



MEMORANDUM

To: Mayor and Members of the City Council

From: Richard Hicks, Interim City Manager
Dwan Bell, Public Utilities Director
Jon Hawley, Grants Administrator

Date: May 6, 2022

Re: Consideration - Approval of CDBG-I Contracts for Ray Street Water and Sewer Replacement Project

BACKGROUND:

Last year, the NC Department of Environmental Quality, Division of Water Infrastructure, tentatively awarded the City funding for water and sewer line replacements along Ray Street. These lines are badly deteriorated and more than 40 years old. This project would be funded through the Community Development Block Grant-Infrastructure (CDBG-I) Program that is intended to benefit populations of low to moderate income (LMI). Our initial award was for \$930,000, the maximum we could ask for due to having recently been awarded CDBG funds for the Raw Water Transmission Main Replacement Project, Phases IIA and IIB.

On February 14, 2022, DEQ informed the City that, due to state legislation reducing yearly funding to the CDBG-I program, the City's project had to be funded through two grants using funds from different fiscal years, much like was done with our prior CDBG-I project. This requires splitting the scope of work to match available funding in each grant. Generally, sewer work would be funded through CDBG-I No. 21-I-4004, which is for \$705,451. Water work will be funded through CDBG-I No. 19-I-3648, which is for \$224,274.

This week, DEQ provided us with the grant contracts we will need to execute before we may begin this long-awaited project.

ANALYSIS:

The contracts are enclosed with this memo. The only difference between them is the scope of work, which is detailed under Exhibit A of each contract. The terms and conditions are identical in both contracts.

The grant contracts provide the extensive but standard conditions required for CDBG-I funding. The City must meet numerous milestones; highlights include:

- Execute contracts by July 15, 2022
- Engineering Report submitted by October 17, 2022; approved by March 15, 2023
- Environmental report submitted by March 15, 2023; approved by April 17, 2023
- Bid and Design Package submitted by September 18, 2023; approved by February 19, 2024
- Execute Construction contract(s) by July 22, 2024
- Construction completed by August 22, 2025
- Grant closeout submitted by December 10, 2025

The City has worked with the engineering firm Johnson, Mirmiran & Thompson (JMT) to develop this project, and City staff propose to continue to use them for developing the engineering, environmental, and bid and design documents. A construction contract will only be awarded based on competitive bids and Council approval following public hearings.

Additionally, City staff wish to advise the City Council that numerous compliance plans will need to be readopted to maintain eligibility for grant funding. City staff will develop these plans in-house using DEQ templates.

The following plans will be due by November 15, 2022:

- Equal Opportunity and Procurement Plan and Policy
- Section 3 Plan (Local Economic Benefit for low-income persons)
- Language Access Plan
- Section 504 Self-Evaluation Survey (accessibility to persons with disabilities) and adopted grievance procedures
- Residential Anti-Displacement and Relocation Assistance Plan (standard requirement, no displacement or relocation is required for our project)
- Code of Conduct, Conflict of Interest Policy
- Citizen Participation Plan
- Excessive Force Provision

Additionally, an "Equal Housing Opportunity and Affirmatively Furthering Fair Housing Plan" will be due by March 15, 2023. This will be a more extensive and time-consuming document than the other plans.

STAFF RECOMMENDATION:

By motion, accept CDBG-I awards 21-I-4004 and 19-I-3648 for the Ray Street Water and Sewer Replacement Project, and authorize the Mayor and City staff to execute all necessary documents.

ROY COOPER
Governor

ELIZABETH S. BISER
Secretary

SHADI ESRAF
Director



NORTH CAROLINA
Environmental Quality

April 22, 2022

The Honorable Bettie J. Parker, Mayor
City of Elizabeth City
P.O. Box 347
Elizabeth City, North Carolina 27907

SUBJECT: Letter of Intent to Fund
Ray Street Water and Sewer Replacement Project
November 2020 Application Cycle
CDBG-I Number 21-I-4004

Dear Mayor Parker:

As mentioned in your revised February 14, 2022 award letter, the State Water Infrastructure Authority approved funding your project through two grants to fund your November 2020 application. The 21-I-4004 grant total is \$705,451 and will abandon/remove old sewer main and laterals, remove a manhole, install approx. 1,659 linear feet of gravity sewer pipe, install approx. 485 linear feet of sewer laterals, install 6 manholes, and install cleanout assemblies.

Please note that this intent to fund is contingent on meeting all of the following milestones. **Failure to meet any milestone may result in the forfeiture of CDBG funding for the proposed project.**

Milestones	Date
Grant Contract with DWI Executed by all Parties	7/15/2022
Engineering Report (ER) Submitted & Received (<i>Submit Hardcopy and Digital</i>)	10/17/2022
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Funding Approval Conditions Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Engineering Report Approved by DWI	3/15/2023
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Approved by DWI	4/17/2023
Bid and Design Package Submitted & Received (<i>Submit Hardcopy and Digital</i>)	9/18/2023
Bid and Design Package Approved by DWI	2/19/2024
Bid Information Submitted & Received (<i>Submit digital itemized bid tabulation, etc.</i>)	5/20/2024



North Carolina Department of Environmental Quality | Division of Water Infrastructure
512 N. Salisbury Street | 1633 Mall Service Center | Raleigh, North Carolina 27699-1633
919.707.9160

An Equal Opportunity / Affirmative Action Employer
Equal Housing Opportunity



Execute Construction Contracts (<i>Submit e-copies of construction agreement, Notice of Award, Notice of Proceed, Start of Construction Card, PreBid and Pre-Con Meeting Minutes, Project Schedule</i>)	7/22/2024
Grant Contract Expiration (<i>when all construction needs to be complete</i>)	8/22/2025
Final Report and Final Reimbursement Submitted & Received	9/30/2025
Grant Closeout Submitted & Received (<i>closeout package and required documentation</i>)	12/10/2025
Milestones for Compliance Plans*	Date
Adopted Equal Opportunity and Procurement Plan and Policy Submitted & Received	11/15/2022
Adopted Section 3 Plan (Local Economic Benefit for Low and Very Low-Income Persons) Submitted & Received	11/15/2022
Adopted Language Access Plan Submitted & Received	11/15/2022
Completed Section 504 Self-Evaluation Survey and Adopted Grievance Procedures Submitted & Received	11/15/2022
Adopted Residential Anti-Displacement and Relocation Assistance Plan Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Citizen Participation Plan Submitted & Received	11/15/2022
Adopted Excessive Force Provision Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Equal Housing Opportunity & Affirmatively Furthering Fair Housing Plan & Policy Submitted & Received	3/15/2023
<i>*Please provide two copies hardcopy and digital copies of all compliance plans/policies/etc.</i>	

At this time, the City does not need to attend a mandatory compliance training and environmental review record training. In lieu of the compliance training, the new Section 3 compliance information will be provided to the City at the Start-up meeting.

The environmental certification for Mr. Jon Hawley expires on October 23, 2023. Therefore, Mr. Hawley is the only city staff authorized to be the certify officer for the City. Please ensure the individual who will prepare the required Environment Information Document is certified to do so. The environmental review procedure outlined on the website **must** be followed. The Environmental Information Document and Environmental Review Record (EID/ERR) **must** be developed using the guidance found on the Division website at <https://deq.nc.gov/about/divisions/water-infrastructure/i-have-funding/cdbg-i-environmental-review>.

In addition, two copies of the Grant Contract are enclosed. **No funds may be obligated or expended in any project activity until the Grantee and Grantor signs and dates the Grant Contract. It is highly recommended to have the City's Attorney review the Grant Contracts**

The Honorable Bettie J. Parker, Mayor
City of Elizabeth City
April 22, 2022
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prior to signature. Please sign all the grant contracts and return two contract grants (one of each grant contract) to the Division of Water Infrastructure, 1633 Mail Service Center, Raleigh, NC 27699-1633, attention: Colleen Simmons and keep two copies for the City's file.

