Resolution: R-24-xx
Board Meeting: December 09, 2024

,

TOWN OF BLACK MOUNTAIN
RESOLUTION
ACCEPTANCE OF FUNDING FROM THE NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY STATE EMERGENCY BRIDGE LOAN

WHEREAS, The Town of Black Mountain has need for and intends to construct or repair the Town's drinking water system infrastructure project impacted by Hurricane Helene; and

WHEREAS, The Town of Black Mountain's requested, State loan and/or grant assistance for the State Emergency Bridge Loan, has been approved by The North Carolina Department of Environmental Quality, Division of Water Infrastructure; and

WHEREAS, The DEQ Water Infrastructure Emergency Bridge Loan Program has offered funding to repair the Town's drinking water system; and

WHEREAS, The Town of Black Mountain is eligible to receive a total funding amount up to $3,000,000 from the Emergency Bridge Loan Funds; Hundred Percent of the Loan will be repayable at 0% interest by June 30, 2030 or upon the receipt of federal disaster relief, whichever comes first; and

Now therefore be it resolved, by the Town Council of the Town of Black Mountain, North Carolina, the following:

1. That the Town of Black Mountain, the **Applicant**, does hereby accept the State Emergency Bridge loan offer in the amount of $3,000,000.

2. That the **Applicant** will provide for efficient operation and maintenance of the project on completion of construction thereof.

3. The Town of Black Mountain does hereby give assurance to the North Carolina Department of Environmental Quality that the Town will adhere to all applicable items specified in the standard "Conditions and Assurances" of the Department's funding offer, awarded in the form of contractual "Offer and Acceptance" documents; and

4. That Josh Harrold, Town Manager and Jessica Trotman, Assistant Town Manager, the **Authorized Representative** and successors so titled, is hereby authorized to execute and file an application on behalf of the **Applicant** with the State of North Carolina for a loan and/or grant to aid in the project described above.

5. That the **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.

6. That the **Applicant** has substantially complied or will substantially comply with all Federal, State, and local laws, rules, regulations, ordinances, and funding conditions applicable to the project and to Federal and State grants and loans pertaining thereto.

Duly adopted this 9th day of December 2024.

C. Michael Sobol
Mayor

ATTEST:

Wesley M. Barker
Town Clerk

TOWN OF BLACK MOUNTAIN BUDGET ADJUSTMENT/AMENDMENT REPORT

Adjustment Number	Summary	Description	Account Number	Account Name	Sum of Amount
BA25-0000062	**NCDEQ Infrastructure Loan**	Helene Infrastructure Loan	**425-8806-48025**	Debt Proceeds	-$3,000,000.00
			425-8806-51016	Protective Clothing	$2,000.00
			425-8806-52310	R & M - Buildings	$5,000.00
			425-8806-52315	R & M - Equipment	$2,000.00
			425-8806-52316	R & M - Vehicle	$1,000.00
			425-8806-52330	R & M -Utility System	$500.00
			425-8806-52410	Office Supplies	$1,500.00
			425-8806-52510	Non-Capital Equipment and Furniture	$50,000.00
			425-8806-54010	Lease/Rental - Equipment	$87,000.00
			425-8806-55021	Emergency Disaster Preparedness Expense	-$199,000.00
			425-8806-57610	Capital Outlay - Street/Bridge/SWalk/Dam/Greenway	$50,000.00
			425-8806-57615	Capital Outlay - Dist Lines and Connections	$2,500,000.00
			425-8806-57616	Capital Outlay-Plants,Pump Stations,Sub Stations	$500,000.00
BA25-0000066	**NCLM advance payment of Helene Claims**	NCLM Helene Advance Payment	**425-8806-48010**	Insurance Recovery Proceeds	-$1,500,000.00
			425-8806-57410	Capital Outlay-Vehicles	$1,500,000.00

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ROY COOPER
Governor
MARY PENNY KELLEY
Secretary

NORTH CAROLINA
Environmental Quality

November 12, 2024

Josh Harrold, Town Manager
Town of Black Mountain
160 Midland Ave.
Black Mountain, NC 28711

Subject: Emergency Loan Award for Hurricane Helene Water Infrastructure Damage

Dear Josh Harrold:

I am very pleased to award you interest-free financing that should act as a cash flow bridge between your immediate needs and federal reimbursement of disaster expenses.

I have never seen such severe and extensive damage in the western part of our state. The force of water it took to sweep away infrastructure, carve out river channels, and deposit silt across our riverside streets and buildings was astounding. I am similarly amazed by the hard work and dedication that you and your community demonstrated in the aftermath to take care of each other and begin to put things right again.

