THE CITY OF ASHEVILLE
STAFF REPORT

Council Meeting Date: April 25, 2023

Subject: Application for Lead Service Line Replacement Funding

Staff Resource(s): David Melton, Water Resource Dept Director, Brenna Cook, Compliance Manager

Action Requested: Adoption of resolution to apply for Lead Service Line Replacement funding with the N.C. Dept. of Environmental Quality - Division of Water Infrastructure,

Background:

- Water Resources is required to build an inventory of lead or galvanized water service lines and provide it to the NC Department of Environment Quality (NCDEQ) by October 16, 2024.
- Funds awarded through the NCDEQ Division of Infrastructure (DWI) will be used to help identify both private and public water service lines.
- Any lead service lines, lead connections or galvanized service lines will be replaced on both the public and private side if found during the inspection process.
- Funds can be used for replacement of both public and private service lines.
- The inventory project will be performed in 100 percent of areas deemed Underserved Communities by the NCDEQ Community Mapping System and identified as vulnerable by the city's Climate Justice Map.

Vendor Outreach Efforts: NA

Council Goal(s):

- Improve/Expand Core Services

Committee(s): NA

Pro(s):

- Any lead service lines, galvanized lines or lead connectors in the project area will be replaced. Customers will not have to pay for replacement.
- Will help improve the confidence score of service line inventory as required by state and federal regulations.

Con(s):

- If not approved, inventory service line confidence will be lower.
- Lead connectors and galvanized lines preceded by lead will remain in the distribution system in project areas.

Fiscal Impact:

- If awarded, this program will provide a $2 million interest free loan with potential principal forgiveness for water system improvements that are not currently funded or planned.
- Matching funds are not required for this program.

Suggested Motion:

- Motion authorizing the City Manager to apply for a Lead Service Line Replacement Grant through the N.C. Dept. of Environmental Quality - Division of Water Infrastructure.

Attachment(s):

- Resolution

RESOLUTION NO. 23-____

RESOLUTION AUTHORIZING THE CITY MANAGER TO APPLY FOR LEAD SERVICE LINE REPLACEMENT FUNDING WITH THE N. C. DEPT. OF ENVIRONMENTAL QUALITY - DIVISION OF WATER INFRASTRUCTURE TO MEET SERVICE LINE INVENTORY GOALS

WHEREAS, pursuant to N.C.G.S. § 160A-312, the City of Asheville has authority to operate a public enterprise; and

WHEREAS, pursuant to N.C.G.S. § 160A-17.1, , the City of Asheville is permitted to apply for and accept grant-in-aid and loans from State governments and their agencies for performing any function the City of Asheville may be authorized to by law to perform or provide; and

WHEREAS, The Federal Clean Water Act Amendments of 1987 and the North Carolina Water Infrastructure Act of 2005 (NCGS 159G) have authorized the making of loans and grants to aid eligible units of government in financing the cost of construction and studies; and

WHEREAS, the City of Asheville has needs for and intends to build a water service line inventory to meet Lead and Copper Rule Revision requirements; and

WHEREAS, the City of Asheville intends to request State loan and/or grant assistance for the service line inventory and removal of any lead service lines, galvanized service line and lead connections;

WHEREAS, this aligns with Council goals for improving/expanding core services;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

City Council hereby authorizes the City Manager to apply for N.C. Dept. of Environmental Quality - Division of Water Infrastructure (NCDEQ-DWI). Grants and/or State Revolving Funding, and further authorizes the City Manager to sign all documents associated with the acceptance of funds once awarded. The city shall comply with the following in connection with the approved action:

1. The City of Asheville (the “City”) will arrange financing for all remaining costs of the project, if approved for State loan and/or grant.
2. That the City will adopt and place into effect on or before completion of the project a schedule of fees and charges and other available funds which will provide adequate funds for proper operation, maintenance, and administration of the system and the repayment of all principal and interest on the debt.
3. That the governing body of the City agrees to include in the loan agreement a provision authorizing the State Treasurer, upon failure of the City of Asheville to make scheduled repayment of the loan, to withhold from the City of Asheville any State funds that would otherwise be distributed to the local government unit in an amount sufficient to pay all sums then due and payable to the State as a repayment of the loan.
4. That the City will provide for efficient operation and maintenance of the project on completion of construction thereof.
5. That the Director of Water Resources, the Authorized Official, and successors so titled, is hereby authorized to execute and file an application on behalf of the City with the State of North Carolina for a loan and/or grant to aid in the study or construction of the project described above.
6. That the Authorized Official, 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.
7. That the City has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to the Federal and State grants and loans pertaining thereto.

Read, approved, and adopted this 25th day of April, 2023.

City Clerk

Mayor

Approved as to form:

City Attorney