

**State Water Infrastructure Authority
Meeting Date: April 18-19, 2023**

**Agenda Item H – Draft Priority Rating Systems for Stormwater Construction Projects and
Planning Grants from the Local Assistance for Stormwater Infrastructure Investments (LASII)
Program**

Division of Water Infrastructure Staff Report

Background

In the Fall of 2021, the NC General Assembly (NCGA) passed Session Law (SL) 2021-180 to create the Local Assistance for Stormwater Infrastructure Investments (LASII) fund and appropriated funds for stormwater construction and planning grants. The State Water Infrastructure Authority (SWIA) approved the first stormwater Priority Rating Systems (PRSs) for stormwater construction and planning studies in July 2022. The first LASII applications were submitted in Sept. 2022, and SWIA approved the first round of applications for LASII funding at its Feb. 21, 2023 meeting.

Based on the first round of applications received, staff worked to review and score the applications, and review comments from applicants. The Division proposes changes to the LASII PRSs to provide applicants with clearer wording for some line items and the possible addition of new line items. Staff also suggest simplifying wording within the PRS line items and keeping the requirements within the Guidance Document.

Proposed Changes to Stormwater Construction Project PRS

Priority Rating System text in **yellow highlight with strikethrough** will be removed to simplify the PRS form, but the explanation and requirements will remain in the Guidance Document.

Line Item 1.C and Proposed New Line Items 1.C.1 and 1.C.2

Section 12.14(a) of SL 2021-180 reads as follows: “Establishment of the Fund–Funds appropriated ...for stormwater infrastructure shall be used...to provide grants to eligible entities...for projects that will improve or create infrastructure for controlling stormwater quantity and quality.”

Staff interpreted “...controlling stormwater quantity” to mean that the quantity of flow after project completion was to be reduced (i.e., “controlled”) and awarded 25 points for Line Item 1.C if the applicant described the peak flow reduction that was expected from the project. All Fall 2022 applications were scored accordingly. Many applicants did not address peak flow reduction and were not awarded points for this line item.

Based on discussions with applicants, staff consider that peak flow reduction may not have been intended by the SL and suggest no peak flow increase and splitting Line Item 1.C into two line items: 1.C.1 and 1.C.2 as shown in the Draft PRS below.

- Proposed Line Item 1.C.1 would provide 25 points for a quantity project that would prevent an increase in flow downstream of the project by replacing infrastructure with the same size or increasing the size but providing infrastructure and/or methods such that the flow downstream would not be increased,

OR

- Proposed Line Item 1.C.2 would provide 10 points for a quantity project that would increase the size of the infrastructure and would allow an increase in flow downstream of the project.

New Line Item 1.D – Rainwater Harvesting and Utilization

The current Clean Water State Revolving Fund (CWSRF) PRS provides for rainwater harvesting and utilization, and staff suggest that the same line item be provided in the LASII Construction PRS for 25 points. This type of project can control both stormwater quality and stormwater quantity because the rainwater must be utilized and cannot be discharged to waters of the state.

Line Item 2.C

Staff removed the word “control” to be consistent with revised Line Item 1.C wording.

Original Line Item 2.D

Staff believe that the original Line Item 2.D is a Category 3 (System Management) line item rather than a Category 2 (Project Benefit) line item and suggest moving it to new Line Item 3.E.

Category 3 – System Management

Most changes are suggested to this category to better organize the line items. Line Item 3.A has significant changes as described below:

Line Item 3.A – Several changes are suggested to this Line Item; points could only be awarded for either 3.A.1, 3.A.2, 3.A.3 or 3.A.4.

