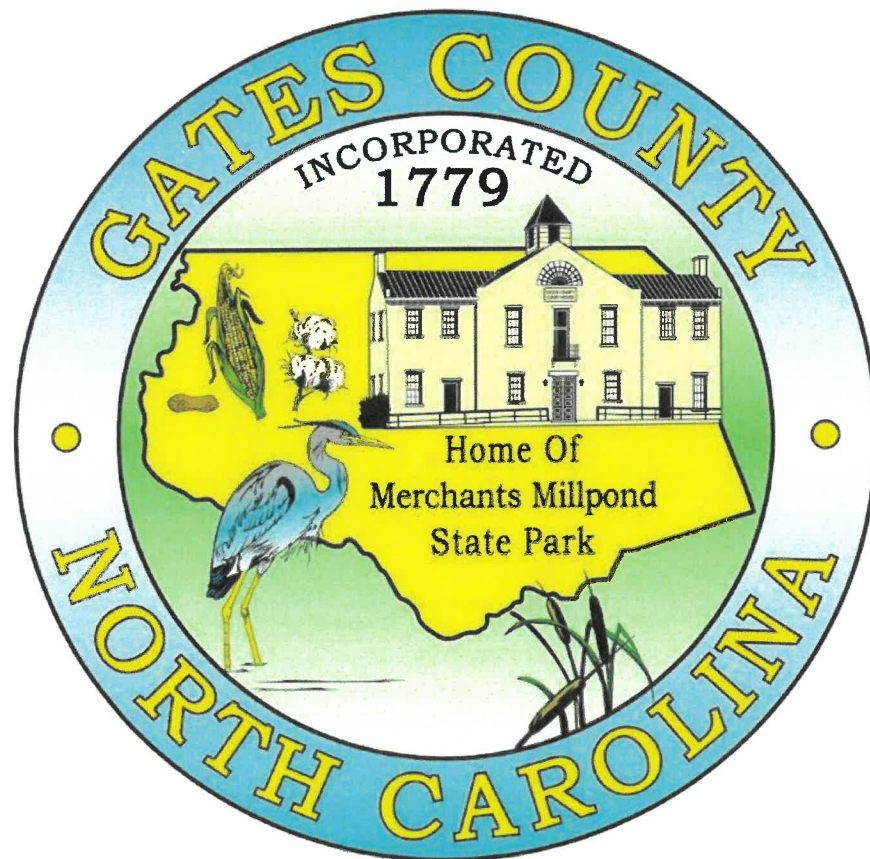


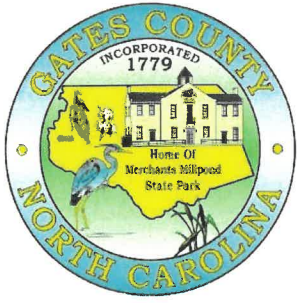
GATES COUNTY BOARD OF COMMISSIONERS

Special Called Meeting
Wednesday, April 29, 2026

5:00 P.M.



115 Court Street Gatesville, NC 27938

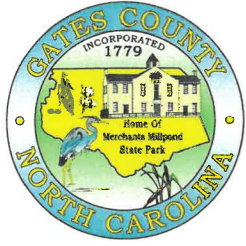


Gates County Board of Commissioners
Special Meeting Agenda
5:00 PM Wednesday, April 29, 2026
1836 Historical Courthouse | 2nd Floor | Commissioner Chambers
115 Court Street Gatesville, NC 27938

- I. Call to Order – *Chair Emily Truman*
- II. Opening Prayer | Pledge of Allegiance
- III. Resolution to accept and approve NCDEQ Funding Offer | Emergency Replacement Well 2A
- IV. County Manager | Administrative Updates
- V. Adjourn

CONFLICTS OF INTEREST

Pursuant to North Carolina General Statutes, members of the Gates County Board of Commissioners must abstain from discussion and voting on matters where a legal conflict of interest is present. Members who suspect they may have a potential conflict of interest in a matter shall confer with the County Attorney prior to the meetings for legal opinion. A Commissioner who requests to abstain from any given matter otherwise requiring their lawful duty to act shall state the nature of their conflict to the Board. The Board, after hearing from the County Attorney on the same, shall vote upon whether a legal conflict or a substantial appearance thereof exists. If found present, the Board by majority vote shall excuse the Commissioner from all participation in the matter.



**Board of Commissioners
Gates County Government**

GatesCountyNC.gov

**RESOLUTION TO ACCEPT AND APPROVE NCDEQ FUNDING OFFER
PER SESSION LAW 2023-134 GRANT APPROPRIATIONS ACT, DIRECTED PROJECTS
EMERGENCY REPLACEMENT WELL NO. 2A; DWI PROJECT NO.: SRP-D-134-0324**

WHEREAS, the County of Gates has received a Directed Projects grant from the 2023 Appropriations Act, Session Law 2023-134, administered through the Drinking Water Reserve and Wastewater Reserve to assist eligible units of government with meeting their water/wastewater infrastructure needs, and

WHEREAS, the North Carolina Department of Environmental Quality has offered 2023 Appropriations Act funding in the amount of \$388,572 to perform work detailed in the submitted application, and

WHEREAS, the County of Gates intends to perform said project in accordance with the agreed scope of work, and the Letter of Intend to Fund, SRP-D-134-0324 to construct Gates County Emergency Replacement Well No. 2A, and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE
COUNTY OF GATES:**

That the County of Gates does hereby accept the 2023 Appropriations Act Directed Projects Grant offer of \$388,572; and

That the County of Gates does hereby give assurance to the North Carolina Department of Environmental Quality that any Conditions or Assurances contained in the Award Offer will be adhered to; and

That Scott T. Sauer, County Manager, and William Roberson, Finance Director, and their successors so titled, are hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with this project; to make the assurances as contained above; and to execute such other documents as may be required by the Division of Water Infrastructure.

Adopted on the 29th of April 2026.

Emily Truman, Chair
Gates County Board of Commissioners

Attest:

Reneé Draper, Clerk to the Board

(SEAL)

JOSH STEIN
Governor
D. REID WILSON
Secretary
SHADI ESKAF
Director



NORTH CAROLINA
Environmental Quality

April 17, 2026

Scott T. Sauer, County Manager
Gates County
PO Box 148
Gatesville, NC 27938

SUBJECT: Funding Offer
Project No. SRP-D-134-0324
Emergency Replacement Well No 2A

Dear Mr. Sauer:

Gates County has been approved for funding assistance according to the subject funding offer. This offer is made subject to the Assurances and Conditions attached to this document.

Upon your acceptance, please submit the following items via Laserfiche at the following link:
<https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form>.

1. One (1) copy of the original Offer and Acceptance Document executed by the Authorized Representative for the project, along with the Conditions and Assurances. **Retain the other copy for your files.**
2. A resolution adopted by the governing body accepting the funding offer and making the applicable Conditions and Assurances contained therein. (Sample copy attached)
3. Federal Identification Number and Unique Entity ID Number of the Subrecipient (UEID required for federally funded projects)
4. Sales-Tax Certification (attached)

The Site Certification is due before disbursements begin.

Disbursement requests are to be submitted via the DWI EBS System Log-in located at <https://www.ebs.nc.gov/logon/index.html>. A reference copy of the Disbursement Request Form (also found on the DWI website) has been enclosed for your convenience. The link to the online portal and a list of frequently asked questions can also be accessed from the Division's *I Have Funding* webpage at <https://www.deq.nc.gov/construction-disbursement-funds>.

On behalf of the Department of Environmental Quality, I am pleased to make this funding offer. Should you have any questions concerning this offer of funding, or any of the stipulations outlined in this offer package, please contact David Smith at david.smith@deq.nc.gov or (919) 707-3885.



Sincerely,

DocuSigned by:


6300A872077B4C5...

Shadi Eskaf, Director

Division of Water Infrastructure, NCDEQ

Enclosures: Offer and Acceptance Document
Assurances & Conditions
Federal ID and UEID Number Request Memo
Resolution to Accept Funding Offer (suggested format)
Sales-Tax Certification Form
Disbursement Request Form
Guidance Document (North Carolina Wastewater Funding Programs Overview)
Site Certification

cc: Scott T. Sauer, County Manager, Gates County (ssauer@gatescountync.gov)
Barry Parks, Green Engineering, PLLC (b.parks@greeneng.com)
Tom Dienes, Green Engineering, PLLC (t.dienes@greeneng.com)
Leon Green, III, Green Engineering, PLLC (elg3@greeneng.com)
Mark Hubbard (Via DocuSign)
David Smith (Via DocuSign)
DWI Administrative Unit (Via DocuSign)
Anita Spencer (Via DocuSign)
DEQ.DWI.FundingOffer@deq.nc.gov
FILE: SRP-134 Project File (COM_LOX)
Agreement ID#: 2000089152



**STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE**

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

Project Number(s): SRP-D-134-0324

Gates County
PO Box 148
Gatesville, NC 27938

Assistance Listing Number: N/A
Unique Entity ID Number: F4L4FXEB3BK3

Funding Program

	<input type="checkbox"/>	Additional Amount for Funding Increases	Previous Total	Total Offered
Drinking Water	<input checked="" type="checkbox"/>			
Stormwater	<input type="checkbox"/>			
Wastewater	<input type="checkbox"/>			
State Revolving Fund-Repayable Loan	<input type="checkbox"/>			
State Revolving Fund-Principal Forgiveness	<input type="checkbox"/>			
State Reserve Loan	<input type="checkbox"/>			
State Reserve Grant	<input type="checkbox"/>			
State Reserve Earmark (S.L. 2023-134)*	<input checked="" type="checkbox"/>			\$388,572
American Rescue Plan Act - Choose an item.	<input type="checkbox"/>			

Project Description:

Emergency Replacement Well No 2A

Total Financial Assistance Offer: **\$388,572**

Total Project Cost: \$388,572

Estimated Closing Fee:** \$ 0

For Loans

Interest Rate: -- Per Annum

Maximum Loan Term: -- Years

* Federal conditions and requirements will also apply to S.L. 2023-134 projects co-funded with federal funds.

** Estimated closing fee calculated based on grant and loan amount.


Pursuant to North Carolina General Statute 159G:

- The applicant is eligible under Federal and State law,
- The project is eligible under Federal and State law, and
- The project has been approved by the Department of Environmental Quality as having sufficient priority to receive financial assistance.

The Department of Environmental Quality, acting on behalf of the State of North Carolina, hereby offers the financial assistance described in this document.

For The State of North Carolina:

**Shadi Eskaf, Director, Division of Water Infrastructure
North Carolina Department of Environmental Quality**

DocuSigned by: 	4/17/2026
6300A872077B4CS... Signature	Date

On Behalf of:

Gates County _____

Name of Representative in Resolution:

Title (Type or Print):

I, the undersigned, being duly authorized to take such action, as evidenced by the attached CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Offer and will comply with the attached Assurances and the Standard Conditions.

