

# N.C. Division of Water Resources

## Water Resources Development Grant Program – State & Local Fall 2019 Guidelines

**Administered by:** Division of Water Resources (DWR), N.C. Department of Environmental Quality (DEQ), 1611 Mail Service Center, Raleigh, N.C., 27699-1611. Contact Amin Davis at [amin.davis@ncdenr.gov](mailto:amin.davis@ncdenr.gov) or (919) 707-9132.

**Authority:** DWR is authorized to provide grants to local governments for water resources development projects by General Statutes 143-215.70-.73 and 15A NCAC 02G .0100. These statutes can be viewed online at the following web addresses:

<http://www.ncleg.net/gascripts/Statutes/StatutesTOC.pl?Chapter=0143>

<http://reports.oah.state.nc.us/ncac/title%2015a%20-%20environmental%20quality/chapter%2002%20-%20environmental%20management/subchapter%20g/subchapter%20g%20rules.pdf>

**Who is Eligible:** Units of local government and local political subdivisions.

**Application Deadlines:** Applications are received throughout the year for two standard grant cycles for all non-navigation projects listed below. The spring 2019 grant cycle began January 1 and will end at the close of business on June 30. The fall 2019 grant cycle will begin July 1 and will end at the close of business on December 31. **Any complete application submittals that are not received by these dates will not be eligible for review and funding for this application review cycle.**

**Eligible Purposes and Cost-Share Percentages:** The department may provide state funds in amounts not to exceed the percentages stated in G.S. 143-215.71 of either the non-federal costs (in the case of a federal agency project) or the total costs (in the case of a project not receiving federal funds). The General Assembly placed a 50% cost-share maximum on Water Resources Development Grant awards during their 2011 session. This limit will remain in place until rescinded by the General Assembly. Navigation and Natural Resources Conservation Service's Environmental Quality Incentives Program (NRCS-EQIP) stream restoration projects may be funded at a different percentage depending on the funding source. DWR can issue grants for the non-federal share of water resources development projects for the following purposes: Based on limited annual funding received for grant awards statewide, Applicants are generally encouraged to not exceed a \$200,000 funding request; however larger awards are allowed. **Additionally, it is recommended that Administrative costs not exceed 10% of the total project budget.** Grants may be made for the nonfederal share of water resources development projects for the following purposes:

- **Stream Restoration:** Restoration or stabilization of degraded streams & shorelines, aquatic barrier removals, etc.
- **Water Management:** Stormwater control measures, drainage, flood control, hydrologic restoration, etc.
- **Water-based Recreation Sites:** Greenways/Boardwalks, Paddle Access, Fishing Docks/Piers; land acquisition for water based recreation sites operated by local governments.
- **Preliminary Feasibility or Engineering Study:** towards implementation of one of the four eligible categories listed here.
- **NRCS Environmental Quality Incentives Program (EQIP) Stream Restoration Projects**
  - See *NRCS EQIP Grant Guidelines* document on grant's website below for details.

Please contact Amin Davis ([amin.davis@ncdenr.gov](mailto:amin.davis@ncdenr.gov)) for questions regarding projects listed above. Funding is also available through Water Resources Development Grant awards for dredging projects associated with General and Recreational Navigation. Applicants should contact Coley Cordeiro ([Coley.Cordeiro@ncdenr.gov](mailto:Coley.Cordeiro@ncdenr.gov)) for more information about the guidelines, eligibility and application process for these projects.

**Project Eligibility:** Projects planned and constructed by a federal agency with a local cost-share and projects without federal assistance are both eligible for state financial assistance provided that the applicant is a unit of local government. **Non-eligible purposes include projects directly associated with meeting an existing permit requirement (i.e., NPDES Phase I and Phase II Stormwater), generating nutrient credits, environmental regulatory enforcement actions and small watershed projects of the NRCS (reviewed by the N.C. Soil and Water Conservation Commission). Compensatory mitigation projects and the generation of compensatory mitigation credits for impacts to aquatic resources per the Federal Mitigation Rule (33 CFR Part 332) are non-eligible purposes.** Compensatory mitigation projects can be located directly adjacent to an eligible project for the purposes of achieving maximum ecological benefit. Should a compensatory mitigation project be conducted on land previously acquired using DWR grant funds the mitigation project sponsor shall reimburse either DWR or its grantee for the full value, plus appreciation, of the DWR investment in that portion of the land to be used for compensatory mitigation to ensure that DWR does not directly or indirectly subsidize the mitigation project.

