THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: March 10, 2026

Subject: N.C. Department of Environmental Quality (DEQ) State Revolving Fund for Water Resilience Improvements Budget Amendment

Staff Resource(s): Bridget Herring, Recovery Coordinator

Action Requested: Adoption of 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

Background:

- 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.
- Based on the number of water customers, the City may be eligible for 30% principal forgiveness.

Vendor Outreach Efforts:

- N/A

Council Vision 2036 Focus Area(s):

- A Clean, Safe and Healthy Environment
- Fiscally Resilient City

Committee(s):

- N/A

Pro(s):

- 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.
- 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.

Con(s):

- None

Fiscal Impact:

- On December 10, 2025, the City was awarded $10,000,000 in state revolving funds

Suggested Motion:

- Motion to adopt 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

Attachment(s):

- Budget Amendment

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That Section 2 of the City of Asheville Annual Operating Budget Ordinance be amended to provide an appropriation of $10,000,000 to accept a state revolving loan from the North Carolina Department of Environmental Quality for Water Resilience Improvements as follows:

SPECIAL REVENUE FUND

Revenues:

Debt Proceeds	$7,000,000
Intergovernmental Revenue	$3,000,000

Expenditures:

Construction	$10,000,000

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 10th day of March, 2026.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney