

**State Water Infrastructure Authority**

**Meeting Date: December 10, 2024**

**Agenda Item K – Change of Scope for Previously Funded Projects in Helene Disaster-Declared Counties**

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**Division of Water Infrastructure Staff Report**

**Background**

On September 27, 2024, Hurricane Helene began its march across the western part of North Carolina. The resulting damage to the area’s water, wastewater, and stormwater infrastructure reached unprecedented proportions. On September 29, 2024, Governor Cooper initially declared 20 counties within the western part of the state as disaster areas<sup>1</sup> and later added 12 more<sup>2</sup> on October 17, 2024. Local governments in 26 counties and the Eastern Band of Cherokee Indians of North Carolina are currently designated as eligible to receive federal disaster relief in the form of Public Assistance, following a major disaster declaration by the President of the United States under the Stafford Act, as a result of Hurricane Helene. The hurricane caused significant damage to drinking water and wastewater systems across the affected area.

There are currently hundreds of construction and planning drinking water and wastewater projects actively being funded by the Division of Water Infrastructure (Division) in local governments and communities within the affected area. Some of the most-affected local governments have active infrastructure projects with the Division. Several local governments have already requested emergency loan funding from the Division and are applying for federal disaster relief to address damages to infrastructure caused by the storm.

Since its formation in 2013, the State Water Infrastructure Authority (Authority) has had purview over funding under G.S. 159G-71(1). Applications are submitted as required by G.S. 159G-37(a) to the Division for review. The Division requires that applications contain project descriptions and budgets based upon the description. Staff present the funding recommendations based upon the funding requested, which matches the budget, and it is under the purview of the Authority to award funding to applicants based upon the reviews completed by the Division.

Due to the nature of damage in the affected area, some local governments with active infrastructure projects with the Division may wish to amend their existing project scopes to address damaged infrastructure. Applicants may have received funding from the American Rescue Plan Act (ARPA), Community Development Block Grant – Infrastructure (CDBG-I), Clean Water State Revolving Fund (CWSRF), Drinking Water State Revolving Fund (DWSRF), State

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<sup>1</sup> The 20 counties are: Alexander, Allegheny, Ashe, Avery, Buncombe, Burke, Caldwell, Catawba, Clay, Cleveland, Gaston, Haywood, Henderson, Jackson, Lincoln, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Transylvania, Watauga, Wilkes, and Yancey Counties, plus the Eastern Band of Cherokee Indians.

<sup>2</sup> The additional 12 counties are Cabarrus, Cherokee, Forsyth, Graham, Iredell, Lee, Nash, Rowan, Stanley, Surry, Union, and Yadkin counties.

Reserve Program (SRP), Asset Inventory and Assessment, Merger/Regionalization, and Local Assistance for Stormwater Infrastructure Investment (LASII) that could be used to repair damaged infrastructure. However, since funding awards are determined by the Authority for applications with a set scope, the Division is seeking the Authority's approval to allow changes in scope for modifications, consistent with state and federal law, of currently-funded projects that were awarded by the Authority to address Hurricane Helene-related recovery, ensuring that the originally-awarded projects can be successfully implemented and operated. No additional funds would be provided to accommodate the scope modifications; however, the applicants can apply for emergency loans or apply for additional funds in future funding rounds.

### **Recommendation**

Staff recommend the Authority grant approval for modification of scopes of SWIA-awarded projects, consistent with state and federal law, to allow for repair of infrastructure damaged by Hurricane Helene in the affected area under certain conditions. The conditions are: the scope modification should be necessary to successfully implement and operate the originally-awarded project in its purpose, and the modifications do not result in a request to increase funding. This approval would apply to projects awarded by SWIA and funded by ARPA, CDBG-I, CWSRF, DWSRF, SRP, AIA, MRF, and/or LASII.