

**RESOLUTION OF THE PUBLIC WORKS COMMISSION OF THE CITY
OF FAYETTEVILLE, NORTH CAROLINA TO ACCEPT A STATE
LOAN OFFER UNDER THE NORTH CAROLINA WATER REVOLVING
LOAN AND GRANT ACT OF 1987**

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, water supply systems, and water conservation projects, and

WHEREAS, the North Carolina Department of Environment and Natural Resources (NCDENR) has offered to the Public Works Commission of the City of Fayetteville, NC (COMMISSION) a State Revolving Loan in the amount of \$12,000,000 for the construction portion of the PO Hoffer Water Treatment Plant Phase I construction project (PROJECT), (see Exhibit A), and

WHEREAS, the loan terms are 20 years, 0% interest and 2% closing fee, and

NOW THEREFORE BE IT RESOLVED BY THE COMMISSION THAT:

Section 1. The COMMISSION does hereby accept the State Revolving Loan offer of \$12,000,000 as presented in Exhibit A.

Section 2. The COMMISSION does hereby give assurance to NCDENR that COMMISSION will adhere to the Assurances specified in the loan offer.

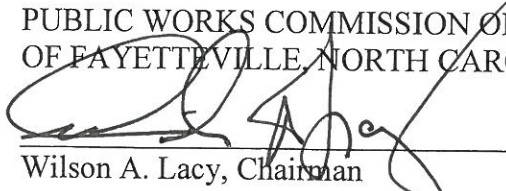
Section 3. Steven K. Blanchard, General Manager of the COMMISSION, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; to execute the promissory note; and to execute such other documents as may be required in connection with the application.

Section 4. The COMMISSION 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.

Section 5. The City Council of the City of Fayetteville is hereby requested to adopt this Resolution in the form presented above.

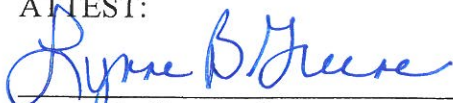
ADOPTED, this the 10th day of July, 2013.

PUBLIC WORKS COMMISSION OF THE CITY
OF FAYETTEVILLE, NORTH CAROLINA



Wilson A. Lacy, Chairman

ATTEST:



Lynne B. Greene, Secretary

STATE OF NORTH CAROLINA
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

OFFER AND ACCEPTANCE OF LOAN OR GRANT
FOR WATER SUPPLY SYSTEM PROJECT

PART A

SECTION 1 - OFFER

Legal Name, PWS ID and Address of Applicant Fayetteville Public Works Commission PWS ID: 0326010 PO Box 1089 Fayetteville, North Carolina 28302	Project Number: WIF-1761 CFDA Number: 66.468 <small>(for federal assistance only)</small> Grant ID Number: FS-984338 <small>[Enter last two digits of FY, if known]</small> <small>(for federal assistance only)</small>
Total Estimated Project Cost	\$16,719,694
Estimated Project Cost Eligible for State Participation	\$16,719,694
Total Grant Amount Offered	\$ 0
Total Loan Amount Offered	\$ 12,000,000

Authorization	Amount	Fee Rate	Fee	Term (years)	Interest Rate
DWSRF Repayable Loan	\$12,000,000	2.0%	\$240,000	20	0%

Description of Project:

P.O. Hoffer WTP rehabilitation will address aging infrastructure and improvements to the existing 32 MGD WTP without expansion - Phase I.

Consideration having been given by the Division of Water Resources of the Department of Environment and Natural Resources to (a) the application submitted by the Applicant pursuant to the North Carolina Clean Water Revolving Loan and Grant Act of 1987, as amended, and the rules and regulations adopted pursuant thereto; (b) the public benefits to be derived by the construction of this project; (c) the relation of the ultimate cost of constructing and maintaining the system to the public interest and to the public necessity for the system; and (d) the adequacy of the provisions made or proposed by the Applicant for assuring proper and efficient operation and maintenance of the system after completion of the construction thereof; and it having been determined by the Division of Water Resources of the Department of Environment and Natural Resources that (1) the Applicant is eligible; (2) the project meets the criteria for State loans or grants as prescribed in the Act and the Rules, adopted pursuant thereto inclusive of 40 CFR Parts 6, 9 and 35, when appropriate; and (3) the project is entitled to priority over other projects eligible for consideration during the same priority period, the Division of Water Resources of the Department of Environment and Natural Resources acting in behalf of the State of North Carolina, hereby offers:

To make a State loan/grant of the above named Applicant subject to the assurances included in this document as Section 2, in order to aid in financing the construction of the project pursuant to the Act. If the actual construction cost, as determined by the Division of Water Resources of the Department of Environment and Natural Resources upon completion of construction, is less than the estimated cost upon which the loan/grant offer is based, the amount of the State loan/grant shall be reduced to the actual cost.

In addition, this offer is made subject to completion and submission of Part B, Supplemental Project Information, DENR Form 1951B, of this Offer and Acceptance, and to the following conditions:


1. The Applicant will furnish information that satisfactorily demonstrates the availability of funds, other than State loan or grant funds, to pay the remaining costs of the project.
2. The Applicant will provide the Departmental Administrative Fee (as shown on the front page) to the Department prior to the second loan/grant disbursement.
3. The proposed loan/grant and fee amount(s) shown on the front page are estimates. The Part B may revise loan/grant and fee amounts.