We look forward to working with you on this important project. Please contact Colleen Simmons at 919-441-9378 or at colleen.simmons@ncdenr.gov if you have any questions.

Sincerely,


for

Shadi Eskaf, Director
Division of Water Infrastructure

Attachments

cc: Jon Hawley, Grants Management Specialist
Colleen Simmons, CDBG-I
Jennifer House, Business Office Supervisor
Stephanie Morris, CDBG-I
CDBG-Infrastructure file (General File)

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

CDBG-I PROJECT NUMBER: 21-I-4004

GRANTOR: NC DEPARTMENT OF ENVIRONMENTAL QUALITY (“DEQ” or “CDBG-I”), 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@ncdenr.gov

GRANT RECIPIENT: City of Elizabeth City, a North Carolina Local Government Unit [county], or a North Carolina Municipal Corporation [town or city] (“Grant Recipient”)

CONTRACT ADMINISTRATOR: The Honorable Bettie J. Parker, Mayor
City of Elizabeth City
306 East Colonial Avenue
Elizabeth City, North Carolina 27909
Phone: 252.337.6864
Email: bparker@cityofec.com

FEDERAL I.D. NUMBER: 56-6000226

FISCAL YEAR END DATE: June 30

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

EXECUTE CONSTRUCTION CONTRACT DATE: July 22, 2024

GRANT CONTRACT EXPIRATION DATE: August 22, 2025 (the “Expiration Date”)

FINAL REPORT & FINAL REIMBURSEMENT DATE: September 30, 2025

GRANT CLOSEOUT DATE: December 10, 2025

GRANT AMOUNT: up to \$705,451 (the “Grant”)

AWARD DATE: February 9, 2022 (the “Award Date”)

THIS GRANT CONTRACT (the "Grant Contract"), is made and entered into as of the Effective Date by and between the DEQ and the Grant Recipient, both sometimes hereinafter referred to individually as a "Party" or collectively as the "Parties".

Inclusion of fields required by 2 CFR Part 200.331:

Per requirements in 2 CFR Part 200.331, required information for this grantee is as follows:

- i) **Subrecipient name:** City of Elizabeth City, North Carolina.
- ii) **Subrecipient's unique entity identifier:** DUNS number 066023979
- iii) **Federal Award Identification Number (FAIN):** B-21-DC-37-0001
- iv) **Federal Award Date:** 8/12/2021
- v) **Subaward Period of Performance Start and End Date: Start:** Contract Execution Date _____ **End:** 12/10/2025
- vi) **Amount of Federal Funds obligated by this action by the pass-through entity to the subrecipient:** \$705,451
- vii) **Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation:** \$2,000,161.55
- viii) **Total Amount of the Federal Award committed to the subrecipient by the pass-through entity:** \$2,000,161.55
- 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: Colleen M. Simmons
- xi) **CFDA 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: \$49,393,313. Dollar Amount to the Department of Environmental Quality: \$5,000,000.
- 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.

WITNESETH:

WHEREAS, Grant Recipient 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 Grant Recipient 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 Grant Recipient's application.

WHEREAS, the State Water Infrastructure Authority determined the Grant Recipient's application at its meeting on July 14, 2021 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 Grant Recipient 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 "Ray Street Water and Sewer Replacement Project" project as described in Exhibit A.

3. **CDBG-I's Duties.** Subject to the appropriation, allocation, and availability to CDBG-I of funds for the Project, CDBG-I hereby agrees to pay the Grant funds to the Grant Recipient in accordance with the payment procedures set forth herein.
4. **Grant Recipient's Duties.** The Grant Recipient 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. In addition, the Grant Recipient shall ensure all contracts and subcontracts contain appropriate provisions to also meet applicable CDBG program requirements, 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 CDBG program requirements, laws, rules, regulations and requirements, as may be amended, including those set forth in 24 C.F.R., Part 570.
 - c. Environmental Review Procedures for the CDBG Program and the CDBG regulations contained in 24 CFR Part 58.
 - d. Conflict of Interest provisions, including but not limited to those found at N.C. Gen. Stat. § 14-234, 2 C.F.R. § 200.317-318, 320-321, 323-326, 24 C.F.R. § 570.489 (g) and (h), and 24 C.F.R. § 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 C.F.R. § 570.489(h)(ii)(4).
5. **Contract Period.** The DEQ's commitment to disburse Grant funds under this Grant Contract shall cease on the Reimbursement Date. It is the responsibility of the Grant Recipient to ensure that the Project is completed by the Expiration Date and that all costs to be reimbursed have been submitted to the DEQ by the Reimbursement Date. After the Expiration Date, any Grant monies remaining under this Grant Contract will no longer will be available to the Grant Recipient except to pay proper invoices for budgeted costs incurred by the Expiration Date. **The burden is on the Grant Recipient to request an extension of the Grant Contract if the Grant Recipient anticipates that the Project will not be completed by the Expiration Date.** The request for an extension must be made in a writing addressed to the DEQ, explaining why an extension is needed and proposing a new expiration date for the Grant Contract. DEQ must receive this request in its Division of Water Infrastructure office at least 60 days before the Expiration Date. DEQ, within its discretion, may or may not approve the extension, based on Project performance and other contributing factors. **The DEQ is not responsible for notifying the Grant Recipient of an approaching Expiration Date.**

All grant funds must be expended prior to September 1, 2028.

No funds may be obligated or expended in any project activity except the administration activity until the Grant Recipient provides DEQ with documentation of registration in the Central Contractor Registration (CCR) system. The CCR system may be accessed online at www.sam.gov.

6. **Grant Withdrawal for Failure to Enter into a Construction Contract.** This Grant Award shall be withdrawn if award conditions required for release of funds are not completed within one year of the Award Date, unless DEQ finds that the Grant Recipient has good cause for failure. If DEQ finds good cause for Grant Recipient's failure, the DEQ must set a date by which the Grant Recipient must take action or forfeit the grant.
7. **Local Economic Benefit (Section 3 Regulation).** Recipients 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. Compliance with the plan must be well documented, including the information made public and the means used to make it public.
8. **Equal Housing Opportunity and Affirmatively Furthering Fair Housing.** As a recipient of a Housing and Urban Development (HUD) federally 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 of 1968, The Fair Housing Act (Title VII 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 11246 (as amended by Executive Orders 12375 and 12086) Equal Opportunity under HUD contracts and HUD-assisted Construction Contracts; and North Carolina State Fair Housing Act (NCGS Chapter 41A). HUD implementation regulations 24 CFR Part 5.150 through 5.152, 24 CFR part 107, 24 CFR 570.601. The purpose of the Affirmatively Furthering Fair Housing (AFFH) regulations is to provide program participants with a substantive definition of the AFFH requirement, as well as to provide access to an effective planning approach to aid those program participants that wish to avail themselves of it in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination.
Thus, recipients must prepare and certify how they will affirmatively further fair housing through a policy and plan and carry out quarterly fair housing action steps/activities. Compliance with the plan and policy must be documented, including the information made public and the means used to make it public.
9. **Section 504 of the Rehabilitation Act of 1973.** Recipients 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. Compliance with the plan

must be documented, including the information made public and the means used to make it public.

10. **Americans with Disabilities Act (ADA).** State and local governments 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.

11. **Language Access Plan (LAP).** Recipients 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 Recipients take responsible steps to ensure meaningful access by LEP persons. Compliance with the plan must be documented, including the information made public and the means used to make it public.

12. **Procurement Standards.** Where applicable, Recipient shall follow the procurement standards established in the CDBG-Infrastructure Procurement Policy, based on the " Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 C.F.R. § 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 the Section 3 clause, per 24 C.F.R. 570.489 (g) and 24 C.F.R. 135.38.

13. **Uniform Relocation Assistance and Real Acquisition Act of 1970 (URA).** A recipient 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.

