



MEMORANDUM

To: Mayor and Members of the City Council

From: Montrè Freeman, City Manager
Dwan Bell, Public Utilities Director
Alicia Steward, Finance Director
Jon Hawley, Grants Administrator

Date: January 5, 2024

Re: Consideration - Budget Amendment - Start of Lead Service Line Inventory

BACKGROUND:

The NC Division of Water Infrastructure has awarded the City of Elizabeth City a \$100,000 Asset Inventory and Assessment grant for Phase I of the "Lead Detection and Removal Plan." The LDR Plan, also referred to as a Lead Service Line (LSL) Inventory, proposes to develop a computer model, supported by extensive field sampling, to determine the presence and locations of LSLs throughout the City's water distribution system. This inventory is federally required to comply with the US Environmental Protection Agency's "Lead and Copper Rule Revision," which requires that water systems nationwide submit inventories by October 2024.

The \$100,000 AIA will pay for the start of the inventory, which will be performed by one of the City's on-call engineering firms, namely AECOM. The work will include a review of available system data, creation of the computer model, and approximately 25 field samples. The inventory requires more than 300 total samples for a complete and accurate map of LSLs systemwide.

ANALYSIS:

The City is still waiting for the grant contract documents for the AIA, which must be in place to draw down the grant. However, we have received a Letter of Intent to Fund (attached), and written assurance from Division staff that we may begin incurring eligible expenses that will ultimately be reimbursed by the grant. Therefore, City staff request that the City Council adopt a budget amendment to reallocate available funds within the Water Treatment Plant's accounts to allow work to begin. Put simply, the budget amendment will transfer \$10,000 from Equipment Repair and \$20,000 from Building Maintenance to provide \$30,000 to pay the inventory's initial invoices. This \$30,000 line

item will be replenished by grant drawdowns, and there will ultimately be no net expenditure of City funds.

Public Utilities' leadership are confident that the \$30,000 reallocated for this work will not negatively impact operations or facilities. City staff urge the Council to approve this amendment without delay, to ensure our engineering firm can meet the federal deadline of October 2024. Notably, Phase I work must begin before we may use our potential Phase II award (also still pending) to complete the remaining field sampling.

STAFF RECOMMENDATION:

By motion, adopt the attached budget amendment to allow Phase I of the City's LSL inventory to start.



AGENDA ITEMS	Meeting Date: 1/8/2024
Grant Reference No. AIA-D-ARP-0233	
Department: Public Utilities	
Fund Number/Department Number:	Public Hearing:
	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

BACKGROUND: This amendment proposes to reallocate \$20,000 and \$10,000 respectively from the Water Treatment Plant's accounts for building maintenance and equipment repair to provide start-up funds for the City's federally mandated Lead Service Line inventory. Grant funds will ultimately reimburse these costs.

Financial Impact: One Time Recurring

Comments Account No. 31-8100-1500 (WTP building maintenance) will be reduced by \$20,000, and Account No. 31-8100-1600 will be reduced by \$10,000. These funds will be transferred to a line item dedicated to the LSL inventory.

Analysis:

Department Head Recommendation: Adopt the budget amendment as proposed.

Attachments: Yes No

Reviewed by:

Department Head: Dawn Bell
Date: 1/3/24
Finance Officer: [Signature] AFO
Date: 01/03/2023
City Manager: _____
Date: _____

FINANCE DEPT OFFICE USE

- Recommend for Approval
- Do not recommend

ROY COOPER
Governor

ELIZABETH S. BISER
Secretary

SHADI ESKAF
Director



NORTH CAROLINA
Environmental Quality

March 27, 2023

The Honorable E. Kirk Rivers, Mayor
City of Elizabeth City
306 E. Colonial Ave.
Elizabeth City, NC 27909

Subject: Asset Inventory and Assessment Grant
Letter of Intent to Fund
Lead Detection & Replacement Plan, Phase 1
September 2022 Application Cycle
Project No.: AIA-D-ARP-0233

Dear Mayor Rivers:

The Division of Water Infrastructure (Division) has reviewed your application to the Asset Inventory and Assessment (AIA) grant program, and the State Water Infrastructure Authority (SWIA) has approved your project as eligible to receive grant funding from the American Recovery Plan Act (ARPA) and the State Reserve Program (SRP). The total grant funding amount will be \$100,000 from the following funding sources:

State Reserve Funds (SRP) grant from the American Rescue Plan Act (ARPA). Projects funded from ARPA must meet applicable federal law and guidance. The ARPA-Study Grant will be one hundred percent of eligible project costs up to a maximum of \$100,000.

Please note this intent to fund is contingent on meeting **all** project milestones.

The first milestone for the AIA grant is the submittal of a preliminary project scope that includes a cost estimate and schedule for each major task by May 15, 2023. Please email this to your Division project manager, Christyn Fertenbaugh, PE, at christyn.fertenbaugh@ncdenr.gov. Upon the Division's review and approval of this information, we will issue the grant agreement and information package for your signature and approval.

All costs incurred prior to March 3, 2021, are not eligible for ARPA funds and the Division will make no reimbursements for ARPA funds after December 31, 2026.

Please contact us if you plan to proceed with study work prior to receipt of the Division's grant offer, as such work may later be determined to be ineligible. Additionally, ensure you review past work completed or underway to develop the current scope of work needed. We have resources on [Division's Website – AIA](#) to assist you and your consultant in preparing your scope.



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

Engineering Services Procurement

The Uniform Guidance 2 CFR 200.317 through 2 CFR 200.327 gives minimum requirements for procurement, with 2 CFR 200.319(b) addressing engineering services procurement guidelines. ARP-funded projects must also adhere to North Carolina State law, specifically NC General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying (A/E) Services. NCGS 143-64.32 cannot be used to exempt Recipients from a qualification-based selection for A/E. The State provides applicable certification forms that must be completed prior to receiving funds for any engineering services covered under this funding offer.

Upon receipt of your letter of intent to fund, please fill out the attached Federal ID & Unique Entity ID (UEI) form and email it to Pam Whitley at pam.whitley@ncdenr.gov. If you choose to decline this funding, the Authorized Representative as declared in the application must directly contact the Division project manager via email or letter on the applicant's letterhead.

We look forward to working with you on this project. If you have any questions, please contact Christyn Fertenbaugh, PE, at christyn.fertenbaugh@ncdenr.gov or by phone at (919) 707-9174.

Sincerely,



Victor A. D'Amato, PE, Supervisor
Viable Utilities Unit

EC: Jon Hawley; City of Elizabeth City (via email)
John Akers; AECOM (via email)
Christyn Fertenbaugh, PE (via email)
Pam Whitley (via email)
ARPA-AIA File