

ROY COOPER

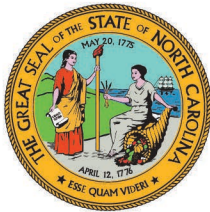
Governor

ELIZABETH S. BISER

Secretary

SHADI ESKAF

Director



NORTH CAROLINA
Environmental Quality

July 11, 2024

Mr. John Connet, City Manager
City of Hendersonville
305 Williams Street
Hendersonville, North Carolina 28792-4461

SUBJECT: Amended Funding Offers – Funding
Increase
Project Nos.: CS370444-12 and
H-SRP-D-18-0174
Ashe Street Neighborhood and 4th Ave
Water and Sewer Replacement

Dear Mr. Connet:

The City of Hendersonville has been approved for funding increases according to the subject funding offers. These offers are made subject to the Assurances and Conditions attached to this document.

Upon your acceptance, please submit the following items to the Division, via email at DEQ.DWI.FundingOffer@deq.nc.gov:

1. One (1) copy of the original Offer and Acceptance Documents executed by the Authorized Representative for each project, along with the Conditions and Assurances. **Retain the other copies for your files.**
2. A resolution adopted by the governing body accepting the funding offers and making the applicable Conditions and Assurances contained therein. (Sample copy attached)

Please note that due to an increase in the loan amounts the closing fees have increased. Closing costs for the loans are 2% of the total loan amounts, which is \$58,879 for CS370444-12 and \$31,420 for H-SRP-D-18-0174. Please use the attached invoices and remit payment within 30 days of the date of this letter.



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

On behalf of the Department of Environmental Quality, I am pleased to make this funding offer. Should you have any questions concerning this offer of funding, or any of the stipulations outlined in this offer package, please contact Renee Parkman at renee.parkman@deq.nc.gov or 704.235.2203.

Sincerely,

DocuSigned by:


6300A872077B4C5...

Shadi Eskaf, Director

Division of Water Infrastructure, NCDEQ

Enclosures: Loan Offer and Acceptance Documents (two copies each)
 Assurances & Conditions
 Resolution to Accept Funding Offer (suggested format)
 Increased Closing Fee Invoices

cc: John Connet, City Manager (jconnet@hvlnc.gov)
 Richard Shook, PE (rshook@hvlnc.com)
 Mark Hubbard (Via DocuSign)
 Renee Parkman (Via DocuSign)
 DWI Administrative Unit (Via DocuSign)
 Carrie Shortt (Via DocuSign)
 Teresa Tripp (Via DocuSign)
 DEQ.DWI.FundingOffer@deq.nc.gov
 FILE: SRF & SRP Project File (**COM_LOX**)
 Agreement ID#s: 2000039260, 2000039107



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

Funding Offer and Acceptance

Legal Name and Address of Award Recipient	Project Number(s): CS370444-12
City of Hendersonville 305 Williams St Hendersonville, North Carolina 28792-4461	Assistance Listing Number: 66.458 Unique Entity ID Number: PNGBNJ8ALA81

Funding Program

Drinking Water	<input type="checkbox"/>	Additional Amount for	Previous Total	Total Offered
Stormwater	<input type="checkbox"/>	Funding Increases		
Wastewater	<input checked="" type="checkbox"/>			
State Revolving Fund-Repayable Loan	<input checked="" type="checkbox"/>	\$ 1,124,934	1,819,000	\$2,943,934
State Revolving Fund-Principal Forgiveness	<input type="checkbox"/>			
State Reserve Loan	<input type="checkbox"/>			
State Reserve Grant	<input type="checkbox"/>			
State Reserve Earmark (S.L. 2023-134)*	<input type="checkbox"/>			
American Rescue Plan Act - Choose an item.	<input type="checkbox"/>			

Project Description:


Ashe Street Neighborhood and 4 th Avenue Water and Sewer Replacement	Total Financial Assistance Offer:	\$2,943,934
	Total Project Cost:	\$2,943,934
	Estimated Closing Fee**:	\$ 58,879
	For Loans	
	Interest Rate:	1.10% Per Annum
	Maximum Loan Term:	20 Years

* Federal conditions and requirements will also apply to S.L. 2023-134 projects co-funded with federal funds.
** Estimated closing fee calculated based on grant and loan amount.

