

**State Water Infrastructure Authority**

**Meeting Date: February 21, 2023**

**Agenda Items H and I**

**Fall 2022 Application Round and Example Funding Scenarios for Local Assistance for Stormwater Infrastructure Investments (LASII) Projects**

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**Division of Water Infrastructure Staff Report**

**Background**

This staff report presents background information on the Fall 2022 Application Round for stormwater construction and stormwater planning applications to be funded from the Local Assistance for Stormwater Infrastructure Investments (LASII) fund. This information includes a summary of available funds and any limitations on awarding the funds, a summary of applications received, and the process staff used to apply funds in the funding scenario example presented to the State Water Infrastructure Authority (Authority).

In the Fall of 2021, the North Carolina General Assembly (NCGA) appropriated \$1.69 billion from the state’s allocation of the American Rescue Plan Act (ARPA) for drinking water, wastewater, and stormwater investments in Sections 12.13 and 12.14 of the Operations Appropriations Act of 2021 (S.L. 2021-180), with additional corrections in S.L. 2021-189 and SL 2022-6. The Division of Water Infrastructure (Division) was tasked with administering approximately \$1.6 billion as grants for drinking water, wastewater, and stormwater systems in North Carolina, which excludes amounts that have been transferred to other agencies. The funds, some of which are appropriated for specific projects, were appropriated into specified Reserves within the Water Infrastructure Fund.

Of the \$1.69 billion appropriated by the NCGA, the Division is administering approximately \$100.5 million for stormwater projects in the LASII fund. Table 1 shows the fund amounts, including a summary of statutory and budgetary requirements, for the appropriation. Approximately \$82 million is available through the Division’s competitive funding process for cities and counties and their regional councils of government and nonprofit entity partners for projects that will improve or create infrastructure for controlling stormwater quantity and quality.

<b>Table 1. American Rescue Plan Act Funds Appropriated for Stormwater Infrastructure</b>			
<b>NC DEQ Fund</b>	<b>Purpose</b>	<b>Allocated Directly for Specific Local Governments (Directed Projects)</b>	<b>Amount Available for Competitive Grant Funding</b>
Local Assistance for Stormwater Infrastructure Investments (LASII) Fund	Grants for local governments for projects that will improve or create infrastructure for controlling stormwater quantity and quality	Approximately \$18.5 million	Approximately \$82 million

Session Law 2021-180 Section 12.14.(e) defines two types of grants available from the LASII fund:

- Construction grants. – A construction grant is available for the development and implementation of a new stormwater utility or stormwater control measure (SCM), the rehabilitation of existing SCMs, the retrofitting of existing stormwater conveyances to provide SCMs for quantity and quality control purposes, or the installation of innovative technologies or nature-based solutions. The Department shall allow nature-based solutions where feasible and possible.
- Planning grants. – 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.

The NCGA stipulated that 70 percent of the approximately \$82 million be allocated for construction grants (a total of approximately \$57.4 million) and 30 percent of the funds be allocated for planning grants (a total of approximately \$24.6 million).

In July 2022, SWIA approved requirements for the LASII funding program which are detailed in the August 2022 [NC DEQ Division of Water Infrastructure's Plan to Administer American Rescue Plan Act's State Fiscal Recovery Fund Appropriated in the State Budget for Stormwater Projects](#). This document describes the plan for administering the appropriated ARPA State Fiscal Recovery Fund as grants for stormwater projects from the LASII fund and contains the following:

- Entity Eligibility Criteria,
- Priority Rating System (PRS) for Stormwater Construction Projects,
- Priority Rating System for Stormwater Planning Studies, and
- Maximum Funding Limits per Applicant per Grant Cycle.

### **LASII Stormwater Applications Received**

Fall 2022 Application Round applications were due September 30, 2022. Stormwater applications included projects for construction, planning, and developing and implementing a new stormwater utility. There were 171 stormwater applications from 107 applicants in 62 of the 100 counties across the state. Of these, 21 applications (12.3 percent) were not complete and are not eligible for consideration for funding. The 150 complete and eligible applications for stormwater projects include 82 for construction projects, four projects to develop and implement new stormwater utilities, and 64 planning projects.

The LASII stormwater applications are summarized in Tables 2 and 3.

<b>Table 2. Number of LASII Stormwater Applications Received</b>			
<b>Stormwater Application Type</b>	<b>Total Number of Applications Submitted</b>	<b>Number of Ineligible/ Incomplete Applications</b>	<b>Number of Complete and Eligible Applications</b>
Stormwater Construction	92	10	82
Establish a Stormwater Utility	4	0	4
Stormwater Planning	75	11	64
<b>Total</b>	<b>171</b>	<b>21</b>	<b>150</b>

<b>Table 3. Funds Requested for Complete and Eligible LASII Stormwater Applications</b>			
<b>Stormwater Application Type</b>	<b>Number of Complete and Eligible Applications</b>	<b>Amount Requested in Complete and Eligible Applications</b>	<b>Amount of LASII Funds Available</b>
Stormwater Construction	82	\$216,720,193	\$57,446,375 <sup>1</sup>
Establish a Stormwater Utility	4	\$1,800,000 <sup>2</sup>	
Stormwater Planning	64	\$22,105,335	\$24,619,875
<b>Total</b>	<b>150</b>	<b>\$240,625,528</b>	<b>\$82,066,250</b>

Applications received for the LASII funds were evaluated to determine if the applicants were eligible entities, and then scored in accordance with the SWIA-approved Priority Rating Systems. Applications to develop and implement a new stormwater utility were scored using the Stormwater Planning Studies PRS as approved by SWIA, but per Session Law 2021-180 Section 12.14, the funds for these grants, if awarded, are to be awarded from the LASII construction funds.

### **Projects of Note**

#### **Planning Grant Applications**

The City of Greensboro has two study grant applications in the funding range. North Buffalo Creek Master Plan is a higher scoring project and is shown as funded. Staff recommend that the Town may choose which study to pursue for the awarded \$400,000.

<sup>1</sup> Per Session Law 2021-180 Section 12.14, funds for establishing a stormwater utility, if awarded, are to be awarded from the LASII construction funds.

<sup>2</sup> Ibid.

The City of Burlington has two study grant applications in the funding range. Ireland/Main St. Stormwater Improvements project is the higher scoring project and is shown as funded. Staff recommend that the Town may choose which study to pursue for the awarded \$400,000.

New Hanover County has four study grant applications in the funding range. The Acorn Branch Watershed Planning and Feasibility and the Pumpkin Creek Watershed Planning and Feasibility applications are the higher scoring projects and are shown as funded. Staff recommend that the Town may choose which studies to pursue for the awarded \$400,000.

### **Example Stormwater Construction and Establish a Stormwater Utility Funding Scenario**

Table I-1 identifies the projects that would be funded under the example funding scenario for stormwater construction projects. Table I-2 identifies projects that would establish a stormwater utility. A full list of applications, including those that would not be funded under this scenario, are shown in the accompanying spreadsheets. Project numbers in the table below reference project numbers in the accompanying spreadsheets.

### **Example Stormwater Planning Funding Scenario**

Table I-2 identifies the projects that would be funded under the example funding scenario for stormwater planning projects. A full list of applications, including those that would not be funded under this scenario, are shown in the accompanying spreadsheets. Project numbers in the table below reference project numbers in the accompanying spreadsheets.

### **Other Funding Scenarios**

Note that there are other funding scenarios which could be constructed, and staff can assist the Authority with other scenarios during the meeting.

**Table I-1. LASII Stormwater Construction Grant Applications – Example Funding Scenario**

<b>Proj. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential LASII Construction Grant Amount</b>	<b>Potential LASII Planning Grant Amount</b>	<b>County</b>
1	Mooreville, Town of	East Center Avenue Stormwater Improvements	\$5,000,000	\$3,900,000	\$0	Iredell
2	Hendersonville, City of	Lower Mud Creek Floodplain Restoration	\$1,897,236	\$1,897,236	\$0	Henderson
3	Rocky Mount, City of	Parkers Canal Flooding Relief and Water Quality Improvements	\$3,663,363	\$3,663,363	\$0	Nash/Edgecombe
4	Wilson, City of	Elizabeth Street Regional SCM Projects	\$3,279,705	\$3,279,705	\$0	Wilson
5	New Bern, City of	New Bern Duffyfield Stormwater Enhancement Project	\$4,149,360	\$4,149,360	\$0	Craven
6	Spencer, Town of	17th Street Stormwater Improvements	\$1,959,462	\$1,959,462	\$0	Rowan
7	Morehead City, Town of	MHC 2022 Calico Creek Stormwater Improvements	\$5,000,000	\$5,000,000	\$0	Carteret
8	Nags Head, Town of	S. Old Oregon Inlet Road Stormwater Infrastructure Improvements	\$2,957,961	\$2,957,961	\$0	Dare
9	Greenville, City of	Corey Road Regional Detention and Stream Restoration	\$7,500,000	\$5,000,000	\$0	Pitt
10	High Point, City of	High Point W. Green Drive Stormwater Infrastructure Improvements	\$7,500,000	\$5,000,000	\$0	Guilford
11	Havelock, City of	McCotter Canal Bank Stabilization	\$3,115,500	\$3,115,500	\$0	Craven
12	Cumberland County	Ann Street Landfill Sediment Ponds No.2 and No. 3 Improvements	\$1,763,374	\$1,763,374	\$0	Cumberland
14	Mount Gilead, Town of	Stanback Park Drainage Improvements	\$1,807,000	\$1,807,000	\$0	Montgomery

**Table I-1. LASII Stormwater Construction Grant Applications – Example Funding Scenario**

<b>Proj. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential LASII Construction Grant Amount</b>	<b>Potential LASII Planning Grant Amount</b>	<b>County</b>
15	Black Mountain, Town of	Black Mountain North Bank Swannanoa River Floodbench Project	\$5,000,000	\$5,000,000	\$0	Buncombe
16	Wayne County	Jetport Parking Lot Drainage Improvements Project	\$1,784,000	\$1,784,000	\$0	Wayne
17	Gaston County	Cramerton Central Park Stream Restoration	\$275,674	\$275,674	\$0	Gaston
18	Dunn, City of	Dunn Fall 2022 Stormwater AIA	\$5,000,000	\$4,500,000	\$0	Harnett
19	Greensboro, City of	Neighborhood Streambank Stabilization and Restoration	\$1,785,781	\$593,740	\$0	Guilford
<b>Totals for LASII Stormwater Construction Grants</b>				<b>\$55,646,375</b>	<b>\$0</b>	<b>Total: \$55,646,375</b>

**Table I-2. LASII Stormwater Planning Grant Applications – Example Funding Scenario**

<b>Proj. No.</b>	<b>Applicant Name</b>	<b>Project Name</b>	<b>Amount of Funding Requested by Applicant</b>	<b>Potential LASII Construction Grant Amount</b>	<b>Potential LASII Planning Grant Amount</b>	<b>County</b>
2	Cerro Gordo, Town of	Cerro Gordo Stormwater Improvements	\$500,000	\$0	\$500,000	Columbus
3	Spencer, Town of	Town of Spencer Stormwater Assessment and Planning	\$400,000	\$0	\$400,000	Rowan
4	Tabor City, Town of	4th Street Area Drainage Improvements Study	\$500,000	\$0	\$400,000	Columbus
5	Hendersonville, City of	City of Hendersonville Comprehensive Stormwater Master Plan	\$400,000	\$0	\$400,000	Henderson
7	Lexington, City of	Asset Inventory and Condition Assessment of the City of Lexington MS4 System	\$283,360	\$0	\$283,360	Davidson
8	Shelby, City of	City-wide Stormwater Modeling, Infrastructure Assessment, and Master Plan	\$330,000	\$0	\$330,000	Cleveland
10	Greensboro, City of	North Buffalo Creek Master Plan	\$400,000	\$0	\$400,000	Guilford
11	Washington, City of	Stormwater Asset and Inventory Assessment	\$400,000	\$0	\$400,000	Beaufort
14	Durham County	Whispering Pines Stormwater Management Project	\$400,000	\$0	\$400,000	Durham
15	Albemarle, City of	Little Long Creek Stormwater Master Plan	\$400,000	\$0	\$400,000	Stanly
16	Spruce Pine, Town of	Spruce Pine Stormwater Assessment and Planning Project	\$300,000	\$0	\$300,000	Mitchell
17	Conover, City of	Stormwater Asset Inventory and Condition Assessment	\$400,000	\$0	\$400,000	Catawba
18	Burlington, City of	Ireland/Main Street SW Infrastructure Improvements	\$400,000	\$0	\$400,000	Alamance
19	Gastonia, City of	Stormwater Infrastructure Asset Inventory Assessment	\$500,000	\$0	\$500,000	Gaston

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20	Kinston, City of	City of Kinston Stormwater Inventory and Condition Assessment	\$400,000	\$0	\$400,000	Lenoir
21	Siler City, Town of	Siler City Stormwater Utility	\$500,000	\$500,000	\$0	Chatham
22	Morganton, City of	Morganton Stormwater AIA and Master Plan	\$400,000	\$0	\$400,000	Burke
23	Havelock, City of	Area-Wide Stormwater Master Planning	\$400,000	\$0	\$400,000	Craven
24	Sound Rivers, Inc	Nash County Schools Stormwater Assessment and GSI Planning	\$129,560	\$0	\$129,560	Nash
25	New Bern, City of	New Bern Stormwater AIA	\$400,000	\$0	\$400,000	Craven
26	Wilson, City of	Stormwater Asset Inventory and Condition Assessment	\$400,000	\$0	\$400,000	Wilson
27	Mount Olive, Town of	Townwide Stormwater Masterplan	\$220,000	\$0	\$220,000	Wayne
29	Fairmont, Town of	Stormwater System AIA	\$350,000	\$0	\$350,000	Robeson
30	Clinton, City of	2023 Stormwater Mapping and Assessment Project	\$400,000	\$0	\$400,000	Sampson
32	Black Mountain, Town of	Black Mountain Stormwater LASII Planning Master Plan Update-Asset Inventory and Assessment	\$400,000	\$0	\$400,000	Buncombe
33	Smithfield, Town of	Stormwater Utility ERU Study and System Mapping	\$500,000	\$500,000	\$0	Johnston
34	Mount Gilead, Town of	Stormwater System AIA	\$350,000	\$0	\$350,000	Montgomery
36	Garysburg, Town of	Stormwater Drainage System Inventory & Planning Improvements	\$400,000	\$0	\$400,000	Northampton

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37	Waynesville, Town of	Waynesville LASII Planning - Comprehensive Stormwater Masterplan	\$400,000	\$0	\$400,000	Haywood
38	Robbinsville, Town of	Ford Street Drainage Improvements	\$75,000	\$0	\$75,000	Graham
39	Wayne County	Jetport Parking Lot Drainage Improvement Project	\$205,000	\$0	\$205,000	Wayne
40	Winterville, Town of	Stormwater Asset Inventory Assessment	\$400,000	\$0	\$400,000	Pitt
41	Woodland, Town of	Southwest Stormwater Improvements	\$277,000	\$0	\$277,000	Northampton
42	Surf City, Town of	Surf City New Stormwater Utility Implementation Study	\$400,000	\$400,000	\$0	Onslow/ Pender
43	Denton, Town of	Town of Denton Stormwater Planning Grant Project	\$400,000	\$0	\$400,000	Davidson
44	Boone, Town of	Boone Stormwater Infrastructure Inventory & Assessment	\$400,000	\$0	\$400,000	Watauga
45	Littleton, Town of	Stormwater Asset Inventory and Assessment	\$261,000	\$0	\$261,000	Halifax
46	Swansboro, Town of	Swansboro Master Plan	\$400,000	\$0	\$400,000	Onslow
47	Clayton, Town of	Downtown Clayton Stormwater Infrastructure Assessment Program	\$400,000	\$0	\$400,000	Johnston
48	Fremont, Town of	Stormwater Asset Inventory and Assessment Grant - REVISED	\$400,000	\$0	\$400,000	Wayne
49	Oxford, City of	Eastern Area Stormwater Modeling and Master Plan	\$250,000	\$0	\$250,000	Granville
50	Selma, Town of	North Selma Drainage Study	\$359,000	\$0	\$359,000	Johnston

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51	Murfreesboro, Town of	Stormwater AIA Study	\$400,000	\$0	\$400,000	Hertford
52	Garner, Town of	Stormwater Asset Inventory and Condition Assessment for Disadvantaged Areas	\$400,000	\$0	\$400,000	Wake
53	Kannapolis, City of	Residential Drainage Improvements Study	\$225,000	\$0	\$225,000	Rowan/ Cabarrus
54	Topsail Beach, Town of	Stormwater Capital Improvement and Resiliency Plan	\$400,000	\$0	\$400,000	Pender
55	Calabash, Town of	City-wide Stormwater Modeling, Infrastructure Assessment, and Master Plan	\$250,000	\$0	\$250,000	Brunswick
56	Fuquay-Varina, Town of	Fuquay-Varina Stormwater Utility	\$400,000	\$400,000	\$0	Wake
57	Kings Mountain, City of	Buffalo Creek & Moss Lake Sediment Remediation & Water Quality Study	\$400,000	\$0	\$400,000	Cleveland/ Gaston
58	Hamlet, City of	Stormwater System Study	\$400,000	\$0	\$400,000	Richmond
60	Cleveland County Government	Stream Restoration at LeGrand Center	\$100,000	\$0	\$100,000	Cleveland
61	Mount Pleasant, Town of	Stormwater System AIA	\$350,000	\$0	\$350,000	Cabarrus
62	Saluda, City of	Stormwater Feasibility Analysis and Policy Development	\$400,000	\$0	\$400,000	Polk
63	Charlotte, City of	Upper Little Sugar and Irwin Creek Nature-Based Stormwater Retrofit Project Atlas	\$155,600	\$0	\$155,600	Mecklenburg
64	New Hanover County	Acorn Branch Watershed Planning & Feasibility	\$150,000	\$0	\$150,000	New Hanover

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65	New Hanover County	Pumpkin Creek Watershed Planning & Feasibility	\$250,000	\$0	\$250,000	New Hanover
68	Beaufort, Town of	Professional Park Drive Area Stormwater Inventory & Flood Study	\$394,815	\$0	\$394,815	Carteret
<b>Totals for LASII Stormwater Planning Grants</b>				<b>\$1,800,000</b>	<b>\$18,265,335</b>	<b>Total: \$20,065,335</b>