

State Water Infrastructure Authority
Meeting Date: July 16, 2024
Agenda Item J
Spring 2024 Application Round, Example Funding Scenario, and Funding Decisions for Local Assistance for Stormwater Infrastructure Investments Construction Projects

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. 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 Spring 2024 Application Round for stormwater construction 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 Authority. Funding demand exceeded available funds.

Spring 2024 Funds Available

North Carolina General Assembly Session Law 2023-134 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.

Session Law 2023-134 made available approximately \$16 million in LASII funds. Of those funds, up to \$3 million was made available for stormwater planning projects for the Fall 2023 round, and remaining funds are made available for stormwater construction projects for applications received in the Fall 2023 and Spring 2024 funding rounds. In the February 2024 meeting, the Authority awarded \$2,945,000 in LASII grants for stormwater planning projects. Remaining funding available for LASII stormwater construction projects in Spring 2024, excluding administrative costs, is \$12,982,303.

The LASII stormwater construction applications received in Fall 2023 and Spring 2024 were reviewed together and are considered as one funding round for Spring 2024. The Stormwater Construction Priority Rating System (PRS) did not change between the Fall 2023 and Spring 2024 application rounds.

Summary of LASII Stormwater Construction Applications Received and Considered

A total of 30 stormwater construction grant applications were considered for the Spring 2024 application round, consisting of eight applications received in Fall 2023 and 22 applications received in Spring 2024. Of these, two were not eligible for consideration for funding because the applications did not contain all the information required. The LASII stormwater construction applications considered for Spring 2024 are summarized in Tables 1 and 2.

Table 1. Number of LASII Stormwater Applications Considered			
Stormwater Application Type	Number of Unique Applications Submitted	Number of Ineligible Applications	Number of Complete and Eligible Applications
Stormwater Construction Application Received in Fall 2023	8	1	7
Stormwater Construction Application Received in Spring 2024	22	1	21
Total Number of Applications considered for Spring 2024 Funding Round	30	2	28

Table 2. Total Amount of Funding Requested and Funding Available			
Stormwater Application Type	Number of Complete and Eligible Applications	Amount Requested in Complete and Eligible Applications	Amount of LASII Funds Available in Spring 2024
Stormwater Construction (Received in Fall 2023 and Spring 2024)	28	\$88,599,412	\$12,982,303

Applications received were evaluated to determine if the applicants were eligible entities and then scored in accordance with the Authority-approved PRS for stormwater construction.

Example Funding Scenario for LASII Stormwater Construction Grants

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

- LASII stormwater construction grant limits of \$5 million per applicant per grant cycle (or \$7.5 million total per grant cycle if two or more units of local government work together under one project) 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, five stormwater construction grant applications would be fully funded, and one stormwater construction grant application would be partially funded to use the remainder of the LASII grant funding available this round. Table 3 summarizes the example funding scenario.

Table 3. Example Funding Scenario for LASII Stormwater Construction Grants			
Stormwater Application Type	Number of Complete and Eligible Applications	Number of Potential applications to be awarded LASII funding	Potential LASII grants
Stormwater Construction (Received in Fall 2023 and Spring 2024)	28	5 fully funded and 1 partially funded	\$12,982,303

Table 4 (see next page) identifies the projects that would potentially be funded under the example funding scenario for stormwater construction projects. A full list of applications, including those that would not be funded under this scenario, are shown in the accompanying spreadsheets (Agenda Items J-1 and J-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 Construction Grant Applications in the Example Funding Scenario for LASII Funding

SWIA Sheet Appl. No.	Applicant Name	County	Project Name	Amount of Funding Requested	Potential LASII Grant
1	Nags Head, Town of	Dare	Bonnett St. Stormwater Pump Station	\$2,356,910	\$2,356,910
2	Hyde County	Hyde	Fairfield Drainage District Improvements	\$3,559,280	\$3,559,280
3	Jacksonville, City of	Onslow	Public Utilities Complex Equipment Wash	\$2,273,500	\$2,273,500
4	Pembroke, Town of	Robeson	Town of Pembroke Stormwater Construction	\$2,451,663	\$2,451,663
5	West Jefferson, Town of	Ashe	Downtown SCMs Construction	\$742,000	\$742,000
6	Kinston, City of	Lenoir	Adkin Branch Flood Mitigation Construction	\$5,000,000	\$1,598,950 ^a
Totals for LASII Stormwater Construction Grant Applications in Funding Scenario				\$16,383,353	\$12,982,303

^aPartially funded to award the remainder of the LASII funds available.