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| Logo  Description automatically generated | **North Carolina Department of Environmental Quality** |  |
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| **Priority Rating System Guidance and Form for Division of Water Infrastructure** **Stormwater Funding Program through the****American Rescue Plan Act (ARPA)****Local Assistance for Stormwater Infrastructure Investments (LASII) Planning Studies** |
|  | (Last updated: February 2023) |

**Local Assistance for Stormwater Infrastructure Investments Fund**

Per North Carolina General Assembly (NCGA) Session Law 2021-180 Section 12.14.(a) Establishment of the Fund. – Funds appropriated in this act from the State Fiscal Recovery Fund to the Department of Environmental Quality (NC DEQ) for stormwater infrastructure shall be used by the Department to establish the Local Assistance for Stormwater Infrastructure Investments (LASII) Fund as a special fund in the Department. The Fund shall be used to provide grants to eligible entities for projects that will improve or create infrastructure for controlling stormwater quantity and quality.

**Eligibility for Funding from the Local Assistance for Stormwater Infrastructure Investments Fund**

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| * ***It is recommended that the applicant first determine whether it is eligible to be considered for LASII funds*, as required by Session Law 2021-180, for both stormwater construction grant funds and stormwater planning grant funds. *The LASII Fund Eligibility Form must be completed and submitted by the applicant to demonstrate eligibility.***
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Session Law 2021-180 Section 12.14.(d) defines an eligible entity as: a city[[1]](#footnote-2) or county that (i) documents in a form and manner as the Department may specify a stormwater quality or quantity issue and (ii) demonstrates that it would experience a significant hardship raising the revenue necessary to finance stormwater management activities within its jurisdiction based on income and unemployment data, population trends, and any other data determined relevant by the Department. A regional council of government created pursuant to Part 2 of Article 20 of Chapter 160A of the General Statutes or a nonprofit entity is also an eligible entity under this section if the regional council of government or nonprofit entity partners with a city or county.[[2]](#footnote-3) **Required documentation is as follows:**

1. **Document a Stormwater Quality or Stormwater Quantity Issue** – Required by Session Law 2021-180 Section 12.14.(d)(i)

Applicants seeking stormwater grant funding from the ARPA funds are required to provide:

1. A narrative that describes the stormwater quality issue and/or stormwater quantity issue, based on historic or projected precipitation, and how the grant will be used to address the issue;
2. A map and/or a narrative that identifies the location of the stormwater quality and/or stormwater quantity issue, and
3. If available, photographs of the stormwater quality and/or stormwater quantity issue and identification of the amount of rainfall that caused the issue, based on the nearest reliable rain gauge, news articles about the issue, or other information that demonstrates the issue.

**AND**

1. **Demonstrate “Significant Hardship Raising the Revenue …”** – Required by Session Law 2021-180 Section 12.14.(d)(ii)

For applications for stormwater planning grants, an applicant must demonstrate eligibility by meeting either of the two criteria below:

**Criterion 1:** At least one (1) of the five (5) five Local Government Unit (LGU) Indicators for the applicant are worse than the state benchmarks shown in Table 1 below.

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| **Table 1.** |
| **Local Government Unit Indicator** |  | **State Benchmarks for Spring 2023 Applications** |
| Population Change | **< =** | 4.5% |
| Poverty Rate | **> =** | 14.0% |
| Median Household Income | **< =** | $56,642 |
| Unemployment Rate | **> =** |  7.1% |
| Per Capita Appraised Value of Property | **< =** | $125,015 |

**OR**

**Criterion 2:** Zero (0) of the five (5) Local Government Unit (LGU) Indicators for the applicant are worse than the state benchmarks shown in Table 1 above **and** at least 75 percent of the project study area is disadvantaged.

Disadvantaged areas are subsections or pockets of a City’s or County’s jurisdiction, not the entire City or County. For instance, disadvantaged areas may be census block groups that meet qualifying characteristics. The targeted project area will be determined a “disadvantaged area” based on factors that shall include:

* Median household income, poverty rates, per capita appraised property values, and/or unemployment rates of the targeted project area.
* Additional factors such as but not limited to demographic, historical, cultural, linguistic, socioeconomic stressors, or cost-of-living stressors.

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| * ***It is recommended that only if the applicant is able to demonstrate that it is eligible to be considered for LASII funds, per the completed LASII Fund Eligibility Certification Form, should the applicant proceed with using this Guidance Document to complete an application for stormwater funding through the LASII Fund.***
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**Grant Limits**

Any ARPA funds directly allocated to recipients in the Current Operations Appropriations Act of 2021 for directed projects under Section 12.14.(b) will count towards an entity’s initial award and additional incremental awards.

Session Law 2021-180 Section 12.14.(f) defines the statutory maximum limits that apply to planning grants from this Fund as: “Planning grants may not exceed five hundred thousand dollars ($500,000)”. The stormwater grants are limited to the following amounts:

* Stormwater planning grants will be limited to $400,000 per applicant per grant cycle. If the study is a collaborative effort with other local government units, the total amount of the stormwater planning grant will be limited to $500,000 per grant cycle. The documentation required to demonstrate this is listed under the Stormwater Planning Study Priority Rating System Line Item 1.D.

**Guidance Document**

This Guidance Document aids the applicant in understanding and implementing the Priority Rating System for LASII stormwater planning grant funds.

For wastewater or drinking water funding, please use the separate Guidance Documents appropriate for those programs.

