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MEMORANDUM



To: Town Council, Town of Hertford
CC: Doris Walton, Interim Town Manager
From: Michele Faison, CDBG-I Grant Administrator
Date: 04/14/2025
Project: CDBG-Infrastructure Wastewater Treatment Plant Rehabilitation Project
Subject: PUBLIC HEARING FOR CDBG-I FUNDING CONDITION AND PROGRAM AMENDMENT

The purpose of this Memo is to summarize the public hearing for the Town's FY18/23 Community Development Block Grant Infrastructure (CDBG-I) Program, being presented for adoption at the Town Council meeting.

PURPOSE OF HEARING

There are multiple purposes for this public hearing:

- 1. Describe the CDBG-I and Clean Water State Revolving Fund (CWSRF) program requirements as a CDBG-I grant agreement funding condition.
2. Amend the project scope due to updated costs and additional information obtained since the time of application.
3. Allow residents an opportunity to express their views for the Wastewater Treatment Plant Rehabilitation Project.

FUNDING HISTORY

In March 2024, the Town was awarded \$4,840,760 in Clean Water State Revolving Funds (CWSRF) NC Department of Environmental Quality (DEQ) Division of Water Infrastructure (DWI) (DWI# SRF-W-0002), \$1.5M of which is Principal Forgiveness loan, the remainder being 0.00% interest loan. In an effort to replace the non-principal forgiveness portion of the loan, the Town sought supplemental funds.

On April 8, 2024, a public hearing was held notifying the public of the intention to apply for up to \$3M CDBG-I funds to address notices of violations at the WWTP. However, additional information about the CDBG-I program not presented at that previous public hearing must be presented by the Town at this public hearing to satisfy funding conditions as a recipient of a CDBG-I grant.

In July 2024, the Town was awarded a total of \$3,000,000 in U.S. Department of Housing and Urban Development (HUD) CDBG-I funds from NC DEQ DWI, with FY18 funds (\$105,000; #18-I-3090) for planning costs up to 'release of funds' grant milestone and FY23 funds (\$2,895,000; #23-I-4156) for design and construction after the 'release of funds'. After submitting initial funding conditions, DWI issued a Letter of Intent to Fund (LOIF) 9/24/24 and Grant Agreement contracts with milestone deadlines. FY18 funds must be expended by summer 2025. FY23 funds must be expended by December 2027, unless an extension is granted by DWI.

As presented in the April 2024 application, with the combined \$3M CDBG-I award and \$1.5M of CWSRF principal forgiveness, the total project budget is \$4.5M.

### **FUNDING CONDITION: CDBG-I PROGRAM REQUIREMENTS**

The purpose of the CDBG-I grant program is to improve the quality of life for low to moderate income people by providing a safe, clean environment and clean drinking water through water and sewer infrastructure improvements and extensions of service.

- To benefit a residential area where at least 51% of the beneficiaries are low to moderate income as defined by the United States Department of Housing and Urban Development.
- To perform eligible activities.
- To minimize displacement, and
- Provide displacement assistance as necessary.

The CDBG-I funding available in Spring 2024 was expected to be approximately \$11.3 million. The maximum available grant is \$3.0 million over a 3-year period. Applications for funding were due to NC DWI by April 30, 2024. The Town's grant application for \$3M was submitted by the deadline.

The CDBG program is able to fund a wide variety of community development activities. The State of North Carolina has chosen to fund several activities: water and sewer infrastructure, neighborhood revitalization, coronavirus-related, and economic development projects that lead to job creation or retention.

The infrastructure program, or CDBG-I program, can fund a range of water and sewer infrastructure activities, including, but not limited to the following:

#### Water:

- Projects that resolve water loss in distribution systems.
- Projects that extend public water to areas with contaminated wells.
- Projects that extend water lines to areas with dry wells.
- Projects that assist with low water pressure in public water systems.
- Projects that regionalize two or more water systems.
- Projects that rehabilitate or replace a water treatment plant.

#### Wastewater:

- Projects that resolve inflow and infiltration to collection systems and surcharges from pumps stations and manholes.
- Projects that extend public sewer to areas with failed septic tanks.
- Projects that rehabilitate a wastewater treatment plant to allow for greater efficiency/compliance with regulations.

The Town of Hertford applied for up to \$3M for the WWTP Rehabilitation project. The WWTP is located at 142 Meads Circle in Hertford, Perquimans County, NC. The project area is the ~4-acre WWTP facility, located within the larger ~10-acre property. The limits of disturbance will be contained within the existing fenced-in WWTP facility. According to 2011-2015 American Community Survey (ACS) 5-year summary data, the project has an area-wide benefit to low-to-moderate income (LMI) at 54.46%. The project is a result of an Asset Inventory and Assessment grant previously awarded by DWI.

