

JOSH STEIN

Governor

D. REID WILSON

Secretary

SHADI ESKAF

Director



NORTH CAROLINA
Environmental Quality

March 31, 2026

Josh Nickol, General Manager/Chief Finance Officer
Junaluska Sanitary District
P.O. Box 35
Lake Junaluska, NC 28745

Subject: **Modified** Engineering Report Funding Approval
Junaluska Sanitary District
HCC/Oak Park Low Pressure Water Line Rehabilitation
DWI Project No.: SRF-D-2059

Dear Mr. Nickol:

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:

This modified approval clarifies the sizes and lengths of the water main installations.

Eligible:

Installation and/or replacement of approximately 5,575 linear feet of 8-inch water main, 16,920 linear feet of 6-inch water main, and 3,770 linear feet of 2-inch water main; including hydrants, valves, vaults, service reconnections and associated appurtenances.

Construction and installation of a gravity pressure tank and a booster pump station including site/road grading, fencing and associated appurtenances.

Work will include traffic control, removal and replacement of pavement, roadways, driveways and curbs, and sedimentation and erosion-control devices; electrical, valves, vaults, and associated appurtenances.

Non-Eligible:

Paving of roadways in excess of the excavated area; 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.



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

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>
Design-and-Bid Package Submittal	Submitted
Design-and-Bid Package Approval	Pending
Advertise Project, Receive Bids, Submit Bid Information, <u>and</u> Receive Authority to Award	August 3, 2026
Execute Construction Contract(s)	September 1, 2026

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. 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.

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>.

Josh Nickol, GM/CFO
Junaluska Sanitary District
March 31, 2026
Page 3 of 3

If you have any questions, please contact Jason Fulton, E.I., either by telephone at 828.296.4682 or by e-mail at jason.fulton@deq.nc.gov.

Sincerely,

Renee Parkman

Renee Parkman, P.E., Supervisor
Drinking Water Projects Unit

Attachments: Categorical Exclusion

cc: Josh Nickol, GM/CFO, Junaluska Sanitary District, jnickol@jsdwater.org
Jeffrey Brown, P.E., Brown Consultants, P.A., jtbrown1970@gmail.com
Renee Parkman, P.E. (DWI, via e-mail)
Jason Fulton, E.I. (DWI, via e-mail)
Mark Hubbard, P.E. (DWI, via e-mail)
Susan Wallace (DWI, via e-mail)
DWI Agreement ID 2000078088 (**ER/EID – Modified ERAL**)

Categorical Exclusion

North Carolina Division of Water Infrastructure

Project Applicant: *Junaluska Sanitary District*
Date: *March 31, 2026*
Project Name: *HCC/Oak Park Low Pressure Water Line Rehabilitation*
Project Number: *SRF-D-2059*
Estimated Project Cost: *\$9,685,006*
Estimated Funding Amount: *\$9,495,104*

Project Description:

Installation and/or replacement of approximately 5,575 linear feet of 8-inch water main, 16,920 linear feet of 6-inch water main, and 3,770 linear feet of 2-inch water main; including hydrants, valves, vaults, service reconnections and associated appurtenances. Construction and installation of a gravity pressure tank and a booster pump station including site/road grading, fencing and associated appurtenances.

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.

Sincerely,

Renee Parkman

Renee Parkman, P.E., Supervisor
Drinking Water Projects Unit
Division of Water Infrastructure