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JOSH STEIN
Governor
D. REID WILSON
Secretary
SHADI ESKAF
Director

NORTH CAROLINA
Environmental Quality

February 4, 2026

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

Subject: Letter of Intent to Fund
City of Brevard
WWTP Upgrades - Phase 1
SRF Helene Rolling Application Cycle
SWIA Award Date: December 10, 2025
Project No.: SRF-W-HEL-0027
Agreement ID: 2000087904

Dear Manager Hooper:

The Division of Water Infrastructure has reviewed your funding application for the project listed above, and we're 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/Type:	Clean Water State Revolving Fund (CWSRF) Loan Helene Funds
Funding Amount*:	$5,000,000 total funding including: $5,000,000 at 100% Principal Forgiveness (PF). Any additional funding is awarded at 75% Principal Forgiveness and 25% Loan with the loan term specified below. Total award includes $5,000,000 in PF and 0 in Loans
Loan Term:	0% interest rate over 20 years
Total Project Cost:	$14,231,000

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Fee: 2% of the Funding Amount to be invoiced after bids are received (can be financed with Principal Forgiveness awarded in the project)

* Funding amount is limited to an initial cap of $5,000,000. This project may receive additional funds in the April 2026 SWIA meeting if SRF Helene funds remain available and the project remains not fully funded by all other sources. Eligibility to receive additional funds will be based on the project's priority points.

Division's Project Manager(s)

Asina Erdogan (PM): asina.erdgoan@deq.nc.gov
919-707-9010

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

Milestone*	**Date**
Engineering Report 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 for the proposed project.

**Funding offer will be prepared after Engineering Report approval.

The first milestone is the submittal of an Engineering Report by the date shown above. The Engineering Report must be developed using the guidance found on our website's *I Have Funding* webpage under the Engineering Report section. Failure to meet any milestone may result in the forfeiture of funding for the proposed project. A funding offer will be prepared after approval of the Engineering Report.

The Division's *I Have Funding* webpage at https://www.deq.nc.gov/about/divisions/water-infrastructure/i-have-funding contains guidance, checklists and templates to use for funded projects.

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Upon detailed review of the project during the funding process, it may be determined that portions of your project are not eligible for funding and the total funding amount may be reduced. Additionally, changes in the scope or priority points awarded – based on additional information that becomes apparent during project review – may also result in changes to the total funding amount and loan terms.

Submittal of Project Documents to the Division on Laserfiche

All project documents are to be submitted to the Division via Laserfiche at the following link: https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form.

Disbursement of Funds

Funds are disbursed to the Recipient for eligible costs that are documented as part of the project only after the costs have been incurred by the Recipient and all necessary documentation has been received and approved by the Division beforehand. If the Recipient requests funds prior to paying contractors, the Recipient will have three business days to pay contractors upon receipt of funds. Costs incurred since the onset of the hurricane may be eligible if they are related to the project scope and all SRF Helene requirements had been met by the time costs have been incurred.

Prior to requesting the first disbursement on your project, you will be asked to submit to the Division, via the Laserfiche link above, several required documents including but not limited to:

1. One copy of the original funding offer-and-acceptance document, executed by the Authorized Representative for the project, along with the "Conditions and Assurances". Note that the funding offer will be prepared after approval of the Engineering Report.
2. A Resolution adopted by the governing body accepting the funding offer and making the applicable assurances contained therein (sample included).
3. Federal Tax ID/Unique Entity ID (UEID) Form (attached).
4. Sales Tax Certification form, if applicable (attached).
5. One copy of all executed service agreements and/or contracts.
    - Note that these contracts must be fully executed with signatures from both parties, effective dates, and where applicable, signed and dated performance and payment bonds and Powers of Attorney (must be dated on or after the agreement effective date), Certificates of Insurance with active policies, and signed and dated Notice to Proceed.
6. Engineering Services Procurement Certification Form.
7. Site Certification form, if applicable (Certification Regarding Uniform Relocation Assistance and Real Property Acquisition Policies (URLAP) Act of 1970) (attached).

The Division will communicate with you when these documents will be required. In addition, loans (if applicable) must be approved by the Local Government Commission prior to disbursement.

