



July 31, 2025

*Division of Water Infrastructure Funding for Hurricane
Helene Recovery and Flood Resilience
NC Department of Environmental Quality*



NC DEQ/DWI Funding for Helene-Impacted Areas

Emergency Bridge Loans

- Started in October 2024
- DW and WW repair/recovery
- Short-term, 0% interest, no fee
- No LGC approval
- Expend by Oct 2028
- Repay debt by June 2035 or when receive other funding
- Initially up to \$3M per applicant; can be increased
- State funds

As of now, all available bridge loan funds have been obligated.

SRF Helene

- DWSRF, CWSRF, and Decentralized WW treatment funding dedicated to Helene-impacted communities
- Long-term loans with principal forgiveness and 0% interest
- Federal funds; must comply with SRF/federal requirements.

Applications now available. Look for the Division's "Rolling Applications"

State Reserve Grants

- State grants are prioritized during FY2026 for Helene damage repair projects in specific western NC counties, per SL 2025-26, Section 3.6.
- SRP grants are limited to \$3 million per LGU per 3 years for DW (and the same for WW).
- 1.5% grant fee.

Applications now available through Sept. 30. Look for the Division's "Fall 2025 Application". Include the SRP Eligibility Form.

Emergency Bridge Loans Provided by DWI

26 LGUs with bridge loans as of July 2025.

Asheville	Elk Park	Marshall
Beech Mountain	Hendersonville	Montreat
Black Mountain	Hot Springs	Newland
Boiling Springs	Junaluska Sanitary District	Old Fort
Burnsville	Lake Lure	Spindale
Canton	Lansing	Spruce Pine
Chimney Rock Village	Little Switzerland CWA	Woodfin Sanitary District
Clyde	Maggie Valley	Yancey County
Crossnore	Maggie Valley Sanitary Dist.	

Supplemental Appropriation for Hurricanes Helene and Milton and Wildfires of Hawai'i (SA-HMW)

On December 21, 2024, Congress passed the “American Relief Act, 2025” providing one-time supplemental disaster relief funds. Included were supplemental funding for the State Revolving Funding (SRF) programs through US EPA for the states impacted by Hurricanes Helene and Milton and Hawai'i wildfires.

“SRF SA-HMW” or “SRF Helene”

North Carolina's allotments:

- \$253,681,000 to the Clean Water State Revolving Fund
- \$409,422,000 to the Drinking Water State Revolving Fund
- \$ 22,510,000 to the CWSRF for decentralized wastewater treatment systems

Purpose of the Supplemental Appropriations in the Act for SRF for Helene, Milton and Wildfires of Hawai'i

“SRF SA-HMW” or “SRF Helene”

DWSRF/CWSRF:

“... reduce flood or fire damage risk and vulnerability or to enhance resiliency to rapid hydrologic change or natural disaster
”
...