Pursuant to North Carolina General Statute 159G:

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

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

For The State of North Carolina:	Shadi Eskaf, Director, Division of Water Infrastructure North Carolina Department of Environmental Quality
<div>DocuSigned by:  6300A87207ZB4C5..... Signature</div>	<div>7/23/2024 Date</div>

On Behalf of:	City of Hendersonville
Name of Representative in Resolution:
Title (Type or Print):

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

..... Signature Date
--------------------	---------------

APPLICABLE STANDARD CONDITIONS***Project Applicant: City of Hendersonville****Project Numbers: CS370444-12**

1. **Social Authorities:** Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act, The Age Discrimination Act of 1975, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, and Equal Employment Opportunity (Executive Order No 11246, as amended) which prohibits activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, religion, sex, sexual orientation, gender identity, or national origin.
2. **Environmental Authorities:** National Environmental Act, National Historic Preservation Act, Archeological and Historic Preservation Act, Protection of Wetlands, Flood Plain Management, Farmland Protection Policy Act, Coastal Zone Management Act, Coastal Barriers Resources Act, Wild and Scenic Rivers Act, Endangered Species Act, Essential Fish Habitat and the Safe Drinking Water Act applicability will be determined upon submittal of an Environmental Information Document (EID) during the Engineering Report review process.
3. Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The applicant shall certify that it has or will have a fee simple or such other estate or interest in the site of the project, including necessary easements and rights-of-way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the project using a certification form provided by DEQ.
4. Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for subagreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.
5. Debarment and Suspension, Executive Order No. 12549: Subrecipients shall fully comply with Subpart C of 2 CFR Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Subrecipients may access suspension and debarment information at: <http://www.sam.gov>. This system allows subrecipients to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.
6. The construction contract(s) requires the contractor to adhere to Davis Bacon and Related Acts Provisions and Procedures as listed in the Code of Federal Regulations Chapter 29 Part 5 Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148.
7. As required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV, this project is subject to American Iron and Steel provisions. The State provides detailed requirements to be included in the construction contract specifications.
8. Section 603(d)(1)(E) of the Federal Water Pollution Control Act requires subject projects to develop and implement a Fiscal Sustainability Plan (FSP) for projects that involve the repair, replacement or expansion of publicly owned treatment works. Note that FSPs are not required for new treatment works. The certification provided must be submitted regarding compliance with this section of the Act.
9. Section 602(b)(14) of the Clean Water Act requires projects receiving CWSRF funding to comply with Federal engineering procurement guidelines. The State provides a certification form that must be completed prior to receiving funds for any engineering services covered under this funding offer.

10. Pursuant to 2 C.F.R. § 200.216, subrecipients cannot obligate SRF funds to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services (as described in Public Law 115-232, Section 889) as a substantial or essential component of any system, or as a critical technology as part of any system.

**Note: 1 does not require anything to be submitted. 8 and 9 apply to the CWSRF only. Details on all of these conditions can be found the EPA Cross-Cutter handbook.*

ASSURANCES

Project Applicant: City of Hendersonville

Project Numbers: CS370444-12

1. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division.
The recipient acknowledges that in the event a milestone contained in the most recent Clean Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.
2. The Applicant is responsible for paying for the costs ineligible for SRF funding.
3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
4. As of the acceptance of this Funding Award Offer, steps A-D in the SRF Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the SRF Guidance, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRF Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, disbursements, closeout and repayment.
5. The Applicant will provide and maintain adequate engineering supervision and inspection.
6. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
7. All SRF funds loaned shall be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
8. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.
9. The applicant acknowledges that loan funds contained in this Funding Offer require approval from the North Carolina Local Government Commission before they can be disbursed.

Date: July 11, 2024

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

Payable to: NC/DEQ-DWI

Mail to: Attention: Business Office
Division of Water Infrastructure
1633 Mail Service Center
Raleigh, NC 27699-1633Bill to: Mr. John Connet, City Manager
City of Hendersonville
305 Williams Street
Hendersonville, North Carolina 28792-4461Item: 2% Closing Fee for SRF **Project No. CS370444-12**

Revised Loan Amount: \$ 2,943,934

Revised Closing Fee Amount: \$ 58,879

Previous Closing Fee Paid: \$ 0

AMOUNT (BALANCE) DUE: \$ 58,879*****PAYMENT IS DUE BEFORE PAY REQUEST SUBMITTAL FOR THE
ADDITIONAL FUNDS*******FOR USE OF DIVISION OF WATER INFRASTRUCTURE**

