Docusign Envelope ID: DD4FAA47-6C82-4102-B235-E1AE56756DBE

JOSH STEIN
Governor
D. REID WILSON
Secretary
SHADI ESKAF
Director

NORTH CAROLINA
Environmental Quality

March 20, 2026

Wilson Hooper, City Manager
City of Brevard
95 West Main Street
Brevard, NC 28712

Subject: Letter of Intent to Fund
City of Brevard
Helene Water System Improvements
SRF Helene Rolling Application Cycle
SWIA Award Date: February 18, 2026
Project No.: SRF-D-HEL-0047
Agreement ID: 2000088983

Dear Manager Hooper:

The North Carolina Department of Environmental Quality (DEQ) Division of Water Infrastructure (DWI) has reviewed your funding application for the project listed above, and we are pleased to share that the State Water Infrastructure Authority (SWIA) has determined your project is eligible for funding through the State Revolving Fund Supplemental Appropriations for Hurricanes Helene and Milton and the Hawai‘i Wildfires (referred to as the “SRF Helene” funds).

These funds are intended to support projects that strengthen infrastructure resilience—either by reducing flood risk and vulnerability or by improving preparedness for rapid hydrologic changes and other natural disasters. The funding information is as follows:

Funding Information

Funding Source:	Drinking Water State Revolving Fund (DWSRF) Helene Funds
Total Funding Amount*:	$5,201,490 total funding including: $5,000,000 Principal Forgiveness (PF), plus the remainder at 75% Principal Forgiveness and 25% Loan with the loan term specified below. Total award includes $5,151,118 in PF and $50,372 in Loans
Loan Term:	0% interest rate over 20 years
Total Project Cost:	$5,201,490
Fee:	2% of the funding amount to be invoiced after bids are received; (eligible for financing with Principal Forgiveness)

Docusign Envelope ID: DD4FAA47-6C82-4102-B235-E1AE56756DBE

DWI Project Manager:
Suraiya Akter
suraiya.akter@deq.nc.gov
919-707-9243

Viable Utility Contact (if distressed):
Not Applicable

Please note that this intent to fund is contingent on DWI receiving funds from the US EPA, approval of the loan portion through the Local Government Commission (if applicable), and on meeting all the following milestones:

Milestone*	**Date**
Engineering Report/Environmental Information Document Submittal**	7/15/2026
Engineering Report Approval***	12/1/2026
Bid and Design Package Submittal	6/1/2027
Bid and Design Package Approval	10/1/2027
Advertise Project, Receive Bids, Submit Bid Information, and Receive Authority to Award	2/2/2028
Execute Construction Contract(s)	5/2/2028

*Failure to meet any milestone may result in the forfeiture of funding
** SRF Projects require an Environmental Information Document as part of the Engineering Report
**A formal funding offer will be issued following approval of the Engineering Report.

Submittals and Disbursement
All project documents must be submitted via Laserfiche: https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form.

Funds are reimbursed for eligible, documented costs after they are incurred and approved by DWI. Advance disbursement requests require contractor payment within three business days. Costs incurred since the onset of the hurricane may be eligible if all SRF Helene requirements were met at the time incurred.

Prior to the first disbursement, required documents will include, but are not limited to:

1. Executed funding offer and Conditions & Assurances
2. Governing body resolution accepting the award (sample attached)
3. Federal Tax ID / UEID form (attached)
4. Sales tax certification (attached)
5. Executed contracts and service agreements
6. Engineering Services Procurement Certification (attached)

Docusign Envelope ID: DD4FAA47-6C82-4102-B235-E1AE56756DBE

7. Site Certification (if applicable)

DWI will notify you when these documents are required. Loan components must receive LGC approval prior to disbursement.

Disbursement of Funds

If the Recipient requests disbursement before paying contractors, payment to contractors must be made within three business days of receiving the funds.

Project costs incurred since the onset of the hurricane may be eligible for disbursement if they are within the approved project scope and all SRF Helene requirements were met at the time the costs were incurred.
After required documents have been reviewed and approved, the Recipient will request disbursements through the DWI's EBS system at: https://www.ebs.nc.gov/logon/index.html. A reference copy of the Disbursement Request Form, access to the EBS portal, and frequently asked questions are available on the DWI website at: https://www.deq.nc.gov/construction-disbursement-funds.

