

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



ITEM: 3.6
(ID # 23224)

MEETING DATE:

Tuesday, October 17, 2023

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Approve Allocation of American Rescue Plan Act (ARPA) Funds from the Contingency Allocation Category to the Coachella Valley Water District for Increased Costs Associated with Construction of the Ion Exchange Water Treatment Plant No. 7991 Project, and Approve and Execute the First Amendment to the Infrastructure Project Funding Agreement Between the County of Riverside and Coachella Valley Water District, through Fiscal Year 26/27. District 4. [\$2,000,000 Total Cost; 100% ARPA] (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize \$2,000,000 for Coachella Valley Water District from the ARPA Contingency Allocation Category, to be Obligated to Increased Costs Associated with Construction of the Ion Exchange Water Treatment Plant No. 7991 Project; and
2. Approve and Execute the First Amendment to the Infrastructure Project Funding Agreement Between the County of Riverside and Coachella Valley Water District for Delivery of Water System and Sewer Lift Station Infrastructure Projects, for a Total Cost of \$2,000,000, through Fiscal Year 26/27; and
3. Authorize the Chair of the Board of Supervisors to Execute the Agreement on Behalf of the County; and
4. Direct the Auditor-Controller to Make Budget Adjustments as Detailed in Attached Schedule A.

ACTION:Policy, 4/5 Vote Required

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: October 17, 2023
xc: E.O.

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% ARPA			Budget Adjustment: Yes	
			For Fiscal Year: 23/24 – 25/26	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On March 11, 2021, President Biden signed into law a \$1.9 trillion economic stimulus bill also known as the COVID-19 Stimulus Package or the American Rescue Plan Act (ARPA). The intent of the bill is to accelerate the United States recovery from the economic and health impacts of the COVID-19 pandemic. ARPA includes \$362 billion in Coronavirus State and Local Fiscal Recovery Funds (ARPA Fiscal Recovery Funds) for eligible state, local, territorial, and tribal governments.

Riverside County's share of the American Rescue Plan funding is estimated to be \$479 million, of which the first installment of \$239,937,299 was received on May 10, 2021, and the second installment in the same amount was received on June 6, 2022. The funds must be obligated by December 31, 2024, and expended by December 31, 2026.

On April 27, 2021, the Executive Office presented the Board of Supervisors with a preliminary ARPA funding allocation and on October 19, 2021, presented a revised funding allocation after the U.S. Treasury released the ARPA interim funding guidelines. The revised allocation included a new category for Child Care. The funding allocation obligates funds to 7 categories: Infrastructure, Housing & Homelessness, Economic Recovery, County Departments Response, Non-Profit Assistance, Child Care and Revenue Backfill.

On October 4, 2022, the Board of Supervisors approved the ARPA 2nd installment funding allocation which allocated \$33 million per district to be obligated towards infrastructure, housing and homelessness, workforce development, neighborhood revitalization, business revitalization, childcare facilities, and non-profits.

On August 30, 2022, (Agenda Item 3.8), at the recommendation of the County's 4th District, the Board of Supervisors approved execution of an ARPA Infrastructure Project Funding Agreement with the Coachella Valley Water District (CVWD) for delivery of CVWD's Ion Exchange Water Treatment Plant No. 7991 (IXTP 7991) Project, and Mecca Lift Station 55-11 Capacity Upgrade Project. The results of CVWD's bid process detailed an increase in construction costs for the IXTP 7991 Project from \$6,704,000 to \$11,946,645. The attached First Amendment to the ARPA Funding Agreement would formalize a revised cost share, with CVWD contributing \$3,242,645, and the County contributing \$2,000,000, of the total \$5,242,645 increase in Project construction costs. The proposed First Amendment also reflects a five-month extension to

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Project completion due to delays associated with addressing increased estimated costs; however, the Project is still anticipated to be completed well in advance of ARPA deadlines for expenditure. All other terms memorialized in the original ARPA Funding Agreement would remain intact.