14. **Relocation, Anti-Displacement and Relocation Assistance Plan.** A recipient must adhere to Section 104(d) of the Housing and Community Development Act of 1974, as amended. Thus, recipients must have a plan to minimize residential displacement and to provide relocation assistance to displaced residents in a timely manner. Compliance with the plan must be documented, including the information made public and the means used to make it public. Implementation regulations include 24 CFR part 42, subpart C and Section 104(d).

15. **Financial Management.** Recipient shall agree to follow applicable sections of the Uniform Administration Requirements, Cost Principles, and Audit Requirements (2 CFR

Part 200, Subparts A, B, and F) and policies established by NCDEQ pertaining to procurement of goods and services. Recipient shall adopt a procurement policy establishing procurement practices that are open, fair, and equitable. Procurement processes must be documented, and the documentation maintained in the project files. Recipient shall file the annual audit in a timely manner with the Local Government Commission, NC Department of Treasurer, and risk having funds frozen should the audit be submitted after the deadline set by the Local Government Commission.

16. **Labor Standards.** Recipient 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 C.F.R. § 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 work-week.
 - 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. In addition, a Semiannual Labor report must be submitted on March 30th, and September 29th while the grant is open.
17. **Architectural Barriers.** Per 24 C.F.R. §§ 570.487 and 570.614 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, Recipient 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 Recipient 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 Recipient must meet in constructing or altering building and facilities, to make them accessible to and useable by the physically handicapped.
24. **Excessive Force Provision.** Recipient must submit to DEQ an adopted "Excessive Force Provision". Per Section 519 of Public Law 101-144, (1990 HUD Appropriations Act), the recipient of CDBG funds 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.
25. **Environmental Review.** Recipients 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 and complete an Environmental Review Record (ERR).
26. **Floodplain.** Recipients must provide the Division with a certification signed by the CEO stating that the project area is not in a floodplain along with a floodplain map of the project area; or with a certification stating the process that will be followed, if the project occurs in the following floodplain zones:
- If the project occurs in a Coastal High Hazard Area (V Zone) or a floodway, federal assistance may not be used at this location if the project is a critical action pursuant to 24 CFR 55.1(c) and 55 Subpart B except as provided therein. For projects allowed under 24 CFR 55.1(c) and 55 Subpart B, the eight-step process shall be followed pursuant to 24 CFR 55.20.**
- If the project occurs in a 100-year floodplain (A Zone), the 8-Step Process is required as provided for in 40 CFR 55.20 or as reduced to the 5-Step Process pursuant to 40 CFR 55.12(a), unless an exception is applicable pursuant to 40 CFR 55.12(b).**
- If the project occurs in a 500-year floodplain (B Zone or shaded X Zone), the 8-Step Process is required for critical actions as provided for in 40 CFR 55.20 or as reduced to the 5-Step Process pursuant to 40 CFR 55.12(a), unless an exception is applicable pursuant to 40 CFR 55.12(b).**
27. **Complaints and Grievance Procedures for Compliance Plans.** Recipients 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.
28. **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 to the amount of program funds being deobligated to DEQ.

IN WITNESS WHEREOF, the Grant Recipient 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 RECIPIENT:

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. 21-I-4004

Project Description: The City of Elizabeth City's project consists of abandoning and removing old sewer main and laterals, removal of a man hole, installation of approximately 1,659 linear feet of gravity sewer pipe, installation of 485 linear feet of sewer laterals, install six (6) manholes, and cleanout assemblies. Also, the abandoning and removing of approximately 1,658 linear feet of water main and service lines. The replacement of the water line will be funded in the 19-I-3648 CDBG-I award. The low-to-moderate income percentage of the project area is 68.62 percent, and the poverty level for the entire city is 24.6 percent.

Changes to this project description must be requested in writing, and formalized in an 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: July 22, 2024.** 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 Grant Recipient had good cause for such failure and the Board of Trustees has set a date by which the Grant Recipient must take action.
2. **Grant Contract Expiration Date: August 22, 2025.** 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 Grant Recipient for Project costs incurred after this date.
3. **Final Report and Final Reimbursement Date: September 30, 2025.** 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 Grant Recipient for costs incurred after the Contract Expiration Date.
4. **Grant Closeout Date: December 10, 2025.** 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.

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 grant administration activities in the above mentioned project until the recipient has complied with the Environmental Review procedures for the CDBG-Infrastructure program

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

Milestones	Date
Grant Contract with DWI Executed by all Parties	7/15/2022
Engineering Report (ER) Submitted & Received (<i>Submit Hardcopy and Digital</i>)	10/17/2022
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Funding Approval Conditions Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Engineering Report Approved by DWI	3/15/2023
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Approved by DWI	4/17/2023
Bid and Design Package Submitted & Received (<i>Submit Hardcopy and Digital</i>)	9/18/2023
Bid and Design Package Approved by DWI	2/19/2024
Bid Information Submitted & Received (<i>Submit digital itemized bid tabulation, etc.</i>)	5/20/2024
Execute Construction Contracts (<i>Submit e-copies of construction agreement, Notice of Award, Notice of Proceed, Start of Construction Card, PreBid and Pre-Con Meeting Minutes, Project Schedule</i>)	7/22/2024
Grant Contract Expiration (<i>when all construction needs to be complete</i>)	8/22/2025
Final Report and Final Reimbursement Submitted & Received	9/30/2025
Grant Closeout Submitted & Received (<i>closeout package and required documentation</i>)	12/10/2025
Milestones for Compliance Plans*	Date
Adopted Equal Opportunity and Procurement Plan and Policy Submitted & Received	11/15/2022
Adopted Section 3 Plan (Local Economic Benefit for Low and Very Low-Income Persons) Submitted & Received	11/15/2022
Adopted Language Access Plan Submitted & Received	11/15/2022
Completed Section 504 Self-Evaluation Survey and Adopted Grievance Procedures Submitted & Received	11/15/2022
Adopted Residential Anti-Displacement and Relocation Assistance Plan Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Citizen Participation Plan Submitted & Received	11/15/2022
Adopted Excessive Force Provision Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Equal Housing Opportunity & Affirmatively Furthering Fair Housing Plan & Policy Submitted & Received	3/15/2023
<i>*Please provide two copies hardcopy and digital copies of all compliance plans/policies/etc.</i>	

EXHIBIT B

CDBG-I Project No. 21-I-4004

PROJECT BUDGET, DISTRIBUTION OF FUNDS, AND REFUNDS

1. Project Budget

- a. To obtain payment, the Grant Recipient must submit itemized documentation substantiating direct costs incurred in the implementing the project.

- b. Matching funds are contributed by:

<i>Funder</i>	Type of funding & Status of Funding	Matching Funds	Percent
CDBG-I	Grant	\$705,451	100%
Local – specify	Bonds, reserves, in-kind etc.	\$ 0	0%
Other public funding source(s) – specify	SRF loan, state grants, Golden Leaf, ARC, etc.	\$ 0	0%
<i>Total</i>		\$705,451	100%

2. Disbursement of Grant Funds.

- a. No funds may be obligated or expended in any project activity except for the administration activity in the project until the recipient has complied with the Environmental Review Procedures for the CDBG Program and the CDBG environmental regulations contained in 24 CFR Part 58.

- b. No funds may be obligated or expended in any project activity except the administration activity until the recipient has submitted either a copy of the contract awarded for administration of this grant or a statement signed by the authorized representative stating that the contract will be administered internally.