Signature	Date
-----------	------

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

Project Subrecipient: Gates County

Project Number(s): SRP-D-134-0324

1. The Subrecipient intends to construct the project or cause it to be constructed to final completion in accordance with the Application or Request for Funding approved for financial assistance by the Division.
2. If the project is co-funded with federal funding sources (e.g., State Revolving Funds, CDBG-Infrastructure, American Rescue Plan Act), the conditions and assurances of the federal funding program will also apply.
3. The Subrecipient acknowledges that in the event a milestone contained in the most recent Letter of Intent to Fund is missed, the Department of Environmental Quality may rescind this Funding Offer.
4. The Subrecipient is responsible for paying for the costs ineligible for DWI funding.
5. All projects must comply with North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. Any services provided that were not selected in compliance with state requirements will be ineligible for disbursement.
6. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
7. As of the acceptance of this Funding Award Offer, steps identified in the SRP Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the SRP Guidance, and the Subrecipient hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRP Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, disbursements, closeout and repayment.
8. The Subrecipient will provide and maintain adequate engineering supervision and inspection.
9. The Subrecipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
10. All SRP funds must be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan or grant will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Subrecipient's compliance with the Standard Conditions of this Award. The Subrecipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
11. The Subrecipient will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Subrecipient is expected to uphold its contract obligations regarding timely payment.
12. The Subrecipient, if a local government unit or public authority, must comply with the requirements of NC GS 159-34 in having its accounts audited each fiscal year and to submit a copy of the audit report to the Secretary of the Local Government Commission by the established deadlines. Failure to comply with these requirements may result in delays in disbursement of the funds to the Subrecipient and/or the rescission of this Funding Offer.
13. The Subrecipient acknowledges that any loan funds contained in this Funding Offer requires approval from the North Carolina Local Government Commission before they can be disbursed.
14. Local government units designated as distressed must complete associated requirements of statute §159G-45(b).

15. Payment of the sums specified herein are subject to and contingent upon the availability, allocation, and appropriation of funds to the Department of Environmental Quality by the State or Federal government.

JOSH STEIN
Governor
D. REID WILSON
Secretary
SHADI ESKAF
Director



April 17, 2026

Scott T. Sauer, County Manager
Gates County
PO Box 148
Gatesville, NC 27938

Subject: Letter of Intent to Fund
S.L. 2023-134 Appropriations Act Directed Project
Emergency Replacement Well No 2A
DWI Project No.: SRP-D-134-0324

Dear Mr. Sauer:

The Division of Water Infrastructure (Division) has received your *Request for Funding* for the aforementioned project for up to \$388,572 from the Drinking Water/Wastewater State Reserve as established in Session Law (S.L.) 2023-134 and amended in S.L. 2024-1 (hereinafter referred to simply as S.L. 2023-134). Projects funded from the State Reserve must meet applicable State laws and guidance for expenditure of these funds. The following table shows total S.L. 2023-134 appropriations for your local government excluding the Department’s administrative fee as amended in S.L. 2024-1, awarded projects and their funding amounts identified to date, and any remaining unobligated appropriations at the time of this letter.

S.L. 2023-134 Appropriations Act Approved Projects

S.L. 2023-134 Approved Projects for S.L. 2023-134 Section 12.2.(e) Line # 68 Appropriation		
Appropriated Funds Available for Projects (excluding administrative costs)		\$9,992,825
Project Name	Project Number	Maximum Funding Amount
Emergency Replacement Well No 2A	SRP-D-134-0324	\$388,572
Gates Wastewater System Improvements	SRP-W-134-0152	\$0
Gates Water System Improvements (68.1)	SRP-D-134-0153	\$596,428
Gates Water System Improvements (68.2)	SRP-D-134-0154*	\$9,007,825
Total Appropriations requested		\$9,992,825
Total Appropriations remaining		\$0



Scott T. Sauer, County Manager
Gates County
April 17, 2026
Page 2 of 4

The first milestone for this project is the submittal of a bid-and-design package by **August 7, 2026**. Please note that this intent to fund is contingent on meeting all the following milestones:

Milestone	Milestone Date*
Apply for all Necessary Permits **	ASAP
Bid-and-Design/Permit Package Submittal	August 7, 2026
Bid-and-Design Package Approval	February 5, 2027
Advertise Project, Receive Bids, Submit Bid Information, <u>and</u> Receive Authority to Award	May 7, 2027
Execute Construction Contract(s)	August 6, 2027

* Milestone dates only apply to the S.L. 2023-134 portion of funding.

**An engineering alternatives analysis (EAA) may be required on certain projects. See: <https://deq.nc.gov/about/divisions/water-resources/water-quality-permitting/npdes-wastewater/permitting-process>

Requirements of Distressed Local Government Units

Local government units designated as “distressed” under §159G-45(b) must complete associated requirements of the statute by:

1. Conducting an asset assessment and rate study.
2. Participating in a training and educational program.
3. Developing a short-term and long-term action plan considering all of the following:
 - a. Infrastructure repair, maintenance, and management;
 - b. Continuing education of the governing board and system operating staff; and
 - c. Long-term financial management plan.

Projects addressing these statutory requirements are typically eligible uses of direct appropriations.

The Division will consider milestone timeline modification including extensions provided that appropriate justification for granting extension is provided.

Environmental Review Requirements

The State Environmental Policy Act exempts projects funded by the State Reserve (such as this project) from state-mandated environmental review. Federal requirements may still apply. [North Carolina General Statute (NC G.S.) 113A-12.(2).(h)]

Drought Bill Requirements

In accordance with NC G.S. 143-355.4, a project “for the purpose of extending waterlines or expanding water treatment capacity” must document numerous requirements during the review process. You can find additional information at the following link:

ncleg.net/enactedlegislation/statutes/html/bysection/chapter_143/gs_143-355.4.html

Scott T. Sauer, County Manager
Gates County
April 17, 2026
Page 3 of 4

Permitting

The NC Department of Environmental Quality (DEQ) is committed to providing efficient permit processing for your S.L. 2023-134 project(s). To better serve you, we would appreciate your assistance in telling us the type of DEQ permit(s) you will need and the timeframe of permit application(s) submittal. Please complete the online form at the following link:

<https://app.smartsheet.com/b/form/bb0d7d19b4024a548b8d1c97cdad0cd8>.

