

**Request for Qualifications
Professional Engineering Consulting Services
Scotts Hill Water Main Extension Project
Cape Fear Public Utility Authority
Wilmington, North Carolina
July 24, 2025**

SECTION 1 ADVERTISEMENT

New Hanover County, North Carolina, has been awarded a Community Development Block Grant – Infrastructure (CDBG-I) in the amount of \$2,997,703 from the North Carolina Department of Environmental Quality (NCDEQ) under HUD Federal Award AL# 14.228 for the Scotts Hill Water Main Extension project. These funds will cover approximately 63% of the total project cost, with the remaining costs to be funded by New Hanover County. Grant contract attached as Exhibit 1.

The project aims to extend public water service to 57 parcels currently relying on individual wells, benefiting 50 low- to moderate-income households and 120 residents, with funding support from both CDBG-I and County funds. Survey results show that 75% of households (43 out of 57) have reported dry well issues and water quality concerns. All affected households have committed to connecting to the new public water system. The selected engineer will play a vital role in ensuring the successful execution of this project.

The Cape Fear Public Utility Authority is administering the engineering and construction contracts, and will receive reimbursement from New Hanover County.

The Cape Fear Public Utility Authority (CFPUA) is seeking an engineering firm experienced with Community Development Block Grant (CDBG-I) administration, survey, design, permitting and construction services for the Scotts Hill Water Main Extension Project. The project will consist of the installation of approximately 3,200 linear feet of 2-inch water lines, 3,800 linear feet of 8-inch water lines, and 7 fire hydrants. The project area consists of Stephens Church Road, McIntyre Trail, Foy's Trail, and Creekwood Road, as shown on the attached project map, Exhibit 2.

SECTION 2 SCOPE OF WORK

The selected consultant will provide engineering services generally as follows:

- Complete CDBG-I reports, and documentation required of the engineer of record
- Prepare and submit Engineering Report and Environmental Documentation
- Perform all tasks necessary to design and permit project, including without limitation:
 - Gather and evaluate available information provided by CFPUA and others;
 - Survey and SUE;
 - Easement maps;
 - Design drawings;
 - Technical specifications;
 - Bidding documents;
 - Construction administration and observation; and

- All engineering tasks necessary to design, permit, bid, and construct the project in accordance with CFPUA and CDBG requirements in the grant.
- All engineering project closeout activities required for successful grant and construction implementation

A more detailed scope of work and fee schedule will be negotiated with the best qualified firm. If negotiations are not successful with any selected firm, CFPUA will terminate negotiations with that firm and initiate negotiations with the next best qualified firm.

Contract is contingent on NHC and CFPUA Board approval.

The scope of work is expected to include the services described above. No guarantee is expressed or implied by the CFPUA that all services will be performed or that the selected consultant will perform all services associated with the project. The CFPUA may terminate work or pursue other consultant selections at any phase of the project.

Statements of Qualifications must be received via email no later than 2:00 PM, Tuesday, August 19, **2025** at bids@cfpua.org.

Cape Fear Public Utility Authority is an Equal Opportunity Employer and invites the submission of proposals from small, veteran-owned, and/or minority- and women-owned firms, historically underutilized businesses, and certified/registered Section 3 business concerns.

Cape Fear Public Utility Authority reserves the right to accept or reject any or all proposals.

This information is available in Spanish or any other language upon request. Please contact Ben Guerrieri, at 910-332-6651 or at 235 Government Center Drive, Wilmington, NC 28403, for accommodations for this request.

Esta información está disponible en español o en cualquier otro idioma bajo petición. Por favor, póngase en contacto con Ben Guerrieri al 910-332-6651 o en 235 Government Center Drive, Wilmington, NC 28403 de alojamiento para esta solicitud.

Released: July 24, 2025



1. Project understanding and approach (30%)
 - a. Understanding of project drivers
 - b. Approach for the work and to keep the project on schedule
 - c. Water main extension design and construction services
 - d. References and descriptions of similar projects
2. Relevant firm experience with CDBG-I Grants (30%)
 - a. Prior experience with (CDBG-I) administration
 - b. Projects of similar size and scope
3. Overall staff experience proposed for this project (30%)
 - a. Adequate staffing and resources to perform the work within a compressed schedule
 - b. Organization Chart
4. Section 3 Business Concern (10%)
 - a. Points shall be awarded based on Section 3 business criteria to prioritize contracting and employment opportunities for low-income individuals and businesses within the community where Section 3-covered assistance is expended.
 - b. A Section 3 business concern is a business that meets at least one of the following criteria, documented within the last six-month period:
 - (1) At least 51 percent owned and controlled by low- or very low-income persons. The income used is for the previous or annualized calendar year and the income limit used is based on their place of residence.
 - (2) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
 - (3) A business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
 - c. Submit self-certification as a Section 3 Business Concern and Certification of Bidder Regarding Civil Rights and Section 3 Laws and Regulations.

3.4 Insurance Requirements

The following criteria will be deemed necessary for selection:

- The firm must meet the following insurance requirements. Workers Compensation may be waived if firm has no employees.
- General Liability \$1,000,000 per occurrence/\$2,000,000 aggregate. Authority must be additional insured and endorsement required.
- Workers Compensation \$500,000/\$500,000/\$500,000. Waiver of Subrogation against the Authority and endorsement required.
- Auto Liability Insurance \$1,000,000 per occurrence combined single limits applicable to claims due to bodily injury and/or property damage. Authority must be additional insured and endorsement required.
- Professional Liability not less than \$2,000,000 per loss.

Any firm wishing to be considered must be properly registered with the NC Office of the Secretary of State.

3.5 Submission of a Statement of Qualification (SOQ)

Firms are invited to submit a Statement of Qualification to the CFPUA to be received no later than 2:00 PM on August 19, 2025. Submittals received after this deadline will not be considered.

SOQ's shall be limited to 25-pages or less, excluding cover page, table of contents, tabs, resumes and appendices.

Firms shall submit their statement of qualifications for consideration in .pdf format to bids@cfpua.org. Maximum file size for .pdf submission is 25MB. A reply will be sent to the email address submitting the statement of qualifications to confirm receipt. It is the submitting firms' responsibility to confirm that CFPUA has received statement of qualifications via email. If email reply is not received from bids@cfpua.org, please call 910-332-6472 or 910-332-6651 before deadline for submission.

Submitted information shall comply with N.C.G.S. 143-64.31, *et seq.* (the Mini Brooks Act).

Firms submitting Qualifications are encouraged to carefully check them for conformance to the requirements stated herein. Qualifications that do not meet ALL of the below listed requirements, or are sent to any address other than shown above, will be disqualified. No exception will be granted.

3.6 Questions

CFPUA will address questions regarding the RFQ until 2:00 PM August 5, 2025. Questions concerning this advertisement should be directed to Ben Guerrieri, Procurement Manager, Cape Fear Public Utility Authority, at bids@cfpua.org.

Responses to questions will be posted on our website on August 12, 2025 by 5:00 PM at <https://www.cfpua.org/bids.aspx>

3.7 Intent to Submit a Statement of Qualifications

All firms who intend to submit a Statement of Qualifications should send contact information to bids@cfpua.org.

3.8 Trade Secret Confidentiality

Upon receipt of your proposal by Cape Fear Public Utility Authority (CFPUA), your proposal is considered a public record except for material which qualifies as "Confidential Information" under N.C.G.S. 132-1.2. After opening, your Statement of Qualifications (SOQ) will be provided to CFPUA staff and others who participate in the evaluation process, and to members of the general public who submit public records requests.

To properly designate material as confidential information under these circumstances, each firm must take the following precautions at the time of submittal: (a) any trade secrets submitted by a firm must be submitted in a separate, sealed envelope marked "Trade Secret - Confidential and Proprietary Information - Do Not Disclose Except for the Purpose of Evaluating This Statement of Qualifications," and (b) the same trade secret/confidentiality designation must be stamped on each page of the trade secret materials contained in the envelope. For electronic submissions, trade secret materials must be provided in a separate .pdf file that clearly identifies the contents as confidential. The file name should include the designation "Trade Secret – Confidential" to ensure proper handling and evaluation.

Do not attempt to designate your entire proposal as a trade secret. Doing so may result in your SOQ being disqualified.

In submitting a Statement of Qualifications, each firm agrees that CFPUA may reveal any trade secret materials contained in such response to all CFPUA staff and New Hanover County officials involved in the selection process, and to any outside consultant or other third parties who assist CFPUA in the selection process.

Furthermore, each firm agrees to indemnify and hold harmless CFPUA and New Hanover County and each of its officers, employees, and agents from all costs, damages, and expenses incurred in connection with refusing to disclose any material, which the firm has designated as a trade secret.

SECTION 4 OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS, AND THE TERMS AND CONDITIONS OF THE AWARD

- A. The CDBG-I funds available under this Agreement are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200. This Agreement incorporates the terms and conditions of the County's Award, as set forth in Exhibit 1, "Grant Contract," which is attached hereto and incorporated herein, that are imposed on the Parties, and the Parties agrees to carry out their respective obligations in compliance with all of the obligations described in this Agreement and the Grant Contract.
- B. General Compliance. The Authority shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 CFR part 570, as modified by the Federal Register notices that govern the use of CDBG-I funds available under this Agreement. Notwithstanding the foregoing, (1) the Authority does not assume any of County's responsibilities for environmental review, decision-making, and action, described in 24 CFR part 58; and (2) the Authority does not assume any of the County's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. The Authority will comply with all other applicable federal, state and local laws, regulations, and policies that govern the use of the CDBG-I funds in performing its obligations under this Agreement, regardless of whether CDBG-I funds are made available to the Authority on an advance or reimbursement basis.

- C. The Parties shall carry out the Project pursuant to the terms of this Agreement and all applicable federal and state laws, executive orders, rules, and regulations that are generally applicable for public assistance programs and those specific to the CDBG-I program, including but not limited to the following:
1. Title I of the Housing and Community Development Act of 1974, as amended (42 USC 5301 et seq.).
 2. The State CDBG program requirements, laws, rules, regulations, and requirements, as may be amended, including those set forth in 24 CFR Part 570, Subpart I.
 3. Environmental Review Procedures for the CDBG Program and the CDBG regulations contained in 24 CFR Part 58.
 4. Uniform Administrative Requirements set forth in 24 CFR §570.489 and the applicable provisions of 2 CFR Part 200 (as specified in the most current version of DEQ's "CDBG-I Program Policy on Adoption of 2 CFR 2 Uniform Administrative Requirements").
 5. Conflict of Interest provisions, including but not limited to those found at N.C. Gen. Stat. § 14-234; 2 CFR §§200.112-113, 318-319, 320-321, 323-326; 24 CFR § 570.489 (g) and (h); and 24 CFR § 570.611. Certain limited exceptions to the conflict-of-interest rules listed in 24 CFR § 570.489 may be granted in writing by HUD and/or DEQ upon written request and the provision of information specified in 24 CFR § 570.489(h)(ii)(4).

The Parties shall ensure that all contracts and subcontracts awarded hereunder contain appropriate provisions to also meet applicable CDBG program requirements, including but not limited to the above listed items.

D. The Parties must comply the following provisions for all contracts:

1. Drug-Free Workplace. The Parties must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the governmentwide implementation (2 CFR part 182) of sections 5152-5158 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701-707).
2. Equal Employment Opportunity. Except as otherwise provided in 41 CFR Part 60, the Parties must include in all contracts and adhere to the equal opportunity clause provided under 41 CFR §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
3. Procurement Standards. When applicable, the Parties shall follow and adopt the procurement standards established in the most current version of the CDBG-I Program Procurement Policy, as may be amended, based on the "Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards” (2 CFR part 200), NCGS §143-129, NCGS §143-131, NCGS §143-64.31, and HUD implementing regulations contained in 24 CFR § 570.489(g), which explicitly prohibit cost plus a percentage of cost and percentage of construction cost methods of contracting. In addition, all purchase orders and contracts shall include any clauses required by federal statutes, executive orders, and implementing regulations including Section 3 of the Housing and Urban Development Act of 1968 per 24 CFR §570.489(g) and 24 CFR 75.

4. Labor Standards. The Parties shall follow all applicable laws, rules, and regulations concerning the payment of wages, contract work hours, safety, health standards, and equal opportunity for CDBG-I programs, including but not limited to the rules set forth in 24 CFR §570.603 and the following (as applicable):

a. Davis-Bacon Act. The Parties and all suppliers, contractors, subcontractors, consultants, and sub-consultants must comply with Davis-Bacon Act, as amended (40 U.S.C. 3141–3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 must comply with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”).

b. Contract Work Hours and Safety Standards Act.

(1) No contractor or subcontractor contracting for any part of the Work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such Work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) The County shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of Work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally- assisted contract subject to

the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

- (4) The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.
- c. Fair Labor Standards Act. Covered employees shall be paid at least the minimum prescribed wage and also be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed workweek.
 - d. Federal Anti-Kickback Laws. The Parties and any subcontractors performing Work under the Agreement shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. part 3 as may be applicable, which are incorporated by reference into this Agreement. All suppliers, contractors, subcontractors, consultants, and sub-consultants must comply with the with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Sub-contractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or sub-recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The County shall be responsible for reporting all suspected or known violations. The Parties shall insert in any subcontracts the clause above and such other clauses as HUD or DEQ may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Any prime contractor shall be responsible for compliance by any subcontractor or lower-tier subcontractor with any such contract clauses. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a contractor and subcontractor as provided in 29 C.F.R. § 5.12.
5. Property Standards. Any real property acquired by the Parties under this Agreement shall be subject to 24 CFR 570.489(j) and 24 CFR 570.200(j).
6. Build America, Buy America (BABA). To the extent applicable, the Parties much comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended. Pursuant to HUD’s Notice, “Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance” (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates are subject to BABA requirements, unless excepted by a waiver.

