STATE OF NORTH CAROLINA
COUNTY OF WAKE

GRANTEE'S FEDERAL IDENTIFICATION NUMBER: **-***7576

North Carolina Department of Environmental Quality
Financial Assistance Agreement

This financial assistance agreement is hereby made and entered into this **May 28, 2019**, by and between the **NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY** (the "Department") and **TOWN OF SUNSET BEACH** (the "Grantee"[1]).

1. **Audit and Other Reporting Requirements of the Local Government Commission.** If subject to the audit and other reporting requirements of the Local Government Commission pursuant to Article 3 of Chapter 159 of the North Carolina General Statutes (Local Government Budget and Fiscal Control Act), the Grantee understands and agrees that the terms, conditions, restrictions and requirements hereinafter set forth shall only apply to the extent not inconsistent with, or superseded by, the audit and other reporting requirements of the Local Government Commission.

2. **Contract Documents.** The agreement between the parties consists of this document (the "Contract Cover") and its attachments, which are identified by name as follows:

   a. State's General Terms and Conditions (Attachment A)
   b. Department's Request for Proposal ("RFP") (Attachment B)
   c. Grantee's Response to RFP, including scope of work, line item budget, budget narrative and, *if applicable*, indirect cost documentation (hereinafter referred to generally as the "Award Proposal") (Attachment C)
   d. Notice of Certain Reporting and Audit Requirements (Attachment D)
   e. Conflict of Interest (Attachment E)

   Together, these documents (the "Contract Documents") constitute the entire agreement between the parties (the "Agreement"), superseding all prior oral or written statements or agreements. Modifications to this Contract Cover or to any other Contract Document may only be made through written amendments processed by the Department's Financial Services Division. Any such written amendment must be duly executed by an authorized representative of each party.

3. **Precedence Among Contract Documents.** In the event of a conflict or inconsistency between or among the Contract Documents, the document with the highest relative precedence shall prevail. This Contract Cover shall have the highest precedence. The order of precedence thereafter shall be determined by the order of documents listed in § 2 above, with the first-listed document having the second-highest precedence and the last-listed document having the lowest precedence. If there are multiple contract amendments, the most recent amendment has the highest precedence and the oldest amendment has the lowest precedence.

4. **Contract Period.** This Agreement shall be effective from **May 28, 2019** to **June 30, 2021**, inclusive of those dates.

5. **Grantee's Duties.** As a condition of the grant award, the Grantee agrees to:

   a. Undertake and deliver the grant award project, plan or services as described in the Award Proposal (Attachment C), adhering to all budgetary provisions set out therein throughout the course of performance.

   b. Ensure that all award funds are expended in a manner consistent with the purposes for which they were awarded, as described more fully in the attached Contract Documents.

[1] The contract documents attached hereto may at times use alternative terms to describe the Grantee. Such terms might include, but are not necessarily limited to, the following (in common or proper form): "recipient," "applicant," or "participant."

c. Comply with the requirements of 09 NCAC 03M .0101, *et seq.* (Uniform Administration of State Awards of Financial Assistance), including, but not limited to, those provisions relating to audit oversight, access to records, and availability of audit work papers in the possession of any auditor of any recipient of State funding.

d. Comply with the applicable provisions of Attachment D, Notice of Certain Reporting and Audit Requirements.

e. Maintain all records related to this Agreement (i) for a period of six (6) years following the date on which this Agreement expires or terminates, or (ii) until all audit exceptions have been resolved, whichever is longer.

f. Comply with all laws, ordinances, codes, rules, regulations, and licensing requirements applicable to its performance hereunder and/or the conduct of its business generally, including those of Federal, State, and local agencies having jurisdiction and/or authority.

g. Obtain written approval from the Department's Contract Administrator (see § 14 below) prior to making any subaward or subgrant not already described in the Award Proposal.

h. Ensure that the terms, conditions, restrictions and requirements of this Contract Cover, including those incorporated by reference to other Contract Documents and/or applicable law, are made applicable to, and binding upon, any subgrantee who receives as a subaward or subgrant any portion of the award funds made available to the Grantee hereunder.

i. Take reasonable measures to ensure that any subgrantee (i) complies with the terms, conditions, restrictions and requirements set forth in this Contract Cover, including those incorporated by reference to other Contract Documents and/or applicable law, and (ii) provides such information in its possession as may be necessary for the Grantee to comply with such terms, conditions, restrictions and requirements.

6. **Historically Underutilized Businesses.** Historically Underutilized Businesses (HUBs) consist of minority, women and disabled business firms that are at least fifty-one percent owned and operated by an individual(s) of the categories. Also included in this category are disabled business enterprises and non-profit work centers for the blind and severely disabled.

   Pursuant to G.S. 143B-1361(a), 143-48 and 143-128.4, the Department invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled. This includes utilizing subcontractors to perform the required functions in this contract. Any questions concerning NC HUB certification, contact the North Carolina Office of Historically Underutilized Businesses at (919) 807-2330.

7. **Department's Duties.** The Department shall pay the Grantee in the manner and amounts specified below and in accordance with the approved budget set forth in the Award Proposal.

8. **Total Award Amount.** The total amount of award funds paid by the Department to the Grantee under this Agreement shall not exceed **THREE MILLION SEVEN HUNDRED FIFTY-SIX THOUSAND FOUR HUNDRED THIRTY-SIX DOLLARS AND THIRTY-FOUR CENTS ($3,756,436.34)** (the "Total Award Amount"). This amount consists of:

Funding:

Type of Funds	Funding Source	CFDA No.
Receipts	SDNCD&AW	N/A

Account Coding Information:

Dollars	GL Company	GL Account	GL Center
$3,756,436.34	1602	536990	2182

Grantee Matching Information:

[ ] a. There are no matching requirements from the Grantee.

[ ] b. There are no matching requirements from the Grantee; however, the Grantee has committed the following match to this project:

	In-Kind	$
	Cash	$
	Cash and In-Kind	$
	Other / Specify:	$

[X] c. The Grantee's matching requirement is **$1,878,188.66**, which shall consist of:

	In-Kind	$
X	Cash	$1,878,188.66
	Cash and In-Kind	$
	Other / Specify:	$

[ ] d. The Grantee is committing to an additional **$** to complete the project or services described in the Award Proposal.

Based on the figures above, the total contract amount is **$5,634,625.00**.

9. **Invoice and Payment.** The award funds shall be disbursed to the Grantee in accordance with the following provisions:

   a. The Grantee shall submit invoices to the Department's Contract Administrator at least quarterly. The final invoice must be received by the Department within forty-five (45) days following the date on which termination or expiration of this Agreement becomes effective. Amended or corrected invoices must be received by the Department's Financial Services Division within six (6) months of such date. Any invoice received thereafter shall be returned without action.

10. **Grantee's Fiscal Year.** The Grantee represents that its fiscal year is from July 1 to June 30.

11. **Availability of Funds.** The Grantee understands and agrees that payment of the sums specified herein shall be subject to, and contingent upon, the allocation and appropriation of funds to the Department for the purposes described in this Agreement.

12. **Reversion of Unexpended Funds.** The Grantee understands and agrees that any unexpended grant funds shall revert to the Department upon termination of this Agreement.

13. **Supplantation of Expenditure of Public Funds.** The Grantee understands and agrees that funds received pursuant to this Agreement shall be used only to supplement, not to supplant, the total amount of Federal, State and local public funding that the Grantee would otherwise expend to carry out the project or services described in the Award Proposal.

14. **Contract Administrators.** Each party shall submit notices, questions and correspondence related to this Agreement to the other party's Contract Administrator. The contact information for each party's Contract Administrator is set out below. Either party may change its Contract Administrator and/or the associated contact information by giving timely written notice to the other party.

15.

Grantee Contract Administrator	Department's Contract Administrator
Lisa Anglin, Town Clerk Town of Sunset Beach 700 Sunset Beach Blvd. North Sunset Beach, NC 28468 Telephone: 910-579-6297 Fax: Email: langlin@sunsetbeachnc.gov	Coley Corderio, Ph.D., GISP Coastal Infrastructure Projects Manager Division of Water Resources 1611 Mail Service Center Raleigh, NC 27699-1611 Telephone: 919-707-9013

16. **Assignment.** The Grantee may not assign its obligations or its rights to receive payment hereunder.

17. **Procurement.** The Grantee understands and agrees that all procurement activities undertaken in connection with this Agreement shall be subject to the following provisions:

    a. None of the work or services to be performed under this Agreement involving the specialized skill or expertise of the Grantee shall be contracted without prior written approval from the Department.

    b. In the event the Grantee or any subrecipient of the Grantee contracts for any of the work to be performed hereunder, the Grantee shall not be relieved of any duties or responsibilities herein set forth.

    c. The Grantee shall not contract with any vendor who is restricted from contracting with the State of North Carolina pursuant to N.C.G.S. §§ 143-133.3, 143-59.1, 143-59.2 or 147.86.60.

18. **Subawards.** The Grantee understands and agrees that any subaward or subgrant of any portion of the financial assistance provided hereunder shall not relieve the Grantee of any duties or responsibilities herein set forth.

19. **Title VI and Other Nondiscrimination Requirements.** Throughout the course of its performance hereunder, the Grantee shall comply with all applicable State and Federal laws, regulations, executive orders and policies relating to nondiscrimination, including, but not limited to:

    Title VI of the Civil Rights Act of 1964, as amended;

    Civil Rights Restoration Act of 1987, as amended;

    Section 504 of the Rehabilitation Act of 1973, as amended;

    Age Discrimination Act of 1975, as amended;

    Titles II and III of the Americans with Disabilities Act of 1990, as amended;

    Title IX of the Education Amendments of 1972, as amended;

    Part III of Executive Order No. 11246 (September 24, 1965), as amended; and

    Section 13 of the Federal Water Pollution Control Act Amendments of 1972.