When applying for a permit(s), attach a copy of this letter to your permit application(s) and denote your DWI assigned project number on the permit application if asked. If you do not know the type of permit(s) your project may require, we offer a free permit assistance service to address any questions you may have about potential permitting requirements, pitfalls, fees, and timelines. If interested, please complete our online form at <https://deq.nc.gov/permits-rules/permit-assistance-and-guidance/permit-assistance-request-form>.

Disbursement of Funds:

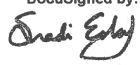
These funds will be disbursed to the local government unit after relevant costs are incurred by the local government and invoices are submitted to the Division. Up to 15% of the funds available for the project may be disbursed after costs are incurred during the pre-construction stage to cover design and planning costs. The remainder will be disbursed as invoices for incurred pre-construction and construction costs are submitted by the local government during construction, which may be submitted prior to or after paying the contractors for the incurred costs. Only costs eligible under NC G.S. 159G may be covered by these funds. Projects must be administered in accordance with all applicable federal law and guidance, as well as North Carolina statutes.

Electronic Document Submittal:

Recipients should submit all project documents via the supporting documentation submittal form located at <https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form>. The use of this form provides more seamless document tracking, processing, filing, accessibility, and security via our electronic document repository, Laserfiche. The link 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>.

Upon detailed review of the project during the funding process, it may be determined that portions of your project are not eligible for funding. If you have any questions concerning this matter or require general assistance, please contact the Division's project manager assigned to your project: Caroline Bari either by telephone at 919.707.9244 or by e-mail at caroline.bari@deq.nc.gov.

Sincerely,

DocuSigned by:

6300A872077B4C5
Shadi Eskaf, Director
Division of Water Infrastructure

Scott T. Sauer, County Manager
Gates County
April 17, 2026
Page 4 of 4

cc: Scott T. Sauer, County Manager, Gates County (ssauer@gatescountync.gov)
Barry Parks, Green Engineering, PLLC (b.parks@greeneng.com)
Tom Dienes, Green Engineering, PLLC (t.dienes@greeneng.com)
Leon Green, III, Green Engineering, PLLC (elg3@greeneng.com)
Michelle McKay (DWI, via DocuSign)
Caroline Bari (DWI, via DocuSign)
Mark Hubbard, P.E. (DWI, via DocuSign)
Administrative Unit (DWI, via DocuSign)
LF Project File (COM – LOIF)
DWI Agreement ID: 2000089152

**STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER INFRASTRUCTURE**

Funding Offer Modification

Scott T. Sauer, County Manager
Gates County
PO Box 148
Gatesville, NC 27938

ALN Number: N/A

Funding Offers Being Modified:

	Date of Previous Funding Offer	Previous Funding Offer Amount	Modification Amount	New Funding Offer Amount
SRP-W-134-0152	10/16/24	\$287,793	-\$287,793	\$0
SRP-D-134-0153	10/16/24	\$697,207	-\$100,779	\$596,428

Modification Information and Change in Project Description:

Gates County has a total of \$10,145,000 earmarked under S.L 2023-1-34. There are currently three different Funding Offers under this earmark. Pursuant to the request from Gates County dated April 4, 2026, this document acknowledges and carries out grant reductions for two of those Funding Offers as indicated above in order to make funding available for a new Funding Offer. All Assurances and Conditions from the previous Funding Offers for the project numbers above

For The State of North Carolina:

**Shadi Eskaf, Director, Division of Water Infrastructure
North Carolina Department of Environmental Quality**

DocuSigned by:  6300A872077B4C5... Signature	4/17/2026 Date
--	-------------------

I, the undersigned, being duly authorized to take such action, as evidenced by the CERTIFIED COPY OF AUTHORIZATION BY THE APPLICANT'S GOVERNING BODY, do hereby accept this Financial Award Modification.

On Behalf of: Gates County

Name of Representative in Resolution: _____

Title (Type or Print): _____

Signature	Date
-----------	------

- CC: Scott T. Sauer, County Manager, Gates County (ssauer@gatescountync.gov)
 Leon Green, III, Green Engineering, PLLC (elg3@greeneng.com)
 Roshanda Paige (Roshanda.Paige@deq.nc.gov)
 Deidra Joyner (Deidra.Joyner@deq.nc.gov)
 Ian McMillan (Ian.McMillan@deq.nc.gov)
 Mark Hubbard (Mark.Hubbard@deq.nc.gov)
 COM-FOM 2000077661 and 2000077662

Attachment: Request from Gates County Dated April 4, 2026
Conditions and Assurances

GATES COUNTY NORTH CAROLINA

Gates County
115 Court Street
PO Box 148, Gatesville, NC 27938



Phone (252) 357-2411
Fax (252) 357-0073

DATE: April 4, 2026

MEMORANDUM

TO: David Smith, Project Manager, NCDEQ, Division of Water Infrastructure

FROM: Scott Sauer, County Manager, Gates County

Handwritten signature of Scott T. Sauer in blue ink.

