



History of the Division of Water Infrastructure and the State Water Infrastructure Authority

Agenda Item F

State Water Infrastructure Authority Meeting

January 2014

State Water Infrastructure Commission (SWIC)

- In 2005, General Assembly created SWIC to:
 - Identify the state's water infrastructure needs
 - Develop a plan to meet those needs
 - Monitor the implementation of the plan
- In 2008, the General Assembly directed its Program Evaluation Division to:
 - Evaluate water & wastewater infrastructure funding
 - Determine effectiveness of the current allocation system
 - Identify funding alternatives for infrastructure improvements



PED's Work and Findings

- In January 2009, PED issued report
 - “North Carolina’s Water and Wastewater Infrastructure Funding Lacks Strategic Focus and Coordination”
- Acknowledgement that SWIC fell short of achieving its mission because it does not have the necessary authority or resources



Summary of PED Report

- Funding for water and wastewater infrastructure in NC is provided by 6 state funding entities, each with its own mission, goals, and objectives
- Without an effective oversight agency or comprehensive strategic plan in place to coordinate activities, water and wastewater funding is provided in a complex and fragmented manner



PED Recommendations

- The General Assembly should require better oversight of water and wastewater funding by either:
 - Authorizing the State Water Infrastructure Commission (SWIC) to coordinate and oversee the funding system or
 - Establishing a single water and wastewater funding authority

Initial Results of Study

- Funding agencies developed a common application form
 - Not used by federal agencies
- Common report developed to General Assembly
 - Each fiscal year
 - Project information and funding source(s)

Resulting Legislation

- Session Law 2013-360 (budget), amended Chapter 159G
- Created State Water Infrastructure Authority (SWIA)
- Created Division of Water Infrastructure
- Consolidated Water Infrastructure Funding
 - SRF
 - CDBG-Infrastructure
 - State Programs

SWIA – 159G changes

- § 159G-71. – Powers and duties:
 1. Review recommendations for grants and loans submitted to it by the Division of Water Infrastructure
 - Determine the rank of applications
 - Select the applications that are eligible to receive grants and loans

§ 159G-71. cont.

2. Establish priorities for making loans and grants, consistent with federal law
3. Review the criteria for making loans and grants and make recommendations, if any, for additional criteria or changes to the criteria
4. Develop guidelines for making loans and grants
5. Develop a master plan to meet the State's water infrastructure needs

§ 159G-71. cont.

6. Assess and make recommendations on the role of the State in the development and funding of wastewater, drinking water, and stormwater infrastructure
7. Analyze the adequacy of projected funding to meet projected needs over the next five years
8. Make recommendations on ways to maximize the use of current funding resources (federal, State, local) and ensure that funds are used in a coordinated manner

§ 159G-71. cont.

9. Review the application of management practices in wastewater, drinking water, and stormwater utilities and to determine the best practices
10. Assess the role of public-private partnerships in the future provision of utility service
11. Assess the application of the river basin approach to utility planning and management
12. Assess the need for a "troubled system" protocol

SWIA – 159G changes

- § 159G-70.(d) Chair.
 - The Director of the Division of Water Infrastructure
 - Nonvoting except to break tie
- § 159G-70.(e) Meetings.
 - At least four times a year
 - May meet as often as needed

SWIA – 159G changes

- § 159G-39.(a) Point Assignment.
 - The Authority must consider the Division's determination of rank when the Authority determines an application's rank. The Authority's determination of rank is conclusive.
- § 159G-39.(b) Initial Consideration.
 - The Division shall forward all applications received for the application period to the State Water Infrastructure Authority.

SWIA – 159G changes

- § 159G-72. Reports.
 - Annual report to General Assembly
 - Activity and findings
 - Recommendations or legislative proposals
 - No later than November 1 of each year

SL 2013-360 Section 14.21.(m)

- State Grant Funds

- SWIA “shall determine the distribution of funds between public water system-related projects and wastewater-related projects, depending upon the number of applications for grants received and the priorities established ...”
- SFY 2013 - \$3.5 million
- SFY 2014 - \$5 million

SL 2013-360 Section 14.21.(m)

- SWIA Report to General Assembly (May 1, 2014)

- The distribution of grant funds
- Whether changes are needed
 - To the existing grant programs under 159G
 - Other available grant programs

“to better facilitate the dissemination of funds and meet the project needs of rural, economically distressed local governments.”

Implementing the Legislation

- Agenda Item R tomorrow
- The Division's proposal for key next step
- Integrate/synchronize the four funding programs
 - Clean Water State Revolving Fund
 - Drinking Water State Revolving Fund
 - CDBG – Infrastructure Program
 - State Reserves



Questions