This Offer must be accepted, if at all, on or before (date)

7/31/2013

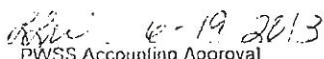

For the Department of Environment and Natural Resources

Date



Name and Title

Thomas A. Reeder, Division Director


PWSS Accounting Approval


SECTION 2 – ASSURANCES

The Applicant hereby gives assurance to the Division of Water Resources of the Department of Environment and Natural Resources:

- A. That no construction of the project shall be undertaken, and no contract(s) for construction, alteration, or installation shall be entered into prior to the issuance of authorization to construct by the Division of Water Resources of the Department of Environment and Natural Resources.
- B. That the Applicant will undertake good faith efforts, both directly and through a prime or general contractor, to involve minority owned businesses in the bidding process in accordance with G.S. 143-128.2.
- C. That for Drinking Water State Revolving Fund Loan projects, the DWSRF Special Conditions Package shall be included as a supplement to these Assurances, and shall be incorporated into the project construction specifications, and that the Applicant shall take other steps, as necessary, to ensure implementation.
- D. That the construction contract(s) will require the contractor to furnish performance and payment bonds, the amount of which shall each be in an amount not less than one hundred percent (100%) of the contract price, and to maintain during the life of the contract(s) adequate fire, and extended coverage, workmen's compensation, public liability and property damage insurance.
- E. That any proposed change or changes in the contract or contracts, which make any major alteration in the work required by the plans and specifications, will be submitted to the Division of Water Resources of the Department of Environment and Natural Resources.
- F. That complete signed copies of all change orders will be submitted to the Division of Water Resources of the Department of Environment and Natural Resources as issued.
- G. That the construction of the project, including the award of contracts in connection therewith, shall conform to the applicable requirements of State and local law and ordinances.
- H. That the construction contract(s) will provide that the representatives of the State will have access to the work whenever it is in preparation or progress and that the contractor will provide proper facilities for such access and inspection.
- I. That the Applicant will provide and maintain competent and adequate engineering supervision and inspection at the project to insure that the construction conforms to the approved plans and specifications.
- J. That 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.
- K. That all funds loaned or granted pursuant to the Acts shall be expended solely for carrying out the approved project and an audit shall be performed in accordance with G.S. 159-34, as amended.
- L. That any books, documents, papers, and records of the Applicant pertinent to loans or grants received under the Acts shall be made available to State personnel or their duly authorized representatives for the purpose of audit and examination.
- M. That the declarations, assurances, representations and statements made by the Applicant in the application, and all documents, amendments, and communications filed with the Division of Water Resources of the Department of Environment and Natural Resources by the Applicant in support of its request for a loan/grant will be fulfilled.
- N. That the Applicant agrees to construct the project or cause it to be constructed to final completion in accordance with the application and plans and specifications approved by the Division of Water Resources of the Department of Environment and Natural Resources.
- O. That the Applicant will permit the Division of Water Resources of the Department of Environment and Natural Resources or its authorized agents to have access to the project and the records pertaining to its operation at any reasonable time following completion of construction for the purpose of inspecting the operation and maintenance of the project and determining adherence to the Division of Water Resources of the Department of Environment and Natural Resources operational requirements for water supply systems.
- P. That the Applicant shall demonstrate to the satisfaction of the Division of Water Resources of the Department of Environment and Natural Resources 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.

- Q. That the Applicant will provide a completed Part B, Supplemental Project Information, Form 1951B, of this Acceptance Document, which is a prerequisite to the debt instrument preparation and to the payments process, following the award of construction contracts.
- R. That the Applicant will schedule and meet with the Local Government Commission's staff, if required, to finalize the debt instrument a minimum of ten days prior to the request for disbursement of the first loan funds.
- S. That the Applicant shall make provisions, including procedures and manuals as appropriate, to assure proper and efficient operation and maintenance of the system after completion of the construction of the project.
- T. The Davis-Bacon Act requirements apply to the entirety of the construction activities.
- U. The sales taxes collected as part of this project's expenses are not reimbursable.
- V. The Applicant shall require all prime construction contractors, as part of their bid, to certify that subcontracts have not and will not be awarded to any firm or individual that has been debarred for noncompliance with Federal law, regulations or standards and whose name appears on the Excluded Parties List or successor System.
- W. The Applicant shall comply with Title 40, Code of Federal Regulations, Part 30, Section 13 (40 CFR 30.13) and Title 2, Code of Federal Regulations, Part 1532 (2 CFR 1532). This compliance shall include meeting the requirements of Subpart C of 2 CFR 180 as it applies to transactions identified in Subpart B (also of 2 CFR 180).
- X. The Applicant acknowledges that failure to disclose transactions with debarred firms or individuals in accordance with Title 2, Code of Federal Regulations, Part 180, Section 335 (2 CFR 180.335) may result in the delay or negation of this assistance agreement, or pursuance of legal remedies, including suspension and debarment.
- Y. The loan or grant is withdrawn if the Applicant fails to enter into a construction contract for the project within one year after the date of this offer and acceptance, unless the Applicant has documented to the satisfaction of the Division of Water Resources of the Department of Environment and Natural Resources that the Applicant has good cause for the failure. Evidence of good cause shall be made in writing and submitted to the Department within 30 days of expiration of the one year deadline. If the Department finds good cause, the Department will set a new date by which the Applicant must take action or forfeit the loan or grant, in accordance with G.S. §159G-41.
- Z. All requests for reimbursement shall be submitted within three years of acceptance of this Offer and Acceptance of Loan or Grant for Water Supply System Project (Part A).
- AA. The Applicant will expend all of the requisitioned loan/grant proceeds for the purpose of paying costs of the project within three banking days after the receipt of such funds from the state.

SECTION 3 – ACCEPTANCE

On Behalf of (Legal Name of Applicant)

Fayetteville Public Works Commission

I, the undersigned, being duly authorized to take such action, do hereby accept this offer and make the assurances contained therein.

Signature of Representative

Date

Name and Title of Representative (Type or Print)

Steve Blanchard, General Manager