SUBJECT: 1) Request to cancel SRP-W-134-0152
2) Request to reduce funding for SRP-D-134-0153 in the amount of \$100,779
3) Approval of Funding Offer Modification per April 2, 2026 email:
 \$-0- for SRP-W-134-0152; and \$ 596,428 for SRP-D-134-0153
4) Request for Funding for new project in the amount of \$388,572

RE: Emergency Construction & Replacement – Gates County Well #2A
Well Construction Permit No. WS0701233

On behalf of the Gates County Board of Commissioners, thank you for your email on April 2nd describing the steps necessary to advance this request, as outlined above providing the following explanation and context.

1) Request to cancel SRP-W-134-0152

The source of funds to be reallocated was originally included in Director Shadi Eskaf's correspondence dated October 16, 2024, which provide notice of NCDEQ's Letter of Intent to Fund, and reflected as \$ 287,793 for Gates Wastewater System Improvements, **SRP-W-134-0152**; for the County's commitment to construct the 5,300 linear feet Force Main project to connect the Merchants Millpond State Park's newly renovated family campground to the County's sewer system. Subsequently, in March 2025 Gates County received the NCDEQ Funding Offer for a Clean Water State Revolving Loan in the amount of \$2,816,052 of which \$2,000,000 is Principal Forgiveness to construct 41,500 liner feet Four-inch Force Main to connect the T.S. Cooper Elementary School to the County's 0.40 MGD Sequential Batch Reactor wastewater treatment facility, **SRF-W-0023**.

The planned construction of the 5,300 linear feet Force Main project SRP-W-134-0152 CN1 as designed, *resulted in an unnecessary duplication of sewer lines*, and running parallel along US Highway 158 to connect the force main project to T.S. Cooper Elementary School; and hence, *this project was permanently deferred*. Engineering calculations confirmed that the wastewater flow from the campground could be incorporated into the flow modeling for the T.S. Cooper School project and has been approved by NCDEQ.

Gates County is respectfully requesting this reallocation and approval to utilize the remaining funds from the County's S.L. 2023 – 134 Directed Project Appropriation in the amount of \$287,793 to establish a new project, Gates County Well No. 2A Replacement project.

2) Request to reduce funding for SRP-D-134-0153 in the amount of \$100,779

The County's initial cost estimates incorporated data from original Well 2 design (circa 1979), anticipating installation of **two screens (2)**, requiring a construction schedule of thirty (30) days for labor and materials, a budget estimate of \$180,000 to \$200,000 for construction of emergency replacement Well #2A.

February 20th, NCDEQ's Washington Regional Office issued Well Construction Permit No. WS0701233, Gates County Well #2A.

Construction of the pilot hole (420' depth) commenced March 16th, and the County received its preliminary geophysical testing results and recommendations on March 24th.

Based on GMA's results of the pilot hole evaluation and related core sample analysis of the geophysical log for Gates Well #2A, Green Engineering has updated the design and well specifications including **five screens (5)**. Hence, the County will plan for additional costs for well construction and conservatively adding fifteen (15) days to provide for screen development expansion, additional engineering & testing, materials, and contingency.

This second transfer of funds will support the additional construction costs estimated for expansion of the number of screens from two to five for development and testing:

\$ 45,000	Construction for 15 days at \$3,000 per day
26,948	Engineering & testing (estimate at 33.5% increase)
<u>28,831</u>	additional materials and contingency
\$100,779	

\$100,779 represents a 35% increase of the original reallocation amount requested, \$287,793 for a **revised total project funding request of \$388,572 for Gates County replacement Well #2A.**

An initial draft of the Request for Funding is attached for your review and comment, prior to final submittal to NCDEQ by Gates County.

Thank you!

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

Project Subrecipient: Gates County

Project Number(s): SRP-D-134-0153

1. The Subrecipient intends to construct the project or cause it to be constructed to final completion in accordance with the Application or Request for Funding approved for financial assistance by the Division.
2. If the project is co-funded with federal funding sources (e.g., State Revolving Funds, CDBG-Infrastructure, American Rescue Plan Act), the conditions and assurances of the federal funding program will also apply.
3. The Subrecipient acknowledges that in the event a milestone contained in the most recent Letter of Intent to Fund is missed, the Department of Environmental Quality may rescind this Funding Offer.
4. The Subrecipient is responsible for paying for the costs ineligible for DWI funding.
5. All projects must comply with North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. Any services provided that were not selected in compliance with state requirements will be ineligible for disbursement.
6. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
7. As of the acceptance of this Funding Award Offer, steps identified in the SRP Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the SRP Guidance, and the Subrecipient hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRP Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, disbursements, closeout and repayment.
8. The Subrecipient will provide and maintain adequate engineering supervision and inspection.
9. The Subrecipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
10. All SRP funds must be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan or grant will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Subrecipient's compliance with the Standard Conditions of this Award. The Subrecipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
11. The Subrecipient will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Subrecipient is expected to uphold its contract obligations regarding timely payment.
12. The Subrecipient, if a local government unit or public authority, must comply with the requirements of NC GS 159-34 in having its accounts audited each fiscal year and to submit a copy of the audit report to the Secretary of the Local Government Commission by the established deadlines. Failure to comply with these requirements may result in delays in disbursement of the funds to the Subrecipient and/or the rescission of this Funding Offer.
13. The Subrecipient acknowledges that any loan funds contained in this Funding Offer requires approval from the North Carolina Local Government Commission before they can be disbursed.
14. Local government units designated as distressed must complete associated requirements of statute §159G-45(b).

15. Payment of the sums specified herein are subject to and contingent upon the availability, allocation, and appropriation of funds to the Department of Environmental Quality by the State or Federal government.

