

Appendix E
Letters of Support for Application
Town of Drexel
City of Morganton
Town of Valdese



March 2, 2026

Mr. Shadi Eskaf, Director
Division of Water Infrastructure
512 N. Salisbury Street, 8th Floor
Raleigh, NC 27607

Dear Mr. Eskaf:

As you are aware, the Town of Drexel was awarded funding in September and December 2025 as well as in February 2026 in the total of \$10,588,690 in Drinking Water (DW) SRF Helene / DW State Reserve funds for the Drexel-Morganton-Valdese Interconnection project (SRF-D-HEL-0007) through the Division of Water Infrastructure (Division).

As of the date of this letter, the interconnection project remains partially funded, with \$10,588,690 awarded to Drexel and \$12,581,940 in DW SRF Helene / DW State Reserve funding awarded to the City of Morganton in September 2025 and February 2026. The Town of Valdese's application for their portion of the same project in August 2025 did not receive funding. At this time, the gap between awarded funding and the full project cost (approx. \$47 million) is Valdese's portion of approximately \$24 million. As Valdese's raw water intake project is necessary for the interconnection to be a success, Valdese has had to prioritize the available funding for that project over the interconnect.

The previously awarded SRF Helene funds are extremely valuable to Drexel's recovery from Helene and to building a more resilient water system against future flooding events and other natural disasters. Although the interconnection project is of critical importance for the future resiliency in the water supplies of all three communities, the significant gap in funding has resulted in Drexel needing to consider other options to retain this critically necessary funding to improve the resiliency of their drinking water system.

Due to the substantial gap in funding for the interconnection project and the significant uncertainty in whether the interconnect can move forwards, the Town of Drexel is requesting that the Division consider this current application for funding to the State Water Infrastructure Authority (Authority) as an alternate flood resiliency project. **Drexel further requests that the Authority move the funding previously awarded to the Town of Drexel for the interconnection project to this new application regardless of priority rating scoring, provided that it is determined to be eligible.**

We appreciate the Authority's consideration of this alternative flood resiliency project as it will relocate existing infrastructure from inside the flood plain to outside of the flood plain. The Town of Drexel understands that by moving the funding from the interconnect project to this new

application, the interconnection project may not move forwards, however, this alternate project will meet the same purpose for improving the Town of Drexel's water distribution system resiliency as the originally awarded Morganton-Valdese-Drexel interconnect. Should you have any questions, please let me know.

Thank you,

A handwritten signature in black ink that reads "Bill Carroll". The signature is written in a cursive, flowing style.

Bill Carroll, Town Manager
Town of Drexel



March 2, 2026

Mr. Shadi Eskaf, Director
Division of Water Infrastructure
512 N. Salisbury Street, 8th Floor
Raleigh, NC 27607

Dear Mr. Eskaf:

As you are aware, the City of Morganton was awarded funding in September 2025 in the total of \$10,000,000 in Drinking Water (DW) SRF Helene funds for the Morganton-Morganton-Valdese Interconnection project (SRF-D-HEL-0007) through the Division of Water Infrastructure (Division). The City was also awarded an additional \$2.58 million in SRP Helene Funds which the State Water Infrastructure Authority (Authority) on February 18th, 2026.

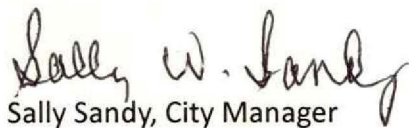
As of the date of this letter, the interconnection project remains partially funded, with approximately \$12,581,940 awarded to Morganton as described above and \$10,588,690 in DW SRF Helene funding awarded to the Town of Drexel in September and November 2025. The Town of Valdese's application for their portion of the same project in August 2025 did not receive funding. At this time, the gap between awarded funding and the full project cost (approx. \$47 million) is Valdese's portion of approximately \$24 million. As Valdese's raw water intake project is necessary for the interconnect to be a success, Valdese has had to prioritize the available funding for that project over the interconnect.

The previously awarded SRF Helene funds are extremely valuable to Morganton's recovery from Helene and to building a more resilient water system against future flooding events and other natural disasters. Although the interconnection project is of critical importance for the future resiliency in the water supplies of all three communities, the significant gap in funding has resulted in Morganton needing to consider other options to retain this critically necessary funding to improve the resiliency of their drinking water system.

Due to the substantial gap in funding for the interconnection project and the significant uncertainty in whether the interconnect can move forwards, the City of Morganton is requesting that the Division consider this current application for funding to the State Water Infrastructure Authority (Authority) as an alternate disaster resiliency project. **Morganton further requests that the Authority move the funding previously awarded to the City of Morganton for the interconnection project to this new application regardless of priority rating scoring, provided that it is determined to be eligible.**

We appreciate the Authority's consideration of this alternative flood resiliency project as it will improve the resiliency of the City of Morganton's distribution system by installing automatic backup generators and enhanced SCADA capabilities with coverage of all tank and booster station sites. The City understands that the originally planned interconnection project will not move forward using Helene funds and finds the submitted alternative project to be an equally valuable initiative. Should you have any questions, please let me know.

Thank you,

A handwritten signature in black ink that reads "Sally W. Sandy". The signature is written in a cursive, flowing style.

Sally Sandy, City Manager
City of Morganton



TOWN OF VALDESE
NORTH CAROLINA'S FRIENDLY TOWN



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March 2, 2026

Mr. Shadi Eskaf, Director
Division of Water Infrastructure
512 N. Salisbury Street, 8th Floor
Raleigh, NC 27607

Dear Mr. Eskaf:

As you are aware, the Town of Valdese was awarded funding in September and December 2025 in total of \$10,000,000 in Drinking Water (DW) SRF Helene funds for the Valdese Raw Water Intake Replacement project (SRF-D-HEL-0007) through the Division of Water Infrastructure (Division). This project is critical to supply of water to the current Valdese customers and would have also been critical to any potential interconnection project with the City of Morganton and Town of Drexel.

As of the date of this letter, the interconnection project remains partially funded, with approximately \$12,581,940 awarded to Morganton as described above and \$10,588,690 in DW SRF Helene funding awarded to the Town of Drexel in September and November 2025. The Town of Valdese's application for their portion of the same project in August 2025 did not receive funding. At this time, the gap between awarded funding and the full project cost (approx. \$47 million) is Valdese's portion of approximately \$24 million. As Valdese's raw water intake project is necessary for the interconnect to be a success, Valdese has had to prioritize the available funding for that project over the interconnect.

The previously awarded SRF Helene funds are extremely valuable to Valdese's recovery from Helene and to building a more resilient water system against future flooding events and other natural disasters. Although the interconnection project is of critical importance for the future resiliency in the water supplies of all three communities, the significant gap in funding has resulted in Valdese needing to prioritize the Raw Water Intake project to improve the resiliency of its drinking water system.

Due to the substantial gap in funding for the interconnection project and the significant uncertainty in whether the interconnect can move forwards, the Town of Valdese understands that both the City of Morganton and Town of Drexel are requesting that the Division consider new current applications for funding to the State Water Infrastructure Authority (Authority) as alternate disaster resiliency projects independent of the previously proposed interconnection project.

We appreciate the Authority's consideration of both the original interconnection project and the subsequent alternative flood resiliency projects as they will improve the resiliency of the City of Morganton and Town of Drexel. The Town of Valdese further understands that the originally planned interconnection project will not move forward using Helene funds and finds the alternative projects submitted by the City of Morganton and Town of Drexel to be an equally valuable initiative. Should you have any questions, please let me know.

Thank you,

Bo Weichel, Assistant Town Manager
Town of Valdese