- c. Requests for Payment. Disbursement of Grant funds for the Project shall be made by no less than monthly reimbursement of Grant Recipient's expenditures on the Project as set forth in Exhibits A and B. To obtain reimbursement, the Grant Recipient shall submit to the DEQ's Contract Administrator the following documentation:
 - (i) A completed and signed Payment Request form, 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 reimbursement that does not clearly identify each expenditure and relate each expenditure to the line items shown on Exhibit E will not be processed, and will be returned to the Grant Recipient for correction and re-submittal. **Grant Recipient 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, reimbursements 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 reimbursements without requiring such certificates or construction contractor's estimate, in which event the Grant Recipient shall furnish the DEQ a list of and the amounts of items to be paid out of the reimbursement, or such other evidence as the DEQ may require.
- e. Reimbursement Based on Progress. The Grant Recipient 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 reimbursement. Reimbursement may be withheld or delayed if Grant Recipient fails to make progress on the Project satisfactory to the DEQ. Amounts withheld shall be reimbursed with subsequent reimbursements in the event that Grant Recipient is able to demonstrate an ability to resume satisfactory progress toward completion of the Project.
- f. Proof of Payment. The Grant Recipient 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 Grant Recipient if costs are documented by unpaid third-party invoices. In order for DEQ to disburse grant funds to the Grant Recipient based upon unpaid third-party invoices, the Grant Recipient 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 Grant Recipient will confirm to DEQ that the required payment has been made within three banking days of receipt of funds.

- h. Payment of Construction Contingency Funds. Construction contingency funds will not be disbursed until the Grant Recipient has demonstrated that it has expended at least 90% of all other matching funds including matching grant and/or loan funds.
- i. DEQ Retaining Portion of Funds Until Project Completion. The DEQ will withhold payment from the Grant Recipient in the amount of five percent (5%) of the Grant Administration line item until the Grant Recipient has satisfactorily submitted its Final Report.
- j. No Excess Costs. The DEQ agrees to pay or reimburse the Grant Recipient only for costs actually incurred by the Grant Recipient that do not exceed the funds budgeted for the Project shown on Exhibit B.
- k. Costs of Project Administration. The DEQ agrees to reimburse the Grant Recipient for administrative costs consisting only of costs of labor for administrative work conducted exclusively on this Project. The Grant Recipient's requests for such reimbursement shall be made under the Project Administration line item of Exhibit B and shall conform with the following:
 - (i) Costs allowable under the Project 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). Allowable Project Administration labor costs may include any of the following: (a) pay to the Grant Recipient's payroll employees, plus the Grant Recipient'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 Grant Recipient (e.g., temporary office support), payable at the Grant Recipient's actual cost, without application of a benefits multiplier; and/or (c) cost of professional services labor contracted by the Grant Recipient (e.g., engineering firm or consultant), payable at the Grant Recipient's actual cost for that labor.
 - (ii) Costs of any other work described in the Project Scope of Work in Exhibit A are not allowable under the Project Administration line item.
 - (iii) No more than sixty percent (60%) of the Project Administration line item shall be reimbursed prior to the start of construction.
- l. Period for Incurring Reimbursable Expenditures. The DEQ will reimburse the Grant Recipient only for allowable Project expenditures that are incurred by the Grant Recipient or the Grant Recipient's consultants, contractors, or vendors during the period between the Award Date and the Expiration Date of the Grant Contract. The DEQ will not reimburse the Grant Recipient for Project expenditures that are not incurred during this period.

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

- a. Refunds. The Grant Recipient 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 Grant Recipient shall repay to the DEQ administration funds in proportion 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 Grant Recipient 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 Grant Recipient expects actual construction costs to be less than budgeted construction costs, as follows:
 - (i) The Grant Recipient 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 Grant Recipient 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 Grant Recipient's construction costs only after the amendment has been signed by both the Grant Recipient and the DEQ. Grant administration funds shall be reduced in proportion to the project funds being reduced.
- d. Reimbursement to DEQ for Improper Expenditures. The Grant Recipient 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 City of Elizabeth City 21-I-4004

		CDBG Grant Amount Approved:				\$705,451	
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	\$650,451.00	\$650,451.00	\$ -	\$ -	\$ -	\$ -	\$ -
(14) Public Water Improvements	\$ 55,000.00	\$ 55,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Housing Rehab - water connections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) Housing Rehab - sewer connections	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration (10%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$705,451.00	\$705,451.00	\$ -	\$ -	\$ -	\$ -	\$ -

EXHIBIT C

REPORTING, RECORD KEEPING, AND AUDIT REQUIREMENTS

1. Project Progress Reports. Grant Recipient 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. Grant Contract Final Report. Grant Recipient 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 Grant Recipient 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 Grant Recipient 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. Copy of Engineer's Certification of Completion.

3. Recordkeeping Requirements. Grant Recipient will maintain all records and comply with all responsibilities as required under CDBG recordkeeping for example, 24 C.F.R. 570.490 ("Recordkeeping Requirements"), 24 C.F.R. § 570.506 ("Records to be maintained") and 2 C.F.R. § 200.333-337 ("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.

4. Project Audits. Grant Recipient agrees that the Fund and the State have the right to audit the books and records of the Grant Recipient 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 Grant Recipient shall retain complete accounting records, including original invoices, payrolls, contracts, or other documents clearly showing the nature of all costs incurred under this Grant Contract, for that same period of time. The Grant Recipient 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 Recipient's records.

Grant recipients expending at least \$750,000 in total federal funds in one fiscal year are required to have an audit conducted in accordance with 2 CFR § 200.501, except when Recipient elects to have a program-specific audit conducted in accordance with 2 CFR §200.507. **This audit must be submitted to the North Carolina Local Government Commission, and must also be submitted to the Federal Audit Clearinghouse (<http://harvester.census.gov/sac/>) within 30 days after receipt of the auditor's report, or nine months after the end of the audit period, whichever is earlier.**

Notification must be given to your CDBG-I's Contract Administrator once your audit has been submitted to the Federal Audit Clearinghouse for their review. Any findings noted in that audit will be the responsibility of the grant recipient.

5. Access to Records. The Grant Recipient 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.
6. Release of Personal Financial and Identifying Information. To ensure and document compliance with CDBG income requirements as well as other matters, Grant Recipient 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, Grant Recipient is obligated to provide access to any and 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, Grant Recipient 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
<http://portal.ncdenr.org/web/wi/cdbg>.

CDBG-1 QUARTERLY PROGRESS REPORT (Activities and Benefit)

Grantee: _____
 Period Covered (Month/Year): _____

Grant No: _____
 Calendar Quarter: January-March

Amount Awarded: _____
 Date Prepared: _____

A. Activity	LF, # Properties Connected, Treatment Plan Rehab Proposed (Describe)	LF or # Completed This Quarter (Describe)	LF or # Completed To Date (Describe)
TOTAL			

Note: Please report benefits (indirect and direct) for the project, if any. Otherwise, explain the reason of no benefit during project.

B. Activity	# Persons Proposed	# Households Proposed	# Persons AMI	# Households AMI	# Persons MI	# Households MI	# Persons LI	# Households LI	# Persons VLI	# Households VLI	Race
TOTAL	0	0	0	0	0	0	0	0	0	0	

CDBG-I QUARTERLY PROGRESS REPORT (Grant Finances)

Grantee: _____ Grant No: _____ Amount Awarded: _____
 Period Covered (Month/Year): _____ Calendar Quarter: _____ Date Prepared: _____

C. Activity	Activity Code	CDBG Budget	Expended This Quarter	Expended To Date	Amount Requested This Quarter	Amount Requested To Date	Local Funds Obligated	Local Funds Expended To Date
TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

D. Activity - Administration*	Activity Code	CDBG Budget	Expended This Quarter	Expended To Date	Amount Requested This Quarter	Amount Requested To Date	Local Funds Obligated	Local Funds Expended To Date
TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Please provide a brief description of budget expended in activities within administration.

Notes:

Authorized Representative: _____
 Title: _____

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
(see next page)

Electronic version of the Reimbursement Request Form is found at
<http://portal.ncdenr.org/web/wi/cdbg>.

