

State Water Infrastructure Authority
Meeting Date: July 18 and 19, 2023
Agenda Items I and J
Spring 2023 Application Round and Example Funding Scenario for Local Assistance for
Stormwater Infrastructure Investments (LASII) Stormwater Planning Projects

Division of Water Infrastructure Staff Report

This report presents a *preliminary* funding scenario for the consideration of the State Water Infrastructure 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 July 18-19. 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 2023 Application Round for 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). Funding demand exceeded available funds.

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.

In July 2022, the Authority 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.

Of the \$1.69 billion appropriated by the NCGA, the Division is administering approximately \$100.5 million for stormwater projects in the LASII fund. Approximately \$18.5 million was directly allocated to specific local governments via earmarks, leaving approximately \$82 million in competitive grant funding.

The NCGA stipulated that 70 percent of the approximately \$82 million be allocated for construction grants and stormwater utility 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).

Summary of Spring 2023 Funding Availability

In the Fall 2022 application round, the entire \$57.4 million in construction grants and stormwater utility grants was awarded to 19 construction grants and four stormwater utility grants. Approximately \$18.3 million of \$24.6 million available for planning grants was also administered **leaving \$6,354,540 of LASII stormwater planning grant funding to be awarded in the Spring 2023 application round.**

Summary of LASII Stormwater Planning Applications Received and Considered

Spring 2023 application round applications were due May 1, 2023. A total of 37 stormwater planning grant applications were submitted during the round. Of these, four were duplicated and three were not eligible for consideration for funding because the applications did not meet the eligibility criteria or because the applicant was not eligible for the funds.

Due to the funding cap being met in the Fall 2022 funding round, an additional five unfunded Fall 2022 stormwater planning grant applications were considered for Spring 2023 funding, consistent with the Division and Authority practice of reconsidering unfunded applications in the next one funding cycle. The reconsidered applications were rescored according to the Spring 2023 application guidance document. A total of 35 stormwater planning grant applications, requesting \$11,718,900 in grant funds, were therefore considered for Spring 2023 funding. The LASII stormwater applications considered are summarized in Table 1 and Table 2 below.

Table 1. Number of LASII Stormwater Applications Considered			
Stormwater Application Type	Unique Applications Submitted	Number of Ineligible Applications	Complete and Eligible Applications
Stormwater Planning Spring 2023	33	3	30
Reconsideration from Fall 2022	5	0	5
Total Number of Applications	38	3	35

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
Stormwater Planning (Spring 2023 Received and Fall 2022 Reconsiderations)	35	\$11,718,900	\$6,354,540

Applications received for the LASII funds were evaluated to determine if the applicants were eligible entities, and then scored in accordance with the Authority-approved Priority Rating System.

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:

- Applied LASII stormwater planning grant limits of \$400,000 per applicant per round, and following NC DEQ’s Plan to Administer American Rescue Plan Act’s State Fiscal Recovery Fund Appropriated in the State Budget for Stormwater Projects.
- Funding proposed in priority order until all LASII funds are exhausted.

In the example funding scenario presented, 19 stormwater planning grant applications would receive \$6,354,540 in LASII grants. Table 3 summarizes the example funding scenario.

Table 3. Example Funding Scenario for LASII Stormwater Planning Grants			
Planning Applications	Applications considered	Potential applications with LASII funding	Potential LASII grants
Stormwater Planning	35	19	\$6,354,540

Project-Specific Notes for Applications in the Example Funding Scenario

- The City of Washington has two study grant applications in the funding range in the Spring 2023 funding round. Simmons Street Drainage Improvements at \$390,000 (scores 28 points) and Jacks Creek Pump Station Automated Screens at \$365,000 (scores 28 points). LASII funding caps are limited to up to \$400,000 per applicant per funding round. Only one of the two funding applications may be funded in this funding round. By default, the funding scenario included the project with the higher dollar amount (Simmons Street Drainage Improvements). Staff recommend that the City of Washington may substitute the funding award with the project with the lower dollar amount for the Jacks Creek Pump Station Automated Screens project if they so desire.

- The City of Fayetteville’s stormwater planning grant is in the funding range, but, in accordance with the NC DEQ’s Plan to Administer American Rescue Plan Act’s State Fiscal Recovery Fund Appropriated in the State Budget for Stormwater Projects, the City’s direct appropriation of LASII funds counts towards this potential award, meeting the City’s LASII funding cap.
- City of Lenoir’s Stormwater Planning Project is the last application in the funding range. Project is partially funded with the remaining LASII funds available for this round.

Example Stormwater Funding Scenario

Table 4 identifies the projects that would potentially be funded under the example funding scenario for stormwater planning projects (preliminary information). 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 Planning 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	Henderson, City of	Vance	Henderson Stormwater Asset Inventory and Condition Assessment	\$400,000	\$400,000
2	Rocky Mount, City of	Edgecombe	Edgemont Neighborhood Watershed Improvement Study	\$400,000	\$400,000
3	Salisbury, City of	Rowan	Salisbury Spring 2023 Stormwater LASII Planning Grant	\$400,000	\$400,000
4	Hyde County	Hyde	Ocracoke Village Stormwater Master Plan	\$400,000	\$400,000
5	Burgaw, Town of	Pender	Burgaw Stormwater Master Plan Update	\$400,000	\$400,000
6	Asheville, City of	Buncombe	Stormwater Asset Inventory and Assessment	\$400,000	\$400,000
7	Dallas, Town of	Gaston	Stormwater Assessment and Planning	\$400,000	\$400,000
8	Washington, City of	Beaufort	Simmons Street Drainage Improvements	\$390,000	\$390,000
10	Greensboro, City of	Guilford	Fairview Street Stormwater Control Measure Retrofit	\$375,000	\$375,000
11	Princeton, Town of	Johnston	Princeton Stormwater Management	\$120,900	\$120,900
12	Dunn, City of	Harnett	Dunn Juniper Creek Stormwater Planning	\$400,000	\$400,000
14	Mooreville, Town of	Iredell	East Center Avenue Stormwater Improvements	\$400,000	\$400,000
15	Pembroke, Town of	Robeson	Town of Pembroke: Stormwater Management Plan, Infrastructure Inventory and Condition Assessment	\$140,000	\$140,000
16	Benson, Town of	Johnston	2023 Stormwater Improvements Project	\$400,000	\$400,000
17	Nags Head, Town of	Dare	Town of Nags Head Stormwater Master Plan Update	\$400,000	\$400,000
18	Stoneville, Town of	Rockingham	Stoneville Stormwater Study	\$300,000	\$300,000

Table 4. Stormwater Planning 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
19	Elkin, Town of	Surry	Lower Elkin Creek Protection Plan	\$315,000	\$315,000
20	Walstonburg, Town of	Greene	Walstonburg Stormwater Management	\$65,000	\$65,000
21	Lenoir, City of	Caldwell	City of Lenoir Stormwater Planning Project	\$400,000	\$248,640
Totals for LASII Stormwater Planning Grant Applications in Funding Scenario				\$6,505,900	\$6,354,540