



May 17, 2024

Joint Legislative Committee on Local Government  
Attention: Committee Chairs and  
Committee Assistant  
16 West Jones Street  
Raleigh, North Carolina 27601

Fiscal Research Division  
Legislative Office Building  
Attention: Director  
300 North Salisbury Street, Suite 619  
Raleigh, North Carolina 27603-5925

RE: Lead Gooseneck and Galvanized Water Service Lateral Replacement  
DWI Project No: SRF-D-LSL-0012

To Whom It May Concern:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, Cape Fear Public Utility Authority (CFPUA) located in New Hanover County, North Carolina hereby notifies you of its intent to accept a Drinking Water State Revolving Fund (DWSRF) Loan from the State Water Infrastructure Authority. The DWSRF loan will be in the amount of \$4,161,150. Seventy percent of the loan up to a maximum of \$2,912,805 will be forgiven and the remainder will be payable at 0.00% interest with a loan fee of 2%

The loan funds will be used for lead gooseneck and galvanized water service lateral replacements. CFPUA has physically excavated over 12,000 water services to locate any lead service lines or galvanized service lines requiring replacement under the revised lead and copper rule. Approximately 450 publicly owned services and 130 privately owned services were identified as galvanized requiring replacement because they are downstream of a 2-foot-long lead connector called a "gooseneck". Over 70% of these services requiring replacement are in underserved areas as defined by White House Justice40 initiative. This funding will remove and replace over half of these known galvanized requiring replacement water services. CFPUA received a Letter of Intent to fund The NC Department of Environmental Quality on October 20, 2023.

CFPUA expects to obtain the approval of the DWSRF Loan from the North Carolina Local Government Commission at either the October 2024 or November 2024 meeting.

Cape Fear Public Utility Authority

By: John B McLean  
John McLean, Deputy Executive Director and  
Chief Financial Officer