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

Project Subrecipient: Gates County

Project Number(s): SRP-W-134-0152

1. The Subrecipient intends to construct the project or cause it to be constructed to final completion in accordance with the Application or Request for Funding approved for financial assistance by the Division.
2. If the project is co-funded with federal funding sources (e.g., State Revolving Funds, CDBG-Infrastructure, American Rescue Plan Act), the conditions and assurances of the federal funding program will also apply.
3. The Subrecipient acknowledges that in the event a milestone contained in the most recent Letter of Intent to Fund is missed, the Department of Environmental Quality may rescind this Funding Offer.
4. The Subrecipient is responsible for paying for the costs ineligible for DWI funding.
5. All projects must comply with North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. Any services provided that were not selected in compliance with state requirements will be ineligible for disbursement.
6. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
7. As of the acceptance of this Funding Award Offer, steps identified in the SRP Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the SRP Guidance, and the Subrecipient hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRP Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, disbursements, closeout and repayment.
8. The Subrecipient will provide and maintain adequate engineering supervision and inspection.
9. The Subrecipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
10. All SRP funds must be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan or grant will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Subrecipient's compliance with the Standard Conditions of this Award. The Subrecipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
11. The Subrecipient will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Subrecipient is expected to uphold its contract obligations regarding timely payment.
12. The Subrecipient, if a local government unit or public authority, must comply with the requirements of NC GS 159-34 in having its accounts audited each fiscal year and to submit a copy of the audit report to the Secretary of the Local Government Commission by the established deadlines. Failure to comply with these requirements may result in delays in disbursement of the funds to the Subrecipient and/or the rescission of this Funding Offer.
13. The Subrecipient acknowledges that any loan funds contained in this Funding Offer requires approval from the North Carolina Local Government Commission before they can be disbursed.
14. Local government units designated as distressed must complete associated requirements of statute §159G-45(b).

15. Payment of the sums specified herein are subject to and contingent upon the availability, allocation, and appropriation of funds to the Department of Environmental Quality by the State or Federal government.



**North Carolina Department of Environmental Quality
Division of Water Infrastructure
Request for Funding
for S.L. 2023-134 Water/Sewer Directed Projects**



(Version 3: September 9, 2024)

1. General Information

Subrecipient Name (Local Government)		County	UEI Number
County of Gates		Gates	F4L4FXEB3BK3
Federal Tax ID #	Section 12.2.(e) Line # (see Appendix A)	PWSID # (drinking water only)	Collection System or NPDES # (wastewater only)
56-6000301	68.1		

Project Name	Total Project Cost	Funding Amount Requested
Gates County - Emergency Replacement Well No. 2A	\$ 388,572	\$ 388,572

Project Type (Select only one. Submit multiple forms if you have multiple project types).

- Drinking Water
- Wastewater
- Stormwater quality

Other Funding Sources

List all other funds that will be used for this project. Please list here the type of funds and the estimated funding amount. If the project is funded by the Division of Water Infrastructure, please provide the Project Number listed in the Letter of Intent to Fund or the funding offer.

Projects co-funded with federal funds will have federal conditions apply to the S.L. 2023-134 funds.

Other Funding Source (e.g. ARPA, SRF, CDBG-I, USDA, local funds, etc.)	DWI Project Number (if funded by the Division)	Estimated Funding Amount
Total		

Funding Requirements (please check all three boxes).

- I accept that the project funds will not be used to pay existing debt.
- I accept that the project funds will only be used for allowable costs related to the water/wastewater project.
- I accept that if the project is co-funded with federal funds (e.g. ARPA, SRF, or CDBG-I), the federal requirements of the other funds will also apply to these S.L. 2023-134 funds.

2. Subrecipient (Local Government) Contact Information

Authorized Representative Name: Scott T. Sauer

Authorized Representative Title: County Manager

Phone Number: 252-357-3138 (office direct) 910-985-1283 (mobile)

Email Address: ssauer@gatescountync.gov

Mailing Address of the Local Government Utility Line 1: PO Box 148

Mailing Address Line 2: 115 Court Street

Mailing Address City: Gatesville

Mailing Address State: NC

Mailing Address Zip Code: 27938

3. Form Preparer Contact Information

Organization/Firm Name: Green Engineering

Contact Name: Leo Green, III

Phone Number: 252-237-5365

Email Address: Elg3@greeneng.com

4. Engineer Contact Information

Is the engineering firm different from the Form Preparer? Yes No (skip this section)

Engineering Firm Name:

Contact Name:

Phone Number:

Email Address:

5. Project Description

Check Appendix A to determine if the S.L. 2023-134 Water/Sewer Directed Project for the local government unit has a specific project and budget identified with the appropriation.

Gates County's fifty (50) year-old water system includes three (3) supply wells, one of which failed in January, Well No. 2. Initial attempts to rehabilitate Well No. 2 were not successful, and at present Gates County cannot meet or sustain water supply demand for its 4,360 customer connections, **having experienced a loss of one-third of the county's water supply**, representing the second of two supply well failures in the past twelve months.

Gates County water system's 4,360 connections are supplied by three (3) wells, each of which is 45 + years old, and two of the wells experienced failures in the past 12 months, Well 1A and Well 2. Both of these supply well failures caused production shutdown for several weeks in each case. By contrast, neighboring Bertie County's water system serves approximately the same number of connections and is supplied by thirteen (13) wells. **At the present time Gates County has no reliable redundancy safeguards.**

In **January 2026**, a SCADA system alert of supply Well No. 2 shutdown was first identified as an electrical circuit issue, it was discovered that the screens had failed, gravel pack loosened entering a hole in the casing and destroyed the pump, placing Gates County's water system in a very critical situation. County staff immediately contacted the NCDEQ Washington Regional Office.

At its work session on **February 4, 2026**, the Board of Commissioners was advised of the operational urgency due to significantly declining pumping capacity to meet daily customer demand. The Board accepted the Public Utilities Director's recommendation to construct a new well as close to the failed well, Well No. 2, on the existing site; and to meet the NCDEQ 100-foot setback requirements, necessitating the extension of the rear property line by 45 feet based on a preliminary survey prepared by Green Engineering.

