	1	1									1												
380	Saluda	BOTH				3	1	2	0	1									1		1									
381	Sampson County	DW				3	0	2	1									1		1									1	
382	Sandyfield	DW				7	1	2	4	1								1		1				2	1		1			
383	Sanford	BOTH				5	1	2	2				1					1		1				2						
384	Saratoga	BOTH				6	1	4	1	1								1	1	1	1						1			
385	Sawmills	BOTH				3	1	2	0	1								1			1									
386	Scotland County	DW				6	1	5	0	1								1		1	3									
387	Scotland Neck	BOTH	D3			14	2	10	2	1		1					4	1	1	1	1	3	On List				1	1		
388	Seaboard	BOTH	D3			7	2	3	2	1		1						1		1	1						1		1	
389	Seagrove-Ulah Metropolitan Water	BOTH				1	1	0	0	1	LimitedData	LimitedData						NoData											LimitedData	
390	Sedgefield Sanitary District	WW				7	1	1	5	1								NoData			1			2	1	1	1			
391	Selma	BOTH				8	3	1	4	1		1	1						1					2						
392	Seven Devils	DW				2	1	1	0	1										1										
393	Severn	BOTH				6	1	3	2	1								1		1	1						1			
394	Shallotte	BOTH				3	1	2	0	1										1	1									
395	Sharpsburg	BOTH	D3			12	2	7	3	1			1					1	1	1	1	3	On List	2			1		LimitedData	
396	Shelby	BOTH				4	1	3	0			1						1		1	1									
397	Siler City	BOTH				5	1	3	1	1					1			1		1							1		LimitedData	
398	Sims	BOTH	On Hold			6	1	3	2	1								1		1	1						1	1		
399	Smithfield	BOTH				1	0	0	1																					
400	Snow Hill	BOTH	D3			13	2	6	5	1			1					1		1	3	On List		2			1	1	1	
401	South Granville Water and																													

	A	D	E	F	G	I	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	
1										Criteria Required by Statute				Infrastructure/Organizational Criteria										Financial Criteria						
2		Utility Type	Previous Designation	Recommend Designation	Other Notes	Total Assessment Score	Total Statute Points	Total Inf/Org Poins	Total Financial Points	Service Population (1)	Transfers Out (1)	Transfers In (1)	Debt Service Coverage Ratio (1)	DW Compliance (1)	WW / CS Compliance (1)	Flow Moratorium (4)	Revenue Outlook (4)	Affordability (1)	Rate (2019 inside) \$/5000 gal (1)	DW Pop / Mile (1)	Sewer Pop / Mile (1)	UAL Control - W/S only (3)	UAL Financial - W/S only	Surplus (deficit) w/ Debt (2)	No Debt DSCR Test (1)	% Depreciated (1)	Operating Margin (1)	Quick Ratio	Receivables Ratio	
408	Sparta	BOTH				6	1	3	2	1								1		1	1					1	1			
409	Spindale	WW				7	2	2	3	1			1					1			1			2		1			LimitedData	
410	Spring Hope	BOTH				4	1	2	1	1								1		1							1		LimitedData	
411	Spring Lake	BOTH	D3			10	2	4	4		1		1					1				3	On List	2		1	1		LimitedData	
412	Spruce Pine	BOTH				5	1	2	2	1								1		1							1	1		
413	Stanfield	BOTH				7	1	5	1	1							4		1	NoData	NoData						1			
414	Stanley	BOTH			Letter	9	2	4	3	1			1					1				3	On List	2			1			
415	Stanly County	DW	On Hold	3		12	2	8	2			1	1		1	4		1	1	1						1	1			
416	Stanly Water & Sewer Authority	BOTH				4	0	3	1	NoData								NoData	NoData	NoData	NoData	3	On List					1	LimitedData	
417	Stantonsburg	BOTH				3	1	2	0	1								1	1											
418	Star	BOTH	D3			9	1	3	5	1								1		1	1			2	1	1	1		LimitedData	
419	Statesville	BOTH				2	0	2	0											1	1									
420	Stedman	BOTH				3	1	1	1	1										1	NoData						1			
421	Stokes County	DW				6	0	5	1		LimitedData	LimitedData					4		1	NoData							1		LimitedData	
422	Stokes County Water & Sewer Authority	DW				3	1	1	1	1								NoData	NoData	1					1				LimitedData	
423	Stokesdale	DW				6	1	2	3	1									1	1					1		1		1	
424	Stoneville	BOTH				5	1	3	1	1								1		1	1						1			
425	Stovall	BOTH	On Hold	3		9	3	3	3	1		1	1						1	1	1			2			1			
426	Surf City	BOTH				4	1	3	0	1									1	1	1									
427	Surry County	DW	D3			14	3	7	4	1		1	1				4	1	1	1				2			1		1	
428	Swan Quarter Sanitary District	WW			Missing Audits	5	0	1	4	NoData	LimitedData	LimitedData			1			NoData			NoData			2	1		1		LimitedData	
429	Sweptsonville	BOTH				5	2	2	1	1		1							1	NoData	1						1			
430	Tabor City	BOTH				5	3	1	1	1	LimitedData		1					1					On List				1		LimitedData	
431	Tarboro	BOTH				4	0	2	2									1		1						1	1			
432	Taylorsville	BOTH				6	1	4	1	1											1	3	On List				1			
433	Taylortown	BOTH	D3			9	1	2	6	1										1	1		On List	2	1	1	1	1		
434	Teachey	BOTH				7	1	5	1	1									1		1	3					1			
435	Thomasville	BOTH				3	0	2	1						1			1								1				
436	Topsail Beach	DW				9	2	2	1	1		1					0		1	1									1	
437	Trenton	BOTH	D3			10	1	5	4	1						4			NoData	NoData	1			2	1		1		LimitedData	
438	Trinity	WW	On Hold			6	3	0	3	1		1	1											2			1			
439	Troutman	BOTH				2	1	1	0	1										1									LimitedData	
440	Troy	BOTH				5	1	1	3	1								1								1	1		1	
441	Tryon	BOTH	D3			16	2	10	4	1			1				4		1	1	1	3	On List	2		1	1		LimitedData	
442	Tuckaseegee Water and Sewer Authority	BOTH				2	1	1	0	1								NoData		1	NoData									
443	Turkey	DW				4	1	2	1	1								1		1						1				
444	Tyrrell County	BOTH				5	2	2	1	1		1						1	NoData	1	NoData		On List				1		LimitedData	
445	Union County	BOTH				2	1	1	0			1			1															
446	Valdese	BOTH				4	1	2	1	1								1		1						1				
447	Vance County	DW	On Hold	3		10	2	7	1	1		1					4	1	1	1									1	
448	Vanceboro	BOTH	D3			10	2	4	4	1			1					1				3	On List	2		1	1		LimitedData	
449	Wade	DW				8	2	1	4	1		0	1							1				2		1	1			
450	Wadesboro	BOTH				7	2	3	2	1		1			1			1		1	NoData					1	1			
451	Wagram	BOTH				7	2	3	2	1	1					1		1	NoData	1	1				1		1	NoData		
452	Wallace	BOTH				6	1	3	2	1					1			1		1							1		1	
453	Walnut Cove	BOTH				5	1	3	1	1					1			1		1						1				
454	Walnut Creek	BOTH				7	2	4	1	1		1							NoData	1	NoData	3				1			LimitedData	
455	Walstonburg	BOTH	D3			10	1	7	2	1							4		1	1	1				1		1			
456	Warren County	BOTH				4	2	2	0	1		1						1		1	NoData									
457	Warrenton	BOTH	D3			10	2	4	4	1	LimitedData		1					1	1	1	1		On List	2		1	1		LimitedData	
458	Warsaw	BOTH				4	1	2	1	1								1			1						1			
459	Washington	BOTH				5	2	1	2	1		1						1								1	1			
460	Washington County	DW	D3			11	2	7	2	1			1				4	1	1	1				2						
461	Wayne County	DW				6	2	1	3		LimitedData	1	1					1		NoData	NoData			2			1		LimitedData	
462	Waynesville	BOTH			Letter	9	1	5	3	1						4					1					1	1		1	
463	Weaverville	DW				3	1	1	1	1										1									1	
464	Weldon	BOTH				4	1	2	1	1								1			1					1				
465	West Jefferson	BOTH				4	1	2	1	1										1	1						1			
466	Western Bay River Metropolitan Government	0				1	0	0	1	NoData	LimitedData	LimitedData					NoData	NoData							1	NoData	NoData		LimitedData	
467	Whitakers	BOTH	D3			9	2	4	3	1	LimitedData	LimitedData	1					1	1	1				2			1		LimitedData	
468	White Lake	BOTH				3	1	2	0	1									NoData	1	1								LimitedData	
469	Whiteville	BOTH				5	1	3	1	1								1		1	1								1	
470	Whitsett	DW				3	1	0	2	1																1	1		LimitedData	
471	Whittier Sanitary District	BOTH				5	1	2	2	1								NoData	NoData	1	1									
472	Wilkesboro	BOTH	D2			4	1	3	0	1	LimitedData	LimitedData	NoData		1					1	1			NoData	1	NoData	NoData	NoData	LimitedData	
473	Williamston	BOTH	D3			11	2	8	1	1		1					4	1	1	1	1					1			LimitedData	
474	Wilson	BOTH				1	0	1	0									1												
475	Wilson County	DW	D3			8	1	7	0	1							4	1	1	1										
476	Windsor	BOTH				5	1	2	2	1								1		1							1			
477	Winfall	WW				4	1	2	1	1								1			1						1			
478	Wingate	BOTH				6	2	1	3	1			1						1					2			1			
479	Winston-Salem	BOTH				2	1	1	0			1						1												
480	Winterville	BOTH				2	2	0	0	1		1							NoData											
481	Winton	BOTH				8	1	5	2	1								1			1	3				1	1	</		

	A	D	E	F	G	I	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK
1										Criteria Required by Statute				Infrastructure/Organizational Criteria										Financial Criteria					
2		Utility Type	Previous Designation	Recommend Designation	Other Notes	Total Assessment Score	Total Statute Points	Total Inf/Org Poins	Total Financial Points	Service Population (1)	Transfers Out (1)	Transfers In (1)	Debt Service Coverage Ratio (1)	DW Compliance (1)	WW / CS Compliance (1)	Flow Moratorium (4)	Revenue Outlook (4)	Affordability (1)	Rate (2019 inside) \$/5000 gal (1)	DW Pop / Mile (1)	Sewer Pop / Mile (1)	UAL Control - W/S only (3)	UAL Financial - W/S only	Surplus (deficit) w/ Debt (2)	No Debt DSCR Test (1)	% Depreciated (1)	Operating Margin (1)	Quick Ratio	Receivables Ratio
3	Beaufort County	DW	On Hold	3		8	1	7	0				1				4	1	1	1									
4	Carteret County	DW	On Hold	3		8	3	2	3	1		1	1						1	1				2			1		
5	Edenton	BOTH	On Hold	3		10	1	8	1	1				1		4		1		1	1					1			
6	Edgecombe County	BOTH	On Hold	3		9	0	8	1		LimitedData	LimitedData					4	1	1	1	1							1	LimitedData
7	Gates County	BOTH	On Hold	3		9	1	6	2			1				4		1		1	NoData					1			1
8	Granite Falls	BOTH	On Hold	3		9	3	2	4	1		1	1							1	1			2		1	1		
9	Madison	BOTH	On Hold	3		9	2	3	4	1			1					1		1	1			2		1	1		
10	Nash County	BOTH	On Hold	3		10	3	7	0	1	1	1					4	1	1	1	NoData								
11	Rutherfordton	WW	On Hold	3		8	2	2	4	1			1					1			1			2			1		1
12	Stanly County	DW	On Hold	3		12	2	8	2			1	1		1	4		1	1	1						1	1		
13	Stovall	BOTH	On Hold	3		9	3	3	3	1		1	1						1	1	1			2			1		
14	Vance County	DW	On Hold	3		10	2	7	1	1		1					4	1	1	1	1								1
15	Albemarle	BOTH			Letter	9	0	8	1						1	4		1		1	1					1			
16	Benson	BOTH			Letter	9	4	2	3	1	1	1	1							1	1			2			1		LimitedData
17	Beulaville	BOTH			Letter	10	1	8	1	1							4	1	1	1	1						1		
18	Brevard	BOTH			Letter	11	3	5	3	1		1	1		1				1			3	On List	2				1	
19	Bryson City	BOTH			Letter	10	2	7	1	1		1			1	4		1			1						1		
20	Burke County	BOTH			Letter	11	1	8	2	1							4	1	1	1	1					1	1		
21	Chocowinity	BOTH			Letter	13	1	11	1	1							4	1	1	1	1	3					1		LimitedData
22	Fallston	BOTH			Letter	9	2	3	4	1			1					1		1	1			2				1	1
23	Farmville	BOTH			Letter	9	1	7	1	1							4	1	1	1									1
24	Grover	BOTH			Letter	11	1	5	5	1								1		1		3	On List	2	1	1	1		
25	Hobgood	BOTH			Letter	11	1	8	2	1							4	1	1	1	1				1		1		
26	Lake Lure	BOTH			Letter	9	1	8	0	1					1	4			1	1	1								
27	Lake Santeetlah	DW			Letter	8	2	2	4	1			1						1	1				2			1	1	
28	Liberty	BOTH			Letter	11	1	8	2	1					1	4		1		1	1					1	1		LimitedData
29	Mcdowell County	DW			Letter	8	3	1	4	1		1	1							1				2			1	1	
30	Milton	BOTH			Letter	10	2	5	3	1	LimitedData	LimitedData	1						NoData	1	1	3	On List	2			1		LimitedData
31	Ocracoke Sanitary District	BOTH			Letter	11	2	5	4	1			1					NoData	NoData	1	1	3	On List	2		1	1		
32	Perquimans County	DW			Letter	11	1	7	3				1				4	1	1	1				2		1			
33	Polkton	BOTH			Letter	13	2	7	4	1		1					4	1	1	1	NoData			2	1		1		
34	Proctorville	WW			Letter	9	1	5	3	1								1				3	On List		1		1		1
35	River Bend	BOTH			Letter	9	2	5	2	1			1				4		1							1			1
36	Stanley	BOTH			Letter	9	2	4	3	1			1					1				3	On List	2			1		
37	Waynesville	BOTH			Letter	9	1	5	3	1						4					1					1	1		1

*D = Previously designated distressed; 1= LGC control; 2= 2 years missing audits; 3 = score based

**State Water Infrastructure Authority
April 13-14, 2022 Meeting**

**Agenda Item J Attachment 4 – Distressed Unit Identification Guidance and Process for
Criterion 4**

This document is intended to serve as guidance for the implementation of the provision of Identification Criterion 4 (Criterion 4), for local government units (LGUs) wanting to submit information in addition to those items covered under Identification Criteria 1-3 to pursue the distressed designation under the Viable Utility (VU) program. It is expected that any requests to be designated under Criterion 4, which are anticipated to be infrequent, will be coordinated by the Division of Water Infrastructure (Division) VU staff.

For reference, the four Identification Criteria are as follows:

1. A LGU whose fiscal affairs are under the control of the Local Government Commission (LGC) pursuant to its authority granted by G.S. 159-181 (“under Commission fiscal control”); or
2. A LGU that has not submitted its annual audits for the last two (2) fiscal years to the LGC as required by G.S. 159-34; or
3. A LGU with a [Total Assessment Criteria Score](#) that: a) Equals or exceeds 9 for units providing both drinking water and wastewater services, or b) equals or exceeds 8 for LGUs providing only one service, either drinking water or wastewater; or
4. A LGU for which other information is available to or known by the Authority or LGC that reflects and is consistent with, but does not expressly appear in, the Assessment Criteria to account for situations in which the Assessment Criteria score does not wholly or accurately reflect a system’s level of risk due to the limitations of available data.

As with designation under Criteria 1-3, the designation as distressed for Criterion 4 must also derive from an approval by both the State Water Infrastructure Authority (Authority) and the LGC. There are several main steps involved in the process of potentially becoming designated under Criterion 4:

1. The LGU indicates to the Division they wish to make a request to be designated under Criterion 4 and submits information to the Division to support the request.
2. Division staff review the request for general completeness in accordance with this guidance document and the provisions of Criterion 4. If the documentation is not complete, staff will provide a response to the LGU indicating the criterion has not been met or more information is needed to complete the documentation.
3. The Division ensures that the request for approval is placed on the meeting agendas for both the Authority and the LGC and prepares a related presentation (unless decided otherwise).

4. The Authority and the LGC issue an approval/disapproval to designate the LGU.
5. The Division informs the LGU of the result. If the LGU has been designated, they must also be informed as to the VUR requirements (see standard designation letter).

The case for seeking designation should follow the overall viability definition and should specifically identify which infrastructure/organizational/financial issues do not expressly appear in the assessment criteria that they wish the Authority and the LGC to consider. Further, the request should be primarily data driven and should not rely solely on hearsay or opinions.

The following outlines the documentation requirements in further detail:

- The request must come from the LGU seeking designation, e.g., another LGU or entity cannot seek designation for them.
- The request must clearly state why the LGU is seeking designation.
- The LGU must indicate in their request that they acknowledge that if they are designated as distressed, they will commit to all VU programmatic requirements. This should be confirmed via a resolution passed by the governing body indicating their understanding of the commitment.
- Any data provided to support their case for designation under Criterion 4 must be aligned with the current assessment criteria but must not be expressly included within the assessment criteria. Data packages should generally follow the same procedure as the Division's assessment data – e.g., data should be included for the past 5 years.
- An explanation as to why the LGU feels the current score is not reflective of their viability and a description of how the provided metrics demonstrate non-viability.
- Any other information in support of their request.

Division staff will present the document package to the Authority and the LGC on behalf of the requesting LGU (unless determined otherwise), and those governing bodies will need to make the decision as to whether the LGU should be designated. Division staff may or may not make recommendations for designation based on the provided information.