

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



**ITEM: 3.24
(ID # 25443)**

MEETING DATE:
Tuesday, July 02, 2024

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Approve and Execute the Second Amendment to the Infrastructure Project Funding Agreement Between the County of Riverside and Elsinore Valley Municipal Water District, for an Additional Amount not to Exceed \$4,777,062, through Fiscal Year 26/27. District 1. [\$4,777,062 Total Cost - 100% American Recovery Plan Act (ARPA)]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Second Amendment to the Infrastructure Project Funding Agreement Between the County of Riverside and Elsinore Valley Municipal Water District to Address Additional Scope of Work Items and Revised Costs for Infrastructure Projects, for an Additional Amount not to Exceed \$4,777,062, through Fiscal Year 26/27; and
2. Authorize the Chair of the Board of Supervisors to Execute the Amendment on Behalf of the County.

ACTION:Policy

Juan C. Perez, Chief Operating Officer

6/28/2024

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, 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: July 2, 2024
xc: E.O.

Kimberly A. Rector
Clerk of the Board

By:
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 4,777,062	\$ 4,777,062	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% ARPA			Budget Adjustment: N/A	
			For Fiscal Year: 24/25 – 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 December 6, 2022, (Agenda Item 3.4), at the recommendation of the County's 1st District, the Board of Supervisors approved execution of an ARPA Infrastructure Project Funding Agreement with the Elsinore Valley Municipal Water District (EVMWD) for delivery of EVMWD's Highway 74/Ethanac Sewer Extension Project, Grand Avenue Lakeland Village Community Center Sewer Extension Project, and Lakeland Village 8" Water Line Extension - Ranspot and Peeler Project. To meet future growth and improvements planned at the Lakeland Village Community Center, on March 19, 2024 (Agenda Item 3.24), the Board of Supervisors approved execution of the First Amendment to ARPA Infrastructure Project Funding Agreement, which allocated \$578,635 in additional 1st District ARPA 2nd Installment funding for an expanded

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

project scope on the Grand Avenue Lakeland Village Community Center Sewer Extension Project; the revised project will include demolition of the community center's septic tanks and leach lines, provisions for an on-site sewer lateral for a possible future restroom at the lower field, and construction and connection of the community center's facilities to EVMWD's municipal sewer.

The results of EVMWD's recent bid process detailed a total increase in construction costs across all three Infrastructure Projects of \$6,446,467. Details are included in the table below:

Infrastructure Project	Original Construction Estimate	EVMWD Construction Bid Results	% Change
Highway 74/Ethanac Sewer Extension	\$8,000,000	\$13,947,204	57.4%
Grand Avenue Lakeland Village Community Center Sewer Extension	\$1,143,272	\$1,430,469	20.1%
Lakeland Village 8" Water Line Extension - Ranspot and Peeler	\$1,150,673	\$1,362,739	15.6%
Totals -	\$10,293,945	\$16,740,412	

The attached Second Amendment to the ARPA Funding Agreement would formalize a revised cost share, with EVMWD contributing an additional \$2,184,715, and the County contributing an additional \$4,777,062, to address increased Project construction costs and contingency. The proposed Second Amendment also reflects an adjusted scope of work for the Highway 74/Ethanac Sewer Extension Project; the Project will now include construction of sewer main from Wassan Canyon Road to Richard Street, as site geology revealed the need for construction of a lift station at a later date, to address flows from Richard Street North to Ethanac Road. All Infrastructure Projects are still anticipated to be completed well in advance of ARPA deadlines for expenditure, and all other terms memorialized in the original ARPA Funding Agreement would remain intact.

Additional Fiscal Information

The original ARPA Infrastructure Project Funding Agreement stipulated that should construction bids for the Highway 74/Ethanac Sewer Extension Project come in 15% higher than estimates, the County would agree to allocate an additional amount not to exceed \$834,839. As construction bids were 57.4% higher than originally estimated for this Project, this amount is included in the additional County ARPA allocation.

The County's remaining contribution of ARPA funding, which is subject to the attached Second Amendment to ARPA Funding Agreement, is being recommended for funding from First District ARPA Second Allocation and the Contingency Allocation Category.

