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:** 02/23/2026

2. **Primary contact person and Department requesting agenda item:** Bridget Herring and Jaime Matthews, Recovery

3. **Requested Council meeting date:** March 10, 2026

4. **Subject:** DEQ State Revolving Fund for Water Resilience Improvements Budget Amendment

5. **Action Requested:** Adoption of a budget amendment in the Water Capital Projects Fund in the amount of $10,000,000 from the North Carolina Department of Environmental Quality for Water Resilience Improvements

6. **Note if time sensitive, and why:**

7. **Potential fiscal impact(s) - if known by staff at time of request:** This is a $10,000,000 state revolving loan with 30% principal forgiveness

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 design and construct a pre-treatment solution and an alternative transmission line at the North Fork Water Treatment Plant 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, the Hazard Mitigation Grant Program, and the Community Development Block Grant -Disaster Recovery and other funds to support this work.
    - 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.
    - 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 permanent filtration system and alternate transmission line while we are pursuing other federal grant funding.