7. Non-Discrimination. The Parties will comply with 24 CFR part 6, which implements the provisions of section 109 of Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5309), which provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance. The Parties will adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).
8. Hatch Act. The Parties and all suppliers, contractors, subcontractors, consultants, and sub-consultants must comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.
9. Lobbying Certification. The Parties certify that:
 - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
 - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
 - c. Each party shall require that the language of paragraphs (a) through (d) of this certification be included in the award documents for all contracts at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all such contractors shall certify and disclose accordingly; and
 - d. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is required by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Please see Appendix for Exhibit 3 - Disclosure of Lobbying Activities. This form shall be completed and submitted with Statement of Qualifications.

10. Clean Air Act and Federal Water Pollution Act.

- a. Clean Air Act. The Parties agree to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Authority will report each violation to the County and the County will, in turn, report each violation as required. The Parties shall include these requirements in each Subcontract exceeding \$150,000 financed, in whole or in part, with federal assistance.
- b. Federal Water Pollution Control Act. The Parties agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et seq. The Authority will report each violation to the County and the County will, in turn, report each violation as required. The Parties shall include these requirements in each Subcontract exceeding \$150,000 financed, in whole or in part, with federal assistance.

11. Debarment and Suspension

Recipients must not be debarred, suspended, or otherwise ineligible to participate in federal assistance programs under Executive Order 12549 titled “Debarment and Suspension” [24 CFR 85.35]. Before awarding contracts, CFPUA will verify the debarment status of all contractors and subcontractors by checking the System for Award Management federal database at sam.gov/SAM and the NC Department of Administration Debarred Vendors list.

Please see Appendix for Exhibit 4 – Certification of Eligibility Form. This form must be completed for the engineering firm and all Principals, and shall be submitted with Statement of Qualifications.

12. Iran Divestment Act Certification

Engineer named in this agreement is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. Article 6E, §147. Engineer shall not utilize any subcontractor found on the State Treasurer’s Final Divestment List located on the State Treasurer’s website at the address www.nctreasurer.com/Iran

13. Divestment from Companies Boycotting Israel

Engineer certifies that, as of the Effective Date, it is not on the Final Divestment List as created by the State Treasurer pursuant to N.C.G.S. § 147-86.80, et seq. In compliance with the requirements of the Divestment from Companies Boycotting Israel Act and N.C.G.S. § 147-86.82, Engineer shall not utilize in the performance of this Agreement any subcontractor that is identified on the Final Divestment List.

14. Section 3

Title 24 CFR Part 75, which implements the Section 3 provisions of the HUD Act, to ensure that employment, training, and contracting opportunities generated by CDBG-funded projects are directed to low- and very low-income persons and businesses that employ them. Contractors or subcontractors on a project of more than \$200,000 (in HUD CDBG funding) must attempt to reach the Section 3 minimum numerical goals found at 24 CFR Part 75, Subpart C and Docket No. FR-6085-N-04. Under 24 CFR Part 75, only non-construction services that require an advanced degree or professional licensing, rather than all non-construction services, are excluded from Section 3.

15. Termination

Termination for Cause. Any party may terminate this Agreement for cause if the other party materially breaches a provision of this Agreement and fails to cure such breach within thirty (30) days of receipt of written notice describing the breach in reasonable detail. In the event of early termination, the Authority will be entitled to receive just and equitable compensation for actual costs incurred prior to receipt of notice of termination and for the satisfactory work completed under the Agreement as of the date of termination. The Authority shall have the right to cease performance immediately upon receipt of any notice of termination.

16. Equal Opportunity

The non-discrimination clause contained in Section 202 (Federal) Executive Order 11246, as amended by Executive Order 11375, relative to Equal Employment Opportunity for all persons without regard to race, color, religion, sex, or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor, are incorporated herein.

Pursuant to NCGS 143-48, CFPUA encourages the participation of small contractors, minority contractors, physically handicapped contractors, and women contractors in response to this RFQ. CFPUA is an Equal Opportunity Employer and invites the submission of SOQ's from small, veteran-owned, and/or minority- and women-owned firms, historically underutilized businesses, and certified/registered Section 3 business concerns.

Firms agrees not to discriminate against any employees or applicants for employment because of physical or mental handicap in regard to any position for which the employees or firm are qualified. The firm agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

17. Accessibility

This information is available in Spanish or any other language upon request. Please contact Ben Guerrieri at 910-332-6651 or at 235 Government Center Drive, Wilmington, NC 28403 for accommodations for this request.

Esta información está disponible en español o en cualquier otro idioma bajo petición. Por favor, póngase en contacto con Ben Guerrieri al 910-332-6651 o en 235 Government Center Drive, Wilmington, NC 28403 de alojamiento para esta solicitud.

18. Indemnification and Mutual Waiver

- A. To the fullest extent permitted by law, and except to the extent caused by the sole negligence or willful misconduct of the OWNER, ENGINEER shall save, defend, hold harmless, and indemnify the OWNER, its officers, directors, members, partners, agents, and employees from liability of any kind, including all claims, costs (including defense), damages, and losses accruing or resulting to any person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from all claims, costs (including defense), damages, and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the ENGINEER, directly or indirectly, in the performance of this Agreement. This representation and warranty shall survive the termination or expiration of this Agreement.
- B. The indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Engineer or any Subcontractor under Workmen's Compensation Acts, Disability Benefit Acts or other employee benefits acts.

19. E-Verify

Engineer shall comply with E-VERIFY requirements of Article 2 of Chapter 64 of the General Statutes. Further, if Engineer utilizes a subcontractor, Engineer shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the General Statutes.

20. Access to Records and Record Retainage Clause

Records shall be maintained in accordance with requirements prescribed by HUD with respect to all matters covered by this contract. Except as otherwise authorized by HUD, such records shall be maintained for a period of five (5) years after receipt of the final payment under this contract.

All costs shall be supported by properly executed payrolls, time records, invoices, contracts, agreements, vouchers, orders, or other accounting documents. All documents pertaining in whole or in part to this contract shall be clearly identified and readily accessible.

At any time during normal business hours and as often as the State of North Carolina and its Agencies/Departments, HUD and/or the Comptroller General of the United States may deem necessary, the Contractor shall make available to the Town, HUD and/or representatives of the Comptroller General for examination all of its records, with respect to all matters covered by this contract, and will permit the State, HUD and/or representatives of the Comptroller General to audit, examine and make excerpts or transcripts from such records including plans, contracts,

invoices, materials, payrolls, records of personnel, conditions of employment and any other data relating to matters covered by this contract.

APPENDIX

- Exhibit 1 CDBG-I Grant Contract
- Exhibit 2 Project Map
- Exhibit 3 Disclosure of Lobbying Activities
- Exhibit 4 Certification of Eligibility Form Regarding Debarment and Suspension

EXHIBIT 1

STATE OF NORTH CAROLINA
COMMUNITY DEVELOPMENT BLOCK GRANT
DIVISION OF WATER INFRASTRUCTURE
GRANT CONTRACT

CDBG-I PROJECT NUMBER: 24-I-4204

GRANTOR: NC DEPARTMENT OF ENVIRONMENTAL QUALITY (“DEQ”), an agency of the State of North Carolina (“State”)

CONTRACT ADMINISTRATOR: **Stephanie Morris**
1633 Mail Service Center
Raleigh, North Carolina 27699-1633
Phone: 919.707.9196; Fax: 919.715.6229
Email: stephanie.morris@deq.nc.gov

GRANT SUBRECIPIENT: New Hanover County, a North Carolina Local Government Unit [county], or a North Carolina Municipal Corporation [town or city] (“Subrecipient”)

CONTRACT ADMINISTRATOR: Mr. Chris Coudriet, County Manager
New Hanover County
230 Government Center Drive, Suite 110
Wilmington, North Carolina 28403
Phone: 910.798.7184
Email: ccoudriet@nhcgov.com

FEDERAL I.D. NUMBER: 56-6000324

FISCAL YEAR END DATE: June 30

FEDERAL ASSISTANCE LISTING NUMBER (formerly CFDA): 14.228

SUBAWARD DATE: February 19, 2025 (the “Award Date”)

GRANT AMOUNT: up to \$2,997,703 (the “Grant”)

CONTRACT EFFECTIVE DATE: Date of Last Signature (the “Effective Date”)

EXECUTE CONSTRUCTION CONTRACT DATE: June 29, 2027

GRANT CONTRACT EXPIRATION DATE: July 29, 2028 (the “Expiration Date”)

FINAL REPORT & FINAL REIMBURSEMENT DATE: September 12, 2028

GRANT CLOSEOUT DATE: November 17, 2028

THIS GRANT CONTRACT (the “Grant Contract”) is made and entered into as of the Effective Date by and between the DEQ and the Subrecipient, or collectively as the “Parties”.

Inclusion of fields required by 2 CFR Part 200.332:

Per requirements in 2 CFR Part 200.332, required information for this grantee is as follows:

- i) **Subrecipient name:** New Hanover County, North Carolina.
- ii) **Subrecipient’s unique entity identifier (UEI):** F7TLT2GMEJE1
- iii) **Federal Award Identification Number (FAIN):** B-24-DC-37-0001
- iv) **Federal Award Date:** 9/20/2024
- v) **Subaward Period of Performance Start and End Date: Start:** Contract Execution Date (date signed by all parties) _____ **End:** November 17, 2028
- vi) **Amount of Federal Funds obligated by this action by the pass-through entity to the subrecipient:** \$2,997,703.00
- vii) **Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation:** \$2,997,703.00
- viii) **Total Amount of the Federal Award committed to the subrecipient by the pass-through entity:** \$2,997,703.00
- ix) **Federal award project description, required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA):** See Exhibit A for the project description.
- x) **Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity:** Federal awarding agency: U.S. Department of Housing and Urban Development. Pass-through entity: North Carolina Department of Environmental Quality, Division of Water Infrastructure. Awarding official of pass-through entity: Shadi Eskaf, DWI Director
- xi) **CFDA (Assistance Listing) Number and Name; the pass-through entity must identify the dollar amount available under each Federal award and the CFDA number at the time of disbursement:** CFDA Number: 14.228, Name: Community Development Block Grants/States’ Program and Non-Entitlement Grants in Hawaii. Dollar Amount to the State of North Carolina: \$46,272,979 Dollar Amount to the Department of Environmental Quality: \$19,010,558
- xii) **Is the grant for research and development?** No
- xiii) **Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs):** The indirect cost rate is zero.

WITNESSETH:

WHEREAS, Subrecipient has submitted to the DEQ an application requesting a grant of monies (hereinafter the "Grant Application") to engage in sanitary sewer system rehabilitation as more particularly described on Exhibit A (the "Project").

WHEREAS, the Subrecipient is a qualified applicant for Community Development Block Grant (CDBG) assistance under Title I of the Housing and Community Development Act of 1974, (P.L. 93-383), as amended.

WHEREAS, the Project shall be carried out for the purposes and in accordance to the schedule set out in the Notice of Intent to Fund letter, and pursuant to the budget set forth on Exhibit B based on the Subrecipient's application.

WHEREAS, the State Water Infrastructure Authority determined the Subrecipient's application at its meeting on February 19, 2025, is eligible for funding from the CDBG-I program.

WHEREAS, the Parties desire to enter into this Grant Contract and intend to be bound by its terms.

NOW, THEREFORE, for and in consideration of the Grant, the mutual promises each to the other made, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties mutually agree as follows:

1. **Grant Documents.** The documents described below are hereinafter collectively referred to as the "Grant Documents." In the case of conflict between any of these documents, each shall have priority over all others in the order listed below. Upon execution and delivery of this Grant Contract, it and the other Grant Documents and items required hereunder will constitute a valid and binding agreement between the Parties, enforceable in accordance with the terms thereof. The Grant Contract constitutes the entire agreement between the Parties, superseding all prior oral and written statements or agreements.

The Grant Documents consist of:

- a. This Grant Contract
- b. Exhibit A – Project description, Conditions, and Schedule
- c. Exhibit B – Project Budget, Distribution of Funds, and Refunds
- d. Exhibit C – Reporting and Audit Requirements
- g. Exhibit D – DEQ Quarterly Progress Report Form
- h. Exhibit E – DEQ Request for Reimbursement Form
- i. Exhibit F – Definitions
- k. Exhibit G – General Terms and Conditions.

Upon execution and delivery of the Grant Contract, and once the Department of Environmental Quality has encumbered the grant, and the Subrecipient has received its counterpart original of the Grant Contract, fully executed and with all dates inserted where indicated on the cover sheet of the Grant Contract, then the Grant Contract will constitute a valid and binding agreement between the Parties, enforceable with the terms thereof.

2. **Purpose.** The purpose of the Grant is for the "Scotts Hill Water Main Extension" project as described in Exhibit A.