    In accordance with the above laws and their implementing regulations, the Grantee agrees to ensure that no person in the United States is, on the basis of race, color, national origin, sex, age or disability, excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity for which the Grantee receives Federal assistance. For purposes of this provision, "program or activity" shall have the meaning ascribed to that term under Federal law (see 42 U.S.C.S. § 2000d-4a).

The Grantee understands and acknowledges that, in addition to itself, any lower-tier recipient of the financial assistance provided hereunder must also comply with the requirements of this section. Accordingly, the Grantee agrees to include a similar provision in any financial assistance agreement made with any lower-tier recipient of such assistance.

20. **E-Verify.** To the extent applicable, the Grantee represents that it and each of its subgrantees, contractors and/or subcontractors performing work pursuant to, or in association with, this Agreement are in compliance with Article 2 of Chapter 64 of the North Carolina General Statutes, including, in particular, the requirement that certain employers verify the work authorization of newly hired employees using the Federal E-Verify system.

21. **Termination by Mutual Consent.** This Agreement may be terminated by mutual consent of the parties, provided the consent is documented in writing and duly executed by an authorized representative of each party.

22. **Survival.** Any provision contained in this or any other Contract Document that contemplates performance or observance subsequent to the termination or expiration of this Agreement shall survive the termination or expiration hereof and continue in full force and effect.

23. **Signature Warranty.** The undersigned represent and warrant that they are authorized to bind their principals to the terms and conditions of this Contract Cover and the Agreement generally, including those incorporated by reference to applicable law.

IN WITNESS WHEREOF, the Grantee and the Department execute this Agreement in two (2) originals, one (1) to be retained by the Grantee and one (1) to be retained by the Department, the day and year first above written.

TOWN OF SUNSET BEACH

By _____
Grantee's Signature

HIRAM J. MARZIANO, II, Town Administrator
Printed Name and Title

Town of Sunset Beach
Organization

NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY

By _____
Signature of Department Head or Authorized Agent

Tommy Kirby, Purchasing Director
Printed Name and Title

Financial Services Division, Purchasing and Contracts Section
Division/Section

THIS INSTRUMENT HAS BEEN PREAUDITED IN THE MANNER REQUIRED BY THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT

ORIGINAL

Paula Eatman
Finance Director

General Terms and Conditions
Governmental Entities

DEFINITIONS

Unless indicated otherwise from the context, the following terms shall have the following meanings in this Contract. All definitions are from 9 NCAC 3M.0102 unless otherwise noted. If the rule or statute that is the source of the definition is changed by the adopting authority, the change shall be incorporated herein.

(1) "Agency" (as used in the context of the definitions below) means and includes every public office, public officer or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political sub-agency of government. For other purposes in this Contract, "Agency" means the entity identified as one of the parties hereto.

(2) "Audit" means an examination of records or financial accounts to verify their accuracy.

(3) "Certification of Compliance" means a report provided by the Agency to the Office of the State Auditor that states that the Grantee has met the reporting requirements established by this Subchapter and included a statement of certification by the Agency and copies of the submitted grantee reporting package.

(4) "Compliance Supplement" refers to the North Carolina State Compliance Supplement, maintained by the State and Local Government Finance Agency within the North Carolina Department of State Treasurer that has been developed in cooperation with agencies to assist the local auditor in identifying program compliance requirements and audit procedures for testing those requirements.

(5) "Contract" means a legal instrument that is used to reflect a relationship between the agency, grantee, and sub-grantee.

(6) "Fiscal Year" means the annual operating year of the non-State entity.

(7) "Financial Assistance" means assistance that non-State entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. Financial assistance does not include amounts received as reimbursement for services rendered to individuals for Medicare and Medicaid patient services.

(8) "Financial Statement" means a report providing financial statistics relative to a given part of an organization's operations or status.

(9) "Grant" means financial assistance provided by an agency, grantee, or sub-grantee to carry out activities whereby the grantor anticipates no programmatic involvement with the grantee or sub-grantee during the performance of the grant.

(10) "Grantee" has the meaning in G.S. 143-6.2(b): a non-State entity that receives a grant of State funds from a State agency, department, or institution but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission. For other purposes in this Contract, "Grantee" shall mean the entity identified as one of the parties hereto. For purposes of this contract, Grantee also includes other State agencies such as universities.

(11) "Grantor" means an entity that provides resources, generally financial, to another entity in order to achieve a specified goal or objective.

(12) "Non-State Entity" has the meaning in N.C.G.S. 143-6.2(a)(1): A firm, corporation, partnership, association, county, unit of local government, public authority, or any other person, organization, group, or governmental entity that is not a State agency, department, or institution.

(13) "Public Authority" has the meaning in N.C.G.S. 143-6.2(a)(3): A municipal corporation that is not a unit of local government or a local governmental authority, board, commission, council, or agency that (i) is not a municipal corporation and (ii) operates on an area, regional, or multiunit basis, and the budgeting and accounting systems of which are not fully a part of the budgeting and accounting systems of a unit of local government.

(14) "Single Audit" means an audit that includes an examination of an organization's financial statements, internal controls, and compliance with the requirements of Federal or State awards.

(15) "Special Appropriation" means a legislative act authorizing the expenditure of a designated amount of public funds for a specific purpose.

(16) "State Funds" means any funds appropriated by the North Carolina General Assembly or collected by the State of North Carolina. State funds include federal financial assistance received by the State and transferred or disbursed to non-State entities. Both Federal and State funds maintain their identity as they are sub-granted to other organizations. Pursuant to N.C.G.S. 143-6.2(b), the terms "State grant funds" and "State grants" do not include any payment made by the Medicaid program, the Teachers' and State Employees' Comprehensive Major Medical Plan, or other similar medical programs.

(17) "Sub-grantee" has the meaning in G.S. 143-6.2(b): a non-State entity that receives a grant of State funds from a grantee or from another sub-grantee but does not include any non-State entity subject to the audit and other reporting requirements of the Local Government Commission.

(18) "Unit of Local Government has the meaning in G.S. 143-6.2(a)(2): A municipal corporation that has the power to levy taxes, including a consolidated city-county as defined by G.S. 160B-2(1), and all boards,

agencies, commissions, authorities, and institutions thereof that are not municipal corporations.

Relationships of the Parties

Independent Contractor: The Grantee is and shall be deemed to be an independent contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Grantee represents that it has, or shall secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with, the Agency.

Subcontracting: To subcontract work to be performed under this contract which involves the specialized skill or expertise of the Grantee or his employees, the Grantee first obtains prior approval of the Agency Contract Administrator. In the event the Grantee subcontracts for any or all of the services or activities covered by this contract: (a) the Grantee is not relieved of any of the duties and responsibilities provided in this contract; (b) the subcontractor agrees to abide by the standards contained herein or to provide such information as to allow the Grantee to comply with these standards, and; (c) the subcontractor agrees to allow state and federal authorized representatives access to any records pertinent to its role as a subcontractor.

Sub-grantees: The Grantee has the responsibility to ensure that all sub-grantees, if any, provide all information necessary to permit the Grantee to comply with the standards set forth in this Contract.

Assignment: The Grantee may not assign the Grantee's obligations or the Grantee's right to receive payment hereunder. However, upon Grantee's written request approved by the issuing purchasing authority, the Agency may:

(a) Forward the Grantee's payment check(s) directly to any person or entity designated by the Grantee, or
(b) Include any person or entity designated by Grantee as a joint payee on the Grantee's payment check(s).

Such approval and action does not obligate the State to anyone other than the Grantee and the Grantee remains responsible for fulfillment of all contract obligations.

Beneficiaries: Except as herein specifically provided otherwise, this Contract insures to the benefit of and is binding upon the parties hereto and their respective successors. It is expressly understood and agreed that the enforcement of the terms and conditions of this Contract, and all rights of action relating to such enforcement, are strictly reserved to the Agency and the named Grantee. Nothing contained in this document shall give or allow any claim or right of action whatsoever by any other third person. It is the express intention of the Agency and Grantee that any third person receiving services or benefits under this Contract is an incidental beneficiary only.

Indemnity

Indemnification: In the event of a claim against either party by a third party arising out of this contract, the party whose actions gave rise to the claim is responsible for the defense of the claim and any resulting liability, provided that a party may not waive the other party's sovereign immunity or similar defenses. The parties agree to consult with each other over the appropriate handling of a claim and, in the event they cannot agree, to consult with the Office of the Attorney General.

Default and Termination

Termination by Mutual Consent: Either party may terminate this agreement upon thirty (30) days notice in writing from the other party. In that event, all finished or unfinished documents and other materials, at the option of the Agency, be submitted to the Agency. If the contract is terminated as provided herein, the Grantee is paid in an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this agreement; for costs of work performed by subcontractors for the Grantee provided that such subcontracts have been approved as provided herein; or for each full day of services performed where compensation is based on each full day of services performed, less payment of compensation previously made. The Grantee repays to the Agency any compensation the Grantee has received which is in excess of the payment to which he is entitled herein.

Termination for Cause: If, through any cause, the Grantee fails to fulfill in timely and proper manner the obligations under this agreement, the Agency thereupon has the right to terminate this contract by giving written notice to the Grantee of such termination and specifying the reason thereof and the effective date thereof. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the Grantee , at the option of the Agency, be submitted to the Agency, and the Grantee is entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials. The Grantee is not relieved of liability to the Agency for damages sustained by the Agency by virtue of any breach of this agreement, and the Agency may withhold payment to the Grantee for the purpose of set off until such time as the exact amount of damages due the Agency from such breach can be determined.