Additional Fiscal Information

The Executive Office has identified the need to set aside \$15 million in ARPA funds in a Contingency Allocation category, previously identified as Future Allocations, to cover ARPA approved infrastructure project contingencies. This new allocation category will be addressed in the next ARPA progress report which the Board will be considering at an upcoming meeting.

The County's contribution of \$2 million, which is subject to the attached First Amendment to ARPA Funding Agreement, is being recommended for funding from the Contingency Allocation Category.

Impact on Residents and Businesses

The water and sewer infrastructure projects subject to the original ARPA Funding Agreement and proposed First Amendment will improve quality of life and promote economic recovery in local unincorporated communities by improving water and sewer system reliability.

ATTACHMENTS:

- Attachment A - First Amendment to Infrastructure Funding Agreement Between County of Riverside and Coachella Valley Water District

**SCHEDULE A
Budget Adjustment
Fiscal Year 2023/2024**

Increase Estimated Revenue:

21735-1108000000-763520	Fed-American Rescue Plan Act	\$1,000,000
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Increase Appropriations:

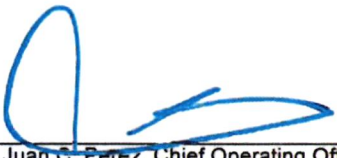
21735-1108000000-525440	Professional Services	\$1,000,000
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SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA


Heydee Koury, Sr Accountant - Auditor 10/5/2023


Scott Bruzner 10/6/2023


Stephanie Perez, Deputy Director of Adm. Services 10/6/2023


Juan C. Perez, Chief Operating Officer 10/12/2023


Kristine Bell-Valdez, Supervising Deputy County Counsel 10/5/2023

1 AMENDMENT No. 1
2 AMENDMENT TO FUNDING AGREEMENT BETWEEN
3 THE COUNTY OF RIVERSIDE AND THE COACHELLA VALLEY WATER DISTRICT FOR
4 INFRASTRUCTURE PROJECTS

5
6 THIS FIRST AMENDMENT to a Funding Agreement for Coachella Valley Water District Projects
7 effective August 30, 2022, by and between the County of Riverside, a political subdivision of the State of
8 California (hereinafter the "County"), and the Coachella Valley Water District (hereinafter "Subrecipient"),
9 (collectively referred to as the "Parties"), amends the Agreement as follows:

10 **RECITALS**

11 WHEREAS, on February 8, 2022, Minute Order 3.3, the Board of Supervisors of the County of
12 Riverside approved allocation of American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal
13 Recovery Funds (Fiscal Recovery Funds) funds to support eligible infrastructure projects within Riverside
14 County; and

15 WHEREAS, to respond to the negative effects of the pandemic, which in turn affect our community
16 as a whole, County has dedicated a portion of the allotted ARPA funds to local agencies for the delivery
17 and implementation of vital and eligible infrastructure projects; and

18 WHEREAS, County and Subrecipient entered into an agreement for the County to reimburse
19 Subrecipient for a total amount not to exceed \$9,159,000 in ARPA Fiscal Recovery Funds, for expenditures
20 related to construction of Subrecipient's Ion Exchange Water Treatment Plant No. 7991 (IXTP 7991), and
21 Mecca Lift Station 55-11 Capacity Upgrade Project (hereinafter "Agreement"); and

22 WHEREAS, construction cost estimates for the IXTP 7991 Project came in significantly higher than
23 anticipated, and County and Subrecipient now wish to revise the Agreement to reflect updated Project cost
24 shares; and

25 WHEREAS, to reflect the higher construction cost estimates the Parties desire to amend the
26 agreement to reflect that the County may reimburse the Subrecipient for a total amount not to exceed
27 \$11,159,000.

