

State Water Infrastructure Authority

Meeting Date: February 21, 2023

Agenda Items H and I

Fall 2022 Application Round and Example Funding Scenarios for Local Assistance for Stormwater Infrastructure Investments (LASII) Projects

(Updated February 20, 2023, changes shown in red)

Division of Water Infrastructure Staff Report

Background

This staff report presents background information on the Fall 2022 Application Round for stormwater construction and 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).

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.

Of the \$1.69 billion appropriated by the NCGA, the Division is administering approximately \$100.5 million for stormwater projects in the LASII fund. Table 1 shows the fund amounts, including a summary of statutory and budgetary requirements, for the appropriation. Approximately \$82 million is available through the Division’s competitive funding process for cities and counties and their regional councils of government and nonprofit entity partners for projects that will improve or create infrastructure for controlling stormwater quantity and quality.

Table 1. American Rescue Plan Act Funds Appropriated for Stormwater Infrastructure			
NC DEQ Fund	Purpose	Allocated Directly for Specific Local Governments (Directed Projects)	Amount Available for Competitive Grant Funding
Local Assistance for Stormwater Infrastructure Investments (LASII) Fund	Grants for local governments for projects that will improve or create infrastructure for controlling stormwater quantity and quality	Approximately \$18.5 million	Approximately \$82 million

Session Law 2021-180 Section 12.14.(e) defines two types of grants available from the LASII fund:

- 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.
- 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.

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

In July 2022, SWIA 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.

LASII Stormwater Applications Received

Fall 2022 Application Round applications were due September 30, 2022. Stormwater applications included projects for construction, planning, and developing and implementing a new stormwater utility. There were 171 stormwater applications from 107 applicants in 62 of the 100 counties across the state. Of these, ~~2131~~ applications (~~12.3~~18.1 percent) were **not eligible for consideration for funding because the application was not complete or because the applicant had met the allowable ARPA funding cap.** ~~not complete and are not eligible for consideration for funding.~~ The ~~150~~140 complete and eligible applications for stormwater projects include ~~82~~83 for construction projects, four projects to develop and implement new stormwater utilities, and ~~64~~53 planning projects.

The LASII stormwater applications are summarized in Tables 2 and 3.

Stormwater Application Type	Total Number of Applications Submitted	Number of Ineligible/ Incomplete Applications	Number of Complete and Eligible Applications
Stormwater Construction	92	109	8283
Establish a Stormwater Utility	4	0	4
Stormwater Planning	75	1122	53
Total	171	2131	150140

Stormwater Application Type	Number of Complete and Eligible Applications	Amount Requested in Complete and Eligible Applications	Amount of LASII Funds Available
Stormwater Construction	8283	\$219,720,193 \$216,720,193	\$57,446,375 ¹
Establish a Stormwater Utility	4	\$1,800,000 ²	
Stormwater Planning	64 53	\$22,105,335 \$18,265,335	\$24,619,875
Total	150140	\$240,625,528 \$239,785,528	\$82,066,250

Applications received for the LASII funds were evaluated to determine if the applicants were eligible entities, and then scored in accordance with the SWIA-approved Priority Rating Systems. Applications to develop and implement a new stormwater utility were scored using the Stormwater Planning Studies PRS as approved by SWIA, but per Session Law 2021-180 Section 12.14, the funds for these grants, if awarded, are to be awarded from the LASII construction funds.

Projects of Note

Construction Grant Applications

The City of Durham South Ellerbe SW Restoration grant application was moved from the incomplete/ineligible list to the funding scenario and the ranking of subsequent grant applications was modified. The project score is 64 and it ranks as Project No. 13. The City of Durham grant

¹ Per Session Law 2021-180 Section 12.14, funds for establishing a stormwater utility, if awarded, are to be awarded from the LASII construction funds.

² Ibid.

application in the amount of \$3,000,000 which is now eligible causes changes to the funding scenario.

As a result of an inquiry from the Town of Wilkesboro, its Cub Creek III Stream Restoration grant application was rescored resulting in a revised score of 64 and it ranks as Project No. 14. The ranking of subsequent grant applications was modified. The Town of Wilkesboro grant application in the amount of \$1,603,400 in the funding scenario causes changes to the funding scenario.

Due to these two changes in project rank and limited funding, the City of Dunn Juniper Creek Stormwater Improvements (ranked as Project No. 20) would be funded in the amount of \$490,340 in the funding scenario. The City of Greensboro Neighborhood Streambank Stabilization and Restoration (ranked as Project No. 21) grant application would now be below the threshold of the funding scenario.