Waiver of Default: Waiver by the Agency of any default or breach in compliance with the terms of this Contract by the Grantee is not a waiver of any subsequent default or breach and is not a modification of the terms of this Contract unless stated to be such in writing, signed by an authorized representative of the Agency and the Grantee and attached to the contract.

Availability of Funds: The parties to this Contract agree and understand that the payment of the sums specified in this Contract is dependent and contingent upon and subject to the appropriation, allocation, and availability of funds for this purpose to the Agency.

Force Majeure: Neither party is in default of its obligations hereunder if and it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

Survival of Promises: All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable federal or State statutes of limitation.

Intellectual Property Rights

Copyrights and Ownership of Deliverables: Any and all copyrights resulting from work under this agreement shall belong to the Grantee. The Grantee hereby grants to the North Carolina Department of Environment and Natural Resources a royalty-free, non-exclusive, paid-up license to use, publish and distribute results of work under this agreement for North Carolina State Government purposes only.

Compliance with Applicable Laws

Compliance with Laws: The Grantee understands and agrees that is subject to compliance with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

Equal Employment Opportunity: The Grantee understands and agrees that it is subject to compliance with all federal and State laws relating to equal employment opportunity.

Confidentiality

Confidentiality: As authorized by law, the Grantee keeps confidential any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Grantee under this agreement and does not divulge or make them available to any individual or organization without the prior written approval of the Agency. The Grantee acknowledges that in receiving, storing, processing or otherwise dealing with any confidential information it will safeguard and not further disclose the information except as otherwise provided in this Contract or without the prior written approval of the Agency.

Oversight

Access to Persons and Records: The State Auditor and the using agency's internal auditors shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7 and Session Law 2010-194, Section 21 (i.e., the State Auditors and internal auditors may audit the records of the contractor during the term of the contract to verify accounts and data affecting fees or performance). The Contractor shall retain all records for a period of three years following completion of the contract or until any audits begun during this period are completed and findings resolved, whichever is later.

Record Retention: The Grantee may not destroy, purge or dispose of records without the express written consent of the Agency. State basic records retention policy requires all grant records to be retained for a minimum of five years or until all audit exceptions have been resolved, whichever is longer. If the contract is subject to Federal policy and regulations, record retention may be longer than five years since records must be retained for a period of three years following submission of the final Federal Financial Status Report, if applicable, or three years following the submission of a revised final Federal Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving this Contract has started before expiration of the five-year retention period described above, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular five-year period described above, whichever is later.

Time Records: The GRANTEE will maintain records of the time and effort of each employee receiving compensation from this contract, in accordance with the appropriate OMB circular.

Miscellaneous

Choice of Law: The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, are governed by the laws of North Carolina. The Grantee, by signing this Contract, agrees and submits, solely for matters concerning this Contract, to the exclusive jurisdiction of the courts of North Carolina and agrees, solely for such purpose, that the exclusive venue for any legal proceedings shall be Wake County, North Carolina. The place of this Contract 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 or tort, relating to the validity, construction, interpretation, and enforcement shall be determined.

Amendment: This Contract may not be amended orally or by performance. Any amendment must be made in written form and executed by duly authorized representatives of the Agency and the Grantee.

Severability: In the event that a court of competent jurisdiction holds that a provision or requirement of this Contract violates any applicable law, each such provision or requirement shall continue to be enforced to the extent it is not in violation of law or is not otherwise unenforceable and all other provisions and requirements of this Contract shall remain in full force and effect.

Headings: The Section and Paragraph headings in these General Terms and Conditions are not material parts of the agreement and should not be used to construe the meaning thereof.

Time of the Essence: Time is of the essence in the performance of this Contract.

Care of Property: The Grantee agrees that it is be responsible for the proper custody and care of any State owned property furnished him for use in connection with the performance of his contract and will reimburse the State for its loss or damage.

Travel Expenses: All travel, lodging, and subsistence costs are included in the contract total and no additional payments will be made in excess of the contract amount indicated in above. Contractor must adhere to the travel, lodging and subsistence rates established in the Budget Manual for the State of North Carolina.

Sales/Use Tax Refunds: If eligible, the Grantee and all sub-grantees shall: (a) ask the North Carolina Department of Revenue for a refund of all sales and use taxes paid by them in the performance of this Contract, pursuant to G.S. 105-164.14; and (b) exclude all refundable sales and use taxes from all reportable expenditures before the expenses are entered in their reimbursement reports.

Advertising: The Grantee may not use the award of this Contract as a part of any news release or commercial advertising.

Recycled Paper: The Grantee ensures that all publications produced as a result of this contract are printed double-sided on recycled paper.

Sovereign Immunity: The Agency does not waive its sovereign immunity by entering into this contract and fully retains all immunities and defenses provided by law with respect to any action based on this contract.

Gratuities, Kickbacks or Contingency Fee(s): The parties certify and warrant that no gratuities, kickbacks or contingency fee(s) are paid in connection with this contract, nor are any fees, commissions, gifts or other considerations made contingent upon the award of this contract.

Lobbying: The Grantee certifies that it (a) has neither used nor will use any appropriated funds for payments to lobbyist; (b) will disclose the name, address, payment details, and purpose of any agreement with lobbyists whom the Grantee or its sub-tier contractor(s) or sub-grantee(s) will pay with profits or non-appropriated funds on or after December 22, 1989; and (c) will file quarterly updates about the use of lobbyists if material changes occur in their use.

By Executive Order 24, issued by Governor Perdue, and N.C. G.S.§ 133-32: It is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, landlord, offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor's Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and contractors who:

(1) have a contract with a governmental agency; or
(2) have performed under such a contract within the past year; or
(3) anticipate bidding on such a contract in the future.

For additional information regarding the specific requirements and exemptions, vendors and contractors are encouraged to review Executive Order 24 and G.S. Sec. 133-32.

Executive Order 24 also encouraged and invited other State Agencies to implement the requirements and prohibitions of the Executive Order to their agencies. Vendors and contractors should contact other State Agencies to determine if those agencies have adopted Executive Order 24."

Water Resources Development Grant Program (WRDGP)
Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund
Guidelines FY 2018 - 2019

Administered by: N.C. Department of Environmental Quality (DEQ), Division of Water Resources (DWR), 1611 Mail Service Center, Raleigh, N.C., 27699-1611. Contact Coley Cordeiro at Coley.Cordeiro@ncdenr.gov or (919) 707-9013

Authority: DWR is authorized to provide grants to local governments for water resources development projects by N.C. Gen. Stat. § 143-215.70-.73 and 15A NCAC 02G .0100.

Who is Eligible: Units of local government, local political subdivisions, cooperating agencies

Application Deadlines: Applications can be received throughout the year for navigation projects on an as needed basis.

Funding Source: North Carolina Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund (N.C. Gen. Stat. § 143-215.73F)

Eligible Purposes and Cost-Share Percentages: According to N.C. Gen. Stat. § 143-215.73F, revenue in the Fund may only be used to provide the State's cost share of the costs associated with any dredging project designed to keep shallow draft navigation channels located in State waters or waters of the State located within lakes navigable and safe. Any project funded by revenue from the Fund must be cost-shared with non-State dollars as follows: 1) The cost-share for dredging projects located, in whole or part, in a development tier one area, as defined in N.C. Gen. Stat. § 143B-437.08, shall be at least one non-State dollar for every three dollars from the Fund (Tier 1 county match: 75% State/25% Local). 2) The cost share for dredging projects not located, in whole or part, in a development tier one area shall be at least one non-State dollar for every two dollars from the Fund (Tier 2 & 3 county match: 66.67% State/33.33% Local).

Additional Information:
Funding provided from the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund must be primarily for general or recreational navigation purposes. Additional project outcomes from a navigation project such as beneficial placement of beach compatible material must be a secondary reason for the project (if applicable). Dredging around ship berths, piers, docks and access to private docks are not eligible for funding from the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund.

Application Submittal: All required forms and grant information can be found at the WRDGP website.

Application Spreadsheet (MS Excel) - Applications should be completed and returned via email to Coley Cordeiro at Coley.Cordeiro@ncdenr.gov. The complete application will be included in the DEQ contract documentation and the project budget will serve as the basis for the contract's financial documentation should a project be recommended for funding. Therefore, it is very important that its contents are accurate and complete.

Project Plan and Location Maps – Project plans, a survey of the dredge site, and a survey of the dredge material disposal site (if applicable).

Official Resolution – As required in 15A NCAC 02G.0100, the Project Sponsor shall include a resolution adopted by the governing board stating the amount of State aid requested and accepting the Project Sponsor's responsibilities. The Official Resolution must be signed by a representative of the Project Sponsor with signatory authority and state that the local unit of government will:

1. Assume full obligation for payment of the balance of project costs.
2. Obtain all necessary State and Federal environmental permits.
3. Comply with all applicable laws governing the award of contracts and the expenditure of public funds by local governments.
4. Supervise construction of the project to ensure compliance with permit conditions and to agree to provide safe and proper construction in accordance with approved plans and specifications.
5. Obtain appropriate easements, rights-of-way or suitable dredge material disposal areas that may be necessary for the construction and operation of the project without cost or obligation to the State.
6. Ensure that the project is open for use by the public on an equal basis with limited restrictions (if on public property).
7. Hold the State harmless for any damages that may result from the construction, operation, and maintenance of the project.
8. Accept responsibility for operation and long-term maintenance of the completed project.

An Official Resolution template is available for download from the WRDGP website. The Project Sponsor may not revise or eliminate provisions from the Official Resolution template unless they have submitted written justification to DWR and received DWR's approval. Supplementary provisions may be added to address unique circumstances of a particular project.

No Conflict of Interest Certification – Project Sponsors must provide certification that the Project Sponsor, Project Sponsor's subordinates and any person or persons designated to act on behalf of the Project Sponsor does not have an actual or apparent conflict of interest with respect to the project. A representative of the Project Sponsor with signatory authority shall sign this certification, which is available for download from the WRDGP website.

Supplementary Documentation – The Project Sponsor may provide supplementary documentation (reports, photos, letters of support, etc.) as separate attachments via email as part of the application submittal. Application supplementary documents should be emailed to Coley Cordeiro at Coley.Cordeiro@ncdenr.gov.

Note: It is the Project Sponsor's responsibility to ensure the application submitted to DWR is accurate and complete. Erroneous or incomplete information in an application may prevent a

project from being recommended for grant funding and may delay processing of contracts and funds for approved projects.

Any changes to the original project budget and/or project scope submitted with the application will require the prior written approval of DWR and may also require a DEQ contract amendment. Unapproved changes to the project scope or budget throughout the course of a project will not be eligible for cost-share funding or reimbursement.

Grant Application Review and Approval

N.C. Gen. Stat. § 143-215.70-73 requires that Grants for Water Resources Development Projects consider the following criteria to approve, approve in part, or disapprove grant applications:

1. The economic, social, and environmental benefits to be provided by the projects;
2. Regional benefits of projects to an area greater than the area under the jurisdiction of the local sponsoring entity;
3. The financial resources of the local sponsoring entity;
4. The environmental impact of the project;
5. Any direct benefit to State-owned lands and properties.

Post Grant Funding Award

Acceptance of a grant award will require the Project Sponsor to enter into a grant contract with DEQ. Any changes to the scope of the project or project budget after submission of a grant application will require the written approval of the DWR Grant Administrator and may also require a DEQ contract amendment. In seeking DWR approval, the Project Sponsor must submit, at a minimum, a justification for any proposed changes, revised scope of work narrative, and a revised budget. Unapproved changes to the project scope or budget shall not be eligible for, and may result in additional reductions to, cost-share funding or reimbursement.

A DEQ grant contract is considered 'fully-executed' once it has been signed by both a signatory authority of the Grantee and DEQ Financial Services. A copy of the fully-executed contract shall be provided to the Grantee after being signed by DEQ. No portion of work or expenditure of funds for the project, plan or services shall begin prior to receiving a fully-executed contract from DEQ. Unforeseen circumstances such as legislative, policy or funding allocation changes may delay award notifications.

Project Sponsor Obligation – Environmental Permitting

All proposed projects are subject to environmental review and permitting under applicable federal and State law. It is the Project Sponsor's responsibility to prepare, provide and remain in compliance with all applicable environmental permitting requirements.

Extension Request

Grant award recipients may request a contract extension if a justification for the extension can be sufficiently documented. An extension is granted at the discretion of DWR. An extension request shall be submitted by the Project Sponsor or primary contact on official letterhead to

Coley.Cordeiro@ncdenr.gov. At a minimum, the extension request shall include:

1. Justification for the extension request
2. Summary of the current project status
3. Anticipated project schedule moving forward

Grant Reimbursement Payments

The grant award amount is the maximum possible reimbursement amount. Only expenditures incurred after a fully executed contract that are detailed in the contract budget are eligible for reimbursement. Allowable expenditures are expenditures associated with the work performed for a specific invoicing cycle that are in accordance with the DWR-approved application budget sheet for the project. Reimbursement requests can be submitted no more frequently than monthly. DWR will normally pay the Grantee by check or electronically within 30 days of receipt of the statement of expenses, provided the expenses are in accordance with the project information shown in the initial request or as amended. If the Grantee decides that significant changes to a project's scope from that in the original application are necessary, the Grantee must send a request in writing to the DWR Grant Administrator and receive approval of those changes. Unapproved changes will not be eligible for state cost-sharing.

Reimbursement requests shall include:

1. Cover letter on grantee letterhead that includes:
   a) DEQ grant contract number
   b) Total amount of reimbursement request
   c) Actual cost (expenses) by approved budget categories
   d) Total amount spent on the project to date of the request
2. Complete the Grant Reimbursement Template (both sheets labeled "Invoices" and "Request 1 Itemized") located on the WRDGP website.
3. Copies of invoices or other documentation for materials, services and other project costs detailed on the "Request 1 Itemized" sheet. Invoices submitted shall be on either the Grantee or the Grantee's subcontractor letterhead.

100% of the contract expenditures must be provided to DWR for the grant Project Sponsor to receive the full allowable amount for reimbursement.

DWR will retain 10% of the total grant award amount until after the final project has been inspected and accepted by DWR staff. The reimbursement request and supporting documentation should be submitted electronically to Coley.Cordeiro@ncdenr.gov.

Requests for Additional Funding

Grant recipients can submit a request for additional funding to DWR. Requests for additional funding must be submitted by the Project Sponsor on official letterhead via email. The following information shall be submitted by the Grantee to DWR for additional funding consideration:

1. A narrative describing the circumstances/need for an increased funding award, summary of current project status and anticipated project implementation schedule.
2. Copies of all subcontractor invoices for design, permitting, surveying, construction, construction oversight and project administration.

Upon receiving all relevant information from the Grantee, DWR will respond to the Grantee with within 30 calendar days with a decision regarding increased funding. Funding increases are subject to the availability of funds. DWR may not be able to grant requests for additional funding caused by inaccurate or incomplete information in the application or project budget provided by the Project Sponsor or Co-Project Sponsor.

Project Close-Out
The Grantee shall notify the DWR Grant Administrator upon project completion and provide DWR with the most recent set of permits, as-built/record, post-surveys of the dredge site, and post-surveys of the spoil site (if applicable) in Adobe PDF format prior to the project close-out.

DWR Grant Administrator may schedule a close-out inspection of the completed project with a representative of the Grantee. This inspection will verify that the project was implemented in accordance with the information provided in the grant application, along with the approved plans and specifications.

The Grantee shall address any remedial or compliance actions identified during this close out inspection prior to DWR project acceptance. After the project is inspected and accepted, DEQ will review the accounting statements and reimburse the Grantee for the remaining 10% of the State's share of the non-federal cost.

Additional References for the Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund:

S.L. 2013-360

S.L. 2015-241

S.L. 2016-94

S.L. 2017-57

S.L. 2018-5

NORTH CAROLINA
Environmental Quality

Water Resources Development Grant Program
Shallow Draft Navigation Channel Dredging Application
FY 2018 - 2019

North Carolina Department of Environmental Quality
Division of Water Resources
Contact Coley Cordeiro at Coley.Cordeiro@ncdenr.gov **or (919) 707-9013**

1. Project Title	***Sunset Beach Canal and Channel Dredging 2018/Town of Sunset Beach Shallow Draft Navigation Project***

2a. Primary Contact or Project Manager

Name	***Hiram Marzinao,***		
Title	***Town Administrator***		
Organization Name	***Town of Sunset Beach***		
Organization Tax ID Number	***560927576***		
E-mail address	hmarziano@sunsetbeachnc.gov		
Mailing Address	***700 Sunset Beach Boulevard***		
City	***Sunset Beach***	State ***NC***	Zip ***28468***
Telephone	***910.579.6297***	Fax Number ***910.579.1840***	

2b. Execution Address (where contract will be mailed for signature) - Write "same as above" if it is the Primary Contact information in 2a.

Name	***Paul Vanwormer***		
Title	***Mayor***		
Organization Name	***Town of Sunset Beach***		
E-mail Address	pvanwormer@sunsetbeachnc.gov		
Mailing Address	***700 Sunset Beach Boulevard***		
City	***Sunset Beach***	State ***NC***	Zip ***28468***
Telephone	***910.579.6297***	Fax Number ***910.579.1840***	

2c. Payment Address (where invoice payments will be mailed) - Write "same as above" if it is the Primary Contact information in 2a.

Name	***Lisa Anglin***		
Title	***Town Clerk***		
Organization Name	***Town of Sunset Beach***		
E-mail Address	langlin@sunsetbeachnc.gov		
Mailing Address	***700 Sunset Beach Boulevard***		
City	***Sunset Beach***	State ***NC***	Zip ***28468***
Telephone	***910.579.6297***	Fax Number ***910.579.1840***	

NORTH CAROLINA
Environmental Quality

Water Resources Development Grant Program
Shallow Draft Navigation Channel Dredging Application
FY 2018 - 2019

North Carolina Department of Environmental Quality
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3. Project Description - Provide a short summary of the project

Navigation dredging for residential canals along east end of Sunset Beach (Brunswick County), NC. The project entails maintenance dredging of Mary's Creek and Turtle Creek adjacent to the AIWW, as well as the Feeder Channel, Finger Canals, Bay Area, and South Jinks Creek adjacent to Tubbs Inlet. The project will remove approximately 105,000 CY of sediment from the navigation channels. Approximately 40,500 CY of compatible material will be placed along the ocean front as beneficial reuse, while 64,500 CY of non-compatible material will be placed in an upland facility. The beneficial reuse of material for beach placement will be a secondary benefit to the project to help control costs and maintain compatible material within the coastal system. Mary's & Turtle Creek are designated as PNA (Primary Nursery Area) and were last dredged in 2002. The Feeder Canal was also dredged in 2002, but the Bay Area and S. Jinks Creek were originally dredged approx. to 1970 as part of the development of Sunset Beach and have not received any documented maintenance work.

4. Project Scope – Brief description of the project scope (what is being proposed) and justification (why is it being proposed)

The Town of Sunset Beach is proposing to dredge several waterways along the east end of Sunset Beach. The project will significantly improve navigation access through the project area and help establish a long-term template for maintaining the navigation depths. The project will also assist in managing future development by helping to establish a pier head alignment.