- **Line Item 3.A.1** – Reworded to provide 5 points if an applicant has adopted the Plan or includes a commitment within its Project Resolution to adopt the Plan (the Project Resolution is required for all applications; this would require additional wording to be added by the applicant) and also to simplify wording.
- **New Line Item 3.A.2** – Provides 2 points if an applicant states that it will develop the stormwater-related Plan by project completion.
- **New Line Item 3.A.3 (original line item 3.C.2)** – Provides 5 points if an applicant has adopted a Stormwater Management Program or includes a commitment within its Project Resolution to adopt the Program (the Project Resolution is required for all applications; this would require additional wording to be added by the applicant).
- **New Line Item 3.A.4** – Provides 2 points if applicant states that it will develop a Stormwater Management Program by project completion.

Line Items 4.B and 4.C – Affordability

Wording that was included in all of the Fall 2022 PRSs allowed for points to be added for these two line items. Line Item 4.B provides points based on the number of Local Government Unit (LGU) indicators that an applicant has. Line Item 4.C was intended to provide points only to applicants with three or less LGU Indicators (providing 10 points- the same number of points as Line Item

4.B.4) and that Line Items 4.B and 4.C would not be additive, but the explanation was not clear. Applicants with five LGU indicators would receive 12 points for Line Item 4.B.5.

The suggested changes to Line Items 4.B and 4.C would correct this. Since these line items would not be additive, the total number of points possible for stormwater construction projects is 90.

Proposed Changes to Stormwater Planning Study PRS

Line Item 2.D

Staff suggest that this line item be separated into two sub-line items.

- **New Line Item 2.D.1** – Provides 4 points if an applicant has adopted a stormwater management plan for the study area or includes a commitment within its Project Resolution to adopt a plan (the Project Resolution is required for all applications; this would require additional wording to be added by the applicant) and also to simplify wording.
- **New Line Item 2.D.2** – Provides 1 point if the applicant states that it will develop a stormwater management plan by project completion.

Replace Original Line Items 2.E.1 and 2.E.2 with New Line Item 2.E

Both of the original line items ultimately require the applicant to implement a stormwater utility with stormwater enterprise fund. To simplify, staff suggest that these line items be consolidated into one line item.

Line Items 3.B and 3.C

Wording that was included in all of the Fall 2022 PRSs allowed for points to be added for these two line items. Line Item 3.B provides points based on the number of Local Government Unit (LGU) indicators that an applicant has. Line Item 3.C was intended to provide points only to applicants with three or less LGU Indicators (providing 8 points which is the same number of points as Line Item 3.B.4) and that Line Items 3.B and 3.C would not be additive, but the explanation was not clear. Applicants with five LGU indicators would receive 10 points for Line Item 3.B.5.

The suggested changes to Line Items 3.B and 3.C would correct this. Since these line items would not be additive, the total number of points possible for stormwater planning studies is 44.

Staff Recommendations

Division staff ask that the Authority approve for public review the draft Priority Rating Systems for Stormwater Construction Projects and Stormwater Planning Studies as shown below.

DRAFT Priority Rating System Score Sheet for Stormwater Construction Projects

Funded with 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. ***Note that some categories have a maximum allowed points that may be less than the total of individual line items.***

| Line Item # | Category 1 – Project Purpose Points will be awarded for <u>only one</u> Project Purpose: 1.A or 1.B or 1.C | Place "X" in this box if claimed | Points |
|--|--|----------------------------------|--------------------------|
| 1.A | More than 50 percent of the construction cost of the project will be used to create new stormwater control measures (SCMs), or to improve, retrofit, repair, ¹ rehabilitate or replace existing SCM infrastructure to control stormwater quality | | |
| 1.A.1 | Proposed SCMs are nature-based solutions, OR | | 35 |
| 1.A.2 | Proposed SCMs are not nature-based solutions | | 25 |
| 1.B | Restoration of streams, wetlands, buffers, or estuaries to control stormwater quality | | 25 |
| 1.B.1 | Project includes restoration of a first order stream and includes stormwater infiltration SCMs | | 2 (additional points) |
| 1.B.2 | Project includes restoration of permanent riparian buffers to at least 30 feet on both sides of the stream | | 2 (additional points) |
| 1.C | More than 50 percent of the construction cost of the project will be used to create or improve, retrofit, repair, rehabilitate or replace existing stormwater infrastructure to control stormwater quantity | | 25 |
| 1.C.1 | Project will replace infrastructure with the same size or increase the size <u>and</u> will include infrastructure and/or methods to prevent an increase in flow downstream of the project | | 25 |
| 1.C.2 | Project will increase size of infrastructure | | 10 |
| 1.D | Rainwater harvesting and utilization | | 25 |
| Maximum points available for Category 1 – Project Purpose | | | 35 |

¹ Text that is in **yellow highlight with strikethrough** will be removed to simplify the PRS form but the explanations and requirements will remain in the Guidance Document

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| Subtotal claimed by Applicant for Category 1 – Project Purpose | | | |
|--|---|----------------------------------|--------------|
| Line Item # | Category 2 – Project Benefits | Place “X” in this box if claimed | Points |
| 2.A | Water Quality Improvement | | |
| 2.A.1 | Project <u>directly benefits</u> subwatersheds that are impaired as noted on the most recent final version of the Integrated Report, OR | | 15 |
| 2.A.2 | Project <u>directly benefits</u> specific classified waters, OR | | 10 |
| 2.A.3 | Achieves at least 35% reduction in both Total Nitrogen (TN) and Total Phosphorus (TP) in Nutrient Sensitive Waters, OR | | 10 |
| 2.A.4 | Achieves at least 35% reduction in both Total Nitrogen (TN) and Total Phosphorus (TP) in Non-Nutrient Sensitive Waters, OR | | 5 |
| 2.A.5 | Directly benefits a NC Natural Heritage Program natural area | | 3 |
| 2.B | Flood Reduction | | |
| 2.B.1 | Increases public safety by improving the applicant’s ability to access and operate critical infrastructure during flood events such as water and/or wastewater treatment infrastructure, schools, hospitals, and/or emergency response facilities, including NC Department of Transportation (NCDOT) Evacuation Routes, OR | | 15 |
| 2.B.2 | Reduces structural flooding in habitable structures or improves ability to access habitable structures during a flood event, OR | | 8 |
| 2.B.3 | Reduces street flooding | | 5 |
| 2.C | By working together, <u>two or more units of local government</u> improve stormwater quality and/or <u>address stormwater</u> quantity issues control through collaborative efforts <u>that are necessary in order to accomplish the project</u> | | 10 |
| 2.D | Project has been identified through a local or regional resilience planning process that included a vulnerability assessment for future conditions and long-term strategies for addressing flooding, sea level rise, or other environmental changes (Moved to 3.E) | | 3 |

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| 2.DE | Includes an innovative stormwater project to address stormwater quality or stormwater quantity | | 5 |
|--|--|----------------------------------|-----------|
| 2.EF | Includes a public education component such as signage describing the function of the stormwater quality or quantity infrastructure | | 1 |
| Maximum points available for Category 2 – Project Benefits | | | 30 |
| Subtotal claimed by Applicant for Category 2 – Project Benefits | | | |
| Line Item # | Category 3 – System Management | Place “X” in this box if claimed | Points |
| 3.A | Local Planning | | |
| 3.A.1 | Applicant has adopted or will adopt (per Project Resolution) a stormwater-related Plan by completion of this project, and the proposed project is or will be identified in the Plan, OR Applicant has developed or is developing a local flood resiliency plan, watershed plan, stormwater management plan, stream restoration plan, or estuary restoration plan, and the proposed project is included in the plan, as of the date of application | | 5 |
| 3.A.2 | Applicant will develop a stormwater-related Plan by completion of this project and the proposed project will be identified in the Plan, OR Applicant has implemented an Operation and Maintenance Plan stormwater infrastructure which includes inspections, repairs, and maintenance as of the date of application. (Moved to 3.B) | | 2 3 |
| 3.A.3 | Applicant has adopted or will adopt (per Project Resolution) a Stormwater Management Program by completion of this project, OR | | 5 |
| 3.A.4 | Applicant will develop a Stormwater Management Program by completion of this project | | 2 |
| 3.A.2 3.B | Applicant has implemented an Operation and Maintenance Plan for stormwater infrastructure which includes inspections, repairs, and maintenance as of the date of application | | 3 |
| 3.CB | Applicant has a current Stormwater Capital Improvement Plan (CIP) that spans at least 5 years and proposed project is identified included in the CIP | | 2 |