EXHIBIT E

REIMBURSEMENT REQUEST FORM

Division of Water Infrastructure		Project No:	
Period Covered by this Report: From	<input type="text"/>	To	<input type="text"/>
Recipient Organization			
Name:	<input type="text"/>	Payment No:	<input type="text"/>
Address:	<input type="text"/>	Page No:	<input type="text"/>
City, State & Zip:	<input type="text"/>	Of	<input type="text"/>

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 REIMBURSEMENT 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 Grant Recipient 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 Recipient 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 Grant Recipient 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 Grant Recipient and is used interchangeably herein with the term "Contract".
8. "Grant Recipient" 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 Grant Recipient's use in conducting the project.

EXHIBIT G

GENERAL TERMS AND CONDITIONS

A. Affirmative Covenants

1. Compliance with Laws. Grant Recipient 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 Grant Recipient agrees to take reasonable steps to advise Project participants that they shall comply in the same manner.
2. Insurance. The Grant Recipient 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. Grant Recipient will ensure that all contractors furnish adequate payment and performance bonds.
3. No Liens. The Grant Recipient 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. Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient:

1. No Actions. There are no actions, suits, or proceedings pending, or to the knowledge of the Grant Recipient, threatened, against or affecting the Grant Recipient before any court, arbitrator, or governmental or administrative body or agency which might affect the Grant Recipient'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. Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient abandons or otherwise ceases to continue to make reasonable progress towards completion of the Project.

E. Fund'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 Grant Recipient, amounts required to resolve at minimum costs any irrevocable obligations properly incurred by Grant Recipient 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 Grant Recipient'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 Grant Recipient, 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 to 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient to a sub-grant recipient of any duty or obligation hereunder does not relieve the Grant Recipient 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 Grant Recipient to comply with the terms of this Grant Contract. Any such delegation of duties or obligations shall be in writing, signed by the Grant Recipient 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 Grant Recipient, its agents or employees, agents or representatives of the DEQ. The Grant Recipient 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 or arising against the Grant Recipient. The Grant Recipient 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, the DEQ.
6. Indemnity. The Grant Recipient 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 Grant Recipient, 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 Grant Recipient 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.

ROY COOPER
Governor
 ELIZABETH S. BISER
Secretary
 SHADI ESRAF
Director



April 22, 2022

The Honorable Bettie J. Parker, Mayor
 City of Elizabeth City
 P.O. Box 347
 Elizabeth City, North Carolina 27907

SUBJECT: Letter of Intent to Fund
 Ray Street Water and Sewer Replacement Project
 November 2020 Application Cycle
 CDBG-I Number 19-I-3648

Dear Mayor Parker:

As mentioned in your revised February 14, 2022 award letter, the State Water Infrastructure Authority approved funding your project through two grants to fund your November 2020 application. This 19-I-3648 grant total is \$224,274 and will replace approximately 1,658 linear feet of deteriorated water main with 6" PVC pipe, install necessary valves and fire hydrant assembly, and replacement of copper service lines.

Please note that this intent to fund is contingent on meeting all of the following milestones. **Failure to meet any milestone may result in the forfeiture of CDBG funding for the proposed project.**

Milestones	Date
Grant Contract with DWI Executed by all Parties	7/15/2022
Engineering Report (ER) Submitted & Received (<i>Submit Hardcopy and Digital</i>)	10/17/2022
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Funding Approval Conditions Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Engineering Report Approved by DWI	3/15/2023
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Approved by DWI	4/17/2023
Bid and Design Package Submitted & Received (<i>Submit Hardcopy and Digital</i>)	9/18/2023
Bid and Design Package Approved by DWI	2/19/2024
Bid Information Submitted & Received (<i>Submit digital itemized bid tabulation, etc.</i>)	5/20/2024



North Carolina Department of Environmental Quality | Division of Water Infrastructure
 512 N. Salisbury Street | 1633 Mall Service Center | Raleigh, North Carolina 27699-1633
 919.707.9160

An Equal Opportunity / Affirmative Action Employer
 Equal Housing Opportunity



Execute Construction Contracts (<i>Submit e-copies of construction agreement, Notice of Award, Notice of Proceed, Start of Construction Card, PreBid and Pre-Con Meeting Minutes, Project Schedule</i>)	7/22/2024
Grant Contract Expiration (<i>when all construction needs to be complete</i>)	8/22/2025
Final Report and Final Reimbursement Submitted & Received	9/30/2025
Grant Closeout Submitted & Received (<i>closeout package and required documentation</i>)	12/10/2025
Milestones for Compliance Plans*	Date
Adopted Equal Opportunity and Procurement Plan and Policy Submitted & Received	11/15/2022
Adopted Section 3 Plan (Local Economic Benefit for Low and Very Low-Income Persons) Submitted & Received	11/15/2022
Adopted Language Access Plan Submitted & Received	11/15/2022
Completed Section 504 Self-Evaluation Survey and Adopted Grievance Procedures Submitted & Received	11/15/2022
Adopted Residential Anti-Displacement and Relocation Assistance Plan Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Citizen Participation Plan Submitted & Received	11/15/2022
Adopted Excessive Force Provision Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Equal Housing Opportunity & Affirmatively Furthering Fair Housing Plan & Policy Submitted & Received	3/15/2023
<i>*Please provide two copies, hardcopy and digital of all compliance plans/policies/etc.</i>	

At this time, the City does not need to attend a mandatory compliance training and environmental review record training. In lieu of the compliance training, the new Section 3 compliance information will be provided to the City at the Start-up meeting.

The environmental certification for Mr. Jon Hawley expires on October 23, 2023. Therefore, Mr. Hawley is the only city staff authorized to be the certify officer for the City. Please ensure the individual who will prepare the required Environment Information Document is certified to do so. The environmental review procedure outlined on the website **must** be followed. The Environmental Information Document and Environmental Review Record (EID/ERR) **must** be developed using the guidance found on the Division website at <https://deq.nc.gov/about/divisions/water-infrastructure/i-have-funding/cdbg-i-environmental-review>.


In addition, two copies of the Grant Contract are enclosed. **No funds may be obligated or expended in any project activity until the Grantee and Grantor signs and dates the Grant Contract. It is highly recommended to have the City's Attorney review the Grant Contracts**

The Honorable Bettie J. Parker, Mayor
City of Elizabeth City
April 22, 2022
Page 3 of 3

prior to signature. Please sign all the grant contracts and return two contract grants (one of each grant contract) to the Division of Water Infrastructure, 1633 Mail Service Center, Raleigh, NC 27699-1633, attention: Colleen Simmons and keep two copies for the City's file.

We look forward to working with you on this important project. Please contact Colleen Simmons at 919-441-9378 or at colleen.simmons@ncdenr.gov if you have any questions.

Sincerely,



for Shadi Eskaf, Director
Division of Water Infrastructure

Attachments

cc: Jon Hawley, Grants Management Specialist
Colleen Simmons, CDBG-I
Jennifer House, Business Office Supervisor
Stephanie Morris, CDBG-I
CDBG-Infrastructure file (General File)

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

CDBG-I PROJECT NUMBER: 19-I-3648

GRANTOR: NC DEPARTMENT OF ENVIRONMENTAL QUALITY (“DEQ” or “CDBG-I”), 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@ncdenr.gov

GRANT RECIPIENT: City of Elizabeth City, a North Carolina Local Government Unit [*county*], or a North Carolina Municipal Corporation [*town or city*] (“Grant Recipient”)

CONTRACT ADMINISTRATOR: The Honorable Bettie J. Parker, Mayor
City of Elizabeth City
306 East Colonial Avenue
Elizabeth City, North Carolina 27909
Phone: 252.337.6864
Email: bparker@cityofec.com

FEDERAL I.D. NUMBER: 56-6000226

FISCAL YEAR END DATE: June 30

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

EXECUTE CONSTRUCTION CONTRACT DATE: July 22, 2024

GRANT CONTRACT EXPIRATION DATE: August 22, 2025 (the “Expiration Date”)

FINAL REPORT & FINAL REIMBURSEMENT DATE: September 30, 2025

GRANT CLOSEOUT DATE: December 10, 2025

GRANT AMOUNT: up to \$224,274 (the “Grant”)

AWARD DATE: February 9, 2022 (the “Award Date”)

THIS GRANT CONTRACT (the "Grant Contract"), is made and entered into as of the Effective Date by and between the DEQ and the Grant Recipient, both sometimes hereinafter referred to individually as a "Party" or collectively as the "Parties".