5. Existing Conditions - Brief description of existing site conditions and land use within project area

The project area is mostly residential housing with park land. Some business, such as restaurants, also reside along the proposed dredge area.

6. Anticipated Contract Start Date	***5/28/2019***	***Anticipated Contract End Date***	***6/30/2021***

7. Project Location: Important to submit as completely as possible, especially the Lat/Long coordinates

Project Location	***Sunset Beach, NC***	
County Name	***Brunswick***	
Inlet/Channel/Waterbody Name	***Mary's & Turtle Creek, Bay Area, Feeder Channel, Finger Canals, & South Jinks Creek***	
Position coordinates of project location	Latitude	***33.876 N***
	Longitude	***-78.493 E***
Anticipated Total Dredged Material in Cubic Yards	***105,000***	

NORTH CAROLINA
Environmental Quality

Water Resources Development Grant Program
Shallow Draft Navigation Channel Dredging Application
FY 2018 - 2019

North Carolina Department of Environmental Quality
Division of Water Resources
Contact Coley Cordeiro at Coley.Cordeiro@ncdenr.gov **or (919) 707-9013**

8. General Statute 143-215.72 states that in reviewing applications the Secretary shall consider Economic, Social, and Environmental Benefits provided by the project; Regional Benefits of the project to an area greater than the area under jurisdiction of the local sponsoring entity; The financial resources of the local sponsoring entity; The enviornmental Impact of the project; Any direct benefit to State-owned lands and properties. Please provide your answers below for each category:
Economic, Social, and Environmental Benefits
Improve navigation for residents and visitors of Sunset Beach, restore navigation depths to residential canals.
Regional Benefits
Restore navigation for tourism benefits to waterways within Sunset Beach.
Financial Resources
Sunset Beach intends to establish a dredging district for the residents to provide financial resources in addtion to the Towns contribution.
Environmental Impacts
The Town has reduced the project scope to limit or avoid potential environmental impacts identified.
Direct Benefit to State-Owned Lands and Properties

NORTH CAROLINA
Environmental Quality

Water Resources Development Grant Program
Shallow Draft Navigation Channel Dredging Application
FY 2018 - 2019

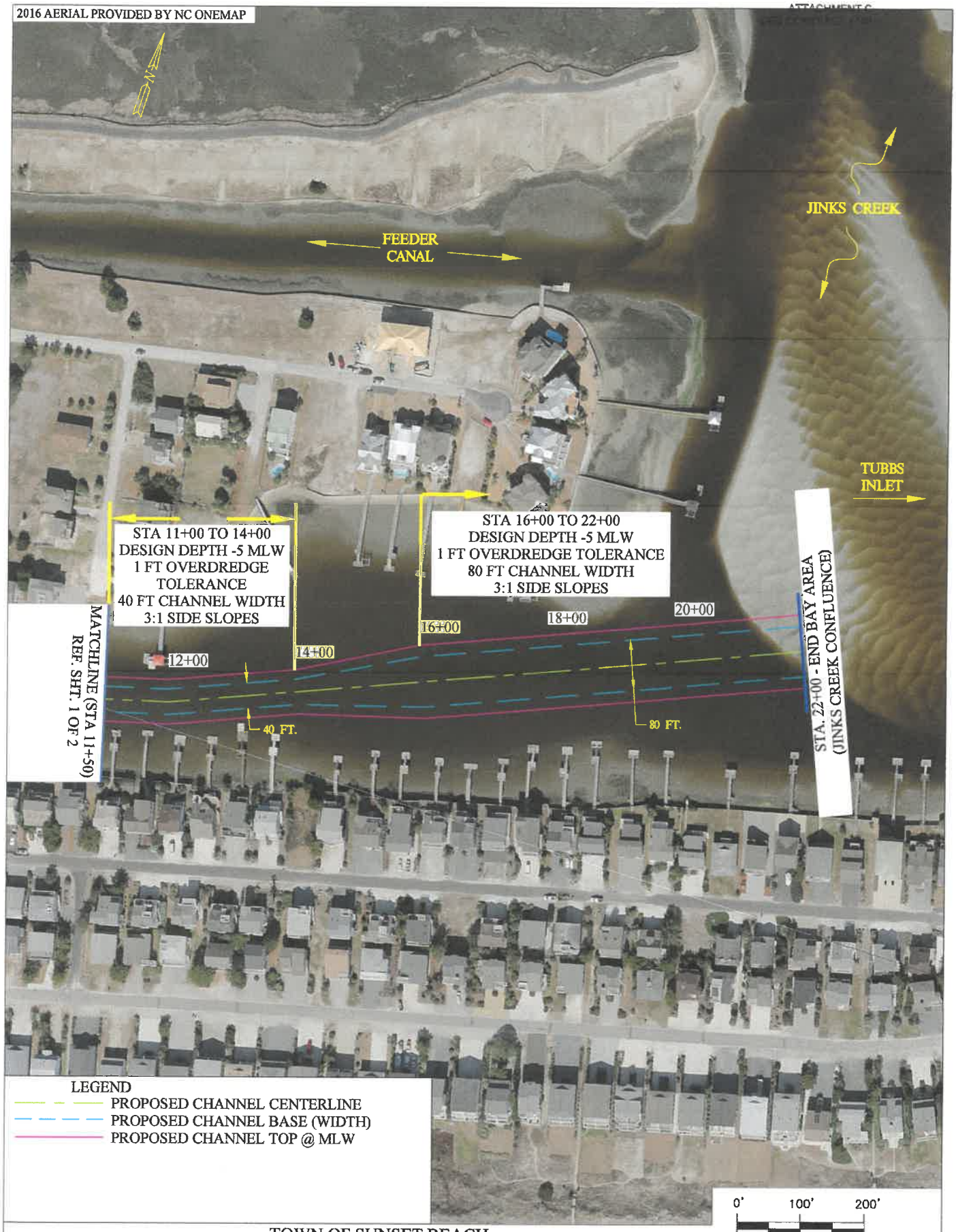
North Carolina Department of Environmental Quality
Division of Water Resources
Contact Coley Cordeiro at Coley.Cordeiro@ncdenr.gov or (919) 707-9013

Project Name: *Town of Sunset Beach Shallow Draft Navigation Project* **Date:** *8-Nov-18*

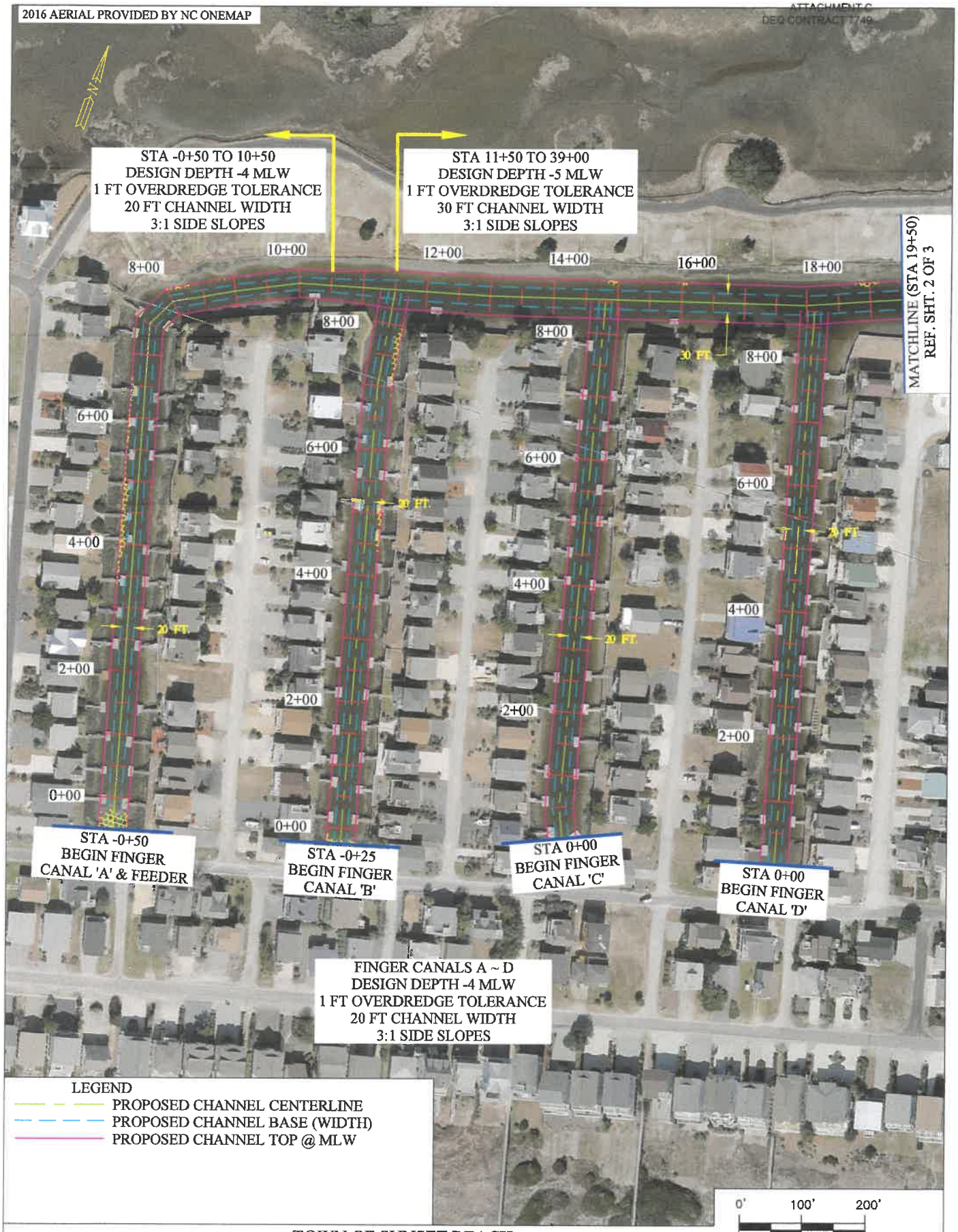
	State Contributio (DWR)	Local / Municipal Match	Other Non-Federal Match	Federal Contribution	Local + Other Non-Federal Match Total	Category Total
Administration						
Cash					$0.00	$0.00
In-kind					$0.00	$0.00
Design						
Cash	$223,112.00	$111,539.00			$111,539.00	$334,651.00
In-kind					$0.00	$0.00
Permitting						
Cash	$169,991.00	$84,983.00			$84,983.00	$254,974.00
In-kind					$0.00	$0.00
Survey						
Cash	$80,000.00	$40,000.00			$40,000.00	$120,000.00
In-kind					$0.00	$0.00
Construction Oversight						
Cash	$116,666.67	$58,333.33			$58,333.33	$175,000.00
In-kind					$0.00	$0.00
Construction						
Cash	$3,166,666.67	$1,583,333.33			$1,583,333.33	$4,750,000.00
In-kind					$0.00	$0.00
Construction Materials						
Cash					$0.00	$0.00
In-kind					$0.00	$0.00
Land						
Cash					$0.00	$0.00
In-kind					$0.00	$0.00
Cash Sub-total	$3,756,436.34	$1,878,188.66	$0.00	$0.00	$1,878,188.66	$5,634,625.00
In-kind Sub-total		$0.00	$0.00	$0.00	$0.00	$0.00
Total	$3,756,436.34	$1,878,188.66	$0.00	$0.00	$1,878,188.66	$5,634,625.00

DWR Total =	**$3,756,436.34**	**Local + Non-Fed Total =**	**$1,878,188.66**	Non-Federal % =	**100.00%**
DWR Match % =	**66.67%**	**Local + Non-Fed Match % =**	**33.33%**	Federal % =	**0.00%**

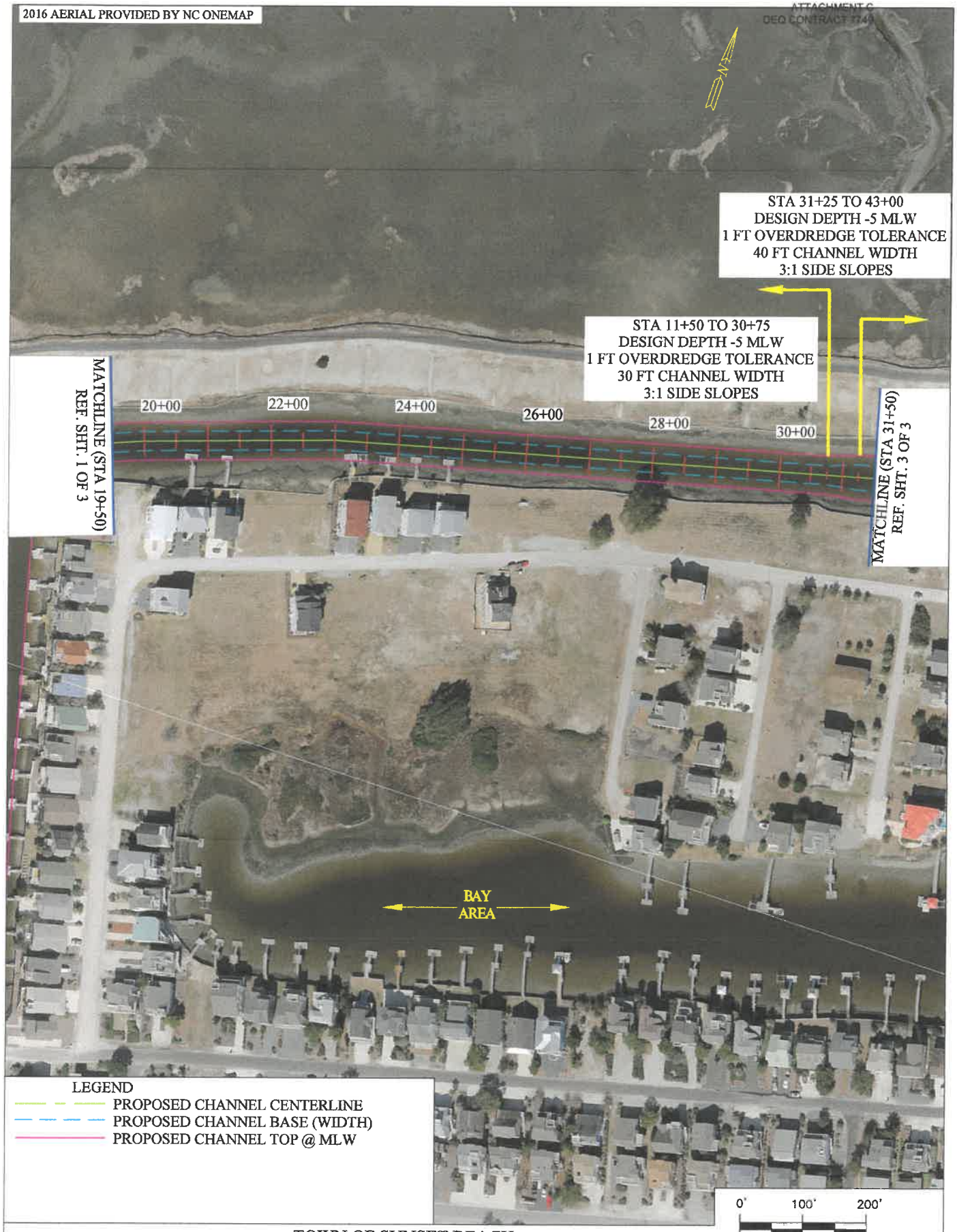
TOWN OF SUNSET BEACH
NAVIGATION PROJECT
BAY AREA DREDGE ALIGNMENT
PLAN VIEW



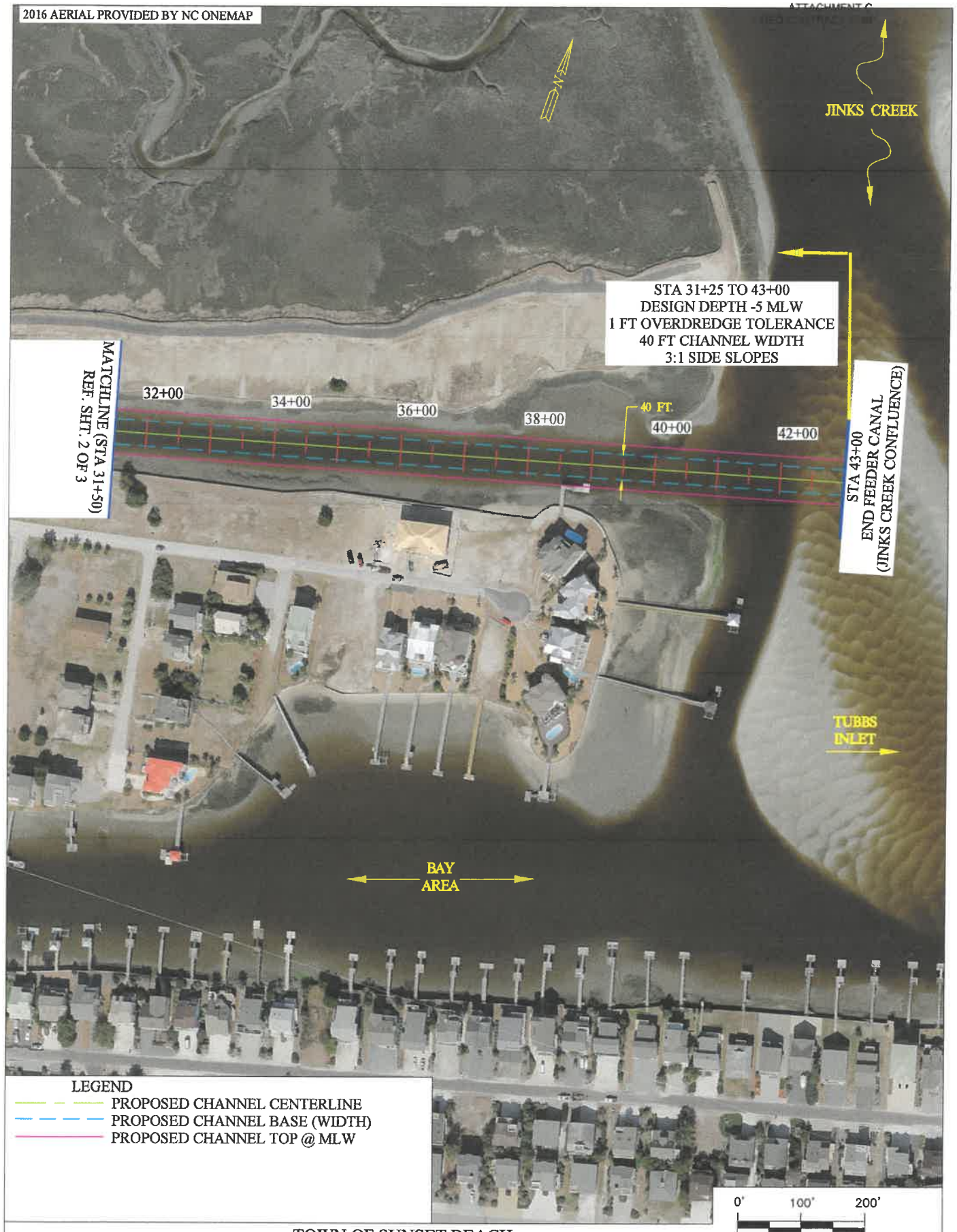
TOWN OF SUNSET BEACH
NAVIGATION PROJECT
BAY AREA DREDGE ALIGNMENT
PLAN VIEW



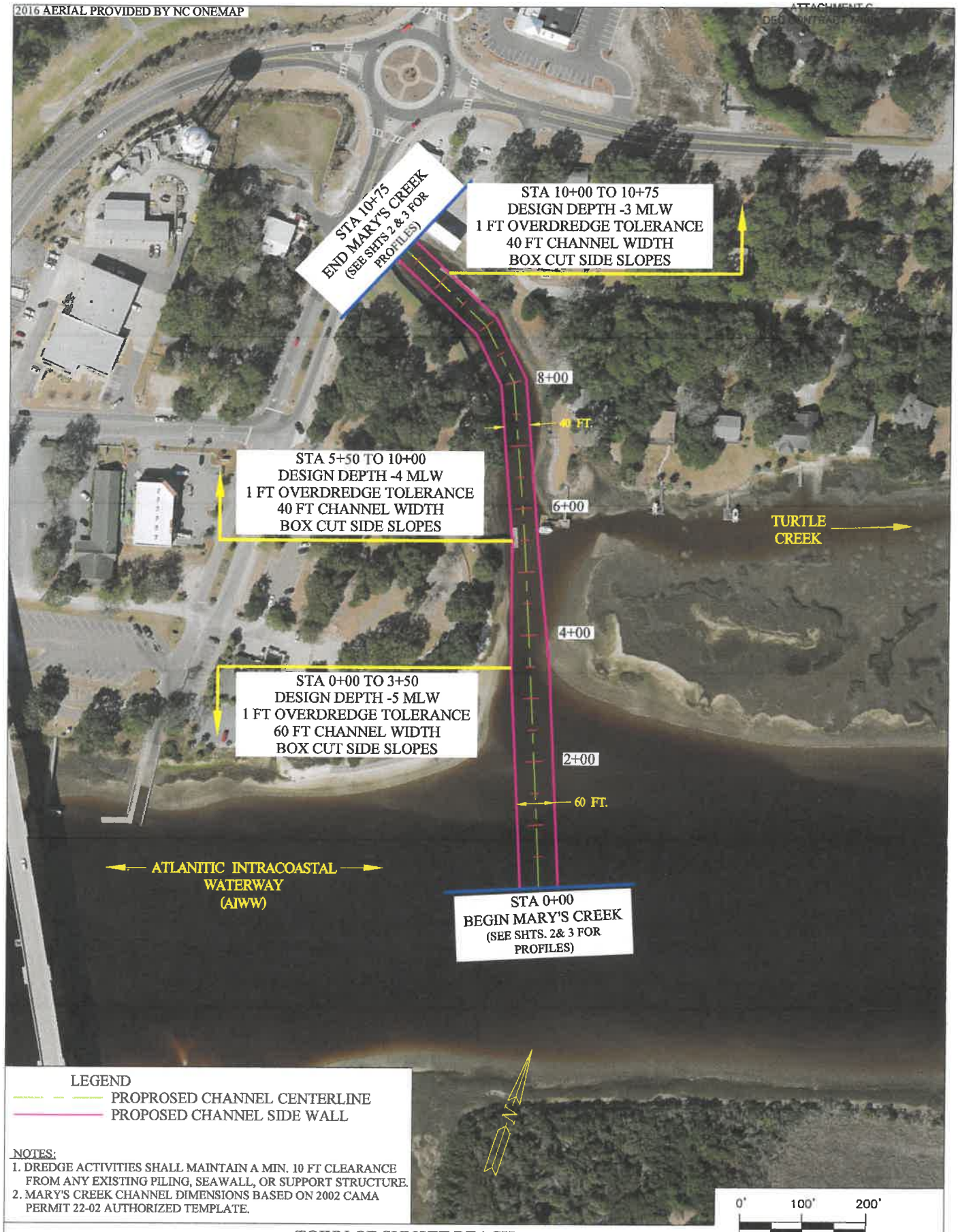
TOWN OF SUNSET BEACH
NAVIGATION PROJECT