Deposit to Fund _____ Amount Paid _____

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

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

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

City of Hendersonville
305 Williams Street
Hendersonville, NC 28792-4461

Project Number(s): H-SRP-D-18-0174

Assistance Listing Number: N/A
Unique Entity ID Number: PNGBNJ8ALA81

Funding Program

Drinking Water	<input checked="" type="checkbox"/>	Additional Amount for	Previous Total	Total Offered
Stormwater	<input type="checkbox"/>	Funding Increases		
Wastewater	<input type="checkbox"/>			
State Revolving Fund-Repayable Loan	<input type="checkbox"/>			
State Revolving Fund-Principal Forgiveness	<input type="checkbox"/>			
State Reserve Loan	<input checked="" type="checkbox"/>	\$758,995	\$812,000	\$1,570,995
State Reserve Grant	<input type="checkbox"/>			
State Reserve Earmark (S.L. 2023-134)*	<input type="checkbox"/>			
American Rescue Plan Act - Choose an item.	<input type="checkbox"/>			

Project Description:

Ashe Street Neighborhood and 4th Ave Water &
Sewer Replacement

Total Financial Assistance Offer: **\$ 1,570,995**
Total Project Cost: \$ 1,570,995
Estimated Closing Fee**: \$ 31,420
For Loans
Interest Rate: 1.10% Per Annum
Maximum Loan Term: 20 Years

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

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

Pursuant to North Carolina General Statute 159G:

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

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

For The State of North Carolina:

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

DocuSigned by:



6900A872077B4C5...
Signature

7/23/2024

.....
Date

On Behalf of:

City of Hendersonville

Name of Representative in Resolution:

Title (Type or Print):

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

.....
Signature

.....
Date

STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS

Project Applicant: City of Hendersonville

Project Number: H-SRP-D-18-0174

1. The Applicant intends to construct the project or cause it to be constructed to final completion in accordance with the Application approved for financial assistance by the Division.
The recipient acknowledges that in the event a milestone contained in the most recent Clean Water State Revolving Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality will rescind this Funding Offer.
2. The Applicant is responsible for paying for the costs ineligible for DWI funding.
3. The construction of the project, including the letting of contracts in connection therewith, conforms to the applicable requirements of State and local laws and ordinances.
4. As of the acceptance of this Funding Award Offer, steps A-D in the SRP Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the SRP Guidance, and the Applicant hereby certifies by accepting this Funding Award Offer that it will adhere to the subsequent steps in the SRP Guidance document. The remaining steps generally govern project design, bidding, contracting, inspection, disbursements, closeout and repayment.
5. The Applicant will provide and maintain adequate engineering supervision and inspection.
6. The recipient agrees to establish and maintain a financial management system that adequately accounts for revenues and expenditures. Adequate accounting and fiscal records will be maintained during the construction of the project and these records will be retained and made available for a period of at least three years following completion of the project.
7. All SRP funds must be expended solely for carrying out the approved project, and an audit shall be performed in accordance with G.S. 159-34. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
8. The applicant will expend all of the requisitioned funds for the purpose of paying the costs of the project within three (3) banking days following the receipt of the funds from the State. Please note that the State is not a party to the construction contract(s) and the Applicant is expected to uphold its contract obligations regarding timely payment.
9. The applicant acknowledges that any loan funds contained in this Funding Offer requires approval from the North Carolina Local Government Commission before they can be disbursed.

Date: July 11, 2024

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

Payable to: NC/DEQ-DWI

Mail to: Attention: Business Office
Division of Water Infrastructure
1633 Mail Service Center
Raleigh, NC 27699-1633Bill to: Mr. John Connet, City Manager
City of Hendersonville
305 Williams Street
Hendersonville, North Carolina 28792-4461Item: 2% Closing Fee for SRP **Project No. H-SRP-D-18-0174**

Revised Loan Amount: \$ 1,570,995

Revised Closing Fee Amount: \$ 31,420

Previous Closing Fee Paid: \$ 0

AMOUNT (BALANCE) DUE: \$ 31,420*****PAYMENT IS DUE BEFORE PAY REQUEST SUBMITTAL FOR THE
ADDITIONAL FUNDS*******FOR USE OF DIVISION OF WATER INFRASTRUCTURE**

Deposit to Fund _____ Amount Paid _____

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

(Suggested Format)

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environmental Quality has offered a (State Revolving Loan, State Grant, or State Bond Loan) in the amount of \$ _____ for the construction of (project description), and

WHEREAS, the (unit of government) intends to construct said project in accordance with the approved plans and specifications,

NOW, THEREFORE, BE IT RESOLVED BY THE (GOVERNING BODY) OF THE (UNIT OF GOVERNMENT):

That (unit of government) does hereby accept the (State Revolving Loan, Grant, or State Bond Loan) offer of \$ _____.

That the (unit of government) does hereby give assurance to the North Carolina Department of Environmental Quality that all items specified in the (loan or grant) offer, Section II - Assurances will be adhered to.

That (name and title of authorized representative), and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That (unit of government) has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the (date adopted) at (place), North Carolina.

(Signature of Chief Executive Officer)

Date