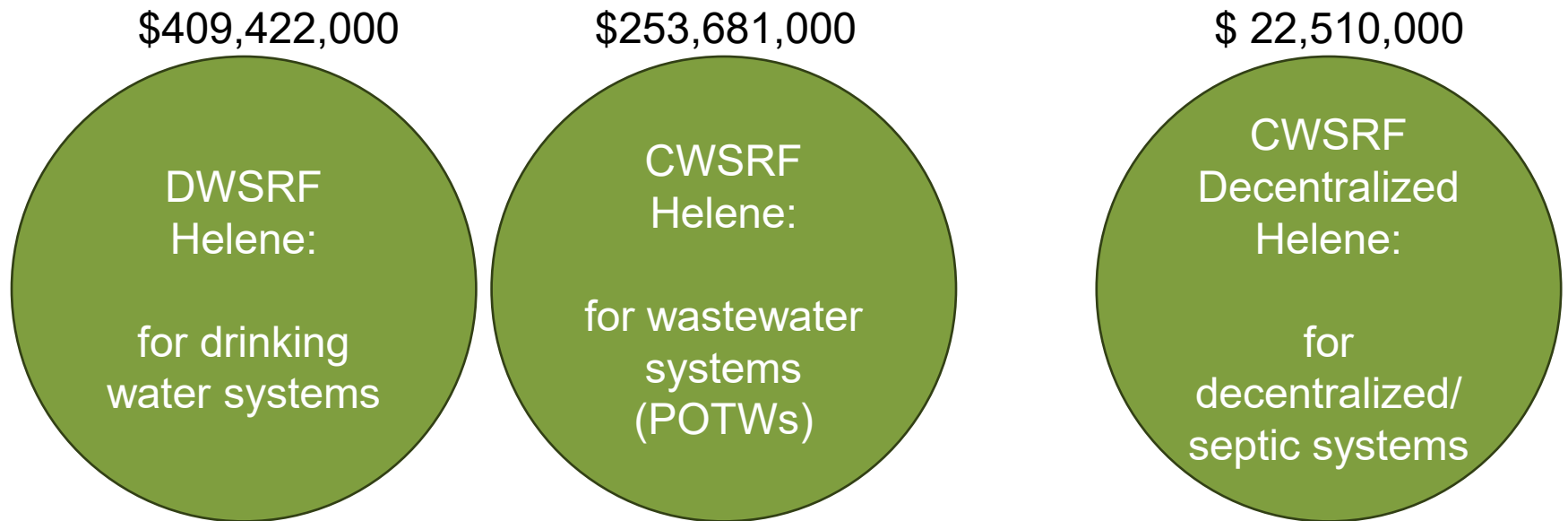
CWSRF Decentralized:

“... improve the resilience of decentralized wastewater treatment systems to flooding, to assess the potential to connect homes ... to centralized systems, and to fund such connections.”

In short:
“Improve
flood
resilience”

NC's SRF Helene Funds

North Carolina's allotments (including set-asides)



Administered under current SRF program, but funds are dedicated to eligible projects that address Helene impacts.

New program. Has some CWSRF requirements but will be partly unique. Dedicated to eligible projects in Helene-impacted areas.

DWSRF/CWSRF Helene - Eligible Projects

Applicant must have been impacted by Helene.

Project must be:

1. SRF eligible, *and*
2. Either
 - a) Reduce flood or fire damage risk and vulnerability at treatment works or eligible facilities, *or*
 - b) Enhance resiliency to rapid hydrologic change or natural disaster at treatment works or eligible facilities

Repair/recovery projects are eligible as long as they meet the criteria above.

CWSRF Helene Decentralized - Project Eligibility

1. Improve resilience of decentralized wastewater treatment systems to flooding
2. Assess the potential to connect homes served by decentralized systems to centralized systems and/or fund such connections

Project must be in a Helene-affected area.

Repair/replacement of decentralized systems are eligible as long as they improve flood resilience.

SRF Helene – Eligible Applicants

DWSRF/CWSRF Helene Eligible Applicants:

- Local Government Units (including Counties and Districts)
- Non-profit water/wastewater utilities
- Investor-owned drinking water utilities (DWSRF only)

CWSRF Helene Decentralized Eligible Applicants:

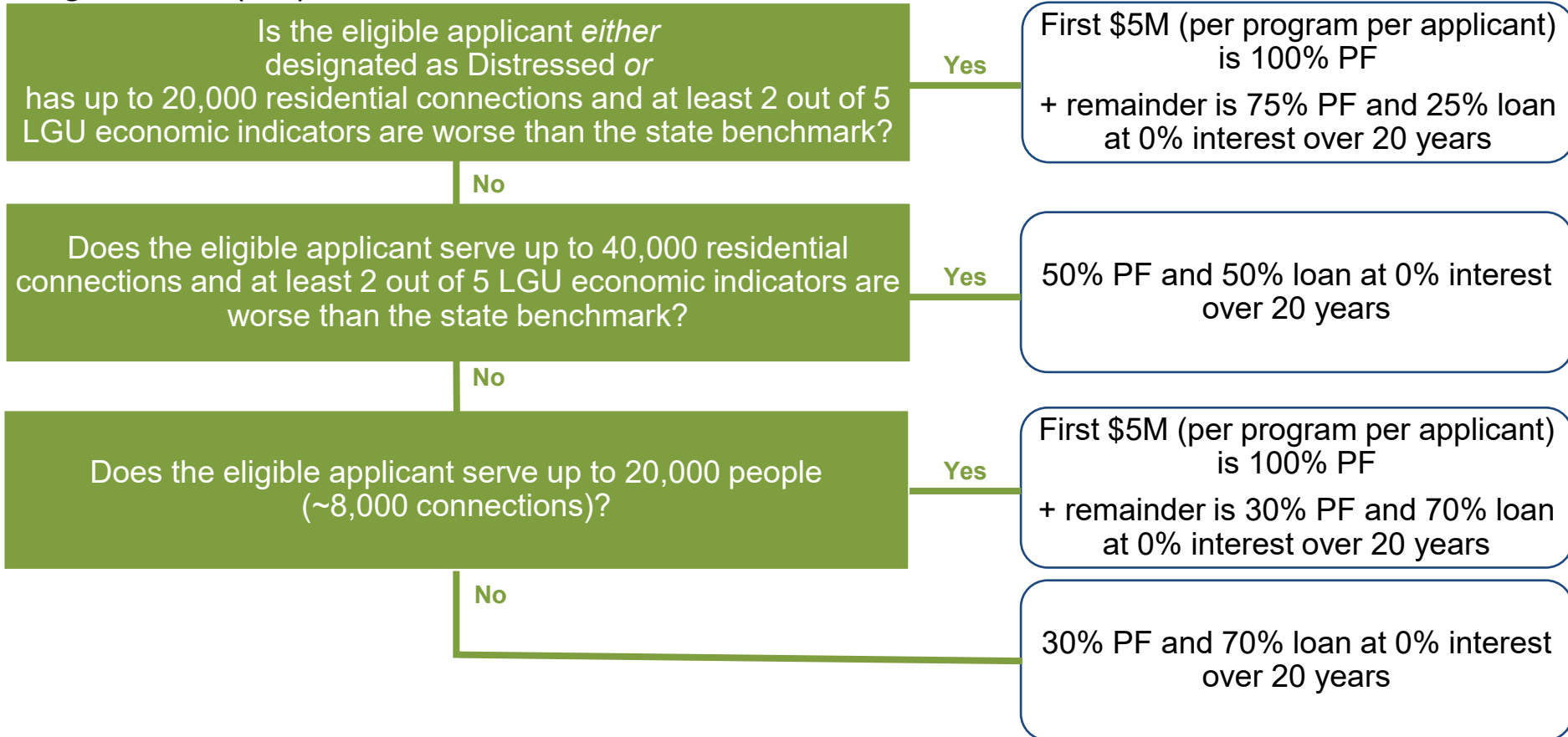
- Local Government Units (including Counties and Districts)
- Non-profit wastewater utilities
- CDFIs and nonprofit organizations that finance homeowners for decentralized wastewater treatment system repairs

Applicants may contract with other organizations to administer the funding and interact with the homeowners.

SRF Helene Loan Terms

CWSRF Helene Decentralized: 100% principal forgiveness loan.

DWSRF/CWSRF Helene: Repayable loans have 0% interest and typically 20-year terms. LGC must approve loan portion. All loans will receive a portion of principal forgiveness (PF) as follows:



SRF Helene Rolling Applications

Applications (now available) are taken on a rolling basis.

