

AGENDA
CITY COUNCIL BUDGET RETREAT
TUESDAY, MARCH 24, 2026
CITY HALL, THIRD FLOOR, 8:30 A.M.

- I. CALL TO ORDER – MAYOR GIBBONS
- II. PROPOSED FY2026-27 BUDGET CALENDAR (**ACTION ITEM**)
- III. FY2026-27 COUNCIL GOALS REVIEW
- IV. UTILITY FUND CIP, DEBT, FINANCIAL MODEL & RATES
 - A. FY2026-27 DRAFT W&S CAPITAL IMPROVEMENTS PLAN – TABLE 1
 - B. DEBT SERVICE SCHEDULE – TABLE 2
 - C. FINANCIAL ANALYSIS SUMMARY – TABLE 3
 - D. FY2026-27 PROPOSED WATER/SEWER RATES – TABLE 4 (**ACTION ITEM**)
 - E. WATER/SEWER RATES COMPARISON
- V. GENERAL FUND UPDATE & CIP
 - A. CURRENT FY2025-26 BUDGET UPDATE
 - B. HISTORICAL BUDGET INFORMATION:
 - Tax Rates
 - Solid Waste Fees
 - Health Insurance Rates
 - 10 Year Review: CPI, COLA, LGERS, Water/Sewer
 - Fund Balance
 - Consumer Price Index - South
 - C. GENERAL FUND PROJECTIONS
 - D. FY2026-27 DRAFT CAPITAL IMPROVEMENTS PLAN
 - E. PROJECTS SUMMARY
- VI. ONGOING BUDGET CONSIDERATIONS
 - A. GENERAL LIABILITY/WORKERS COMP INSURANCE
 - B. ECONOMIC CONDITIONS/INFLATION
 - C. OUTSTANDING ITEMS/CURRENT COMMITMENTS/FUTURE
- VII. ADDITIONAL GUIDANCE/RECOMMENDATIONS FOR FY2026-27
- VIII. OTHER ITEMS (**ACTION ITEMS**):
 - A. Acceptance Resolution: NC Commerce Small Business Infrastructure Grant Program for the Steele Cotton Mill Stormwater Project in the amount of \$500,000.
 - B. Acceptance Resolution: NC Department of Environmental Quality Drinking Water State Revolving Fund – Lead Service Line Replacement (DWSRF-LSLR) loan in the amount of \$1,000,000 for lead and copper inventory.
 - C. Consideration of Land Donation Offer to the City
- IX. ADJOURN

CITY OF LENOIR
BUDGET CALENDAR
FY2026-2027

May 19, 2025	City Manager presents recommended budget to City Council. (City Clerk will have a copy of the proposed budget available for the public after presentation.)
May 21, 2026	Budget Work Session – 6:00 p.m., Third Floor, City Hall
May 26, 2026	Committee of the Whole – 8:30 a.m., Third Floor, City Hall (Budget Work Session if necessary)
May 28, 2026	Budget Work Session – 6:00 p.m., Third Floor, City Hall (if necessary)
June 2, 2026	Public Hearing for recommended FY2026-27 Budget at City Council Meeting at 6:00 p.m. Earliest possible date to adopt the budget. (City Clerk will have a copy of the final budget available for the public within five business days.)
June 16, 2026	City Council Meeting
June 23, 2026	Committee of the Whole Meeting

2026 City Council Priorities

The City of Lenoir City Council developed the following priorities during its February 2026 Council Retreat.

- 1a** Continue efforts to offer competitive compensation and benefits for employees to improve recruitment and retention.
- 1b** Address corridor appearance and empty commercial buildings through continued code enforcement and beautification of public properties.
- 1c** Explore ways to close sidewalk gaps along US 321/Blowing Rock Boulevard by working with North Carolina Department of Transportation (NCDOT) & the Greater Hickory Metropolitan Planning Organization (MPO).
- 4** Continue to develop strategies to attract attainable and affordable housing by promoting the Caldwell County Housing Plan and Living Lenoir 2045 Comprehensive Plan.
- 5** Continue to inform the public about City programs, services, and events, and encourage participation in government.



Water Rate Comparisons
5,000 Gallons Usage Per Month
FY 2026

Source: Published FY26 Utility Rates Sheets



March 11, 2026

System	Water	Sewer	Total
Lexington	\$51.02	\$70.18	\$121.20
Siler City	\$58.90	\$61.03	\$119.93
Thomasville	\$40.38	\$60.69	\$101.07
Cherryville	\$49.50	\$49.50	\$99.00
Boone	\$49.75	\$49.15	\$98.90
Granite Falls	\$42.95	\$50.16	\$93.11
Taylorsville	\$45.50	\$45.50	\$91.00
Newton	\$39.20	\$51.72	\$90.92
Statesville	\$34.70	\$56.04	\$90.74
Shelby	\$32.13	\$50.44	\$82.57
Two Rivers Utilities **(Gastonia)	\$33.51	\$46.46	\$79.97
Blowing Rock	\$39.38	\$39.38	\$78.76
Lincolnton	\$29.99	\$46.97	\$76.96
Valdese	\$48.00	\$23.85	\$71.85
Conover	\$30.63	\$40.71	\$71.34
North Wilkesboro	\$31.98	\$36.45	\$68.43
Hickory	\$29.31	\$39.06	\$68.37
Lenoir	\$28.08	\$29.26	\$57.34
North Wilkesboro	\$31.33	\$25.97	\$57.30
Morganton	\$18.20	\$37.58	\$55.78
Forest City	\$24.60	\$25.43	\$50.03

Water Rate Comparisons
5,000 Gallons Usage Per Month
FY 2026

Source: Published FY26 Utility Rates Sheets
 Local Unifour Area Utilities
 March 11, 2026

System	Water	Sewer	Total
Alexander County	\$58.29	\$56.99	\$115.28
Baton Water Corp.	\$36.80	\$44.52	\$81.32
Burke County	\$62.50	\$62.50	\$125.00
Cajah's Mountain		\$44.52	\$44.52
Caldwell County	\$42.68		\$42.68
Catawba County	\$58.62	\$78.12	\$136.74
Gamewell		\$50.00	\$50.00
Lenoir	\$28.08	\$29.26	\$57.34
Sawmills	\$44.77	\$59.03	\$103.80

 <div style="text-align: center;"> City of Lenoir Financial Summary As of 2/28/2026 </div> 					
General Fund					
	2025-2026 Budget	2/28/2026	% of Budget	Change from Previous Year	2/28/2025
Total Revenue	\$ 25,241,845.00	\$ 19,916,789.60	79%	\$ 1,598,175.56	\$ 18,318,614.04
Expenditures	\$ 25,241,845.00	\$ 16,019,677.00	63%	\$ 1,112,940.35	\$ 14,906,736.65
Over/Under	\$ -	\$ 3,897,112.60		\$ 485,235.21	\$ 3,411,877.39
Downtown District					
	2025-2026 Budget	2/28/2026	% of Budget	Change from Previous Year	2/28/2025
Revenues	\$ 271,550.00	\$ 41,155.75	15%	\$ (1,624.43)	\$ 42,780.18
Expenditures	\$ 271,550.00	\$ 201,756.31	74%	\$ (6,623.63)	\$ 208,379.94
Over/Under	\$ -	\$ (160,600.56)		\$ 4,999.20	\$ (165,599.76)
Water/Sewer Fund					
	2025-2026 Budget	2/28/2026	% of Budget	Change from Previous Year	2/28/2025
Revenues	\$ 11,963,721.00	\$ 8,294,152.16	69%	\$ 322,131.42	\$ 7,972,020.74
Expenditures	\$ 11,963,721.00	\$ 6,959,204.32	58%	\$ 532,160.08	\$ 6,427,044.24
Over/Under	\$ -	\$ 1,334,947.84		\$ (210,028.66)	\$ 1,544,976.50



City of Lenoir
Financial Summary By Department
As of 2/28/2026



General Fund						
	BUDGET	2/28/2026	2/28/2025	Difference	% OF BUDGET	
REVENUE						
PROPERTY TAXES	\$ 11,051,130.00	\$ 11,375,499.07	\$ 10,137,782.47	\$ 1,237,716.60	103%	
SALES TAX	\$ 6,341,600.00	\$ 3,529,404.30	\$ 3,290,117.91	\$ 239,286.39	56%	
FRANCHISE TAX	\$ 2,410,000.00	\$ 1,237,007.74	\$ 1,287,644.41	\$ (50,636.67)	51%	
SOLID WASTE FEE	\$ 1,111,000.00	\$ 720,719.21	\$ 748,474.00	\$ (27,754.79)	65%	
OTHER	\$ 4,328,115.00	\$ 3,054,159.28	\$ 2,854,595.25	\$ 199,564.03	71%	
TOTAL	\$ 25,241,845.00	\$ 19,916,789.60	\$ 18,318,614.04	\$ 1,598,175.56	79%	
EXPENDITURES						
LEGISLATIVE	\$ 417,895.00	\$ 190,402.79	\$ 165,895.30	\$ 24,507.49	46%	
ADMINISTRATIVE	\$ 978,543.00	\$ 633,230.05	\$ 667,612.28	\$ (34,382.23)	65%	
FINANCE	\$ 1,045,766.00	\$ 555,723.82	\$ 489,010.42	\$ 66,713.40	53%	
PLANNING	\$ 571,876.00	\$ 427,634.60	\$ 292,568.44	\$ 135,066.16	75%	
POLICE	\$ 8,092,222.00	\$ 5,559,858.33	\$ 5,195,287.83	\$ 364,570.50	69%	
FIRE	\$ 6,265,816.00	\$ 3,542,707.42	\$ 3,453,286.49	\$ 89,420.93	57%	
RECREATION	\$ 1,700,504.00	\$ 1,116,392.74	\$ 1,296,943.67	\$ (180,550.93)	66%	
PUBLIC WORKS						
Administrative	\$ 301,040.00	\$ 283,391.04	\$ 158,096.91	\$ 125,294.13	94%	
Cemetery & Grounds	\$ 1,242,833.00	\$ 956,053.06	\$ 803,981.72	\$ 152,071.34	77%	
Building Maintenance	\$ 461,039.00	\$ 315,686.48	\$ 359,424.70	\$ (43,738.22)	68%	
Sanitation	\$ 1,531,540.00	\$ 1,034,192.55	\$ 643,318.20	\$ 390,874.35	68%	
Streets	\$ 2,281,934.00	\$ 1,168,016.71	\$ 1,161,618.97	\$ 6,397.74	51%	
Vehicle Services	\$ 350,837.00	\$ 236,387.41	\$ 219,691.72	\$ 16,695.69	67%	
TOTAL	\$ 25,241,845.00	\$ 16,019,677.00	\$ 14,906,736.65	\$ 1,112,940.35	63%	
OVER/UNDER	-	\$ 3,897,112.60	\$ 3,411,877.39	\$ 485,235.21		
Downtown District						
	BUDGET	2/28/2026	2/28/2025	Difference	% OF BUDGET	
TOTAL REVENUES	\$ 271,550.00	\$ 41,155.75	\$ 42,780.18	\$ (1,624.43)	15%	
TOTAL EXPENDITURE	\$ 271,550.00	\$ 201,756.31	\$ 208,379.94	\$ (6,623.63)	74%	
OVER/UNDER	-	\$ (160,600.56)	\$ (165,599.76)	\$ 4,999.20		
Water/Sewer Fund						
	BUDGET	2/28/2026	2/28/2025	Difference	% OF BUDGET	
REVENUE						
WATER SALES	\$ 7,500,043.00	\$ 5,164,921.30	\$ 5,093,946.52	\$ 70,974.78	69%	
SEWER SALES	\$ 3,694,678.00	\$ 2,645,158.40	\$ 2,435,474.99	\$ 209,683.41	72%	
CAPITAL RESERVE	\$ 1,300,000.00			\$ -		
OTHER	\$ 769,000.00	\$ 484,072.46	\$ 442,599.23	\$ 41,473.23	63%	
TOTAL REVENUES	\$ 13,263,721.00	\$ 8,294,152.16	\$ 7,972,020.74	\$ 322,131.42	63%	
EXPENDITURES						
ADMIN & ENGINEERING	\$ 563,036.00	\$ 280,301.03	\$ 612,825.25	\$ (332,524.22)	50%	
WATER RESOURCES	\$ 446,702.00	\$ 300,584.00	\$ 291,837.81	\$ 8,746.19	67%	
RHODISS PLANT	\$ 2,717,859.00	\$ 1,296,752.35	\$ 1,447,740.59	\$ (150,988.24)	48%	
WATER DISTRIBUTION	\$ 2,942,820.00	\$ 1,561,288.72	\$ 1,548,944.22	\$ 12,344.50	53%	
WASTEWATER COLLECTION	\$ 3,126,772.00	\$ 1,648,206.57	\$ 812,711.83	\$ 835,494.74	53%	
WASTEWATER PRETREATMENT	\$ 197,139.00	\$ 126,740.02	\$ 115,082.49	\$ 11,657.53	64%	
GUNPOWDER WASTEWATER PL	\$ 899,194.00	\$ 436,527.06	\$ 463,739.34	\$ (27,212.28)	49%	
LOWER CREEK WASTEWATER PL	\$ 2,370,199.00	\$ 1,308,806.69	\$ 1,134,162.71	\$ 174,643.98	55%	
TOTAL EXPENDITURE	\$ 13,263,721.00	\$ 6,959,206.44	\$ 6,427,044.24	\$ 532,162.20	52%	
OVER/UNDER	-	\$ 1,334,945.72	\$ 1,544,976.50	\$ (210,030.78)		

City of Lenoir, North Carolina
 Direct and Overlapping Property Tax Rates
 Last 28 Years

(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates	
	City of Lenoir	Downtown Service District	Rescue Readiness	Caldwell County	Rescue Squad
2026-27					
2025-26 *	0.46	0.18	0.0085	0.4975	-
2024-25	0.57	0.20	0.0085	0.63	-
2023-24	0.57	0.20	0.0085	0.63	-
2022-23	0.57	0.20	0.0085	0.63	-
2021-22 *	0.57	0.20	0.0085	0.63	-
2020-21	0.58	0.25	0.0085	0.63	-
2019-20	0.58	0.25	0.0085	0.63	-
2018-19	0.58	0.25	0.0085	0.63	-
2017-18	0.58	0.25	0.0085	0.63	-
2016-17	0.58	0.25	-	0.63	0.0085
2015-16	0.58	0.25	-	0.60	0.0085
2014-15	0.58	0.25	-	0.60	0.0085
2013-14 *	0.58	0.25	-	0.60	0.0085
2012-13	0.56	0.25	-	0.6299	0.0085
2011-12	0.54	0.25	-	0.6599	0.0085
2010-11	0.54	0.25	-	0.6599	0.0085
2009-10	0.54	0.25	-	0.6599	0.0085
2008-09	0.54	0.25	-	0.6599	0.0085
2007-08	0.54	0.25	-	0.6599	0.0085
2006-07	0.54	0.25	-	0.5399	0.0085
2005-06 *	0.54	0.25	-	0.5399	0.0085
2004-05	0.54	0.25	-	0.5839	0.0071
2003-04	0.50	0.25	-	0.5839	0.0071
2002-03	0.50	0.25	-	0.5561	0.0071
2001-02 *	0.47	0.25	-	0.5561	0.0071
2000-01	0.49	0.19	-	0.5829	0.0071
1999-00	0.49	0.19	-	0.5829	0.0071
1998-99	0.49	0.19	-	0.5829	0.0071

* revaluation year

City of Lenoir, North Carolina		
Solid Waste Fees		
Fiscal Year	Solid Waste Fees	Solid Waste Collections
2026-27	TBD	TBD
2025-26	13.00	TBD
2024-25	13.00	1,127,608.00
2023-24	12.00	1,032,474.00
2022-23	11.00	938,138.00
2021-22	10.00	856,385.00
2020-21	10.00	847,783.00
2019-20	10.00	793,464.00
2018-19	9.00	712,381.00
2017-18	9.00	707,721.00
2016-17	9.00	699,283.00
2015-16	9.00	703,382.00
2014-15	8.00	628,144.00
2013-14	8.00	622,819.00
2012-13	8.00	627,002.00
2011-12	8.00	626,743.00
2010-11	7.00	553,866.00
2009-10	7.00	560,940.00
2008-09	7.00	525,142.00
2007-08	7.00	515,359.00
2006-07	6.00	454,131.00
2005-06	6.00	438,734.00
2004-05	-	-

Health Insurance Rates		
FY	%	Provider
2007-08	9.20%	BCBS
2008-09	1.90%	BCBS
2009-10	-3.10%	BCBS
2010-11	4.60%	BCBS
2011-12	-0.10%	BCBS
2012-13	6.70%	BCBS
2013-14	3.30%	BCBS
2014-15	15.00%	BCBS
2015-16	4.20%	BCBS
2016-17	7.90%	BCBS
2017-18	8.50%	BCBS
2018-19	-7.50%	MIT - MedCost
2019-20	0.00%	MIT - MedCost
2020-21	6.00%	MIT - MedCost
2021-22	6.00%	MIT - MedCost
2022-23	3.00%	MIT - MedCost
2023-24	5.00%	MIT - MedCost
2024-25	9.00%	MIT - Aetna (MIT Pool Ended)
2025-26	27.00%	CPEC
2026-27	2.00%	CPEC

Average	5.43%
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10-Year CPI/COLA/LGER/Water/Sewer

Fiscal Year	South CPI (February)	COLA	LGER - General - Change	LGER - LEO - Change	Water	Sewer
2016-17	0.7%	2.0%	0.38	0.85	0.0%	3.0%
2017-18	2.8%	3.3%	0.25	0.25	2.5%	1.0%
2018-19	2.1%	4.8%	0.25	0.25	1.5%	0.0%
2019-20	1.1%	3.0%	1.20	1.20	1.1%	2.5%
2020-21	1.9%	3.0%	1.20	1.20	0.0%	0.0%
2021-22	2.0%	3.0%	1.20	1.20	2.0%	2.0%
2022-23	8.4%	5-8%	0.75	1.00	5.0%	5.0%
2023-24	6.4%	4.5%	0.75	1.00	4.0%	4.0%
2024-25	3.4%	4.0%	0.75	1.00	3.2%	3.2%
2025-26	2.30%	3.75%	0.75	1.00	2.3%	2.3%
10-Year Totals	31.1%	31.4%			21.6%	23.0%

Fiscal Year	South CPI (February)	COLA	LGER - General - Change	LGER - LEO - Change	Water	Sewer
2026-27	1.80%		0.75	1.00		

**City Of Lenoir
Fund Balances**

	2025	2024	2023	2022
Unreserved Fund Balances	\$21,742,551	\$18,850,298	\$17,032,351	\$14,872,480
Fund Balance Percent	93.00%	83.72%	79.37%	80.57%
Water Fund Transfers	\$0	\$0	\$0	\$0
	2021	2020	2019	2018
Unreserved Fund Balances	\$12,613,832	\$10,483,369	\$9,829,330	\$8,421,722
Fund Balance Percent	70.67%	58.23%	56.77%	51.56%
Water Fund Transfers	\$0	\$0	\$0	\$0
	2017	2016	2015	2014
Unreserved Fund Balances	\$7,222,443	\$4,554,559	\$4,061,603	\$3,574,740
Fund Balance Percent	43.14%	25.33%	23.14%	21.90%
Water Fund Transfers	\$0	\$0	\$0	\$0
	2013	2012	2011	2010
Unreserved Fund Balances	\$3,211,745	\$3,028,662	\$2,896,417	\$3,760,253
Fund Balance Percent	19.80%	18.75%	17.72%	23.59%
Water Fund Transfers	\$0	\$0	\$0	\$0
	2009	2008	2007	2006
Unreserved Fund Balances	\$3,653,831	\$3,319,100	\$3,188,151	\$2,285,977
Fund Balance Percent	20.42%	21.18%	20.48%	15.96%
Water Fund Transfers	\$0	\$0	\$0	\$0

Consumer Price Index Historical Tables for South

CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U)

ALL ITEMS (1982-84=100)	South											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Consumer Price Index												
Percent change from 12 months ago												
2016	1.2	0.7	0.7	0.9	0.9	0.8	0.7	1.0	1.4	1.5	1.6	2.0
2017	2.6	2.8	2.2	2.0	1.7	1.5	1.6	1.9	2.4	2.0	2.1	1.8
2018	1.8	2.1	2.3	2.4	2.7	2.7	2.9	2.4	1.7	2.1	1.9	1.5
2019	1.2	1.1	1.6	1.8	1.4	1.1	1.4	1.4	1.3	1.3	1.6	2.1
2020	2.3	1.9	1.1	-0.2	-0.4	0.3	0.6	1.1	1.3	1.3	1.2	1.4
2021	1.6	2.0	2.9	4.4	5.6	5.8	5.8	5.6	5.8	6.6	7.2	7.4
2022	7.8	8.4	9.1	8.8	9.2	9.8	9.4	8.9	8.7	8.1	7.7	7.0
2023	6.9	6.4	5.3	5.5	4.4	3.3	3.4	4.1	4.2	3.7	3.4	3.7
2024	3.4	3.7	3.8	3.3	3.2	2.9	2.9	2.3	2.1	2.5	2.7	2.8
2025	2.8	2.3	1.9	2.0	2.0	2.3	2.3	2.6	2.7		2.2	2.2
2026	1.9	1.8										