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| 3.DC | Applicant has adopted established or is developing or implementing a Stormwater Utility with a Stormwater Enterprise Fund or provides the Resolution to Develop and Implement a Stormwater Utility with a Stormwater Enterprise Fund with its application | | 5 |
| 3.C | Stormwater Utility | | |
| 3.C.1 | Applicant has established or is developing or implementing a Stormwater Utility with a Stormwater Enterprise Fund OR | | 5 |
| 3.C.2 | Applicant has established or is developing or implementing a Stormwater Management Program without a Stormwater Enterprise Fund (Stormwater Mgmt. Program moved to 3.A.3 / 3.A.4) | | 3 |
| 2.D 3.E | The type of project has been identified through a local or regional resilienee planning process that included a vulnerability assessment for future conditions and long-term resiliency strategies for addressing flooding, sea level rise, or other environmental changes | | 3 |
| Maximum points available for Category 3 – System Management | | | 10 |
| Subtotal claimed by Applicant for Category 3 – System Management | | | |
| Line Item # | Category 4 – Affordability (*) Applications will not be awarded points for both Line Items 4.B and 4.C | Place “X” in this box if claimed | Points |
| 4.A | Population | | |
| 4.A.1 | Population is less than 10,000, OR | | 3 |
| 4.A.2 | Population is greater than or equal to 10,000 but less than 20,000 | | 2 |
| 4.B (*) | Local Government Unit (LGU) Indicators | | |
| 4.B.1 | 1 out of 5 LGU indicators worse than state benchmark, OR | | 4 |
| 4.B.2 | 2 out of 5 LGU indicators worse than state benchmark, OR | | 6 |
| 4.B.3 | 3 out of 5 LGU indicators worse than state benchmark, OR | | 8 |
| 4.B.4 | 4 out of 5 LGU indicators worse than state benchmark, OR | | 10 |

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| 4.B.5 | 5 out of 5 LGU indicators worse than state benchmark | | 12 |
| 4.C (*) | Project benefits disadvantaged areas: 50 percent or more of the total project cost will benefit disadvantaged areas | | 10 |
| Maximum points available for Category 4 – Affordability | | | 15 25 (*) |
| Subtotal claimed by Applicant for Category 4 – Affordability | | | |
| Total Points Claimed by Applicant for All Categories for Stormwater Construction Project | | | |
| Maximum Points Available for All Categories for Stormwater Construction Project | | | 90 100 |



DRAFT 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, or specific classified waters, or Nutrient Sensitive Waters to achieve Total Nitrogen (TN) and Total Phosphorus (TP) reduction, 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 future 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 |

DRAFT Priority Rating System Score Sheet for Stormwater Planning Study

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|---|--|---|---------------|
| 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, by completion of this project will have adopted a stormwater management plan for the study area | | 4 |
| 2.D | Stormwater Management Plan | | |
| 2.D.1 | Applicant has adopted or will adopt (per Project Resolution) a stormwater management plan for the study area by completion of this project | | 4 |
| 2.D.2 | Applicant will develop a stormwater management plan for the study area by completion of this project | | 1 |
| 2.E | Stormwater Utility and Stormwater Enterprise Fund | | |
| 2.E.1 2.E | Applicant has a Stormwater Utility with a Stormwater Enterprise Fund or provides the Resolution to Develop and Implement a Stormwater Utility with a Stormwater Enterprise Fund with its application | | 5 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 |

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|---|--|--|-------------------------|
| 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 Study | | | |
| Maximum Points Available for All Categories for Stormwater Planning Study | | | 44 52 |