3. **DEQ's Program Duties.** Subject to the appropriation, allocation, and availability of funds for the Project, DEQ hereby agrees to pay the grant funds to the Subrecipient in accordance with the payment procedures set forth herein.
4. **Subrecipient's Duties.** The Subrecipient shall carry out the Project pursuant to the terms of this Contract and all applicable federal and State laws, executive orders, rules, and regulations that are generally applicable for public assistance programs and those specific to the CDBG program, including, but not limited to, the following:
 - a. Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq).
 - b. The State CDBG program requirements, laws, rules, regulations, and requirements, as may be amended, including those set forth in 24 CFR Part 570, Subpart I.
 - c. Environmental Review Procedures for the CDBG Program and the CDBG regulations contained in 24 CFR Part 58.
 - d. Uniform Administrative Requirements set forth in 24 CFR § 570.489 and the applicable provisions of 2 CFR Part 200 (as specified in the most current version of DEQ's "CDBG-I Program Policy on Adoption of 2 CFR 200 Uniform Administrative Requirements").
 - e. Conflict of Interest provisions, including but not limited to those found at N.C. Gen. Stat. § 14-234, 2 C.F.R. § 200.112-113, 318-319, 320-321, 323-326, and 24 C.F.R. § 570.489 (g) and (h), and 24 CFR 570.611. Certain limited exceptions to the conflict of interest rules listed in 24 C.F.R. § 570.489 may be granted in writing by HUD and/or DEQ upon written request and the provision of information specified in 24 CFR § 570.489(h)(ii)(4).

In addition, the Subrecipient shall ensure all contracts and subcontracts contain appropriate provisions to also meet applicable CDBG program requirement, including, but not limited to, the above listed items.

5. **National Objective.** All activities funded with CDBG funds must meet one of the CDBG program's National Objectives. For the CDBG-I program, this National Objective is benefitting low- and moderate-income (LMI) persons, as defined in 24 CFR § 570.483(b). If at any point an activity falls below the minimum LMI percentage, that activity will no longer be eligible for CDBG funds and the Subrecipient will be subject to enforcement action by DEQ pursuant to Exhibit G.
6. **Contract Period.** The DEQ's commitment to disburse Grant funds under this Grant Contract shall cease on the Final Reimbursement Date. It is the responsibility of the Subrecipient to ensure that the Project is completed by the Grant Contract Expiration Date and that all final costs to be reimbursed have been submitted to the DEQ by the Final Reimbursement Date. After the Grant Contract Expiration Date, any Grant monies remaining under this Grant Contract will no longer be available to the Subrecipient except to pay proper invoices for budgeted costs incurred by the Grant Contract Expiration Date. **The burden is on the Subrecipient to request a possible extension of the Grant Contract if the Subrecipient**

anticipates that the Project will not be completed by the Grant Contract Expiration Date.

- a. The formal request for an extension must be made in writing, on Subrecipient official letterhead and addressed to the DEQ Contract Administrator, explaining why an extension is needed and proposing a new Grant Contract Expiration Date for the Grant Contract. DEQ must receive this request in its Division of Water Infrastructure at least 15 business days before the Grant Contract Expiration Date. **The Grant Contract Expiration Date milestone may not be extended beyond 45 days unless specific criteria are met.**
 - b. DEQ, within its discretion, may or may not approve the extension, based on Project performance and other contributing factors.
 - c. **The DEQ is not responsible for notifying the Subrecipient of an approaching Grant Contract Expiration Date.**
 - d. Debarment and Suspension (Executive Orders 12549 and 12689). No funds may be obligated or expended in any project activity except the administration activity until the Subrecipient provides DEQ with documentation of active registration in the System for Award Management (SAM). Active registration, without exclusions, must be kept during the duration of the project. The SAM may be accessed online at www.sam.gov. Annually, the Subrecipient will provide, with their "Certification Regarding Debarment, Suspension, and Other Responsibility Matters" form, support documentation illustrating their active, without exclusions status. If Subrecipient's status changes, funds will be frozen until the Subrecipient provides the DEQ with documentation of an active, without exclusions, registration with sam.gov.
7. **Grant Withdrawal for Failure to Get Release of Funds.** This Grant Award shall be withdrawn if funding conditions required for release of funds are not completed within one year of the Executed Contract Date, unless DEQ finds that the Subrecipient has good cause for failure. If DEQ finds good cause for Subrecipient's failure, the DEQ must set a date by which the Subrecipient must act or forfeit the grant.
 8. **Grant Withdrawal for Failure to Enter into a Construction Contract.** This Grant Award shall be withdrawn if Subrecipient fails to enter into a construction contract for the project within two and half (2.5) years of the Award Date, unless DEQ finds that the Subrecipient has a good cause for failure. If DEQ finds good cause for Subrecipient's failure, the DEQ must set a date by which the Subrecipient must act or forfeit the grant.
 9. **Local Economic Benefit (Section 3 Regulation).** The Subrecipient must comply with Section 3 of the Housing and Urban Development Act of 1968 and the amended implementation regulations at 24 CFR Part 75 each year the CDBG project is active. For each year that a CDBG is active, the Recipient must, to the greatest extent feasible, make good faith efforts to establish priorities for training, employment and contracting opportunities for Targeted Section 3 Workers, Section 3 Workers, and Section 3 Business Concerns. Recipients certify to follow the prioritization in 24 CFR 75.19 and meet or exceed the new benchmarks in 24 CFR 75, subpart C.

10. **Equal Employment Opportunity.** The Subrecipient, except as otherwise provided under 41 CFR Part 60, must include in all contracts and adhere to the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
11. **Equal Housing Opportunity and Affirmatively Furthering Fair Housing.** As a Subrecipient of Housing and Urban Development (HUD) federal financial assistance, the recipient must comply with several executive state and federal laws and executive orders, including but not limited to: Title VI of the Civil Rights Act as amended in 1984; The Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended); Executive Order 11063, as amended by Executive Order 12259; Section 104(b) of Title I of the Housing and Community Development Act of 1974, as amended; Section 109 of Title I of the Housing and Community Development Act of 1974, as amended, Section 3 of the Housing and Urban Development Act of 1968, as amended; the Age Discrimination Act of 1975, as amended; Executive Order 12892; Executive Order 12898; Executive Order 11246 (as amended by Executive Orders 12375 and 12086); and North Carolina State Fair Housing Act (NCGS Chapter 41A); and HUD implementation regulations 24 CFR 570.495(b), 24 CFR Part 91.325(b)(5), 24 CFR 570.495(b), 24 CFR Part 5.106, 24 CFR Part 570.490(a) and (b), and 24 CFR 570.490(b).
12. **Section 504 of the Rehabilitation Act of 1973.** The Subrecipient must comply with the provision of Section 504 of the Rehabilitation Act of 1973, as amended, and HUD implementing regulations at 24 C.F.R., Parts 8 and 9. Recipient must complete the Section 504 Survey and adopt a Grievance Procedure as well as complete a Transition Plan, if applicable. The Grant contract requires recipients to complete the Section 504 Survey and Transition Plan (if applicable), covering policies, practices, and physical accessibility and notify affected persons that it does not discriminate on the basis of the handicap.
13. **Americans with Disabilities Act (ADA).** State and local governments (Subrecipients) are required to comply with the provisions of Title I of the Americans with Disabilities Act (ADA) which protects qualified individuals with disabilities from discrimination in all state and local government programs and activities including employment.

Governments with 25 or more employees were subject to the law after July 26, 1992, and governments with 15 or more employees after July 26, 1994. If a government is not covered by Title I of the Act, Section 504 of the Rehabilitation Act of 1973 applies. All governments receiving federal financial assistance will continue to be covered by Section 504. The Division will continue to monitor for only Section 504 compliance until otherwise required by HUD.
14. **Language Access Plan (LAP).** The Subrecipient of Federal financial assistance have an obligation to reduce language barriers that can preclude meaningful access by Limited English Proficient (LEP) persons to important government programs, services, and activities. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and its implementing

regulations require that Subrecipients take responsible steps to ensure meaningful access by LEP persons.

15. **Procurement Standards.** Where applicable, the Subrecipient shall follow and adopt the procurement standards established in the most current version of the CDBG-I Program Procurement Policy, as may be amended, based on the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 CFR § 200.317-318, 320-321, 323-326), NCGS 143-129, 143-131, and 143-64.31, and HUD implementing regulations contained in 24 C.F.R. § 570.489(g), which explicitly prohibit cost plus a percentage of cost and percentage of construction cost methods of contracting. In addition, all purchase orders and contracts shall include any clauses required by Federal Statutes, executive orders, and implementing regulations including Section 3 clause, per 24 CFR 570.489 (g) and 24 CFR 75.
16. **Uniform Relocation Assistance and Real Acquisition Act of 1970 (URA).** The Subrecipient must adhere to the URA if federal assistance is used in any phase of a project involving acquisition, rehabilitation, or demolition. The URA establishes minimum federal requirements for real property acquisition and relocation assistance for federally funded projects. The implementation regulations include 24 CFR 570.488, 49 CFR 24.101(b)(1)-(5) and must comply with the full subpart B requirements of 49 CFR part 24, as may be amended.
17. **Relocation, Anti-Displacement and Relocation Assistance Plan.** The Subrecipient must adhere to Section 104(d) of the Housing and Community Development Act of 1974, as amended. Thus, subrecipients must have a plan to minimize residential displacement and to provide relocation assistance to displaced residents in a timely manner. Implementation regulations include 24 CFR part 42, subpart C and Section 104(d).
18. **Financial Management.** The Subrecipient shall agree to follow applicable sections of the *Uniform Administration Requirements, Cost Principles, and Audit Requirements*, 2 CFR Part 200, concerning cost principles and prior approval with exceptions outlined in 24 CFR § 570.489(p).
19. **Labor Standards.** The Subrecipient shall follow all applicable laws, rules and regulations concerning the payment of wages, contract work hours, safety, health standards, and equal opportunity for CDBG-I programs, including but not limited to the rules set forth in 24 CFR § 570.603 and the following (as may be applicable to CDBG-I projects):
 - a. Davis-Bacon Act (40 U.S.C.A. 276a). Among other provisions, this act requires that prevailing local wage levels be paid to laborers and mechanics employed on certain construction work assisted with CDBG funds.
 - b. Contract Work Hours and Safety Standards Act (40 U.S.C.A. 327 through 333). Under this act, among other provisions, laborers and mechanics employed by contractors and subcontractors on construction work assisted with CDBG funds must receive overtime compensation at a rate not less than one and one-half the basic rate of pay for all hours worked in excess of forty hours in any workweek. Violators shall be liable for the unpaid wages and in addition for liquidated damages computed in respect to each laborer or mechanic employed in violation of the act.

- c. Fair Labor Standards Act (29 U.S.C. 201 et seq.), requiring among other things that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed workweek.
 - d. Federal anti-kickback laws (18 U.S.C. 874 and 40 U.S.C. 276), which, among other things, outlaws and prescribes criminal penalties for "kickbacks" of wages in federally financed or assisted construction activities. Weekly statements of compliance and weekly payrolls must be provided by all contractors and subcontractors.
20. **Architectural Barriers.** Per 24 C.F.R. § 570.487 and other applicable law, all applicable buildings or facilities designed, constructed, or altered with CDBG Grant funds shall be made accessible and useable to the physically handicapped as may be required by applicable laws, rules, regulations, or requirements. Additionally, the Subrecipient must comply with the following (as may be applicable to CDBG projects):
- a. Architectural Barriers Act of 1968 (P.L. 90-480). This act requires Subrecipient to ensure that certain buildings constructed or altered with CDBG funds are readily accessible to the physically handicapped.
 - b. Minimum Guidelines and Requirements for Accessible Design 36 C.F.R. Part 1190.
 - c. Americans with Disabilities Act ["ADA"] and the ADA Accessibility Guidelines for Buildings and Facilities or the Uniform Federal Accessibility Standards.
 - d. North Carolina Building Code, Volume I, Chapter II-X. These provisions describe minimum standards the Subrecipient must meet in constructing or altering buildings and facilities, to make them accessible to and usable by the physically handicapped.
21. **Build America, Buy America (BABA).** The Subrecipient must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Subrecipient's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver.
22. **Excessive Force Provision.** Per Section 519 of Public Law 101-144, (1990 HUD Appropriations Act), the Subrecipient acknowledges its responsibility to enforce the policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any and all individuals engaged in non-violent civil rights demonstrations, and will enforce a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within the local government.
23. **Environmental Review.** The Subrecipient of CDBG funds are required to comply with the requirements of the National Environmental Policy Act of 1969 (NEPA) found at 24 CFR Part 58.

24. **Complaints and Grievance Procedures for Compliance Plans.** The Subrecipient must address complaints to the North Carolina Department of Commerce and DEQ, only if the Compliance Plan covers multiple grants awarded by both departments. Recipients must address complaints to DEQ, only if the Compliance Plans cover a grant or multiple grants awarded by DEQ.
25. **Deobligations of Unused Funds.** When project costs are less than the grant award amount, excess award funds shall be deobligated back to DEQ. Administration funds shall be deobligated in proportion (the maximum grant administration is 10% of the total new expenditures) to the amount of program funds being deobligated to DEQ.

IN WITNESS WHEREOF, the Subrecipient and the Fund have executed this Grant Contract in two originals as of the Effective Date. One original shall be retained by each Party. If there is any controversy among the documents, the document on file in the Fund's office shall control.