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

Impact on Residents and Businesses

The proposed water and sewer infrastructure projects will improve quality of life and promote economic recovery in County unincorporated communities by improving water and sewer systems.

ATTACHMENTS:

- Second Amendment to ARPA Funding Agreement Between the County of Riverside and the Elsinore Valley Municipal Water District



Aaron Gettis, Chief of Deputy County Counsel 6/25/2024

1 SECOND AMENDMENT TO FUNDING AGREEMENT BETWEEN
2 THE COUNTY OF RIVERSIDE AND THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT
3 FOR INFRASTRUCTURE PROJECTS
4

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

9 **RECITALS**

10 WHEREAS, County and Subrecipient entered into that certain Funding Agreement for Elsinore
11 Valley Municipal Water District Infrastructure Projects effective as of December 6, 2022 ("Agreement")
12 for American Rescue Plan Act (ARPA) funding, based on the following facts and as further described
13 below; and

14 WHEREAS, on March 11, 2021, ARPA was signed into law, amending Section 9901 of Title VI of
15 the Social Security Act which establishes the Coronavirus State and Local Fiscal Recovery Funds (Fiscal
16 Recovery Funds) to provide state, local and Tribal governments with the resources needed to respond to the
17 pandemic and its economic effects and to build a stronger, more equitable economy during the recovery;
18 and

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

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

26 WHEREAS, County and Subrecipient entered into the Agreement for the County to reimburse
27 Subrecipient for a total amount not to exceed \$9,200,000 in ARPA Fiscal Recovery Funds, for expenditures
28 related to construction of Subrecipient's Highway 74/Ethanac Sewer Extension Project, Grand Avenue

1 Lakeland Village Community Center Sewer Extension Project, and Lakeland Village 8" Water Line
2 Extension - Ranspot and Peeler Project; and

3 WHEREAS, County and Subrecipient executed a First Amendment to Agreement on March 19,
4 2024 ("First Amendment") to reflect a delayed Infrastructure Project schedule for the Lakeland Village 8"
5 Water Line Extension - Ranspot and Peeler Project, and additional scope of work items and subsequent cost
6 adjustments for the Grand Avenue Lakeland Village Community Center Sewer Extension Project, thereby
7 increasing the County's potential reimbursement of ARPA Fiscal Recovery Funds under the Agreement to
8 a total amount not to exceed \$9,778,635; and

9 WHEREAS, construction bids for the Highway 74/Ethanac Sewer Extension Project and Grand
10 Avenue Lakeland Village Community Center Sewer Extension Project came in significantly higher than
11 anticipated, and bids for the Lakeland Village 8" Water Line Extension - Ranspot and Peeler Project came
12 in slightly lower than anticipated, and County and Subrecipient now wish to revise the Agreement to reflect
13 revised Infrastructure Project scope and cost shares; and

14 WHEREAS, to reflect the revised construction cost estimates, the Parties desire to amend the
15 Agreement to reflect that the County may reimburse the Subrecipient for a total amount not to exceed
16 \$14,555,697.

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

- 20 1. Incorporation of Recitals. The above recitals are true and correct and are incorporated herein by
21 reference.
- 22 2. Section 4.1 Funding. The Agreement is hereby amended to delete in its entirety Section 4.1, and
23 replace it with:
24 "County shall provide funding to Subrecipient in an amount not to exceed \$14,555,697 ("Award"),
25 in quarterly payments in accordance with progress pay estimates submittals, and in compliance with
26 ARPA Guidelines as set forth in Attachment B, attached hereto and by this reference incorporated
27 herein, for the completion of the Infrastructure Projects. In the event that there is a conflict in the
28 terms for payment in this Agreement and the terms in Attachments B and C, the terms in

1 Attachments B and C shall take precedence. Subrecipient shall provide other non-federal funding
2 at least equal to the amounts shown in Attachment A, attached hereto and by this reference
3 incorporated herein, as a match to the funds provided by the County for the Infrastructure Projects.”

