



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**



JOSH STEIN
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

April 10, 2026

TO: Joint Legislative Commission on Governmental Operations
FROM: Kristin Walker *Kristin Walker*
SUBJECT: Notification of Grant Award

Pursuant to GS 143C-5-4(b)(9), the Office of State Budget and Management (OSBM) submits the attached Notification of Grant Award – Sewer Overflow and Stormwater Reuse Municipal Grant Program – from the North Carolina Department of Environmental Quality (DEQ) for consultation with the Joint Legislative Commission on Governmental Operations.

The Environmental Protection Agency (EPA) received a federal appropriation of more than \$202 million to administer the Sewer Overflow and Stormwater Reuse Municipal Grants Program.

Using data from the Clean Watersheds Needs Survey and a state allocation formula, these methods determine each state's proportional share of federal funding. North Carolina's share of this appropriation is \$3,396,071. Since the program does not require a state match, EPA will cover 100 percent of the eligible project costs.

Grant Details:

- Authority: Clean Water Act: Sec. 221
- Purpose: Deliver subawards to local municipalities to:
 - Plan, design, and construct eligible water quality projects.
 - Support development of sewer overflow and stormwater infrastructure improvements.
 - Reduce leaks and inflow/infiltration to prevent Sanitary Sewer Overflows.
 - Produce required technical deliverables, including engineering plans, designs, and Sanitary Sewer Overflow control solutions.
- Budget Award: \$3,396,071
- Budget Period: October 1, 2023 – September 30, 2027
- Performance Period: October 1, 2023 – September 30, 2027

If you have questions or concerns, please contact Mark Bondo by email at Mark.Bondo@osbm.nc.gov.

Thank you.

Mailing address:
20320 Mail Service Center
Raleigh, NC 27699-0320

www.osbm.nc.gov
984-236-0600 ** FAX: 984-236-0630
An EEO/AA Employer

Office location:
2 South Salisbury Street
Raleigh, NC 27601

CC: Chairs, Senate Committee on Appropriations/Base Budget
Chairs, House Appropriations Committee
Fiscal Research Division



Notification of Grant Application/Award, FY 2025-26

Office of State Budget and Management 984-236-0600.

Instructions at <https://www.osbm.nc.gov/budget/common-agency-requests/agency-reporting-grant-applicationsawards>

Please indicate if Notification is for a GRANT APPLICATION or GRANT AWARD

Application

Grant Award

- 1 Department
- 2 Division (except in DHHS).....
DHHS only, choose division from drop down list.....
- 3 Contact person (name)
- 4 Phone number
- 5 E-mail
- 6 Funding Entity (grantor)

- 7 CFDA number.....
- 8 Grant title

- 9 Grant application deadline (MM/DD/YY)
- 10 Start date of grant (MM/DD/YY)
- 11 End date of grant (MM/DD/YY)
- 12 Application type
- 13 Is this grant already in agency's base budget?
- 14 Budget Code the grant will be expended in (XXXXX)....
- 15 Budget Fund (XXXXXX or NA)
- 16 Is there a state matching requirement?
- 17 If yes, what is the matching requirement?

- 18 If yes, what is the source of state funds being used to match grant funds.
- 19 Is there a maintenance of effort (MOE) requirement?
- 20 If yes, what is the MOE?

- 21 Is an additional General Fund appropriation required to meet the state match requirement?
- 22 Will any of these funds be passed through to local governments or non-state entities?
- 23 If yes, identify affected entities by type
- 24 Will additional state funds be required to continue the program if grant expires or is reduced?
- 25 If yes, is this a requirement of the grant?
- 26 Are new FTEs funded through the grant?.....

- 27 If yes, give the number by type for each year: *Permanent*
Time-Limited
- 28 Amount of grants funds **applied for** in each year
- 29 Amount of grants funds **awarded** in each year

| Department of Environmental Quality | | | | | |
|---|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Water Infrastructure | | | | | |
| | | | | | |
| Kavitha Ambikadevi | | | | | |
| 919-707-9048 | | | | | |
| kavitha.ambikadevi@deq.nc.gov | | | | | |
| US EPA | | | | | |
| 66.447 | | | | | |
| Sewer Overflow and Stormwater Reuse Municipal Grant Program | | | | | |
| | | | | | |
| 10/01/23 | | | | | |
| 09/30/27 | | | | | |
| New | | | | | |
| No | | | | | |
| 64311 | | | | | |
| 603150 | | | | | |
| No | | | | | |
| | | | | | |
| | | | | | |
| No | | | | | |
| | | | | | |
| | | | | | |
| No | | | | | |
| Yes | | | | | |
| | | | | | |
| | | | | | |
| No | | | | | |
| | | | | | |
| | | | | | |
| No | | | | | |
| | | | | | |
| SFY 2024-25 Actual | For 2025-26 Complete either Authorized or Proposed | | SFY 2026-27 Proposed | SFY 2027-28 Proposed | SFY 2028-29 Proposed |
| | SFY 2025-26 Authorized | SFY 2025-26 Proposed | | | |
| | | | | | |
| | | | | | |
| | \$3,396,071.00 | | | | |

30 Purpose of grant or amendment

This action provides funding in the amount of \$589,714 to support the North Carolina Department of Environmental Quality Sewer Overflow and Stormwater Municipal Grants Program project to provide subawards to local municipalities in North Carolina for costs associated with the planning, design, and construction of eligible water quality improvement and protection projects. The activities to be performed include the execution and development of overflow and/or stormwater infrastructure projects. The proposed activities would eliminate constant leaks and inflow/infiltration sources to prevent future Sanitary Sewer Overflows (SSO) issues. The anticipated deliverables include plans, designs, and/or constructed overflow or stormwater infrastructure. Additional deliverables may include: Integrated Stormwater Management Master Plan; Technical Design Documents; Sanitary Sewer Overflow Control Solutions, including plans and specifications for the Sanitary Sewer Overflow project to correct and reduce inflow and infiltration. Eliminate constant leaks and inflow/infiltration sources to prevent future SSO issues. The expected outcomes are expected to protect public health and improve water quality by reducing sewer overflows through the management of stormwater. The intended beneficiaries are: municipal entities, of which, may be rural and/or disadvantaged communities and the citizens of North Carolina. Subawards are included in this assistance agreement.

31 Comments

Return completed form as email attachment and indicate in message that proper agency sign-offs have been obtained. Contact your OSBM budget analyst if you have questions.