



NORTH CAROLINA  
Environmental Quality

April 22, 2025

JOSH STEIN  
Governor  
D. REID WILSON  
Secretary  
SHADI ESKAF  
Director

The Honorable Gerald A. Jones, Jr., Mayor  
Morehead City  
706 Arendell Street  
Morehead City, NC 28557

Subject: American Rescue Plan Act  
Engineering Report Funding Approval  
Morehead City  
2022 ARPA WWTP Improvements  
DWI Project Nos.: CS370567-05 &  
SRP-W-ARP-0155

Dear Mayor Jones:

The Division of Water Infrastructure (Division) has completed its review of the engineering report and environmental document for the subject project. Based upon the review, the Division has determined that the above-referenced project is eligible for funding as follows:

Eligible:

Improvements to the solids train at Morehead City's wastewater treatment plant to include installation of a second parallel belt press and replacement of the sludge dryer with a solar dryer.

Non-Eligible:

Spare parts, service contracts, and maintenance contracts; and extended warranties.

Based upon a detailed review of the future bid documents, the Division may determine that portions of the project are not eligible for funding and the total funding amount may be reduced.

Please note that funding is contingent on meeting the schedule provided in your *Letter of Intent to Fund*, or your approved Funding Deadline Extension approval letter (if applicable), as tabulated below:

<u>Milestone</u>	<u>Date</u>
Receive Final Disbursement – <b>Statutory (ARPA only)</b>	December 31, 2026



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

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To facilitate the North Carolina Local Government Commission's (LGC) required review of the repayable-loan portion of the subject project, please complete (based on your organization's most recently completed, annual audit) the LGC's forms *LGC-108A* and *LGC-108C* and forward them to the Division, and specifically, directly to the attention of Mark Hubbard, P.E., who can be reached via e-mail at [mark.hubbard@deq.nc.gov](mailto:mark.hubbard@deq.nc.gov). Copies of the necessary LGC forms are available at the following URL: <https://www.deq.nc.gov/about/divisions/water-infrastructure/i-have-funding/construction-disbursement-funds#lgc-forms>.

In addition, local government units intending to incur debt (i.e., service a repayable loan) as a means of financing capital-improvement projects (including, for example, drinking water, wastewater, and/or stormwater infrastructure-improvement projects), and which will require debt to be issued for an amount of **greater than \$1,000,000** (in accordance with North Carolina General Statute (N.C.G.S.) 120-157.2), must prepare and submit a letter of notification to the North Carolina General Assembly's Joint Legislative Committee on Local Government (**JLC**). You are wholly responsible for preparing and submitting this letter to the necessary parties (see next paragraph), and for providing a copy of it to the Division.

The **JLC Notification Letter**, if required, shall be addressed to the attention of the Committee Chairs and Committee Assistant of the JLC, and to the Fiscal Research Division of the North Carolina General Assembly, and it shall be transmitted to them a minimum of **forty-five (45) days** prior to the anticipated date of your loan's presentation before the LGC (on one of their official monthly agenda). Please note that you must also submit a copy of the JLC Notification Letter to the LGC as well, as it is part of their staff's review of the requested loan.

**All costs incurred prior to March 3, 2021, are not eligible for ARPA funds,  
and all ARPA funds must be expended prior to December 31, 2026.  
The Division will make no disbursement of ARPA funds after December 31, 2026.**

Please submit Plans and Specifications via the new Online Supporting Documentation Submittal Form located at <https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form>. The link to the online submittal form 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>.

If you have any questions, please contact Karin Britt either by telephone at 919.707.3889 or by e-mail at [karin.britt@deq.nc.gov](mailto:karin.britt@deq.nc.gov).

Sincerely,

Signed by:

*Antonio V. Evans*

70B5974DE04F421...

Antonio V. Evans, P.E., Supervisor  
Wastewater and Stormwater Projects Unit

Attachments: Categorical Exclusion

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Morehead City  
April 22, 2025  
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cc: Tyndall Lewis, P.E., McDavid Associates, Inc., [ftl@mcdavid-inc.com](mailto:ftl@mcdavid-inc.com)  
Antonio V. Evans, P.E. (DWI, via e-mail)  
Karin Britt (DWI, via e-mail)  
Mark Hubbard, P.E. (DWI, via e-mail)  
Jeff Poupart (DWI, via e-mail)  
Susan Kubacki (DWI, via e-mail)  
DWI Agreement ID 2000062155 (**ER/EID – ERAL**)

## Categorical Exclusion

### North Carolina Division of Water Infrastructure

Project Applicant: *Morehead City*  
Date: *April 22, 2025*  
Project Name: *2022 ARPA Wastewater Treatment Plant Improvements Project*  
Project Number: *CS370567-05 & SRP-W-ARP-0155*  
Estimated Project Cost: *\$6,000,000*  
Estimated Funding Amount: *\$6,000,000*

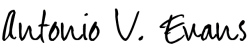
Project Description: Improvements to the solids train at Morehead City's wastewater treatment plant to include installation of a second parallel belt press and replacement of the sludge dryer with a solar dryer.

The above-named applicant will receive funding assistance from the State Revolving Fund. The North Carolina Department of Environmental Quality, Division of Water Infrastructure (**Division**) has conducted a review of the project in accordance with the NCGS §159G-38. The Division has determined that this project is below the minor construction activities threshold outlined in the 15A NCAC 01C .0408; therefore, the project is exempt from inter-agency review, and the preparation of additional environmental documents is not required.

This determination shall become effective upon its distribution by the Division and will be available on the Division's website (<https://deq.nc.gov/about/divisions/water-infrastructure/division-water-infrastructure/environmental-documents>). This determination can be revoked at any time adverse information is made available. The documentation to support this decision will be on file with the Division, and is available for public scrutiny upon request.

Comments concerning this decision may be addressed in writing to Ms. Stephanie Suter, Deputy Director, Division of Water Infrastructure, North Carolina Department of Environmental Quality, 1633 Mail Service Center, Raleigh, North Carolina 27699. Alternatively, she can be reached via telephone at 919.707.9044 or via e-mail at [stephanie.suter@deq.nc.gov](mailto:stephanie.suter@deq.nc.gov).

Sincerely,

Signed by:  
  
70B5974DE04F421...

Antonio V. Evans, P.E., Supervisor  
Wastewater and Stormwater Projects Unit  
Division of Water Infrastructure