**Every application for LASII stormwater planning grant funding must contain:**

1. **Part A – Stormwater Project Narrative Required for ALL Stormwater Applications, and**
2. **Part D – Narrative and Documentation Required to Support Stormwater Planning Study Priority Rating System Points.**

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| **Guidance Document Sections** | **Page Number** |
| **Part A – Stormwater Project Narrative Required for ALL Stormwater Applications (required for Stormwater Planning Study [see Part D below])** | 4 |
| **Part B – Activities that are Not Eligible for Stormwater Planning Grants** | 4 |
| **Part C – Not applicable for Spring 2023 Funding Round** | 5 |
| **Part D – Narrative and Documentation Required to Support Stormwater Planning Study Priority Rating System Points (In addition to Part A above)** | 5 |
| * Stormwater Planning Study Application Submittal Requirements
 | 5 |
| * Examples of Eligible Uses for Stormwater Planning Studies
 | 7 |
| * Stormwater Planning Study Priority Rating System Narrative Guidance
 | 8 |
| * Category 1 – Project Benefits
 | 8 |
| * Category 2 – System Management
 | 14 |
| * Category 3 – Affordability
 | 16 |
| * Priority Rating System Score Sheet for Stormwater Planning Study
 | 21 |

**Part A. Stormwater Project Narrative – Required for ALL Applications**

**Provide answers to each of the following items for Part A – Stormwater Project Narrative Required for ALL Applications. If Part A – Stormwater Project Narrative Required for ALL Applications is not provided, the application is incomplete and ineligible for consideration.**

1. Is the stormwater quality and/or quantity issue caused by water that flows into the applicant’s community from upstream areas that are not within the applicant’s jurisdiction? If yes, estimate the acreage that is impacted by flow from upstream areas.
2. Is the stormwater quality and/or quantity issue caused by rain falling directly within the applicant’s jurisdiction and then running off (i.e., surface runoff)? If yes, estimate the area that is problematic (e.g., an area 5 blocks wide by 3 blocks long).
3. Provide a map or maps at a readable scale that clearly depict the location of the proposed stormwater project, and sufficient labels of geographical refences and landmarks such as roads, streams, river, political boundaries, etc. to identify the location of the project.
4. Do you have an established stormwater utility as of the date of this application? If so, when was the utility created?
5. Do you have a National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) permit? If so, provide the permit number, the date the permit was issued, and a summary of any compliance issues.
6. Describe any public input sessions or notifications about the project that have been specifically focused on residents and/or businesses that may be most directly impacted by the project. **Do not address this Item as “Not Applicable”; if there have been no public input sessions or notifications about the project to impacted residents/businesses, the applicant must state that these activities have not occurred.**

**Part B. ACTIVITIES THAT ARE NOT ELIGIBLE FOR STORMWATER PLANNING GRANTS**

**LASII stormwater planning grants cannot be used to study, design or plan for any of the following activities:**

1. Land conservation including the purchase of land in fee simple or the purchase of easements for the purpose of permanently conserving the property, including farmland. Two state funding programs that provide funds for this type of work are the NC Department of Natural and Cultural Resources Land and Water Fund, and the NC Department of Agriculture Farmland Preservation Trust Fund.
2. Low impact development
3. Creation or construction of greenways, parks, and open space
4. Repairing or improving transportation infrastructure as the primary project purpose or benefit
5. Constructing or repairing dams or other structures designed to retain waters within a stream channel
6. Constructing or repairing levees, flood walls, or sea walls
7. Removal of dams or levees
8. Removing stream debris other than that which is incidental to the project
9. Dredging
10. Activities that satisfy compensatory mitigation requirements under NCGS 143-214.11
11. The purchase or rental of vehicles such as cars, trucks, or vans
12. The purchase or rental of computers, laptops, tablets, and cell phones
13. Elevation of structures
14. Removal of structures inside or outside of the floodplain
15. Costs of stormwater infrastructure to serve or promote future growth and development
16. Preparation of a stormwater asset inventory without a stormwater asset assessment (if seeking funding to prepare a stormwater asset inventory, the scope of work must also include a condition assessment of the stormwater assets)
17. Costs to comply with existing stormwater ordinances or other ordinances of the jurisdiction
18. Costs associated with a NPDES Municipal Separate Storm Sewer System (MS4) permit for program administration, annual reporting, regular operation and maintenance of the stormwater system, routine sampling, and staff salaries
19. Staff salaries, overhead or expenses
20. Costs for operation and/or maintenance of stormwater infrastructure
21. Costs for water quality monitoring

**Part C. NOT APPLICABLE for Spring 2023 Funding Round**

**Part D. Narrative and Documentation Required to Support Stormwater Planning Study Priority Rating System Points**

**Stormwater Planning Study Application Submittal Requirements**

Session Law 2021-180 Section 12.14.(e) provides for Planning grants from the Local Assistance for Stormwater Infrastructure Investments fund as follows: A planning grant is available for research or investigative studies, alternatives analyses, the preparation of engineering concept plans or engineering designs, and similar activities intended to help an eligible entity determine the best solutions for the entity's stormwater quality or quantity issue and to engineer and permit the solutions. The Department shall allow nature-based solutions where feasible and possible.

**If Part D – Narrative and Documentation Required to Support Stormwater Planning Study Priority Rating System Points is not provided, the application is incomplete and ineligible for consideration.**

**A Stormwater Planning Study Priority Rating System narrative along with supporting documentation as required by this Guidance Document must be submitted with the funding application.** **The narrative for a stormwater planning study must begin with:**

1. **A statement of the top three (3) stormwater-related challenges facing the applicant in the next five (5) years, and**
2. **A detailed description of the proposed planning study, the goals that the study is intended to meet, a concise scope of work for the proposed study, and the deliverables that are expected.**

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| **Note:** **If Items 1 and 2 listed above are NOT part of the Stormwater Planning Study Priority Rating System narrative, the application is incomplete and ineligible for consideration.** |

1. **A narrative and documentation that supports the points claimed in the Stormwater Planning Priority Rating System is a required part of the application as follows:**
* All supporting documentation to determine priority points must be submitted as part of the funding application and explicitly discussed in the narrative,
* Submittals must provide clear and concise information needed to determine points,
* The narrative clearly describes how the supporting documentation provided supports the applicant’s claims, and
* Specific pages of supporting documentation must be provided and identified, including specific page number references.

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| **Note: If the applicant does not provide the specific pages numbers of the supporting documents on which the supporting information can be located, points will not be awarded for the associated Line Item.**  |

1. The Priority Rating System score sheet is divided into the three categories listed below. **Address every line item. If a line item is not applicable, include the line item and place “Not Applicable” next to it.** The Stormwater Planning Priority Rating System does not provide points for Project Purpose.

