RESOLUTION OF THE FAYETTEVILLE PUBLIC WORKS COMMISSION TO ACCEPT A STATE LOAN OFFER UNDER THE SAFE DRINKING WATER ACT AMENDMENTS OF 1996

WHEREAS, the Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and/or grants, as applicable, to aid eligible, drinking-water system owners in financing the cost of construction for eligible, drinking-water infrastructure; and

WHEREAS, the North Carolina Department of Environmental Quality (NCDEQ) has offered a State Reserve Loan in the amount of $3,000,000 for the PO Hoffer Glenville Lake GAC Construction project (Exhibit A); and

WHEREAS, the Fayetteville Public Works Commission (hereinafter, the "COMMISSION") intends to construct said projects in accordance with the approved plans and specifications; and

WHEREAS, the loan terms for PO Hoffer Glenville Lake GAC Construction projects are 20 years, 2.45% interest and 2% closing fee, and

NOW THEREFORE BE IT RESOLVED BY THE COMMISSION THAT:

1. The COMMISSION does hereby accept the State Reserve Loan offer of $3,000,000 as presented in Exhibit A, contingent upon approval of the same by the City Council of the City of Fayetteville pursuant to Charter Section 6A.19.

2. The COMMISSION does hereby give assurance to NCDEQ that all items specified in the loan offer, Section II – Assurances will be adhered to.

3. Timothy L. Bryant, CEO/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.

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.

5. The COMMISSION requests that the City Council of the City of Fayetteville approve this loan pursuant to Charter Section 6A.19 by adopting a Resolution in the form attached hereto.

Adopted this 9th day of September, 2026.

FAYETTEVILLE PUBLIC WORKS COMMISSION

Richard King, Chairman

ATTEST:

Donald L. Porter, Secretary

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

Funding Offer and Acceptance

Exhibit A

Legal Name and Address of Award Recipient

Fayetteville Public Works Commission
955 Old Wilmington Rd.
Fayetteville, NC 28301

Project Number(s): SRP-D-0234

Assistance Listing Number: N/A
Unique Entity ID Number: UMXDRGNCMPQ7

Funding Program

		Additional Amount for Funding Increases	Previous Total	Total Offered
Drinking Water	☒			
Stormwater	☐			
Wastewater	☐			
State Revolving Fund-Repayable Loan	☐			
State Revolving Fund-Principal Forgiveness	☐			
State Reserve Loan	☒			$ 3,000,000
State Reserve Grant	☐			
State Reserve Earmark (S.L. 2023-134)*	☐			
American Rescue Plan Act - Choose an item.	☐			

Project Description:

PO Hoffer Glenville Lake GAC Construction

*Co-funded with SRF-D-EC-0003 & SRF-D-2052 & SRF-D-EC-0005

Total Financial Assistance Offer:	**$ 3,000, 000**
Total Project Cost:	$ 153,163,650
Estimated Closing Fee:**	**$ 60,000**
For Loans	
Interest Rate:	2.45 %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:
Shadi Eskaf
6300A87207 7B4C5...
Signature

7/29/2026
Date

On Behalf of: Public Works Commission of Fayetteville
Name of Representative in Resolution: TIMOTHY L. BRYANT
Title (Type or Print): CEO / GENERAL MANAGER

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

9/9/2026
Date

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STANDARD CONDITIONS & ASSURANCES FOR STATE RESERVE PROJECTS
Project Subrecipient: PWC Fayetteville **Project Number(s): SRP-D-0234**

1. The Subrecipient intends to construct the project or cause it to be constructed to final completion in accordance with the Application or Request for Funding approved for financial assistance by the Division.

2. If the project is co-funded with federal funding sources (e.g., State Revolving Funds, CDBG-Infrastructure, American Rescue Plan Act), the conditions and assurances of the federal funding program will also apply.

3. The Subrecipient acknowledges that in the event a milestone contained in the most recent Letter of Intent to Fund is missed, the Department of Environmental Quality may rescind this Funding Offer.

4. The Subrecipient is responsible for paying for the costs ineligible for DWI funding.

5. All projects must comply with North Carolina General Statute 143-64.31, Article 3D Procurement of Architectural, Engineering, and Surveying Services. Any services provided that were not selected in compliance with state requirements will be ineligible for disbursement.

6. 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.

7. As of the acceptance of this Funding Award Offer, steps identified in the SRP Guidance will be complete. These Assurances, likewise, incorporate the most recent version of the SRP Guidance, and the Subrecipient 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.

8. The Subrecipient will provide and maintain adequate engineering supervision and inspection.

9. The Subrecipient 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.

10. 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 or grant will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the Subrecipient's compliance with the Standard Conditions of this Award. The Subrecipient agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.

11. The Subrecipient 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 Subrecipient is expected to uphold its contract obligations regarding timely payment.

12. The Subrecipient, if a local government unit or public authority, must comply with the requirements of NC GS 159-34 in having its accounts audited each fiscal year and to submit a copy of the audit report to the Secretary of the Local Government Commission by the established deadlines. Failure to comply with these requirements may result in delays in disbursement of the funds to the Subrecipient and/or the rescission of this Funding Offer.

13. The Subrecipient acknowledges that any loan funds contained in this Funding Offer requires approval from the North Carolina Local Government Commission before they can be disbursed.

14. Local government units designated as distressed must complete associated requirements of statute §159G-45(b).

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15. Payment of the sums specified herein are subject to and contingent upon the availability, allocation, and appropriation of funds to the Department of Environmental Quality by the State or Federal government.