

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.43
(ID # 22312)

MEETING DATE:
Tuesday, August 01, 2023

FROM : OFFICE OF ECONOMIC DEVELOPMENT AND Riverside County Flood Control and Water Conservation District :

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Approval of the First Amendment to the Funding Agreement Between the Riverside County Flood Control and Water Conservation District and the County of Riverside for Van Buren Sewer Improvement Project No. 2-6-10042. Districts 1 & 2. [\$3,590,348 Not-to-Exceed Cost – Flood Control District Zone 2 Funds 100%] (Companion Item MT Item No. 22463)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the First Amendment ("Amendment") between the Riverside County Flood Control and Water Conservation District ("District") and the County of Riverside ("County") for an additional \$3,590,348;
2. Authorize the Chairman of the Board of Supervisors to execute the Amendment on behalf of the County;

Continued to page 2

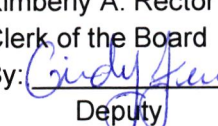
ACTION:Policy


Suzanne Holland, Director of Office of Economic Development 6/22/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Gutierrez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Perez, Washington, and Gutierrez
Nays: None
Absent: None
Date: August 1, 2023
xc: OED, Flood

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

(Companion Item 11.5)

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STATE OF CALIFORNIA**

RECOMMENDED MOTION: That the Board of Supervisors:

3. Direct the Clerk of the Board to return two (2) fully executed original Amendment documents to the District and one (1) executed original Amendment to the Riverside County Office of Economic Development; and,
4. Find that the Amendment to the Funding Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3).

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$1,795,174	\$1,795,174	\$ 3,590,348	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Flood Control District Zone 2 Funds 100%			Budget Adjustment: N/A	
			For Fiscal Year: 23/24 – 25/26	

C.E.O. RECOMMENDATION: Approval

BACKGROUND:

Summary

The Funding Agreement ("Agreement") approved on April 26, 2022 (Agenda Item 3.36), set forth the terms and conditions by which the District will contribute up to Six Million Four Hundred Forty Thousand Dollars (\$6,440,000) in funding to the County for construction of Van Buren Sewer Improvements which are comprised of an extension of the sanitary sewer system along the Van Buren corridor ("Project"), pursuant to a separate agreement between the County and the City of Riverside ("City"). The general area of Van Buren Boulevard near the southern boundary of the City and unincorporated community of Woodcrest has generally relied on individual septic systems for wastewater disposal which are not adequate to support current or anticipated growth due to water quality concerns and physical factors impacting septic system performance.

The County is partnering with the City's Public Works department to complete the Project. Due to potential water quality benefits of the Project, the District has agreed to contribute funding to the County for the County's share of the Project costs. The City will take the lead in construction of the Project, and the County will contribute District funds to the City pursuant to a separate agreement which was executed on April 26, 2022 (BOS Agenda Item 3.35).

Based on the results from the City's public works bid process, the costs for the Project have increased from \$14,000,000 to \$21,805,103. The County's contribution remains at 46%, and therefore increases by a total of \$3,590,348, from \$6,440,000 to \$10,030,348. The funding contribution from the District will accelerate the delivery of the Project and its potential water

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STATE OF CALIFORNIA**

quality benefits. All other terms memorialized in the original Agreement will remain intact. The final contribution from County to City is anticipated to be completed upon project completion, tentatively scheduled for the Fall of 2025. This will occur in Fiscal Year 2025-2026.

County Counsel has approved the Agreement as to legal form. A companion item for this Agreement appears on the District's Board agenda on this same date.

Impact on Residents and Businesses

The District's financial contribution toward this project is funded by ad valorem property tax revenue and entails no new fees, taxes, nor bonded indebtedness to residents and businesses. Upon construction completion, the Project would serve the existing community by promoting improvements to surface and ground water quality. The Project will facilitate the connection of unincorporated businesses and residential communities to the City's regional sewer collection system.

Additional Fiscal Information

Total Project cost is estimated at \$21,805,103. The District is contributing up to \$10,030,348 to the County for the Project. Sufficient funding will be available in the District's Zone 2 budget for FY 2023/24 and will be included in the proposed budget in the future years as appropriate and necessary.

Funding Summary:

Total Estimated District Cost	\$ 10,030,348
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ATTACHMENT:

1. First Amendment



Aaron Gettis, Deputy County Counsel

7/19/2023

FIRST AMENDMENT TO FUNDING AGREEMENT
Van Buren Sewer Improvement
Project No. 2-6-10042

This First Amendment to Funding Agreement ("First Amendment"), dated August 1, 2023, is entered into by and between the Riverside County Flood Control and Water Conservation District, a body politic, ("DISTRICT") and the County of Riverside, a political subdivision of the State of California, on behalf of its Office of Economic Development Department ("COUNTY"). DISTRICT and COUNTY will be referenced herein individually as a "Party" and collectively as "Parties." Parties hereby agree as follows:

RECITALS

A. DISTRICT and COUNTY have entered into that certain Funding Agreement dated April 26, 2022 [DISTRICT's Board Agenda Item No. 11.6], hereinafter called "Original Agreement", to support the construction of the Van Buren Boulevard Sewer Improvements Project ("Project"), which will provide water quality improvement by promoting the conversion of septic systems to sewer thereby improving water quality within Goldenstar Creek and its tributaries, which are recognized as an impaired waterbody due to the presence of indicator bacteria, specifically Escherichia coli (E. coli).