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| Category 1 | Project Benefits |
| Category 2 | System Management |
| Category 3 | Affordability |

* The narrative must be consistent with information provided in the Division of Water Infrastructure Application for Funding (DWI Application) and other supporting information.
* The narrative must be complete to provide for accurate scoring and concise enough that critical information is not lost in unnecessary text. Text should only provide information that supports the award of points in the Stormwater Planning Study Priority Rating System (i.e., do not describe other benefits that are not included in the Priority Rating System).
* **The narrative must address every bullet item within a Line Item** to be a complete narrative for that Line Item.
* If there are no applicable points in any given category, state that there are no applicable points under that category.
1. **Maps are required for some line items as noted in the individual line items below.** The applicant may provide maps to clarify and support the narrative for line items for which maps are not required. Maps must include sufficient labels of geographical references and be at a readable scale.
2. **A completed Stormwater Planning Study Priority Rating System score sheet form must be submitted with the funding application.** To claim points for a particular line item, mark “X” on the score sheet. For each category, provide the subtotal of points claimed on the score sheet.
3. Request all the priority points for which the application demonstrates eligibility; the Division does not award unrequested priority points.
4. Submit all supporting documentation to determine priority points, with the funding application. The Division will not request additional information or documentation. The Division will determine priority points based solely on the information submitted.
5. The Division reviews each application (even multiple applications from the same applicant) as a stand-alone application. The Division will not search other applications from the same applicant for missing information. Provide all relevant information in each application, even if it is submitted in a different application.
6. **Be sure each copy of the application includes all required or relevant information and signatures.**

**Examples of Eligible Uses for Stormwater Planning Studies**

The Stormwater Planning Priority Rating System does not provide points for Project Purpose. While not intended to be an exhaustive list, the following are examples of eligible uses of Stormwater Planning study funds:

1. Stormwater Asset Inventory **and** Asset Conditions Assessment: The scope of work requires a complete stormwater asset inventory **and** a complete stormwater asset condition assessment. **Preparing only an asset inventory, or only an asset condition assessment, or only stormwater asset mapping is not eligible for funding.**
2. Stormwater rate or fee development
3. Planning for a stormwater utility or the development and implementation of a stormwater utility with a stormwater enterprise fund. Some of the activities that may be necessary are listed below:
4. Establish a citizen stakeholder group to ensure that potentially affected citizens participate in the development and implementation process. Citizen stakeholder groups often include residential property owners, businesses, non-profit institutions, developers, and environmental groups.
5. Engage the services of an outside entity or entities to guide elected officials and the citizen stakeholder group through the utility planning and development process.
6. Determine types of stormwater services to be provided including whether the stormwater utility will expend funds on privately owned property.
7. Determine the level of service (LOS) to be provided. The LOS to be provided is usually a measure of the system’s function, ability, and/or capacity with respect to a defined set of performance criteria; the criteria may be used as benchmarks to gage the performance of the applicant’s existing system.
8. Develop stormwater utility fees and/or rate structures.
9. Establish a project priority rating system to ensure that decisions about the use of the stormwater utility funds will be made in a transparent manner.
10. Determine staff positions that will be needed to implement all aspects of the stormwater utility and prepare job descriptions these staff.
11. Prior to implementing the stormwater utility, create public education information materials, a website, or other methods of ensuring that the public is made aware of the development and implementation of the stormwater utility.
12. Develop ordinances to be adopted by the elected officials to create and implement the stormwater utility.
13. Establish stormwater billing system(s).
14. Develop a watershed plan
15. Develop a stormwater management plan or program. **A stormwater management plan or program that only meets the requirements of the applicant’s NPDES Municipal Separate Storm Sewer System (MS4) Permit is not eligible for funding.**
16. Develop a plan for the restoration of streams, wetlands, buffers, or estuaries
17. Develop a stormwater infrastructure operation and maintenance plan
18. Develop a stormwater capital improvement plan (CIP) that identifies projects for at least five (5) years
19. Hydrologic **and** hydraulic modeling: The scope of work requires both hydrologic **and** hydraulic modeling. **Preparing only a hydrologic model or only a hydraulic model is not eligible for funding**.
20. In a collaborative effort with other units of local government, study challenges and benefits for the LGUs to collaborate on watershed and/or stormwater planning and management

**Stormwater Planning Study Priority Rating System Narrative Guidance**

**Category 1 – Project Benefits**

**Line Item 1.A** –Link between stormwater challenges and how the study will help address the challenges

*Range from 0 to 5 points*

A range from zero to five (0 to 5) points may be earned in Line Item 1.A. The number of points that will be awarded will depend on the degree to which the proposed project will resolve one or more of the applicant’s top three (3) stormwater-related challenges. The narrative for Line Item 1.A must include the following:

* Describe how the proposed stormwater planning study will help address at least one of the top three challenges stated at the beginning of the narrative, including technical or operational challenges, organizational barriers, and financial limitations,
* If the applicant has participated in a previous stormwater study, describe how this study will differ from the previous study, and describe the previous study’s goals and recommendations, and
* If any of the top three (3) challenges are related to a specific location within the applicant’s jurisdiction, a map that shows these locations and the project location.

**Line Item 1.B** – How the study will be used to develop and prioritize future projects that address the challenges

*Range from 0 to 3 points*

A range from zero to three (0 to 3) points may be earned in Line Item 1.B. The number of points that will be awarded will depend on the degree to which the results of the proposed project will be used by the applicant to address one or more of the applicant’s top three stormwater-related challenges. The narrative for Line Item 1.B must include the following:

* Describe how the proposed study will result in the identification of solutions that, when implemented, will resolve one or more of the top three challenges stated at the beginning of the narrative,
* Describe how the applicant will use the results of the proposed study to develop and prioritize future stormwater projects,
* Describe the actions that the applicant has taken to explore potential funding sources for the implementation phase(s) or construction phase(s) that will result from this study and include a list of the potential sources of funding identified, and
* If potential sources of funding for the implementation phase(s) or construction phase(s) that will result from this study have not been identified, state how the applicant will determine the sources of funding.

**Line Item 1.C** – Study will investigate new procedures to implement, add to, or make improvements to at least one (1) of the six (6) Stormwater Minimum Control Measures as defined in the NPDES Municipal Separate Storm Sewer System (MS4) permit

*2 points*

To qualify for points under this line item, the study must address at least one of the following six Minimum Control Measures (MCM) as defined in the NPDES Municipal Separate Storm Sewer System (MS4) permit (information available at [NPDES MS4 Program | NC DEQ](https://deq.nc.gov/about/divisions/energy-mineral-and-land-resources/stormwater/stormwater-program/npdes-ms4-program-2)):

1. Public Education and Outreach,
2. Public Involvement and Participation,
3. Illicit Discharge Detection and Elimination,
4. Construction Site Runoff Controls,
5. Post-Construction Site Runoff Controls, and
6. Pollution Prevention and Good Housekeeping for Municipal Operations.