Document Naming Conventions and Identification Requirements

To support timely review and processing, all required documents must be clearly named and properly identified when submitted through Laserfiche or any other designated portal.

Please use clear, consistent file names in the following format:
Project Number_Document Type_Date
(Example: SRP-W-ARP-0000_Resolution_2025-01-18.pdf)
Using this naming convention helps ensure documents are correctly categorized and processed without delay.

Examples:

- SRP-W-ARP-0000_Resolution_2025-02-10.pdf
- SRP-D-ARP-0000_ExecutedEngineeringContract_2025-01-15.pdf
- SRP-W-134-0000_UEIForm_2025-02-01.pdf
- SRP-W-ARP-0000_InsuranceCertificate_2025-03-05.pdf
- SRP-D-134-0000_SiteCertification_2025-01-30.pdf

Additional Requirements

Projects must comply with:

- N.C.G.S. 143-64.31 (Engineering Procurement)
- Davis-Bacon wage requirements
- American Iron and Steel provisions
- LGC debt approval and legislative notification requirements, if applicable
- Annual audit compliance

Docusign Envelope ID: DD4FAA47-6C82-4102-B235-E1AE56756DBE

Topic	Requirement
Engineering Services Procurement	All projects must comply with N.C.G.S. 143-64.31 (Article 3D) governing procurement of architectural, engineering, and surveying services. Qualification-based selection cannot be waived under N.C.G.S. 143-64.32. Any services procured outside of federal and state requirements will be ineligible for disbursement.
Davis-Bacon & American Iron and Steel (AIS)	All SRF-funded projects must comply with Davis-Bacon prevailing wage requirements and American Iron and Steel provisions. Standard specifications are available on the DWI I Have Funding webpage.
Local Government Commission (LGC) Approval	Projects that include a repayable DWI loan must receive approval from the Local Government Commission (LGC). Final debt approval occurs after construction bids are received and must be coordinated directly with the LGC. Required materials should be emailed to srf@nctreasurer.com.
Legislative Notification (G.S. 120-157.2)	Local governments issuing debt greater than $1,000,000 must submit a notification letter to the Joint Legislative Committee on Local Government (Committee Chairs, Committee Assistant, and Fiscal Research Division) at least 45 days prior to presentation before the LGC. A copy of this letter must also be provided to DWI.
Annual Audit Requirement	Local government recipients must be current on all annual audits to receive loan or grant disbursements. The most recent audited financial statements must be submitted to the LGC by July 1 following the close of the fiscal year.
Extended Term Loans	Projects eligible for a targeted interest rate that demonstrate a weighted average design life greater than 20 years may qualify for an extended loan term, up to the calculated design life (not to exceed 30 years). Requests must be coordinated with the DWI Project Manager and supported by the design life calculation found on the I Have Funding webpage.
Coordination with Other Funding Sources	SRF funds may not duplicate costs already funded by another state or federal source. Recipients must notify the DWI Project Manager if they have secured or are seeking other funding (including FEMA Public Assistance) for any portion of the project scope.
Declination of Funding	If the recipient chooses to decline this potential funding, a signed declination letter on official letterhead from the Authorized Representative must be submitted within 30 days of receipt of the Letter of Intent to Fund.
Future Funding Eligibility	Additional funding may only be considered for documented unfunded project costs. The amount identified in this Letter of Intent will not be considered in future applications. To pursue different funding terms for the same project through another DWI program, the recipient must reapply and formally decline this funding prior to the application deadline.

If you choose to decline this potential funding, please submit a signed declination letter on official letterhead within 30 days of receipt. If you have any questions, please contact the assigned Project Manager, Suraiya Akter.

Congratulations on the selection of your application for a funding award.

Sincerely,

DocuSigned by:
6300A872077B4C5...

Shadi Eskaf, Director
Division of Water Infrastructure, NCDEQ

Docusign Envelope ID: DD4FAA47-6C82-4102-B235-E1AE56756DBE

Enclosures: Federal Tax ID/Unique Entity ID (UEID) Form
Engineering Services Procurement Certification Form
Sales Tax Certification form
Sample Resolution
Site Certification Form

EC: Wilson Hooper, City of Brevard, wilson.hooper@cityofbrevard.com
Jeffrey Brown, Brown Consultants PA, jtbrown1970@gmail.com
Suraiya Akter (via email)
DWI Agreement ID 2000088983 **(COM – LOIF)**