**Pre-Application Site Visit:** A pre-application site visit shall be scheduled with the DWR Grant Administrator (or designee) to gather additional information regarding a proposed project to assist DWR in determining if the project meets the applicable review criteria listed in GS §143-215.72. **This site visit shall be scheduled with DWR prior to the end of the grant application cycle if possible. A scaled conceptual project plan map and brief project narrative shall be provided to the DWR Grant Administrator prior to this site visit. For greenway/trail projects, applicants are encouraged to flag proposed alignments if not in obvious rights-of-ways prior to a site visit.**

The primary objectives of this site visit are: 1.) for the DWR Grant Administrator (or designee) to address any questions or concerns the project team may have about this grant program; 2) for the project team to share with the DWR Grant Administrator (or designee) information about the conceptual restoration plans associated with a proposed project, and 3.) for the DWR Grant Administrator (or designee) to photo-document the project area to facilitate the application review process.

## **Application Submittal**

An application for Water Resources Development Grant funding shall include information about the five items listed below to be considered complete. Additional supplementary documentation (reports, photos, etc.) are not required but can be provided as separate attachments via email. The most recent versions of all required forms and grant information shall be used and can be found at the following website: <https://deq.nc.gov/about/divisions/water-resources/water-resources-grants/financial-assistance>. Please check this website frequently for updates.

**I. Application Spreadsheet (MS Excel) – The most recent version of the application spreadsheet shall be used.** All applications should include the appropriate project information in the designated sheets including contacts, general information, narratives, treatment amounts, benefits, budget, and budget in-kind notes. Detailed instructions about how to complete this application are provided on the *Instructions* sheet of this spreadsheet.

The project narrative shall begin with a statement outlining the overall project scope (what is being proposed), followed by the project justification (why it is being proposed). For stream restoration projects, a brief description of how the proposed stream treatments will mitigate the documented stream impairments shall be included. **Information about proposed riparian buffers (minimum/maximum or average proposed widths) and stream crossings shall also be provided. For Preliminary Feasibility or Engineering Studies, a brief letter on the Applicant's official letterhead shall be provided** that clearly states: 1.) the primary purpose and objective(s) of this Study, 2.) the Applicant's intention to implement an associated WRDG-eligible project resulting from this Study, and 3.) the estimated project implementation timeline after completion of this Study. Studies may be used to more accurately determine project costs, benefits and/or scale of development.

**The application budget will serve as the basis for the financial administration of the grant contract and reimbursement requests for projects that are awarded funding. Applicants shall list all sources of Non-Federal funding contributions on the application's Budget Sheet to minimize the potential for duplicative funding for identical work activities associated with a single project.** Costs associated with land acquisition are only reimbursable for eligible Water-Based Recreation projects. The costs associated with land acquisition or donation for non-Water-Based Recreation projects can designated as In-kind match for the project. **The complete application will be included in the DEQ contract documentation; therefore it is very important that its contents are accurate and complete.**

**II. Project Plan and Location Maps** – A minimum of two scaled maps is required. The first map shall include the project footprint delineated on a USGS topographic quadrangle map or overlain on recent aerial photography. This map shall be at a small scale (zoomed out) to show the project area within the context of a watershed, county or region. The second map shall be a conceptual plan that describes the location of project elements listed in the project narrative. This map shall be larger scale (zoomed in) to show greater detail within the immediate project area. 30% project design drawings shall also be provided if available.

**III. Official Resolution** - The Applicant shall include a resolution adopted by the governing board stating the amount of state aid requested and accepting the applicant's responsibilities. A representative of the Project Sponsor with signatory authority shall sign this resolution. An Official Resolution template is available for download from our grant [website](#). In most circumstances the responsibilities listed below shall be included in the Official Resolution. However, this resolution template can be adapted to fit the unique circumstances of a specific project. **Written justification shall be provided to DWR for any responsibilities listed below that are not included in the Official Resolution.**

1. Assume full obligation for payment of the balance of project costs.
2. Obtain all necessary state and federal environmental permits.
3. Comply with all applicable laws governing the award of contracts and the expenditure of public funds by local governments.
4. Supervise construction of the project to assure compliance with permit conditions and to assure safe and proper construction in accordance with approved plans and specifications.
5. Obtain appropriate easements, rights-of-way or suitable spoil disposal areas that may be necessary for the construction and operation of the project without cost or obligation to the State.
6. Assure that the project is open for use by the public on an equal basis with limited restrictions (if on public property).
7. Hold the state harmless for any damages that may result from the construction, operation, and maintenance of the project.
8. Accept responsibility for operation and long-term maintenance of the completed project.

*\* For “Feasibility / Engineering Study Grants” only Items 1 and 3 are required in the Resolution. See Study Resolution Template located on our [website](#).*

**IV. No Conflict of Interest Certification** – Applicants must provide certification that the applicant, applicant’s subordinates and any person or persons designated to act on behalf of the applicant do not have an actual or apparent conflict of interest with respect to the project. A representative of the Project Sponsor with signatory authority shall sign this certification.