- 4 3. Attachment A - Infrastructure Project Scope. Attachment A of the Agreement is hereby amended to
5 delete in its entirety the “Project Scope of Work,” and “Project Budget,” sections of the “Highway
6 74/Ethanac Sewer Extension Project” provisions and replace them with:

7 **Project Scope of Work**

8 The Subrecipient will construct 9,475 linear feet of sewer main along Highway 74, from Wassan
9 Canyon Road to Richard Street, in the County of Riverside.

10
11 The County shall be responsible for timely providing any County required permits, authorizations
12 and approvals, and for expediting accessibility to the construction site throughout the Infrastructure
13 Project. This shall include, but not be limited to, expediting traffic control, lane closures, detours,
14 traffic signage, and any other Infrastructure Project access needs, to the extent within the County’s
15 control. Under the provisions of the Agreement, the County shall bear no other responsibility for
16 this Infrastructure Project, including without limitation any activities associated with
17 implementation, installation and construction, or any future operation or maintenance of the
18 Infrastructure Project. County shall complete reviews within ten (10) business days.

19
20 County further acknowledges that Subrecipient may request special accommodations related to
21 traffic control during construction such as, full lane closure with barricades and extended work
22 hours. County agrees to not unreasonably withhold approval of any special requests made by the
23 Subrecipient.
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Project Budget

ITEM	DESCRIPTION	COUNTY OF RIVERSIDE ARPA PROJECT FUNDING AMOUNT (Not to Exceed)	SUBRECIPIENT NON-FEDERAL FUNDING AMOUNT	ESTIMATED PROJECT COST
1	Contracted Construction Services	\$1,292,700	\$0	\$1,292,700
2	Construction	\$10,682,450	\$0	\$10,682,450
3	Contingency	\$801,912	\$1,170,142	\$1,972,054
TOTAL:		\$12,777,062	\$1,170,142	\$13,947,204*

* If actual Infrastructure Project costs total less than the above estimated amount, Subrecipient will utilize any remaining County and/or Subrecipient funding for construction change orders or unforeseen conditions associated with Infrastructure Projects subject to this Agreement, upon receipt of written County approval.

4. Attachment A - Infrastructure Project Scope. Attachment A of the Agreement is hereby amended to delete in its entirety the “Project Budget” section of the “Grand Avenue Lakeland Village Community Center Sewer Extension Project” provisions and replace it with:

Project Budget

ITEM	DESCRIPTION	COUNTY OF RIVERSIDE ARPA PROJECT FUNDING AMOUNT (Not to Exceed)	SUBRECIPIENT NON-FEDERAL FUNDING AMOUNT	ESTIMATED PROJECT COST
1	Engineering Design	\$0	\$150,000	\$150,000
2	Environmental Compliance	\$0	\$0	\$0
3	Engineering Support During Construction	\$0	\$9,355	\$9,355
4	Contracted Construction Services	\$148,917	\$0	\$148,917
5	Construction (including sewer connection fees)	\$829,718	\$307,554	\$1,137,272
6	Project Administration	\$0	\$35,363	\$35,363
7	Indirect Costs	\$0	\$134,925	\$134,925
TOTAL:		\$978,635	\$637,197	\$1,615,832*

* If actual Infrastructure Project costs total less than the above estimated amount, Subrecipient will utilize any remaining County and/or Subrecipient funding for construction change orders or unforeseen conditions associated with Infrastructure Projects subject to this Agreement, upon receipt of written County approval.

1 5. Attachment A - Infrastructure Project Scope. Attachment A of the Agreement is hereby amended
 2 to delete in its entirety the “Project Budget” section of the “Lakeland Village 8” Water Line
 3 Extension - Ranspot and Peeler Project” provisions and replace it with:

4 **Project Budget**

ITEM	DESCRIPTION	COUNTY OF RIVERSIDE ARPA PROJECT FUNDING AMOUNT (Not to Exceed)	SUBRECIPIENT NON-FEDERAL FUNDING AMOUNT	ESTIMATED PROJECT COST
1	Engineering Design (June 2021- Current)	\$0	\$106,250	\$106,250
2	Engineering Support During Construction	\$0	\$8,875	\$8,875
3	Contracted Construction Services	\$0	\$288,229	\$288,299
4	Construction	\$800,000	\$126,639	\$926,639
5	Project Administration	\$0	\$66,043	\$66,043
6	Indirect Costs	\$0	\$138,996	\$138,996
TOTAL:		\$800,000	\$735,032	\$1,535,032*

14 * If actual Infrastructure Project costs total less than the above estimated amount, Subrecipient will
 15 utilize any remaining County and/or Subrecipient funding for construction change orders or
 16 unforeseen conditions associated with Infrastructure Projects subject to this Agreement, upon
 receipt of written County approval.

