

# FAQs: Emergency Loan Funding for Local Government Units' Drinking Water and Wastewater Systems Impacted by Helene

As of October 18<sup>th</sup>, 2024

## Eligibility & Funding

### Who is eligible to receive an emergency loan?

Any drinking water or wastewater utility owned by a local government unit or nonprofit water corporation that was impacted by Hurricane Helene in a county designated under the Major Disaster Declaration is eligible to apply for an emergency loan through the North Carolina Department of Environmental Quality's Division of Water Infrastructure. Emergency loan funding is limited. Funding will be prioritized first for utilities that are non-operational and then for utilities that are partially operational. Per GS 159G-33(a)(4) and GS 159G-34(a)(4), the Secretary of the Department must certify that a serious public health hazard is present or imminent to authorize an emergency loan.

### What projects are eligible to receive an emergency loan?

Eligible projects include public water system projects and wastewater collection systems and treatment works. The projects should create a temporary solution for the provision of drinking water or wastewater services to residents and businesses, in line with emergency protective measures laid out by FEMA.

### How much funding am I eligible to receive through an emergency loan?

Due to the passage of the Disaster Recovery Act of 2024 (SL 2024-51), there is no statutory cap on the amount of funding an application may receive. However, available funding is limited, and projects will be prioritized for funding based on operational status of the system. If additional funding becomes available, loans that were offered at a lower initial amount may have the option to be amended.

### Is an emergency loan eligible for reimbursement from FEMA?

Every effort will be made to ensure that projects completed through emergency loans from the Drinking Water and Wastewater Reserves are eligible for FEMA reimbursement. DEQ and NCEM will coordinate to assist utilities in ensuring projects align with emergency protective measures as outlined by FEMA.

### Will applying for an emergency loan through the state limit my potential for reimbursement from FEMA?

No—application for and receipt of an emergency loan through the Drinking Water or Wastewater Reserves will not have an impact on eligibility for FEMA reimbursement. To ensure that projects can be reimbursed, all applicable FEMA criteria for emergency protective measures should be considered.

## Application & Review Process

### How do I apply for an emergency loan?

Applications for emergency loans should be submitted to the Division of Water Infrastructure [here](#). Local governments may also be contacted directly by the Division of Water Infrastructure, and technical assistance or other support is being provided wherever possible in developing project applications.



## What information do I need to provide to apply for an emergency loan?

Applications must be submitted by the local government or the nonprofit water corporation's authorized representative, even if it was prepared by DEQ staff or the utility's consultants. The application must include the location of the system, amount of loan request, the operational status of the drinking water or wastewater system, and the contact information of the Authorized Representative. Applications for drinking water utilities must be submitted separately from applications from wastewater utilities.

## How is my emergency loan application reviewed?

Applications will be reviewed by the Division of Water Infrastructure as they are submitted to identify priority for loans. The Division may also discuss alternative funding mechanisms with the applicants, such as utilizing existing funded projects or direct appropriations. Loans offered by the Division must be approved by the Local Government Commission and must be executed by the local governing board. Applications will be reviewed based on need and funding availability.

## How long will it take for my emergency loan application to be reviewed?

Review and decisions of applications related to Hurricane Helene will occur on a rolling basis.

## How will I be notified if my application is approved?

The Division will contact the Authorized Representative with a funding offer and instructions on executing the offer after DEQ and the Local Government Commission have approved the application.

## Award

### How soon can I begin spending my funding award?

Costs can be incurred at any time by the local government/nonprofit water corporation, but funds cannot be disbursed by the Division until the funding offer has been executed, the Local Government Commission has approved the loan, and the utility has provided the necessary documentation. The utility's work can begin immediately, and invoices may be submitted to the Division later for disbursement of funds.

### How will my funding award be disbursed?

Awarded funding will be disbursed as requests for payment are received, up to the awarded amount. Requests for payment should be submitted to the Division of Water Infrastructure and will be paid directly by the Department. **This is not a reimbursement—you do not have to pay the invoice prior to submission.** Disbursement requests should be submitted online [here](#).

### What documentation is required for funding implementation?

The Division's project manager assigned to the funded project will work directly with the local government or nonprofit water corporation to request the relevant documents, including any documentation needed to support the potential for FEMA reimbursement.

For more information regarding DEQ emergency loans, please contact:

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