

**§ 159G-34.5. Grant types available from Viable Utility Reserve.**

(a) The Department is authorized to make the following types of grants from the Viable Utility Reserve:

- (1) Asset assessment and rate study grant. – An asset inventory and assessment grant is available to inventory the existing public water or wastewater system, or both, document the condition of the inventoried infrastructure, and conduct a rate study to determine a rate structure sufficient to prevent the local government unit from becoming a distressed unit.
- (2) Merger/regionalization feasibility grant. – A merger/regionalization grant is available to determine the feasibility of consolidating the management of multiple water or wastewater systems into a single operation or to provide regional treatment or water supply and the best way of carrying out the consolidation or regionalization. The Department shall not make a grant under this subdivision for a merger or regionalization proposal that would result in a new surface water transfer regulated under G.S. 143-215.22L.
- (3) Project grant. – A project grant is available for a portion of the costs of a public water system or wastewater project as defined in G.S. 159G-32(d).
- (4) Emergency grant for operating deficit. – An emergency grant for operating deficits is available for distressed units if the Local Government Commission has exercised its powers under G.S. 159-181 to assume full or partial control over the affairs of the public water or wastewater system or of the local government unit or public authority that owns or operates the public water or wastewater system.

(b) A grant awarded from the Viable Utility Reserve may be awarded to a regional council of government created under Part 2 of Article 20 of Chapter 160A of the General Statutes or to a regional planning commission created under Article 19 of Chapter 153A of the General Statutes, if the Department and the Local Government Commission determine it is in the best interest of the local government unit.

(c) Each type of grant must be administered through a separate account within the Viable Utility Reserve. (2019-241, s. 11(f); 2020-79, ss. 1(f), 6(a).)