FEEDER CHANNEL DREDGE ALIGNMENT
PLAN VIEW



TOWN OF SUNSET BEACH
NAVIGATION PROJECT
FEEDER CHANNEL DREDGE ALIGNMENT
PLAN VIEW



TOWN OF SUNSET BEACH
NAVIGATION PROJECT
FEEDER CHANNEL SEDIMENT ANALYSIS
PLAN VIEW



LEGEND

PROPROSED CHANNEL CENTERLINE

PROPOSED CHANNEL SIDE WALL

NOTES:

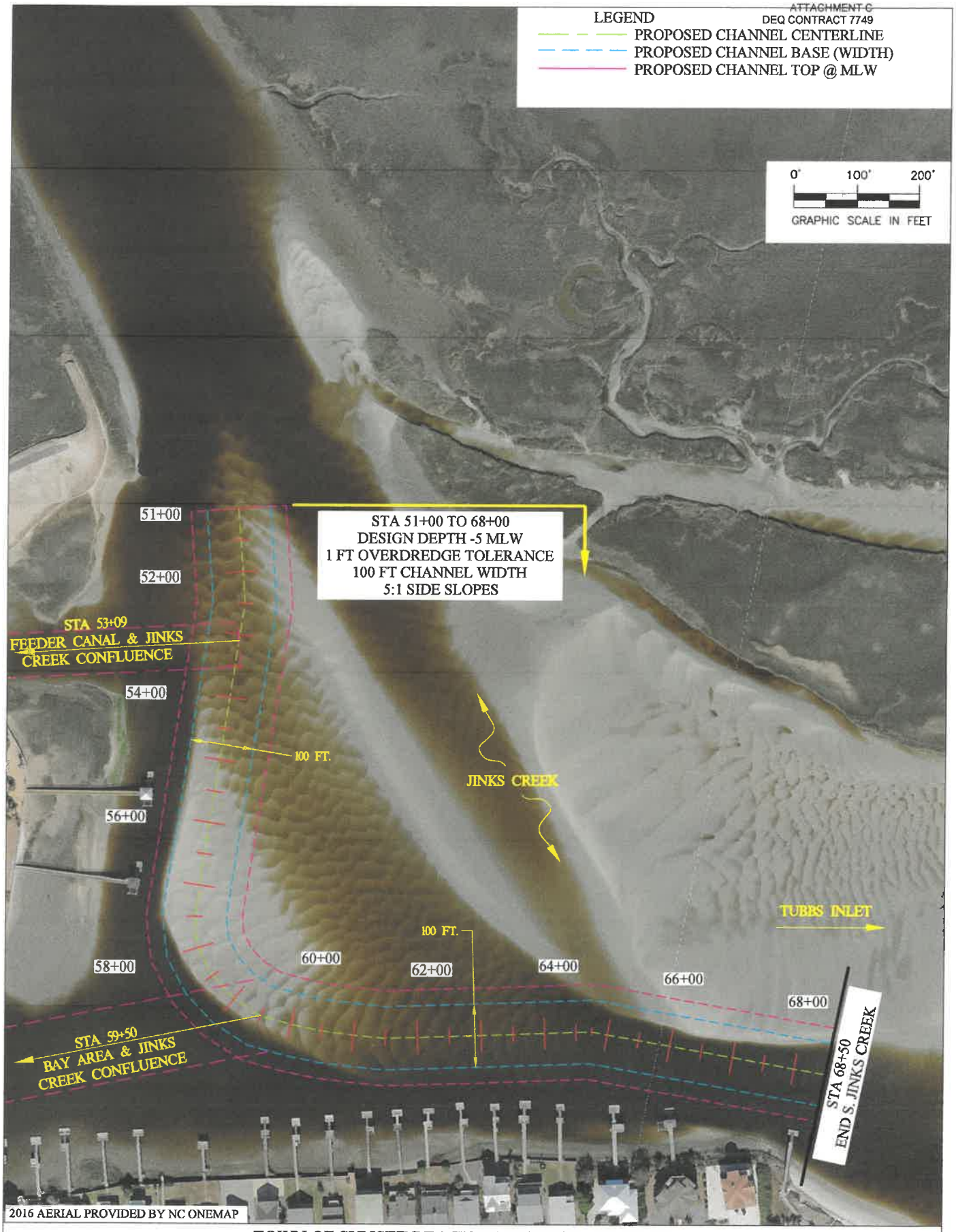
1. DREDGE ACTIVITIES SHALL MAINTAIN A MIN. 10 FT CLEARANCE FROM ANY EXISTING PILING, SEAWALL, OR SUPPORT STRUCTURE.
2. MARY'S CREEK CHANNEL DIMENSIONS BASED ON 2002 CAMA PERMIT 22-02 AUTHORIZED TEMPLATE.