For our part, as soon as the reports came in on the devastation, I directed my staff to do everything we could to support you in rebuilding. Upon their recommendation, I activated emergency loan funding and waived program fees. The Legislature authorized and Governor Cooper signed into law the disaster relief package that provided additional funding to the program.

As a loan that bridges the time gap between your current expenses and federal reimbursement, you will not repay the loan until the earlier of June 2030 or receipt of federal disaster relief. You may also ease cash flow demands by submitting invoices to us for your incurred costs prior to paying your contractors. Federal agencies may reimburse emergency loans, including this loan. I and my staff will continue to partner with you and with federal agencies to ensure this works seamlessly for you and eases the burden of rebuilding public infrastructure.

Your partner in natural disaster recovery,

Mary Penny Kelley

Mary Penny Kelley
Secretary

DEQ wants to help however we can. Please let me know what else you need beyond this emergency funding.

North Carolina Department of Environmental Quality
217 West Jones Street | 1601 Mail Service Center | Raleigh, North Carolina 27699-1601
919.707.8661

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ROY COOPER
Governor
MARY PENNY KELLEY
Secretary
SHADI ESKAF
Director

NORTH CAROLINA
Environmental Quality

November 13, 2024

Mr. Josh Harrold, Town Manager
Town of Black Mountain
160 Midland Avenue
Black Mountain, North Carolina 28711

Subject: Letter of Intent to Fund and Funding Offer Transmittal
Emergency Bridge Loan for Hurricane Helene Damages
DWI Project No.: HEL-0003

Dear Mr. Harrold:

The Division of Water Infrastructure (Division) has received your local government unit's (Recipient's) *Request for Emergency Loan Funding* to repair damages to your drinking water and/or wastewater infrastructure resulting from Hurricane Helene. The Division is offering up to $3,000,000, repayable at 0% interest from the DEQ Water Infrastructure Emergency Bridge Loan Program as established in Session Law (S.L.) 2024-53 Section 4C.7. Projects must meet applicable State laws, rules and guidance for the expenditure of these funds. If additional emergency loan funds are needed, please submit another *Request for Emergency Loan Funding* to the Division with a project scope and project budget demonstrating the need for additional funds.

Eligible Costs:
DEQ Water Infrastructure Emergency Bridge Loan (Emergency Loan) funds can only be used to cover eligible costs arising from damage caused by Hurricane Helene to the drinking water and/or wastewater system of the Recipient. Eligible costs under the Emergency Loan are limited to those allowed under Session Law 2024-53, Section 4C.7, to conduct emergency repairs to restore operational capacity until receipt of federal disaster relief and for any other purpose specifically provided by an act of the General Assembly. If there are questions about the eligibility of potential costs, please contact the Division's project manager for discussion prior to incurring the costs.

Emergency Loan Terms:
There is no fee for the Emergency Loan. Per S.L. 2024-53, Section 4C.6, this Emergency Loan does not require the approval of the Local Government Commission that is required under NC G.S. 159G-40.

Per S.L. 2024-53, Section 4C.7.(a), the Emergency Loan costs must be encumbered by the Division by October 31, 2028. **The Recipient must submit all requests for Emergency Loan disbursements for eligible costs to the Division by October 31, 2028.** The Division will not make any disbursements on the Emergency Loan for which eligible disbursement requests were not received from the Recipient by that date.

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Per S.L. 2024-53, Section 4C.7.(j)(2), the Emergency Loan matures upon the earlier of the receipt of federal disaster relief by the Receipt or June 30, 2030. The Emergency Loan repayments are not amortized for the Recipient by the Division. **The Recipient is responsible for repaying the full balance of the Emergency Loan to the Division by June 30, 2030 or upon receipt of federal disaster relief, whichever comes first.**

Alternative Funding:
The Recipient should and is encouraged to obtain alternative funds to cover the losses or needs for which the Emergency Loan funds are provided, including any available federal disaster aid (e.g., FEMA Public Assistance). Alternative funds, including federal disaster relief funds, received by the Recipient to cover the same losses or needs for which this Emergency Loan was issued must be used to repay the Emergency Loan.

Project Scope and Budget:
Upon acceptance and execution of the Emergency Loan offer, the Recipient must submit a preliminary scope and budget to the Division via the Laserfiche link below. The preliminary scope and budget must be received by the Division at the time or prior to the request for first disbursement of Emergency Loan funds. The preliminary scope and budget can be amended by the Recipient as the repairs and project progresses. Documented, eligible costs incurred by the Recipient prior to the execution of the funding offer can be included in the preliminary scope and budget and in the disbursement requests. Please note that the accompanying funding offer is being issued before the Division has received a preliminary scope and budget from the Recipient.