Inclusion of fields required by 2 CFR Part 200.331:

Per requirements in 2 CFR Part 200.331, required information for this grantee is as follows:

- i) **Subrecipient name:** City of Elizabeth City, North Carolina.
- ii) **Subrecipient's unique entity identifier:** DUNS number 066023979
- iii) **Federal Award Identification Number (FAIN):** B-19-DC-37-0001
- iv) **Federal Award Date:** 8/27/19
- v) **Subaward Period of Performance Start and End Date: Start:** _____
End: 12-10-2025
- vi) **Amount of Federal Funds obligated by this action by the pass-through entity to the subrecipient:** \$224,274
- vii) **Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation:** \$2,000,161.55
- viii) **Total Amount of the Federal Award committed to the subrecipient by the pass-through entity:** \$2,000,161.55
- 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: Colleen M. Simmons
- xi) **CFDA 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: \$47,529,379. Dollar Amount to the Department of Environmental Quality: \$25,496,369.
- 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, Grant Recipient 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 Grant Recipient 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 Grant Recipient's application.

WHEREAS, the State Water Infrastructure Authority determined the Grant Recipient's application at its meeting on July 14, 2021 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 Grant Recipient 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 "Ray Street Water and Sewer Replacement Project" project as described in Exhibit A.

3. **CDBG-I's Duties.** Subject to the appropriation, allocation, and availability to CDBG-I of funds for the Project, CDBG-I hereby agrees to pay the Grant funds to the Grant Recipient in accordance with the payment procedures set forth herein.
4. **Grant Recipient's Duties.** The Grant Recipient 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. In addition, the Grant Recipient shall ensure all contracts and subcontracts contain appropriate provisions to also meet applicable CDBG program requirements, 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 CDBG program requirements, laws, rules, regulations and requirements, as may be amended, including those set forth in 24 C.F.R., Part 570.
 - c. Environmental Review Procedures for the CDBG Program and the CDBG regulations contained in 24 CFR Part 58.
 - d. Conflict of Interest provisions, including but not limited to those found at N.C. Gen. Stat. § 14-234, 2 C.F.R. § 200.317-318, 320-321, 323-326, 24 C.F.R. § 570.489 (g) and (h), and 24 C.F.R. § 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 C.F.R. § 570.489(h)(ii)(4).
5. **Contract Period.** The DEQ's commitment to disburse Grant funds under this Grant Contract shall cease on the Reimbursement Date. It is the responsibility of the Grant Recipient to ensure that the Project is completed by the Expiration Date and that all costs to be reimbursed have been submitted to the DEQ by the Reimbursement Date. After the Expiration Date, any Grant monies remaining under this Grant Contract will no longer will be available to the Grant Recipient except to pay proper invoices for budgeted costs incurred by the Expiration Date. **The burden is on the Grant Recipient to request an extension of the Grant Contract if the Grant Recipient anticipates that the Project will not be completed by the Expiration Date.** The request for an extension must be made in a writing addressed to the DEQ, explaining why an extension is needed and proposing a new expiration date for the Grant Contract. DEQ must receive this request in its Division of Water Infrastructure office at least 60 days before the Expiration Date. DEQ, within its discretion, may or may not approve the extension, based on Project performance and other contributing factors. **The DEQ is not responsible for notifying the Grant Recipient of an approaching Expiration Date.**

All grant funds must be expended prior to September 1, 2026.

No funds may be obligated or expended in any project activity except the administration activity until the Grant Recipient provides DEQ with documentation of registration in the Central Contractor Registration (CCR) system. The CCR system may be accessed online at www.sam.gov.

6. **Grant Withdrawal for Failure to Enter into a Construction Contract.** This Grant Award shall be withdrawn if award conditions required for release of funds are not completed within one year of the Award Date, unless DEQ finds that the Grant Recipient has good cause for failure. If DEQ finds good cause for Grant Recipient's failure, the DEQ must set a date by which the Grant Recipient must take action or forfeit the grant.
7. **Local Economic Benefit (Section 3 Regulation).** Recipients 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. Compliance with the plan must be well documented, including the information made public and the means used to make it public.
8. **Equal Housing Opportunity and Affirmatively Furthering Fair Housing.** As a recipient of a Housing and Urban Development (HUD) federally 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 of 1964, The Fair Housing Act (Title VII 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 11246 (as amended by Executive Orders 12375 and 12086) Equal Opportunity under HUD contracts and HUD-assisted Construction Contracts; and North Carolina State Fair Housing Act (NCGS Chapter 41A). HUD implementation regulations 24 CFR Part 5.150 through 5.152, 24 CFR part 107, 24 CFR 570.601. The purpose of the Affirmatively Furthering Fair Housing (AFFH) regulations is to provide program participants with a substantive definition of the AFFH requirement, as well as to provide access to an effective planning approach to aid those program participants that wish to avail themselves of it in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination.
Thus, recipients must prepare and certify how they will affirmatively further fair housing through a policy and plan and carry out quarterly fair housing action steps/activities. Compliance with the plan and policy must be documented, including the information made public and the means used to make it public.
9. **Section 504 of the Rehabilitation Act of 1973.** Recipients 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. Compliance with the plan

must be documented, including the information made public and the means used to make it public.

10. **Americans with Disabilities Act (ADA).** State and local governments 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.
11. **Language Access Plan (LAP).** Recipients 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 Recipients take responsible steps to ensure meaningful access by LEP persons. Compliance with the plan must be documented, including the information made public and the means used to make it public.
12. **Procurement Standards.** Where applicable, Recipient shall follow the procurement standards established in the CDBG-Infrastructure Procurement Policy, based on the " Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 C.F.R. § 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 the Section 3 clause, per 24 C.F.R. 570.489 (g) and 24 C.F.R. 135.38.
13. **Uniform Relocation Assistance and Real Acquisition Act of 1970 (URA).** A recipient 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.
14. **Relocation, Anti-Displacement and Relocation Assistance Plan.** A recipient must adhere to Section 104(d) of the Housing and Community Development Act of 1974, as amended. Thus, recipients must have a plan to minimize residential displacement and to provide relocation assistance to displaced residents in a timely manner. Compliance with the plan must be documented, including the information made public and the means used to make it public. Implementation regulations include 24 CFR part 42, subpart C and Section 104(d).
15. **Financial Management.** Recipient shall agree to follow applicable sections of the Uniform Administration Requirements, Cost Principles, and Audit Requirements (2 CFR

Part 200, Subparts A, B, and F) and policies established by NCDEQ pertaining to procurement of goods and services. Recipient shall adopt a procurement policy establishing procurement practices that are open, fair, and equitable. Procurement processes must be documented, and the documentation maintained in the project files. Recipient shall file the annual audit in a timely manner with the Local Government Commission, NC Department of Treasurer, and risk having funds frozen should the audit be submitted after the deadline set by the Local Government Commission.