Applications received by cutoff dates will be reviewed at the next SWIA meeting for awards:

- August 1, 2025 for September 17, 2025 awards
- November 3, 2025 for December 10, 2025 awards
- January 9, 2026 for February 18, 2026 awards
- March 2, 2026 for April 15-16, 2026 awards

SRF Helene Programmatic Specifics

- Potential initial funding caps through April 2026 (subject to change)
 - \$5M per applicant for WW projects
 - \$10M per applicant for DW projects
 - Initial caps for DWTS will be determined based on applications
 - Capped awards may receive an increase after April 2026 based upon availability
- Applicant SRF caps
 - \$200M debt to the DWSRF
 - \$200M debt to the CWSRF

SRF Helene Programmatic Specifics (cntd.)

- DWSRF/CWSRF Helene Small Systems Reserve: 30% reserved for systems serving up to 10,000 people through April 2026
- CWSRF Helene Decentralized Reserve: ~50% reserved for decentralized WTS repair/replacements only (no sewer extensions) through April 2026
- Loan fee – 2% closing fee
 - Can be paid from the funding award
- Federal cross-cutters apply: ER/EID, Davis-Bacon wages, AIS, etc.
 - Build America, Buy America (BABA) does not apply
- Earlier disbursements (always on costs incurred)
 - $\leq 15\%$ of project awards may be disbursed for planning/design costs incurred before construction contract execution
 - No repayable loan disbursed without LGC approval
- No duplication of funding from other sources (e.g., funded via FEMA, USDA, EDA)

CWSRF Helene Decentralized – Programmatic Specifics

- All funds 100% PF
- 2% closing fee
 - Can be paid from the funding award
- Up to 7% can be budgeted for grant administration costs (excluding Engineering and permitting costs)
- Residents may not be charged for funded work
- Projects proposing connecting to sewer lines must identify where the connections will take place
- Project proposing to remediate DWTs must detail how the project team will ensure meeting 50% thresholds (for line items 1.A and 1.B)

CWSRF Helene Decentralized – Programmatic Specifics (cntd.)

- Funds must be expended in an expeditious and timely manner
- All awarded projects must meet milestones
- Costs associated with an executed funding offer must be incurred before requesting disbursements
- All funds spent within 5 years or by December 2031 (whichever comes first)
- Funds subject to all SRF conditions (except for BABA)

SRF Helene DW/WW Priority Rating Systems

2025 SRF SA-HMW Funding PRIORITY RATING SYSTEM for Drinking Projects			
<i>Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a <u>maximum</u> allowed points that may be less than the total of individual line items.</i>			
Line Item #	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose; note that the project must be eligible for SA-HMW Funds)	Claimed Yes/No	Points
1.A	Applicant's system remains wholly or partially inoperable due to sustained damages from Hurricane Helene OR		50
1.B	Applicant has an existing Helene emergency bridge loan with the Division of Water Infrastructure OR		50
1.C	Applicant's system is operational but has sustained damages from Hurricane Helene		25
Maximum points for Category 1 – Project Purpose			50
Subtotal claimed for Category 1 – Project Purpose			
Line	Category 2 – Project Benefits	Claimed	Points

2025 SRF SA-HMW Funding PRIORITY RATING SYSTEM for Wastewater Projects			
<i>Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a <u>maximum</u> allowed points that may be less than the total of individual line items.</i>			
Line Item #	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose; note that the project must be eligible for SA-HMW Funds)	Claimed Yes/No	Points
1.A	Applicant's system remains wholly or partially inoperable due to sustained damages from Hurricane Helene OR		50
1.B	Applicant has an existing Helene emergency bridge loan with the Division of Water Infrastructure OR		50
1.C	Applicant's system is operational but has sustained damages from Hurricane Helene		25
Maximum points for Category 1 – Project Purpose			50
Subtotal claimed for Category 1 – Project Purpose			
Line	Category 2 – Project Benefits	Claimed	Points

Note: DW & WW PRSs are the same. DWTS PRS is different.