The Gates County Board of Commissioners held an **emergency meeting** that same day (**February 4th**) and by unanimous vote, approved the immediate effort to acquire the adjoining land to execute this **emergency plan of action**. Meanwhile, the County's engineering consultant began preparation of the necessary permit documents and site plan for presentation to the Board of Commissioners at its next work session.

February 5th, the County Attorney contacted the owner who offered to donate the necessary additional 45 feet along the northern boundary of the well site (approximately one-quarter of an acre), to be transferred to the County; and the deed was recorded on **February 10th**.

February 5th, NCDEQ's Washington Regional Office issued Preliminary Well Site Approval for Gates County's proposed well #2A.

February 20th, NCDEQ's Washington Regional Office issued Well Construction Permit No. WS0701233, Gates County Well #2A. Construction of the pilot hole (420' depth) commenced March 16th, and the County received its preliminary geophysical testing results and recommendations on March 24th.

March 20th, Gates County received *concurrence of the urgent situation* regarding the wells within the Gates County water system from Rebecca Sadosky, Chief, NCDEQ Public Water Supply Section, noting "for the limited purpose of this emergency well replacement (#2A) and based on the information (the County) has provided, *we will designate this situation an emergency.*" Source, email 3-20-2026 at 8:06 a.m.

Please note Gates County is managing several S.L. 2023 – 134 projects, one of which addressing expansion of its water supply with the addition of two deep wells, minimum 500 gpm per day. Engineering Report Funding Approval was issued February 13, 2026, for DWI Project No.: SRP-D-134-0154, CN4 – Gates County Water Improvements Project, to construct two Water Supply Wells, adding redundancy of water supply production.

NC General Assembly's 2023-2025 Biennium Appropriation

S.L. - 2023 134 Directed Projects

Bennetts Creek Directional Bore & Line Extension SRP-D-134-153 CN1	\$ 256,686	100 % Grant	5/31/2027
Carters Road/Trotman Creek Directional Bore SRP-D-134-153 CN2	\$ 112,423	100 % Grant	5/31/2027
SCADA Upgrade SRP-D-134-153 CN3	\$ 261,875	100 % Grant	11/1/2027
Water Plant Improvements SRP-D-134-153 CN4	\$ 355,094 ****Pending****	100 % Grant	6/30/2027 Pilot study
Gatesville Transmission (Ashton Lewis) SRP-D-134-154 CN1	\$ 2,589,697	100 % Grant	7/31/2027
Hwy 158 Water System Improvements (Ext. to Merchant Comm. Center) SRP-D-134-154 CN2	\$ 1,895,617	100 % Grant	7/31/2027
Water Tank Replacement and Resiliency SRP-D-134-154 CN3	\$ 2,092,396	100 % Grant	7/31/2027
Water Supply Deep Wells SRP-D-134-154 CN4	\$ 2,141,244	100 % Grant	9/30/2028
Merchants Mill Pond State Park Force Main SRP-D-134-152 CN1	\$ 287,793	Available Reserve	Project Canceled

S.L. 2023 - 134 approp. Total: \$ 9,992,825

(OVER)

6. Project Budget			
	Funding Amount Requested from S.L. 2023-134	Amount from Other Funding Source(s)	Total Cost Amount
Indicate construction costs by line item (e.g., linear feet of different-sized lines)			
<u>Construction Costs</u>			
Well construction, development, testing	\$150,000		\$150,000
Materials, Equipment, Supplies	102,428		102,428
<i>Contingency (recommend 10% of construction costs):</i>	15,000		15,000
<i>Construction Subtotal:</i>	267,428		
<u>Engineering Costs</u>			
Engineering Design	25,000		25,000
Permitting	2,150		2,150
Land Surveying Costs	1,200		1,200
Administration/Project Management	16,140		16,140
Hydrogeological analysis, well performance testing	62,823		62,823
<i>Engineering Subtotal:</i>	107,313		107,313
<u>Administration Costs</u>			
Planning			
Easement Preparation			
Grant Administration (if applicable)			
Document Preparation			
Legal Costs			
Other—additional testing or construction contingency	13,831		13,831
<i>Administration Subtotal:</i>	13,831		
TOTAL PROJECT COST:	\$ 388,572		\$ 388,572

Certification by the Authorized Representative

The attached statements and exhibits are hereby made part of this Request for Funding, and the undersigned representative of the Subrecipient certifies that the information in this Request for Funding and any attached statements and exhibits is true, correct, and complete to the best of his/her knowledge and belief. By initialing each item and signing at the end of this Request for Funding, he/she further certifies that:

- STS 1. as Authorized Representative, he/she has been authorized to file this Request for Funding;
- STS 2. the Subrecipient has substantially complied with or will comply with all federal, state, and local laws, rules, and regulations and ordinances as applicable to this project;
- STS 3. the Subrecipient will adopt and place into effect on or before the completion of the project a schedule of fees and charges which will provide for the adequate and proper operation, maintenance, and administration of the project;
- STS 4. the Subrecipient agrees to provide for proper maintenance and operation of the approved project after its completion, including budgeting and generating the revenues needed for the eventual rehabilitation and/or replacement of physical infrastructure assets;
- STS 5. the project budget provided on Page 4 of this form includes all funding requested from all sources of funding proposed for this project (including any other state and federal funds); and
- STS 6. the (Town or County), North Carolina is organized and chartered under the laws of North Carolina. All officials and employees are aware of, and in full compliance with NCGS 14-234, "Public officers or employees benefiting from public contracts; exceptions." (For units of local government only. All others should initial "N/A.")