GRANT SUBRECIPIENT:

By: _____

Name: _____

Title: _____

Date: _____

[SEAL]

ATTEST:

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

Town/City/County Attorney

Department of Environmental Quality

By: _____

Name: Shadi Eskaf

Title: Director, Division of Water Infrastructure

Date: _____

EXHIBIT A
Project No. 24-I-4204

Project Description: New Hanover County proposes to install 3,200 linear feet of 2-inch water lines, 3,800 linear feet of 8-inch water lines, and 7 fire hydrants of water improvements. This grant will include design and specifications, permitting, and construction, as well as the compliance activities associated with maintaining compliance, and reporting. The project area consists of Stephens Church Road, McIntyre Trail, Foys Trail, and Creekwood Road. The low-to-moderate income percentage of the project area is 81.66 percent (income surveys), and the poverty rate for the entire town is 12.7 percent.

The project area map is illustrated in Exhibit H.

Changes to this project description must be requested in writing and formalized in a program/project amendment to this grant agreement, prior to any action taken by the grantee.

Project Schedule: [from Notice of Intent to Fund]

1. **Execute Construction Contract Date: June 29, 2027.** Enter into a construction contract by this date for the work identified as construction in Exhibit A. Failure to enter into a construction contract by this date will result in withdrawal of the Grant, unless the DEQ has found the Subrecipient had good cause for such failure and the Board of Trustees has set a date by which the Subrecipient must take action.
2. **Grant Contract Expiration Date: July 29, 2028.** Complete the Project Scope of Work and submit the Grant Contract Final Report (items in Exhibit F, item 2 and as otherwise specified in Exhibit A) by this date. The DEQ will not reimburse the Subrecipient for Project costs incurred after this date.
3. **Final Report and Final Reimbursement Date: September 12, 2028.** The DEQ must receive the Final Request for Payment and Final Report for the Project by this date. The DEQ will not accept or process for payment any request for payment received after this date. The DEQ will not reimburse the Subrecipient for costs incurred after the Contract Grant Contract Expiration Date.
4. **Grant Closeout Date: November 17, 2028.** Submit the final closeout completed packet containing the required forms and public hearing requirements (items will be specified after the "Construction Contract Date"). The DEQ will not allow extensions to the Grant under any circumstances after the Final Grant Closeout Date.

Project Milestones: The following schedule must be followed, or funds will be forfeited. Times indicated for each activity are maximum times allowable.

Grant Milestones for All Grants	Date
Attendance at a Mandatory Procurement Workshop (Virtual via Webex)	5/15/2025
Attendance at a Mandatory Compliance Workshop (In-Person)	6/11/2025
Attendance at a Mandatory ERR/EID Workshop (In-Person)	6/12/2025
Grant Contracts with DWI Executed by all Parties	7/30/2025
Engineering Report Submitted & Received	10/28/2025
Engineering Report Approved by Division	2/19/2026
Funding Approval Conditions Submitted & Received	2/19/2026
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Submitted	2/19/2026
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Approved by Division	3/10/2026
Bid and Design Package Submitted & Received	9/29/2026
Bid and Design Package Approved by Division	1/16/2027
Bid Information Submitted (Final Bid Notice, Itemized Bid Tabulation, etc.)	5/4/2027
Execute Construction Contracts (Submit e-copies of Construction Agreement, Notice of Award, Notice of Proceed, Project Schedule, Start of Construction Card with required documentation)	6/29/2027
Construction: Grant Contract Expiration (All construction needs to be complete)	7/29/2028
Construction: Final Report and Final Reimbursement Submitted & Received	9/12/2028
Construction: Grant Closeout Submitted & Received (Closeout package and required documentation)	11/17/2028
Milestones for Compliance Plans	Date
Adopted Equal Employment Opportunity Plan and Policy, Submitted & Received	11/4/2025
Adopted Procurement Plan and Policy, Submitted & Received	11/4/2025
Adopted Citizen Participation Plan, Submitted & Received	11/4/2025
Adopted Section 3 Resolution and Plan, Submitted & Received	11/4/2025
Adopted Residential Anti-Displacement and Relocation Assistance Plan, Submitted & Received	11/4/2025
Adopted Excessive Force Provision, Submitted & Received	11/4/2025
Adopted Code of Conduct Policy, Submitted & Received	11/4/2025
Adopted Section 504 Grievance Procedures, Submitted & Received	11/4/2025
Completed Section 504 Self-Evaluation Survey, Submitted & Received (<i>plan requires unique information about the LGU</i>)	11/4/2025
Adopted Language Access Plan, Submitted & Received (<i>plan must be completed - plan requires unique information about the subrecipient and a plan of action</i>)	11/4/2025
Adopted Fair Housing Complaint Procedure, Submitted & Received	11/4/2025

Adopted Equal Housing Opportunity Resolution, Submitted & Received	11/4/2025
Completed and Adopted Impediments to Fair Housing Choice (AI), Submitted & Received <i>(This requires unique information about the subrecipient and will aid in creating the Fair Housing Plan)</i>	3/21/2026
Completed and Adopted Affirmatively Furthering Fair Housing Plan & Policy, Submitted & Received <i>(Subrecipient action plan is unique, addressing the needs of the area identified in the AI)</i>	3/21/2026
<i>Responses to Requests for Additional Information must be received by the Division at least 15 days prior to these milestones. Failure to adopt the most current template language may result in needing to readopt the plan and policy.</i>	

Funding Approval Conditions: For reference, grant administration activities include activities required for the **preparation of the environmental document**, as well as the **engineering report**.

1. **Completion of the Environmental Review Process.** No funds may be obligated or expended in any project activity except for the administration activity in the project until the Subrecipient has complied with the Environmental Review Procedures for the CDBG Program and the CDBG environmental regulations contained in 24 CFR Part 58.
2. **Grant Administration Contracts/Inter-Local Agreements.** No funds may be obligated or expended in any project activity except the grant administration activities until the Subrecipient has submitted either a copy of the contract/inter-local agreement awarded for the administration of this grant, or a statement signed by the chief elected official stating that the contract will be administered internally.
3. **Project Engineering Services Agreements.** No funds may be obligated or expended in any project activity except the grant administration activities until the Subrecipient has submitted either a copy of the contract(s) awarded for the engineering services, or a statement signed by the chief elected official stating that the contract will be engineered internally.
4. **Capital Project Ordinance.** No funds may be obligated or expended in any project activity except the grant administration activities until the Subrecipient has submitted a copy of the adopted project ordinance per N.C.G.S. §159.13.2.

EXHIBIT B

CDBG-I Project No. ~~24-I-4204~~

PROJECT BUDGET, DISTRIBUTION OF FUNDS, AND REFUNDS

1. Project Budget

- a. To obtain payment, the Subrecipient must submit itemized documentation substantiating direct costs incurred in the implementation of the project.
- b. Matching funds are contributed by:

<i>Funder</i>	Type of funding & Status of Funding	Matching Funds	Percent
CDBG-I	Grant	\$ 2,997,703	63.13%
Local – specify	Bonds, reserves, in-kind etc.	\$ 1,751,089	36.87%
Other public funding source(s) – specify	SRF loan, state grants, Golden Leaf, ARC, etc.	\$ 0	0%
<i>Total</i>		\$ 4,748,792	100%

2. Disbursement of Grant Funds for Incurred Costs.

- a. To reduce the incidences of monitoring and audit findings or concerns, each preliminary financial activity listed below shall be implemented prior to disbursing any CDBG funds.
 - (i) Adopt a project budget ordinance and establish a capital project fund (N.C.G.S. §159.13.2.). This ordinance must be readopted if a budget revision is completed and approved by the DEQ.
 - (ii) Establish a separate checking account (non-interest or internet bearing) for each CDBG grant.
 - (iii) Establish an internal control system.
 - (iv) Develop a comprehensive financial filing system that establishes a sufficient audit trail for each expenditure.
- b. No funds may be obligated or expended in any project activity except the administration activity until the Subrecipient has submitted all their funding approval conditions and the Division has removed all said conditions and released funds.
- c. Requests for CDBG Funds. Disbursement of grant funds for incurred costs for the project shall be made **at least monthly for reimbursement** of Subrecipient's expenditures on the Project as set forth in Exhibits A and B. To obtain

disbursement of grant funds, the Subrecipient shall submit to the DEQ's Contract Administrator the following documentation:

- (i) A completed and signed Payment Request form and Grantee Pay Request Checklist, as provided by the DEQ and as shown in Exhibit E, accompanied by appropriate itemized documentation supporting all expenses claimed and that clearly identifies each expenditure for which reimbursement is claimed. The supporting documentation must be organized in a manner that clearly relates the expenses shown in the supporting documentation to the line items shown on Exhibit E.
 - (ii) Any application for disbursement of grant funds that does not clearly identify each expenditure and relates each expenditure to the line items shown on Exhibit E will not be processed and will be returned to the Subrecipient for correction and re-submittal. **Subrecipient shall identify any sales tax for which reimbursement has been or will be obtained from the State Department of Revenue, and such monies shall not be reimbursed.**
- d. Certification by Engineer. At the option of the DEQ, disbursement of grant funds may be made only on the certificate and seal of an appropriately qualified registered Professional Engineer, that the improvements for which the reimbursement is requested have been completed in accordance with approved plans and specifications, to which certificate shall be attached an estimate by the construction contractor setting forth items to be paid out of the proceeds of each such reimbursement. The DEQ, at its option, may further require a certificate from such appropriately qualified registered Professional Engineer that the portion of the Project completed as of the date of the request for reimbursement has been completed according to schedule and otherwise as approved by the DEQ and according to applicable engineering standards and requirements. However, the DEQ may, at its discretion, make disbursements without requiring such certificates or construction contractor's estimate, in which event the Subrecipient shall furnish the DEQ a list of and the amounts of items to be paid out of the disbursement, or such other evidence as the DEQ may require.
- e. Disbursement of Funds Based on Progress. The Subrecipient agrees to proceed with diligence to accomplish the Project according to the schedule set out in Exhibit A and shall show appropriate progress prior to each disbursement of grant funds. Disbursement of grant funds for incurred costs may be withheld or delayed if Subrecipient fails to make progress on the Project satisfactory to the DEQ. Amounts withheld shall be reimbursed with subsequent disbursements in the event that the Subrecipient is able to demonstrate an ability to resume satisfactory progress toward completion of the Project.
- f. Proof of Payment. The Subrecipient agrees to pay, as the work progresses, all bills for labor and materials going into the accomplishment of the Project and agrees to submit to the DEQ all such receipts, affidavits, canceled checks, or other evidences of payment as may be requested from time to time and, when and if requested by the DEQ, furnish adequate proof of payment of all indebtedness incurred in the development of the Project.

- g. Alternate Disbursement of Grant Funds. DEQ may, upon request by the Grant Recipient, disburse grant funds prior to actual project payments by the Subrecipient if costs are documented by unpaid third-party invoices. For DEQ to disburse grant funds to the Subrecipient based upon unpaid third-party invoices, the Subrecipient shall indicate its review and approval of the unpaid third-party invoice in writing and certify to the DEQ that the unpaid third-party invoice will be paid within three (3) working days of receipt of the disbursed grant funds. The Subrecipient will confirm to DEQ that the required payment has been made within three banking days of receipt of funds. Failure to comply will result in being placed on reimbursement status per the CDBG-I Program's Three-Day Rule Violation Policy.
- h. Payment of Construction Retainage Funds. Construction retainage is a percentage of the amount of payment the Subrecipient withholds until the construction project has been satisfactorily completed. Retaining is not allowed on projects costing less than \$100,000 per N.C.G.S §143-134.1. For projects costing \$100,000 or more, specific requirements apply to the amount of payment that may be withheld ("retain") and when payments may be withheld at various points during the construction project:
- (i) Until the project is 50% complete, the Subrecipient cannot retain more than 5% per periodic payment owed to the prime contractor.
 - (ii) When the project is 50% complete, no further retainage is allowed as long as performance is satisfactory.
 - (iii) When a certificate of substantial completion is issued or upon beneficial occupancy, all remaining retainage must be released, although the Subrecipient may retain up to 2 ½ times the value of remaining work to secure completion or correction of that work.
 - (iv) "Line-item" release of retained funds is required for "early finishing trades" (subcontractors who complete 100% of their work before the project is 50% complete). In addition to these requirements, Subrecipients may also withhold additional amounts in certain instances generally involving unsatisfactory performance and defective workmanship. [G.S. 143-134.1]
- i. Change Orders. A written order to the contractor signed by the Subrecipient, and recommended by the Project Engineer (with signature), authorizing an addition, deletion, or revision in the work within the general scope of the construction contract documents, or an adjustment in the contract price or the contract time issued after executing the contract agreement. All change orders must be provided to the CDBG-I Program Engineer for review of eligibility prior to the change occurring.
- j. Construction Costs. All costs must be specific to the scope of work defined in the grant contract and/or project amendments, applicable change orders, and consistent with the amount of work completed as confirmed by the contractor's payment application. Confirmation shall be in the form of signature by the engineer who observed and can confirm that the work is consistent with the amount of grant funds requested, and final approval by the Subrecipient in the form of a signature.

- k. Equipment. Grant funds for equipment should be expended only when such equipment has been installed. Partial payment for equipment that has not been installed is acceptable if the amount requested is for the material cost of the equipment and not any labor that is to be performed. Only equipment specified in the grant contract may be purchased with grant funds.
- i. Connection / Hookup Fees (“access fees”). Using grant funds to pay access fees on behalf of LMI residents to tap/connect into public water and sewer lines is generally eligible under the provisions of 24 CFR § 570.482(b), Special assessments under the CDBG program. CDBG funds may not be used to connect nonLMI residential, non-residential, or vacant units. This access fee is a one-time charge made as a condition to access the public improvement. CDBG funds may be used to pay water/sewer tap and/or connection costs only under limited circumstances if the public improvement itself is or was being funded in whole with CDBG funds and thus meets a national objective and is fully compliant with all CDBG Program requirements. Other fees, such as impact, capacity, or development fees for LMI residences to public water and sewer must be waived or paid with non-CDBG funds, since these fees are ineligible for CDBG funds.

