

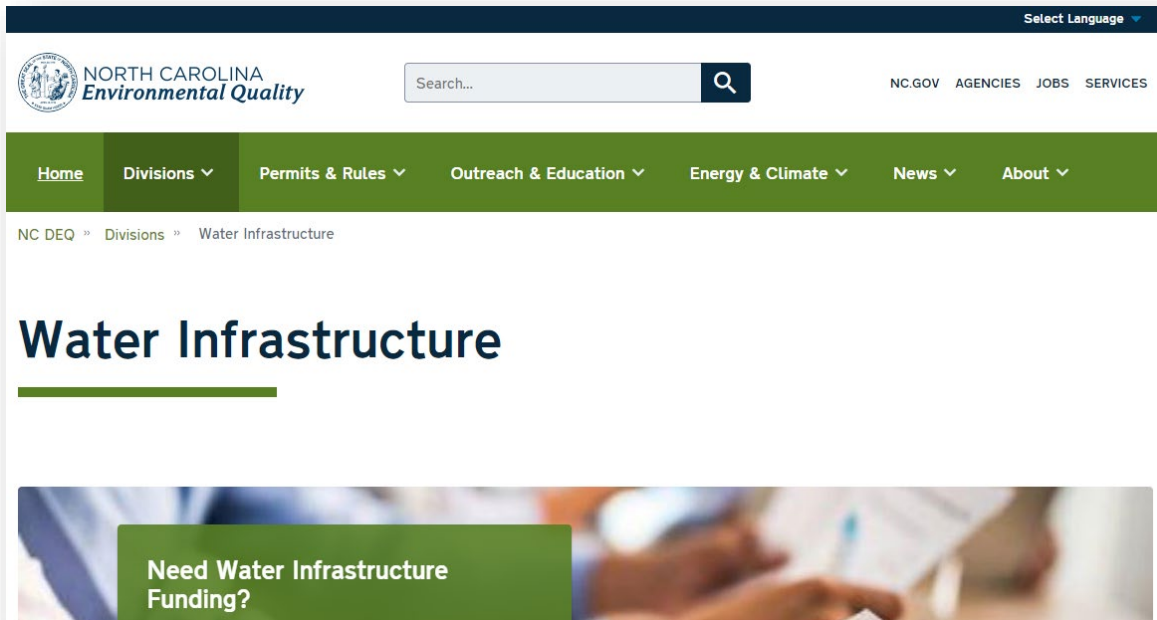


**March 2022**

**Listening Session: Priorities for Stormwater Funding**  
*Department of Environmental Quality*  
*Division of Water Infrastructure*



**What (or how) would you recommend prioritizing for stormwater funding?**



## Overview

<https://deq.nc.gov/about/divisions/water-infrastructure>

# *Division of Water Infrastructure (DWI)*

Administer drinking water and wastewater infrastructure funding programs.

- Low-interest loans and grants
- Local government units and non-governmental water utilities
- Infrastructure (construction) projects and supporting studies and activities
- Ensure compliance with federal and state requirements

Fund stormwater projects that are eligible under the Clean Water State Revolving Fund.

# *Division of Water Infrastructure (DWI)*

Twice/year applications for funding.

Applications scored based on Priority Rating Systems that are approved by the State Water Infrastructure Authority (SWIA).

Applications score points based on Priority Rating Systems:

- Project Purpose
- Project Benefits
- Good Management Practices
- Affordability / Recipient Characteristics

Funding decisions made by SWIA.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

SESSION LAW 2021-180  
SENATE BILL 105

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE AGENCIES, DEPARTMENTS, AND INSTITUTIONS AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

PART I. TITLE AND INTRODUCTION

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations Appropriations Act of 2021."

INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

NC General Assembly passed a budget in November 2021.

Includes appropriations from ARPA to be administered by NC DEQ as grant funding for water, wastewater, and stormwater projects.

Creates a new funding program: Local Assistance for Stormwater Infrastructure Investments Fund.

# NC DEQ DWI ARPA Administration Plan

**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 Drinking Water, Wastewater and Stormwater Projects**

Last updated February 3, 2022.

This document describes the plan for administering the appropriated State Fiscal Recovery Fund as grants for drinking water, wastewater, and stormwater projects.