B. Pursuant to Original Agreement, DISTRICT desired to contribute a total amount not to exceed Six Million Four Hundred Forty Thousand Dollars (\$6,440,000.00) to COUNTY toward the City of Riverside's ("CITY") construction of Project infrastructure.

C. Subsequent to the execution of Original Agreement, CITY advertised Project for public works construction bids and the lowest responsible/responsive bid came in substantially higher than the originally estimated construction cost. Based on CITY's bid results, Project costs increased from an estimated Fourteen Million Dollars (\$14,000,000.00) to Twenty-One Million Eight Hundred Five Thousand One Hundred Three Dollars (\$21,805,103.00).

D. The original estimates of costs will exceed DISTRICT's contribution described in Original Agreement. Therefore, due to mutual interests, DISTRICT and COUNTY wish to increase the amount of DISTRICT's financial contribution for Project.

E. The Original Agreement, together with the First Amendment, are collectively referred to herein as "AGREEMENT".

F. Section III.14 of the Original Agreement specifies that any alternation or variation of terms are subject to the written consent of Parties thereto.

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the Parties hereto mutually agree to amend AGREEMENT as follows:

1. RECITALS E of AGREEMENT is hereby amended to read:

"WHEREAS, CITY will be awarding contracts in the approximate amount of Twenty One Million Eight Hundred Five Thousand One Hundred Three Dollars (\$21,805,103.00) for construction of Project."

2. RECITALS L of AGREEMENT is amended to read:

"WHEREAS, the purpose of this Agreement is to set forth the terms and conditions whereby DISTRICT will contribute Ten Million Thirty Thousand Three Hundred Forty-Eight Dollars (\$10,030,348.00) to COUNTY ("TOTAL DISTRICT CONTRIBUTION") toward CITY's construction of Project infrastructure. COUNTY shall pay all amounts in excess of TOTAL DISTRICT CONTRIBUTION utilizing other funding mechanisms to support Project, if needed."

3. Section III.1 of AGREEMENT is hereby amended to read:

"Notwithstanding any other provision herein, this Agreement's TOTAL DISTRICT CONTRIBUTION shall not exceed a total sum of Ten Million Thirty Thousand Three Hundred Forty-Eight Dollars (\$10,030,348.00) and shall be used by COUNTY solely for the purpose of supporting CITY of said Project as set forth herein. No additional funding whatsoever shall be provided by DISTRICT for any subsequent Project modifications, extensions or repairs."

4. Except to the extent specifically deleted, added to or amended herein, all of the terms, covenants and conditions of said Original Agreement executed on April 26, 2022 shall remain in full force and effect between Parties hereto.

5. This First Amendment shall not be binding or consummated until its approval by DISTRICT's Board of Supervisors and fully executed by Parties.

6. This First Amendment may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

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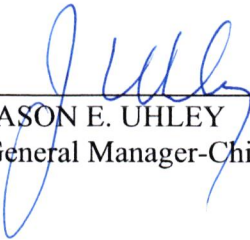
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IN WITNESS WHEREOF, Parties hereto have executed this First Amendment on

August 1, 2023
(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**

By 
JASON E. UHLEY
General Manager-Chief Engineer


By 
KAREN SPIEGEL, Chair
Riverside County Flood Control and Water
Conservation District Board of Supervisors


APPROVED AS TO FORM:

ATTEST:

MINH C. TRAN
County Counsel

KIMBERLY RECTOR
Clerk of the Board

By 
KRISTINE BELL-VALDEZ
Supervising Deputy County Counsel

By 
Deputy

(SEAL)

First Amendment to Funding Agreement
Van Buren Sewer Improvement
07/03/23
AMR:blm

RECOMMENDED FOR APPROVAL:

COUNTY OF RIVERSIDE

By 


KEVIN JEFFRIES, Chair
Board of Supervisors

APPROVED AS TO FORM:

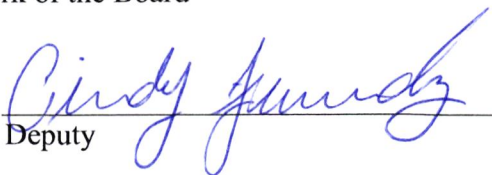
ATTEST:

MINH C. TRAN
County Counsel

KIMBERLY RECTOR
Clerk of the Board

By 

STEPHANIE K. NELSON
Deputy County Counsel

By 

Deputy

(SEAL)

First Amendment to Funding Agreement
Riverside Northside Specific Plan Master Drainage Plan
07/03/23
AMR:blm