To ensure that LMI households receive the benefits of connecting to a public water or sewer system, the connection must be provided to LMI households at no cost to the LMI household as a direct beneficiary. CDBG funds may only be used for:

- (i) Reasonable hookup or connection fee to connect to the public line, if 24 CFR § 570.482(b) and its restrictions are met;
- (ii) Cost for the physical service connection (private lateral) and appurtenances for the private property;
- (iii) Cost for the use of special equipment such as grinder pumps or vacuum pits to transport residential wastewater to the existing sewer lines;
- (iv) Cost for the removal and/or crushing septic tanks or cap wells, as required by the health department; and
- (v) If applicable, any building permits and inspections if the local government building department requires them.

- l. Costs of Acquisition. Expenditures for all activities budgeted in the grant contract specific to acquisition can be paid with grant funds in the amount(s) specified in CDBG-I Application Budget if the HUD acquisition process is followed. These activities include appraisal, review appraisal, survey, property purchases, legal condemnation costs, abstractor, legal fees, filing/recording fees, relocation assistance to displaced property owners or businesses, and associated costs such as postage and publication. To ensure cost reasonableness, copies of acquisition documentation will be required for request over \$10,000.
- m. Costs of Engineering Services. The DEQ agrees to disburse grant funds to the Subrecipient for engineering services consisting only of costs of labor for engineering work conducted exclusively for this Project and outlined, in detail, in the executed engineering contract(s). The Subrecipient’s requests for such disbursements shall be made under either the Grant Administration [see o(i) below]

or the public improvement activity line item, as a service deliverable expense, of Exhibit B and shall conform with the following:

- (i) If expenditures for these services are included in the grant agreement, payment must be made on a pro rata basis consistent with the fee payment schedules specified in the applicable professional service contract. Payment over these amounts shall not be made with grant funds. Additionally, payment for "additional services" shall not be made unless prior approval has been obtained from the CDBG-I Program Manager.
- n. Costs of Grant Administration. The DEQ agrees to disburse grant funds to the Subrecipient for administrative costs consisting only of costs of labor for administrative work conducted exclusively on this Project. The Subrecipient's requests for such disbursement shall be made under the Grant Administration line item of Exhibit B and shall conform with the following:
- (i) Costs allowable under the Grant Administration line item shall be only costs of labor needed to comply with the general conditions of the Grant Contract (e.g., progress reports, the environmental review, the engineering report, compliance activities, payment requests, preparing the project final report, revisions to the Grant Contract).
 - (ii) Allowable Grant Administration labor costs may include any of the following: (a) pay to the Subrecipient's payroll employees, plus the Subrecipient's cost of paying benefits on such pay (usually employees' pay times an audited or auditable benefits multiplier) with the submission of timesheets identifying hours worked on CDBG-I project tasks; (b) pay to contract employees of the Subrecipient (e.g., temporary office support), payable at the Subrecipient's actual cost, without application of a benefits multiplier; and/or (c) cost of professional services labor contracted by the Subrecipient (e.g., engineering firm or consultant), payable at the Subrecipient's actual cost for that labor.
 - (iii) Costs of any other work described in the Project Scope of Work in Exhibit A are not allowable under the Grant Administration line item of Exhibit B.
 - (iv) Thresholds for Grant Administration. Subrecipients can request and drawdown from the Grant Administration line item stated in Exhibit B, up to a specific percentage when these thresholds are met:
 - a) Actual costs up to 25% maximum at time of removal of grant conditions, lesser amounts may be drawn prior to this milestone.
 - b) Actual costs up to 50% maximum at time of approval of 1st Contractor Application for Payment, lesser amounts may be drawn prior to this milestone.
 - c) Actual costs up to 75% maximum at time of 50% construction draw, lesser amounts may be drawn prior to this milestone.
 - d) 100% based on actual costs at final report after all required paperwork has been submitted and approved.

Once a project is under construction, requests for funds for only administrative and service delivery (i.e., engineering, and related expenses) costs will not be processed without public improvement and/or limited housing rehabilitation activity (i.e., contractor applications) costs are included and approved by authorized parties (contractor, engineering, and owner). Subrecipients must request project improvement and/or limited housing rehabilitation activity, service delivery, and administration once construction has started.

- o. DEQ Retaining Portion of Funds Until Project Completion. The DEQ will withhold payment from the Subrecipient in the amount of five percent (5%) of the Grant Administration line item until the Subrecipient has resolved all monitoring findings and the final report has been approved.
- p. No Excess Costs. The DEQ agrees to disburse grant funds to the Subrecipient only for costs actually incurred by the Subrecipient that do not exceed the funds budgeted for the Project shown on Exhibit B.
- q. All "Other" Expenditures. These expenditures must be justified in writing and approved by the CDBG-I Program Manager prior to payment to determine allowability. Questions regarding specific costs should be discussed with the Grants Coordinator for eligibility determinations and grant agreement amendments (if necessary) prior to expenditure of grant funds.
 - (i) If indirect costs are charged, the Subrecipient shall develop an indirect cost allocation plan for determining the appropriate Grant Recipient's share of said costs and shall submit such plan to the DEQ for approval, in a form specified by the DEQ.
- r. Period for Incurring Reimbursable Expenditures. The DEQ will reimburse the Subrecipient only for allowable project expenditures that are incurred by the Subrecipient or the Subrecipient's consultants, contractors, or vendors during the period between the Award Date and the Grant Contract Expiration Date of the Grant Contract. The DEQ will not reimburse the Subrecipient or project expenditures that are not incurred during this period.
 - (i) Claims for expenses must be made in the appropriate fiscal year. Subrecipients should submit requests for reimbursements for the fiscal year prior to June 30 of each year. Claims should not include expenses incurred over multiple fiscal years.
 - (ii) Only the final reimbursement will be allowed after the Grant Contract Expiration Date.
- s. Program Income. Subrecipients must adhere to program income requirements set forth in 24 CFR § 570.489(e). Thus, at the end of the program year, the Subrecipient is required to remit all, or part of any program income balances held by the Subrecipient to the DEQ.

3. Refunds, Reversion of Unexpended Funds, and Reduction of the Grant based on Construction Cost less than Budgeted Construction Cost.

- a. Refunds. The Subrecipient shall repay to the DEQ any compensation it has received that exceeds the payment to which it is entitled herein, including any interest earned on funds reimbursed pursuant to the Grant Contract. The Subrecipient shall repay the DEQ administration funds in proportion (the maximum grant administration is 10% of the total new expenditures) to the program funds being repaid.
- b. Reversion of Unexpended Funds. Any unexpended Grant monies shall revert to the CDBG-I upon termination of the Grant Contract. The Subrecipient shall repay to the DEQ administration funds in proportion to the program funds being repaid.
- c. Reduction of the Grant based on construction cost less than budgeted construction cost. The DEQ may reduce the Grant amount if the Subrecipient expects actual construction costs to be less than budgeted construction costs, as follows:
 - (i) The Subrecipient shall provide to the DEQ a construction contract pricing document(s), consisting minimally of a statement of the scope of the construction work included in the pricing, a schedule of construction payment items, agreed-upon construction or vendor pricing for each item, and a total anticipated construction cost based on the pricing.
 - (ii) The Subrecipient shall deliver the construction contract pricing document to the DEQ's Contract Administrator within 30 days of executing a construction contract for the Project.
 - (iii) The DEQ may, at its discretion after comparing the total anticipated construction cost with the Grant Contract project budget, choose to reduce the Grant. If the DEQ chooses to reduce the Grant, the DEQ's Contract Administrator will prepare an amendment to the Grant Contract for this purpose, and the DEQ will approve requests for reimbursement of the Subrecipient's construction costs only after the amendment has been signed by both the Subrecipient and the DEQ. Grant administration funds shall be reduced in proportion to the project funds being reduced (the maximum grant administration is 10% of the total new expenditures).
- d. Reimbursement to DEQ for Improper Expenditures. The Subrecipient will reimburse DEQ for any amount of Grant assistance improperly expended, either deliberately or non-deliberately, by any person or entity. Additionally, a contract for administrative services must include a clause holding the administrator organization responsible for reimbursement to the Recipient for any improperly expended grant funds that had to be returned to DEQ.

EXHIBIT B

PROJECT BUDGET
(see next page)

PROJECT BUDGET FOR New Hanover County 24-I-4204

CDBG Grant Amount Approved: \$2,997,703.00							
Use of Funds	Total Cost	A. CDBG	B. Appalachian Regional Commission	C. Other Federal Funds	D. State/Local Funds	E. Private Funds	F. Other:
C. Public Facilities and Improvements							
(9) Street Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(10) Flood and Drainage Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(11) Pedestrian Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(12) Other Public Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(13) Public Sewer Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(14) Public Water Improvements	\$ 3,857,680.00	\$ 2,700,000.00	\$ -	\$ -	\$ 1,157,680.00	\$ -	\$ -
(15) Housing Rehab - water connections	\$ 436,623.00	\$ -	\$ -	\$ -	\$ 436,623.00	\$ -	\$ -
(16) Housing Rehab - sewer connections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning	\$ 156,786.00	\$ -	\$ -	\$ -	\$ 156,786.00	\$ -	\$ -
Administration (10%)	\$ 297,703.00	\$ 297,703.00	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	4,748,792.00	\$ 2,997,703.00	\$ -	\$ -	\$ 1,751,089.00	\$ -	\$ -

EXHIBIT C

REPORTING, RECORD KEEPING, AND AUDIT REQUIREMENTS

1. Project Quarterly Progress Reports (QPR). Subrecipient shall submit a written detailed narrative progress report describing the work accomplished on the Project and progress toward meeting the Project objectives to the CDBG-I's Contract Administrator, quarterly beginning with the next quarter after the Effective Date in the format set forth on Exhibit D. Quarters shall be defined as January-March, April-June, July-September, and October-December. **Reports shall be received by the DEQ's Contract Administrator within 30 days after the end of the quarter.**

2. Semi-Annual Labor Standards Enforcement Report (SALSER). Subrecipient shall submit a SALSER every March 30th and September 30th to the CDBG-I compliance Specialist until the grant is closed out.

4. Annual Performance Report (APR). Subrecipient shall submit an Annual Performance Report by January 31st to the Division on the work accomplished on the Project until the grant closeout package has been received.

5. Grant Contract Final Report. Subrecipient shall submit to the CDBG-I's Contract Administrator a grant contract final report in accordance with the schedule shown on Exhibit A. **If the final report is not acceptable to DEQ, it shall be returned to the Subrecipient for correction. Final payment will not be made until the final report is acceptable to DEQ.** The grant contract final report shall parallel the scope and conditions of the Grant Contract as defined in Exhibit A. The required format for this report is set forth on Exhibit D, and the report shall include:
 - a. A narrative statement evaluating and summarizing the completed Project including a concise statement of the Scope of Work in Exhibit A, a detailed description of the objectives the Subrecipient hoped to accomplish with the Project, and comparison of the objectives with accomplishments.
 - b. A summary of changes made to the Project Scope of Work (Exhibit A) and Project Budget (Exhibit B) and reasons for the changes.
 - c. Any other documents, reports or other evidence, including photographs necessary to verify that the Project has been concluded in compliance with this Grant Contract.
 - d. Engineer's Certification of Completion.
 - e. Owner's Certification of Completion.

6. Closeout of Grant. DEQ will close out the CDBG subaward when it determines that the Subrecipient has completed all CDBG approved activities and/or expended all CDBG funds in conformance with program guidelines Subrecipient. The close-out process encompasses a series of activities that together verify that CDBG funds have been properly spent and that the recipient complied with all applicable rules and requirements in the implementation of its program.

Subrecipients will be expected to carry out the project as proposed in the application, stated in this grant contract (Exhibit A), or an approved program amendment(s). The activities should be completed, and the beneficiaries should be served prior to project close-out.

- a. Close Out Grant. In preparation for grant closeout, the Subrecipient must conduct the following:
 - (i) All third-party invoices and expenses must be paid/expended by the time the closeout public hearing is held.
 - (ii) Cover letter for documents submitted; describe anticipated program income or deobligated funds. Also include a statement in this cover letter stating all third-party invoices (primes and subs) are paid in full.
 - (iii) If improvements were made to Mobile Home Parks (HMP), there must be a No Change of Use statement signed by MHP owner on file, where no changes in use will occur for at least one year after completion of improvements.
 - (iv) Engineer's Final Inspection Letter.
 - (v) DWI CDBG-I Project Closeout Checklist – completed, signed, and dated.
 - (vi) Public Participation Documentation:
 - a. Copy of adopted minutes from the closeout public hearing or certification signed by Authorized Representative (AR).
 - b. Copy of closeout public hearing advertisement from newspaper.
 - c. Copy of affidavit of publication of the closeout public hearing advertisement or tear sheet.
 - (vii) Closeout Package Reports:
 - a. Certificate of Completion, signed by AR.
 - b. Applicable Accomplishments and Beneficiaries Form(s).
 - c. Property Disposition Form.
 - d. Use of Non-ED Program Income Form.
 - (viii) Grantee Section 3 Reporting Form.

7. Change of Use of Real Property. The Subrecipient, including activities undertaken by subrecipients, who acquired or improved in whole or in part using CDBG funds more than the threshold for small purchase procurement, the following standards shall apply from the date CDBG funds are first spent for the property until five (5) years after closeout of the Subrecipient's grant.