(OVER)

Completeness Checklist

Please initial next to each item to confirm that they have been included in this Request for Funding form.

- STS Section 1, Funding Amount Requested is not more than the “Funds Available to Subrecipient for Projects” in Appendix A.
- STS Section 1, Funding Requirements: all boxes have been checked.
- STS Section 5, Project Description: project description matches funding eligibility established by the funding source and by S.L. 2023-134 for the Directed Project (Appendix A).

If the Funding Amount Requested *is less than* the “Funds Available to Subrecipient for Projects” for the specified Line Item # listed on Page 1 of the form (see Appendix A), please indicate when and for what the rest of the funds will be requested. Another Request for Funding form will be required.

Submittal Information

Please save or scan the completed form, including signature, as a PDF document.

Submit the completed form online at <https://edocs.deq.nc.gov/Forms/2023DirectedProjects>.

Signature

Please note: Original signatures are required.



SIGNATURE OF AUTHORIZED REPRESENTATIVE

Scott T. Sauer
TYPED NAME

Gates County Manager
TYPED TITLE

April 6, 2026
DATE

GATES COUNTY NORTH CAROLINA

Gates County
115 Court Street
PO Box 148, Gatesville, NC 27938



Phone (252) 357-2411
Fax (252) 357-0073

DATE: April 6, 2026

MEMORANDUM

TO: David Smith, Project Manager, NCDEQ, Division of Water Infrastructure

FROM: Scott Sauer, County Manager, Gates County 

SUBJECT: 1) Request to cancel SRP-W-134-0152
2) Request to reduce funding for SRP-D-134-0153 in the amount of \$100,779
3) Approval of Funding Offer Modification per April 2, 2026 email:
 \$-0- for SRP-W-134-0152; and \$ 596,428 for SRP-D-134-0153
4) Request for Funding for new project in the amount of \$388,572

RE: Emergency Construction & Replacement – Gates County Well #2A
Well Construction Permit No. WS0701233

On behalf of the Gates County Board of Commissioners, thank you for your email on April 2nd describing the steps necessary to advance this request, as outlined above providing the following explanation and context.

1) Request to cancel SRP-W-134-0152

The source of funds to be reallocated was originally included in Director Shadi Eskaf's correspondence dated October 16, 2024, which provide notice of NCDEQ's Letter of Intent to Fund, and reflected as \$ 287,793 for Gates Wastewater System Improvements, **SRP-W-134-0152**; for the County's commitment to construct the 5,300 linear feet Force Main project to connect the Merchants Millpond State Park's newly renovated family campground to the County's sewer system. Subsequently, in March 2025 Gates County received the NCDEQ Funding Offer for a Clean Water State Revolving Loan in the amount of \$2,816,052 of which \$2,000,000 is Principal Forgiveness to construct 41,500 liner feet Four-inch Force Main to connect the T.S. Cooper Elementary School to the County's 0.40 MGD Sequential Batch Reactor wastewater treatment facility, **SRF-W-0023**.

The planned construction of the 5,300 linear feet Force Main project SRP-W-134-0152 CN1 as designed, *resulted in an unnecessary duplication of sewer lines*, and running parallel along US Highway 158 to connect the force main project to T.S. Cooper Elementary School; and hence, *this project was permanently deferred*. Engineering calculations confirmed that the wastewater flow from the campground could be incorporated into the flow modeling for the T.S. Cooper School project and has been approved by NCDEQ.

Gates County is respectfully requesting this reallocation and approval to utilize the remaining funds from the County's S.L. 2023 – 134 Directed Project Appropriation in the amount of \$287,793 to establish a new project, Gates County Well No. 2A Replacement project.

2) Request to reduce funding for SRP-D-134-0153 in the amount of \$100,779

The County's initial cost estimates incorporated data from original Well 2 design (circa 1979), anticipating installation of **two screens (2)**, requiring a construction schedule of thirty (30) days for labor and materials, a budget estimate of \$180,000 to \$200,000 for construction of emergency replacement Well #2A.

February 20th, NCDEQ's Washington Regional Office issued Well Construction Permit No. WS0701233, Gates County Well #2A.

Construction of the pilot hole (420' depth) commenced March 16th, and the County received its preliminary geophysical testing results and recommendations on March 24th.

Based on GMA's results of the pilot hole evaluation and related core sample analysis of the geophysical log for Gates Well #2A, Green Engineering has updated the design and well specifications including **five screens (5)**. Hence, the County will plan for additional costs for well construction and conservatively adding fifteen (15) days to provide for screen development expansion, additional engineering & testing, materials, and contingency.

This second transfer of funds will support the additional construction costs estimated for expansion of the number of screens from two to five for development and testing:

\$ 45,000	Construction for 15 days at \$3,000 per day
26,948	Engineering & testing (estimate at 33.5% increase)
<u>28,831</u>	additional materials and contingency
\$100,779	

\$100,779 represents a 35% increase of the original reallocation amount requested, \$287,793 for a **revised total project funding request of \$388,572 for Gates County replacement Well #2A.**

An initial draft of the Request for Funding is attached for your review and comment, prior to final submittal to NCDEQ by Gates County.

Thank you!

Cc: Shadi Eskaf, Director, NCDEQ Division of Water Infrastructure
Rebecca Sadosky, Ph.D., Chief, Public Water Supply Section
Kavitha Ambikadevi, P.E., DWSRF Branch Head
Mark Hubbard, P.E., Grant Management Unit Supervisor
Jamie Midgette, P.E., Regional Engineer, Washington Regional Office
David May, L.G., Supervisor, Water Quality Regional Operations Section