**V. Supplementary Documentation** – Additional supplementary documentation (reports, photos, letters of support, etc.) is not required but can be provided as separate attachments via email as part of the application submittal.

Application submittal documents shall be emailed to [amin.davis@ncdenr.gov](mailto:amin.davis@ncdenr.gov) by the close of business of the last day of the application cycle. **If an application is submitted by a non-governmental organization (non-profit, consultant, etc.) on behalf of an eligible unit of local government, a staff person of that eligible unit of local government must be copied on the email submittal and all subsequent application-related correspondence.**

**Note: It is the Applicant’s responsibility to ensure their application is accurate and complete at the time of submission to DWR. Any application errors or modifications must be submitted by the Applicant to DWR within 30 calendar days of the end of the Application Cycle in which the application was submitted. Erroneous or incomplete application information can also lead to significant delays with the issuance of a DEQ Contract should the project be recommended for grant funding.**

**DWR may not be able to grant requests for additional funding caused by inaccurate or incomplete information provided in the application or project budget. Any changes to the original project budget and/or project scope submitted with the application will require the prior written approval of DWR. Unapproved changes to the project scope or budget throughout the course of a project will not be eligible for cost-share funding or reimbursement.**

## **Grant Application Review and Approval**

**The following criteria will be used to approve, approve in part, or disapprove grant applications:**

1. The economic, social, and environmental benefits to be provided by the projects;
2. Regional benefits of projects to an area greater than the area under the jurisdiction of the local sponsoring entity;
3. The financial resources of the local sponsoring entity;
4. The environmental impact of the project;
5. Any direct benefit to State-owned lands and properties.

### **Applicant Obligation – Environmental Permitting**

All proposed projects are subject to environmental review and permitting under applicable federal and state laws. It is the applicant’s responsibility to prepare, provide and remain in compliance with all applicable environmental permitting requirements associated with project implementation.

### **Review Decisions**

**This is a competitive grant program due to limited funding availability. The grant's review criteria is contained within the *Benefits & Evaluation Criteria* sheet of the application form. A multi-agency review team comprised of various subject-matter experts reviews each application to assist the DWR Grant Administrator and Division Director with establish funding priorities. Applications that receive a total cumulative review team score of less than 50% will not be recommended for funding.**

Review decisions and notifications for applications received during the spring application cycle are generally made in October. Review decisions and award notifications for applications received during the fall application cycle are generally made in April of the next calendar year. However, unforeseen circumstances such as legislative, policy or funding allocation changes may delay award notifications.

### **Projects Not Awarded Funding**

Applicants who are not awarded funding within one calendar year from the end date of the grant cycle in which their application was originally submitted must complete and submit a new application to DWR if they wish to re-apply for funding consideration. A new application submittal will also be required if there have been changes to the project scope or budget. The spring grant cycle ends on June 30<sup>th</sup> and the fall cycle ends on December 31<sup>st</sup> of each year.

## **Post Grant Funding Award**

Acceptance of a grant award will require the applicant to enter in to a grant contract with DEQ. A DEQ grant contract is considered 'fully-executed' once it has been signed by both a signatory authority of the Grantee and DEQ Financial Services. A copy of the fully-executed contract shall be provided to the Grantee after being signed by DEQ. No portion of work or expenditure of funds for the project, plan or services shall begin prior to receiving a fully-executed contract from DEQ. **Contracts are valid for two years from the date the contract document is sent to grant recipient for contract execution.**

### **Contract Modifications**

**Any changes to the project's scope, budget or duration after a contract has been fully-executed will require the written approval from the DWR Grant Administrator and may also require a DEQ contract amendment.** Typical changes that require a contract modification are listed below.

**Project Scope/Budget Changes:** The minimum information that shall be supplied to the Grant Administrator for consideration includes a brief written narrative containing the justification for any proposed changes and revised scope of work; revised budget sheet and revised project plan/map to scale (if applicable). Unapproved changes to the project scope or budget shall not be eligible for, and may result in additional reductions to, cost-share funding or reimbursement.

**Extension Requests:** Grant recipients can submit an extension request for one additional year beyond the grant expiration date if progress toward project completion can be sufficiently documented. An extension request shall be submitted at least 45 days prior to the DEQ contract expiration date by the project sponsor or primary contact via email in a cover letter on official agency letterhead. This request shall include a justification statement, current project status update and anticipated project schedule moving forward.

Any documentation associated with a contract modification should be submitted electronically to [Amin.Davis@ncdenr.gov](mailto:Amin.Davis@ncdenr.gov).