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

21 7. Use of Electronic (Digital) Signatures. This Second Amendment may be executed in any number
 22 of counterparts, each of which will be an original, but all of which together will constitute one
 23 instrument. Each party of this Second Amendment agrees to the use of electronic signatures, such
 24 as digital signatures that meet the requirements of the California Uniform Electronic Transactions
 25 Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Second Amendment.
 26 The parties further agree that the electronic signatures of the parties included in this Second
 27 Amendment are intended to authenticate this writing and to have the same force and effect as manual
 28 signatures. Electronic signature means an electronic sound, symbol, or process attached to or
 logically associated with an electronic record and executed or adopted by a person with the intent

1 to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA
2 authorizes use of an electronic signature for transactions and contracts among parties in California,
3 including a government agency. Digital signature means an electronic identifier, created by
4 computer, intended by the party using it to have the same force and effect as the use of a manual
5 signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital
6 signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the
7 Civil Code.

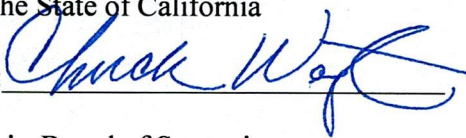
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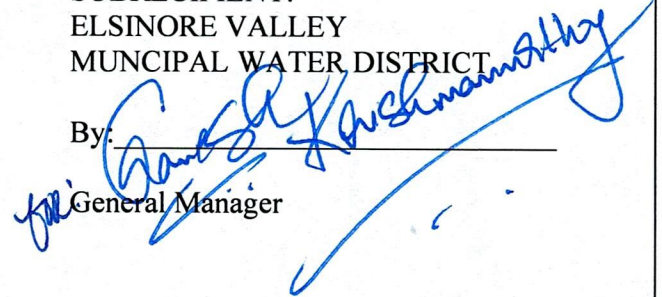
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TO
SECOND AMENDMENT TO FUNDING AGREEMENT BETWEEN
THE COUNTY OF RIVERSIDE AND THE ELSINORE VALLEY MUNICIPAL WATER DISTRICT
FOR INFRASTRUCTURE PROJECTS

IN WITNESS HEREOF, the parties hereto have caused this Second Amendment to the Agreement to be
duly executed on July 02, 2024.

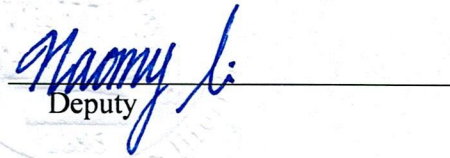
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COUNTY OF RIVERSIDE, a political subdivision
of the State of California

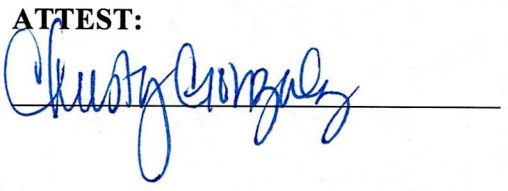
By: 
Chair, Board of Supervisors
CHUCK WASHINGTON

SUBRECIPIENT:
ELSINORE VALLEY
MUNICIPAL WATER DISTRICT

By: 
General Manager

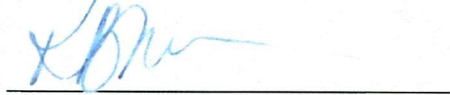
ATTEST:
Clerk of the Board
Kimberly Rector

By: 
Deputy

ATTEST:


(Seal)

APPROVED AS TO FORM
County Counsel

By: 
Kristine Bell-Valdez
Deputy County Counsel