- a. The Subrecipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, unless the unit of general local government provides affected citizens with reasonable notice of and opportunity to comment on any proposed change, and either:
 - (i) The new use of the property qualifies as meeting one of the national objectives and is not a building for the general conduct of the government; or
 - (ii) The requirements in paragraph 4(b) are met.
 - b. If the Subrecipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (4)(a) of this section, it may retain or dispose of the property for the changed use if the Subrecipient's CDBG program is reimbursed or the State's CDBG program is reimbursed, at the discretion of the State. The reimbursement shall be in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property, except that if the change in use occurs after grant closeout but within 5 years of such closeout, the Subrecipient shall make the reimbursement to the State's CDBG program account. Following the reimbursement of the CDBG program in accordance with this section, the property no longer will be subject to any CDBG requirements.
8. Recordkeeping Requirements. Subrecipient will maintain all records and comply with all responsibilities as required under CDBG recordkeeping for example, 24 CFR 570.490 ("Recordkeeping Requirements") and 2 CFR § 200.334-338 ("Retention and Access Requirements for Records") as may be modified by HUD as well as records to document compliance with CDBG requirements. Recipient agrees to comply with any additional record-keeping requirements now or hereinafter set forth by DEQ, HUD or any other federal or state entity.
 9. Project Financial Records. Subrecipient agrees that the Fund and the State have the right to audit the books and records of the Subrecipient pertaining to this Grant Contract both during performance and for five (5) years after the completion or termination of this Grant Contract or until all audit exceptions, if any, have been resolved, whichever is longer. The Subrecipient shall retain complete accounting records, including all audit reporting, original invoices, payrolls, contracts, or other documents clearly showing the nature of all costs incurred under this Grant Contract, for that same period. The Subrecipient agrees to make available at all reasonable times to the Fund all bid documents, and accurate books and records of all expenditures for costs applicable to this Grant Contract which will facilitate the audit of the Grant Subrecipient's records.
 10. Audit Reporting. The DEQ must ensure that Subrecipients meet applicable audit requirements outlined in 2 CFR 200 Subpart F.

- a. Open Grants. All Subrecipients, with active open grants, are required to either complete and submit an Audit Certification Form (ACF), or a Single Audit Report (SA), depending on if the Subrecipient expends the federal audit threshold [2 CFR 200.501(a)] or more during the entity's fiscal year in all federal funds (received directly from federal awarding agencies or indirectly from pass-through entities).
 - b. Closed Pending Final Audit Grants. All Subrecipients with closed pending final audit status must file an SA or a Program-Specific Audit (PSA) with financial statements and schedule of expenditures of the CDBG grant, in accordance with the provisions of 2 CFR 200 Subpart F.
 - c. Report Submission. Audit requirements must be completed and submitted within the earlier of 30 calendar days after receipt of the auditor's reports(s), or 9 months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal or State holiday, the reporting package is due the next business day.
 - (i) The ACF must be submitted to the DEQ, CDBG-I Unit, no later than the last business day of November of each calendar year. Submitting an ACF to the DEQ does not release the Subrecipient from preparing and submitting audits or other financial reports required by State law.
 - (ii) The SA or PSA must be submitted to the North Carolina Department of State Treasurer and Federal Audit Clearinghouse (FAC) no later than March 31st of each calendar year.
 - (iii) Subrecipients must submit to the DEQ, CDBG-I Unit, the record of submission of the SA or PSA to the FAC (i.e., a copy of the FAC email confirmation of submission) upon report submission.
 - (iv) Any findings noted in that audit will be the responsibility of the Subrecipient.
 - d. Sanctions. Failure to submit the required audit reporting by the above-mentioned due dates, the DEQ will, per 2 CFR 200.505 (200.339), suspend the draw-down of grant funds for active open grants and suspend review and/or acceptance of applications until the Subrecipient is current on their audit reporting requirements (200.339). If during the life of the grant, the Subrecipient continues to fail to comply with the audit reporting requirement, DEQ will impose stricter sanctions allowed per in 2 CFR 200.505 (200.339).
11. Access to Records and Retention. The Subrecipient shall provide any duly authorized representative of DEQ, the State of North Carolina, the federal Department of Housing and Urban Development (HUD), and the Comptroller General, the Inspector General and other authorized parties at all reasonable times access to and the right to inspect, copy, monitor, and examine all of the books, papers, records, and other documents relating to the grant for a period of five years following the completion of all closeout procedures. All original files shall be maintained at the Local Government offices for access purposes.
 12. Release of Personal Financial and Identifying Information. To ensure and document compliance with CDBG income requirements as well as other matters, Subrecipient shall obtain and retain personal, income-related, financial, tax and/or related information from companies, individuals and families that are benefitting from Grant or Program funds.

Additionally, Subrecipient is obligated to provide access to all information relating to the Program to DEQ, HUD or other appropriate federal or state monitoring entity, upon DEQ's request. This obligation includes, but is not limited to, the personal, financial, and identifying information of individuals assisted by the Program. As such, Subrecipient shall obtain any releases or waivers from all individuals or entities necessary to ensure that this information can be properly and legally provided to appropriate federal and state entities, including DEQ and HUD, without issue or objection by the individual or entity.

EXHIBIT D

**DEQ FORM FOR QUARTERLY PROGRESS REPORT
(see next page)**

Electronic version of the Quarterly Progress Report is found at
<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-have-funding/cdbg-i-reports>

Instructions

Table A.

Activity: Choose from the dropdown menu the activity to be covered for the report
LF, #Properties Connected, Treatment Plan Rehab Proposed (Describe): Describe with details the activities that have taken place during the quarter
LF or # Completed This Quarter (Describe): Provide (numbers) details of activities completed for the quarter
LF or # Completed To Date (Describe): Provide (numbers) details of activities completed from day one of grant awarded until the last day of this quarter

Table B.

Activity: Choose from the dropdown menu the activity to be covered for the report	
# Persons Proposed: Proposed number of persons benefiting from this project	
# Households Proposed: Proposed number of households benefiting from this project	
# Persons AMI: Number of persons Above Moderate Income	
# Households AMI: Number of households Above Moderate Income	
# Persons MI: Number of persons Moderate Income	
# Households MI: Number of households Moderate Income	
# Persons LI: Number of persons Low Income	
# Households LI: Number of households Low Income	
# Persons VLI: Number of persons Very Low Income	
# Households VLI: Number of households Very Low Income	
Race: numbers are reported, as applicable, for each activity as they are reported in the Annual Performance Report (APR) and the Closeout Accomplishments	
W: White	BW: Black/African American & White
AA: Black/African American	AN: American Indian /Alaskan Native & Black/African American
AS: Asian	MR: Other Multi-Racial
AI: American Indian / Alaskan Native	H: Hispanic
NH: Native Hawaiian / Other Pacific Islander	HW: Hispanic & White
AAW: American Indian / Alaskan Native & White	HB: Hispanic & Black
AW: Asian & White	HO: Hispanic & Other Race

Table C.

Activity: Choose from the dropdown menu the activity to be covered for the report
Activity Code: Choose from the dropdown menu the activity code to be covered for the report
CDBG Budget: Total dollar amount awarded
Expended This Quarter: Dollar amount expended for the quarter
Expended To Date: Dollar amount expended from day one of grant awarded until last day of this quarter
Amount Requested This Quarter: Dollar amount requested for this quarter
Amount Requested To Date: Dollar amount requested from day one of grant awarded until last day of this quarter
Local Funds Obligated: Total dollar amount of local funds obligated for this project
Local Funds Expended To Date: Dollar amount of local funds expended from day one of grant awarded until last day of this quarter

Table D.

Activity: Administration <i>(Please provide a brief description of budget expended in activities within the administration line)</i>
Activity Code: Choose from the dropdown menu the activity code to be covered for the report
CDBG Budget: Total dollar amount awarded
Expended This Quarter: Dollar amount expended for the quarter
Expended To Date: Dollar amount expended from day one of grant awarded until last day of this quarter
Amount Requested This Quarter: Dollar amount requested for this quarter
Amount Requested To Date: Dollar amount requested from day one of grant awarded until last day of this quarter
Local Funds Obligated: Total dollar amount of local funds obligated for this project
Local Funds Expended To Date: Dollar amount of local funds expended from day one of grant awarded until last day of this quarter

EXHIBIT E

**DEQ REQUEST FOR REIMBURSEMENT FORM & CHECKLIST
(see next page)**

Electronic version of the Reimbursement Request Form and checklist is found at
<https://www.deq.nc.gov/about/divisions/water-infrastructure/i-have-funding/cdbg-i-reports>

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER INFRASTRUCTURE DIVISION, CDBG-INFRASTRUCTURE UNIT
DISBURSEMENT OF FUNDS FORM CHECKLIST FOR GRANTS AWARDED 2023 AND BEYOND**

To be reviewed, completed, and submitted with each pay request.

To Be Retained with Payment Information

Grantee:	Request #	PAYMENT REQUEST REVIEWED DATE:
Contract #:		
Date of Request for Release of Funds (ROF) Approval:	Program Review	This grant is for: Water Sewer Both (circle one)
	Grants Admin. Grantee	
Contract/Amendment	Initials:	Notes:
Active grant - Contract executed		
If applicable, Amendments - Approved by DEQ		
Project Meeting Milestones?		
Grant Admin Payments Held at 25% prior to removal of grant conditions?		
Grant Admin Payments Held at 50% prior to first contractor application approval?		
Grant Admin Payment Held at 75% prior to 50% construction budget amt.?		
Grant Admin Payment Held at 95% prior to Final Report Approval?		
Audit Certification Form (ACF) submitted DEQ by November 31 OR if Federal threshold is met or exceeded, has audit been submitted to LGC and FAC by March 30?		If no funds frozen
If Final payment, is Final Report submitted?		
Verify Grant Contract has Not Expired		Expiration Date:
Progress Reports & Final Reports	Initials:	Notes:
Verify that all Quarterly Progress Reports Required to Date have been Submitted		
Verify all Other Reports (audits, semi-annual labor report, APRs, debarment, etc.) have been submitted		
Pay Request	Initials:	Notes:
Verify that the grant contract number is correct		
Verify that dollar amount entries are made under the correct utility (water or sewer)		
Verify that the reimburse form is signed by two grantee representatives listed on the signatory card		
Verify each signature on the reimbursement form is dated		
Verify that each invoice is signed or initialed by at least one grantee representative listed on the signatory card		
Verify that the request number is correct, if it is a final request, put a #F		
Verify that the previous expenditures agree with current request		
Verify that prior payments agree with current request		
Verify that the expenditures are appropriate and allowable under the contract		
Verify that expenditures are incurred after grant award date		
If there are pre-award expenditures, is required supporting documentation included		
Verify that expenditures conform to the current grant budget		
Verify that each expense has appropriate supporting documentation included		
Verify that the correct payment is requested		
If construction has started, does this request include the required construction pay application? If not, this request will be returned as incomplete.		
If payment for plans and specs requested before ROF, verify a letter from the chief elected official is in the file exempting the activity from environmental review		Engineering Contract Amount: \$0.00
If pay request includes a construction pay app that lists a change order, has the change order been approved by DEQ		Construction Contract Amount: \$0.00
Verify the Sales Tax Certification form for construction funds is submitted with proper box checked (sales tax from CDBG-I or DOR) prior to payment. NOTE: We do not pay program income		Grant Administration Contract Amount: \$0.00
Provide the dollar amounts for: Local Match is \$0.00 Grant Administration in Grant Budget = \$0.00 Grant Admin. 60% = \$0.00 ; Grant Admin. 95% = \$0.00		Water or Sewer Infrastructure Budget: \$0.00 Housing Rehab Budget: \$0.00 Total Grant Amount: \$0.00
Grants Administrator Signature:		Date:
Local Government Signature:		Date:

EXHIBIT E

DISBURSEMENT OF FUNDS REQUEST FORM

Division of Water Infrastructure Project No: _____
 Period Covered by this Report: From _____ To _____

Recipient Organization

Name: _____ Payment No: _____
 Address: _____ Page No: _____
 City, State & Zip: _____ Of _____

Disclosure: THIS FORM CANNOT BE MODIFIED. ANY CHANGES TO THE FORM WILL DELAY ANY PAYMENTS.

	Contract admin	Engineer	Contract #1	Contract #2	Year to Date
ADMINISTRATION					
General admin					
Environmental Review					
Engineering Report					
SERVICE DELIVERY-WATER IMPROVEMENTS					
Planning and design					
Construction Admin					
Construction inspection					
SERVICE DELIVERY-SEWER IMPROVEMENTS					
Planning and design					
Construction Admin					
Construction inspection					
CONSTRUCTION - WATER IMPROVEMENTS					
Construction					
Equipment					
Miscellaneous					
Deductions (income)					
CONSTRUCTION - SEWER IMPROVEMENTS					
Construction					
Equipment					
Miscellaneous					
Deductions(income)					

INSTRUCTIONS DISBURSEMENT OF FUNDS REQUEST FORM

Disclosure: THIS FORM CANNOT BE MODIFIED. ANY CHANGES TO THE FORM WILL DELAY ANY PAYMENTS.