16. **Labor Standards.** Recipient 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 C.F.R. § 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 work-week.
 - 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. In addition, a Semiannual Labor report must be submitted on March 30th, and September 29th while the grant is open.
17. **Architectural Barriers.** Per 24 C.F.R. §§ 570.487 and 570.614 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, Recipient 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 Recipient 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 Recipient must meet in constructing or altering building and facilities, to make them accessible to and useable by the physically handicapped.
24. **Excessive Force Provision.** Recipient must submit to DEQ an adopted "Excessive Force Provision". Per Section 519 of Public Law 101-144, (1990 HUD Appropriations Act), the recipient of CDBG funds 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.
25. **Environmental Review.** Recipients 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 and complete an Environmental Review Record (ERR).
26. **Floodplain.** Recipients must provide the Division with a certification signed by the CEO stating that the project area is not in a floodplain along with a floodplain map of the project area; or with a certification stating the process that will be followed, if the project occurs in the following floodplain zones:
- If the project occurs in a Coastal High Hazard Area (V Zone) or a floodway, federal assistance may not be used at this location if the project is a critical action pursuant to 24 CFR 55.1(c) and 55 Subpart B except as provided therein. For projects allowed under 24 CFR 55.1(c) and 55 Subpart B, the eight-step process shall be followed pursuant to 24 CFR 55.20.**
- If the project occurs in a 100-year floodplain (A Zone), the 8-Step Process is required as provided for in 40 CFR 55.20 or as reduced to the 5-Step Process pursuant to 40 CFR 55.12(a), unless an exception is applicable pursuant to 40 CFR 55.12(b).**
- If the project occurs in a 500-year floodplain (B Zone or shaded X Zone), the 8-Step Process is required for critical actions as provided for in 40 CFR 55.20 or as reduced to the 5-Step Process pursuant to 40 CFR 55.12(a), unless an exception is applicable pursuant to 40 CFR 55.12(b).**
27. **Complaints and Grievance Procedures for Compliance Plans.** Recipients 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.
28. **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 to the amount of program funds being deobligated to DEQ.

IN WITNESS WHEREOF, the Grant Recipient 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 RECIPIENT:

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. 19-I-3648

Project Description: The City of Elizabeth City's project consists of the replacement of approximately 1,658 linear feet of deteriorated water main with 6" PVC pipe, install necessary valves and fire hydrant assembly, and replacement of copper service lines. The low-to-moderate income percentage of the project area is 68.62 percent, and the poverty level for the entire town is 24.6 percent.

Changes to this project description must be requested in writing, and formalized in an 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: July 22, 2024.** 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 Grant Recipient had good cause for such failure and the Board of Trustees has set a date by which the Grant Recipient must take action.
2. **Grant Contract Expiration Date: August 22, 2025.** 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 Grant Recipient for Project costs incurred after this date.
3. **Final Report and Final Reimbursement Date: September 30, 2025.** 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 Grant Recipient for costs incurred after the Contract Expiration Date.
4. **Grant Closeout Date: December 10, 2025.** 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.

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 grant administration activities in the above mentioned project until the recipient has complied with the Environmental Review procedures for the CDBG-Infrastructure program.

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

Milestones	Date
Grant Contract with DWI Executed by all Parties	7/15/2022
Engineering Report (ER) Submitted & Received (<i>Submit Hardcopy and Digital</i>)	10/17/2022
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Funding Approval Conditions Submitted & Received (<i>Submit Hardcopy and Digital</i>)	3/15/2023
Engineering Report Approved by DWI	3/15/2023
Environmental Information Document/Environment Review Record (EID/ERR) and Request for Release of Funds Approved by DWI	4/17/2023
Bid and Design Package Submitted & Received (<i>Submit Hardcopy and Digital</i>)	9/18/2023
Bid and Design Package Approved by DWI	2/19/2024
Bid Information Submitted & Received (<i>Submit digital itemized bid tabulation, etc.</i>)	5/20/2024
Execute Construction Contracts (<i>Submit e-copies of construction agreement, Notice of Award, Notice of Proceed, Start of Construction Card, PreBid and Pre-Con Meeting Minutes, Project Schedule</i>)	7/22/2024
Grant Contract Expiration (<i>when all construction needs to be complete</i>)	8/22/2025
Final Report and Final Reimbursement Submitted & Received	9/30/2025
Grant Closeout Submitted & Received (<i>closeout package and required documentation</i>)	12/10/2025
Milestones for Compliance Plans*	Date
Adopted Equal Opportunity and Procurement Plan and Policy Submitted & Received	11/15/2022
Adopted Section 3 Plan (Local Economic Benefit for Low and Very Low-Income Persons) Submitted & Received	11/15/2022
Adopted Language Access Plan Submitted & Received	11/15/2022
Completed Section 504 Self-Evaluation Survey and Adopted Grievance Procedures Submitted & Received	11/15/2022
Adopted Residential Anti-Displacement and Relocation Assistance Plan Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Citizen Participation Plan Submitted & Received	11/15/2022
Adopted Excessive Force Provision Submitted & Received	11/15/2022
Adopted Code of Conduct / Conflict of Interest Policy Submitted & Received	11/15/2022
Adopted Equal Housing Opportunity & Affirmatively Furthering Fair Housing Plan & Policy Submitted & Received	3/15/2023
<i>*Please provide two copies hardcopy and digital of all compliance plans/policies/etc.</i>	

EXHIBIT B
CDBG-I Project No. 19-I-3648

PROJECT BUDGET, DISTRIBUTION OF FUNDS, AND REFUNDS

1. Project Budget

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

<i>Funder</i>	Type of funding & Status of Funding	Matching Funds	Percent
CDBG-I	Grant	\$224,274	100%
Local – specify	Bonds, reserves, in-kind etc.	\$ 0	0%
Other public funding source(s) – specify	SRF loan, state grants, Golden Leaf, ARC, etc.	\$ 0	0%
<i>Total</i>		\$224,274	100%

2. Disbursement of Grant Funds.

- a. No funds may be obligated or expended in any project activity except for the administration activity in the project until the recipient has complied with the Environmental Review Procedures for the CDBG Program and the CDBG environmental regulations contained in 24 CFR Part 58.
- b. No funds may be obligated or expended in any project activity except the administration activity until the recipient has submitted either a copy of the contract awarded for administration of this grant or a statement signed by the authorized representative stating that the contract will be administered internally.
- c. Requests for Payment. Disbursement of Grant funds for the Project shall be made by no less than monthly reimbursement of Grant Recipient's expenditures on the Project as set forth in Exhibits A and B. To obtain reimbursement, the Grant Recipient shall submit to the DEQ's Contract Administrator the following documentation:
 - (i) A completed and signed Payment Request form, 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 reimbursement that does not clearly identify each expenditure and relate each expenditure to the line items shown on Exhibit E will not be processed, and will be returned to the Grant Recipient for correction and re-submittal. **Grant Recipient 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, reimbursements 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 reimbursements without requiring such certificates or construction contractor's estimate, in which event the Grant Recipient shall furnish the DEQ a list of and the amounts of items to be paid out of the reimbursement, or such other evidence as the DEQ may require.
- e. Reimbursement Based on Progress. The Grant Recipient 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 reimbursement. Reimbursement may be withheld or delayed if Grant Recipient fails to make progress on the Project satisfactory to the DEQ. Amounts withheld shall be reimbursed with subsequent reimbursements in the event that Grant Recipient is able to demonstrate an ability to resume satisfactory progress toward completion of the Project.
- f. Proof of Payment. The Grant Recipient 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 Grant Recipient if costs are documented by unpaid third-party invoices. In order for DEQ to disburse grant funds to the Grant Recipient based upon unpaid third-party invoices, the Grant Recipient 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 Grant Recipient will confirm to DEQ that the required payment has been made within three banking days of receipt of funds.
- h. Payment of Construction Contingency Funds. Construction contingency funds will not be disbursed until the Grant Recipient has demonstrated that it has expended at least 90% of all other matching funds including matching grant and/or loan funds.
 - i. DEQ Retaining Portion of Funds Until Project Completion. The DEQ will withhold payment from the Grant Recipient in the amount of five percent (5%) of the Grant Administration line item until the Grant Recipient has satisfactorily submitted its Final Report.
 - j. No Excess Costs. The DEQ agrees to pay or reimburse the Grant Recipient only for costs actually incurred by the Grant Recipient that do not exceed the funds budgeted for the Project shown on Exhibit B.
 - k. Costs of Project Administration. The DEQ agrees to reimburse the Grant Recipient for administrative costs consisting only of costs of labor for administrative work conducted exclusively on this Project. The Grant Recipient's requests for such reimbursement shall be made under the Project Administration line item of Exhibit B and shall conform with the following:
 - (i) Costs allowable under the Project 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). Allowable Project Administration labor costs may include any of the following: (a) pay to the Grant Recipient's payroll employees, plus the Grant Recipient'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 Grant Recipient (e.g., temporary office support), payable at the Grant Recipient's actual cost, without application of a benefits multiplier; and/or (c) cost of professional services labor contracted by the Grant Recipient (e.g., engineering firm or consultant), payable at the Grant Recipient's actual cost for that labor.
 - (ii) Costs of any other work described in the Project Scope of Work in Exhibit A are not allowable under the Project Administration line item.
 - (iii) No more than sixty percent (60%) of the Project Administration line item shall be reimbursed prior to the start of construction.
 - l. Period for Incurring Reimbursable Expenditures. The DEQ will reimburse the Grant Recipient only for allowable Project expenditures that are incurred by the Grant Recipient or the Grant Recipient's consultants, contractors, or vendors during the period between the Award Date and the Expiration Date of the Grant Contract. The DEQ will not reimburse the Grant Recipient for Project expenditures that are not incurred during this period.