Disbursement of Emergency Loan Funds:
These funds will be disbursed to the Recipient after relevant costs are incurred and invoices are submitted to the Division. Funds will be disbursed as invoices for incurred pre-construction and construction costs are submitted by the Recipient during construction/repairs, which may be submitted prior to or after paying the contractors for the incurred costs. Only costs eligible under Session Law 2024-53 may be covered by these funds.

Electronic Document Submittal through Laserfiche:
Recipients should submit all project documents via the supporting documentation submittal form located at https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form. The link and a list of frequently asked questions can also be accessed from the Division's I Have Funding page, https://www.deq.nc.gov/about/divisions/water-infrastructure/i-have-funding.

Upon detailed review of the project during the funding process, it may be determined that portions of your project are not eligible for funding.

Acceptance of the Emergency Loan Offer:
To accept this Emergency Loan funding offer, please email the Division project manager within two weeks of receipt of this letter with a statement accepting this offer. Upon acceptance, please submit the items below via the Laserfiche link:

1) One (1) copy of the original Offer and Acceptance Document executed by the Authorized Representative of the project, along with the Conditions and Assurances. **Please retain a copy for your files.**
2) A Resolution adopted by the governing body accepting the funding offer and making the applicable Conditions and Assurances contained therein. (Sample copy attached).
3) Federal Identification Number and Unique Entity ID Number of the Recipient.

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4) Sales Tax Certification (attached).
5) Preliminary project scope and project budget.

The Site Certification and a Capital Project Ordinance (or budget ordinance covering the project) and the items above are due before disbursements begin.

Declination of the Emergency Loan Offer:
To decline this Emergency Loan funding offer, please email the Division project manager within two weeks of receipt of this letter with a statement declining this offer. An email from the Authorized Representative declining the loan will result in the rescission of the Emergency Loan funding offer.

Division's Project Manager:
If you have any questions concerning this matter or require general assistance, please contact the Division's project manager assigned to your project: Renee Parkman either by telephone at (704) 235-2203 or by email at renee.parkman@deq.nc.gov.

Sincerely,

DocuSigned by:
Shadi Eskaf
6300A872077B4C5...

Shadi Eskaf, Director
Division of Water Infrastructure

Enclosures: Offer and Acceptance Document
Assurances & Conditions
Federal ID and UEID Number Request Memo
Resolution to Accept Funding Offer (suggested format)
Sales Tax Certification Form
Disbursement Request Form
Site Certification
Capital Project Ordinance (sample)

cc: Josh Harrold, Town Manager (josh.harrold@tobm.org)
Jessica Trotman, Town of Black Mountain (1jessica.trotman@tobm.org)
Renee Parkman, P.E. (DWI, via DocuSign)
Mark Hubbard, P.E. (DWI, via DocuSign)
DWI Administrative Unit (DWI, via DocuSign)
Teresa Tripp (DWI, via DocuSign)
DEQ.DWI.FundingOffer@deq.nc.gov
LF Project File (COM – LOIF)
DWI Agreement ID: 2000080230

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

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

Town of Black Mountain
160 Midland Ave.
Black Mountain, North Carolina 28711

Project Number(s): HEL-0003

Unique Entity ID Number: FBFRMA4EHMM5

Funding Program

		Additional Amount for Funding Increases	Previous Total	Total Offered
Drinking Water	☒			
Stormwater	☐			
Wastewater	☒			
DEQ Water Infrastructure Emergency Bridge Loan – Hurricane Helene	☒			$3,000,000
State Emergency Loan	☐			
State Reserve Grant	☐			
State Reserve Earmark (S.L. 2023-134)	☐			
American Rescue Plan Act—Choose an item.	☐			

Project Description:

Emergency Bridge Loan for Hurricane Helene Damages

Total Financial Assistance Offer: **$3,000,000**
Closing Fee: $0

For Loans
Interest Rate: 0% Per Annum
Maturity: June 30, 2030 or Upon receipt of federal disaster relief, whichever comes first

Pursuant to North Carolina Session Law 2024-53:

- The applicant is eligible under State law,
- The project is eligible under State law, and
- The project has been approved by the Department of Environmental Quality as being an emergency situation in a County declared as a disaster county as a result of Hurricane Helene, and eligible under Session Law 2024-53.