Planning Grant Applications

The City of Greensboro has two study grant applications in the funding range. North Buffalo Creek Master Plan is a higher scoring project and is shown as funded. Staff recommend that the Town may choose which study to pursue for the awarded \$400,000.

The City of Burlington has two study grant applications in the funding range. Ireland/Main St. Stormwater Improvements project is the higher scoring project and is shown as funded. Staff recommend that the Town may choose which study to pursue for the awarded \$400,000.

New Hanover County has four study grant applications in the funding range. The Acorn Branch Watershed Planning and Feasibility and the Pumpkin Creek Watershed Planning and Feasibility applications are the higher scoring projects and are shown as funded. Staff recommend that the Town may choose which studies to pursue for the awarded \$400,000.

Example Stormwater Construction and Establish a Stormwater Utility Funding Scenario

Table I-1 identifies the projects that would be funded under the example funding scenario for stormwater construction projects. Table I-2 identifies projects (in ranking order) that would establish a stormwater utility. A full list of applications, including those that would not be funded under this scenario, are shown in the accompanying spreadsheets. Project numbers in the table below reference project numbers in the accompanying spreadsheets.

Example Stormwater Planning Funding Scenario

Table I-2 identifies the projects that would 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. Project numbers in the table below reference project numbers in the accompanying spreadsheets.

The stormwater planning funding scenario would result in \$6,354,540 in LASII stormwater planning funds remaining that could be offered in the Spring 2023 funding round.

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 I-1. LASII Stormwater Construction Grant Applications – Example Funding Scenario

Proj. No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential LASII Construction Grant Amount	Potential LASII Planning Grant Amount	County
1	Mooreville, Town of	East Center Avenue Stormwater Improvements	\$5,000,000	\$3,900,000	\$0	Iredell
2	Hendersonville, City of	Lower Mud Creek Floodplain Restoration	\$1,897,236	\$1,897,236	\$0	Henderson
3	Rocky Mount, City of	Parkers Canal Flooding Relief and Water Quality Improvements	\$3,663,363	\$3,663,363	\$0	Nash/Edgecombe
4	Wilson, City of	Elizabeth Street Regional SCM Projects	\$3,279,705	\$3,279,705	\$0	Wilson
5	New Bern, City of	New Bern Duffyfield Stormwater Enhancement Project	\$4,149,360	\$4,149,360	\$0	Craven
6	Spencer, Town of	17th Street Stormwater Improvements	\$1,959,462	\$1,959,462	\$0	Rowan
7	Morehead City, Town of	MHC 2022 Calico Creek Stormwater Improvements	\$5,000,000	\$5,000,000	\$0	Carteret
8	Nags Head, Town of	S. Old Oregon Inlet Road Stormwater Infrastructure Improvements	\$2,957,961	\$2,957,961	\$0	Dare
9	Greenville, City of	Corey Road Regional Detention and Stream Restoration	\$7,500,000	\$5,000,000	\$0	Pitt
10	High Point, City of	High Point W. Green Drive Stormwater Infrastructure Improvements	\$7,500,000	\$5,000,000	\$0	Guilford
11	Havelock, City of	McCotter Canal Bank Stabilization	\$3,115,500	\$3,115,500	\$0	Craven
12	Cumberland County	Ann Street Landfill Sediment Ponds No.2 and No. 3 Improvements	\$1,763,374	\$1,763,374	\$0	Cumberland
13	Durham, City of	South Ellerbe Stormwater Restoration Project	\$3,000,000	\$3,000,000	\$0	Durham

Table I-1. LASII Stormwater Construction Grant Applications – Example Funding Scenario

Proj. No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential LASII Construction Grant Amount	Potential LASII Planning Grant Amount	County
2414	Wilkesboro, Town of	Wilkesboro Cub Creek III Stream Restoration	\$1,603,400	\$1,603,400	\$0	Wilkes
14 16	Mount Gilead, Town of	Stanback Park Drainage Improvements	\$1,807,000	\$1,807,000	\$0	Montgomery
15 17	Black Mountain, Town of	Black Mountain North Bank Swannanoa River Floodbench Project	\$5,000,000	\$5,000,000	\$0	Buncombe
16 18	Wayne County	Jetport Parking Lot Drainage Improvements Project	\$1,784,000	\$1,784,000	\$0	Wayne
17 19	Gaston County	Cramerton Central Park Stream Restoration	\$275,674	\$275,674	\$0	Gaston
18 20	Dunn, City of	Dunn Fall 2022 Stormwater AIA Juniper Creek SW Improvements	\$5,000,000	\$4,500,000 \$490,340	\$0	Harnett
19 21	Greensboro, City of	Neighborhood Streambank Stabilization and Restoration	\$1,785,781	\$593,740	\$0	Guilford
Totals for LASII Stormwater Construction Grants				\$55,646,375	\$0	Total: \$55,646,375

