February 25, 2021

The Honorable Thomas Richards, Mayor
Town of Bailey
PO Box 40
Bailey, North Carolina 27807

Subject: Engineering Report Funding Approval
Town of Bailey
Sewer Collection System Rehabilitation
Project Nos. CS370696-02
E-SRP-W-20-0176

Dear Mayor Richards:

The Division of Water Infrastructure (Division) has completed its review of the subject engineering report. Based upon this review, the Division has determined that the referenced project is eligible for funding as follows:

**Eligible**
Replacement of approximately 5,200 lf of 8-inch gravity sewer and 21 manholes; removal and replacement of pavement, roadways, driveways and curbs, and sedimentation and erosion control devices.

**Non Eligible**
Paving of roadways in excess of the excavated area. Any installation of sewer service laterals outside the right-of-way. Spare parts, service contracts, maintenance contracts, and extended warranties.

Based upon detailed review of the bid documents, the Division may determine that portions of the project are not eligible for funding and the total funding amount may be reduced.
The Honorable Thomas Ric.  Is, Mayor  
February 25, 2021 
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Please note that funding is contingent on meeting the schedule provided in your Letter of Intent to Fund, or approved extension, as tabulated below:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Bid and Design Package Submittal</td>
<td>June 1, 2021</td>
</tr>
<tr>
<td>Bid and Design Package Approval</td>
<td>October 1, 2021</td>
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<tr>
<td>Advertise Project, Receive Bids, Submit Bid Information, and</td>
<td>February 1, 2022</td>
</tr>
<tr>
<td>Receive Authority To Award</td>
<td></td>
</tr>
<tr>
<td>Execute Construction Contract(s)</td>
<td>March 1, 2022</td>
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</tbody>
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To allow the required Local Government Commission (LGC) review of the loan portion of the project, please forward the completed LGC-108A and LGC-108C Forms (based on the most recent completed audit) to: Mark Hubbard, P.E., mark.hubbard@ncdenr.gov. The forms are available at: http://deq.nc.gov/about/divisions/water-infrastructure/i-have-funding/construction-reimbursement/lgc-forms.

In addition, local government units with projects that require debt to be issued greater than $1,000,000 (in accordance with G.S. 120-157.2) must submit a letter to Committee Chairs, Committee Assistant, and the Fiscal Research Division of the General Assembly at least 45 days prior to presentation before the Local Government Commission. You are responsible for submitting this letter and providing a copy to the Division.

Projects funded through the CWSRF program must comply with the federal Brooks Act for the selection of architectural, surveying and engineering services. CWSRF projects cannot be exempted from qualification-based selection of these services under N.C.G.S. 143-64.32. Submit the Professional Engineering Services Procurement form (from our website) to document compliance for any services to be reimbursed. Any services provided that are not selected in compliance with federal requirements are ineligible for reimbursement.

If you have any questions, please contact Tesfu 'Steve' Tsadwa, by phone at (919) 707-9172 or by email at steve.tsadwa@ncdenr.gov.

Sincerely,

Anita E. Robertson, PE, Supervisor  
Wastewater Projects Unit

Attachments: Categorical Exclusion  
cc: Richard Moore, PE, McDavid Associates, Inc., Farmville, NC 27828  
Mark Hubbard, PE (via email)  
Susan Kubacki (via email)  
Tesfu 'Steve' Tsadwa (via email)  
SRF & SRP File (EREID/ERAL)
Categorical Exclusion

North Carolina Division of Water Infrastructure

Project Applicant: Town of Bailey  
Date: February 25, 2021  
Project Number: CS370764-01, E-SRP-W-20-0176  
Estimated Project Cost: $1,506,223  
Estimated Funding Amount: $500,000 CWSRF, $981,500 WW-SRP

Project Description: The proposed project will make the following improvements to the Town’s sewer collection system: replacement of approximately 5,200 lf of 8-inch gravity sewer and 21 manholes; removal and replacement of pavement, roadways, driveways and curbs, and sedimentation and erosion control devices.

The above named applicant will receive funding assistance from the State Revolving Fund. The North Carolina Division of Water Infrastructure (Division) has conducted a review of the project in accordance with the NCGS §159G-38. The Division has determined that this project is below the minor construction activities threshold outlined in 15A NCAC 01C .0408; therefore, the project is exempt from inter-agency review, and the preparation of additional environmental documents is not required.

This determination shall become effective upon its distribution by the Division and will be available on the Division’s website (https://deq.nc.gov/about/divisions/water-infrastructure/division-water-infrastructure/environmental-documents). This determination can be revoked at any time adverse information is made available. The documentation to support this decision will be on file with the North Carolina Department of Environmental Quality, Division of Water Infrastructure, and is available for public scrutiny upon request.

Comments concerning this decision may be addressed to Ms. Jennifer Haynie, Environment and Special Projects Unit, Division of Water Infrastructure, 1633 Mail Service Center, Raleigh, North Carolina 27699, or she can be reached by phone at (919) 707-9173.

Sincerely,

Anita E. Robertson, PE, Supervisor  
Wastewater Projects Unit  
Division of Water Infrastructure