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OCT 17 2023 3.4

1 NOW, THEREFORE, for good valuable consideration, the receipt and adequacy of which is hereby
 2 acknowledged, providing that all other sections not amended remain in full force and effect, the Parties
 3 agree to amend the Agreement as follows:

- 4 1. Recitals. The above recitals are true and correct and are incorporated herein by reference.
- 5 2. Section 4.1 Funding. The Agreement is hereby amended to delete in its entirety Section 4.1, and
 6 replace it with:
 7 “County shall provide funding to Subrecipient in an amount not to exceed \$11,159,000 (“Award”),
 8 in quarterly payments in accordance with progress pay estimates submittals, and in compliance with
 9 ARPA Guidelines as set forth in Attachment B, attached hereto and by this reference incorporated
 10 herein, for the completion of the Infrastructure Projects. In the event that there is a conflict in the
 11 terms for payment in this Agreement and the terms in Attachments B and C, the terms in
 12 Attachments B and C shall take precedence. Subrecipient shall provide other non-federal funding
 13 at least equal to the amounts shown in Attachment A, attached hereto and by this reference
 14 incorporated herein, as a match to the funds provided by the County for the Infrastructure Projects.”
- 15 3. Attachment A - Infrastructure Project Scope. Attachment A of the Agreement is hereby amended to
 16 delete in its entirety the “Project Budget” and “Schedule” sections of the “Ion Exchange Water
 17 Treatment Plant No. 7991 (IXTP 7991) Project” provisions and replace it with:

18 **Project Budget**

19 ITEM	20 DESCRIPTION	COUNTY OF RIVERSIDE ARPA PROJECT FUNDING AMOUNT (Not to Exceed)	SUBRECIPIENT NON-FEDERAL FUNDING AMOUNT	ESTIMATED PROJECT COST
21 1	Facility Planning	\$0	\$10,000	\$10,000
22 2	Preliminary Design	\$0	\$150,000	\$150,000
23 3	Final Design	\$0	\$465,000	\$465,000
24 4	Spec Review, Bid/Award	\$0	\$10,000	\$10,000
25 5	Construction	\$8,059,000	\$3,242,645	\$11,301,645
26 6	Admin Closeout	\$0	\$10,000	\$10,000
TOTAL:		\$8,059,000	\$3,887,645	\$11,946,645

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Schedule

ITEM	DESCRIPTION OF SUBMITTAL	ESTIMATED DUE DATE
1	Facility Planning	Completed
2	Preliminary Design	Completed
3	Final Design	Completed
4	Spec Review, Bid/Award	Completed
5	Construction and Implementation	5/25/2025
6	Admin Closeout	8/31/2025

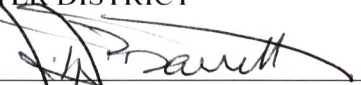
4. Entire Understanding. The Agreement and this First Amendment contain the entire understanding and agreement of the Parties. There are no oral or written representations, understandings or ancillary covenants, undertakings, or agreements that are not contained or expressed referred to within this First Amendment and Agreement.

[REMAINDER OF PAGE LEFT BLANK]

1 IN WITNESS HEREOF, the parties hereto have caused this Amendment to the Agreement to be duly
2 executed on 10/17/23.

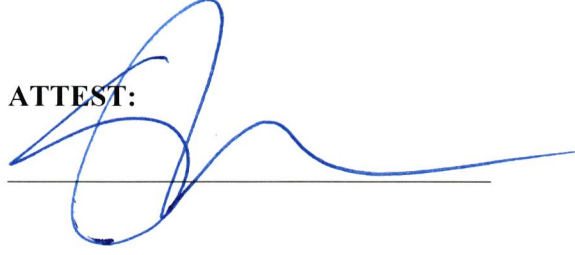
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4 COUNTY:
5 COUNTY OF RIVERSIDE, a political subdivision
6 of the State of California

7 By: 
8 **KEVIN JEFFRIES**
9 Chair, Board of Supervisors

SUBRECIPIENT:
COACHELLA VALLEY
WATER DISTRICT
By: 
10.04.2023
General Manager


10 ATTEST:
11 Clerk of the Board
12 Kimberly Rector

13 By: 
14 Deputy

ATTEST:


15 (Seal)

16 APPROVED AS TO FORM
17 County Counsel

18 By: 
19 Kristine Bell-Valdez
20 Deputy County Counsel

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