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Once all documents have been received and approved, the Recipient will request disbursements via the Division's EBS System Log-in located at https://www.ebs.nc.gov/logon/index.html. A reference copy of the Division's Disbursement Request Form, a link to the online EBS portal, and a list of frequently asked questions can be accessed from the Division's webpage at https://www.deq.nc.gov/construction-disbursement-funds.

Please Submit the UEID Form

Upon receipt of this letter of intent to fund, please fill out the attached Federal Tax ID & Unique Entity ID (UEID) form and submit it through LaserFiche using the link provided above.

Document Naming Conventions and Identification Requirements

To ensure efficient review and processing, all required documents must be clearly named and accurately identified when submitted via Laserfiche or any other designated portal. Please follow these conventions:

Use clear, consistent filenames. Name each file with a prefix that identifies the project number, followed by the document type, and then the date (e.g., SRP-W-ARP-0000_ Resolution__2025-01-18.pdf). This helps ensure your submission is 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

Engineering Services Procurement

All projects must comply with North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. Projects cannot be exempted from qualification-based selection of these services under N.C.G.S. 143-64.32. Any services provided that were not selected in compliance with federal requirements will be ineligible for reimbursement.

Davis-Bacon Requirements and American Iron and Steel Provisions

Projects funded through the State Revolving Fund (SRF) programs must comply with Davis -Bacon wage requirements and American Iron and Steel provisions. You can find standard specifications covering these requirements on our website's *I Have Funding* section.

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Approval of Debt by Local Government Commission
Projects funded with a Division of Water Infrastructure repayable loan component must receive approval from the Local Government Commission (LGC). Final approval of debt must be coordinated directly with the LGC after construction bids are received. Materials must be emailed to srf@nctreasurer.com.

Joint Legislative Committee on Local Government Notification Requirements
In accordance with G.S. 120-157.2, local government units with projects that require debt to be issued greater than $1,000,000 **must** submit a letter to Committee Chairs, Committee Assistant, and the Fiscal Research Division of the General Assembly at least 45 days prior to presentation before the Local Government Commission. You are responsible for submitting that letter and providing a copy to the Division.

Local Government Units Must Be Current on Annual Audits
Units of local government must be current on their annual audits to receive disbursements from the loan or grant award. Funded local government units must submit their audited financial statement of the latest fiscal year to the Local Government Commission by July 1 of the following calendar year to comply with this requirement.

Extended Term Loan
Projects that qualify for a targeted interest rate and demonstrate in the Engineering Report a weighted average design life for the major components of the project greater than 20 years are eligible for an extended loan term up to the calculated weighted average design life, but not to exceed 30 years. Request an extended term by contacting your project manager and provide the necessary calculation (see the design life workbook in the Engineering Report section of the *I Have Funding* webpage).

Coordination of Funding from Other Sources
Funding must not be used to cover the costs of the Recipient for which alternative funding from another state or federal agency has already been secured. In order to avoid duplication of funding and to streamline project review and approvals, please inform the Division's project manager if you already have secured or are seeking funding from another state or federal agency (including FEMA-Public Assistance) for any part of the scope for this project.

Declination of Intent of Funding
If you choose to decline the potential for funding as identified in this Letter of Intent to Fund, please submit a signed letter on official letterhead from the Authorized Representative as identified in the funding application within 30 days of receipt of this letter.

In accordance with the Division's policy, this project will only be eligible for additional funding if there are documented unfunded project costs. The funding amount identified in this Letter of Intent to Fund will not be considered in future funding applications. If you intend to seek

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different funding terms for the same project and costs through a different Division of Water Infrastructure funding source, you must reapply for the project and formally decline this potential for funding prior to the application deadline.

If you have any questions, please contact the assigned Project Manager, Asina Erdogan.

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

Sincerely,

DocuSigned by:
Shadi Eskaf
6300A872077B4C5...

Shadi Eskaf, Director
Division of Water Infrastructure, NCDEQ

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 B. Hooper, City of Brevard, wilson.hooper@cityofbrevard.com
Kyle M. Seaman, KCI Associates of North Carolina, P.A., kyle.seaman@kci.com
Asina Erdogan (via email)
DWI Agreement ID 2000087904 **(COM – LOIF)**