

JOSH STEIN  
Governor  
D. REID WILSON  
Secretary  
SHADI ESKAF  
Director



March 3, 2025

Adam Steurer, Utilities Director  
City of Hendersonville  
305 Williams Street  
Hendersonville, North Carolina 28792

Subject: Amended Letter of Intent to Fund and Funding Offer  
Increase  
Emergency Bridge Loan for Hurricane Helene Damages  
City of Hendersonville  
Project No.: HEL-0017

Dear Adam Steurer:

The Division of Water Infrastructure (Division) has received your local government unit's (Recipient's) *Request for Emergency Loan Funding* to repair damages to your drinking water and/or wastewater infrastructure resulting from Hurricane Helene. The Division is offering up to \$9,647,000, repayable at 0% interest from the DEQ Water Infrastructure Emergency Bridge Loan Program as established in Session Law (S.L.) 2024-53 Section 4C.7. Projects must meet applicable State laws, rules and guidance for the expenditure of these funds. If additional emergency loan funds are needed, please submit another *Request for Emergency Loan Funding* to the Division with a project scope and project budget demonstrating the need for additional funds.

Eligible Costs:

DEQ Water Infrastructure Emergency Bridge Loan (Emergency Loan) funds can only be used to cover eligible costs arising from damage caused by Hurricane Helene to the drinking water and/or wastewater system of the Recipient. Eligible costs under the Emergency Loan are limited to those allowed under Session Law 2024-53, Section 4C.7, to conduct emergency repairs to restore operational capacity as defined in Session Law 2024-57, Section 4C.7.(b)(5b) until receipt of federal or state disaster relief and for any other purpose specifically provided by an act of the General Assembly. If there are questions about the eligibility of potential costs, please contact the Division's project manager for discussion prior to incurring the costs.

Emergency Loan Terms:

There is no fee for the Emergency Loan. Per S.L. 2024-53, Section 4C.6, this Emergency Loan does not require the approval of the Local Government Commission that is required under NC G.S. 159G-40.

Per S.L. 2024-53, Section 4C.7.(a), the Emergency Loan costs must be encumbered by the Division by October 31, 2028. **The Recipient must submit all requests for Emergency Loan disbursements for eligible costs to the Division by October 31, 2028.** The Division will not make any disbursements on the



North Carolina Department of Environmental Quality | Division of Water Infrastructure  
512 N. Salisbury Street | 1633 Mail Service Center | Raleigh, North Carolina 27699-1633  
919.707.9160

Emergency Loan for which eligible disbursement requests were not received from the Recipient by that date.

Per S.L. 2024-53, Section 4C.7.(j)(2), the Emergency Loan matures upon the earlier of the receipt of federal or state disaster relief by the Recipient or June 30, 2030. The Emergency Loan repayments are not amortized for the Recipient by the Division. **The Recipient is responsible for repaying the full balance of the Emergency Loan to the Division by June 30, 2030 or upon receipt of federal or state disaster relief, whichever comes first.**

Alternative Funding:

**The Recipient should and is encouraged to obtain alternative funds** to cover the losses or needs for which the Emergency Loan funds are provided, including any available federal or state disaster aid (e.g., FEMA Public Assistance). Alternative funds, including federal or state disaster relief funds, received by the Recipient to cover the same losses or needs for which this Emergency Loan was issued must be used to repay the Emergency Loan.

Project Scope and Budget:

Upon acceptance and execution of the Emergency Loan offer, the Recipient must submit a preliminary scope and budget to the Division via the Laserfiche link below. The preliminary scope and budget must be received by the Division at the time or prior to the request for first disbursement of Emergency Loan funds. The preliminary scope and budget can be amended by the Recipient as the repairs and project progresses. Documented, eligible costs incurred by the Recipient prior to the execution of the funding offer can be included in the preliminary scope and budget and in the disbursement requests. Please note that the accompanying funding offer is being issued before the Division has received a preliminary scope and budget from the Recipient.

