City Council Agenda Item Request
Submit to Clerk's Office
No later than 30 days before proposed Council meeting

1. **Date submitted to Clerk's Office:** 10/13/2025

2. **Primary contact person and Department requesting agenda item:** Jaime Matthews, City Manager's Office/Recovery Office

3. **Requested Council meeting date:** October 28, 2025

4. **Subject:** DEQ State Revolving Fund and EPA Grant Program for Water Resilience Improvements

5. **Action Requested:** Adoption of a resolution authorizing the City Manager to submit an application for funding from the N.C. Dept. of Environmental Quality, Division of Water Infrastructure to State Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF), Supplemental Appropriation for Hurricanes Helene and Milton and the Hawai'i Wildfires.

6. **Note if time sensitive, and why:** Applications will be accepted until March 2, 2026 but the next round of review is scheduled for November 3, 2025

7. **Potential fiscal impact(s) - if known by staff at time of request:**

8. **Identify all vendor outreach for Minority & Women Owned Business Enterprises (MWBE).** None. N/A Funding for this grant is provided by the EPA and DEQ.

9. **Identify all Boards, Commissions and Council Committees with tentative dates - add in the vote and recommendation from each Board:**

10. **Identify key issues:**
    - The City is seeking funding to redesign and construct pre-treatment solutions to transform the City's two (2) direct filtration water treatment plants (North Fork and William DeBruhl WTPs) as a direct result of changing conditions and damage from Tropical Storm Helene.
    - The City has been working with, and will continue to work with, FEMA Public Assistance to support this work.
    - FEMA PA has encouraged the City to submit concurrent applications to other funds, like HMGP, while FEMA PA is being assessed for a permanent pre-treatment solution for the City's direct filtration plants.
    - The NC Department of Environmental Quality Division of Water Infrastructure can provide funding assistance to local governments, nonprofit water/wastewater providers, and investor-owned drinking water companies that were impacted by Hurricane Helene using State Revolving Fund (SRF) Helene (SA-HMW) Loans.
    - The SRF loan is a long-term, zero-interest loan with principal forgiveness that is exclusive to Helene-impacted communities for drinking water, wastewater and decentralized wastewater treatment systems.
    - This funding is initially limited to $10 million for drinking water projects and $5 million for wastewater projects.

- Based on the number of water customers, the City may be eligible for 30% principal forgiveness.
- The City plans to use this funding to assist with cash flow during the planning and design phase of the North Fork and Debruhl permanent filtration systems while we are pursuing FEMA grant funding.