The narrative must include:

* Statement of any or all of the six MCM(s) that have already been implemented within your jurisdiction and the date of implementation,
* Statement of the MCM(s) that will be the subject of this study, and whether the study will address the implementation of MCM(s), the addition of new MCM(s) that have never been implemented, or improvements to existing MCM(s), and
* Statement of the anticipated results, such as new ordinances or regulatory mechanisms, illicit discharge reporting and tracing procedures, or development and enforcement procedures for post-construction site runoff controls, etc., and the anticipated date that that the MCM(s) will be implemented.

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| **Note:** The applicant is not required to hold a NPDES Municipal Separate Storm Sewer System (MS4) permit to be eligible for points in Line Item 1.C. |

**Line Item 1.D** – Study is a collaborative effort with other local government units which is necessary in order to accomplish the goals of the study

*3 points*

Recognizing that stormwater issues often cross jurisdictional boundaries, two or more units of local government may agree to collaborate on a proposed study. To qualify for points under this line item, the narrative must describe how the collaboration is necessary to accomplish the goals of the study. The narrative must include:

* A resolution or board meeting minutes from the collaborating local government unit(s) that will participate in the collaborative effort. The resolution or board meeting minutes must include the following items to be complete documentation for this Line Item:
* Acknowledge that the applicant has applied for this planning study funding,
* State specific activities that the unit of local government will undertake,
* State why the activities are necessary to accomplish the goals of the proposed planning study, and
* Commit the unit of local government to participate in the stormwater study by performing the activities listed above collaboratively with the other unit(s) of local government.

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| **Note:** **A resolution that supports the proposed study does not meet the intent of this Line Item.**  |

* A map that shows the project location and the line of demarcation between the jurisdictions participating in the proposed project,
* Describe the goals and outcomes of the proposed collaborative stormwater study, and the expected benefit to one or more of the jurisdictions participating in the proposed study,
* Describe clearly why it is necessary for each unit of local government to participate in the proposed study in order to meet the goals of the proposed study,
* Describe any previous collaboration between or among the units of local government that will participate in the proposed study, the reasons for the previous collaboration(s), and the achievements and benefits of the collaboration(s) for all the entities that were involved, and
* Describe the status of any previous stormwater quality or quantity work directly related to the proposed study by any of the units of local government that will participate in the proposed study.

**Line Item 1.E** – Study will evaluate potential projects that will benefit: a subwatershed that is impaired as noted on the most recent final version of the Integrated Report; specific classified waters; Nutrient Sensitive Waters such that the project will achieve at least 35% reduction in both Total Nitrogen (TN) and Total Phosphorus (TP); or a NC Natural Heritage Program natural area

*2 points*

An application can earn points in Line Item 1.E for only one of the following sub-categories (Line Item 1.E.1, 1.E.2, 1.E.3, or1.E.4:):

* ***Line Item 1.E.1*** – Evaluate potential projects that will benefit a subwatershed that is impaired as noted on the most recent final version of the Integrated Report

A project qualifies for points under this line item if the study will result in identifying methods that will directly improve water quality in an impaired subwatershed. The impaired subwatershed must be included in the most recent final version of the Integrated Report that is published on the NC DEQ Division of Water Resources website. The narrative must include:

* River basin name, stream name, the 8-digit HUC for the subbasin, and the Assessment Unit,
* Identification of the impairment, a reference for the impairment, and how the project will result in a plan to improve water quality by addressing the cause(s) of the impairment, and
* A map that:
1. Places an “X” on the specific project location and shows the highlighted impaired segment on the same map,
2. Includes arrows to depict the path of stormwater flow from the project location to the impaired segment,
3. Shows the boundaries of other watersheds that are downstream of the project location and drain into the same impaired segment; the purpose of showing these watersheds is to consider whether stormwater from downstream watersheds will transport pollutant loading to the impaired segment so as to reduce or eliminate potential water quality benefits of the proposed project, and
4. Has sufficient labeled landmarks such as roads, streams, political boundaries, etc. to identify the location of the project.
* ***OR Line Item 1.E.2*** – Evaluate potential projects that will benefit specific classified waters

A project qualifies for points under this line item if the study will result in identifying methods that will directly improve water quality in specific classified waters. The narrative must include:

* River basin name, stream name, the 8-digit HUC for the subbasin, the Assessment Unit, and the stream classification
* A description of how the project will result in a plan to improve water quality in the specific classified waters, and
* A map that:
1. Places an “X” on the specific project location and shows the highlighted specific classified waters on the same map,
2. Includes arrows to depict the path of stormwater flow from the project location to the impaired segment,
3. Shows the boundaries of other watersheds that are downstream of the project location and drain into the same specific classified waters; the purpose of showing these watersheds is to consider whether stormwater from downstream watersheds will transport pollutant loading to the specific classified waters so as to reduce or eliminate potential water quality benefits of the proposed project, and
4. Has sufficient labeled landmarks such as roads, streams, political boundaries, etc. to identify the location of the project.

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| **Notes:** 1. Specific classified waters are identified as HQW, ORW, Tr, SA, UWL, PNA, AFSA, SAV, WS-I, WS-II, WS-III\*, and WS-IV\*.
2. \* To qualify for points related to the classifications of WS-III or WS-IV, the study area(s) must be covered by an approved Source Water Protection Plan. The narrative must include a letter from the NC DEQ Division of Water Resources Public Water Supply Section confirming that the study area(s) is covered by an approved Source Water Protection Plan.
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* ***OR Line Item 1.E.3*** – Evaluate potential projects that will achieve at least 35% reduction in both Total Nitrogen (TN) and Total Phosphorus (TP) in Nutrient Sensitive Waters

A project qualifies for points under this line item if the study will result in identifying methods that will achieve at least 35% TN reduction and at least 35% TP reduction in nutrient sensitive waters, based on the [NC Stormwater Control Measure Credit](https://deq.nc.gov/media/11819/download) Document requirements for regulatory credits. The narrative must include:

* River basin name, stream name, the 8-digit HUC for the subbasin, and the Assessment Unit,
* A description of how the project will result in a plan to achieve at least 35% TN reduction and at least 35% TP reduction in nutrient sensitive waters,
* A statement that the methods identified in the study will adhere to the NC Stormwater Control Measure Credit Document requirements for regulatory credits,
* A statement of the percentage reductions that will be achieved by the methods identified in the study, when the methods are implemented.
* ***OR Line Item 1.E.4*** – Evaluate potential projects that will directly benefit a NC Natural Heritage Program natural area

A project qualifies for points under this line item if the study will result in identifying solutions to stormwater quality and/or stormwater quantity issues in a NC Natural Heritage Program (NCNHP) natural area that is rated as “General” or above. The narrative must include:

* + Description of the stormwater quality and/or stormwater quantity issue(s) in the NCNHP natural area that is rated as “General” or above as shown on the [NCNHP natural areas map](https://ncnhde.natureserve.org/content/map),
	+ Description of the types of projects that will be evaluated in the study and how those types of projects would improve water quality or reduce stormwater quantity issues in the NCNHP natural area,
	+ Screenshots/printouts of the [NCNHP natural area](https://ncnhde.natureserve.org/content/map) as displayed on the map found at the link, and
	+ On the screenshot/printout, identify the study location with labeled landmarks such as roads, streams, political boundaries, etc. to identify the location of the project.

Additional resources for Line Item 1.E are available as follows:

* ***Resource #1:*** The Integrated Report may be found at this website: <https://deq.nc.gov/about/divisions/water-resources/planning/modeling-assessment/water-quality-data-assessment/integrated-report-files>
* ***Resource #2:*** Basinwide Assessment Reports may also be helpful in describing the impairment issues and how the project will directly improve or address the impairment; these reports may be found at <https://deq.nc.gov/about/divisions/water-resources/planning/basin-planning>. If used, please cite the report name, date, and page number.
* ***Resource #3:*** GIS layers are available at <http://datagateway.nrcs.usda.gov/>. In addition, the DWR’s Planning Section has GIS layers for impaired streams at <http://deq.nc.gov/about/divisions/water-resources/planning/basin-planning/maps>. This stream layer includes the stream name and impairment category (whether impaired or not). See the figure below.
* ***Resource #4:***  To determine the watershed classification, the DWR Planning Section provides classification lists and GIS layers to locate and document the location of the specific classified waters and their respective classifications at <http://deq.nc.gov/about/divisions/water-resources/planning/basin-planning/maps>



**Line Item 1.F** – Study will evaluate nature-based stormwater solutions to address the identified stormwater quality or stormwater quantity issue

*2 points*

The narrative must include:

* A list of the specific types of nature-based solutions that will be evaluated,
* The key design considerations that support the feasibility of implementing each type of proposed nature-based solution at the location for which it is proposed; this is required to demonstrate that the nature-based solutions are appropriate for the potential site, and
* Clearly demonstrate how the solutions to be evaluated meet the definition of a nature-based stormwater solution. NCGA Session Law 2021-180 Section 12.14.(h) defines nature-based solutions as “sustainable planning, design, environmental management, and engineering practices that weave natural features or processes into the built environment to store, infiltrate, and treat water by enlisting natural features and processes in efforts to promote resilience, reduce flood risks, improve water quality, protect coastal property, restore and protect wetlands, stabilize shorelines, and add recreational space.”

**If the narrative fails to clearly describe the specific types of nature-based solutions and clearly demonstrate how the solutions to be evaluated meet the definition of a nature-based stormwater solution, points under this line item will not be awarded.**

**Line Item 1.G** – Study will investigate the applicability of an innovative stormwater project to address stormwater quantity, or as listed in the NC DEQ Stormwater Design Manual section entitled *“Areas of Research Needed”* to address stormwater quality

*2 points*

To qualify for points in Line Item 1.G, the applicant must specifically describe how the study will investigate new or different practices in stormwater quantity or quality management.

* For an innovative project to address stormwater quantity, the narrative must include:
* Description of the new or different practices in stormwater quantity management that will be investigated and the reason that the practices should be considered innovative,
* Description of how the proposed study will advance practices in stormwater quantity management regionally or statewide, and
* Description of how the applicant will disseminate findings and results.
* For an innovative project to address stormwater quality, the narrative must include:
* Documentation that establishes the practices to be investigated align with the NC DEQ Stormwater Design Manual section entitled [*“Areas of Research Needed”*](https://deq.nc.gov/about/divisions/energy-mineral-and-land-resources/stormwater/stormwater-program/stormwater-design-manual) OR a clear description of the new or different practices in stormwater quality management that will be investigated and the reason that the practices should be considered innovative,
* Description of how the proposed study will advance practices in stormwater quality management regionally or statewide, and
* Description of how the applicant will disseminate findings and results.

**Line Item 1.H** – Study will evaluate potential projects that will address flooding, sea level rise, or other environmental changes with the goal to decrease vulnerability to future conditions

*1 point*

To qualify for points under this line item, the proposed study must evaluate potential projects that will address flooding, sea level rise, or other environmental changes with the goal to decrease vulnerability to future conditions. The narrative must include:

* How the potential projects to be evaluated will address flooding, sea level rise, or other environmental changes,
* How the potential projects to be evaluated will achieve decreasing vulnerability to future conditions,
* Timeframe that the study will address, and
* Concise summary of the future conditions that will be utilized in the study to complete the vulnerability assessment.

**Category 2 – System Management**

**Line Item 2.A** – At least one person working for or with the applicant is designated as responsible for stormwater management and provides at least 0.5 Full Time Equivalents (FTEs) on stormwater management activities

*1 point*

To qualify for points under this line item, the applicant must document that at least 0.5 Full Time Equivalents (FTEs) are actively spending their time on stormwater management activities. It is not necessary for the 0.5 FTEs to be directly employed by the applicant; the 0.5 FTEs can be a consultant under contract to the applicant. The narrative must include:

* Identify, by title, the 0.5 FTEs designated as responsible for stormwater management and that actively spends their time on stormwater management activities,
* Description of the person’s day-to-day stormwater management responsibilities and activities,
* Description of the person’s stormwater management qualifications and experience, and any training the person has received in stormwater management in the past three (3) years, and
* If a consultant is under contract to the applicant to provide the 0.5 FTEs, provide the contract between the consultant and the applicant; the contract must clearly identify the activities for which the person is responsible and the amount of time required by the contract to be dedicated to the applicant’s stormwater management activities.