### **Grant Reimbursements**

The grant award amount is the maximum possible reimbursement amount. Only expenditures incurred after a fully-executed contract has been issued that are detailed in the contract budget and are considered eligible

reimbursable expenses in our *Reimbursement Instructions* document are eligible for reimbursement. Allowable expenditures are expenditures associated with the work performed for a specific invoicing cycle that are in accordance with the DWR-approved application budget sheet for the project. **Reimbursement requests can be submitted no more frequently than monthly but must be submitted at least quarterly.** DWR will normally pay the Grantee by check or electronically within 30 days of receipt of a complete reimbursement payment request, provided the expenses are in accordance with the budget/contract, or as amended. If the Grantee decides that significant changes to a project's scope from that in the original application are necessary, the Grantee must send a request in writing to the DWR Grant Administrator and receive approval of those changes. Unapproved changes will not be eligible for state cost-sharing. **Grantees shall submit reimbursement requests in accordance with their fully-executed DEQ Contract and the *Reimbursement Instructions* document on our [website](#).**

**Reimbursement requests shall include:**

1. A Cover Memo/Letter signed and dated on the Grantee's official letterhead that lists:
  - a) DEQ Contract Number
  - b) total amount of the reimbursement request
  - c) actual cost (expenses) by approved budget categories
  - d) total amount spent on the project to date
2. Copies of subcontractor invoices or other documentation of materials, services and other project costs listed on the subcontractor's letterhead.
3. A completed *Reimbursement Tracking Summary* spreadsheet.

**The reimbursement request and supporting documentation should be submitted electronically to [Amin.Davis@ncdenr.gov](mailto:Amin.Davis@ncdenr.gov).** DWR will retain 10% of the total grant award amount until after the final project has been inspected and accepted by DWR staff.

**\*\* An example reimbursement summary table is provided as *Attachment 1* at the end of this document.**

**Requests For Additional Funding**

Grant recipients can submit a request for additional funding consideration to DWR for a maximum of 25% of the maximum grant award, not to exceed \$100,000. This request shall be submitted by the project sponsor or primary contact on a cover letter with official agency letterhead via email. The following information shall be submitted by the Grantee to DWR for additional funding consideration:

- a narrative describing the circumstances/need for an increased funding award, summary of current project status and anticipated project implementation schedule.
- copies of all subcontractor invoices for design, permitting, surveying, construction, construction oversight and project administration.

DWR will review this information and respond to the Grantee with a decision regarding increased funding within 30 calendar days. Funding increases are subject to the availability of funds and to DWR's actual cost reimbursement policy. **DWR may not be able to grant requests for additional funding caused by inaccurate or incomplete information in the application or project budget provided by the Applicant or Co-Applicant.**

## **Project Close-Out**

**The Grantee shall notify the DWR Grant Administrator upon project completion and provide DWR with a scaled version of the most recent set of permit, as-built/record or construction drawings electronically in an Adobe PDF format prior to the close-out site visit.** Applicants who are awarded funding for Feasibility/Engineering Studies shall provide DWR with the associated summary report(s) and deliverables in an electronic format.

The DWR Grant Administrator may schedule a close-out inspection of the completed project with a representative of the Grantee. However, DWR may also substitute its personnel with that of other state or federal agencies that are located closer to the project to minimize the state's costs. This inspection will verify that the project was implemented in accordance with the information provided in the grant application, DEQ contract (including amendments, if applicable) and approved plans/specifications.

The Grantee shall address any remedial or compliance actions identified during this close out inspection prior to DWR project acceptance. After the project is inspected and accepted, DWR will review the accounting statements and request DEQ to reimburse the Grantee for the remaining 10% of the department's share of the non-federal cost.

**Attachment 1 – Grant Reimbursement Example for 50/50 Match**

**Project Cost:** \$100,000

**Federal Cost Share:** \$50,000

**Non-Federal Cost Share:** \$25,000

**DWR Grant Award:** \$25,000

Invoice #1	Administration	Design	Permitting	Construction Oversight	Construction
Amount	\$200.00	\$4,800.00	\$2,000.00		

Total Expenditure	\$7,000.00
50% Reimbursement	\$3,500.00
Payment Amount	\$3,500.00

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Invoice #2	Administration	Design	Permitting	Construction Oversight	Construction
Amount	\$250.00			\$750.00	\$29,000.00

Total Expenditure	\$30,000.00
50% Reimbursement	\$15,000.00
Payment Amount	\$15,000.00

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Invoice #3	Administration	Design	Permitting	Construction Oversight	Construction
Amount	\$250.00			\$1,000.00	\$47,000.00

Total Expenditure	\$48,250.00
Remaining DWR Grant Amount	\$6,500.00
10% Withholding	\$2,500.00
Payment Amount	\$4,000.00

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Payments	Amount
#1	\$3,500.00
#2	\$15,000.00
#3	\$4,000.00
#4 (Post close-out)	\$2,500.00
<b>Total DWR Payment</b>	<b>\$25,000.00</b>