The range of activities covered by the CDBG-I funds for the Hertford WWTP Rehabilitation Project includes:

- Grant Administration
- Environmental Review
- Engineering Report



- Surveying
- Engineering Design
- Construction
- Construction Administration and Observation
- Legal activities, public outreach, and procurement notices

The Town of Hertford has not had a CDBG project in recent years. As a recipient of a CDBG-I grant, the town is required to adhere to federal procurement requirements and other federal regulations, including, but not limited to:

- Adoption/Submittal of Equal Housing Opportunity and Equal Employment Opportunity Plans
- Adoption/Submittal of a Procurement Plan and Policy
- Adoption/Submittal of a Citizen's Participation Plan
- Adoption/Submittal of a Section 3 Plan
- Adoption/Submittal of a Residential Anti-Displacement and Relocation Assistance Plan
- Excess Force Provision and Code of Conduct Policy
- American with Disabilities Act/Section 504 Survey and adopted grievance procedure
- Adoption/Submittal of a Language Access Plan
- Adoption/Submittal of a Fair Housing Plan, compliant procedure, and Analysis of Impediments to Fair Housing Choice study
- Davis-Bacon & Related Labor Acts and Build American Buy American Act (BABAA) provisions
- Town official attendance at required CDBG procurement, compliance, and environmental trainings
- Quarterly, semi-annual, and annual reports
- Timely submittal of annual fiscal audits,
- Financial management and record retention

The State of North Carolina requires that as a recipient of CDBG grant funding, the town will certify that they will comply with the requirements of the general displacement and relocation policy for CDBG grant funding. This policy assists low to moderate income people with costs associated with relocation or displacement, should such relocation become necessary due to the project activities. CDBG funds can be used for those costs, if necessary. The Town of Hertford confirms and certifies that no displacement and relocation will occur as a result of the proposed CDBG grant activity.

In addition to the aforementioned requirements, because this project is co-funded with CWSRF, which are pass-through federal loan funds from the U.S. Environmental Protection Agency, additional requirements include, qualification-based selection for procurement of engineering services (which has occurred) and American Iron and Steel (AIS) Provisions.

## PROJECT DESCRIPTION/SCOPE AMENDMENT

The Hertford WWTP has received numerous notices of violation (NOVs) and civil penalties for sanitary sewer overflows (SSOs) that reached surface waters. Project elements proposed in both the original application and proposed amendment intend to address these issues. All rehabilitation/replacement work will be like-for-like and not increase permitted capacity at the plant.

The **Original** approved project scope included the like-for-like rehabilitation/replacement of electrical components and treatment units at the Wastewater Treatment Plant (WWTP) to address system violations and return the plant to the original design function. Initial project components included:

1. SCADA and instrumentation for process monitoring,
2. influent and effluent pump station rehab,
3. replacement of grit chamber equipment,
4. removal and disposal of disc filters,
5. repair and inspection of oxidation ditch,
6. security system improvements



- 7. replacement of chlorine contact chamber process control valves,
- 8. replacement of coarse bubble aeration system,
- 9. replacement of chlorine gas and SO2 de-chlorination gas systems,
- 10. replacement of generator automatic transfer switches.

The **Amended** project scope will retain the *originally* proposed items:

- 1. replacement and upgrade of nonfunctional SCADA system to support improvements to instrumentation process monitoring,
- 2. influent and effluent pump station rehabilitation by replacing certain non-functioning and/or aging components
- 3. replacement of grit chamber equipment,
- 4. removal and disposal of disc filters
- 5. assessment and cleaning of the oxidation ditch for rehab/replacement of components,
- 6. security system improvements for additional measures of safety

Due to updated cost estimations and further evaluation of the past notices of violations, the proposed **Amended** project scope also includes:

- 1. assessment of the fine bubble aeration system for rehab/replacement of equipment (instead of replacement of the coarse bubble system)
- 2. replacement of both the process control valves and gate valves at not only the chlorine contract chamber, but also the flow splitter box, oxidation ditch, and sludge holding basin
- 3. remove the line item for the replacement of chlorine gas and SO2 de-chlorination gas systems
- 4. remove the line item for rehabilitation of the previously non-functioning generator automatic transfer switches, which have been rehabilitated by the Town since award of the grant application

Amended activities meet the same need and provide the same benefit as the original project scope, with no increase in capacity, and the project will continue to benefit at least 51% LMI households, and therefore, 100% of the CDBG funds will be used to benefit LMI persons.

The total CDBG budget remains unchanged at \$3,000,000. The total CWSRF budget is \$1.5M. The total combined project funds remain unchanged from the application budget at \$4,500,000.

The Town does not discriminate based on race, color, religion, sex, national origin, handicap, age, familial status, in the admission, access to, treatment or employment in the CDBG program and activities. Efforts will be made to minimize displacement during project implementation and applicable utility easements, and displacement assistance as necessary will be available. Persons with disabilities, limited English proficiency, or who otherwise require special accommodations should contact the Town at 252-426-5311, TDD: 800-735-2962 (Relay Service at 711).