Disbursement of Emergency Loan Funds:

These funds will be disbursed to the Recipient after relevant costs are incurred and invoices are submitted to the Division. Funds will be disbursed as invoices for incurred pre-construction and construction costs are submitted by the Recipient during construction/repairs, which may be submitted prior to or after paying the contractors for the incurred costs. Only costs eligible under Session Law 2024-53 may be covered by these funds.

Electronic Document Submittal through Laserfiche:

Recipients should submit all project documents via the supporting documentation submittal form located at <https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form>. The link and a list of frequently asked questions can also be accessed from the Division's I Have Funding page, <https://www.deq.nc.gov/about/divisions/water-infrastructure/i-have-funding>.

Upon detailed review of the project during the funding process, it may be determined that portions of your project are not eligible for funding.

Acceptance of the Emergency Loan Offer:

To accept this Emergency Loan funding offer, please email the Division project manager within two weeks of receipt of this letter with a statement accepting this offer. Upon acceptance, please submit the items below via the Laserfiche link:



- 1) One (1) copy of the original Offer and Acceptance Document executed by the Authorized Representative of the project, along with the Conditions and Assurances. **Please retain a copy for your files.**
- 2) A Resolution adopted by the governing body accepting the funding offer and making the applicable Conditions and Assurances contained therein. (Sample copy attached).

Declination of the Emergency Loan:

To decline this Emergency Loan funding offer, please email the Division project manager within two weeks of receipt of this letter with a statement declining this offer. An email from the Authorized Representative declining the loan will result in the rescission of the Emergency Loan funding offer.

Division's Project Manager:

If you have any questions concerning this matter or require general assistance, please contact the Division's project manager assigned to your project: Renee Parkman, P.E. either by telephone at 704.235.2203 or by email at [renee.parkman@deq.nc.gov](mailto:renee.parkman@deq.nc.gov)

Sincerely,

DocuSigned by:  
  
6300A872077B4C5...

Shadi Eskaf, Director  
Division of Water Infrastructure

Enclosures: Offer and Acceptance Document  
Assurances & Conditions  
Resolution to Accept Funding Offer (suggested format)

cc: Adam Steurer, Utilities Director ([asteurer@hvlnc.gov](mailto:asteurer@hvlnc.gov))  
Renee Parkman, P.E. (DWI, via DocuSign)  
Mark Hubbard, P.E. (DWI, via DocuSign)  
DWI Administrative Unit (DWI, via DocuSign)  
Anita Spencer (DWI, via DocuSign)  
[DEQ.DWI.FundingOffer@deq.nc.gov](mailto:DEQ.DWI.FundingOffer@deq.nc.gov)  
LF Project File (COM – LOIF)  
DWI Agreement ID: 2000080595



STATE OF NORTH CAROLINA  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
DIVISION OF WATER INFRASTRUCTURE

Funding Offer and Acceptance

Legal Name and Address of Award Recipient  
City of Hendersonville  
305 Williams Street  
Hendersonville, North Carolina 28792

Project Number(s): HEL-0017  
  
Unique Entity ID Number: PNGBNJ8ALA81

Funding Program		Additional Amount for Funding Increases	Previous Total	Total Offered
Drinking Water	<input checked="" type="checkbox"/>			
Stormwater	<input type="checkbox"/>			
Wastewater	<input checked="" type="checkbox"/>			
DEQ Water Infrastructure Emergency Bridge Loan – Hurricane Helene	<input checked="" type="checkbox"/>	\$6,467,000	\$3,000,000	\$ 9,467,000
State Emergency Loan	<input type="checkbox"/>			
State Reserve Grant	<input type="checkbox"/>			
State Reserve Earmark (S.L. 2023-134)	<input type="checkbox"/>			
American Rescue Plan Act—Choose an item.	<input type="checkbox"/>			

Project Description:  
Emergency Bridge Loan for Hurricane Helene Damages

Total Financial Assistance Offer: \$9,467,000  
Closing Fee: \$0  
  
For Loans  
Interest Rate: 0% Per Annum  
Maturity: June 30, 2030 or Upon receipt of federal or state disaster relief, whichever comes first

Pursuant to North Carolina Session Law 2024-53:

- The applicant is eligible under State law,
- The project is eligible under State law, and
- The project has been approved by the Department of Environmental Quality as being an emergency situation in a County declared as a disaster county as a result of Hurricane Helene, and eligible under Session Law 2024-53.