**Summary:**

The North Carolina General Assembly 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 Current Operations Appropriations Act of 2021 (S.L. 2021-180). The North Carolina Department of Environmental Quality (NC DEQ) Division of Water Infrastructure (Division) will administer approximately \$1.6 billion as grants for drinking water, wastewater, and stormwater systems in North Carolina, which excludes amounts that will be transferred to other agencies and up to 3% in administrative costs. The funds, some of which are appropriated for specific projects, are divided into different Reserves to be administered by the Division, shown in the table below, following statutory and budgetary requirements. In addition, federal requirements for the use of American Rescue Plan Act appropriations will apply. All funds must be expended by December 30, 2026.

NC DEQ Fund or Reserve	Purpose	Allocated directly for specific local governments and public entities (earmarked), approx.	Approximate remaining for grant funding (non-earmarked)
Viable Utility Reserve	Grants for water and wastewater systems that have been designated as distressed by the State Water Infrastructure Authority and the Local Government Commission, for the purposes set forth in subdivisions (1) through (5) of G.S. 159G-32(d).	\$89.7 million	\$353.0 million
Drinking Water Reserve and Wastewater Reserve (State Reserves)	Project construction grants for public water systems and wastewater systems NC DEQ categorizes as <b>at-risk of becoming distressed</b> .	\$116.6 million	\$191.3 million
	Project construction grants for public water systems and wastewater systems <b>not designated as distressed or categorized as at-risk</b> .	\$614.8 million	\$54.1 million
	Grants for asset inventory and assessments, rate studies, merger/regionalization feasibility, training, and planning grants to conduct project engineering, design, or other preconstruction activities.	\$0	\$77.6 million
Local Assistance for Stormwater Infrastructure Investments Fund	Grants for local governments for projects that will improve or create infrastructure for controlling stormwater quantity or quality.	\$18.5 million	\$82.0 million
<b>Total</b>		<b>\$839.6 million</b>	<b>\$758.0 million</b>
		<b>Total funds: approx. \$1.6 billion</b>	

Posted on the Division of Water Infrastructure's website, under "I Need Funding"

<https://deq.nc.gov/about/divisions/water-infrastructure/i-need-funding>

~\$82 million available for stormwater grants.

# *Stormwater Funding (Section 12.14. of SL 2021-180)*

Grant funds for projects that will improve or create infrastructure for controlling stormwater quantity and quality.

## Eligible entities:

**SECTION 12.14.(d) Eligible Entity.** – An eligible entity for a grant under this section shall be a city or county that (i) documents in a form and manner as the Department may specify a stormwater quality or quantity issue and (ii) demonstrates that it would experience a significant hardship raising the revenue necessary to finance stormwater management activities within its jurisdiction based on income and unemployment data, population trends, and any other data determined relevant by the Department. A regional council of government created pursuant to Part 2 of Article 20 of Chapter 160A of the General Statutes or a nonprofit entity is also an eligible entity under this section if the regional council of government or nonprofit entity partners with a city or county.



# Project Types and Funding

Grant funds for projects that will improve or create infrastructure for controlling stormwater quantity and quality.

**SECTION 12.14.(e) Grant Types.** – The Department shall make the following types of grants from the Fund:

(1) **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.

**\$15,000,000 limit**

(2) **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.

**\$500,000 limit**

**All funds must be expended by December 2026. Federal and state requirements apply.**

# *Anticipated Timeline*

Now

Stakeholder engagements

Spring

SWIA (and its Stormwater Funding Committee) develops a proposed Priority Rating System

Early summer

Public review of proposed Priority Rating System

July

Adopt Priority Rating System; create and post application forms; schedule application trainings

Sept 30, 2022

First round of applications due

May 1, 2023

If funds remain, second round of applications due

# What (or how) would you recommend prioritizing for stormwater funding?

Types of construction projects

Types of planning projects

Project purposes

Project benefits

Stormwater management practices

Recipient characteristics

Equity / Disadvantaged areas

Can submit in writing by March 16, 2022  
to [dwi.publiccomments@ncdenr.gov](mailto:dwi.publiccomments@ncdenr.gov) (subject line: DWI ARPA Stormwater)



*Thank you.*

