

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



**ITEM: 3.2**  
(ID # 24467)

**MEETING DATE:**

Tuesday, April 09, 2024

**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 Mecca Lift Station 55-11 Capacity Upgrade Project, and Approve and Execute the Second Amendment to the Infrastructure Project Funding Agreement Between the County of Riverside and Coachella Valley Water District, through Fiscal Year 26/27, District 4. [\$1,000,000 Total Cost - 100% ARPA] (4/5 Vote Required)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Authorize \$1,000,000 for Coachella Valley Water District from the ARPA Contingency Allocation Category, to be Obligated to Increased Costs Associated with Construction of the Mecca Lift Station 55-11 Capacity Upgrade Project;
2. Approve and Execute the Second 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 \$1,000,000, through Fiscal Year 26/27;
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: 4/5 Vote Required, Policy**

  
Juan C. Perez, Chief Operating Officer

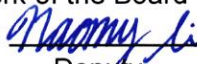
4/4/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Gutierrez, seconded by Supervisor Perez 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: April 9, 2024  
xc: E.O.

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 100% ARPA			<b>Budget Adjustment:</b> Yes	
			<b>For Fiscal Year:</b> 23/24 – 26/27	

**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 4<sup>th</sup> 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 for the IXTP 7991 Project detailed a \$5.24 million increase in construction costs. Subsequently, on October 17, 2023 (Agenda Item 3.6) the Board of Supervisors executed the First Amendment to the ARPA Funding Agreement, thereby contributing an additional \$2,000,000 of ARPA funds to the total increase in IXTP 7991 Project construction costs.

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In November 2023, CVWD received results from their bid process for the Mecca Lift Station 55-11 Capacity Upgrade Project, which detailed \$4.16 million in increased construction costs. The attached proposed Second Amendment to the ARPA Funding Agreement would formalize a revised cost share, with CVWD contributing an additional \$3.16 million, and the County contributing an additional \$1,000,000 in ARPA funds toward the total increase in Project construction costs. The proposed Second Amendment also reflects an eight-month extension to 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 and First Amendment 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. The County's contribution of \$1 million, which is subject to the attached Second 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, First Amendment, and proposed Second Amendment will improve quality of life and promote economic recovery in local unincorporated communities by improving water and sewer system reliability.

**ATTACHMENTS:**

- Attachment A - Second Amendment to Infrastructure Funding Agreement Between County of Riverside and Coachella Valley Water District
- Attachment B - Schedule A Budget Adjustment

**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

  
Heydee Koury, Sr Accountant - Auditor 3/7/2024

 3/28/2024  4/2/2024  
Scott Bruckner Stephanie Perini, Deputy Director of Admin Services

  
Aaron Gettis, Chief of Deputy County Counsel 3/8/2024



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

5  
6 THIS SECOND 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 said 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, County and Subrecipient subsequently executed a First Amendment to the Agreement  
23 on October 17, 2023 ("First Amendment"), to reflect higher construction cost estimates associated with the  
24 IXTP 7991 Project, thereby increasing the County's reimbursement of ARPA Fiscal Recovery Funds under  
25 the Agreement to a total amount not to exceed \$11,159,000; and

26 WHEREAS, construction cost estimates for the Mecca Lift Station 55-11 Capacity Upgrade Project  
27 came in significantly higher than anticipated, and County and Subrecipient now wish to revise the  
28 Agreement to reflect updated Project cost shares and a revised Infrastructure Project schedule; and

1 WHEREAS, to reflect the higher construction cost estimates, the Parties desire to amend the  
2 agreement to reflect that the County may reimburse the Subrecipient for a total amount not to exceed  
3 \$12,159,000.

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

- 7 1. Recitals. The above recitals are true and correct and are incorporated herein by reference.
- 8 2. Section 4.1 Funding. The Agreement is hereby amended to delete in its entirety Section 4.1, and  
9 replace it with:  
10 “County shall provide funding to Subrecipient in an amount not to exceed \$12,159,000 (“Award”),  
11 in quarterly payments in accordance with progress pay estimates submittals, and in compliance with  
12 ARPA Guidelines as set forth in Attachment B, attached hereto and by this reference incorporated  
13 herein, for the completion of the Infrastructure Projects. In the event that there is a conflict in the  
14 terms for payment in this Agreement and the terms in Attachments B and C, the terms in  
15 Attachments B and C shall take precedence. Subrecipient shall provide other non-federal funding  
16 at least equal to the amounts shown in Attachment A, attached hereto and by this reference  
17 incorporated herein, as a match to the funds provided by the County for the Infrastructure Projects.”
- 18 3. Attachment A - Infrastructure Project Scope. Attachment A of the Agreement is hereby amended to  
19 delete in its entirety the “Project Budget” and “Schedule” sections of the “Mecca Lift Station 55-11  
20 Capacity Upgrade Project” provisions and replace it with:

21 **Project Budget**

22

ITEM	DESCRIPTION	COUNTY OF RIVERSIDE ARPA PROJECT FUNDING AMOUNT (Not to Exceed)	SUBRECIPIENT NON-FEDERAL FUNDING AMOUNT	ESTIMATED PROJECT COST
1	Facility Planning	\$0	\$131,760	\$131,760
2	Preliminary Design	\$0	\$240,000	\$240,000
3	Final Design	\$0	\$344,000	\$344,000
4	Spec Review, Bid/Award	\$0	\$30,000	\$30,000
5	Construction	\$4,100,000	\$5,484,557	\$9,584,557
6	Admin Closeout	\$0	\$20,000	\$20,000
TOTAL:		\$4,100,000	\$6,250,317	\$10,350,317

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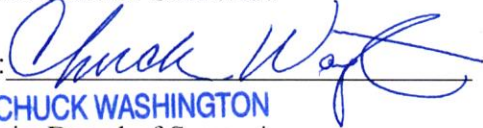
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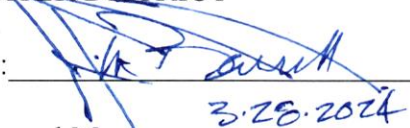


1 IN WITNESS HEREOF, the parties hereto have caused this Amendment to the Agreement to be duly  
2 executed on 4/09/2024.

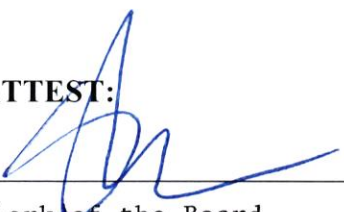
3  
4 COUNTY:  
5 COUNTY OF RIVERSIDE, a political subdivision  
6 of the State of California

SUBRECIPIENT:  
COACHELLA VALLEY  
WATER DISTRICT

7 By:   
8 **CHUCK WASHINGTON**  
9 Chair, Board of Supervisors

By:   
3.28.2024  
General Manager  
J. M. Barrett


10 ATTEST:  
11 Clerk of the Board  
12 Kimberly Rector

ATTEST:  
  
Clerk of the Board  
Sylvia Bermudez

13 By:   
14 Deputy

(Seal)

15  
16 APPROVED AS TO FORM  
17 County Counsel

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