

Department of Environmental Quality & Department of Natural & Cultural Resources Report to the Joint  
Legislative Oversight Committee on Agriculture and Natural and Economic Resources  
As Required By Session Law 2020-18, Section 13

The North Carolina General Assembly has appropriated funds to the Department of Environmental Quality (DEQ) and the Department of Natural and Cultural Resources (DNCR) that, in part, have been used to provide the state share of the cost of stream restoration projects funded through the Natural Resources Conservation's Environmental Quality Incentives Program (EQIP) that are part of the Western North Carolina Stream Initiative (WNCSI). Session Law 2020-18, Section 13.(c) requires DEQ and DNCR to report the 10 performance management measures listed in Section 13.(a). This report is intended to address these specific measures.

Currently the North Carolina Land and Water Fund (NCLWF - also known as the Clean Water Management Trust Fund) has three active contracts with Resource Institute Inc. to provide environmental services for the WNCSI portion of North Carolina's participation in the federal Environmental Quality Incentives Program (EQIP). The scope of work for these contracts is for the design and construction of stream restoration projects.

Unlike the majority of NCLWF's contracts for stream restoration, the WNCSI initiative contracts were developed as "Regional Projects" meaning that specific criteria were set to target streams for restoration but specific project sites were not detailed in the contract and lists of project sites were not fully developed until after CWMTF grants had been awarded. Such a regional approach allowed project managers the flexibility to approach multiple landowners and negotiate restoration options when seeking projects sites that would meet both NCLWF criteria and meet the EQIP program needs. In effect, NCLWF approved WNCSI projects in general, based upon specific criteria, and then reviewed each project site upon receipt of requests for reimbursement of funds.

Currently the Water Resources Development Grant Program (WRDGP) has 23 active contracts with Resource Institute Inc. and BREC, PA to provide environmental services for the WNCSI portion of North Carolina's participation in the federal Environmental Quality Incentives Program (EQIP). Two additional contracts have been closed out since the ratification of SL 2020-18 on 6/12/20 and the performance measures for these projects are included as well. The scope of work for these contracts is for the administration, design and construction of stream restoration projects.

WRDGP administers WNCSI projects on an individual project and contract basis, unlike the NCLWF's "Regional Projects" contracting model. Therefore, significant differences are apparent in some of these performance metrics. The most significant difference in WRDGP reporting is that Items 1-6 were reported as an average of the 25 contracted projects while Items 7-10 were reported individually for the two projects that were completed after the ratification of SL 2020-18 on 6/12/20. This was done because: 1.) trying to estimate these figures for incomplete projects would be speculative and inaccurate because estimated project costs can differ significantly from final project costs; and 2.) some of the performance measures requested are only provided to DEQ upon project completion. Below is a summary table with data for each of the 10 required performance measures which includes footnotes for interpreting this information.

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Summary Table of Performance Measures

Performance Measures Per Session Law 2020-18, Section 13.(a) <sup>1</sup>																	
Performance Measure #	(1)	(2)	(3)	(4)			(5)	(6)	(7)					(8)	(9)	(10)	
Grant Program <sup>2</sup>	Grant #	Time to Issue & Act Upon Grant Application (Months)	Time to Process Requests For Payment <sup>3</sup>	Cost Per Grant Administered	Applications Reviewed	Applications Approved	Applications Denied/Withdrawn	Administered Grants as of 9-28-20	Grant Dollars Administered	Permitting	Site Assessment, Design, Engineering	Management & Engineering	Construction <sup>4</sup>	Total Project Costs <sup>4</sup>	Total Linear Feet of Stream Restored In Each Year	Cost Per Linear Foot Of Restored Stream	Reduction In Sediment Loading Achieved (lbs./yr.)
CWMTF	2016-421	9	10 working days	\$814	1	1	0	1	\$400,000	\$10,000	\$40,000	\$21,737	N/A	N/A	9,412	\$42	3,188,235
CWMTF	2017-420	7	10 working days	\$814	1	1	0	1	\$500,000	\$5,000	\$143,058	\$25,000	N/A	N/A	11,765	\$42	4,287,582
CWMTF	2018-418	10	10 working days	\$814	1	1	0	1	\$425,000	\$10,000	\$130,000	\$63,337	N/A	N/A	10,000	\$42	3,612,500
CWMTF	2019-423	7	N/A	N/A	1	0	1	0	\$0	NA	NA	NA	N/A	N/A	NA	NA	NA
WRDG	All <sup>1</sup>	4	28 calendar days	\$1,035	2	2	0	25	\$3,633,292	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WRDG	7474	3	27 calendar days	\$194,000	N/A	N/A	N/A	N/A	\$194,000	\$8,000	\$40,000	\$2,000	\$295,000	\$345,000	3,090	\$112	1,347,200
WRDG	7355	6.5	41 calendar days	\$149,807	N/A	N/A	N/A	N/A	\$149,807	\$32,570	\$106,602	\$69,237	\$274,000	\$482,409	1,300	\$371	250,000
<b>Footnotes</b>																	
<sup>1</sup> WRDG Performance Measures 1-6 are reported as aggregated values among active grants as of 6/12/20 ratification of SL 2020-18. Measures 7-10 are only reported for two projects that were active on 6/12/20 but closed out before 9/28/20.																	
<sup>2</sup> CWMTF/NCLWF contracts are comprised of multiple project sites administered and aggregated on a regional basis.																	
<sup>3</sup> Calculated average based on when all required documents were received.																	
<sup>4</sup> N/A (Not Applicable/Available) listed here because projects are ongoing and construction invoices have not been received.																	

In summary, both agencies have improved coordination, implemented more robust performance measures and established policies that are consistent with Session Law 2020-18, Section 13 for more accurately tracking grant administration and implementation of WNCSI projects.