2025 SRF SA-HMW Funding PRIORITY RATING SYSTEM for Decentralized Wastewater Treatment System Projects			
<i>Instructions: For each line item, mark "X" to claim the points for that line item. Be sure that your narrative includes justification for every line item claimed. At the end of each category, provide the total points claimed for each program in the subtotal row for that category. Then add the subtotals from each category and enter the Total of Points for All Categories in the last line. Note that some categories have a <u>maximum</u> allowed points that may be less than the total of individual line items.</i>			
Line Item #	Category 1 – Project Purpose (Points will be awarded for only one Project Purpose)	Claimed Yes/No	Points

Applications Webpage

<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-need-funding/application-forms-and-additional-resources>

(May be re-organized in next few days, but materials are posted).

Fall 2025 Applications: due Sept. 30 at 5pm.

Rolling Applications: any time. Cutoff dates are Aug. 1, Nov. 3, Jan. 9, and Mar. 2 to be considered for funding at the next SWIA meeting.

Technical Assistance Providers

There are many organizations that can provide direct technical assistance to potential applicants. Check with:

- Councils of Government
- Environmental Finance Center at UNC School of Government
- NC Association of County Commissioners
- NC League of Municipalities
- NC Rural Water Association
- SERCAP

Or submit a request for assistance on EPA's portal:

<https://www.epa.gov/water-infrastructure/forms/water-technical-assistance-request-form>

Examples of Eligible Projects (US EPA slides)

These are not all-inclusive. Other types of projects may be eligible.

Examples of Eligible Projects for CWSRF/DWSRF Helene

1. Projects that prevent interruption of operation during a flood event
2. Projects that prevent floodwaters from entering treatment works
3. Projects that maintain integrity of treatment in the event of a flood or natural disaster
4. Projects that preserve and protect treatment works equipment in the event of a flood
5. Projects that provide public water/sewer service to affected homes served by private wells or septic systems
6. Physical hardening or water proofing of impacted water/sewer infrastructure including buildings

Drinking Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – The extended power outages disrupted water treatment operations, affecting the communities access to potable drinking water. The existing infrastructure, including the control building, suffered structural cracks, and equipment was damaged due to flooding. The lack of a backup power generator further highlighted the critical need for a reliable auxiliary power source to maintain storage capacity and distribution system pressure for not just drinking water, but fire protection and sanitation as well.
- **Project** – Enhancing the building’s structural integrity, flood resiliency measures, and power supply reliability.
- **Eligibility**– Physical “hardening” or waterproofing, and/or upgrading of pumps and electrical equipment at pump stations and components of the distribution system (Ex: installing backup generators).



Drinking Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – Our utility has two public water systems, but they lack redundancy to maintain adequate pressure during system power outages and emergencies such as hurricanes.
- **Project** - The utility proposes to install an elevated storage tank and booster station to help provide redundancy, ensure continuous service, and increase resiliency against high water demand events, pressure loss, contamination, and negative pressure events.
- **Eligibility**– Installation and construction of redundant system components and equipment.



Drinking Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – Our utility does not have a backup drinking water source and experienced a water outage during the storm. We were in the process of working with a neighboring utility, who did not experience an outage during the storm, about setting up an emergency interconnect, but before the work could be done, our utility was able to resume normal operations.
- **Project** - After discussions with the neighboring utility, we proposed an emergency interconnection to provide redundancy and resiliency for both systems against future storms.
- **Eligibility** – Construction of interconnections with neighboring water systems which could provide an emergency water supply
- **Who applies for funding?** – The utility that is going to be doing the construction for the interconnection will be the one that applies for the funding; however, if the utility receiving the loan agreement is not the one doing the work, an agreement and/or memorandum of understanding (MOU) needs to be in place with the utility that is doing the work

Drinking Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – Our drinking water plant is sourced by several groundwater wells. While the treatment plant was not damaged, the wells were heavily damaged, and we lost our source supply for an extended period.
- **Project** - We are proposing to install additional wells in an area outside of the floodplain. Each well will have its own backup power generator and disinfection. This will add redundancy to our system along with increasing our production capacity in case existing wells are compromised in the future.
- **Eligibility** – Installation of backup power generators and relocation of critical equipment to less flood prone areas of a facility and/or elevation of critical structures.