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

- a. Refunds. The Grant Recipient 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 Grant Recipient shall repay to the DEQ administration funds in proportion 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 Grant Recipient 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 Grant Recipient expects actual construction costs to be less than budgeted construction costs, as follows:
 - (i) The Grant Recipient 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 Grant Recipient 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 Grant Recipient's construction costs only after the amendment has been signed by both the Grant Recipient and the DEQ. Grant administration funds shall be reduced in proportion to the project funds being reduced.
- d. Reimbursement to DEQ for Improper Expenditures. The Grant Recipient 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 City of Elizabeth City 19-I-3648

CDBG Grant Amount Approved:					\$224,274		
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	\$ 224,274.00	\$ 224,274.00	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Housing Rehab - water connections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) Housing Rehab - sewer connections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration (10%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 224,274.00	\$ 224,274.00	\$ -	\$ -	\$ -	\$ -	\$ -

EXHIBIT C

REPORTING, RECORD KEEPING, AND AUDIT REQUIREMENTS

1. **Project Progress Reports.** Grant Recipient 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. **Grant Contract Final Report.** Grant Recipient 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 Grant Recipient 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 Grant Recipient 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. Copy of Engineer's Certification of Completion.

3. **Recordkeeping Requirements.** Grant Recipient will maintain all records and comply with all responsibilities as required under CDBG recordkeeping for example, 24 C.F.R. 570.490 ("Recordkeeping Requirements"), 24 C.F.R. § 570.506 ("Records to be maintained") and 2 C.F.R. § 200.333-337 ("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.

4. **Project Audits.** Grant Recipient agrees that the Fund and the State have the right to audit the books and records of the Grant Recipient 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 Grant Recipient shall retain complete accounting records, including original invoices, payrolls, contracts, or other documents clearly showing the nature of all costs incurred under this Grant Contract, for that same period of time. The Grant Recipient 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 Recipient's records.

Grant recipients expending at least \$750,000 in total federal funds in one fiscal year are required to have an audit conducted in accordance with 2 CFR § 200.501, except when Recipient elects to have a program-specific audit conducted in accordance with 2 CFR §200.507. **This audit must be submitted to the North Carolina Local Government Commission, and must also be submitted to the Federal Audit Clearinghouse (<http://harvester.census.gov/sac/>) within 30 days after receipt of the auditor's report, or nine months after the end of the audit period, whichever is earlier.**

Notification must be given to your CDBG-I's Contract Administrator once your audit has been submitted to the Federal Audit Clearinghouse for their review. Any findings noted in that audit will be the responsibility of the grant recipient.

5. Access to Records. The Grant Recipient 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.
6. Release of Personal Financial and Identifying Information. To ensure and document compliance with CDBG income requirements as well as other matters, Grant Recipient 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, Grant Recipient is obligated to provide access to any and 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, Grant Recipient 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
<http://portal.ncdenr.org/web/wi/cdbg>.

CDBG-I QUARTERLY PROGRESS REPORT (Activities and Benefit)

Grantee: _____ Grant No: _____ Amount Awarded: _____
 Period Covered (Month/Year): _____ Calendar Quarter: January-March Date Prepared: _____

A. Activity	LF, # Properties Connected, Treatment Plan Rehab Proposed (Describe)	LF or # Completed This Quarter (Describe)	LF or # Completed To Date (Describe)
TOTAL			

Note: Please report benefits (indirect and direct) for the project, if any. Otherwise, explain the reason of no benefit during project.

B. Activity	# Persons Proposed	# Households Proposed	# Persons AMI	# Households AMI	# Persons MI	# Households MI	# Persons LI	# Households LI	# Persons VLI	# Households VLI	Race
TOTAL	0	0	0	0	0	0	0	0	0	0	

CDBG-I QUARTERLY PROGRESS REPORT (Grant Finances)

Grantee: _____ Grant No: _____ Amount Awarded: _____
 Period Covered (Month/Year): _____ Calendar Quarter: _____ Date Prepared: _____

C. Activity	Activity Code	CDBG Budget	Expended This Quarter	Expended To Date	Amount Requested This Quarter	Amount Requested to Date	Local Funds Obligated	Local Funds Expended To Date
TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

D. Activity - Administration*	Activity Code	CDBG Budget	Expended This Quarter	Expended To Date	Amount Requested This Quarter	Amount Requested To Date	Local Funds Obligated	Local Funds Expended To Date
TOTAL		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*Please provide a brief description of budget expended in activities within administration.

Notes:

Authorized Representative: _____

Title: _____

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 (Please provide a brief description of budget expended in activities within the administration line)
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
(see next page)

Electronic version of the Reimbursement Request Form is found at
<http://portal.ncdenr.org/web/wi/cdbg>.

EXHIBIT E

REIMBURSEMENT REQUEST FORM

Division of Water Infrastructure		Project No:	
Period Covered by this Report:	From		To
Recipient Organization		Payment No:	
Name:		Page No:	
Address:		Of	
City, State & Zip:			

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 REIMBURSEMENT 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.l 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 Grant Recipient 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 Recipient 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 Grant Recipient 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 Grant Recipient and is used interchangeably herein with the term "Contract".
8. "Grant Recipient" 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 Grant Recipient's use in conducting the project.

EXHIBIT G

GENERAL TERMS AND CONDITIONS

A. Affirmative Covenants

1. Compliance with Laws. Grant Recipient 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 Grant Recipient agrees to take reasonable steps to advise Project participants that they shall comply in the same manner.
2. Insurance. The Grant Recipient 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. Grant Recipient will ensure that all contractors furnish adequate payment and performance bonds.
3. No Liens. The Grant Recipient 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. Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient:

1. No Actions. There are no actions, suits, or proceedings pending, or to the knowledge of the Grant Recipient, threatened, against or affecting the Grant Recipient before any court, arbitrator, or governmental or administrative body or agency which might affect the Grant Recipient'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. Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient abandons or otherwise ceases to continue to make reasonable progress towards completion of the Project.

E. Fund'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 Grant Recipient, amounts required to resolve at minimum costs any irrevocable obligations properly incurred by Grant Recipient 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 Grant Recipient'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 Grant Recipient, 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 to 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 Grant Recipient 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 Grant Recipient 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 Grant Recipient to a sub-grant recipient of any duty or obligation hereunder does not relieve the Grant Recipient 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 Grant Recipient to comply with the terms of this Grant Contract. Any such delegation of duties or obligations shall be in writing, signed by the Grant Recipient 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 Grant Recipient, its agents or employees, agents or representatives of the DEQ. The Grant Recipient 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 or arising against the Grant Recipient. The Grant Recipient 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, the DEQ.
6. Indemnity. The Grant Recipient 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 Grant Recipient, 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 Grant Recipient 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.