

**§ 159G-35. Criteria for loans and grants.**

(a) CWSRF and DWSRF. – Federal law determines the criteria for awarding a loan or grant from the CWSRF or the DWSRF. An award of a loan or grant from one of these accounts must meet the criteria set under federal law. The Department is directed to establish through negotiation with the United States Environmental Protection Agency the criteria for evaluating applications for loans and grants from the CWSRF and the DWSRF and the priority assigned to the criteria. The Department must incorporate the negotiated criteria and priorities in the Capitalization Grant Operating Agreement between the Department and the United States Environmental Protection Agency. The criteria and priorities incorporated in the Agreement apply to a loan or grant from the CWSRF or the DWSRF. The priority considerations in G.S. 159G-23 do not apply to a loan or grant from the CWSRF or the DWSRF.

(b) Certain Reserves. – The priority considerations in G.S. 159G-23 apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve. The Department may establish by rule other criteria that apply to a loan or grant from the Wastewater Reserve or the Drinking Water Reserve.

(c) Viable Utility Reserve. – The Local Government Commission and the Authority shall jointly develop evaluation criteria for grants from the Viable Utility Reserve. Criteria shall also be developed concerning distressed units for which the Local Government Commission has exercised its authority under Article 11 of Chapter 159 of the General Statutes to assume control, in whole or in part, of the financial affairs of an applicant. These evaluation criteria shall be used to review applications and award grants as provided in G.S. 159G-39. (2005-454, s. 3; 2015-241, s. 14.13(h); 2020-79, s. 1(g); 2023-134, s. 12.3(a).)