0' 100' 200'

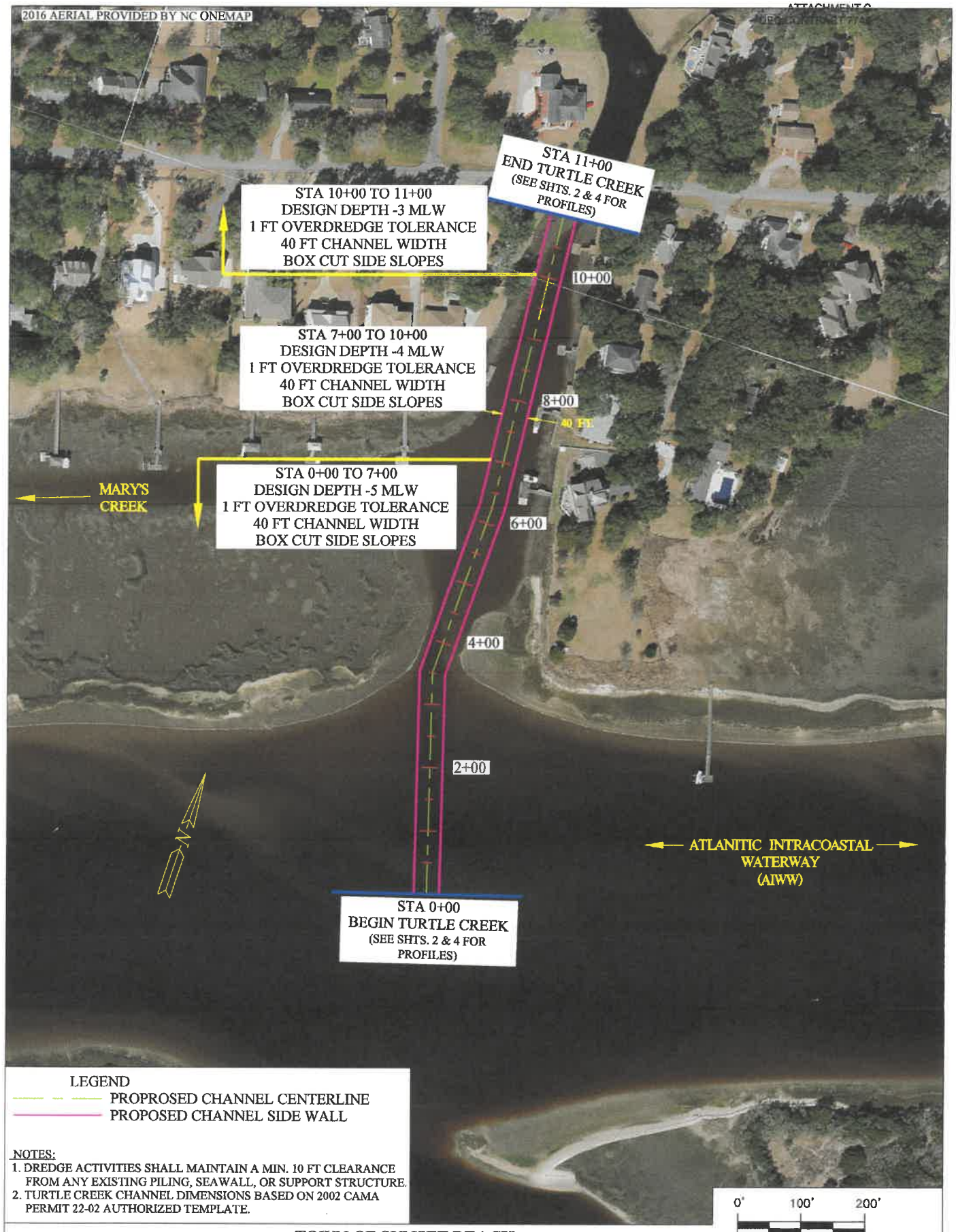
GRAPHIC SCALE IN FEET

TOWN OF SUNSET BEACH
NAVIGATION PROJECT
MARY'S CREEK DREDGE ALIGNMENT
PLAN VIEW

moffatt & nichol



TOWN OF SUNSET BEACH NAVIGATION PROJECT
SOUTH JINKS CREEK
PROPOSED DREDGE ALIGNMENT
PLAN VIEW



LEGEND

PROPROSED CHANNEL CENTERLINE

PROPOSED CHANNEL SIDE WALL

NOTES:

1. DREDGE ACTIVITIES SHALL MAINTAIN A MIN. 10 FT CLEARANCE FROM ANY EXISTING PILING, SEAWALL, OR SUPPORT STRUCTURE.
2. TURTLE CREEK CHANNEL DIMENSIONS BASED ON 2002 CAMA PERMIT 22-02 AUTHORIZED TEMPLATE.

0' 100' 200'

GRAPHIC SCALE IN FEET

TOWN OF SUNSET BEACH
NAVIGATION PROJECT
TURTLE CREEK DREDGE ALIGNMENT
PLAN VIEW

moffatt & nichol

Resolution Requesting State Assistance through the Shallow Draft Navigation Fund for the Sunset Beach Shallow Draft Navigation Project

WHEREAS, the Sunset Beach Town Council desires to sponsor the Sunset Beach Shallow Draft Navigation project to provide improved navigation access to the residents and guests of Sunset Beach;

NOW, THEREFORE, BE IT RESOLVED THAT:

1) The **Council** requests the State of North Carolina to provide financial assistance to The Town of Sunset Beach for the Sunset Beach Shallow Draft Navigation project in the amount of $3,756,436.34 or 66.67% percent of the feasibility, design, permitting, construction, and monitoring cost, whichever is the lesser amount;

2) The **Council** assumes full obligation for payment of the balance of project costs;

3) The **Council** will obtain all necessary State and Federal permits;

4) The **Council** will comply with all applicable laws governing the award of contracts and the expenditure of public funds by local governments;

5) The **Council** will supervise construction of the project to assure compliance with permit conditions and to assure safe and proper construction according to approved plans and specifications;

6) The **Council** will obtain suitable spoil disposal areas as needed and all other easements or rights-of-way that may be necessary for the construction and operation of the project without cost or obligation to the State;

7) The **Council** will assure that the project is open for use by the public on an equal basis with no restrictions;

8) The **Council** will hold the State harmless from any damages that may result from the construction, operation and maintenance of the project;

9) The **Council** accepts responsibility for the operation and maintenance of the completed project.

Adopted by the Sunset Beach Town Council this 13th day of November, 2018.

Lisa H. Anglin
Clerk to the Council/Board

Gregory P. Weiss
Mayor
Town of Sunset Beach, NC

Notice of Certain Reporting and Audit Requirements

A recipient or subrecipient shall comply with the all rules and reporting requirements established by statute or administrative rules found in 09 NCAC Subchapter 3M. For convenience, the requirements of 09 NCAC Subchapter 3M.0205 are set forth in this Attachment.

Reporting Thresholds.
There are three reporting thresholds established for recipients and subrecipients receiving State awards of financial assistance. The reporting thresholds are:

(1) Less than $25,000 – A recipient or subrecipient that receives, hold, uses, or expends State financial assistance in an amount less than twenty-five thousand dollars ($25,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
- (A) A certification that State financial assistance received or held was used for the purposes for which it was awarded; and
- (B) An accounting of all State financial assistance received, held, used, or expended.

(2) $25,000 up to $500,000 -A recipient or subrecipient that receives, holds uses, or expends State financial assistance in an amount of at least twenty-five thousand ($25,000) but less than five hundred thousand dollars ($500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
- (A) A certification that State financial assistance received or held was used for the purposes for which it was awarded; and
- (B) An accounting of all State financial assistance received, held, used, or expended.
- (C) A description of activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract.

(3) Greater than $500,000 – A recipient or subrecipient that receives, holds, uses, or expends State financial assistance in the amount equal to or greater than five hundred thousand dollars ($500,000) within its fiscal year must comply with the reporting requirements established by this Subchapter including:
- (A) A certification that State financial assistance received or held was used for the purposes for which it was awarded; and
- (B) An accounting of all State financial assistance received, held, used, or expended.
- (C) A description of activities and accomplishments undertaken by the recipient, including reporting on any performance measures established in the contract.
- (D) A single or program-specific audit prepared and completed in accordance with Generally Accepted Government Auditing Standards, also known as the Yellow Book.

Other Provisions:

1. All reports shall be filed with the disbursing agency in the format and method specified by the agency no later than three (3) months after the end of the recipient's fiscal year, unless the same information is already required through more frequent reporting. Audits must be provided to the funding agency no later than nine (9) months after the end of the recipient's fiscal year.

2. Unless prohibited by law, the costs of audits made in accordance with the provisions of 09 NCAC 03M .0205 shall be allowable charges to State and Federal awards. The charges may be considered a direct cost or an allocated indirect cost, as determined in accordance with cost principles outlined in the Code of Federal Regulations, 2CFR Part 200. The cost of any audit not conducted in accordance with this Subchapter shall not be charged to State awards.

3. Notwithstanding the provisions of 09 NCAC 03M .0205, a recipient may satisfy the reporting requirements of Part (3)(D) of this Rule by submitting a copy of the report required under the federal law with respect to the same funds.

4. Agency-established reporting requirements to meet the standards set forth in this Subchapter shall be specified in each recipient's contract.

No Conflict of Interest Certification

Regarding the Sunset Beach Canal and Channel Dredging 2018 Project, Town of Sunset Beach Council Member John Corbett, hereby certifies that :

- After conducting a reasonable inquiry, he complies with the requirements and prohibitions set forth in N.C. Gen. Stat. § 14-234;
- After conducting a reasonable inquiry, he has no actual or apparent conflicts of interest (including conflicts of interest for immediate family members: spouses, parents, or children) that would impinge on his ability to render impartial, technically sound, and objective assistance or advice or result in it being given an unfair competitive advantage;
- He will continue to comply with N.C. Gen. Stat. § 14-234 and the Town of Sunset Beach's duly adopted conflict of interest policy;
- He will mitigate and prevent potential conflicts of interest[1] from becoming actual or apparent conflicts of interest; and
- He will immediately mitigate and disclose to the Division of Water Resources any non-compliance with N.C. Gen. Stat. § 14-234, noncompliance with the Town of Sunset Beach's conflict of interest policy, or any discovery of an actual or apparent conflict of interest.

Print Name: JOHN F. CORBETT JR

Signature: John F Corbett

Title: Councilmember

Date: May 15, 2019

[1] The term "potential conflict" means reasonably foreseeable conflicts of interest.