Table I-2. LASII Stormwater Planning Grant Applications – Example Funding Scenario

Proj. No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential LASII Construction Grant Amount	Potential LASII Planning Grant Amount	County
2	Cerro Gordo, Town of	Cerro Gordo Stormwater Improvements	\$500,000	\$0	\$500,000	Columbus
3	Spencer, Town of	Town of Spencer Stormwater Assessment and Planning	\$400,000	\$0	\$400,000	Rowan
4	Tabor City, Town of	4th Street Area Drainage Improvements Study	\$500,000	\$0	\$400,000	Columbus
5	Hendersonville, City of	City of Hendersonville Comprehensive Stormwater Master Plan	\$400,000	\$0	\$400,000	Henderson
7	Lexington, City of	Asset Inventory and Condition Assessment of the City of Lexington MS4 System	\$283,360	\$0	\$283,360	Davidson
8	Shelby, City of	City-wide Stormwater Modeling, Infrastructure Assessment, and Master Plan	\$330,000	\$0	\$330,000	Cleveland
10	Greensboro, City of	North Buffalo Creek Master Plan	\$400,000	\$0	\$400,000	Guilford
11	Washington, City of	Stormwater Asset and Inventory Assessment	\$400,000	\$0	\$400,000	Beaufort
14	Durham County	Whispering Pines Stormwater Management Project	\$400,000	\$0	\$400,000	Durham
15	Albemarle, City of	Little Long Creek Stormwater Master Plan	\$400,000	\$0	\$400,000	Stanly
16	Spruce Pine, Town of	Spruce Pine Stormwater Assessment and Planning Project	\$300,000	\$0	\$300,000	Mitchell
17	Conover, City of	Stormwater Asset Inventory and Condition Assessment	\$400,000	\$0	\$400,000	Catawba
18	Burlington, City of	Ireland/Main Street SW Infrastructure Improvements	\$400,000	\$0	\$400,000	Alamance
19	Gastonia, City of	Stormwater Infrastructure Asset Inventory Assessment	\$500,000	\$0	\$500,000	Gaston

Table I-2. LASII Stormwater Planning Grant Applications – Example Funding Scenario

Proj. No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential LASII Construction Grant Amount	Potential LASII Planning Grant Amount	County
20	Kinston, City of	City of Kinston Stormwater Inventory and Condition Assessment	\$400,000	\$0	\$400,000	Lenoir
21	Siler City, Town of	Siler City Stormwater Utility	\$500,000	\$500,000	\$0	Chatham
22	Morganton, City of	Morganton Stormwater AIA and Master Plan	\$400,000	\$0	\$400,000	Burke
23	Havelock, City of	Area-Wide Stormwater Master Planning	\$400,000	\$0	\$400,000	Craven
24	Sound Rivers, Inc	Nash County Schools Stormwater Assessment and GSI Planning	\$129,560	\$0	\$129,560	Nash
25	New Bern, City of	New Bern Stormwater AIA	\$400,000	\$0	\$400,000	Craven
26	Wilson, City of	Stormwater Asset Inventory and Condition Assessment	\$400,000	\$0	\$400,000	Wilson
27	Mount Olive, Town of	Townwide Stormwater Masterplan	\$220,000	\$0	\$220,000	Wayne
29	Fairmont, Town of	Stormwater System AIA	\$350,000	\$0	\$350,000	Robeson
30	Clinton, City of	2023 Stormwater Mapping and Assessment Project	\$400,000	\$0	\$400,000	Sampson
32	Black Mountain, Town of	Black Mountain Stormwater LASII Planning Master Plan Update-Asset Inventory and Assessment	\$400,000	\$0	\$400,000	Buncombe
33	Smithfield, Town of	Stormwater Utility ERU Study and System Mapping	\$500,000	\$500,000	\$0	Johnston
34	Mount Gilead, Town of	Stormwater System AIA	\$350,000	\$0	\$350,000	Montgomery
36	Garysburg, Town of	Stormwater Drainage System Inventory & Planning Improvements	\$400,000	\$0	\$400,000	Northampton

Table I-2. LASII Stormwater Planning Grant Applications – Example Funding Scenario