**Line Item 2.B** – Status of implementing results of previous planning study or studies

*1 point*

To qualify for points under this line item, the applicant must describe a previous planning study or planning studies which it has undertaken, and the status of implementing the recommendations of the study or studies. The narrative must include:

* Description of the previous planning study or studies and the goals of the study or studies,
* The recommendations of the previous planning study or studies,
* The date of study completion, and
* The status of implementing the recommendations of the previous planning study or studies.

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| **Note:** The previous study does not have to be stormwater-related, but if previous stormwater studies have been undertaken, it would be appropriate to include them for this line item. |

**Line Item 2.C** – Level of applicant’s staff involvement in planning study development and implementation

*1 point*

To qualify for points under this line item, the applicant must document its staff members’ involvement in developing the ideas for the proposed planning study and the involvement of its staff in both the execution and implementation of this planning study. This line item must address the applicant’s staff members, not consultants under contract to the applicant. The narrative must include:

* Title and description of the role of each member of the applicant’s staff that was involved in developing the ideas for this proposed stormwater planning study,
* How the members of the applicant’s staff will be involved in the execution of the proposed planning study,
* How the members of the applicant’s staff will be involved in the implementation of the recommendations of the proposed planning study, and
* The role of these members of the applicant’s staff in future stormwater management activities.

**Line Item 2.D** – Applicant has already adopted a stormwater management plan for the study area(s) or by the completion of this project will have adopted a stormwater management plan for the study area(s)

*4 points*

To qualify for points under this line item, the applicant must document that it has already adopted a stormwater management plan for the study area(s) or provide a resolution that it will adopt a stormwater management plan for the study area(s) by the completion of this proposed planning study.

* For an applicant with an already adopted stormwater management plan for the study area(s), the narrative must include:
* A description of the specific stormwater management issue that was identified within the study area(s),
* A description of the solution identified to address the specific issue,
* A resolution or board meeting minutes which shows a motion to approve and adopt the stormwater management plan for the study area(s), OR an adopted ordinance that demonstrates that the plan was approved by adoption of the ordinance, and
* A link to the adopted stormwater management plan for the study area(s) on the applicant’s website.
* For an applicant that will by the completion of this project have adopted a stormwater management plan for the study area(s), the narrative must include:
* A resolution or board meeting minutes which shows a motion stating that the applicant will adopt a stormwater management plan for the study area(s) by the completion of this proposed planning study, and
* Description of the specific stormwater management issue within the study area(s) that will be investigated and for which solutions will be identified, and
* Description of the status of the development of the plan, the anticipated timeline for plan completion, and the anticipated timeline for plan adoption.

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| **Notes:** 1. A stormwater management plan that only meets the requirements of the applicant’s NPDES MS4 Permit does not meet the requirements for points for this Line Item.
2. A stormwater management plan may include multiple study areas and it is adequate to address this Line Item only if it addresses the specific issue and identified solution for the study area(s).
 |

**Line Item 2.E** – Stormwater Utility and Stormwater Enterprise Fund

An application can earn points in Line Item 2.E for only one of the following sub-categories (Line Item 2.E.1 or 2.E.2):

* ***Line Item 2.E.1*** – Applicant has a Stormwater Utility and a Stormwater Enterprise Fund

*4 points*

For an applicant with an adopted and implemented stormwater utility and a stormwater enterprise fund, the narrative must include:

* A resolution or board meeting minutes which shows a motion to approve and adopt the Stormwater Utility and establish a Stormwater Enterprise Fund, OR an adopted ordinance that shows that the Stormwater Utility and Stormwater Enterprise Fund were created by adoption of the ordinance,
* A statement of when the Stormwater Utility and the Stormwater Enterprise Fund began operation and when the first stormwater fees were collected,
* A link to the following information on the applicant’s website:
* The rate and fee schedule adopted by the applicant with funds to be placed in the applicant’s Stormwater Enterprise Fund
* An official record of the amount of revenue collected in the Stormwater Enterprise Fund during the past 12 months, and
* An official record of the amount of funds expended from the Stormwater Enterprise Fund in the past 12 months.
* ***OR Line Item 2.E.2*** – Applicant has a Resolution to Develop and Implement a Stormwater Utility with a Stormwater Enterprise Fund

*5 points*

For an applicant with an adopted resolution to develop and implement a stormwater utility with a stormwater enterprise fund, the narrative must include:

* A resolution or board meeting minutes which shows a motion to develop and implement a Stormwater Utility with a Stormwater Enterprise Fund that states the anticipated timeline for implementation of the Stormwater Utility with the Stormwater Enterprise Fund, and an approximate date of when the first stormwater fees will be collected, and
* A description of the status of the development of the Stormwater utility with a Stormwater Enterprise Fund.

**Category 3 – Affordability**

Category 3 provides points related to affordability.

**Line Item 3.A** – Population

An application can earn points in Line Item 3.A for only one of the following sub-categories (Line Item 3.A.1 or 3.A.2):

* ***Line Item 3.A.1*** – The population of the applicant’s jurisdiction is less than 10,000

*2 points*

* ***OR Line Item 3.A.2*** – The population of the applicant’s jurisdiction is greater than or equal to 10,000 but less than 20,000

*1 point*

**Line Item 3.B** – Local Government Unit (LGU) Indicators

*2, 4, 6, 8, or 10 points*

The Local Government Unit (LGU) Indicators are used to demonstrate whether an applicant is faring better or worse in terms of these indicators than the state median. The five LGU Indicators that are used for this determination are as follows:

1. Percent population change
2. Poverty rate
3. Median household income
4. Unemployment
5. Property valuation per capita

To assist in determining whether LGU indicators are better or worse than the state benchmarks, the Division has developed two tables (one for places and one for counties, both available on the [Division application webpage](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#additional-resources)) to use to provide the information needed for Line Item 3.B. **These tables must be used to provide information for population change, poverty rate, median household income, and unemployment.**

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| **Note:** If the applicant is claiming points for Line Item 1.D (Study is a collaborative effort with other local government units which is necessary in order to accomplish the goals of the study) use the indicators for the most distressed of the municipalities or counties participating in the collaborative effort. |

Two situations may occur in which alternate data may be utilized, as listed below:

* *Percent Population Change*
1. Some situations may exist in which the applicant determines that the American Community Survey (ACS) data are not accurate. If this is the case, data from the NC Office of State Budget and Management (OSBM) may be used in lieu of the ACS data.[[3]](#footnote-4) When OSBM data are used, provide as supporting documentation the reason for using the OSBM data and the data page with the applicant highlighted.
2. Some cases may exist in which a resident institution such as a prison, juvenile hall, or nursing home facility may open and impact the population during the five-year period under consideration for percent population change. If such a case exists, then the institutional population may be deducted from the most recent population before the calculation for percent change in population is made. Provide supporting documentation that shows the facility name, the population of the institution, and the year the facility opened.
* *Property Valuation per Capita*

In many cases, utilize the total taxable property value reported in the most current audit for the LGU. Use the total taxable property value and divide it by the population of the LGU found on the Division’s data sheets referenced above to calculate property valuation per capita.

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| **Note:** If the applicant does not have an audit that is current and on file with the NC Department of State Treasurer Local Government Commission (LGC), then the applicant will not receive credit for the property valuation per capita LGU indicator. In its analysis, Division staff will count that particular parameter as better than the state benchmark. |

If the service area is outside of a municipality, then three options exist:

1. The county property valuation per capita figure may be used.
2. If the jurisdiction is in a defined area such as a Census Designated Place (CDP), the applicant may utilize tax maps to determine the total taxable property value within the defined area. That result would then be divided by the population in the CDP. As supporting documentation, provide a map that shows the boundaries of the CDP and the applicant’s jurisdiction. Additionally, provide a copy of the spreadsheet used to calculate the CDP’s total taxable property value and property valuation per capita. This may be supplied in the application as a scanned document.
3. For a jurisdiction that is not in a defined CDP, the applicant may utilize tax maps to determine the total taxable property value of the area. Estimate the population of the area by determining the total number of houses and using the persons per household figure for the applicant’s county. This information may be found in the [ACS data available online](https://data.census.gov/cedsci/). Locate the table under the topic of “Family and Living Arrangements”; Persons per Household is listed on the second row under that topic. Supply as part of the documentation a map showing the total number of houses in the jurisdiction, a spreadsheet of the total taxable property value calculation, the persons per household for the county from the ACS, and the calculation of the jurisdiction population as well as property valuation per capita.

An application can earn points in Line Item 3.B for only one of the following sub-categories (Line Item 3.B.1, 3.B.2, 3.B.3, 3.B.4, or 3.B.5) based on the LGU economic indicators as noted above:

* ***Line Item 3.B.1*** – 1 out of 5 LGU indicators worse than state benchmark: 2 points
* ***OR Line Item 3.B.2*** – 2 out of 5 LGU indicators worse than state benchmark: 4 points
* ***OR Line Item 3.B.3*** – 3 out of 5 LGU indicators worse than state benchmark: 6 points
* ***OR Line Item 3.B.***4 – 4 out of 5 LGU indicators worse than state benchmark: 8 points
* ***OR Line Item 3.B.5*** – 5 out of 5 LGU indicators worse than state benchmark: 10 points

The narrative for Line Item 3.B must include the following table with the information entered by the applicant in the last column:

|  |  |  |  |
| --- | --- | --- | --- |
| **Local Government Unit Indicator** |  | **State Benchmarks for Spring 2023 Applications** | **Applicant to Enter Value of Local Government Unit Indicators [[4]](#footnote-5),[[5]](#footnote-6),[[6]](#footnote-7)** |
| 1. Population Change
 | **< =** | 4.5% |  |
| 1. Poverty Rate
 | **> =** | 14.0% |  |
| 1. Median Household Income
 | **< =** | $56,642 |  |
| 1. Unemployment Rate
 | **> =** |  7.1% |  |
| 1. Per Capita Appraised Value of Property
 | **< =** | $125,015 |  |

**Line Item 3.C** – Study benefits disadvantaged areas

*8 points*

**Line Item 3.C is only available to applicants with 3 or less LGU Indicators that are worse than state benchmarks.**

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| **Notes:** 1. **Applications will not be awarded points for both Line Items 3.B and 3.C.**
2. If an application is eligible for Line Items 3.B.1, or 3.B.2, or 3.B.3 and 3.C points, only the 8 points for Line Item 3.C will be awarded.
3. If an application is eligible for Line Item 3.B.4 and 3.C points, only 8 points for Line Item 3.B.4 will be awarded (the same points that are available for Line Item 3.C).
4. If an application is eligible for Line Item 3.B.5 and 3.C points, only the 10 points for Line Item 3.B.5 will be awarded.
 |

Line Item 3.C is intended to provide points for studies that identify solutions that, when implemented, will result in direct benefits within the disadvantaged area. Disadvantaged areas are subsections or pockets of a City’s or County’s jurisdiction, not the entire City or County. For instance, disadvantaged areas may be census block groups that meet qualifying characteristics.

The targeted project area will be determined a “disadvantaged area” based on factors that shall include:

* Median household income, poverty rates, per capita appraised property values of property, and/or unemployment rates of the targeted project area.
* Additional factors such as but not limited to demographic, historical, cultural, linguistic, socioeconomic stressors, or cost-of-living stressors.

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| **Note:** For this Line Item, the proposed project is not required to be located *within* a disadvantaged area, but the project *must result in* water quality improvements within the disadvantaged area and/or reduce water quantity impacts within the disadvantaged area. |

To document that the direct beneficiaries of the project are disadvantaged, the narrative must include:

* A project map clearly identifying the disadvantaged area and the location of the proposed project,
* Written justification that the targeted project area is disadvantaged using the factors above. When available, targeted project area data (e.g., median household income in the targeted area’s census block group) should be compared to state benchmark values established in Line Item 3.B. Supporting documentation must include maps or other existing sources.