**CITIZEN COMMENTS:**

Comments should be postmarked no later than **Thursday, April 17, 2025**, and a written response will be made within 10 business days. Public hearing minutes will be adopted at the Council’s next meeting. The project amendment package will be submitted to DWI within approx. two weeks after all required CDBG forms are executed. Public grant documents are available at Town Hall upon request, between the hours of 9:00 AM and 4:00 PM. For additional information or to submit written comments, please contact:

Doris Walton, Interim Town Manager; [dwalton@townofhertfordnc.com](mailto:dwalton@townofhertfordnc.com)  
 114 B West Grubb Street (Physical)  
 PO Box 32 (Mailing)  
 Hertford, NC 27944  
 PH: 252-426-5311 / TDD: 800-735-2962 (Relay Service 711)



**WithersRavenel**

Our People. Your Success.

*This information is available in Spanish or any other language upon request. Please contact Interim Town Manager Doris Walton at 252-426-5311 or 114 B West Grubb Street (Physical); PO Box 32 (Mailing), Hertford, NC 27944 for accommodations for this request. Esta información está disponible en español o en cualquier otro idioma bajo petición. Por favor, póngase en contacto con Interim Town Manager Doris Walton al 252-426-5311 o en 114 B West Grubb Street (Physical); PO Box 32 (Mailing), Hertford, NC 27944, de alojamiento para esta comunicado.*

C: CDBG-I Files

**TOWN OF HERTFORD**  
**FY 18/23 COMMUNITY DEVELOPMENT BLOCK GRANT INFRASTRUCTURE PROGRAM**  
**AND CWSRF PROGRAM**  
**WASTEWATER TREATMENT PLANT REHABILITATION INFRASTRUCTURE PROJECT**  
**(18-I-3090 & 23-I-4156)**

**AMENDMENT RESOLUTION**

*This Resolution authorizes an amendment to the Town of Hertford FY18/23 Community Development Block Grant-Infrastructure (CDBG-I) Program.*

WHEREAS, the Town is participating in the Community Development Block Grant Program under Title 1 of the Housing and Community Development Act of 1974, as amended, administered by the North Carolina Department of Environmental Quality (DEQ) Division of Water Infrastructure (DWI); and

WHEREAS, the Town desires to amend the approved project activities and certifies that a public hearing, in accordance with the North Carolina CDBG-I Program Regulations, was conducted on Monday, April 14, 2025, at 6:00 PM to discuss the proposed amendment; and

THEREFORE, BE IT RESOLVED by the TOWN COUNCIL of the TOWN OF HERTFORD, North Carolina:

1. That the amendment to the FY18/23 CDBG-I Program is authorized.

Adopted this        day of April, 2025.

✓

\_\_\_\_\_  
R. Ashley Hodges, Mayor

ATTEST:

✓

\_\_\_\_\_  
Gina Durante, Town Clerk

Put on Town's Template

Town of Hertford Meeting Minutes- Agenda Item

Monday, April 14, 2025, at 6:00 P.M.

Meeting was called to order by Mayor R. Ashley Hodges at \_\_\_\_\_ (Time).

Council members present: \_\_\_\_\_.

Town staff present \_\_\_\_\_.

Mayor introduced \_\_\_\_\_ *(Insert name and title of staff/official reading the script)* for the public hearing.

David Gale, WithersRavenel, spoke about the FY2018/2023 Community Development Block Grant – Infrastructure (CDBG-I) grant amendment. The purposes of the public hearing are to:

1. Describe the CDBG-I and Clean Water State Revolving Fund (CWSRF) program requirements as a CDBG-I grant agreement funding condition
2. Amend the project scope due to updated costs and additional information obtained since the time of application
3. Allow residents an opportunity to express their views for the Wastewater Treatment Plant Rehabilitation Project.

\_\_\_\_\_ *(Insert name and title of staff/official reading the script)* read aloud the memorandum from the Grant Administrator, which is embedded into the Town Council minutes.

Mayor opened the opportunity for Council and staff discussion.

No discussion/questions arose

Mayor opened the floor for public comment.

No public comments were received.

With no further discussion, a motion was made by Councilmember \_\_\_\_\_ and seconded by Councilmember \_\_\_\_\_ to close the public hearing.

Motion passed with \_\_\_ YES and \_\_\_ NO.

Amendment Resolution was presented. Mayor asked for a Motion and vote to approve the Amendment Resolution.

Motion to approve the Amendment Resolution was made by Councilmember \_\_\_\_\_ and seconded by Councilmember \_\_\_\_\_. Motion passed with \_\_\_ YES and \_\_\_ NO.