Proj. No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential LASII Construction Grant Amount	Potential LASII Planning Grant Amount	County
37	Waynesville, Town of	Waynesville LASII Planning - Comprehensive Stormwater Masterplan	\$400,000	\$0	\$400,000	Haywood
38	Robbinsville, Town of	Ford Street Drainage Improvements	\$75,000	\$0	\$75,000	Graham
39	Wayne County	Jetport Parking Lot Drainage Improvement Project	\$205,000	\$0	\$205,000	Wayne
40	Winterville, Town of	Stormwater Asset Inventory Assessment	\$400,000	\$0	\$400,000	Pitt
41	Woodland, Town of	Southwest Stormwater Improvements	\$277,000	\$0	\$277,000	Northampton
42	Surf City, Town of	Surf City New Stormwater Utility Implementation Study	\$400,000	\$400,000	\$0	Onslow/ Pender
43	Denton, Town of	Town of Denton Stormwater Planning Grant Project	\$400,000	\$0	\$400,000	Davidson
44	Boone, Town of	Boone Stormwater Infrastructure Inventory & Assessment	\$400,000	\$0	\$400,000	Watauga
45	Littleton, Town of	Stormwater Asset Inventory and Assessment	\$261,000	\$0	\$261,000	Halifax
46	Swansboro, Town of	Swansboro Master Plan	\$400,000	\$0	\$400,000	Onslow
47	Clayton, Town of	Downtown Clayton Stormwater Infrastructure Assessment Program	\$400,000	\$0	\$400,000	Johnston
48	Fremont, Town of	Stormwater Asset Inventory and Assessment Grant – REVISED	\$400,000	\$0	\$400,000	Wayne
49	Oxford, City of	Eastern Area Stormwater Modeling and Master Plan	\$250,000	\$0	\$250,000	Granville
50	Selma, Town of	North Selma Drainage Study	\$359,000	\$0	\$359,000	Johnston

Table I-2. LASII Stormwater Planning Grant Applications – Example Funding Scenario

Proj. No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential LASII Construction Grant Amount	Potential LASII Planning Grant Amount	County
51	Murfreesboro, Town of	Stormwater AIA Study	\$400,000	\$0	\$400,000	Hertford
52	Garner, Town of	Stormwater Asset Inventory and Condition Assessment for Disadvantaged Areas	\$400,000	\$0	\$400,000	Wake
53	Kannapolis, City of	Residential Drainage Improvements Study	\$225,000	\$0	\$225,000	Rowan/ Cabarrus
54	Topsail Beach, Town of	Stormwater Capital Improvement and Resiliency Plan	\$400,000	\$0	\$400,000	Pender
55	Calabash, Town of	City-wide Stormwater Modeling, Infrastructure Assessment, and Master Plan	\$250,000	\$0	\$250,000	Brunswick
56	Fuquay-Varina, Town of	Fuquay-Varina Stormwater Utility	\$400,000	\$400,000	\$0	Wake
57	Kings Mountain, City of	Buffalo Creek & Moss Lake Sediment Remediation & Water Quality Study	\$400,000	\$0	\$400,000	Cleveland/ Gaston
58	Hamlet, City of	Stormwater System Study	\$400,000	\$0	\$400,000	Richmond
60	Cleveland County Government	Stream Restoration at LeGrand Center	\$100,000	\$0	\$100,000	Cleveland
61	Mount Pleasant, Town of	Stormwater System AIA	\$350,000	\$0	\$350,000	Cabarrus
62	Saluda, City of	Stormwater Feasibility Analysis and Policy Development	\$400,000	\$0	\$400,000	Polk
63	Charlotte, City of	Upper Little Sugar and Irwin Creek Nature-Based Stormwater Retrofit Project Atlas	\$155,600	\$0	\$155,600	Mecklenburg
64	New Hanover County	Acorn Branch Watershed Planning & Feasibility	\$150,000	\$0	\$150,000	New Hanover

Table I-2. LASII Stormwater Planning Grant Applications – Example Funding Scenario

Proj. No.	Applicant Name	Project Name	Amount of Funding Requested by Applicant	Potential LASII Construction Grant Amount	Potential LASII Planning Grant Amount	County
65	New Hanover County	Pumpkin Creek Watershed Planning & Feasibility	\$250,000	\$0	\$250,000	New Hanover
68	Beaufort, Town of	Professional Park Drive Area Stormwater Inventory & Flood Study	\$394,815	\$0	\$394,815	Carteret
Totals for LASII Stormwater Planning Grants and New Stormwater Utility Grants				\$1,800,000	\$18,265,335	Total: \$20,065,335