Footnotes

(1) Data unavailable due to the 2025 lapse in appropriations

**CITY OF LENOIR
GENERAL FUND CIP
2026-2027 BUDGET YEAR**

	Total Project Cost	Funding from Other Source	Remaining	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
PUBLIC WORKS								
OPERATING BUDGET								
Greenway	\$ 200,000.00	\$ -	\$ 200,000.00	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Resurfacing	\$ 2,190,000.00	\$ -	\$ 2,190,000.00	\$ 430,000.00	\$ 430,000.00	\$ 440,000.00	\$ 440,000.00	\$ 450,000.00
Strategic Paving -Hospital Ave.	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 150,000.00	\$ -	\$ -	\$ -	\$ -
Strategic Paving -Subdivisions-2" Base-Heritage Hill	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ -	\$ -
Strategic Paving -Subdivisions-2" Base-Parkview	\$ 75,500.00	\$ -	\$ 75,500.00	\$ -	\$ -	\$ 37,750.00	\$ 37,750.00	\$ -
Strategic Paving -Subdivisions-2" Base-Summerhill	\$ 93,750.00	\$ -	\$ 93,750.00	\$ -	\$ 93,750.00	\$ -	\$ -	\$ -
Total Operating Funds Public Works	\$ 2,734,250.00	\$ -	\$ 2,734,250.00	\$ 580,000.00	\$ 573,750.00	\$ 552,750.00	\$ 527,750.00	\$ 500,000.00
CAPITAL BUDGET								
54" Standup Mower (1)-Parks & Public Properties	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ -	\$ 15,000.00	\$ -	\$ -
Additional Fencing at Parks & Public Properties Building	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ 7,000.00	\$ -	\$ -	\$ -
Asphalt Roller-Streets	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ -	\$ -
Automated Garbage Truck (2)-Solid Waste	\$ 820,000.00	\$ -	\$ 820,000.00	\$ -	\$ -	\$ 410,000.00	\$ -	\$ 410,000.00
Automated Leaf Collection Truck-Solid Waste	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -	\$ 300,000.00	\$ -	\$ -	\$ -
Backhoe (2)-Streets	\$ 148,000.00	\$ -	\$ 148,000.00	\$ 148,000.00	\$ -	\$ -	\$ -	\$ -
Backhoe-Building Maintenance	\$ 162,500.00	\$ -	\$ 162,500.00	\$ -	\$ -	\$ -	\$ -	\$ 162,500.00
Bucket Truck-Building Maintenance	\$ 145,000.00	\$ -	\$ 145,000.00	\$ -	\$ -	\$ -	\$ 145,000.00	\$ -
Building Addition to Parks & Public Properties Building	\$ 92,000.00	\$ -	\$ 92,000.00	\$ -	\$ -	\$ -	\$ -	\$ 92,000.00
Building Maintenance-(3) 7' Truck Mount Snow Plows	\$ 17,000.00	\$ -	\$ 17,000.00	\$ -	\$ 17,000.00	\$ -	\$ -	\$ -
Cemetery Vehicle Replacements	\$ 128,000.00	\$ -	\$ 128,000.00	\$ -	\$ 64,000.00	\$ -	\$ 64,000.00	\$ -
Clean & Paint Main Garage	\$ 6,070.00	\$ -	\$ 6,070.00	\$ -	\$ 6,070.00	\$ -	\$ -	\$ -
Clean & Paint Tire Bay	\$ 8,550.00	\$ -	\$ 8,550.00	\$ -	\$ 8,550.00	\$ -	\$ -	\$ -
Clean, Repair & Paint Bulk Fuel Tanks	\$ 26,250.00	\$ -	\$ 26,250.00	\$ 26,250.00	\$ -	\$ -	\$ -	\$ -
DEF Storage Facility	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -
Downtown Planters-Horticulture (16)	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -
Dump Truck-1 Ton 4x4 Parks and Public Properties	\$ 65,000.00	\$ -	\$ 65,000.00	\$ -	\$ -	\$ 65,000.00	\$ -	\$ -
Epoxy Floor in Garage	\$ 70,000.00	\$ -	\$ 70,000.00	\$ -	\$ -	\$ -	\$ -	\$ 70,000.00
Forklift-Building Maintenance	\$ 26,000.00	\$ -	\$ 26,000.00	\$ -	\$ -	\$ 26,000.00	\$ -	\$ -
Horticulture UTV-Parks & Public Properties	\$ 36,000.00	\$ -	\$ 36,000.00	\$ -	\$ 36,000.00	\$ -	\$ -	\$ -
Kercher Sidewalk Sweeper for Downtown & Greenway Cleaning	\$ 195,000.00	\$ -	\$ 195,000.00	\$ -	\$ -	\$ -	\$ 195,000.00	\$ -
Light Duty Truck 1/2 ton 4 WD-Streets	\$ 120,000.00	\$ -	\$ 120,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -	\$ -
Light Duty Truck 1/2 ton 4 WD-Vehicle Services	\$ 45,000.00	\$ -	\$ 45,000.00	\$ -	\$ -	\$ 45,000.00	\$ -	\$ -
Pole Shed at Broyhill Walking Park-Parks & Public Properties	\$ 60,000.00	\$ -	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00	\$ -	\$ -
Pre-Fab Greenhouse 10'x16'-Parks & Public Properties	\$ 9,000.00	\$ -	\$ 9,000.00	\$ -	\$ -	\$ 9,000.00	\$ -	\$ -
Public Works Restroom Facilities-Floors and Walls	\$ 36,650.00	\$ -	\$ 36,650.00	\$ -	\$ 36,650.00	\$ -	\$ -	\$ -
Public Works Restroom Facilities-Partitions and Fixtures	\$ 25,100.00	\$ -	\$ 25,100.00	\$ -	\$ 25,100.00	\$ -	\$ -	\$ -

**CITY OF LENOIR
GENERAL FUND CIP
2026-2027 BUDGET YEAR**

	Total Project Cost	Funding from Other Source	Remaining	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Public Works-Window Replacement	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00	\$ -	\$ -
Salt Spreader-Streets	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -
Scissor/Boom Lift-Building Maintenance	\$ 80,000.00	\$ -	\$ 80,000.00	\$ -	\$ -	\$ 80,000.00	\$ -	\$ -
Service Truck-Build. Maint. (2)	\$ 128,000.00	\$ -	\$ 128,000.00	\$ -	\$ 64,000.00	\$ -	\$ 64,000.00	\$ -
Service Truck w/Crane-Streets-Sign Truck	\$ 125,000.00	\$ -	\$ 125,000.00	\$ -	\$ -	\$ 125,000.00	\$ -	\$ -
Single Axle Dump Truck-Streets (4)	\$ 680,000.00	\$ -	\$ 680,000.00	\$ -	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00	\$ 170,000.00
Skid Steer Loader-Streets	\$ 110,000.00	\$ -	\$ 110,000.00	\$ -	\$ -	\$ 110,000.00	\$ -	\$ -
Snow Plow-Streets	\$ 9,500.00	\$ -	\$ 9,500.00	\$ -	\$ 9,500.00	\$ -	\$ -	\$ -
SKAG Stand-On Blower for Greenway Maintenance	\$ 12,000.00	\$ -	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 12,000.00	\$ -
Street Sweeper-Street and Sanitation	\$ 400,000.00	\$ -	\$ 400,000.00	\$ 400,000.00	\$ -	\$ -	\$ -	\$ -
Swap Loader Truck-Solid Waste	\$ 350,000.00	\$ -	\$ 350,000.00	\$ -	\$ -	\$ 175,000.00	\$ -	\$ 175,000.00
Toro Infield Groomer-Parks & Public Properties	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ -	\$ -
Tractor-Loader-Cemeteries	\$ 60,000.00	\$ -	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00	\$ -	\$ -
Tractor w/Cab and Loader-Building Maintenance	\$ 50,715.00	\$ -	\$ 50,715.00	\$ -	\$ -	\$ -	\$ 50,715.00	\$ -
Travel Vehicle-Vehicle Services	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ -	\$ -
Turf Tank Robot-Field Painter -Parks & Public Properties	\$ 18,000.00	\$ -	\$ 18,000.00	\$ -	\$ -	\$ 18,000.00	\$ -	\$ -
UTV Attachments/Plow-Cemeteries	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -
Vehicle Service Addition/Enclosure	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	\$ -	\$ -
Ventrac Pro 4 Wheel-Grapple & Dump attach.-Parks & Public Properties	\$ 33,700.00	\$ -	\$ 33,700.00	\$ -	\$ -	\$ 33,700.00	\$ -	\$ -
Wheeled Loader	\$ 275,000.00	\$ -	\$ 275,000.00	\$ -	\$ -	\$ -	\$ 275,000.00	\$ -
Zero Turn Mowers (4)-Parks & Public Properties	\$ 76,000.00	\$ -	\$ 76,000.00	\$ -	\$ 19,000.00	\$ 19,000.00	\$ 19,000.00	\$ 19,000.00
Zero-Turn Mower 60" Cemeteries (2)	\$ 51,000.00	\$ -	\$ 51,000.00	\$ -	\$ 17,000.00	\$ 17,000.00	\$ -	\$ 17,000.00
Total Capital Budget Public Works	\$ 5,254,035.00	\$ -	\$ 5,254,035.00	\$ 584,250.00	\$ 886,870.00	\$ 1,672,700.00	\$ 994,715.00	\$ 1,115,500.00
OTHER FUNDING SOURCES								
RTP Grant-Greenway OVNHT	\$ 312,500.00	\$ 250,000.00	\$ 62,500.00	\$ 62,500.00	\$ -	\$ -	\$ -	\$ -
Arrowood St. Bridge	\$ 834,000.00	\$ 834,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Greenway Expansions & Upgrades-State Allocation & APR Funds	\$ 1,496,991.00	\$ 1,247,994.00	\$ 248,997.00	\$ 248,997.00	\$ -	\$ -	\$ -	\$ -
Greenway LAPP Project	\$ 2,168,000.00	\$ 2,168,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Funding Sources Public Works	\$ 4,811,491.00	\$ 4,499,994.00	\$ 311,497.00	\$ 311,497.00	\$ -	\$ -	\$ -	\$ -
Grand Total Public Works	\$ 12,799,776.00	\$ 4,499,994.00	\$ 8,299,782.00	\$ 1,475,747.00	\$ 1,460,620.00	\$ 2,225,450.00	\$ 1,522,465.00	\$ 1,615,500.00
FIRE								
CAPITAL BUDGET								
Ballistic Vest	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -
Battalion Chief Vehicle Replacement	\$ 150,000.00	\$ -	\$ 150,000.00	\$ -	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -
Electronic Upgrades	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00

**CITY OF LENOIR
GENERAL FUND CIP
2026-2027 BUDGET YEAR**

	Total Project Cost	Funding from Other Source	Remaining	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Engine 1 Replacement	\$ 1,800,000.00	\$ 1,800,000.00	\$ -	\$ -		\$ -	\$ -	\$ -
Engine 3 Replacement	\$ 1,200,000.00	\$ -	\$ 1,200,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000.00
Equipment Replacement	\$ 150,000.00	\$ -	\$ 150,000.00	\$ 50,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
QRV Replacement	\$ 150,000.00	\$ -	\$ 150,000.00	\$ -	\$ -	\$ 75,000.00	\$ -	\$ 75,000.00
SCBA/PPE Replacement	\$ 595,000.00	\$ -	\$ 595,000.00	\$ 119,000.00	\$ 119,000.00	\$ 119,000.00	\$ 119,000.00	\$ 119,000.00
Station 1 and 2 PVA Repairs	\$ 120,000.00	\$ -	\$ 120,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ -	\$ -
Station 1 and 2 Upgrades	\$ 3,000,000.00	\$ -	\$ 3,000,000.00	\$ -	\$ 1,000,000.00	\$ 2,000,000.00	\$ -	\$ -
Total Capital Budget Fire	\$ 7,250,000.00	\$ 1,800,000.00	\$ 5,450,000.00	\$ 194,000.00	\$ 1,304,000.00	\$ 2,304,000.00	\$ 224,000.00	\$ 1,424,000.00
OTHER FUNDING SOURCES								
Sink hole	\$ 2,574,000.00	\$ 1,123,843.00	\$ 1,450,157.00	\$ 1,450,157.00	\$ -	\$ -	\$ -	\$ -
Total Other Funding Sources Fire	\$ 2,574,000.00	\$ 1,123,843.00	\$ 1,450,157.00	\$ 1,450,157.00	\$ -	\$ -	\$ -	\$ -
Grand Total Fire	\$ 9,824,000.00	\$ 2,923,843.00	\$ 6,900,157.00	\$ 1,644,157.00	\$ 1,304,000.00	\$ 2,304,000.00	\$ 224,000.00	\$ 1,424,000.00
POLICE								
CAPITAL BUDGET								
Departmental Vehicles (4)	\$ 1,400,000.00	\$ -	\$ 1,400,000.00	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00	\$ 280,000.00
Automated Fingerprint ID System (AFIS)	\$ 32,000.00	\$ -	\$ 32,000.00	\$ 32,000.00	\$ -	\$ -	\$ -	\$ -
Conference Room Remodel	\$ 21,000.00	\$ -	\$ 21,000.00	\$ -	\$ 21,000.00	\$ -	\$ -	\$ -
Crew Cab Side by Side	\$ 42,000.00	\$ -	\$ 42,000.00	\$ 42,000.00	\$ -	\$ -	\$ -	\$ -
Crime Mapping Software	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -
Document Scanner and Storage	\$ 79,195.00	\$ -	\$ 79,195.00	\$ -	\$ 79,195.00	\$ -	\$ -	\$ -
Evidence Tracking System	\$ 31,500.00	\$ -	\$ 31,500.00	\$ -	\$ -	\$ 31,500.00	\$ -	\$ -
Firing Range Management	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Firing Range Road Surfacing	\$ 42,000.00	\$ -	\$ 42,000.00	\$ -	\$ -	\$ 42,000.00	\$ -	\$ -
Getac BWC Rotation (10) (EOL org 55 replacements 2030)	\$ 92,000.00	\$ -	\$ 92,000.00	\$ -	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00
Hallway Floor Renovations-Upstairs/Downstairs	\$ 55,000.00	\$ -	\$ 55,000.00	\$ -	\$ 55,000.00	\$ -	\$ -	\$ -
LD-1 Armored ATV	\$ 67,500.00	\$ -	\$ 67,500.00	\$ -	\$ -	\$ -	\$ 67,500.00	\$ -
Locker Room Shower Column	\$ 11,000.00	\$ -	\$ 11,000.00	\$ -	\$ 11,000.00	\$ -	\$ -	\$ -
Office Remodel	\$ 29,400.00	\$ -	\$ 29,400.00	\$ -	\$ 29,400.00	\$ -	\$ -	\$ -
Parking Lot Resurfacing	\$ 124,000.00	\$ -	\$ 124,000.00	\$ -	\$ -	\$ 124,000.00	\$ -	\$ -
Parking Lot Sealing	\$ 27,500.00	\$ -	\$ 27,500.00	\$ -	\$ 27,500.00	\$ -	\$ -	\$ -
Patrol Ballistic Helmets (Due 2030)	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ -	\$ -	\$ -	\$ 25,000.00
Patrol e-Bike	\$ 5,200.00	\$ -	\$ 5,200.00	\$ -	\$ 5,200.00	\$ -	\$ -	\$ -
Patrol Plate Carrier	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -	\$ 35,000.00	\$ -
Personnel Transport Vehicle	\$ 63,000.00	\$ -	\$ 63,000.00	\$ -	\$ -	\$ 63,000.00	\$ -	\$ -
Portable Walkies Dual Band Replacement	\$ 535,400.00	\$ -	\$ 535,400.00	\$ -	\$ 535,400.00	\$ -	\$ -	\$ -
SRT Ballistic Vests (Due 2030)	\$ 72,000.00	\$ -	\$ 72,000.00	\$ -	\$ -	\$ -	\$ -	\$ 72,000.00
Taser (Rotation) X 5	\$ 83,500.00	\$ -	\$ 83,500.00	\$ 16,700.00	\$ 16,700.00	\$ 16,700.00	\$ 16,700.00	\$ 16,700.00

**CITY OF LENOIR
GENERAL FUND CIP
2026-2027 BUDGET YEAR**

	Total Project Cost	Funding from Other Source	Remaining	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Weapon Replacement (P365) + (P320) X 10	\$ 121,250.00	\$ -	\$ 121,250.00	\$ 24,250.00	\$ 24,250.00	\$ 24,250.00	\$ 24,250.00	\$ 24,250.00
Total Capital Budget Police	\$ 3,026,945.00	\$ -	\$ 3,026,945.00	\$ 400,950.00	\$ 1,116,145.00	\$ 610,450.00	\$ 452,450.00	\$ 446,950.00
Grand Total Police	\$ 3,026,945.00	\$ -	\$ 3,026,945.00	\$ 400,950.00	\$ 1,116,145.00	\$ 610,450.00	\$ 452,450.00	\$ 446,950.00
ADMINISTRATION								
OPERATING BUDGET								
ADA Transition Plan Implementation	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Total Operating Budget Administration	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Grand Total Administration	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
TECHNOLOGY INFRASTRUCTURE								
OPERATING BUDGET								
Computers, Telephone Upgrades & Software	\$ 125,000.00	\$ -	\$ 125,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Servers	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Total Operating Budget Technology Infrastructure	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
OTHER FUNDING SOURCES								
Grand Total Technology Infrastructure	\$ 175,000.00	\$ -	\$ 175,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
PARKS AND RECREATION								
CAPITAL BUDGET								
Aquatic Center Ceiling Replacement	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00	\$ -	\$ -
Aquatic Center Dehumidifier	\$ 250,000.00	\$ -	\$ 250,000.00	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -
Aquatic Center Equipment Upgrade	\$ 21,000.00	\$ -	\$ 21,000.00	\$ 21,000.00	\$ -	\$ -	\$ -	\$ -
Aquatic Center Filtration System Replacement	\$ 48,200.00	\$ -	\$ 48,200.00	\$ 48,200.00	\$ -	\$ -	\$ -	\$ -
Dog Park	\$ 70,000.00	\$ -	\$ 70,000.00	\$ -	\$ -	\$ -	\$ 70,000.00	\$ -
IT Upgrades @ All Parks and Facilities	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
MLK Playground Improvements	\$ 30,000.00	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00
Mulberry Recreation Digital Marquee	\$ 17,750.00	\$ -	\$ 17,750.00	\$ -	\$ 17,750.00	\$ -	\$ -	\$ -
Outdoor Pool Cover for Aquatic Center	\$ 23,000.00	\$ -	\$ 23,000.00	\$ -	\$ 23,000.00	\$ -	\$ -	\$ -
Parks Vehicle	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
Playground Equipment-Splash Pad	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -
Playground Equipment-Mulberry Rec.	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -
Renovation to Mulberry Recreation Center	\$ 275,000.00	\$ -	\$ 275,000.00	\$ -	\$ 137,500.00	\$ 137,500.00	\$ -	\$ -
JE Broyhill Park Playground Equipment	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -
Skate Park Updates	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00	\$ -
Splash Play Area @ Mulberry	\$ 350,000.00	\$ -	\$ 350,000.00	\$ -	\$ -	\$ -	\$ -	\$ 350,000.00
West End Park Improvements	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -
Total Capital Funds Parks and Recreation	\$ 1,419,950.00	\$ -	\$ 1,419,950.00	\$ 389,200.00	\$ 253,250.00	\$ 242,500.00	\$ 125,000.00	\$ 410,000.00
OTHER FUNDING SOURCES								
LHS Campus Improvements	\$ 5,834,316.00	\$ 3,257,380.00	\$ 2,576,936.00	\$ 1,288,468.00	\$ 1,288,468.00	\$ -	\$ -	\$ -

**CITY OF LENOIR
GENERAL FUND CIP
2026-2027 BUDGET YEAR**

	Total Project Cost	Funding from Other Source	Remaining	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031
Total Other Funding Sources Parks and Recreation	\$ 5,834,316.00	\$ 3,257,380.00	\$ 2,576,936.00	\$ 1,288,468.00	\$ 1,288,468.00	\$ -	\$ -	\$ -
Grand Total Parks and Recreation	\$ 7,254,266.00	\$ 3,257,380.00	\$ 3,996,886.00	\$ 1,677,668.00	\$ 1,541,718.00	\$ 242,500.00	\$ 125,000.00	\$ 410,000.00
PLANNING								
CAPITAL BUDGET								
Used Code Enforcement Vehicle	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -
Total Capital Budget Planning	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -
Grand Total Planning	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -
MAIN STREET								
CAPITAL BUDGET								
Holiday/Christmas Decorations for Downtown	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -
Total Capital Budget Main Street	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -
OTHER FUNDING SOURCES								
Downtown Signalization Improv.-Two Way Streets	\$ 1,470,000.00	\$ 300,000.00	\$ 1,170,000.00	\$ -	\$ 585,000.00	\$ 585,000.00	\$ -	\$ -
Pavilion and City Buildings-State Allocation	\$ 4,000,000.00	\$ 500,000.00	\$ 3,500,000.00	\$ -	\$ 1,750,000.00	\$ 1,750,000.00	\$ -	\$ -
Total Other Funding Sources Main Street	\$ 5,470,000.00	\$ 800,000.00	\$ 4,670,000.00	\$ -	\$ 2,335,000.00	\$ 2,335,000.00	\$ -	\$ -
Grand Total Main Street	\$ 5,505,000.00	\$ 800,000.00	\$ 4,705,000.00	\$ 35,000.00	\$ 2,335,000.00	\$ 2,335,000.00	\$ -	\$ -
Grand Total Operating Budget	\$ 368,700.00	\$ -	\$ 368,700.00	\$ 60,000.00	\$ 95,000.00	\$ 93,700.00	\$ 60,000.00	\$ 60,000.00
Grand Total Capital Budget	\$ 17,020,930.00	\$ 1,800,000.00	\$ 15,220,930.00	\$ 1,603,400.00	\$ 3,595,265.00	\$ 4,829,650.00	\$ 1,796,165.00	\$ 3,396,450.00
Grand Total Other Funding Sources	\$ 18,689,807.00	\$ 9,681,217.00	\$ 9,008,590.00	\$ 3,050,122.00	\$ 3,623,468.00	\$ 2,335,000.00	\$ -	\$ -
Grand Total CIP	\$ 36,079,437.00	\$ 11,481,217.00	\$ 24,598,220.00	\$ 4,713,522.00	\$ 7,313,733.00	\$ 7,258,350.00	\$ 1,856,165.00	\$ 3,456,450.00

City of Lenoir - Projects										
Project	Funding Source	START/END DATE	TERMS	Description	Grant/ Loan Amount	City Match	ARPA/SCIF	LTDA/CDBG	Other	Total Cost
Projects Underway										
LHS Campus Project Funding										
Pavilion/Farmers Market	State Allocated Funds/LTDA Appropriation	4/1/2022	State Funds were appropriated in the General Assembly. LTDA funding allocated 2-23.	The City received a state grant for a OVT Farmer's Market Pavilion adjacent to the Campus in the amount of \$450,000. The LTDA allocated \$50,000 for this project as well. The City purchased the property for \$70,000. #10232. The City acquired an adjacent .24 acre property from Lenoir Building Supply in December 2025. The property borders the Pavilion property on the west side. The property acquisition has allowed for changes in the site design and significant cost savings in stormwater management for the project.			450,000.00	50,000.00	3,500,000.00	4,000,000.00
Gym at the Campus at Historic LHS	OSBM #10234	10/23/2024	Funds appropriated by the General Assembly.	The City received \$1,000,000 in state allocated funding for this project for improvements to the gym at The Campus at Historic LHS. #10234 Funding from CDBG will be used for phased improvements to the auditorium in the Historic Lenoir High School.			1,000,000.00			1,000,000.00
Lenoir High School Campus (Auditorium/Gymnasium)	Rural Downtown Transformation Grant/LTDA Appropriation	12/22/2025	RDTG Funds must be obligated by December 31, 2024 and spent by December 31, 2026, LTDA funding allocated 2-23	The City received grant funding of \$580,000 for this project for major renovations to the LHS Campus. The LTDA allocated \$50,000 for this project as well. Construction is planned to start in February 2026.	580,000.00			50,000.00		630,000.00
Lenoir High School Campus (Auditorium/Gymnasium)	Rural Infrastructure Authority	4/24/2025		The City received a \$325,000 grant for the renovation of the LHS Gymnasium and Auditorium for improved accessibility, and the construction of a 4,300-square-foot covered outdoor pavilion as a part of the expansion of the Over Mountain Victory Trail.	325,000.00					325,000.00
Lenoir High School Campus	State Allocated Funds/LTDA Appropriation #10235	7/15/1905	Funds appropriated by the General Assembly.	The City received \$1,000,000 in state allocated funding for this project for major renovations to the LHS Campus. Final cost estimates to be determined. State Funding Project #10235.			1,000,000.00	302,380.00	2,576,936.00	3,879,316.00
Total Gym and Auditorium					905,000.00	-	2,000,000.00	352,380.00	2,576,936.00	5,834,316.00
Campus Subtotal					905,000.00	-	2,450,000.00	402,380.00	6,076,936.00	9,834,316.00
AIA SEWER	DEQ	Awarded 2/21/23	Begin 8-21-23	This grant would pay for a detailed inventory and assessment of the entire sewer system. Work on this project continues. Approximately 40% completed	200,000.00					200,000.00
AIA WATER	DEQ	Awarded 2/21/23	Begin 8-21-23	This grant would pay for a detailed inventory and assessment of the entire water system. Work on this project continues. Approximately 45% completed	200,000.00					200,000.00
Clock Tower	Donation	In progress	Donor is working on designs with staff	The funds will cover a sculpture to hold the historic clock on the square. This project will be funded by a private donations. This projects is in progress. The initial fabrication of the tower is complete.		8,300.00			78,725.00	87,025.00
Downtown Veterans Monument Plaza Improvements	OSBM	10/23/2024	Funds appropriated by the General Assembly.	The City received \$200,000 in state allocated funding for this project for improvements to the Downtown Veterans Memorial Plaza Improvements. Final cost estimates to be determined. Planning is underway. The design is complete and bids have been awarded.			200,000.00			200,000.00
Finley Avenue Area Water Project	State Allocated Funds	2022/2024	Allocation of nonrecurring funds appropriated for the 2022-2023 fiscal year from the Clean Water and Drinking Water Reserve. Funds must be obligated by December 31, 2024 and spent by December 31, 2026 (S.L. 2022-74)	This project was identified and placed in the CIP several years ago. Its will improve the low pressure concerns in the area around the Finley water tank through system improvements that create a medium pressure zone in the specified area. Preliminary engineering has been completed and the report was used for a funding application that was submitted to the State Revolving Loan Fund in the fall of 2020. The first application was declined. The applications was resubmitted after making several changes to the scope of the project. The project was not funded by the State Revolving Loan Fund. The project was approved for funding utilizing APR funds allocated at the state level in 2022. Bids were awarded to TP Howard's Plumbing Co., Inc, Caldwell Tanks, Inc. and McGill Associates, PA Certification No. 1 has been partially submitted after completion of the water main work on the tank site.		2,491,360.00	6,948,640.00			9,440,000.00
Gateway Signs (4) Phase #3	LTDA and Local Funds	TBD	TBD	Funding for four entry signs at the City Limit entrances. Funding was received from the LTDA for the design phase. Rite Lite Signs was awarded the contract for the Phase II Gateway Project. There will be a contract addendum for Destination by Design for \$41,477 on the February 3, 2026 City Council agenda. This will cover the design, survey and administrative work for the fourth sign location (Valmead) that was not included in the original contract.		469,749.00		100,000.00		569,749.00
Greenway Expansion	State Allocated Funds	4/1/2022	Funds were appropriated in the General Assembly.	The funds will be utilized to expand the City's greenway network with the goal of having a connected network of greenway trails and multiuse paths. The funding for this allocation will be used to expand the greenway by joining greenway sections across the City as well as connectivity to the Over Mountain Victory Trail. Staff worked with Mattern & Craig Engineers to design a .50-mile Greenway loop that connects the Zack Fork restroom facility and Splash pad to existing greenway and parking. Greenway was installed in April of 2025 just prior to Splash Pad opening.			750,000.00			750,000.00
Harper Avenue Sewer Line Replacement	Enterprise Funds	TBD		The City of Lenoir lists the proposed project titled the Harper Avenue Sewer Line Replacement Project the current CIP and included in the current fiscal year's budget. The Harper Avenue sewer replacement project general involves the replacement of approximately 2,000 linear feet of an existing 8-inch diameter gravity sewer line that is a contributor to inflow and infiltration and has limited capacity due to pipe degradation. Additionally, the project may include the replacement and/or the remediation of manholes. A Request for Qualifications process was initiated and three firms submitted qualifications. These firms were Goodwyn Mills Cawood, McGill Associates, Wetherill Engineering. After review of the qualifications, the City awarded the contract to McGill Associates. Work is scheduled to begin once the weather breaks.		726,820.00				726,820.00
Harper Avenue Streetscape - Implementation	TBD/SCIF 10236	TBD		The project includes implementing the streetscape plan for upgrading the Harper Avenue streetscape from NC-64 to Ridge Street NW that attracts and welcomes visitors from the highway into Downtown Lenoir. Harper's Ave is a city owned Street with two travel lanes and a center turn lane. The proposed area is approximately 3,300 linear feet.			2,000,000.00		8,200,000.00	10,200,000.00
Hospital Avenue Sidewalk	NCDOT	6-17/TBD	Federal Highway Administration Funds \$3,469,863.56 with \$2,536,000 from grants and \$933,863.56 city match Estimates were revised in 2025.	The Hospital Avenue Sidewalk Project was funded by a grant and local funds to engineer, design, acquire rights-of-way, relocate utilities, and construct sidewalks on Hospital Avenue. This project is ongoing. The initial LET in December 2024 received no bids. In February of 2025, the LET was sent out again and the construction contract was awarded to Neil Grading Construction. Construction is set to begin in Feb of 2026. The budget was amended in May of 2025 to a total of 3,469,863.56.	2,536,000.00	200,000.00	234,000.00		499,863.56	3,469,863.56

City of Lenoir - Projects										
Project	Funding Source	START/END DATE	TERMS	Description	Grant/ Loan Amount	City Match	ARPA/SCIF	LTDA/CDBG	Other	Total Cost
Lead Service Line ID and Replacement - Phase 3	NC Division of Water Infrastructure	TBD	1,000,000 loan approved and forgiven 7-17-25. Project # 01-14-010	The City submitted a Lead Service Line Identification and Replacement Grant application with the NC Division of Water Infrastructure for Assistance for Lead Service Line Identification and Replacement for the project in order to develop a comprehensive Lead Service Line Inventory and to construct, plan or conduct a study of the needs in the community regarding lead service line replacements. The loan will provide funding up to \$1,000,000. This application will also assist in meeting new EPA requirements regarding lead service line replacements. The City was approved for a 0% interest loan for \$1,000,000 and the principal was forgiven. North Carolina Department of Environmental Quality (NCDEQ) has accepted a proposal for Lenoir to conduct computerized predictive modeling to assist in the required lead and copper inventory requirements. A revised contract to include the work to develop the predictive model program is being prepared by Freese and Nichols.	1,000,000.00					1,000,000.00
Lenoir Fire Sinkhole - Building Stabilization - Stormwater Repair	ARPA Funds/OSBM	ARPA - 3-21/ Encumbered by 12-24, Spent by 12-26 OSBM - 10-23 start	ARPA Revenue Replacement option - funds must be obligated by December 31, 2024 and spent by December 31, 2026. OSBM - Funds appropriated by the General Assembly.	The City received \$500,000 in state allocated funding for the Lenoir Fire Dept Building Stabilization that will be used for the repair of the sinkhole at Fire Station 1. ARPA will cover 623,843.15 of the project. Engineering plans have been completed to repair the sinkhole. The City has \$1,123,843.15 in hand. The LFD Infrastructure Repair Project was LET in May 2024. No bids were received and project was not rebid. After conversation it was decided to seek alternative design solutions for public utility (water, sewer) relocation. The utility relocation portion of this project will be bid out separate of the infrastructure repair and building stabilization portion of the project. (See below) Engineers are currently working on the plans. WK Dickson (ARDURRA Group) has completed stormwater design updates based on the Ridge Street Sewer Relocation Project. Updated Engineers estimate is \$2,324,000.00 for construction. Project will let on January 30, 2026 with a bid opening date of March 5, 2026.		1,450,157.00	1,123,843.00			2,574,000.00
Lower Creek Wastewater Treatment Plant Process Basin	DEQ	7/23/2025	2.62% interest for 20 years	The Process Basin at the Lower Creek Wastewater Treatment Plant is in need of upgrades. The City of Lenoir requested statements of qualifications from engineering firms to evaluate their professional civil engineering qualifications in accomplishing the subject project in accordance with the Request for Qualifications (RFQ). The City has been approved to receive CWSRF funding for the subject project. The subject project will address the ammonia NOV's by replacing the mixers, diffusers, and air piping within the Process Basins and blowers to support efficient and effective Biological Nutrient Removal (BNR). The subject project includes the replacement of mixers in the anaerobic, anoxic, and aeration basins, replacement of diffusers in the aeration basins, replacement of air piping that feeds the diffusers, replacement of all three (3) blowers, concrete repairs to treatment basins, and all associate electrical wiring, conduits, instrumentation, and panels for this equipment. The upgrades and equipment replacements will not increase the treatment capacity, 6.0 MGD, of the WWTP. The City received qualifications from the engineering firm of McGill Associates.	5,600,000.00					5,600,000.00
OVNHT Greenway Link	RTP Grant	12-20/TBD	Spring 2020 Recreational Trail Program Grant of \$250,000 with \$62,500 city match	The City of Lenoir received a \$250,000 Recreational Trails Program grant to design and build three street crossings along the Overmountain Victory National Historic Trail (OVNHT) that runs through downtown. The total project cost to design and build the crossings is \$312,500. The grant is \$250,000 and the City is matching the grant with \$62,500 in local, in-kind contributions. Mattern and Craig Engineers have completed 60% Construction Plans as of January 2026. Some ROW acquisition will be required which will be managed by M&C.	250,000.00	62,500.00				312,500.00
Stormwater Planning Grant	DEQ/Stormwater Planning Grant (LASII) -North Carolina Department of Environmental Quality utilizing American Rescue Plan funding	Approved 7-18-23 must be spent by 12-26	ARPA funding - funds must be obligated by December 31, 2024 and spent by December 31, 2026.	The City of Lenoir applied for a Stormwater Planning grant in the amount of \$400,000. The City of Lenoir has identified three top stormwater system priorities to address that will further position the City to better manage and plan for the operations of the city-wide stormwater system. The priorities and associated strategies were developed by the City staff and consultants from Freese & Nichols, Inc. The City was awarded \$248,640 in funding from the North Carolina Department of Environmental Quality utilizing American Rescue Plan funding. Ongoing	248,640.00					248,640.00
Water Interconnection Project Lenoir Valdese	OSBM	10/23/2024	Funds appropriated by the General Assembly.	The water distribution system analysis identified a possible interconnection of the Lenoir water system with a neighboring utility in the region. A more detailed engineering review of this project is being finalized. This will generally include the construction of approximately 4 miles of 20-inch diameter water transmission main between the Town of Valdese's Water System and City of Lenoir's Water System, including a Lake Rhodhiss water main crossing, a water pump station with standby generator, valves, hydrants, master meter, water main connections, and all related appurtenances The City received a direct appropriation of \$17,000,000 (less loan fees)through the NC General Assembly in the 23-24 state budget to fund the undertaking of this project. This project is being designed by McGill currently. The Interconnect project is in the surveying, design, and easement acquisition phase. Survey field work and mapping has been completed for the Valdese Water Treatment Plant site. Survey field work is in progress for the Waterfront Club and Caldwell Timber properties. The community meeting for Waterfront Club was held on January 22, 2026. The city will meet with the owners of the property for the proposed Water Booster Pump Station.			17,000,000.00			17,000,000.00
Wayfinding Signs	NC Commerce Tourism Grant/ARC		GRANT, TBD, LTDA funding allocated 2-23	Grant funding for a wayfinding system to provide information regarding attractions, municipal amenities and local businesses. Signs will encourage travelers on 321 to visit downtown, the LHS Theater Auditorium and Recreational Fields, Mountain Bike Trails, OVT Trails, Greenway, MLK and Aquatic Center - to name just a few. LTDA allocated \$50,000 FY 2023 and \$100,000 in FY 2024. The signs are in the process of being installed.	250,000.00	37,000.00	142,500.00	200,000.00		629,500.00
West End Community Park Upgrades	Local Funds	3/1/2025		Several improvements to the West End Community Park are programmed for FY24-25, including shelter repairs and upgrades, basketball court repairs, and walkway repairs. These improvements will compliment the addition and relocation of playground equipment installed in 2025. Ongoing		25,000.00				25,000.00
Subtotal					10,284,640.00	5,470,886.00	28,398,983.00	300,000.00	8,778,588.56	53,233,097.56
Project Funding - Approved But Not Started Or in the Planning Phase										
Downtown Signalization Improvements - Two Way Streets	OSBM	10/23/2024	Funds appropriated by the General Assembly. The funds must be spent by 10-2025	The City received \$300,000 in state allocated funding for this project for Downtown Signalization Improvements and two-way streets in the downtown area. The signal light at College and Mulberry was removed in 2025.			300,000.00		1,170,000.00	1,470,000.00

City of Lenoir - Projects										
Project	Funding Source	START/END DATE	TERMS	Description	Grant/ Loan Amount	City Match	ARPA/SCIF	LTDA/CDBG	Other	Total Cost
Greenway LAPP Project	Surface Transportation Program Direct APPT Fund		Funding for Connection Project Segments 1 through 5 in the amount of \$2,167,750 and the City committed up to \$433,550 as a cash match for the selected Lenoir Greenway Extension	Park Connection Project proposes the addition of five (5) greenway segments that will provide connectivity to existing and future greenway segments and segments currently under construction. The total proposed segments have a length of 7,225 LF or approximately 1.37 miles. The proposed greenway segments run parallel to existing right of ways and crosses through sections of private property. In 2024, the Design was completed, M&C is working to secure Right Of Way from adjacent property owner (Lenoir Building Supply) in order to build this Greenway Connector. Greenway LAP Project: BL-0065 STIP Project Scheduling was pushed to 2006 in 2025. We have updated the project schedule and it has been amended on the STIP. New project schedule is PE/DESIGN:FFY26, ROW:FFY27, UTILITY:FFY27, CONSTRUCTION: FFY28 .	1,734,400.00		433,600.00			2,168,000.00
Subtotal					1,734,400.00	-	733,600.00	-	1,170,000.00	3,638,000.00
Funding Opportunities - Application Submitted										
Arrowood Bridge Replacement	FEMA BRIC	TBD	TBD	The Public Works Director worked with consultant, Mattern and Craig, to develop a FEMA grant application for replacement of the Arrowood Street Bridge. The application process began in November, 2021, with intermediate submission deadlines in November, December, and a final submission deadline in January, 2022. The application includes a funding request for \$525,000 (70%), and notice of award, if successful, should occur in July, 2022. The Grant was not funded but was resubmitted Fall of 2022 and was not funded. Two new grant applications were submitted in 2025 for this project and decisions haven't been made yet regarding the funding.					834,000.00	834,000.00
EPA-Community-Wide Assessment Grant	North Carolina Department of Environmental Quality (DEQ) Brownfields Redevelopment Section	TBD	TBD	Application was made for a U.S. EPA Brownfields Community-Wide Assessment Grant that will focus on the assessment of the Former Harper Plant #2, Southeastern Adhesives, and Marine Technology Solutions sites.	500,000.00					500,000.00
EPA Brownfield - Clean-up Grant	North Carolina Department of Environmental Quality (DEQ) Brownfields Redevelopment Section	TBD	TBD	The City applied for a Brownfield Clean-up grant for 429 College Avenue, SW through the North Carolina Department of Environmental Quality (DEQ) Brownfields Redevelopment Section.	500,000.00					500,000.00
Lenoir Resilience Wastewater Infrastructure/Sewer Outfall Upgrade	FEMA BRIC	TBD	TBD	FEMA made available a grant opportunity for funding projects that improves or mitigates infrastructure that is located in flood hazard areas. The Utilities Department, working with the Western Piedmont COG, identified a potential project and submitted a grant application for 75% funding with a 25% local match. The project would involve the construction of an equalization basin to equalize the flow during severe rain events and a new septic tank receiving station at the Lower Creek Wastewater Treatment Facility. In addition, funds have been requested to replace the sewer line that follows Zack's Fork Creek from Pennell Street to the soccer complex on Zack's Fork Rd. The total project cost is The City of Lenoir is dedicated to contribute 25% of the overall cost, amounting \$2,400,000.00, as matching funds from the Enterprise Fund for this \$9,600,000 project. The sewer line replacement is currently in the Utilities Department CIP. The equalization basin is part of a larger renovation project for Lower Creek also identified in the current CIP. The Grant was not funded but was resubmitted in the Spring of 2024 and remains unfunded. The City applied for a Hazard Mitigation Grant for 719,097.75 in June of 2025 and has not heard yet regarding approval and is also waiting for the final ruling regarding the BRIC grant.	7,200,000.00	2,400,000.00				9,600,000.00
OVT Connector Greenway and Sidewalk Project	NC Great Trails State Grant Program	TBD	TBD	This funding application was submitted 11.12.24 and includes a request of \$497,994 (66% project cost) for construction of greenway and sidewalk connections from Harper and West Avenue to Willow Street and the OVT Pavilion project. The grant was submitted to Great Trail late 2024. We have not been awarded any Great Trails funds.	497,994.00	248,997.00				746,991.00
Steel Street Mills	NC Commerce Small Business Infrastructure Grant Program (SmBIZ)	TBD	TBD	The City, with the assistance of the WPCOG, applied for a grant is through NC Commerce Small Business Infrastructure Grant Program (SmBIZ) to assist a local developer relocate a stream that runs underneath their historic building. This stream relocation will require the City of Lenoir to make infrastructure changes to allow for proper runoff of stormwater to avoid flooding in the area, which could affect area businesses. It is proposed to reroute the stormwater from College Avenue and Harper Avenue to join the infrastructure just West of Steele Street. A concrete junction box will be constructed under Steele Street where the corrugated piping begins to connect the stormwater from both College Avenue and Harper Avenue into this box. Completing this project will result in improved stormwater management and allow for the redevelopment of the property for much needed housing. This property is a locally designated Historic Landmark and is on the National Register of Historic Places. This downtown area is also located in a US Qualified Opportunity Zone.	500,000.00					500,000.00
Whitnel Water Transmission Main Replacement - Phase #1	Infrastructure Funds or SRF Funding - TBD	TBD	TBD	This project was identified in the water distribution system analysis as a top priority project. It would replace the existing 20 inch line from the water plant to Sawmills with a 24 inch line. A funding resolution was passed on 10/7/25 to apply for funding.					7,000,000.00	7,000,000.00
Subtotal					9,197,994.00	2,648,997.00	-	-	7,834,000.00	19,680,991.00
Pending Projects										
Water Project - Hwy 18	TBD	TBD	TBD	Fund water line upgrade to improve the water pressure on Morganton Blvd. (HWY 18) and the Fairview area. The total project cost is estimated to be approximately \$2.6 million.					2,600,000.00	2,600,000.00
Hickory Water interconnect	TBD	TBD	TBD	Exploring the possibility of interconnecting with Hickory for a back-up water supply. Estimated costs \$40,000,000 to \$70,000,000.					40,000,000.00	40,000,000.00
Subtotal					-	-	-	-	42,600,000.00	42,600,000.00
Grant Total					22,122,034.00	8,119,883.00	31,582,583.00	702,380.00	66,459,524.56	128,986,404.56

**CITY OF LENOIR
COUNCIL ACTION FORM**

- I. Agenda Item:** Acceptance Resolution: Consideration to approve a grant agreement resolution and the required contract acceptance documents from the NC Commerce Small Business Infrastructure Grant Program for \$500,000 for the Steele Cotton Mill Stormwater Project.
- II. Background Information:** A local developer needs to relocate a stream that runs underneath their historic building. This stream relocation will require the City of Lenoir to make infrastructure changes to allow for proper runoff of stormwater to avoid flooding in the area, which could affect area businesses. It is proposed to reroute the stormwater from College Avenue and Harper Avenue to join the infrastructure just West of Steele Street. A concrete junction box will be constructed under Steele Street where the corrugated piping begins to connect the stormwater from both College Avenue and Harper Avenue into this box. Completing this project will result in improved stormwater management and allow for the redevelopment of the property for much needed housing. This property is a locally designated Historic Landmark and is on the National Register of Historic Places. This downtown area is also located in a US Qualified Opportunity Zone.
The estimate to make these stormwater infrastructure improvements is \$500,000.
The NC Commerce Small Business Infrastructure Grant Program (SmbIZ) awarded \$500,000 for the project to assist in restoring or expanding small businesses' ability to attract customers to business districts to help retain business, expand access, spur private investment to create stability, and leverage resources to create resiliency and economic growth. The related infrastructure projects will target and support small businesses that employ 150 or fewer employees. The Western Piedmont Council of Government is assisting with the grant project.
- III. Staff Recommendation:** Staff recommends City Council approve the grant agreement resolution and the required contract acceptance documents from the NC Commerce Small Business Infrastructure Grant Program for \$500,000 for the Steele Cotton Mill Stormwater Project.
- IV. Reviewed by:**
City Attorney: _____
Finance Director: _____
City Manager: _____



NC DEPARTMENT
of COMMERCE
RURAL ECONOMIC
DEVELOPMENT

Josh Stein
GOVERNOR

Lee Lilley
SECRETARY

Reginald Speight
ASSISTANT SECRETARY

March 16, 2026

The Honorable Joseph L. Gibbons
Mayor
City of Lenoir
801 West Ave NW
Lenoir, NC 28645

Re: Contract Agreement for Grant Number SA-0440; Your Signature and Reply is Requested
Project Title: "Steele Cotton Stormwater Project"

Dear Mayor Gibbons:

This contract document is required to finalize the grant award for funding as described in the Disaster Recovery Act of 2025 – Part I. Below is a description of the documents included along with an explanation of each.

Document:	Document Description:	Signed By:
Grant Agreement	Contract: Outlines the terms of Agreement between the Department of Commerce and the Unit of Local Government.	Highest Elected Official - Unit of Local Government
Exhibit A	Small Business Infrastructure Grant Application	No Signature Required
Exhibit B	Payment Schedule: Outlines the process for the Unit of Local Government to request payments from the Department of Commerce.	No Signature Required
Exhibit C	Reporting Schedule: Outlines the schedule of reports that are due from the Unit of Local Government to the Department of Commerce and when they are due.	No Signature Required
Exhibit D	Small Business Infrastructure Grant Program Guidelines	No Signature Required

Please execute this document and return a copy to nichole.gross@commerce.nc.gov. A copy of this document and all others pertaining to the project will be available and accessible through the [Rural Connect Portal](#). If you have any questions, or if I can be of any assistance, please contact me, hazel.edmond@commerce.nc.gov or please contact your program manager, nichole.gross@commerce.nc.gov.

Sincerely,

Hazel S. Edmond, Director
Rural Engagement & Investment Programs

The North Carolina Department of Commerce (“Commerce”), an agency of the State of North Carolina (“State”), enters into this Small Business Infrastructure Grant Agreement (the “Agreement”) with the **City of Lenoir** (the “Local Government”), each being referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS, the North Carolina General Assembly (“General Assembly”) has determined that it is the policy of the State to assist with disaster recovery;

WHEREAS, the General Assembly, in the Disaster Recovery Act of 2025 – Part I (North Carolina Session Law 2025-02) (the “Act”), transferred funds from the State Emergency Response and Disaster Relief Fund (“SERDRF”) to the Hurricane Helene Disaster Recovery Fund (the “Helene Fund”);

WHEREAS, in Section 2A.2(4) of the Act, the General Assembly appropriated Fifty-Five Million Dollars (\$55,000,000) from the Helene Fund for the Small Business Infrastructure Grant Program (the “Program”);

WHEREAS, under Section 2F.1(a) of the Act, the Program is to be administered by Commerce;

WHEREAS, the General Assembly has created the Rural Economic Development Division (“REDD”) within Commerce, and REDD will be responsible for administering the Program;

WHEREAS, the purpose of the Program is to provide grants to eligible local governments to expedite infrastructure repairs impacting the operation and patronage of small businesses in the Affected Area;

WHEREAS, under Section 2F.1(c) of the Act, the General Assembly has authorized Commerce to review applications for grants under the Program and, where appropriate, award grants to eligible local governments on a first-come, first-served basis; and

WHEREAS, pursuant to the Act, and based on the application filed by the Local Government (the “Application”) and any subsequent materials supporting the Application that have been approved of by Commerce in writing as of the Effective Date, all of which are included as Exhibit A and are incorporated by reference herein, Commerce has approved a grant to the Local Government (the “Grant”); and

WHEREAS, without limitation, Commerce awarded the Grant: (1) based on the Application filed by the Local Government and the certifications contained therein and (2) for the completion of the Project (as defined below), as summarized in the Application.

NOW, THEREFORE, in consideration of the mutual promises and such other valuable consideration as set out herein, the Parties mutually agree to the following terms and conditions:

SECTION 1. DEFINITIONS

- 1.1 “Act” means The Disaster Recovery Act of 2025 – Part 1 (N.C.S.L. 2025-02).
- 1.2 “Affected Area” means the counties designated before, on, or after March 19, 2025, under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene.

- 1.3 “Agreement” means this Small Business Infrastructure Grant agreement between the Local Government and the Department of Commerce, as amended, modified, revised, or supplemented from time to time and including the documents set forth in the Preamble and the Exhibits listed in Paragraph 5.14.
- 1.4 “Application” has the meaning set forth in the Preamble.
- 1.5 “Commerce” means the North Carolina Department of Commerce.
- 1.6 “Effective Date” has the means **2/28/2026**.
- 1.7 “Eligible Local Government” means a city or county, as defined in N.C. Gen. Stat. §§ 160A-1 and 153A-1, located in an Affected Area.
- 1.8 “General Assembly” means the North Carolina General Assembly.
- 1.9 “Grant” means the Small Business Infrastructure Grant awarded to the **City of Lenoir** on **2/28/2026** by Commerce and subject to the terms and conditions of this Agreement.
- 1.10 “Grant Term” means the effective period of this Agreement beginning on **2/28/2026**(“Effective Date”) and terminating on **2/28/2029** unless terminated on an earlier date under the terms of this Agreement (either one of which dates shall constitute the “Termination Date”) or unless extended for an express term agreed upon in writing by the Local Government and Commerce.
- 1.11 “Local Government” means **City of Lenoir**, a city in **Caldwell County** North Carolina.
- 1.12 “Project” means repair or reconstruction of the **public water improvements**, as described in the Application.
- 1.13 “Project Change” means any material alteration, addition, deletion, or expansion of the Project, including but not limited to material changes to construction or rehabilitation and any filing of bankruptcy by the Local Government.
- 1.14 “Qualifying Infrastructure Needs” means water, sewer, gas, telecommunications, high-speed of businesses located in an Eligible Local Government and damaged by Hurricane Helene that, until repaired, inhibits access to or operations of one or more of those Small Businesses (as defined below). For purposes of the Agreement, infrastructure owned by the Small Business(es) or for which the Small Business(es) is/are responsible for maintaining is not included.
- 1.15 “REDD” has the meaning set forth in the Preamble.
- 1.16 “Secretary” means the Secretary of the North Carolina Department of Commerce.

1.17 “Small Businesses” means

Business Name	Business Type	State
Caldwell County Habitat for Humanity	Non-Profit Corporation	NC
Lazo Financial Group LLC dba Ideal Multi Services, LLC	Limited Liability Company	NC
Lazo Insurance Agency, LLC	Limited Liability Company	NC

Businesses with a physical presence in the Affected Area that employs/ one hundred fifty (150) or fewer employees, as identified in the Application.

1.18 “State” means the State of North Carolina and any of its related agencies, commissions, or departments (including Commerce, the North Carolina State Auditor, the North Carolina Office of State Budget and Management, and the Joint Legislative Commission on Governmental Operations) and any of their authorized representatives.

SECTION 2. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties by the Local Government

- a) The Local Government makes the following representations and warranties and acknowledges and agrees that such representations and warranties have been material to Commerce’s decision to enter into this Agreement and to its determination that the Local Government is eligible for a grant with respect to the Project, and the Local Government further agrees that each representation and warranty shall be true, accurate, and complete as of the date of execution and delivery of this Agreement and as of the date of any disbursement of Grant funds:
- b) The execution and delivery of this Agreement have been duly authorized by all necessary Local Government action and are not in contravention of law or in contravention of the provisions of any indenture agreement or undertaking to which the Local Government is a party or by which it is bound.
- c) To the knowledge of the Local Government, no action or legal proceeding is threatened against it or affecting it that may adversely affect the Project or any of the transactions contemplated by this Agreement or the validity or enforceability of this Agreement or the abilities of the Local Government to discharge its obligations under this Agreement. If it is subsequently found that such an action, suit, proceeding, or investigation did or could threaten or affect the development and/or completion of this Project, the Local Government shall be liable to Commerce for repayment of the entire amount of the Grant, and this Agreement may be terminated by Commerce, effective upon notice of such termination.
- d) No approval is necessary, or if any approval is necessary, all such approvals have been obtained from any governmental authority as a condition to the execution of this Agreement by the Local Government. The Local Government shall provide Commerce with evidence of the existence of any such necessary approvals at the time of the execution of this Agreement.
- e) The Local Government is solvent.
- f) The Local Government shall provide Commerce with any information it obtains with regard to the Project. Additionally, at Commerce’s request and on Commerce’s behalf, the Local Government shall exercise any rights of the Local Government to access, obtain, review, or monitor such information in the possession of third parties, including any Business.

- g) The Local Government shall exercise all of its rights and duties under this Agreement in a prudent and timely manner to ensure the use of the Grant funds for their intended purposes and objectives and to preserve the rights of Commerce in this Agreement.
- h) If the Local Government fails to timely repay Commerce any Grant funds upon request and as directed, and, at its sole discretion, Commerce elects to initiate legal proceedings against the Local Government for such repayment, the Local Government is responsible and agrees to reimburse Commerce for all litigation costs and reasonable attorneys' fees that Commerce incurs in pursuing repayment.
- i) The Local Government qualifies as an Eligible Local Government.
- j) The County in which the Local Government sits qualifies as an Affected Area.
- k) The Small Businesses are a business with a physical presence in the Affected Area that employs one hundred fifty (150) or fewer employees.
- l) The Project addresses a Qualifying Infrastructure Need that adversely affects access to or operations of the Small Businesses identified in the Application.
- m) The infrastructure to be repaired by the Project was damaged by Hurricane Helene.
- n) The Small Businesses do not own the infrastructure to be repaired by the Project and are not responsible for maintaining the infrastructure to be repaired by the Project.
- o) The Small Businesses identified in the Application were adversely impacted by Hurricane Helene, and the resulting damage to infrastructure has inhibited access to or operations of the Businesses.
- p) The Small Businesses identified in the Application will benefit from the Project.
- q) The Local Government will use the Grant Funds only for purposes of repairing the Qualifying Infrastructure Needs identified in the Application, as permitted under this Agreement and under the Act.

2.2 Changes in the Project or Other Conditions.

- (a) There shall be no Project Change unless expressly approved by Commerce in a separate, prior written agreement stating, if applicable, the costs and schedule for completing the Project Change.

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- (b) Additionally, the Local Government immediately shall provide written notice to Commerce of any change in conditions, local law, or any other event which may significantly affect its ability to oversee, administer, or perform this Agreement or the Project. In its sole discretion, Commerce may deem such a change in conditions, local law, or other event to constitute a Project Change.

SECTION 3. TERMS AND CONDITIONS OF AGREEMENT

3.1 Project Details

- (a) The Local Government represents that it has, or will secure at its own expense, all personnel required to monitor, carry out, and perform the scope of services of this Agreement. Such employees shall not be employees of Commerce. Such personnel shall be fully qualified and shall be authorized under State and local law to perform such services.
- (b) The Project will commence on **2/28/2026**.
- (c) The infrastructure is to be repaired as described in the Application.
- (d) The Small Businesses are located,

Business Name	Physical Address
Caldwell County Habitat for Humanity	1216 Harper Ave. Lenoir, NC 28645
Lazo Financial Group LLC dba Ideal Multi Services, LLC	1308 Harper Ave. Lenoir, NC 28645
Lazo Insurance Agency, LLC	1309 Harper Ave. Lenoir, NC 28645

utilize the infrastructure to be repaired, and have been negatively impacted by damage to the infrastructure, as described in the Application.

- (e) The Project will be completed on or before **2/28/2029** If the Local Government anticipates a delay in the Project, the Local Government will provide timely notice, in writing, to Commerce of the delay and the anticipated date of completion. Commerce, in its sole discretion, then will provide written consent to an extension of the Project End Date.

3.2 Grant Funds

- (a) Commerce grants to the Local Government an amount not to exceed **\$500,000** for expenditures directly related to the Project. If Commerce determines that the actual costs of the Project are less than the Grant amount, Commerce, in its sole discretion, may reduce the amount of the Grant accordingly. If the Local Government determines that the actual costs of the Project are less than the Grant amount, it shall report so to Commerce, in writing, and return any surplus Grant funds to Commerce within thirty (30) days of making that determination.
- (b) Grant funds will be distributed to the Local Government in accordance with the Payment Schedule established in Exhibit B. For those funds not distributed in advance (in accordance with Exhibit B), the Local Government will complete a Payment Request Form (provided by Commerce), along with invoices and proof of payment, and submit said form and documentation to Commerce. Upon receipt and review of the Payment Request Form and

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attached documentation, Commerce will disburse payment to the Local Government. Commerce may, in its sole discretion, request additional documentation of expenses from the Local Government prior to disbursement of Grant funds.

- (c) If Grant funds are distributed in advance, the Local Government will provide proof that those advanced funds were used exclusively for the purpose of the Project. Such proof will be provided according to the terms of Exhibit B. Should the Local Government fail to provide such proof within sixty (60) days of receipt of the advanced distribution, the Project will be placed into default status, and no further payments will be made until the required documentation is submitted to and approved by the Department.
- (d) The Local Government shall use Grant funds exclusively for the purpose of the Project, as described in the Application, and consistent with all applicable State, federal, and local laws, rules, regulations, and requirements (including, without limitation, all language in the Act regarding this funding). The Local Government shall not make or approve of any improper expenditure of Grant funds.
- (e) The Local Government may use Grant funds for administrative purposes, provided those administrative expenses do not exceed [one and a half percent] (1.5%) of the total Grant funds awarded to the Local Government.
- (f) The Local Government shall not obligate Grant funds prior to the Effective Date or subsequent to the Termination Date of this Agreement. All obligations outstanding as of the Termination Date shall be liquidated within thirty (30) days, unless Commerce terminates the Agreement pursuant to Paragraph 3.3 below, in which case any expenditures shall be made pursuant to the requirements of that Paragraph.
- (g) The obligations of the State (including but not limited to REDD and Commerce) to pay any amounts under this Agreement are contingent upon the availability and continuation of funds for such purpose. If funds for the Grant become unavailable, Commerce has the right to terminate this Agreement by giving written notice to the Local Government. The effective date of such termination will be in Commerce's sole discretion and will be included in the written notice of termination. Upon such termination, the State shall have no responsibility to make additional Grant payments. Further, upon such termination, the Local Government shall not expend any Grant funds without Commerce's express written authorization and shall return all unspent Grant funds to Commerce upon demand.

a) Termination

- a) If the Local Government fails to fulfill in a timely and proper manner its obligations or violates any of the covenants or stipulations under this Agreement, the Local Government agrees that Commerce has the right to terminate this Agreement by giving the Local Government written notice of termination. The effective date of such termination will be in Commerce's sole discretion and will be included in the written notice from Commerce to the Local Government. Upon such termination, Commerce shall have no responsibility to make additional Grant payments under this Agreement. Upon such termination, the Local Government shall not expend any Grant funds without Commerce's express written authorization and shall return all unspent Grant funds to Commerce upon demand.
- b) The terminations and remedies addressed in this Section 3.3 are in addition to those terminations and other remedies set forth elsewhere in this Agreement.

3.4 Project Records

- (a) The Local Government shall maintain full, accurate, and verifiable financial records, supporting documents, and all other pertinent data for the Project in such a manner as to clearly identify and document the expenditure of the State funds provided under this Agreement separate from accounts for other awards, monetary contributions, or other revenue sources for this Project.
- (b) The Local Government shall retain all financial records, supporting documents, and all other pertinent records related to the Project for a period of five (5) years from the Termination Date. In the event such records are audited, all Project records shall be retained beyond the five-year period until the audit is concluded and any and all audit findings have been resolved. Similarly, if litigation or other action arising out of or related in any way to this Project is commenced before the end of such retention of records period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the record retentions period, whichever is later.

3.5 Monitoring, Reports, and Auditing

- (a) The Local Government shall ensure compliance and provide its assistance with such monitoring and auditing requirements as the State may request, including following the Termination Date of this Agreement. Additionally, the Local Government shall regularly monitor all performance of Grant-supported activities, including activities performed by any third party.
- (b) The Local Government will comply with the Reporting Schedule established in Exhibit C. The Local Government shall submit progress reports on or before January 15th and July 15th of each year of the Grant Term. The first of these reports shall be due on or before January 15, 2026. The Local Government also shall submit a final report upon the earlier of: (i) the date of completion of the Project or (ii) no later than thirty (30) days following the Termination Date. These reporting requirements shall be completed as directed by REDD staff and shall remain in effect for the entire Grant Term, including any extension to the Grant Term.
- (c) The Local Government acknowledges and agrees that, with regard to the Grant funds, it will be subject to the audit and reporting requirements prescribed by N.C.G.S. § 159-34, Local Government Finance Act - Annual Independent Audit; rules and regulations. Such audit and reporting requirements may vary depending upon the amount and source of Grant funding received by the Local Government and are subject to change from time to time. Upon completion, the Local Government shall forward to Commerce one copy of any audited financial statements and accompanying reports generated during the period between the Effective Date and Termination Date of this Agreement.
- (d) The Local Government shall grant the State and any of its related agencies, commissions, or departments (including, without limitation, Commerce, the North Carolina State Auditor, the North Carolina Office of State Budget Management, and the Joint Legislative Commission on Governmental Operations) and an of their authorized representatives, at all reasonable times and as often as necessary (including after the Termination Date), access to and the right to inspect, copy, monitor, and examine all of the books, papers, records, and other documents in the possession of the Local Government or any third-party or business relating to the Agreement or the Project. In addition, the Local Government shall comply at any time, including after the Termination

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Date, with any requests by the State (including, without limitation, REDD or Commerce) for financial and organizational materials to permit the State to comply with its fiscal monitoring responsibilities or to evaluate the short- and long-range impact of its programs.

SECTION 4. WAIVER

4.1 No Waiver by the State

- (a) Failure of the State at any time to require performance of any term or provision of this Agreement shall not affect the rights of the State to enforce the same or to enforce any future compliance with or performance of any of the terms or provisions herein at a later date. No waiver by the State of any condition or the breach of any term, provision, or representation contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall not operate as a continuing waiver of any such condition or of a future breach of any other term, provision, or representation.

4.2 Waiver of Objections to Timeliness of Legal Actions

- (a) The Local Government waives any objections it has or may have to timeliness of any legal action (including any administrative petition or civil action) by the State (including REDD or Commerce) to enforce its rights under this Agreement. This waiver includes any objections the Local Government may possess based on the statutes of limitations or repose and the doctrines of estoppel or laches.

SECTION 5. MISCELLANEOUS PROVISIONS

5.1 Independent Status of Local Government

- (a) The Local Government and any third party are entities independent from the State and any agency or employee thereof. The Agreement, the Project, and any actions taken pursuant to them shall not be deemed to create a partnership or joint venture between or among the State, the Local Government, and/or any third party, nor shall the Agreement or the Project be construed to make the Local Government (including its employees, agents, members, or officials) or any third party employees, agents, members, or officials of the State. Neither the Local Government nor any third party shall have the ability to bind the State or any agency, division, or employee thereof to any agreement for payment of goods or services or represent to any person that they have such ability.

5.2 Liabilities and Loss

- (a) The Local Government hereby agrees to release, indemnify, and hold harmless the State (including, without limitation, Commerce), and their respective members, officers, directors, employees, agents, and attorneys (together, the "Indemnified Parties"), from any claims of third parties arising out of any act or omission of the Local Government or any third party in connection with the performance of this Agreement or the Project, and for all losses arising from their implementation. Without limiting the foregoing, the Local Government hereby releases the Indemnified Parties from, and agrees that such Indemnified Parties are not liable for, and agrees to indemnify and hold harmless the Indemnified Parties against, any and all liability or loss, cost, or expense, including, without limitation, reasonable attorneys' fees, fines, penalties, and civil judgments, resulting from or arising out of or in connection with or pertaining to, any loss or

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damage to property or any injury to or death of any person occurring in connection with the Project, or resulting from any defect in the fixtures, machinery, equipment, or other property used in connection with the Project or arising out of, pertaining to, or having any connection with, the Project or the financing thereof (whether arising out of acts, omissions, or negligence of the Local Government or of any third party or of any of their agents, contractors, servants, employees, licensees, lessees, or assignees), including any claims and losses accruing to or resulting from any and all subcontractors, material men, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the Project.

5.3 Additional Repayment Requirements and Remedies

- (a) The repayment requirements and remedies addressed in this Section 5.3 are in addition to those repayment requirements and other remedies set forth elsewhere in this Agreement, including the requirements to repay unspent Grant funds. No remedy conferred or reserved by or to the State is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy provided for in this Agreement, or now or hereinafter existing at law, in equity, or by statute, and any such right or power may be exercised from time to time and as often as may be deemed expedient.
- (b) If there is a breach of any of the requirements, covenants, or agreements in this Agreement, or if there are any representations or warranties which are untrue as to a material fact in this Agreement or in relation to the Project (including the performance thereof), the Local Government agrees that Commerce may require repayment from the Local Government of an amount of Grant funds to be determined in Commerce's sole discretion but not to exceed the amount of Grant funds the Local Government has already received under this Agreement.

5.4 Non-discrimination.

- (a) The Local Government agrees not to discriminate by reason of age, race, religion, color, sex, national origin, or disability related to the activities of this Agreement.

5.5 Conflict of Interest.

- (a) The Local Government shall adopt and keep on file, along with the executed copies of this Agreement, a copy of its policy and any ordinance or resolution it has adopted addressing conflicts of interest that may arise involving the members of the Local Government's governing body and/or any of its employees or officers involved in the Grant or the Project. Such policy, ordinance, or resolution shall address situations in which any of these individuals may directly or indirectly benefit, other than through receipt of their normal compensation in their capacities as the Local Government's employees, officers, or members of its governing body, from the Grant or the Project, and shall include actions to be taken by the Local Government or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. Additionally, the Local Government certifies that, as of the date it executes this Agreement, no such individuals have such a conflict of interest or will directly or indirectly benefit, except in the capacities described above, from the Grant or Project. Throughout the Grant Term and for the duration of the Project, the Local Government has the duty to inform Commerce promptly of any such conflict of interest or direct or indirect benefit of which it becomes aware.

5.6 Compliance with Laws.

- (a) The Local Government shall at all times observe and comply with all laws, regulations, codes, rules, ordinances, and other requirements (together, "Laws") of the state, federal, and local

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governments which may in any manner affect the performance of the Agreement or the Project. This includes compliance with any and all State and federal environmental laws and regulations.

5.7 Non-Assignability.

- (a) The Local Government shall not assign or transfer any interest in the Agreement without the prior written consent of Commerce, provided, however, that claims for money due to the Local Government from Commerce under this Agreement may be assigned to any commercial bank or other financial institution without such approval.

5.8 Other Agreements.

- (a) The Local Government understands and consents that, if it is a party to a separate grant agreement or loan with the State, then full compliance with that separate grant agreement or loan and with this Agreement is required. Any default under the separate grant agreement or loan during the term of this Agreement, as it may be extended, may be the basis for Commerce to deny payment under this Agreement or request repayment of any funds previous paid in the discretion of Commerce.

5.9 Notice.

- (a) All notices required or permitted to be delivered hereunder and all communications in respect hereof shall be in writing and shall be deemed given when personally delivered or when deposited in the United States mails, certified, return receipt requested, first class, postage prepaid and addressed as follows, or when submitted via electronic mail as follows:

If to the Department of Commerce : Attn: **Hazel S. Edmond, Director**
 North Carolina Department of Commerce Rural
 Economic Development Division 301 North
 Wilmington Street
 4346 Mail Service Center
 Raleigh, North Carolina 27699-4346 Email:
hazel.edmond@commerce.nc.gov

If to the Local Government: Attn: **Scott Hildebran, City Manager**
 City of Lenoir
 801 West Ave NW
 Lenoir, NC 28645
 Email: shildebran@ci.lenoir.nc.us

or addressed to such other address or to the attention of such other individual as Commerce or the Local Government shall have specified in a notice delivered pursuant to this subsection.

All notices required or permitted to be delivered hereunder and all communications in respect hereof also shall be deemed given when submitted to the Rural Connect Portal.

5.10 Entire Agreement.

- (a) This Agreement supersedes all prior agreements between or among Commerce and the Local Government with regard to the Project and expresses their entire understanding with respect to the transactions contemplated herein, and shall not be amended, modified, or altered, except pursuant to a writing signed by both Commerce and the Local Government.

5.11 Execution.

- (a) This Agreement may be executed in one or more counterparts, each of which, when executed, shall be deemed an original, and such counterparts, together, shall constitute one and the same Agreement which shall be sufficiently evidenced by one of such original counterparts.

5.12 Construction, Jurisdiction, and Venue.

- (a) This Agreement shall be construed and governed by the laws of the State of North Carolina.
- (b) The Local Government agrees and submits, solely for matters concerning this Agreement, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purposes, that the only venue for any legal proceedings shall be Wake County, North Carolina. The place of this Agreement, and all transactions and agreements relating to it, and their situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract, tort, or otherwise, relating to its validity, construction, interpretation, and enforcement, shall be determined.

5.13 Severability

- (a) Each provision of this Agreement is intended to be severable and, if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

5.14 Exhibits

- (a) The following Exhibits are hereby incorporated by reference as though set forth in their entirety herein:
- i. Exhibit A – Small Business Infrastructure Development Grant Project Application
 - ii. Exhibit B – Payment Schedule
 - iii. Exhibit C – Reporting Schedule
 - iv. Exhibit D – The Small Business Infrastructure Development Grant Guidelines

SECTION 6. ACCEPTANCE

6.1 Return of Documents

- (a) If the Local Government agrees to the Agreement terms and conditions as stated, the Local Government will execute the Agreement, as directed by REDD staff. This Grant may be withdrawn if Commerce has not received such documents within thirty (30) days from the date of the cover letter from Commerce to the Local Government.

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6.2 Conditions of the Agreement

- (a) An authorized signatory of the Local Government shall execute the Agreement in its exact form, unless Commerce approves a change to its terms in writing.

IN WITNESSETH WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

City of Lenoir

Signature: _____ [SEAL]

Printed Name: _____

Title: _____

Date: _____

North Carolina Department of Commerce

Signature:  _____ [SEAL]

Printed Name: Reginald Speight

Title: Assistant Secretary for Rural Economic Development

Date: 3/16/2026

EXHIBIT A
SmbIZ Project Application

Application
App-001168

Information

Application Name App-001168	Status Approved ✎
Account City of Lenoir	External Status Approved
Account Address 801 West Ave NW Lenoir, NC 28645	Original Submitted Date 1/29/2026, 10:59 AM ✎
Program Rural Engagement and Investment Fund	Submitted Date/Time 1/29/2026, 10:59 AM ✎
Grant Small Business Infrastructure Grant Program	Approved Date/Time 2/28/2026, 10:29 AM ✎
External Grant Administrator Account ✎	County Caldwell
Project Title 🗨 Steele Cotton Stormwater Project	County Tier 2
	Prosperity Zone Northwest

Project Description

Project Description

The City of Lenoir is seeking SmbIZ funding to address critical infrastructure deficiencies in its downtown stormwater and utility systems which were highlighted during Hurricane Helene. The existing stormwater infrastructure in this area is aging and undersized, resulting in frequent flooding during periods of heavy rainfall and natural disasters. These flooding events have caused property damage, disrupted small business operations, and limited opportunities for downtown revitalization. To protect local businesses and ensure the long-term resilience of the downtown district, the city must make essential infrastructure improvements that will allow for proper runoff management and reduce the risk of future flooding. ✎

The proposed project will reroute the existing stormwater infrastructure lines along College Avenue and Harper Avenue to connect with existing infrastructure located just west of Steele Street. As part of this improvement, a reinforced concrete junction box will be constructed beneath Steele Street, where new piping will integrate stormwater from both College and Harper Avenues into a single, efficient system. This upgraded configuration will expand stormwater capacity, improve flow management, and prevent water from backing up into streets and buildings during storm events.

Additionally, this project will allow for private investment in the Historic Steele Cotton Mill, a property listed on the National Register of Historic Places and designated as a local historic landmark. In conjunction with the City's investment, owners of the Mill will be investing in relocating a stream that currently runs underneath the historic property. This stormwater infrastructure and stream relocation project will stabilize that property and allow for the future development of the mill.

By modernizing these critical systems, the City of Lenoir will enhance the durability and sustainability of its downtown infrastructure, reduce risks to several local businesses, and create a safer, more resilient environment that supports continued economic growth and redevelopment.

Contact Information

Contact Donna Bean	External Grant Administrator ✎
Chief Elected Official Contact Joe Gibbons ✎	Chief Administrative Officer Scott Hildebran ✎

Funding Information

Original Grant Amount \$500,000.00	Total Other Federal Resources \$0.00
Grant Amount Requested \$500,000.00	Total State Resources \$0.00
Total Project Resources \$504,000.00	Total Local Resources \$4,000.00
	Total Leveraged Resources \$4,000.00

Narrative Questions

Please refer to the **SmbIZ Guidelines** for the information that should be included in your narrative responses. Please provide complete and detailed responses.

DESCRIBE THE INFRASTRUCTURE IMPACTS ON YOUR COMMUNITY.

Provide a detailed description of the qualifying infrastructure needs. Description must include:

- Summary of the detrimental impact on the named small business or businesses and how the business or businesses will benefit from the grant;
- Description of infrastructure affected (water, sewer, sidewalks, etc.), including ownership information;
- Details of damage to infrastructure and immediate risks due to damage;
- Explanation of any proposed repairs to improve durability and sustainability of infrastructure

Downtown Lenoir's aging stormwater and utility systems have created ongoing flooding and service challenges that directly impact several local small businesses, including Joan's Sourdough Bread, Fabio's Meat Market, Lenoir Building Supply, Caldwell County Habitat ReStore, Ideal Multi Services LLC, and Lazo Insurance Agency. Out of the impacted businesses, Ideal Multi Services LLC, and Lazo Insurance Agency were willing or able to supply their recent quarterly tax reports. Fairfield Chair Company, a large furniture manufacturer, is also located in the project area, and its drainage systems cause water to accumulate along the roadway, further contributing to standing water and localized drainage issues.

During periods of heavy rain or natural disasters, such as Hurricane Helene, the existing stormwater infrastructure is unable to handle runoff effectively, resulting in water pooling along College Avenue, Harper Avenue, and Steele Street. Flooding in this area has caused property damage, access issues, and temporary business interruptions, particularly for businesses that rely on ground-level operations or customer access. These conditions discourage investment, increase maintenance costs, and threaten the long-term viability of downtown small businesses. The proposed improvements will significantly reduce these risks, creating a safer, more reliable environment that supports continued small business operations and economic growth.

In addition to these small businesses, the Historic Steele Cotton Mill, a designated Historic Landmark, adjacent to the project area, has experienced significant structural impacts due to chronic flooding. Repeated water intrusion has deteriorated the building's foundation, accelerated decay, and increased redevelopment costs. The property is currently being planned for adaptive reuse as residential apartments. By mitigating flooding and improving stormwater management, this infrastructure project will directly support the viability and safety of that redevelopment effort, transforming a once-vulnerable industrial site into much-needed housing that complements downtown small business growth.

The infrastructure affected includes stormwater infrastructure that is maintained by the City of Lenoir. Because much of the system is aging and in poor condition, it is increasingly prone to blockages. These deteriorating systems present immediate risks of flooding, contamination, and infrastructure failure, threatening both business operations and public safety.

To address these issues, the City proposes to reroute the stormwater lines from College Avenue and Harper Avenue to connect with existing infrastructure west of Steele Street. A reinforced concrete junction box will be constructed beneath Steele Street, where stormwater from both avenues will merge into a single, modernized drainage network. This will increase stormwater capacity, improve flow efficiency, and prevent water from backing up into streets and buildings during severe weather events.

The proposed upgrades will improve the overall durability and sustainability of the city's utility systems, reduce long-term maintenance needs, and strengthen downtown infrastructure against future flooding. Once completed, the project will protect local small businesses from future flood-related losses, preserve access to commercial properties, and create a more resilient foundation for ongoing economic development in downtown Lenoir.

In addition to this investment in public infrastructure, this project will leverage private investment in the Historic Steele Cotton Mill. In conjunction with the City's investment, owners of the Mill will be investing in relocating a stream that currently runs underneath the historic property. This stormwater infrastructure and stream relocation project will stabilize that Mill and allow for the future development in Downtown Lenoir.

DESCRIBE THE ANTICIPATED OUTCOMES.

Identify the anticipated outcomes that will result in repaired infrastructure as a direct result of the project.

Outcomes could include but are not limited to the number of feet/miles of water/sewer lines being replaced or repaired, number of feet/miles of sidewalk or curb improvements, number of small businesses improved/assisted, etc, in the applicable cost categories:

- water
- sewer
- gas
- telecommunications
- high-speed broadband
- electric utility
- sidewalk and curb infrastructure

As a direct result of this project, the City of Lenoir will repair, replace, and modernize critical stormwater and utility infrastructure serving the downtown business district, particularly along College Avenue, Harper Avenue, and Steele Street. The improvements will address aging and undersized systems that have contributed to repeated flooding and infrastructure failures, conditions exacerbated during Hurricane Helene. Anticipated outcomes by applicable cost category are outlined below.

Water

Approximately 544 linear feet of stormwater conveyance will be replaced through the relocation of an existing stream currently running beneath the Historic Steele Cotton Mill.

Two aging galvanized corrugated metal pipes (approximately 80 years old) and undersized rock channels beneath Steele Street will be eliminated.

A reinforced concrete junction box will be constructed beneath Steele Street to integrate stormwater flows from College Avenue and Harper Avenue into a single, efficient system.

Stormwater will be rerouted through a 112" x 75" CMP Arch Gage 12 Type 2 aluminized pipe, improving capacity and structural integrity.

These improvements will significantly reduce surface flooding, prevent water from backing up into streets and buildings, and protect multiple downtown small businesses from storm-related damage.

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DESCRIBE THE PROJECT SUSTAINABILITY.

*Describe how this project will provide long-term and sustainable solutions for recovery of the business(es) involved in the project.

This project will provide long-term, sustainable solutions to support the recovery and continued success of downtown Lenoir's small businesses following the impacts of Hurricane Helene. The storm highlighted significant weaknesses in the city's aging stormwater system, which is unable to manage the heavy rainfall and runoff that accompany major weather events. Businesses such as Joan's Sourdough Bread experienced flooding, property damage, and loss of business operations as a result of system failures and standing water. Addressing this infrastructure deficiency is essential to restoring stability and ensuring these businesses can recover fully and operate safely in the future.

The project will modernize and reroute the stormwater system to improve capacity, eliminate blockages, and prevent future flooding events. These improvements will protect commercial properties from water intrusion, minimize disruptions to business activity, and prevent further economic losses during heavy rain or natural disasters. By upgrading critical systems to current standards, the City of Lenoir will reduce the need for emergency maintenance and create a more resilient infrastructure network that safeguards business continuity.

Through these efforts, the project supports both short-term recovery from Hurricane Helene and long-term economic resilience. By mitigating future flood risk and providing dependable infrastructure, the city is enabling small businesses to rebuild with confidence, attract investment, and contribute to a stronger, more sustainable downtown economy.



DESCRIBE THE SCOPE OF THE PROPOSED PROJECT.

Provide a detailed work plan that includes a description of all major project activities. Include in detail how the anticipated repairs, in the applicable cost categories, will promote restored infrastructure in the project area:

- *water
- *sewer
- *gas
- *telecommunications
- *high-speed broadband
- *electric utility
- *sidewalk and curb infrastructure

The City of Lenoir will carry out a comprehensive infrastructure improvement project to restore and strengthen critical public utilities that serve the downtown business district. The project area includes College Avenue, Harper Avenue, and Steele Street, where the outdated stormwater system has caused repeated flooding and service disruptions, conditions that were made worse by Hurricane Helene. The proposed work will correct these deficiencies through the coordinated replacement, relocation, and modernization of underground utilities and associated surface features.

The stormwater system, water lines, and sewer lines will be rerouted from College Avenue and Harper Avenue to join existing infrastructure west of Steele Street. A reinforced concrete junction box will be constructed beneath Steele Street to integrate these systems and improve overall drainage efficiency. These improvements will reduce surface flooding, protect roadways and businesses from storm damage, and enhance long-term resilience.

Overall, this coordinated work plan will restore and enhance essential public infrastructure, improving the reliability, safety, and resilience of downtown Lenoir's utility systems. By strengthening the underlying infrastructure that serves small businesses, the project will promote long-term recovery from Hurricane Helene, support uninterrupted operations, and provide a foundation for continued economic growth and community revitalization.

See attached engineering documents for further detail on project scope.



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Application
App-001168

Project Budget								
Total Amount Approved: \$500,000.00								
Total Amount Requested: \$500,000.00								
Other Federal Resources: \$0.00								
State Resources: \$0.00								
Local Resources: \$4,000.00								
Total Leveraged Resources: \$4,000.00								
Total Project Resources: \$504,000.00								
NAME	COST CATEGORY	ACTIVITY	AMOUNT REQUESTED	AMOUNT APPROVED	OTHER FEDERAL RESOURCES	STATE RESOURCES	LOCAL RESOURCES	TOTAL
ACC-0021144	Infrastructure	Administration	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACC-0021145	Infrastructure	Electric Utility	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACC-0021146	Infrastructure	Public Water Improvements	\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$4,000.00	\$504,000.00
ACC-0021147	Infrastructure	Public Sewer Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACC-0021148	Infrastructure	Public Gas Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACC-0021149	Infrastructure	Telecommunications	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACC-0021150	Infrastructure	High-speed Broadband	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ACC-0021151	Infrastructure	Sidewalk and Curb Infrastructure	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS:			\$500,000.00	\$500,000.00	\$0.00	\$0.00	\$4,000.00	\$504,000.00

**EXHIBIT B
PAYMENT SCHEDULE**

To receive up to twenty percent (20%) of the total grant award in advance, the Local Government must submit the following information, which the Department will use to determine whether to grant the request for advanced payment:

1. A written request for the advanced distribution;
2. A completed SMBIZ advance payment request form signed by an authorized signatory for the local government and;
3. Invoice(s) for eligible expenses to be paid using the funds issued in advance; and
4. Satisfaction of all reporting requirements at the time of request.

Following the approval and issuance of the advanced payment by the Department, the local government will be required to submit proof of payment for those invoice(s) approved for advanced payment. This proof of payment will be due to the Department within sixty (60) days of receipt of the advanced payment. If proof of payment is not provided within sixty (60) days, the Project will be placed into default status, and no further payments will be made until the required documentation is submitted and approved by the Department. The Local Government may be required to host the department for a monitoring visit if the Department deems such a visit is necessary.

To receive distribution of those funds not issued in advance, the Local Government will submit the following to the Department:

1. Completed financial activity submitted via [Rural Connect Portal](#);
2. Eligible project invoices that support the requested amount;
3. Proof of payment for each eligible project invoice that supports the requested amount; and
4. Satisfaction of all reporting requirements at the time of request.

Eligible expenditures may not be incurred prior to the effective date or subsequent to the termination date of the grant. The Department will issue payment within 60 days of receipt of the required documentation from the Local Government. All payments are subject to the availability of funds.

**EXHIBIT C
REPORTING SCHEDULE**

Progress reports are due on January 15th and July 15th-for each year that the grant remains open. The final report is due at the time of project completion or no later than thirty (30) days after the grant end-date, whichever is sooner. The reporting schedule remains in effect for the duration of the grant including time extensions.

Failure to submit progress reports as required:

1. Will result in non-payment of payment requests,
2. Can result in the immediate termination of the grant,
3. Can result in the demand for immediate repayment of any funds paid by Commerce, and
4. Will negatively impact the grantee's eligibility for future Commerce grants.

All forms, including reporting and request for payment, can be found via [Rural Connect Portal](#).

Small Business Infrastructure Grant Program

I. FUND OVERVIEW

[North Carolina Session Law 2025-02](#) transferred funds from the State Emergency Response and Disaster Relief Fund (“SERDRF”) to the Hurricane Helene Disaster Recovery Fund and allocated \$55 million from the Disaster Recovery Act of 2025 – Part I to the North Carolina Department of Commerce (the Department), Rural Economic Development Division (the REDD) for the **Small Business Infrastructure Grant program (SmBIZ)** to help local governments and small businesses impacted by Hurricane Helene rebuild and repair critical infrastructure, restore and resume functions and operations, and support economic recovery and sustainability. The **SmBIZ** program will offer grants to local governments for infrastructure projects that will target and support small businesses that employ 150 or fewer employees and that were adversely impacted by Hurricane Helene. Funding will be awarded on a first-come, first-served basis.

Grants awarded under this program must be used by local governments to address qualifying infrastructure needs that the Department, in consultation with applicant local governments and small businesses, determines were damaged by Hurricane Helene and adversely affect access to, or operations of, the identified small businesses.

REDD will administer SmBIZ in accordance with State law.

II. PURPOSE OF THE FUND

- Provide financial assistance for **community recovery and resilience** to communities specifically impacted by Hurricane Helene, helping to bring back vital services for small businesses and entrepreneurs.
- **Restore and repair critical infrastructure**, allowing small businesses to resume function and operations to support economic recovery and sustainability.
- Assist in **restoring or expanding small businesses’** ability to attract customers to business districts to help retain business, expand access, spur private investment to create stability, and leverage resources to create resiliency and economic growth.

III. ELIGIBLE APPLICANTS

Eligible applicants are those local governments impacted by Hurricane Helene and designated before, on, or after March 19, 2025, under a major disaster [declaration](#) by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Helene (the “[Affected Area](#)”). Special consideration will be given to local governments in Tier 1 and Tier 2 Counties.

For the purposes of this program, a local government is defined as a city or county within the state of North Carolina.

IV. ELIGIBLE PROJECTS AND EXPENSES

Qualifying infrastructure must serve one or more businesses within the Affected Area, must have been damaged by Hurricane Helene, and must not be owned or maintained by the small business or businesses. Infrastructure may include but will not be limited to the following activities:

- water;
- sewer;
- gas;
- telecommunications;
- high-speed broadband;
- electric utility; and
- sidewalk and curb infrastructure.

Eligible expenses may also include planning, material, labor, and administration to complete public infrastructure improvements.

Ineligible expenses include:

- improvements to privately owned infrastructure;
- projects that address building construction; and
- land acquisition costs or fees except for those associated with public easements for the project.

V. FUNDING AMOUNTS

The maximum grant amount is **\$1M per project**, with some restrictions on specific activities. There is no minimum grant amount. The total grant amount per county in the Affected Area will not exceed ten percent (10%) of the total funds appropriated for the SmBIZ program.

Applicants should consider feasibility as it relates to the overall cost of any project. Grant administration costs are limited to one and a half percent (1.5%) of the awarded grant total. Applicants that receive funding approval for project(s) may charge the cost of application preparation. No more than \$3,500 may be charged to the SmBIZ program for the preparation of the application if a grant is awarded. This cost would be included in the maximum of one and a half percent (1.5%) allowed for administration. No other costs incurred prior to grant awards are eligible for reimbursement.

Applicants may request that up to twenty percent (20%) of the total grant award be allocated in advance without providing proof of payment. Applicants may also request that the full one and a half percent (1.5%) of allowable costs for administration be allocated in advance. All remaining

funds not issued in advance will be allocated to the local government on a reimbursement basis as the local government incurs expenses and submits eligible invoices and proof of payment.

Applicants may request that up to twenty percent (20%) of the total grant award be issued in advance without providing proof of payment by providing specific information and documentation to the Department. Applicants may also request that the full one and a half percent (1.5%) of allowable costs for administration be issued in advance. All remaining funds not issued in advance will be distributed to the local government on a reimbursement basis as the local government incurs expenses and submits eligible invoices and proof of payment.

To receive up to twenty percent (20%) of the total grant award in advance, the Local Government must submit the following information, which the Department will use to determine whether to grant the request for advanced payment:

1. A written request for the advanced distribution;
2. A completed SMBIZ advance payment request form signed by an authorized signatory for the local government and;
3. Invoice(s) for eligible expenses to be paid using the funds issued in advance; and
4. Satisfaction of all reporting requirements at the time of request.

Following the approval and issuance of the advanced payment by the Department, the local government will be required to submit proof of payment for those invoice(s) approved for advanced payment. This proof of payment will be due to the Department within sixty (60) days of receipt of the advanced payment. If proof of payment is not provided within sixty (60) days, the Project will be placed into default status, and no further payments will be made until the required documentation is submitted and approved by the Department. The Local Government may be required to host the department for a monitoring visit if deemed necessary.

To receive distribution of those funds not issued in advance, the Local Government will submit the following to the Department:

1. Completed financial activity submitted via [Rural Connect Portal](#);
2. Eligible project invoices that support the requested amount;
3. Proof of payment for each eligible project invoice that supports the requested amount; and
4. Satisfaction of all reporting requirements at the time of request.

Eligible expenditures may not be incurred prior to the effective date or subsequent to the termination date of the grant. The Department will issue payment within 60 days of receipt of the required documentation from the Local Government. All payments are subject to the availability of funds.

VI. APPLICATION PROCESS

Local governments seeking funds from the SmBIZ program are required to submit a formal application to the North Carolina Department of Commerce through the online grants management portal, [Rural Connect Portal](#).

Funding is awarded on a first come, first served basis. A full and complete application, including all necessary supporting documentation, can be submitted beginning May 1, 2025.

Upon receipt of a full application and consideration of the application relative to the criteria set forth in [NC Session Law 2025-02](#) and these Guidelines, the REDD shall determine whether the proposed project should receive an award of a grant under the SmBIZ program.

Applications will be reviewed in the order they are received, according to the submission time and date, as recorded in the portal.

Awards will be granted on or before the dates listed in the schedule below and are subject to available funding.

Incomplete or ineligible applications may be disqualified.

Applicants will be notified in writing regarding the status of their project via an award or declination letter. If a grant is awarded, the REDD then will provide grantees with grant administration contracts in order to execute the terms of the grant. Projects must be completed within thirty-six (36) months of the award, unless an extension is granted by REDD in writing.

Award Schedule:

June 30, 2025
October 31, 2025
February 28, 2026
June 30, 2026

VII. APPLICATION REQUIREMENTS

In the [Rural Connect Portal](#), grantees should use the following as guidance to complete the SmBIZ program application.

DESCRIBE THE INFRASTRUCTURE IMPACTS ON YOUR COMMUNITY:

Provide a detailed description of the qualifying infrastructure needs. Descriptions must include:

- summary of the detrimental impact on the named small business or businesses and how the business or businesses will benefit from the grant;
- description of infrastructure affected (water, sewer, sidewalks, etc.), including ownership information;
- details of damage to infrastructure and immediate risks due to damage; and
- explanation of any proposed repairs to improve durability and sustainability of infrastructure;

DESCRIBE THE SCOPE OF THE PROPOSED PROJECT:

Provide a detailed work plan that includes a description of all major project activities. Include in detail how the anticipated repairs, in the applicable cost categories, will promote restored infrastructure in the project area:

- water;
- sewer;
- gas;
- telecommunications;
- high-speed broadband;
- electric utility; and
- sidewalk and curb infrastructure.

DESCRIBE THE PROJECT TIMELINE: (Submit as an Attachment)

Please provide a detailed timeline that includes a description of all major project activities and the projected completion date in the applicable cost categories:

- water;
- sewer;
- gas;
- telecommunications;
- high-speed broadband;
- electric utility; and
- sidewalk and curb infrastructure.

DESCRIBE THE ANTICIPATED OUTCOMES:

Identify the anticipated outcomes that will result in repaired infrastructure as a direct result of the project.

- Outcomes could include but are not limited to the number of feet or miles of water or sewer lines being replaced or repaired served, number of feet or miles of sidewalk or curb improvements, number of small businesses improved or assisted in the following applicable cost categories:
 - water;
 - sewer;
 - gas;
 - telecommunications;
 - high-speed broadband;
 - electric utility; and
 - sidewalk and curb infrastructure.

DESCRIBE THE PROJECT SUSTAINABILITY:

Describe how this project will provide long-term and sustainable solutions for recovery of the business or businesses involved in the project.

VII. PROCUREMENT

Grantees must follow all local, state, and federal laws and ordinances as they pertain to procurement. More information on the State of NC procurement can be found [here](#).

VIII. MONITORING PROCESS

REDD will monitor the project through various mechanisms, including review of semi-annual reports received from the grant recipient; phone, email, and/or letter correspondence; receipt of all published press articles about the project as provided to REDD by the local government; and on-site monitoring visits by REDD staff, as necessary.

IX. REPORTING REQUIREMENTS

Progress reports will be due on January 15th and July 15th for each year the grant remains open. The final report will be due at the time of project completion or no later than thirty (30) days after the grant end-date, whichever is sooner. The reporting schedule remains in effect for the duration of the grant, including time extensions.

Failure to submit progress reports as required:

5. will result in non-payment of payment requests;
6. may result in the immediate termination of the grant;
7. may result in the demand for immediate repayment of any funds paid by REDD;
and
8. will negatively impact the grantee's eligibility for future Commerce grants.

All forms, including reporting and request for payment, can be found via the [Rural Connect Portal](#).

X. LOCAL GOVERNMENT ROLES AND RESPONSIBILITIES

The local government will be responsible for managing the day-to-day operations of the activities funded by the SmBIZ program to ensure the funds are used in accordance with all program requirements and written agreements and will take action when performance problems arise. Specifically, the local government will be responsible for the following:

- **Management and Oversight:** The local government is legally, financially, contractually, and programmatically responsible for the project. The local government is responsible to the State of North Carolina, even if the local government employs a contract administrator or contracts with a sub-recipient for the project.
- **Financial Management:** The local government must ensure proper accounting of funds to avoid disallowed costs. This includes accurately identifying project costs and cash balances and maintaining proper internal controls.
- **Statement of Assurances and Certifications:** The local government's elected officials and administrators should read and understand these documents and the implementation obligations.
- **Grant Agreement:** If awarded, the local government will receive a grant agreement and funding approval from the State. These documents are contractually binding and cannot be
- changed without the State's written approval.

XI. PROJECT AMENDMENTS

Prior to making any change to the approved application, grantees should contact the program manager to discuss any proposed changes.

XII. USE OF NC LICENSED PROFESSIONALS

REDD strongly recommends the use of North Carolina licensed professionals on construction projects. This includes housing inspectors, electricians, HVAC installers and repairers, plumbers, and general contractors. However, it is important to note that bids and dwellings that are \$30,000 and greater can **ONLY BE ACCEPTED BY A LICENSED GENERAL CONTRACTOR**, licensed by the [State of North Carolina per Article 1 of Chapter 87 of the General Statute.](#)

XIII. OTHER REQUIREMENTS AND ATTACHMENTS

Recipients will be required to comply with any subsequent requirements issued by REDD. Consult the Required Attachments section in the application. Please note that if key items are not submitted with the application, your project could be disqualified.

XIV. APPLICATION CHECKLIST

Applicants should review the Grant Application Checklist to verify the information and documentation needed to apply for funds.

1. Local Government Information

- Local Government name
- Local Government contact name, title, telephone, address, email
- Unique Entity ID

2. Project Contact Information (if applicable)

- Project Contact name
- Project Contact title, telephone, address, email

3. Project Information

- Project Title
- Project Description – Provide a short description of your project.

4. Property Information (if applicable)

- Census Tract Number
- Property Address
- Legal Name of Property Owner
- National Register of Historic Places Listing

5. Narrative Questions:

1. Provide a detailed description of the qualifying infrastructure needs. Description must include:
 - summary of the detrimental impact on the named small business or businesses and how the business or businesses will benefit from the grant;
 - list of each business affected, including business address or addresses;

- description of infrastructure affected (water, sewer, sidewalks, etc.), including ownership information;
 - details of damage to infrastructure and immediate risks due to damage; and
 - explanation of any proposed repairs to improve durability and sustainability of infrastructure.
2. Provide a detailed work plan that includes a description of all major project activities. Include in detail how the anticipated repairs, in the applicable cost categories, will promote restored infrastructure in the project area:
- water;
 - sewer;
 - gas;
 - telecommunications;
 - high-speed broadband;
 - electric utility; and
 - sidewalk and curb infrastructure.
3. Identify the anticipated outcomes that will result in repaired infrastructure as a direct result of the project.
- Outcomes could include but are not limited to the number of feet or miles of water or sewer lines being replaced or repaired served, number of feet or miles of sidewalk or curb improvements, number of small businesses improved or assisted in the applicable cost categories:
 - water;
 - sewer;
 - gas;
 - telecommunications;
 - high-speed broadband;
 - electric utility; and
 - sidewalk and curb infrastructure.

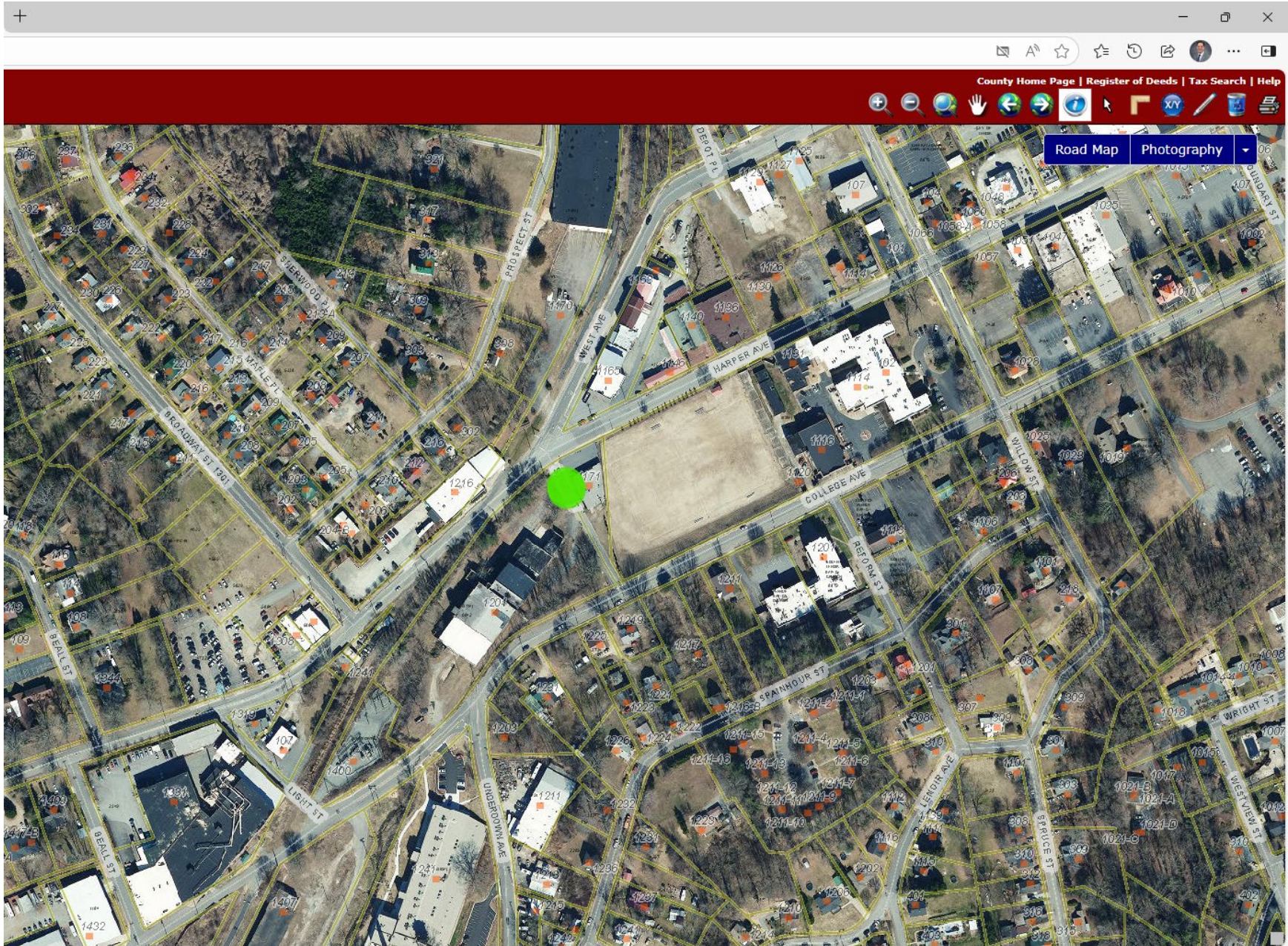
4. Describe how this project will provide long-term and sustainable solutions for recovery of the business or businesses involved in the project.

5. Budget

Project Expense	Activity	Federal	State	Local	Total
Water					
Sewer					
Gas					
Telecommunications					
High-speed broadband					
Electric Utility					
Sidewalk and curb infrastructure					
Administration					
TOTAL					

6. Upload Documents

- Map of project area
- Project Timeline
 1. Provide a detailed timeline that includes a description of all major project activities and the projected completion date in the applicable cost categories.
- Certified Cost Estimates
 - Include a professional project budget including all revenue and expenditures allocated for each of the applicable cost categories.
- Local Government Resolution
- Preliminary Engineering Report (PER)
- Photos of the damage and infrastructure to be repaired
- NCUI101 Forms
 - Include a form from the most recent quarter for each small business included in the project.
- Executed Local Government Certifications Document
 - Form available: www.commerce.nc.gov/SmBIZ
- State Historic Preservation Office documentation/ National Registry of Historic Places documentation or provide a statement of explanation if these do not apply to your project.



CITY OF LENOIR
COUNCIL ACTION FORM

- I. Agenda Item:** Consideration to approve a funding resolution and required acceptance documents for the development of the EPA required lead service line inventory.

Background Information: The North Carolina Department of Environmental Quality Division of Water Infrastructure has offered a Bipartisan Infrastructure Law Drinking Water State Revolving Fund (BIL DWSRF) Loan in the amount of **\$1,000,000** for the continuing development of a **Lead Service Line Identification Inventory** as required by the US EPA. The attached resolution and related acceptance documents are required to accept the loan. The loan is 100% principal forgiveness.

- II. Staff Recommendation:** Staff recommends City Council approve the resolution and related acceptance documents, as presented.

- III. Reviewed by:**

City Attorney: _____

Finance Director: _____

Public Works/Public Utilities Director: Jeff Church _____

RESOLUTION BY LENOIR CITY COUNCIL TO ACCEPT AN OFFER OF FUNDING

WHEREAS, the Bipartisan Infrastructure Law (BIL) of 2021 and North Carolina General Statute (NCGS) 159G have authorized the making of loans to aid eligible, drinking-water system owners in financing the cost of inventorying and replacing lead service lines; and

WHEREAS, the North Carolina Department of Environmental Quality has offered a Drinking Water State Revolving Fund – Lead Service Line Replacement (DWSRF-LSLR) loan in the amount of **\$1,000,000** to conduct a **Lead Service Inventory**, hereafter referred to as the “Project”; and

WHEREAS, the **City of Lenoir** intends to conduct said Project in accordance with a scope of work that was approved by the North Carolina Division of Water Infrastructure.

NOW, THEREFORE, BE IT RESOLVED BY THE LENOIR CITY COUNCIL:

That the **City of Lenoir** does hereby accept the DWSRF-LSLR loan offer in the amount of **\$1,000,000** and

That the **City of Lenoir** does hereby give assurance to the North Carolina Department of Environmental Quality that they will adhere to all applicable items specified in the standard “Conditions” and “Assurances” of the Department’s funding offer, awarded in the form of **Project Number: SRF-D-LSL-0157**; and

That the **City of Lenoir** 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; and

That the **City of Lenoir** has complied substantially or will comply substantially 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.

Adopted this the **24th day of March, 2026** at Lenoir, North Carolina.

SEAL

Joseph L. Gibbons, Mayor

ATTEST:

Lauren Hartley, City Clerk



NORTH CAROLINA
Environmental Quality

March 16, 2026

JOSH STEIN
Governor
D. REID WILSON
Secretary
SHADI ESKAF
Director

Scott Hildebran, City Manager
City of Lenoir
P.O. Box 958
Lenoir, NC 28645

SUBJECT: Lead Service Line Replacement Program
Funding Offer
City of Lenoir
Lead Service Line Inventory – Phase 3
Project No.: SRF-D-LSL-0157

Dear Mr. Hildebran:

The City of Lenoir has been approved for funding assistance according to the subject funding offer. This offer is made subject to the Assurances and Conditions attached to this document.

Upon your acceptance, please submit the items below via Laserfiche at the following link: <https://edocs.deq.nc.gov/Forms/DW-Document-Upload-Form>.

1. One (1) copy of the original Offer and Acceptance Document executed by the Authorized Representative for the project, along with the Conditions and Assurances. **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. A sample of a suggested format is enclosed.
3. The Federal Identification Number and Unique Entity ID Number of the Recipient (UEID required for federally funded projects)
4. Sales-Tax Certification (form enclosed)
5. One copy of the executed Engineering Services Agreement (if applicable)

Please note that closing costs for the current loan are 2% of the total loan amount, which is \$20,000. Please use the attached invoice to remit payment.



North Carolina Department of Environmental Quality | Division of Water Infrastructure
512 N. Salisbury Street | 1633 Mail Service Center | Raleigh, North Carolina 27699-1633
919.707.9160

City of Lenoir
March 16, 2026
Page 2 of 2

Disbursement requests are to be submitted via the DWI EBS System Log-in located at <https://www.ebs.nc.gov/logon/index.html>. A reference copy of the Disbursement Request Form (also found on the DWI website) has been enclosed for your convenience. The link to the online portal and a list of frequently asked questions can also be accessed from the Division's *I Have Funding* webpage at <https://www.deq.nc.gov/construction-disbursement-funds>.

On behalf of the Department of Environmental Quality, I am pleased to make this funding offer. Should you have any questions concerning this offer of funding, or any of the stipulations outlined in this offer package, please contact Allen Baker either by telephone at 910-796-7399 or by e-mail at allen.baker@deq.nc.gov.

Sincerely,

DocuSigned by:


6300A872077B4C5...
Shadi Eskaf, Director
Division of Water Infrastructure, NCDEQ

Enclosures: Offer and Acceptance Document
Assurances and Conditions
Federal ID and UEID Number Request Memo
Resolution to Accept Funding Offer (suggested format)
Sales-Tax Certification Form
Disbursement Request Form
Site Certification
Closing Fee Invoice

ec: Scott Hildebran, City of Lenoir, (shildebran@ci.lenoir.nc.us)
Charles Archer, Freese & Nichols, (charles.archer@freese.com)
Isabella Stubbs, EI, Freese & Nichols, (isabella.stubbs@freese.com)
David Giachini, P.E., DWI
Allen Baker, MBA, DWI
Jeff Menzel, DWI
Anita Spencer, DWI
DEQ.DWI.FundingOffer@deq.nc.gov

DWI Agreement ID: 2000084648 (COM_LOX)



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

Funding Offer and Acceptance

Legal Name and Address of Award Recipient

Project Number: SRF-D-LSL-0157

City of Lenoir
P.O. Box 958
Lenoir, NC 28645

Assistance Listing Number: 66.468
Unique Entity ID Number: L8WTLRPPYDDE3

Funding Program

Drinking Water	<input checked="" type="checkbox"/>	Additional Amount for Funding Increases	Previous Total	Total Offered
Stormwater	<input type="checkbox"/>			
Wastewater	<input type="checkbox"/>			
BIL-DWSRF-LSLR Fund - Repayable Loan	<input type="checkbox"/>			
BIL-DWSRF-LSLR Fund - Principal Forgiveness	<input checked="" type="checkbox"/>			\$1,000,000
State Reserve Loan	<input type="checkbox"/>			
State Reserve Grant	<input type="checkbox"/>			
State Reserve Earmark (S.L. 2023-134)	<input type="checkbox"/>			
American Rescue Plan Act - Choose an item.	<input type="checkbox"/>			

Project Description:

City of Lenoir Lead Service Line Inventory Phase 3

Total Financial Assistance Offer: \$1,000,000
Total Project Cost: \$1,000,000
Estimated Closing Fee:** \$20,000
For Loans
Interest Rate: n/a
Maximum Loan Term: n/a

* 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.

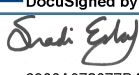
Pursuant to North Carolina General Statute 159G:

- 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:  6900A872077B4C5..... Signature	3/16/2026 Date
--	-------------------

On Behalf of: City of Lenoir
 Name of Representative in Resolution: Scott E. Hildebran
 Title (Type or Print): City 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 Date
--------------------	---------------

APPLICABLE STANDARD CONDITIONS***Project Applicant: City of Lenoir****Project Number: SRF-D-LSL-0157**

- 1. Social Authorities:** Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act, The Age Discrimination Act of 1975, Section 13 of the Federal Water Pollution Control Act Amendments of 1972, and Equal Employment Opportunity (Executive Order No 11246, as amended) which prohibits activities that are intentionally discriminatory and/or have a discriminatory effect based on race, color, religion, sex, sexual orientation, gender identity, or national origin.
- 2. Environmental Authorities:** National Environmental Act, National Historic Preservation Act, Archeological and Historic Preservation Act, Protection of Wetlands, Flood Plain Management, Farmland Protection Policy Act, Coastal Zone Management Act, Coastal Barriers Resources Act, Wild and Scenic Rivers Act, Endangered Species Act, Essential Fish Habitat and the Safe Drinking Water Act applicability will be determined upon submittal of an Environmental Information Document (EID) during the Engineering Report (ER) review process. Projects that do not involve construction (e.g., inventory only) are not required to prepare an ER/EID.
- 3.** Acquisition of Real Property must comply with all applicable provisions of the Uniform Relocation and Real Property Acquisition Policies Act of 1970 (PL 92-646), as amended. The Applicant shall certify 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 using a certification form provided by DEQ.
- 4.** Specific MBE/WBE (DBE) forms and instructions are provided that are to be included in the contract specifications. These forms will assist with documenting positive efforts made by recipients, their consultants and contractors to utilize disadvantaged businesses enterprises. Such efforts should allow DBEs the maximum feasible opportunity to compete for sub agreements and subcontracts to be performed. Documentation of efforts made to utilize DBE firms must be maintained by all recipients, and construction contractors, and made available upon request.
- 5.** Debarment and Suspension, Executive Order No. 12549: Subrecipients shall fully comply with Subpart C of 2 CFR Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business with Other Persons," as implemented and supplemented by 2 CFR Part 1532. Recipient is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Recipient is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Subrecipients may access suspension and debarment information at: <http://www.sam.gov>. This system allows subrecipients to perform searches determining whether an entity or individual is excluded from receiving Federal assistance.
- 6.** The construction contract requires the contractor to adhere to Davis-Bacon and Related Acts Provisions and Procedures as listed in the Code of Federal Regulations Chapter 29 Part 5 Section 5 (29 CFR 5.5). Public Law pertaining to this is also enacted in Title 40, United States Code, Subtitle II Section 3141 through Section 3148. Projects that do not involve construction (e.g., inventory only) are generally not subject to Davis-Bacon; however, special circumstances may trigger Davis-Bacon requirements.
- 7.** Projects funded through the BIL DWSRF-LSLR funds are required to comply with the Federal Build America, Buy America Act (BABAA). BABAA requires that iron, steel, manufactured products, and construction materials used in infrastructure projects are produced in the United States. Projects that do not involve construction (e.g., inventory only) are not subject to BABAA.
 - a.** If your project qualifies for a BABAA waiver, American Iron & Steel (AIS) provisions will apply instead, as required by H.R. 3547, "Consolidated Appropriations Act, 2014" Section 436, Division G, Title IV. The State provides detailed requirements to be included in the construction contract specifications. Projects that do not involve construction (e.g., inventory only) are not subject to AIS.

8. Pursuant to 2 C.F.R. § 200.216, subrecipients cannot obligate SRF funds to: (1) procure or obtain; (2) extend or renew a contract to procure or obtain; or (3) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services (described in Public Law 115-232, Section 889) as a substantial or essential component of any system, or as a critical technology as part of any system.
9. 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.

**Note: Condition 1 does not require anything to be submitted. Details on all of these conditions can be found in the EPA Cross-Cutter handbook.*

ASSURANCES**Project Applicant: City of Lenoir****Project Number: SRF-D-LSL-0157**

1. The Applicant intends to complete the project in accordance with the application for financial assistance approved by the Division. The Applicant acknowledges that in the event a milestone contained in the most recent BIL DWSRF-LSLR Fund Intended Use Plan and/or the Letter of Intent to Fund is missed, the Department of Environmental Quality may rescind this Funding Offer.
2. The Applicant is responsible for paying for the costs ineligible for BIL DWSRF-LSLR funding.
3. All aspects of the project, including the letting of contracts in connection therewith, conform to the applicable requirements of State and local laws and ordinances.
4. The Applicant will provide and maintain adequate engineering supervision and inspection.
5. 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 course 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.
6. All BIL DWSRF-LSLR funds loaned shall 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 will be made promptly upon request, subject to adequate documentation of incurred eligible costs, and subject to the recipient's compliance with the Standard Conditions of this Award. The Applicant agrees to make prompt payment to its contractor, and to retain only such amount as allowed by North Carolina General Statute.
7. The Applicant 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 Applicant is expected to uphold its contract obligations regarding timely payment.
8. **The Applicant acknowledges that loan funds contained in this Funding Offer require approval from the North Carolina Local Government Commission before they can be disbursed.**

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.

RECIPIENT: City of Lenoir

PROJECT NUMBER: SRF-D-LSL-0157

FEDERAL IDENTIFICATION NUMBER: 56-600-1265

UNIQUE ENTITY ID: L8WTLRPYDDE3

SALES-TAX REIMBURSEMENT CERTIFICATION FORM
 (FOR FUNDING PROGRAMS IN THE DIVISION OF WATER INFRASTRUCTURE)

Applicant: City of Lenoir

Project Number: SRF-D-LSL-0157

Check If Applicant is not a unit of government under North Carolina law

If Applicant noted above is a Unit of Government in North Carolina, check the applicable box below.

Sales Tax **IS** deducted in this scenario. Please show this on the disbursement requests.

The construction contract was bid with sales taxes and the unit of government will request reimbursement from the DOR.

Sales Tax **IS NOT** deducted in either of these scenarios.

The construction contract was bid with sales taxes and the unit of government will not request reimbursement from the DOR.

The construction contract was bid without sales taxes

Scott E. Hildebran, City Manager

(Printed Name and Title of Authorized Representative)

 (Signature of Authorized Representative)

 (Date)



CERTIFICATION REGARDING UNIFORM RELOCATION
ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES
(URLAP) ACT OF 1970

Applicant: City of Lenoir

Project No.: SRF-D-LSL-1057

Project Name: LSL Inventory – Phase 3

Please check appropriate boxes:

<p><input type="checkbox"/> I certify that all real property (including easements) has been acquired or condemnation proceedings have been entered into for property thereby providing legal access for this project.</p> <p style="text-align: center;">AND</p>
<p><input type="checkbox"/> I certify to the best of my knowledge and belief that the acquisition of property specifically for the above referenced project is in compliance with the URLAP Act of 1970 (the Uniform Act). The acquisition either:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Acquisition of real property did not result in the displacement of any person, business or farm operation. <input type="checkbox"/> or relocation was involved in the land acquisition, the Federal Highway Administration (FHA) was contacted for technical assistance. <p style="text-align: center;">OR</p> <p><input type="checkbox"/> Compliance with the Uniform Act does not apply because the land and/or easements associated with the above referenced project were acquired prior to the inception of the project. Date land acquired: _____</p>

I understand that a false statement on this certification may be grounds for rejection or termination of this loan.

***This is an inventory only project, no real property will be acquired.**

Signature of Applicant's Authorized Representative or Attorney

Date

Scott E. Hildebran, City Manager

Typed Name and Title

DISBURSEMENT REQUEST FORM **NC Division of Water Infrastructure**

Funding Recipient: _____
 DWI Project No. _____

Payment No. _____ Page No. _____
 Period Covered From: _____ To: _____

<i>CONSTRUCTION</i> <small>(Rename as appropriate)</small>	Cumulative Cost to Date	Minus Ineligibles	Minus Overruns Not App'd By Change Order	Subtotal of Payable Cost	Minus Retainage on Payable Cost	Minus Cumulative Sales Tax	Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Requested For This Pay Request
Contract 1	\$1,200,000	(\$100,000)	(\$100,000)	\$1,000,000	(\$50,000)	(\$50,000)	(\$500,000)	(\$300,000)	\$100,000
Contract 2	\$505,000		(\$5,000)	\$500,000	(\$25,000)	(\$10,000)		(\$400,000)	\$65,000
Contract 3									
Contract 4									
Contract 5									
<i>ENGINEERING</i> <small>(Rename as appropriate)</small>	Cumulative Cost to Date						Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Requested For This Pay Request
Item 1	\$250,000							(\$250,000)	\$0
Item 2									
Item 3									
Item 4									
<i>OTHER COSTS</i> <small>(Rename as Appropriate)</small>	Cumulative Cost to Date						Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Requested For This Pay Request
Item 1									
Item 2									
Item 3									
<i>PAY REQUEST TOTALS</i>	Cumulative Cost to Date	Minus Ineligibles	Minus Overruns Not App'd By Change Order		Minus Retainage on Payable Cost	Minus Cumulative Sales Tax	Other Adjustments (Other Funds e.g.)	Minus Previously Paid to Date	Total Requested For This Pay Request
	\$1,955,000	(\$100,000)	(\$105,000)		(\$75,000)	(\$60,000)	(\$500,000)	(\$950,000)	\$165,000

Certification Grant Percentage for SRF Projects
 - I certify that to the best of my knowledge and belief the incurred costs being requested for disbursement are in accordance with terms of the project and that this request represents the monies due which have not been previously received and that an inspection has been performed and all work is in accordance with the terms and conditions of the award. _____ %
 - For applicable SRF projects, the project remains in compliance with Davis-Bacon and American Iron and Steel conditions or is the process of remediating noncompliance.

You must check ONE of the boxes below or your payment will not be processed:
 The funds requested above have already been paid to the respective vendors, consultants & contractors by the funding recipient
OR
 The funds requested above have not been paid to the respective vendors, consultants & contractors. Funds received from the State will be disbursed to these entities within three (3) banking days.

 Type or Print Name and Title Signature of Authorized Representative Date

DWI comments

Instructions and notes on how to use this form

- Complete guidance for preparing disbursement requests can be found in section G.2. of the North Carolina SRF Program Overview and Guidance that was included with your Funding offer (applicable to State grants and loans too) .
- **The form, as downloaded, is filled out with sample numbers. It is suggested that the sample be used as a reference (saved or printed).**
- Please submit ONE COPY of this form and backup documents when requesting funds.
- Only the Authorized Representative can sign this form, unless declared otherwise in a resolution.
- Construction contract line item overruns and engineering contract overruns must have approved change orders or engineering amendments before those costs will be paid.

Date: March 16, 2026

INVOICE

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

Payable to: NC/DEQ-DWI

Mail to: Attention: Business Office
Division of Water Infrastructure
1633 Mail Service Center
Raleigh, NC 27699-1633

Bill to: Scott Hildebran, City Manager
City of Lenoir
P.O. Box 958
Lenoir, NC 28645

Item: 2% Closing Fee for SRF **Project No. SRF-D-LSL-0157**

Funding Amount: \$ 1,000,000

Closing Fee Amount: \$ 20,000

AMOUNT DUE: \$ 20,000

*****PAYMENT IS DUE BEFORE PAY REQUEST SUBMITTAL *****

FOR USE OF DIVISION OF WATER INFRASTRUCTURE

Deposit to Fund _____ Amount Paid _____

PROFESSIONAL SERVICES AGREEMENT

STATE OF NORTH CAROLINA §

COUNTY OF CALDWELL §

This Agreement is entered into by City of Lenoir (City) and Freese and Nichols, Inc. (FNI). In consideration of FNI providing professional services for City and City utilizing these services, the parties hereby agree:

- I. **EMPLOYMENT OF FNI:** In accordance with the terms of this Agreement, City agrees to employ and compensate FNI to perform professional services in connection with the Project. The Project is described as City of Lenoir **LCRR Phase 3 – Completion of Service Line Inventory Through Field Services**.
- II. **SCOPE OF SERVICES:** FNI shall render professional services in connection with the Project as set forth in Attachment SC – Scope of Services and Responsibilities of City which is attached to and made a part of this Agreement.
- III. **COMPENSATION:** City agrees to pay FNI for all professional services rendered under this Agreement. FNI shall perform professional services under this Agreement for a lump sum fee of \$155,000.00.
- IV. **TERMS AND CONDITIONS OF AGREEMENT:** The Terms and Conditions of Agreement, as set forth in Attachment TC – Terms and Conditions of Agreement, shall govern the relationship between the City and FNI.
- V. **GOVERNING LAW; VENUE:** This Agreement shall be administered and interpreted under the laws of the State of North Carolina. Venue of any legal proceeding involving this Agreement shall be in Caldwell County, North Carolina.
- VI. **EFFECTIVE DATE:** The effective date of this Agreement is _____.

Nothing in this Agreement shall be construed to give any rights or benefits under this Agreement to anyone other than the City and FNI. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of the City and FNI and not for the benefit of any other party. This Agreement constitutes the entire agreement between the City and FNI and supersedes all prior written or oral understandings.

This Agreement is executed in two counterparts. IN TESTIMONY HEREOF, Agreement executed:

CITY OF LENOIR, NC

By: 

Name: JOSEPH L. GIBBONS

Title: MAYOR

Date: 11-19-2024

Attest: 

FREESE AND NICHOLS, INC.

By: 

Name: Brian T. White

Title: Principal / Vice President

Date: October 22, 2024

Attest: 

SCOPE OF SERVICES AND RESPONSIBILITIES OF OWNER

PROJECT UNDERSTANDING

The U.S. Environmental Protection Agency (EPA) released Lead and Copper Rule Revisions (LCRR) on January 15, 2021, setting new standards aimed at removing harmful levels of lead and copper from drinking water. The LCRR went into effect on December 16, 2021 with a compliance date of October 16, 2024. This revision requires cities and other water utilities to take significant action to protect customers from the health risks associated with lead and copper to comply with the LCRR. On October 7, 2024 the EPA released the Lead and Copper Rule Improvements (LCRI) to further clarify and strengthen the LCRR. Lenoir has met the LCRR compliance requirements due October 16, 2024 but will continue to develop their Service Line Inventory over the next few years and prepare for LCRI requirements.

Freese and Nichols, Inc. (FNI) recommends the City of Lenoir (City) achieve compliance through a phased approach as follows.

- **Completed Phases not Included in this Scope and Fee:**
 - Phase 1 – LCRR Data Collection and Effort Assessment
 - Phase 2 – Initial Service Line Inventory Development
- **Current Phase:** Phase 3 – Completion of Service Line Inventory Through Field Services
- **Future Phases not Included in this Scope and Fee:**
 - Phase 4 – Additional Compliance Preparations for the Lead and Copper Rule Improvements Compliance Deadline (Sample Plan Update, Schools Sampling and Public Communication)
 - Phase 5 – Lead Service Line Replacement

The level of effort related to Phase 4 and 5 may be prepared as part of a future proposal if and when requested by the City. A detailed description of the work associated with each phase of the compliance program can be found in the *Phase 1 Initial Risk and Resource Screening Report*.

BASIC SERVICES

FNI will provide the following basic services for **Phase 3 – Completion of Service Line Inventory Through Field Services (Project)**. The goal of this phase is to assist Lenoir with continuing development of their Service Line Inventory (SLI) to reduce the number of service lines of unknown material. Phase 3 will include field inspection planning, SLI support and development, and funding support.

Task A: Project Management:

FNI will coordinate project management, quality assurance and quality control, and regular client meetings with the City.

1. **Project Management:** FNI will provide planning, monitoring, and control of the Project, as well as team coordination and project administration.
2. **Quality Assurance and Quality Control:** FNI will provide Quality Assurance and Quality Control (QA/QC) review of collected data, planning, and documentation for the Project. FNI's senior advisor(s) will provide Project guidance and review of all deliverables.

ATTACHMENT SC

3. Meetings: FNI will coordinate up to fourteen (14) virtual monthly meetings with the City to discuss progress with Tasks B and C. The effort for the monthly meetings and associated deliverables will be distributed between Tasks B and C.

Task A Deliverables:

1. Meeting agendas (email)
2. Meeting minutes (email and/or PDF)
3. Monthly progress reports (PDF delivered with monthly invoice)
4. Monthly invoices (divided into effort per Project Task)

Task A Assumptions:

1. The project will have a fourteen (14) month duration.
2. Discussion of Task B and Task C progress and deliverables will take place during the monthly progress meetings unless additional meetings are specified below.
3. The Project invoice will list effort per Task (A – D).

Task B: Field Inspection Planning:

FNI will assist Lenoir with field inspection planning to support the City with reducing service lines of unknown material in their SLI.

1. Procurement Support: FNI will provide a scope of work, including a system map, that Lenoir can include in a Request for Proposals (RFP) to procure inspection contractors. FNI will review contractor proposals and make a recommendation on contractor selection to the City. FNI will develop questions and host interviews with the top three (3) contractors if multiple contractors submit to help in selecting contractors for field inspections.
2. Field Inspection Location Planning: FNI will support Lenoir with field inspection location planning to help prioritize areas of Lenoir's water system for service line material verification. Areas for prioritization include areas that potentially meet the representative distribution criteria in the North Carolina Department of Environmental Quality's (NC DEQ) *Service Line Inventory Statistical Methods and Predictive Modeling Guidance for North Carolina*.
3. Field Inspection Data Review: FNI will support Lenoir with review of service line material data gathered through inspections and provide feedback and updated instructions for inspectors, as needed, to ensure the data gathered can be used in the SLI.
 - a. Coordinate up to one (1) in-person meeting and two (2) virtual meetings with the City and contractor(s) to kickoff field inspection efforts.
 - b. Review the service line material data from field inspections conducted from the City's current vendor contract and provide direction to improve data entry going forward.
 - c. Provide weekly QC of service line material data and photos (2 – 4 hours per week) exported from the City's Diamond Maps application. Data will be examined for gaps or items requiring clarification. FNI will provide follow up questions and/or direction to the City and contractors, as needed.
 - d. Provide monthly progress reports (by email with an Excel spreadsheet and at meetings specified in Task A) summarizing the inspection progress, notable issues (related to inspection process or customer interactions) and their resolution, and upcoming inspection goals.
4. Predictive Modeling Feasibility Assessment: FNI will conduct a predictive modeling feasibility

ATTACHMENT SC

assessment using NC DEQ's *Service Line Inventory Statistical Methods and Predictive Modeling Guidance for North Carolina*. FNI will use Lenoir's SLI and field inspection service line material verification results for the feasibility assessment. FNI will coordinate email correspondence and up to two (2) meetings with the North Carolina Department of Environmental Quality (NC DEQ) to discuss predictive modeling questions.

Task B Deliverables:

1. Scope of Work (Word document) and system map (PDF)
2. Table of service lines prioritized for field inspection (Excel spreadsheet with a common service line identifier that the City can relate to their Diamond Maps application)
3. Monthly field inspection service line material verification QC notes (Word document and/or Excel spreadsheet) for up to twelve (12) months
4. Monthly field inspection progress reports (Excel spreadsheet) for up to twelve (12) months.
5. Predictive modeling feasibility assessment documentation (PDF)

Task B Assumptions:

1. The City will prepare the bid packet for the RFP and coordinate the bid submittal process.
2. The City will select and manage contractor(s), and all inspection contracts will be directly between the City and its contractor(s) rather than through this contract as a subconsultant.
3. The City will be the primary point of contact for contractor(s).
4. FNI will directly communicate to contractor(s) with the City's permission.
5. For Field Inspection Location Planning, Task B2 does not include effort to determine the exact locations or quantities for field inspections, which are anticipated to depend on several factors not evaluated in this Project (e.g., homeowner permissions, vendor costs). The system will be categorized spatially with a target number of inspections in certain regions to assist the City with getting a broadly representative dataset.

Task C: Service Line Inventory Support and Development:

FNI will assist Lenoir with SLI support and development to meet LCRR compliance requirements in 2025.

1. 2024 Initial Inventory Support: FNI will support Lenoir with responding to NC DEQ based on the support FNI provided to the City for their 2024 Initial Inventory submittal. Support may be provided in emails or up to one (1) virtual meeting with NC DEQ. No new analysis or materials will be developed as a part of this scope item.
2. SLI GIS Support: FNI will support Lenoir with updating the service line installation dates in the SLI hosted on Diamond Maps. FNI will provide Lenoir with a GIS shapefile of water service lines and their associated parcel construction dates from FNI's previous analysis in Phase 2 services. FNI will coordinate up to one (1) virtual meeting with City staff and Diamond Maps staff to support City staff with importing the service line installation dates into Lenoir's existing SLI on Diamond Maps.
3. SLI Completion and Maintenance Plan: FNI will develop a SLI completion and maintenance plan (Plan) that details the approach to completing the SLI using field services and/or predictive modeling to reduce service lines of unknown material. The plan may include:
 - a. Plan goals, objectives, and delineated responsibilities.
 - b. Documentation of State and Federal requirements (LCRR and LCRI) for SLI completion published at the time of Plan development.
 - c. Documentation of permitting requirements, notification requirements, and utility-location information.

ATTACHMENT SC

- d. High-priority areas for field inspection efforts, proposed as part of Task B2.
 - e. Field inspection methods to be utilized and standard operating procedures (SOPs).
 - f. Public communication materials, including a door hanger template and a 1-page brochure, for the City's use in explaining the purpose and need of the field inspections.
4. Support with SLI Submittal to NC DEQ in 2025: FNI will support Lenoir with preparing the SLI ahead of NC DEQ's 2025 submittal deadline. Support will include a QC of the City's NC DEQ spreadsheet template content.
 5. Support with Service Line Material Notification Letters (Annual Letters) Preparation in 2025: Support Lenoir with preparing updated Annual Letters templates to water customers with lead, galvanized requiring replacement, or unknown service line ahead of NC DEQ's 2025 submittal deadline. The updated Annual Letters templates will incorporate any feedback from water customers and NC DEQ based on the 2024 Annual Letters.
 6. Support with Public Communication Materials in 2025: FNI will support Lenoir with preparing updated public communication materials (webpage content, FAQs) to accompany the 2025 SLI submittal to NC DEQ and 2025 Annual Letters. The updated public communication materials will incorporate any feedback from water customers and NC DEQ based on 2024 public communication materials.

Task C Deliverables:

1. SLI Completion and Maintenance Plan (Word, Excel, and/or PDF)
2. 2025 SLI submittal QC notes (Word and/or Excel)
3. Updated Annual Letter templates (Word)
4. Updated Public Communication materials (Word)

Task C Assumptions:

1. The City will make all necessary GIS edits for their SLI in Diamond Maps. FNI will not edit the City's SLI in Diamond Maps.
2. The City will submit required documentation to NC DEQ by 2025 submittal deadlines.
3. The City will publish public communication materials.

Task D: Funding Assistance

FNI will assist Lenoir with applying to the NC DEQ Division of Water Infrastructure (DWI) Drinking Water State Revolving Funding (DWSRF) – Lead Service Line Replacement (LSLR) program for a \$1 million Inventory Project in the November 1, 2024 award cycle.

1. The City will provide FNI with data needed to complete the DWSRF-LSLR application.
2. FNI will prepare and submit the application to NC DEQ DWI on behalf of the City.
3. FNI will assist the City with responding to requests for information from NC DEQ during the review process and if the City is awarded funding, including preparing an Inventory Project Scope of Work.
4. FNI will prepare and submit the Inventory Project Scope of Work to NC DEQ DWI on behalf of the City.
5. FNI will coordinate up to four (4) meetings with the City to prepare the funding application and Inventory Project Scope of Work.
6. FNI will coordinate up to two (2) meetings with NC DEQ to answer questions about the funding process.

Task D Deliverables:

1. DWSRF-LSLR Inventory Project application materials (Word and PDF)
2. DWSRF-LSLR Inventory Project Scope of Work (Word and PDF)

Task D Assumptions:

1. The City will manage all funding award logistics if awarded funding.

FEE

Task	Fee
Task A: Project Management	\$ 14,800
Task B: Field Inspection Planning	\$ 91,000
Task C: Service Line Inventory Support and Development	\$ 35,400
Task D: Funding Assistance	\$ 13,800
Total Project Budget	\$ 155,000

SCHEDULE

FNI is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services in accordance with the following project duration: October 2024 – December 2025.

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in Owner or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation as outlined on the face of this Agreement and in Attachment CO.

RESPONSIBILITIES OF OWNER

Owner shall perform the following in a timely manner so as not to delay the services of FNI:

1. Designate in writing a person to act as the City's representative with respect to the services to be rendered under this scope and fee, with contract authority to give instructions and make decisions with respect to FNI's services for the project.
2. Perform or arrange to have performed at no cost to FNI all field inspection activities using the SOP provided by FNI, unless Special Services task outline above is procured.
3. Notify and communicate with the public, including soliciting participation among residents in the neighborhoods identified by FNI for voluntary participation in the field investigation pilot study and sampling procedures.
4. Provide the final residential participant list for preliminary field investigations in coordination with FNI's recommendations and results of the City's use of FNI's communication templates.
5. Obtain any required permits and notify the customers who opt into the service line identification field inspection work, as well as obtain rights of entry, as necessary.
6. Provide all necessary WQP and lead/copper testing.
7. Provide all criteria and full information as to the City's requirements for the Project, including objectives and constraints, capacity and performance requirements, and any budgetary limitations.
8. Assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to completion of the Project.
9. Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by FNI and render in writing decisions pertaining thereto within a reasonable time so as not to delay or cause rework for services provided by FNI.

ATTACHMENT SC

10. Attend project meetings.
11. Give prompt written notice to FNI whenever the City becomes aware of any development that affects the scope or timing of FNI's services.
12. Furnish, or direct FNI to provide, Additional Services as stipulated below.
13. Bear all costs incidental to compliance with the requirements of these responsibilities reserved to the City.

ADDITIONAL SERVICES (NOT INCLUDED IN THIS SCOPE)

Additional Services are not included as part of this scope but can be included in a future contract amendment at the City's request.

1. Advanced screening of potential field inspection locations using online imagery to avoid locations requiring street, curb, or sidewalk.
2. Permitting support for any permits required for service line excavation.
3. Buried utility location support ahead of service line excavation.
4. Contract modifications, studies, or analyses required to comply with local, State, Federal or other regulatory agencies that become effective after the date of this agreement.
5. Presentation of results or testimony before elected officials, courts, or regulatory agencies outside of those described in the Basic Services and Special Services.
6. Providing Basic Services on an accelerated time schedule as compared to that presented in this scope and fee.
7. Delineation of new assets in GIS.
8. Survey.
9. Verification of the accuracy of drawings, GIS data, or other information furnished by the City.
10. Repairs of service lines found to be leaking or damaged as part of the visual inspection program.
11. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications except where identified in Basic Services.
12. Laboratory testing.
13. Permitting assistance and environmental / ecological studies.
14. Services for Phases 4 and through 5 excluded from this Scope and Fee.

DESIGNATED REPRESENTATIVES

FNI and Owner designate the following representatives:

Owner's Designated Representative – Jeff Church
City of Lenoir
Director of Public Utilities
P.O. Box 958
801 West Ave. NW
Lenoir, NC 28645
(828) 757-4459 x3709
jeff.church@lenoirnc.gov

FNI's Designated Representative – Brian T. White, PE
1017 Main Campus, Suite 1200
Raleigh, NC 27606
(919) 606-4275
brian.white@freese.com

FNI's Accounting Representative – Sharon James
801 Cherry Street, Fort Worth, TX 76102
(817) 735-7298
sharon.james@freese.com

TERMS AND CONDITIONS OF AGREEMENT

1. **DEFINITIONS:** As used herein: (1) City refers to the party named as such in the Agreement between the City and FNI; (2) FNI refers to Freese and Nichols, Inc., its employees and agents, and its subcontractors and their employees and agents; and (3) Services refers to the professional services performed by FNI pursuant to the Agreement.
2. **INFORMATION FURNISHED BY CITY:** City will assist FNI by placing at FNI's disposal all available information pertinent to the project, including previous reports and any other data relative to design or construction of the project. FNI shall have no liability for defects or negligence in the Services attributable to FNI's reliance upon or use of data, design criteria, drawings, specifications, or other information furnished by City. To the fullest extent permitted by law, City agrees to indemnify and hold FNI harmless from any and all claims and judgments, and all losses, costs, and expenses arising therefrom. FNI shall disclose to City, prior to use thereof, defects or omissions in the data, design criteria, drawings, specifications, or other information furnished by City to FNI that FNI may reasonably discover in its review and inspection thereof.
3. **STANDARD OF CARE:** FNI will perform all professional services under this Agreement with the professional skill and care ordinarily provided by competent members of the subject profession practicing under the same or similar circumstances and professional license as expeditiously as is prudent considering the ordinary professional skill and care of a competent member of the subject profession. FNI makes no warranties, express or implied, under this Agreement or otherwise, in connection with any Services performed or furnished by FNI.
4. **INSURANCE:** FNI shall provide City with certificates of insurance with the following minimum coverage:

<u>Commercial General Liability</u>	<u>Workers' Compensation</u>
\$2,000,000 General Aggregate	As required by Statute
<u>Automobile Liability (Any Auto)</u>	<u>Professional Liability</u>
\$1,000,000 Combined Single Limit	\$3,000,000 Annual Aggregate
5. **CHANGES:** City, without invalidating the Agreement, may order changes within the general scope of Services required by the Agreement by altering, adding, and/or deducting from the Services to be performed. If any such change under this clause causes an increase or decrease in FNI's cost or time required for the performance of any part of the Services, an equitable adjustment will be made by mutual agreement and the Agreement will be modified in writing accordingly.

FNI will make changes to the drawings, specifications, reports, documents, or other deliverables as requested by City. However, when such changes differ from prior comments, directions, instructions, or approvals given by City or are due to causes not solely within the control of FNI, FNI shall be entitled to additional compensation and time required for performance of such changes to the Services authorized under this Agreement.
6. **OPINION OF PROBABLE CONSTRUCTION COSTS:** No fixed limit of project construction cost shall be established as a condition of the Agreement, unless agreed upon in writing and signed by the parties hereto. If a fixed limit is established, FNI shall be permitted to include contingencies for design, bidding, and price escalation in the construction contract documents to make reasonable adjustments in the scope of the project to adjust the project construction cost to the fixed limit. Such contingencies may include bid allowances, alternate bids, or other methods that allow FNI to

determine what materials, equipment, component systems, and types of construction are to be included in the construction contract documents. Fixed limits, if any, shall be increased by the same amount as any increase in the contract price after execution of the construction contract.

FNI will furnish an opinion of probable construction or program cost based on present day pricing, but does not guarantee the accuracy of such estimates. Opinions of probable cost, financial evaluations, feasibility studies, economic analyses of alternate solutions, and utilitarian considerations of operations and maintenance costs prepared by FNI hereunder will be made on the basis of FNI's experience and qualifications and represent FNI's judgment as an experienced and qualified design professional. It is recognized, however, that FNI does not have control over the cost of labor, material, equipment, or services furnished by others or over market conditions or contractors' methods of determining prices. Accordingly, FNI cannot and does not warrant or represent that bids or cost proposals will not vary from the City's project budget or from any estimate or opinion of probable construction or program cost prepared by or agreed to by FNI.

7. **PAYMENT:** Progress payments may be requested by FNI based on the amount of Services completed. Payment for Services shall be due and payable upon submission of a statement for Services to City and in acceptance of Services as satisfactory by City. Statements for Services shall not be submitted more frequently than monthly. Any applicable taxes imposed upon the Services, expenses, and charges by any governmental body after the execution of this Agreement will be added to FNI's compensation.

If City fails to make any payment due FNI for Services, expenses, and charges within 30 days after receipt of FNI's statement for Services therefore, the amounts due FNI will be increased at the rate of 1 percent per month from said 30th day, and, in addition, FNI may, after giving 7 days' written notice to City, suspend Services under this Agreement until FNI has been paid in full for all amounts due for Services, expenses, and charges.


If FNI's Services are delayed or suspended by City or are extended for more than 60 days through no fault of FNI, FNI shall be entitled to equitable adjustment of rates and amounts of compensation to reflect reasonable costs incurred by FNI in connection with such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised.

8. **OWNERSHIP OF DOCUMENTS:** All drawings, reports, data, and other project information developed in the execution of Services provided under this Agreement shall be the property of City upon payment of FNI's fees for Services. FNI may retain copies for record purposes. City agrees such documents are not intended or represented to be suitable for reuse by City or others. Any reuse by City or by those who obtained said documents from City without written verification or adaptation by FNI, will be at the City's sole risk and without liability or legal exposure to FNI, or to FNI's independent associates or consultants. To the fullest extent permitted by law, City shall indemnify and hold harmless FNI and FNI's independent associates and consultants from all claims, damages, losses, and expenses including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation will entitle FNI to further reasonable compensation. FNI may reuse all drawings, report data, and other project information in the execution of Services provided under this Agreement in FNI's other activities. Any reuse by FNI will be at FNI's sole risk and without liability or legal exposure to City, and FNI shall indemnify and hold harmless City from all claims, damages, losses, and expenses including reasonable attorneys' fees arising out of or resulting therefrom.

9. **TERMINATION:** The obligation to provide Services under this Agreement may be terminated by either party upon 10 days' written notice. In the event of termination, FNI will be paid for all Services rendered and reimbursable expenses incurred to the date of termination and, in addition, all reimbursable expenses directly attributable to termination.
10. **CONSTRUCTION REPRESENTATION:** If required by the Agreement, FNI will furnish construction representation according to the defined scope for these Services. FNI will observe the progress and the quality of work to determine in general if the work is proceeding in accordance with the construction contract documents. In performing these Services, FNI will report any observed deficiencies to City, however, it is understood that FNI does not guarantee the contractor's performance, nor is FNI responsible for the supervision of the contractor's operation and employees. FNI shall not be responsible for the contractor's means, methods, techniques, sequences, or procedures of construction or the safety precautions and programs incident to the work of the contractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the project site or otherwise performing any of the work of the project. If City designates a resident project representative that is not an employee or agent of FNI, the duties, responsibilities, and limitations of authority of such resident project representative will be set forth in writing and made a part of this Agreement before the construction phase of the project begins.
11. **GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT:** City agrees to include provisions in the general conditions of the construction contract that name FNI: (1) as an additional insured and in any waiver of subrogation rights with respect to such liability insurance purchased and maintained by the contractor for the project (except workers' compensation and professional liability policies); and (2) as an indemnified party in any indemnification provisions where City is named as an indemnified party.
12. **POLLUTANTS AND HAZARDOUS WASTES:** It is understood and agreed that FNI has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at the project site, if any, and its compensation hereunder is in no way commensurate with the potential risk of injury or loss that may be caused by exposures to such substances or conditions. The parties agree that in performing Services required by this Agreement, FNI does not take possession or control of the subject site, but acts as an invitee in performing Services, and is not therefore responsible for the existence of any pollutant present on or migrating from the site. Further, FNI shall have no responsibility for any pollutant during clean-up, transportation, storage or disposal activities.
13. **SUBCONTRACTS:** If, for any reason and at any time during the progress of providing Services, City determines that any subcontractor for FNI is incompetent or undesirable, City shall notify FNI accordingly and FNI shall take immediate steps for cancellation of such subcontract. Subletting by subcontractors shall be subject to the same regulations. Nothing contained in the Agreement shall create any contractual relation between any subcontractor and City.
14. **PURCHASE ORDERS:** If a purchase order is used to authorize FNI's Services, only the terms, conditions, and instructions typed on the face of the purchase order shall apply to this Agreement. Should there be any conflict between the purchase order and the terms of this Agreement, then this Agreement shall prevail and be determinative of the conflict.

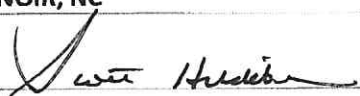

15. **CONSEQUENTIAL DAMAGES:** In no event shall FNI be liable in contract, tort, strict liability, warranty, or otherwise for any special, indirect, incidental, or consequential damages (such as loss of product, loss of use of equipment or systems, loss of anticipated profits or revenue, non-operation or increased expense of operation), arising out of, resulting from, or in any way related to this Agreement or the project.
16. **ARBITRATION:** No arbitration, arising out of or relating to this Agreement, involving one party to this Agreement may include the other party to this Agreement without their approval.
17. **SUCCESSORS AND ASSIGNMENTS:** City and FNI and the partners, successors, executors, administrators, and legal representatives of each are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.

Neither City nor FNI shall assign, sublet, or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent FNI from employing such independent associates and consultants as FNI may deem appropriate to assist in the performance of Services hereunder.

		PROFESSIONAL SERVICES AGREEMENT	
		AMENDMENT #1	
City of Lenoir		FNI Project:	LNR20129
801 West Avenue NW		Client Contract:	Professional Services Agreement Nov. 19, 2024
Lenoir, NC 28645		Date:	1/20/2026
Project Name:	LCRR Phase 3 – Completion of Service Line Inventory Through Field Services		
Description of Services:	<p>Task A3. Project Management Meetings: FNI will coordinate up to twelve (12) virtual monthly meetings from Jan. – Dec. 2026 with the City to discuss project progress.</p> <p>Task B5. Predictive Model Development and Implementation: FNI will develop a predictive model, coordinate approval with NC DEQ, and use the predicted service line material results to inform Task B2 and Task C4. All aspects of the predictive model will comply with NC DEQ's <i>Service Line Inventory Statistical Methods and Predictive Modeling Guidance for North Carolina</i>.</p> <ol style="list-style-type: none"> a. Characterize distribution of systemwide service lines and Unknowns. b. Identify representative sample of service lines of known material from previous field inspections for training/testing. c. Develop, calibrate, and test Predictive Model. d. QC Predictive Model. e. Draft Proposal according to NC DEQ's <i>Service Line Inventory Statistical Methods and Predictive Modeling Guidance for North Carolina</i>. f. QC Proposal and deliver to NC DEQ for approval. g. Iteratively improve Predictive Model based on additional service line material data from field inspections, prioritized by predictive model predictions of Unknown and Likely Galvanized Requiring Replacement, in Phase 3. h. Draft Report according to NC DEQ's <i>Service Line Inventory Statistical Methods and Predictive Modeling Guidance for North Carolina</i>. i. QC Report and deliver to NC DEQ for approval. j. Assign predicted service line materials to the 2026 Inventory after NC DEQ approves the Report. k. Coordinate up to two (2) virtual meetings with NC DEQ for discussing predictive model questions. <p>Task C7. Support with Inventory Submittal to NC DEQ in 2026: FNI will support Lenoir with preparing the Inventory ahead of NC DEQ's 2026 submittal deadline. Support will include QC of the City's NC DEQ spreadsheet template content. FNI will also support Lenoir with preparing updated Annual Letter templates (if needed) and public communication materials (webpage content, FAQs) to accompany the 2026 Inventory submittal.</p>		

Deliverables:	<p>Task A3. Project Management Meetings:</p> <ol style="list-style-type: none"> 1. Meeting agendas (email) 2. Meeting minutes (email and/or PDF) <p>Task B5. Predictive Model Development and Implementation: NC DEQ Service Line Inventory Statistical Methods and Predictive Modeling Guidance for North Carolina deliverables:</p> <ol style="list-style-type: none"> 1. Proposal (PDF) 2. Report (PDF) <p>Task C6. Support with Inventory Submittal to NC DEQ in 2026:</p> <ol style="list-style-type: none"> 1. 2026 Inventory QC notes (Email and/or Excel) 2. 2026 updated Annual Letter templates (Word) 3. 2026 updated Public Communication materials (Word)
Schedule:	Project completion in Dec. 2026
Compensation Type:	Lump Sum Fee
Current Contract Amount:	\$155,000
Amount of this Amendment:	\$96,000
Revised Total Amount Authorized:	\$251,000

The services described above shall proceed as amended upon execution of this Amendment. All other provisions, terms, and conditions of the Professional Services Agreement which are not expressly amended shall remain in full force and effect.

CITY OF LENOIR, NC		FRESE AND NICHOLS, INC.	
By:		By:	
Name:	Scott Hildebrand	Name:	Brian T. White
Title:	City Manager	Title:	Principal / Vice President
Date:	2/4/2026	Date:	January 20, 2026

Herbert Lutz Properties



Owner Information
LUTZ FAMILY PARTNERSHIP
1031 DUBLIN RD
CHESTER SC 29706

Account Information
NCPIN: 2840711456
Account#: 35301
Parcel-id: 09 23 4 3

Property Information
Calculated
Acreage: 0.42953817

Owner Information
LUTZ FAMILY PARTNERSHIP
1031 DUBLIN RD
CHESTER SC 29706

Account Information
NCPIN: 2840608275
Account#: 140086
Parcel-id: 06 21 2 21A

Property Information
Calculated
Acreage: 0.18686184

Owner Information
LUTZ FAMILY PARTNERSHIP
1031 DUBLIN RD
CHESTER SC 29706

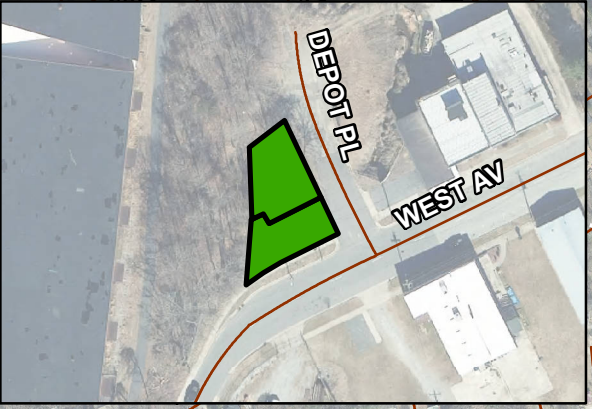
Account Information
NCPIN: 2749665825
Account#: 35301
Parcel-id: 06 5 6 24

Property Information
Calculated
Acreage: 0.06759739


Owner Information
LUTZ FAMILY PARTNERSHIP
1031 DUBLIN RD
CHESTER SC 29706

Account Information
NCPIN: 2749665910
Account#: 35301
Parcel-id: 06 5 6 23

Property Information
Calculated
Acreage: 0.08019919



Legend

 Lutz Properties

1 inch = 667 feet

0 290 580 1,160 1,740 Feet