Drinking Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – Floodwaters rose above our groundwater well's above-ground discharge assembly, damaging electrical equipment and potentially introducing contamination.
- **Project** – We are unable to relocate our wells, so we are proposing increasing the height of our well's discharge assemblies. This will mitigate against potential future historic flood events. We are also proposing modifying or relocating electrical equipment to prevent damage from floodwaters.
- **Eligibility** – Elevation of critical structures. Waterproofing, upgrading and/or relocating of electrical equipment at well head.



Clean Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – The hurricane resulted in damage to city owned infrastructure throughout the city. Power outages and excessive rain caused failures within the collection system and transmission network.
- **Project** – Retrofitting all city owned lift stations to submersible designs, upgrade/replacement of electrical and control systems to avoid potential for flood or wind damage, and install a backup generator at each site.
- **Eligibility** – Installation of back-up generators (including portable generators) or alternative energy sources that service pump stations and other distribution system facilities. Replacement of damaged equipment with more energy efficient and resilient equipment.



Clean Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – The hurricane damaged the plant's aged effluent pumps, already pushed beyond their intended lifespan, and they struggled to manage the increased load imposed by the storm. The existing pump system, designed for normal loads, was grossly inadequate to handle the heightened flows induced by the storm.
- **Project** – Replacing aged effluent pumps with new, higher capacity ones.
- **Eligibility**– Replacement of damaged equipment with more energy efficient and resilient equipment. Physical “hardening” or water proofing of pumps and electrical equipment.



Clean Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – The storm damaged many aspects of the plant in various ways, including flooding throughout the system and damage to buildings from wind and lightning.
- **Project** – Evaluate the base flood elevation of the wastewater plant through stormwater management analysis and design such that it is at or above the 500-year floodplain. Proposed improvements could include stormwater retention pond, site draining, new drainage collection system, and other electrical equipment around the plant site.
- **Eligibility**– Construction or installation of flood attenuation, diversion, and retention structures within or beyond the boundaries of a treatment works that protects the treatment works. Replacement of damaged equipment with more energy efficient and resilient equipment.



Clean Water SRF Eligible Projects

- **Hurricane/Storm Impacts** – The community is particularly susceptible to flooding from heavy rainfall due to its location within a floodplain and by a river. The flooding has impacted the sewer system and, at times, the wastewater plant itself.
- **Project** – Restore and repair stormwater swales and construct open drainage ditches into swales and stormwater retention facility to increase existing runoff storage capacity.
- **Eligibility**– Construction or installation of flood attenuation, diversion, and retention infrastructure within or beyond the boundaries of a treatment works that protects the treatment works

CWSRF Helene Decentralized – Examples of Eligible Projects

1. Projects that protect DWTS from rising waters
2. Projects that protect DWTS from power risks associated with flooding (backup power/power shutoffs)
3. Projects that reduce the risk of DWTS failure associated with flooding (water tightening or elevating)
4. Projects that increase DWTS capacity to handle flood risk (additional drain lines, larger tanks)

CWSRF Helene Decentralized – Examples of Eligible Projects

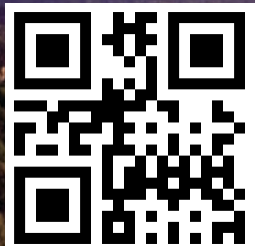
5. Consolidation of DWTS to reduce flood risk
 - Cluster systems with dispersal in a more resilient site
 - Shared cluster systems to financial and management resilience
 - Integrating advanced treatment options to generate re-usable WW.
6. Planning projects to assess potential to connect to centralized systems
 - Planning work must reasonably result in a capital project and Emergency Preparedness, Response and Recovery Plans
7. Projects that make connections to centralized systems and decommissioning DWTS



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DWI



SWIA

