

KAY IVEY
GOVERNOR



STATE OF ALABAMA

KENNETH W. BOSWELL
DIRECTOR

June 10, 2022

The Honorable James E. Ball
Chairman of Baldwin County Commission
312 Courthouse Square, Suite 11
Bay Minette, Alabama 36507

Dear Chairman Ball:

RE: CDBG Project – Water
No. CY-CM-PF-18-009

In regard to the above-referenced CDBG Grant No. CY-CM-PF-18-009 from the Alabama Department of Economic and Community Affairs (ADECA) to the Baldwin County Commission, please note that the County did not closeout this grant by ADECA's March 31, 2022, CDBG grant closeout deadline as the County had previously planned. Instead, the County provided to ADECA an updated Program Implementation Schedule stating that the revised closeout date for this grant is now December 31, 2022. In reviewing ADECA's CDBG file on this project, ADECA's CDBG staff have determined that this grant may not yet be closed out due to questions pertaining to information received from the County and its grant administrator (Ms. Stacy McKean of Grant Management, LLC), the project engineer, and the Perdido Bay Water, Sewer and Fire Protection District (PBWSFPD) concerning the proposed number of this project's low-income and moderate-income (LMI) beneficiaries and the proposed number of LMI households to be hooked-up to the new water service, which numbers were stated in the County's grant application, compared with the number of LMI project beneficiaries and the number of LMI households that were actually hooked-up to the new water service. As a result of this LMI beneficiary situation, this project's status remains in question, although ADECA's goal is to closeout this grant as soon as is reasonably possible.

In efforts to do so, ADECA's CDBG staff have identified several issues that currently exist with this project. These issues include, but are not limited to, the following:

1. The County forwarded to ADECA a letter, dated March 30, 2022, from the PBWSFPD that included a CDBG Beneficiary Hookup Certification form that is dated March 29, 2021 and that is signed by Mark Bohlin, PBWSFPD's General Manager. The Certification lists the addresses of 86 households, their LMI status, and which of those households were hooked-up to the new water service. The Certification indicates that 51 households were hooked-up to the new service, four households were non-LMI and did not hook-up to the new service, 31 households were LMI but did not hook-up to the new service, and seven households were not LMI but were hooked-up to the new service. Because CDBG funds may be used to hook-up only the LMI households in the project area and not the households that do not qualify as LMI households, the County is directed to send to ADECA the County's affidavit (or an official letter) affirming that these CDBG funds were not expended to hook-up non-LMI households and also indicating what funds (local matching funds, private funds, etc.) were expended to hook-up the non-LMI households.

2. The County's grant application (on the Summary Page and on the Project Beneficiary Table) states that this grant project will benefit 212 LMI persons in 86 households, and (in the Preliminary Engineering Report) states that 60 households will be hooked-up to the new water service. However, the PBWSFPD's March 30, 2022 letter states that 51 households (including seven non-LMI households) were hooked-up to the new system. Because – through this documentation – it appears that the County and the PBWSFPD did not hook-up the entirety of the 86 households proposed in the grant application, the County is directed to send to ADECA the County's request for a Formal Amendment to the grant agreement on this project concerning the reduction in the total number of households – and the number of LMI households – to be hooked-up to the new service. The County's request is to also contain the County's attendant Formal Amendment documentation as is required per ADECA's CDBG Policy Letter No. 2, Revision 6. The County is also directed to send to ADECA a revised Budget detailing the reduction in the amount of CDBG funds resulting from the cost underruns experienced as a result of the reduction in the number of household hook-ups. Please keep in mind that in such cases of cost underruns, the CDBG funds and the County's matching funds are proportionally reduced.

3. In situations when a proposed LMI household's homeowner has refused to allow the home to be hooked-up to the new water service, the County must provide to ADECA a "Refusal of Service" document that has been completed by the homeowner. In situations when a proposed LMI household is not hooked-up to the new service due to the home having suffered major storm damage that renders the home beyond repair, or in situations when the home is vacant because the occupant(s) have moved away, or for additional reasons other than the homeowner's refusal to allow the home to be hooked-up to the new service, then this information must be noted in the County's affidavit (or official letter). The County is directed to send to ADECA the County's affidavit (or official letter) stating this household hook-up information.

The Honorable James E. Ball

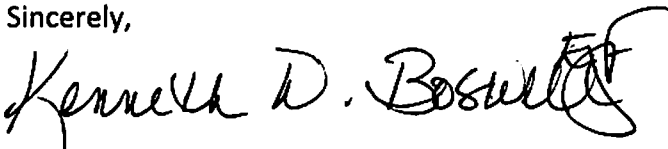
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ADECA is directing that the County provide the information and documentation requested in this letter to ADECA within 60 days following the date of this letter. Once ADECA receives the County's information, the ADECA CDBG staff will review it for determining what the next steps should be to enable the County to closeout this grant.

If you have any questions concerning this matter, please address those questions to Shabbir Olia by telephone at (334)242-5468 or by email at shabbir.olia@adeca.alabama.gov.

Sincerely,



Kenneth W. Boswell
Director

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cc: Stacy McKean, Program Administrator