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
6300A872077B4C5...
Signature

11/13/2024
Date

On Behalf of: Town of Black Mountain
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

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Conditions

1. Any funds received from the Emergency Loan shall only be used to cover eligible costs arising from damage caused by Hurricane Helene to drinking water or wastewater systems located in the affected area.

2. Eligible costs under the Emergency Loan are limited to those allowed under Session Law 2024-53, Section 4C.7(e).

3. The Recipient is responsible for paying for the costs ineligible for Division of Water Infrastructure funding.

4. All funds awarded to the Recipient from the Emergency Loan must be expended or encumbered by October 31, 2028.

5. The Recipient agrees to repay the full amount disbursed in this Emergency Loan to DEQ when due in accordance with this Agreement. Per Section 4C.7.(j)(2) of Session Law 2024-53, the total balance of this loan shall be due upon the earlier of:
   a. Receipt of federal disaster relief by the Recipient; or
   b. June 30, 2030.

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. The Recipient shall provide any documentation requested by DEQ to show that (1) funds requested by Recipient are necessary to repair damages caused by Hurricane Helene and (2) Emergency Loan funds are used for an authorized purpose.

8. Partial disbursements on this loan will be made promptly upon request, subject to adequate documentation of incurred eligible costs. The Recipient 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 Recipient is expected to uphold its contract obligations including those regarding timely payment.

9. Failure to comply with local government audit requirements may result in delays in disbursement of the funds to the Recipient.

10. Pursuant to Session Law 2024-53, Section 3.1(b), the Recipient is required to use best efforts and take all reasonable steps to obtain alternative funds to cover the losses or needs for which Emergency Loan funds are provided, including any available federal disaster aid.

11. The Recipient will promptly notify DEQ of the existence and status of any award for federal disaster aid to cover the costs for which this loan was issued.

12. Pursuant to Session Law 2024-53, Section 3.1.(c), if the Recipient receives federal disaster aid to cover the same losses or needs for which this Emergency Loan was issued, the Recipient shall use the federal funds to promptly repay the Emergency Loan.

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13. Recipient shall assist and fully cooperate with DEQ in meeting its reporting obligations to OSBM under Section 3.1(g) of Session Law 2024-53.

14. The Recipient will strive to acquire goods and services from historically underutilized business vendors.

Assurances

15. 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.

16. The Recipient will provide and maintain adequate engineering supervision and inspection.

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FEDERAL ID & Unique Entity ID # REQUEST MEMO

TO: All Loan and Grant Recipients

SUBJECT: Federal Identification Number

Please be advised that all local government units receiving grant or loan funds from the State of North Carolina must supply their Federal Identification Number to this office upon acceptance of your loan/grant offer. Therefore, please provide the information below and return to the Division via email at DEQ.DWI.FundingOffer@deq.nc.gov.

RECIPIENT:

PROJECT NUMBER:

FEDERAL IDENTIFICATION NUMBER:

UNIQUE ENTITY ID:

NCLM
NC LEAGUE OF MUNICIPALITIES

November 27, 2024

434 Fayetteville Street
Suite 1900
Raleigh, NC 27601
nclm.org

RISK MANAGEMENT SERVICES
919-715-4000
Fax: 919-715-6656

HEALTH BENEFITS TRUST
1-877-287-9503
Fax: 919-733-3108

WORKERS' COMPENSATION TRUST
1-888-561-1083
F ax: 919-715-8465

PROPERTY & CASUALTY TRUST
1-800-768-8600
Fax: 919-715-8465

Tammy Holland
Town of Black Mountain
160 Midland Ave.
Black Mountain, NC 28711

Dear Ms. Holland:

We understand the devastating impact Hurricane Helene has had on your community and infrastructure. As your risk management partner, we recognize the immense challenges you face in the aftermath of this natural disaster. Our thoughts are with your staff, your community and all those impacted as you work to assess the damage and begin the recovery process.

The Interlocal Risk Financing Fund of North Carolina (IRFFNC), administered by the North Carolina League of Municipalities and overseen by the Risk Management Services board of trustees, remains steadfast in supporting our members during these difficult times. As a member-owned and governed entity, we strive to ensure that you are receiving the assistance you need.

As we move forward together through this challenging period, please know that our team is here to support your recovery efforts. An advance payment of $1,500,000.00 has been issued to assist with some of your immediate needs. A final adjustment of your claim is well underway and an additional payment along with a full explanation of your coverage benefits is forthcoming. If you have any questions or need immediate assistance, please don't hesitate to reach out to your assigned member services representative.