Use of NC DEQ’s Community Mapping System and other similar federal or state-generated maps is encouraged. For example, documentation can include:

* Screenshots or printouts of NC DEQ’s [Community Mapping System](https://deq.nc.gov/outreach-education/environmental-justice/deq-north-carolina-community-mapping-system) and identify on the map the targeted project area overlapping “Potentially Underserved Block Groups 2019” and/or “Tribal Boundaries” that appear on the online map as shaded areas (these are considered disadvantaged, underserved areas.
* Use of the Justice40 Climate and Economic Justice Screening Tool: the [Justice40 Initiative – Environmental Justice – The White House](https://www.whitehouse.gov/environmentaljustice/justice40/) evaluates burden threshold and the associated socioeconomic thresholds. Data provided in the Tool may provide additional factors to support a project area is disadvantaged.
* A description of the stormwater quality issue and/or the stormwater quantity issue that is occurring within the disadvantaged area, based on historic or projected precipitation (if not addressed **under this Line Item**, points will not be awarded),
* A description of how the proposed project will directly improve the water quality issue within the disadvantaged area or how the proposed project will directly reduce the severity and frequency of flooding that occurs within the disadvantaged area, based on historic or projected precipitation (if not addressed **under this Line Item**, points will not be awarded), and
* If the proposed project will address both stormwater quality and stormwater quantity issues, a separate narrative must be provided for each issue, and separate descriptions must be provided for each issue (if not addressed **under this Line Item**, points will not be awarded.

| **Priority Rating System Score Sheet for Stormwater Planning Study**Funded with the Local Assistance for Stormwater Infrastructure Investment (LASII) Grants |
| --- |
| **Instructions for Applicant: For each line item, place an “X” to claim the points for that line item. Be sure that the required narrative includes justification for every line item claimed. At the end of each category, provide the total points claimed in the subtotal row for that category. Then add the subtotals from each category and enter the Total Points for All Categories in the last line.** |
| **Line Item #** | **Category 1 – Project Benefits** | **Place “X” in this box if claimed** | **Points** |
| **1.A** | Link between challenges and how the study will help address the challenges |  | Range from 0 – 5 |
| **1.B** | How the study will be used to develop and prioritize future projects that address the challenges |  | Range from 0 – 3  |
| **1.C** | Study will investigate new procedures to implement, add to, or make improvements to at least one (1) of the six (6) Stormwater Minimum Control Measures |  | 2 |
| **1.D** | Study is a collaborative effort with other local government units which is necessary in order to accomplish the goals of the study |  | 3 |
| **1.E** | Study will evaluate potential projects that will benefit: a subwatershed that is impaired as noted on the most recent final version of the Integrated Report; specific classified waters; Nutrient Sensitive Waters such that the project will achieve at least 35% reduction in both Total Nitrogen (TN) and Total Phosphorus (TP); or a NC Natural Heritage Program natural area |  | 2 |
| **1.F** | Study will evaluate nature-based stormwater solutions to address the identified stormwater quality or stormwater quantity issue |  | 2 |
| **1.G** | Study will investigate the applicability of an innovative stormwater project to address stormwater quality or stormwater quantity |  | 2 |
| **1.H** | Study will evaluate potential projects that will address flooding, sea level rise, or other environmental changes with the goal to decrease vulnerability to future conditions |  | 1 |
| **Subtotal claimed by Applicant for Category 1 – Project Benefits** |  |
| **Line Item #** | **Category 2 – System Management** | **Place “X” in this box if claimed** | **Points** |
| **2.A** | At least one person working for or with the applicant is designated as responsible for stormwater management and provides at least 0.5 Full Time Equivalents (FTEs) on stormwater management activities  |  | 1 |
| **2.B** | Status of implementing results of previous planning study or studies |  | 1 |
| **2.C** | Level of applicant’s staff involvement in planning project development and implementation |  | 1 |
| **2.D** | Applicant has already adopted a stormwater management plan for the study area or by the completion of this project will have adopted a stormwater management plan for the study area |  | 4 |
| **2.E** | Stormwater Utility and Stormwater Enterprise Fund |  |  |
| 2.E.1 | Applicant has a Stormwater Utility with a Stormwater Enterprise Fund, **OR** |  | 4 |
| 2.E.2 | Applicant has a Resolution to Develop and Implement a Stormwater Utility with a Stormwater Enterprise Fund |  | 5 |
| **Subtotal claimed by Applicant for Category 2 – System Management** |  |
| **Line Item #** | **Category 3 – Affordability** **(\*) Applications will not be awarded points for both Line Items 3.B and 3.C** | **Place “X” in this box if claimed** | **Points** |
| **3.A** | Population |  |  |
| 3.A.1 | Population is less than 10,000, **OR** |  | 2 |
| 3.A.2 | Population is greater than or equal to 10,000 but less than 20,000 |  | 1 |
| **3.B (\*)** | Local Government Unit (LGU) Indicators |  |  |
| 3.B.1 | 1 out of 5 LGU indicators worse than state benchmark, **OR** |  | 2 |
| 3.B.2 | 2 out of 5 LGU indicators worse than state benchmark, **OR** |  | 4 |
| 3.B.3 | 3 out of 5 LGU indicators are worse than the state benchmark, **OR** |  | 6 |
| 3.B.4 | 4 out of 5 LGU indicators are worse than the state benchmark, **OR** |  | 8 |
| 3.B.5 | 5 out of 5 LGU indicators are worse than the state benchmark |  | 10 |
| **3.C (\*)** | Study benefits disadvantaged areas |  | 8 |
| **Subtotal claimed by Applicant for Category 3 – Affordability** |  |
| **Total Points Claimed by Applicant for All Categories for Stormwater** **Planning Project** |  |
| **Maximum Points Available for All Categories for Stormwater Planning Study** | **44** |

1. “City” means municipality and includes cities, towns, and villages. [↑](#footnote-ref-2)
2. Any city or county partnering with a regional council of government or nonprofit entity must itself be an eligible city or county. [↑](#footnote-ref-3)
3. The website for the starting point for accessing OSBM data is <http://www.osbm.nc.gov/facts-figures>. [↑](#footnote-ref-4)
4. If the applicant is claiming points for Line Item 1.D, enter the LGU Indicator values for the most distressed of the municipalities or counties [↑](#footnote-ref-5)
5. The LGU Indicator values that must be used for population change, poverty rate, median household income, and unemployment are available on the [Division application webpage](https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources#additional-resources) [↑](#footnote-ref-6)
6. To calculate LGU Indicator No. 5 – Property valuation per capita, utilize the total taxable property value reported in the most current audit for the LGU, and divide it by the population of the LGU found on the Division application webpage link above to calculate property valuation per capita [↑](#footnote-ref-7)