Project No:	Enter the Grant number assigned (e.i 13 - I-XXXX, 14-I-XXXX, 15-I-XXXX)
Period Covered by this Report:	Enter the time period cover for the request
Recipient Organization:	Enter grantee name and address; Payment No. and Number of pages that the request form includes

Columns			
Contract Admin:	Enter expenses under the Grant Administration Contract ONLY		
	General Admin		
	Environmental Review		
	Engineering Report		

Note: If you are including multiple Invoices for the same request under the same activity please add totals and attached individual invoices for every expense being claimed.

Example:

General Administration:	\$2,000	This is the only amount that must be entered on the request form, but the Invoice for each item must be attached to the form
Compliance Plans	\$1,500	
Meetings with Local Government Officers	\$500	
	\$2,000	

Engineer:	Enter expenses under this category only if the activities are performed by the Engineering Company
Contract #1:	Enter expenses under this category only if construction activities are taking place
Contract #2:	Enter expenses under this category only if and additional construction contract activities are taking place
Year to Date:	Enter expenses including previous requested amounts including current request

Rows

Administration	Enter total expenses for Administration activities ONLY for the time period covered by the report
General admin	Enter total amount from invoices under this activity for each contract if applicable
Environmental Review	Enter total amount from invoices under this activity for each contract if applicable
Engineering Report	Enter total amount from invoices under this activity for each contract if applicable

Service Delivery	Enter total expenses for Service Delivery activities ONLY for the time period covered by the report
Planning and design	Enter total amount from invoices under this activity for each contract if applicable
Construction Admin	Enter total amount from invoices under this activity for each contract if applicable
Construction inspection	Enter total amount from invoices under this activity for each contract if applicable
Construction - Water	Enter total expenses for Construction -Water activities ONLY for the time period covered by the report
Construction	Enter total amount from invoices under this activity for each contract if applicable
Equipment	Enter total amount from invoices under this activity for each contract if applicable
Miscellaneous	Enter total amount from invoices under this activity for each contract if applicable
Deductions (income)	Enter total amount from invoices under this activity for each contract if applicable
Construction - Sewer	Enter total expenses for Construction -Sewer activities ONLY for the time period covered by the report
Construction	Enter total amount from invoices under this activity for each contract if applicable
Equipment	Enter total amount from invoices under this activity for each contract if applicable
Miscellaneous	Enter total amount from invoices under this activity for each contract if applicable
Deductions(income)	Enter total amount from invoices under this activity for each contract if applicable
Housing Rehab - Water	Enter total expenses for Housing Rehab - Water activities ONLY for the time period covered by the report
Connections - new	Enter total amount from invoices under this activity for each contract if applicable
Connections - rehab	Enter total amount from invoices under this activity for each contract if applicable
Housing Rehab - Sewer	Enter total expenses for Housing Rehab - Sewer activities ONLY for the time period covered by the report
Connections - new	Enter total amount from invoices under this activity for each contract if applicable
Connections - rehab	Enter total amount from invoices under this activity for each contract if applicable
Total Cumulative to Date	Enter total amount expended to date for all the activities
Previous received	Enter total amount received from last request
Amount requested	Enter total amount requested from current request
Percent complete	Enter percentage of total amount expended to date from total amount of project per contract
Program Income	Enter total amount for program income to date

EXHIBIT F

DEFINITIONS

Unless indicated otherwise from the context, the following terms shall have as their meanings in this Grant Contract the definitions set forth below.

1. "Agency" (as used in the context of the definitions below) shall mean and include every public office, public officer, or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority, or other unit of government of the State or of any county, unit, special district or other political sub-agency of government.
2. "Audit" means an examination of records or financial accounts to verify their accuracy.
3. "Construction contract" means a legally binding agreement between the Subrecipient and another party for implementing construction work described in the project scope of work given in Exhibit A.
4. "Enter into a construction contract" means signature of a construction contract by both the Grant Subrecipient and another party for the construction work described in the project scope of work given in Exhibit A.
5. "Fund" means the Community Development Block Grant- Infrastructure fund.
6. "Grant" means state funds disbursed by the Department of Environmental Quality through the Department of Commerce and the federal Department of Housing and Urban Development to a Subrecipient to conduct activities described in this Grant Contract.
7. "Grant Contract" means a legal instrument that is used to reflect a relationship between the grantor and Subrecipient and is used interchangeably herein with the term "Contract".
8. "Subrecipient" shall mean one of the entities identified as a party to this Contract.
9. "Grantor" as used in this Grant Contract, means the Fund in its capacity as provider of grant funds for the Subrecipient's use in conducting the project.

EXHIBIT G

GENERAL TERMS AND CONDITIONS

A. Affirmative Covenants

1. Compliance with Laws. Subrecipient agrees to perform and maintain the Project in compliance with all federal, state, and local laws and regulations, including, without limitation, environmental, zoning, and other land use laws, and regulations. The Subrecipient agrees to take reasonable steps to advise Project participants that they shall comply in the same manner.
2. Insurance. The Subrecipient agrees to keep structures or improvements of any sort, constituting the Project fully insured at all times during construction and to keep fully insured all building materials at any time located on the Project. Subrecipient will ensure that all contractors furnish adequate payment and performance bonds.
3. No Liens. The Subrecipient shall take such action, including, without limitation, obtaining lien waivers, as shall be reasonably necessary to avoid liens against the Property in any way related to the Project.
4. Retention, Operation, Maintenance and Use.
 - a. Subrecipient agrees to complete the Project as approved by the DEQ. The descriptions, purpose, schedules, scope of work and budgets set out in Exhibits A and B, and accompanying or related plans, specifications, estimates, procedures, and maps submitted to the DEQ by the Subrecipient are the foundation of this Grant Contract.
 - b. Property acquired, developed, or improved with grant assistance from the Fund shall be retained and used for the purposes identified in Exhibit A and Subrecipient hereby agrees to file or record such restrictions as may be required to assure such continued use and such restrictions shall be in form and substance satisfactory to the DEQ.

B. Representations and Warranties

In order to induce the DEQ to enter into this Grant Contract and to make the Grant as herein provided, the Subrecipient after reasonable inquiry makes the following representations, warranties and covenants, which shall remain in effect after the execution and delivery of this Grant Contract and any other documents required hereunder, any inspection or examinations at any time made by or on behalf of the DEQ, and the completion of the Project by the Subrecipient:

1. No Actions. There are no actions, suits, or proceedings pending, or to the knowledge of the Subrecipient, threatened, against or affecting the Subrecipient before any court, arbitrator, or governmental or administrative body or agency which might affect the Subrecipient's ability to observe and perform its obligations under this Grant Contract.

2. Validity of Grant Documents. Upon execution and delivery of items required hereunder, this Grant Contract and the other grant documents and items required hereunder will be valid and binding agreements, enforceable in accordance with the terms thereof.
3. False or Misleading Information. Recipient is advised that providing false, fictitious, or misleading information with respect to CDBG funds may result in criminal, civil, or administrative prosecution under 18 U.S.C. § 1001, 18 U.S.C. § 1343, 31 U.S.C. § 3729, 31 U.S.C. § 3801, or another applicable statute. Subrecipient shall promptly refer to DEQ and HUD's Office of the Inspector General any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CDBG funds.

C. Termination by Mutual Consent

The Parties may terminate this Contract by mutual written consent with 60 days prior written notice to the Contract Administrators, or as otherwise provided by law.

D. Termination for Cause; Events of Default

1. Events of Default. The happening of any of the following, after the expiration of any applicable cure period without the cure thereof, shall constitute an event of default ("Event(s) of Default") by the Subrecipient of its obligations to the DEQ, and shall entitle the DEQ to exercise all rights and remedies under this Grant Contract and as otherwise available at law or equity:
 - a. Property Unsuitable. A determination by the DEQ, prior to the disbursement of the Grant funds, that the Property is unsuitable for the purposes of the Grant Contract.
 - b. Unsuitable Use. The Property is used in a manner materially inconsistent with the purposes of this Grant Contract or the Project.
 - c. Default in Performance. The default by the Subrecipient in the observance or performance of any of the terms, conditions, or covenants of this Grant Contract; provided, however, that no such default shall occur until the Subrecipient has been given written notice of the default and 30 days to cure have elapsed.
 - d. Misrepresentation. If any representation or warranty made by the Subrecipient in connection with the Grant or any information, certificate, statement, or report heretofore or hereafter made shall be untrue or misleading in any material respect at the time made.
 - e. Abandonment of the Project. If Subrecipient abandons or otherwise ceases to continue to make reasonable progress towards completion of the Project.

If a termination for cause occurs, it will be taken into consideration if the Subrecipient submits future funding application to the Division.

E. Events of Default - DEQ's Rights and Remedies

If an Event of Default shall occur, the DEQ shall have the following rights and remedies, all of which are exercisable at the DEQ's sole discretion, and are cumulative, concurrent, and independent rights:

1. Project Termination. If an Event of Default occurs, the DEQ may, at its discretion, suspend and/or terminate all obligations of the DEQ hereunder. If, in the judgment of the DEQ, such failure was due to no fault of the Subrecipient, amounts required to resolve at minimum costs any irrevocable obligations properly incurred by Subrecipient shall, in the discretion of the DEQ, be eligible for assistance under this Grant Contract consistent with state and federal law.
2. Additional Remedies. If an Event of Default occurs, the DEQ shall have the power and authority, consistent with its statutory authority: (a) to prevent any impairment of the Project by any acts which may be unlawful or in violation of this Grant Contract or any other item or document required hereunder; (b) to compel specific performance of any of Subrecipient's obligations under this Grant Contract; (c) to obtain return of all Grant Funds, including equipment if applicable; and (d) to seek damages from any appropriate person or entity. The DEQ shall be under no obligation to complete the Project.
3. Nonwaiver. No delay, forbearance, waiver, or omission of the DEQ to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to the DEQ may be exercised from time to time and as often as may be deemed expedient by the DEQ.

F. Miscellaneous

1. Modification. This Grant Contract may be rescinded, modified, or amended only by written agreement executed by all parties hereto.
2. Benefit. This Grant Contract is made and entered into for the sole protection and benefit of the DEQ, the State and the Subrecipient, and their respective successors and assigns, subject always to the provisions of paragraph F.8 of this Exhibit H. Except for the State, there shall be no third-party beneficiaries in this Grant Contract.
3. Further Assurance. In connection with and after the disbursement of Grant funds under this Grant Contract, upon the reasonable request of the DEQ, the Subrecipient shall execute, acknowledge, and deliver or cause to be delivered all such further documents and assurances, and comply with any other requests as may be reasonably required by the DEQ or otherwise appropriate to carry out and effectuate the Grant as contemplated by this Grant Contract.
4. Compliance by Others. The Subrecipient shall be responsible for compliance with the terms of this Grant Contract and shall require the same compliance of its sub-grant recipients, including but not limited to, a political subdivision, public agency, or qualified non-profit organization to which funds or obligations are transferred, delegated, or assigned

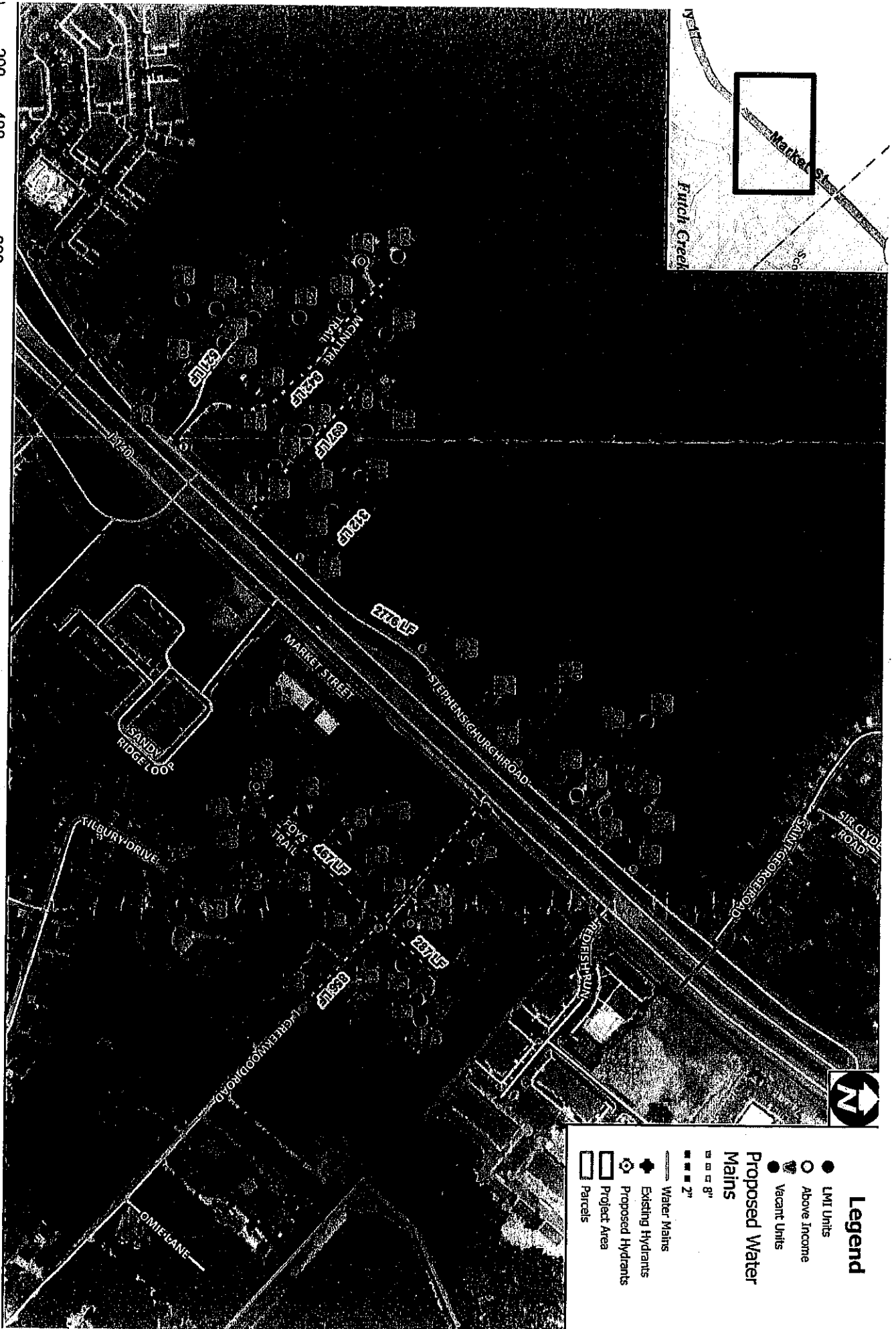
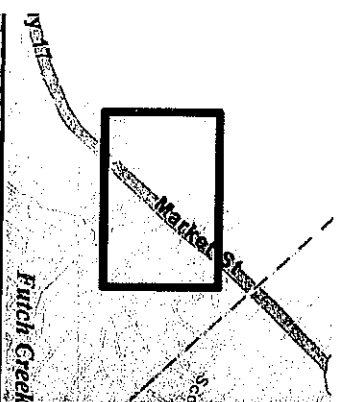
pursuant to this Grant Contract. Delegation by the Subrecipient to a sub-grant recipient of any duty or obligation hereunder does not relieve the Subrecipient of any duty or obligation created hereunder. Failure by such sub-grant recipient to comply with the terms of this Grant Contract shall be deemed failure by the Subrecipient to comply with the terms of this Grant Contract. Any such delegation of duties or obligations shall be in writing, signed by the Subrecipient and sub-grant recipient, and shall contain an affirmative covenant by the sub-grant recipient that it shall abide by the rules set forth in Title 09, Subchapter 03M of the North Carolina Administrative Code.

5. Independent Status of the Parties. The Parties are independent entities and neither this Grant Contract nor any provision of it or any of the Grant Documents shall be deemed to create a partnership or joint venture between the Parties. Further, neither the Grant Contract nor any of the Grant Documents shall in any way be interpreted or construed as making the Subrecipient, its agents, or employees, agents, or representatives of the DEQ. The Subrecipient is and shall be an independent contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. In no event shall the DEQ be liable for debts or claims accruing to or arising against the Subrecipient. The Subrecipient represents that it has, or shall secure at its own expense, all personnel required in the performance of this Contract. Such employees shall not be employees of, nor have any individual contractual relationship with, DEQ.
6. Indemnity. The Subrecipient agrees, to the fullest extent permitted by law, to release, defend, protect, indemnify and hold harmless the State, the DEQ, its employees and agents against claims, losses, liabilities, damages, and costs, including reasonable attorney fees, which result from or arise out of: (a) damages or injuries to persons or property caused by the negligent acts or omissions of Subrecipient, its employees, or agents in use or management of the Project or Property; (b) use or presence of any hazardous substance, waste or other regulated material in, under or on the Property; and (c) for any claims, whether brought in contract, tort, or otherwise, arising out of this Grant Contract. The obligations under this paragraph are independent of all other rights or obligations set forth herein. This indemnity shall survive the disbursement of the Grant funds, as well as any termination of this Grant Contract.
7. Binding Effect, Contract Assignable. The terms hereof shall be binding upon and inure to the benefit of the successors, assigns, and personal representatives of the parties hereto; provided, however, that the Subrecipient may not assign this Grant Contract or any of its rights, interests, duties or obligations hereunder or any Grant proceeds or other moneys to be advanced hereunder in whole or in part without the prior written consent of the Fund, which may be withheld for any reason and that any such assignment (whether voluntary or by operation of law) without said consent shall be void.
8. Savings Clause. Invalidation of any one or more of the provisions of this Grant Contract, or portion thereof, shall in no way affect any of the other provisions hereof and portions thereof which shall remain in full force and effect.

9. Additional Remedies. Except as otherwise specifically set forth herein, the rights and remedies provided hereunder shall be in addition to, and not in lieu of, all other rights and remedies available in connection with this Grant Contract.
10. Survival. Where any representations, warranties, covenants, indemnities, or other provisions contained in this Grant Contract by its context or otherwise, evidences the intent of the parties that such provisions should survive the termination of this Grant Contract or any Closing, the provisions shall survive any termination or Closing.
11. Incorporation of Exhibits. All exhibits attached to this Contract are fully incorporated as if set forth herein.
12. Entire Contract. This Grant Contract constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. All recitals, exhibits, schedules, and other attachments hereto are incorporated herein by reference.
13. Headings. The headings of the various sections of this Grant Contract have been inserted for convenience only and shall not modify, define, limit, or expand the express provisions of this Grant Contract.
14. Time of the Essence. Time is of the essence in the performance of this Grant Contract.

EXHIBIT H

**PROJECT MAP
(see next page)**



- Legend**
- LMI Units
 - Above Income
 - Vacant Units
 - Proposed Water Mains
 - Existing Hydrants
 - Proposed Hydrants
 - Project Area
 - Parcels

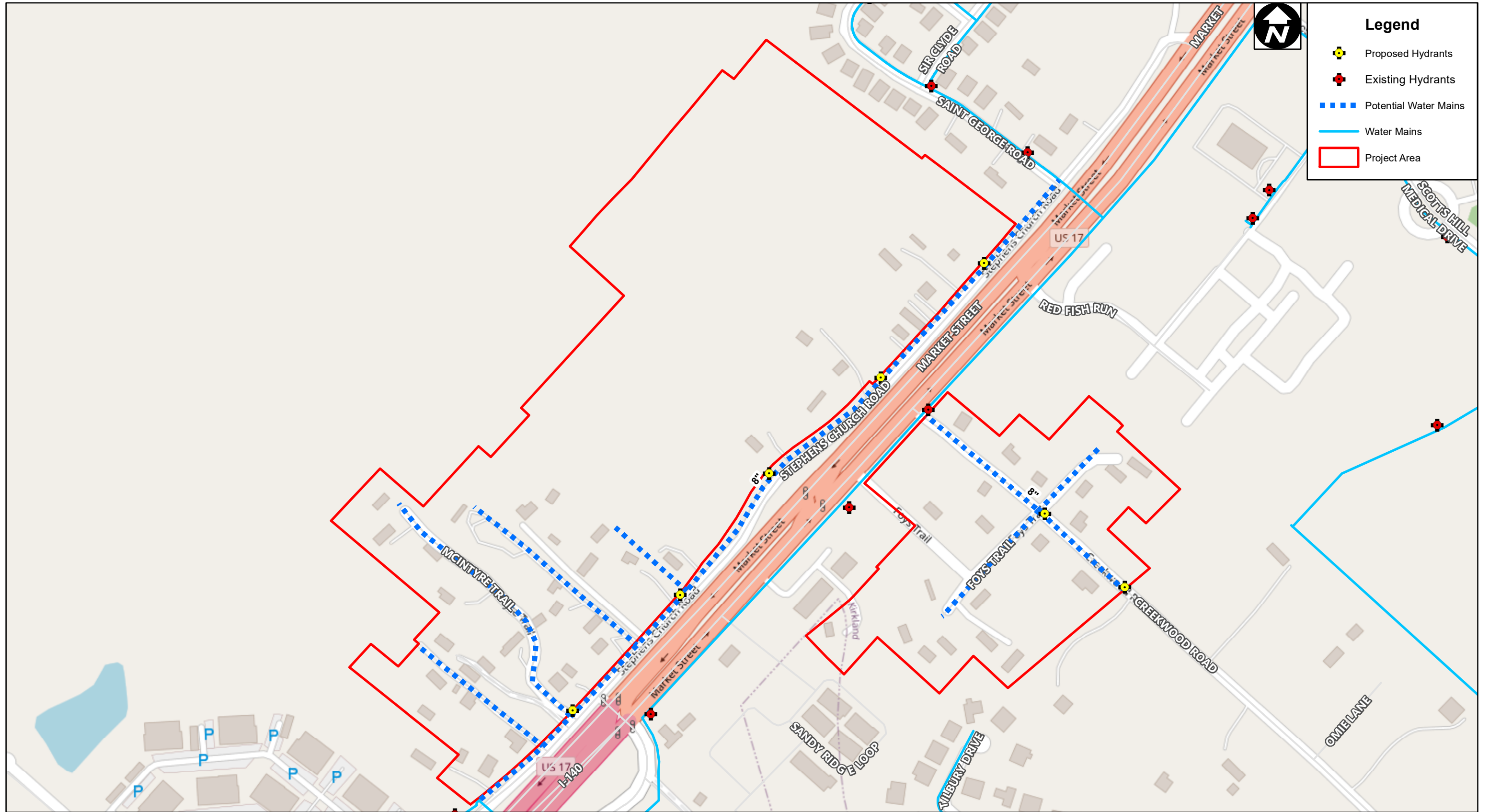
This data is from GIS sources. The accuracy can not be guaranteed and should not take the place of a field survey.

Scotts Hill Water Main Extension

3/11/2025
 Sensitive Public Security Information
 Non-Releaseable per NCGS 132-1.7

JDH Created: 06/13/24 Last Updated: 3/11/2025
 SVGIS1. GIS and Asset Management Projects\2024\Projects\CFPUA Map Requests\Scotts Hill Address





This data is from GIS sources. The accuracy can not be guaranteed and should not take the place of a field survey.

Scotts Hill Water Main Extension Proposed Hydrant Locations



1 Inch = 300 Feet

8/16/2024

Sensitive Public Security Information Non-
Releasable per NCGS 132-1.7

JDH Created: 06/13/24 Last Updated: 8/16/2024

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EXHIBIT 3
INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503

EXHIBIT 4

Certification of Eligibility Form Regarding Debarment and Suspension

Instructions

All CDBG-I grantees (local government) must ensure that contract awards are not made to any party which is debarred or suspended, or is otherwise excluded from or ineligible for, participation in federal assistance programs under Executive Order 12549 "Debarment and Suspension" [24 CFR 85.35]. The local government must check the "exclusion" (i.e., debarment) status of all contractors and sub-contractors (*All contract types procured by the Local Government and all Sub-Contractors*) on the System for Award Management (SAM) and the NC Department of Administration prior to the award of a contract. The following websites must be checked to ensure eligibility:

- The Federal Debarment and Suspension/ Purchase and Contract List (www.sam.gov); and
- State of North Carolina Debarred Vendors/Purchase and Contract List (<http://ncadmin.nc.gov/government-agencies/procurement/contracts/debarred-vendors>)

Who Must Register in the System of Award Management (SAM.gov)?

- Grantee (Local Government);
- Subgrantee (Water or Sewer Authority / District); and
- Contractor (an entity that receives a contract which had been procured by the Grantee).
- All the above needs a Unique **Entity** Identifier Number (U**EIN**) on file.

Debarment Check Requirements:

- Check 1 (Company): A debarment check should be generated in Sam.gov - your check must show "active" status with "no exclusions." The company must be registered in SAM.gov to receive this report. ****Printouts of website checks required. ****
- Check 2 (Principals): A debarment check is also required for all principals of the company. **This is done by one of two ways 1) a Signed Certification of Eligibility Form OR 2) adding a clause or condition in the contract.**

Who Does Not have to Register in SAM.gov?

- Direct Beneficiaries of project;
- Subcontractors - used by contractor if contractor has been verified; and
- Contractor / Sub-Contractor - selected and hired by the direct beneficiary to complete scope of work;
- Must have a unique **entity** identifier on file (taxpayer id #, SSN, or U**EIN**).

Debarment Check Requirements:

- Direct Beneficiary: No check is needed.
- Sub-Contractor - Since the sub-contractor is not required to register in SAM you may receive a "no records" response when searching, which is not an acceptable debarment check. **Both a signed certification and clause in their contract is required for the company and its principals.**
- Contractor / Sub-Contractor - must adhere to the above "sub-contractor" requirements.
- NOTE: Although these entities are not required to "register" in SAM.gov, a debarment check should be performed using the UIN. Print the resulting report and place in file. If a "no search record" is returned make sure you obtain a signed certification and have clauses in contracts.

EXHIBIT 4

Certification of Eligibility Form

Grantee (Local Government):	
Grant Number:	
Project Name:	

This form must be completed for all contract types procured by the Local Government and all Sub-Contractors.

- 1) The prospective firm certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - d. Have not within a three-year period preceding this contract/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
- 2) Where the prospective firm is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification(s).

Firm or Principal Information:		
<u>Name:</u>		
<u>Address:</u>		
<u>Unique Identifier Number, Federal Tax Id. Number or SS Number:</u>		
<u>Representative Name and Title:</u>		
Verification:		
<u>Verification Date:</u>		
<u>Verifying Officer Name and Title</u> <i>(For the Contractor, the Verifying Officer is the Grant Administrator; for the Sub-Contractor, the Verifying Officer is the Contractor)</i>		
Signatures: Firm Representative Signature <i>(Contractor or Sub-Contractor):</i>		Date:
Verifying Officer Signature <i>(Grant Administrator or Local Government if verifying Contractor or Contractor if verifying a Sub-Contractor):</i>		Date:
Grantee Representative Signature <i>(Local Government Authorized Representative):</i>		Date: