

**State Water Infrastructure Authority**

**Meeting Date: February 20, 2024**

**Agenda Item I**

**Fall 2023 Application Round, Example Funding Scenario, and Funding Decisions for Local Assistance for Stormwater Infrastructure Investments (LASII) Stormwater Planning Projects**

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**Division of Water Infrastructure Staff Report**

This report presents a *preliminary* funding scenario for the consideration of the State Water Infrastructure Authority (Authority). Subsequent updates and corrections to the application information and funding scenario (including application scores, ranking, potential funding amount, etc.) may occur and will be presented to the Authority during the meeting on February 20<sup>th</sup>. Applications are selected for funding by the Authority during the meeting, and the Authority's selections are final.

**Background**

This staff report presents background information on the Fall 2023 Application Round for stormwater planning applications to be funded from the Local Assistance for Stormwater Infrastructure Investments (LASII) fund. The Fall 2023 application round includes funds appropriated to Water Infrastructure Funds established in G.S. 159G. 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 Authority. Funding demand exceeded available funds.

**Fall 2023 Funds Available**

The December 12, 2023, Authority meeting included a staff presentation of Session Law 2023-134; that Session Law provided the currently available LASII funds. Session Law 2023-134 requires that eligible entities for these funds are as defined in Section 12.14 of Session Law 2021-180 for projects that will improve or create infrastructure for controlling stormwater quantity and quality.

Of the approximately \$15 million available for award, staff recommended that approximately 20 percent of the funds be allocated to LASII planning projects and approximately 80 percent be allocated to LASII construction projects, which mirrors the approximate percentage split of funding requested in the applications received for Fall 2022. During the December 2023 meeting, staff also recommended that only stormwater planning projects in the amount of approximately \$3 million be awarded for the Fall 2023 stormwater planning applications and that the remaining approximately \$12 million be awarded only for stormwater construction projects for applications received in the Fall 2023 and Spring 2024 funding rounds. Stormwater construction applications from Fall 2023 and Spring 2024 would be reviewed together after the Spring 2024 application deadline. If the Authority chooses to award more than approximately \$3 million for planning projects this round, then there will be less funding available for construction projects to be considered in Spring 2024.

**Summary of LASII Stormwater Planning Applications Received and Considered**

A total of 18 stormwater planning grant applications were submitted for the Fall 2023 application round. Of these, eight were not eligible for consideration for funding because the applications did not contain all the information required. An additional eight unfunded Spring 2023 stormwater planning grant applications were reconsidered as part of this application round. The reconsidered applications were rescored according to the Fall 2023 Priority Rating System. A total of 26 stormwater planning grant applications were considered for Fall 2023 funding. The LASII stormwater applications considered are summarized in Tables 1 and 2.

<b>Table 1. Number of LASII Stormwater Applications Considered</b>			
<b>Stormwater Application Type</b>	<b>Number of Applications Submitted</b>	<b>Number of Ineligible Applications</b>	<b>Number of Complete and Eligible Applications</b>
Stormwater Planning Fall 2023	18	8	10
Stormwater Planning Reconsideration from Spring 2023	8	0	8
<b>Total Number of Applications</b>	<b>26</b>	<b>8</b>	<b>18</b>

<b>Table 2. Total Amount of Funding Requested and Funding Available</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 Planning (Fall 2023 Applications Received and Spring 2023 Reconsiderations)	18	\$5,908,000	\$3,000,000

Applications received for were evaluated to determine if the applicants were eligible entities and then scored in accordance with the Authority-approved Priority Rating System (PRS) for stormwater planning.

**Example Funding Scenario for LASII Stormwater Planning Grants**

The Authority may consider multiple funding scenarios. In the example funding scenario presented, applications are shown as receiving funds as follows:

- LASII stormwater planning grant limits of \$400,000 or \$500,000 per applicant per round were applied. These limits were set when LASII was first established through NC DEQ’s Plan to

Administer American Rescue Plan Act’s State Fiscal Recovery Fund Appropriated in the State Budget for Stormwater Projects, and these limits have continued for consistency within the LASII program.

- Funding is proposed in priority order until LASII funds available for this round are exhausted.

In the example funding scenario presented, eight stormwater planning grant applications would receive \$2,945,000 in LASII grants. Table 3 summarizes the example funding scenario.

<b>Planning Applications</b>	<b>Number of Complete and Eligible Applications</b>	<b>Number of Potential applications to be awarded LASII funding</b>	<b>Potential LASII grants</b>
Stormwater Planning (Fall 2023 Applications Received and Spring 2023 Reconsiderations)	18	8	\$2,945,000

Table 4 (see next page) identifies the projects that would potentially 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 (Agenda Items I-1 and I-2).

**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 4. Stormwater Planning Grant Applications in the Example Funding Scenario for LASII Funding**

<b>SWIA Sheet Appl. No.</b>	<b>Applicant Name</b>	<b>County</b>	<b>Project Name</b>	<b>Amount of Funding Requested</b>	<b>Potential LASII Grant</b>
1	Jacksonville, City of	Onslow	Jacksonville Stormwater Resiliency Plan	\$400,000	\$400,000
2	Lillington, Town of	Harnett	Stormwater Utility + Planning Studies	\$500,000	\$500,000
3	Bessemer City, City of	Gaston	Stormwater Master Planning	\$340,000	\$340,000
4	Bald Head Island, Town of	Brunswick	Bald Head Island SW LASII Planning	\$350,000	\$350,000
5	Washington, City of	Beaufort	Jacks Creek Pump Station Automated Screens	\$365,000	\$365,000
6	Wadesboro, Town of	Anson	Stormwater System Assessment	\$400,000	\$400,000
7	Warrenton, Town of	Warren	Stormwater Planning	\$400,000	\$400,000
8	Beulaville, Town of	Duplin	Stormwater AIA, Analysis and CIP	\$190,000	\$190,000
<b>Totals for LASII Stormwater Planning Grant Applications in Funding Scenario</b>				<b>\$2,945,000</b>	<b>\$2,945,000</b>