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina: Shadi Eskaf, Director, Division of Water Infrastructure  
North Carolina Department of Environmental Quality

DocuSigned by:  
  
6300A872077B4C5.....  
Signature

3/3/2025  
Date

On Behalf of: City of Hendersonville  
Name of Representative in Resolution:  
Title (Type or Print):

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the attached Assurances and the Standard Conditions.

Signature

Date

**STANDARD CONDITIONS & ASSURANCES FOR EMERGENCY LOAN – Hurricane Helene Emergencies****Project Recipient:** City of Hendersonville**Project Number(s):** HEL-0017**Conditions**

1. Any funds received from the Emergency Loan shall only be used to cover eligible costs arising from damage caused by Hurricane Helene to drinking water or wastewater systems located in the affected area.
2. Eligible costs under the Emergency Loan are limited to those allowed under Session Law 2024-53, Section 4C.7(e).
3. The Recipient is responsible for paying for the costs ineligible for Division of Water Infrastructure funding.
4. All funds awarded to the Recipient from the Emergency Loan must be expended or encumbered by October 31, 2028.
5. The Recipient agrees to repay the full amount disbursed in this Emergency Loan to DEQ when due in accordance with this Agreement. Per Section 4C.7.(j)(2) of Session Law 2024-53, the total balance of this loan shall be due upon the earlier of:
  - a. Receipt of federal or state disaster relief by the Recipient; or
  - b. June 30, 2030.
6. The Recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
7. The Recipient shall provide any documentation requested by DEQ to show that (1) funds requested by Recipient are necessary to repair damages caused by Hurricane Helene and (2) Emergency Loan funds are used for an authorized purpose.
8. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs. The Recipient will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Recipient is expected to uphold its contract obligations including those regarding timely payment.
9. Failure to comply with local government audit requirements may result in delays in disbursement of the funds to the Recipient.
10. Pursuant to Session Law 2024-53, Section 3.1(b), the Recipient is required to use best efforts and take all reasonable steps to obtain alternative funds to cover the losses or needs for which Emergency Loan funds are provided, including any available federal or state disaster aid.
11. The Recipient will promptly notify DEQ of the existence and status of any award for federal or state disaster aid to cover the costs for which this loan was issued.
12. Pursuant to Session Law 2024-53, Section 3.1.(c), if the Recipient receives federal or state disaster aid to cover the same losses or needs for which this Emergency Loan was issued, the Recipient shall use the federal or state funds to promptly repay the Emergency Loan.

- 13.** Recipient shall assist and fully cooperate with DEQ in meeting its reporting obligations to OSBM under Section 3.1(g) of Session Law 2024-53.
- 14.** The Recipient will strive to acquire goods and services from historically underutilized business vendors.

**Assurances**

- 15.** The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
- 16.** The Recipient will provide and maintain adequate engineering supervision and inspection.

(Suggested Format)

**RESOLUTION BY GOVERNING BODY OF RECIPIENT**

**WHEREAS,** the North Carolina General Assembly has enacted Session Law 2024-53 to assist eligible units of government in meeting their Hurricane Helene disaster-related water infrastructure needs, and

**WHEREAS,** the North Carolina Department of Environmental Quality has offered a State Emergency Bridge Loan in the amount of \$ \_\_\_\_\_ to repair a wastewater and/or drinking water system, and

**WHEREAS,** the (unit of government) intends to perform said project in accordance with the terms of the Agreement with the NC Department of Environmental Quality,

**NOW, THEREFORE, BE IT RESOLVED BY THE (GOVERNING BODY) OF THE (UNIT OF GOVERNMENT):**

That (unit of government) does hereby accept the State Emergency Bridge Loan offer of \$ \_\_\_\_\_.

That the (unit of government) does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to.

That (name and title of authorized representative), and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted this the (date adopted) at (place), North Carolina.

(Signature of Chief Executive Officer)

Date