



Board Agenda Item 29

DATE: July 14, 2026

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Second Amendment to State and Local Fiscal Recovery Funds
Subrecipient Agreement with Riverdale Public Utility District

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment No. 2 to Subrecipient Agreement No. 22-225 with Riverdale Public Utility District (RPUD) for provision of American Rescue Plan Act - State and Local Fiscal Recovery Funds (ARPA-SLFRF), which will revise the final reimbursement submission deadline to 5 p.m. on August 31, 2026, with no increase to the maximum compensation (\$3,175,000).

There is no Net County Cost associated with the recommended action, which will revise the final reimbursement submission deadline in the County's agreement with RPUD to 5 p.m. on August 31, 2026, to ensure RPUD can spend all allocated SLFRF funds in time for the County to process reimbursements before the federal deadline of December 31, 2026. The recommended amendment also clarifies that any reimbursement requests submitted after the deadline will be treated as abandoned and unpaid, and that all project costs incurred beyond the deadline will be RPUD's sole financial and legal responsibility. This item pertains to a location in District 4.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, the agreement with RPUD will remain unchanged, including the original reimbursement submission deadline and existing terms. As a result, the County would continue to operate under the current deadlines and conditions, which any delays in RPUD's ability to complete the project and submit all required reimbursement requests in time for the County to process all documentation and issue payments before the federal SLFRF expenditure deadline will limit the County's ability to liquidate ARPA funds awarded to RPUD.

FISCAL IMPACT:

There is no increase to Net County Cost associated with the recommended action. The program is fully funded with ARPA-SLFRF. Sufficient appropriations have been included in the FY 2026-27 Recommended Budget for the Auditor-Controller/Treasurer-Tax Collector Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7845 and will be included in subsequent budget requests.

DISCUSSION:

On November 20, 2023, the U.S. Department of Treasury (Treasury) published the Obligation Interim Final Rule (Obligation IFR) which amended the definition of "Obligations" and included additional flexibility with respect to the ARPA-SLFRF program.

After the SLFRF obligation deadline of December 31, 2024, Treasury's guidance permits recipients to amend existing contracts after the obligation deadline, so long as the amended contract is within substantially the same scope, and for substantially the same purpose as the original contract.

On June 7, 2022, your Board approved Subrecipient Agreement No. 22-225 (Agreement) with RPUD to fund the engineering design, planning, and construction of a groundwater well that will provide an alternative source of water supply in case of emergency or drought, as well as to bring the new groundwater well online, make offsite improvements that consist of upsizing existing undersized pipelines generally located south of W. Mount Whitney Avenue along Valentine, east on W. Kruger, south along S. Marks, and east along Wood Avenues, which will provide secondary connection points to Well 6 to connect to RPUD's entire water distribution system, which improvements are intended to increase the community's resiliency for multi-year droughts, and improve drinking water quality in the Community of Riverdale.

On December 17, 2024, your Board approved Amendment No.1 to Agreement with RPUD that updated the expenditure plan to permit reimbursement of funding administration costs and revised the agreement's modification clause. The updated clause authorized the County Administrative Officer, or their designee, to review and approve written budget revision requests that do not exceed 10% of the agreement's maximum compensation, as amended.

Due to length of time to review claims and issue ARPA payments, beginning in 2024, the CAO's Office and ACTTC's Office agreed to implement an expenditure deadline for the ARPA-SLFRF Program as a precautionary measure ahead of Treasury's expenditure deadline of December 31, 2026. On March 3, 2025, the CAO's Office provided written notice to the ARPA-SLFRF awarded departments and subrecipients with active programs to remind them of the Treasury's expenditure deadline. To ensure the County can meet the expenditure deadline, the CAO's Office required all subrecipients to complete their awarded programs and submit their last claims by June 30, 2026. Since then, three additional written notices and quarterly reminders have been provided to the Subrecipients to remind them of their program's June 30, 2026, expenditure deadline. Due to the complex nature of the RPUD capital project and the benefit it brings to the Community of Riverdale, RPUD requested an extension to the June 30, 2026, expenditure deadline. The CAO is amenable to RPUD's extension request to the expenditure deadline by two months.

Approval of the recommended action will amend the Agreement's Timeline and establish a firm final reimbursement submission deadline of 5 p.m. on August 31, 2026, for the RPUD project. Under the revised terms, any reimbursement requests submitted after this deadline will be deemed abandoned and will not be processed or paid by the County. The recommended amendment also clarifies that RPUD must submit all final requests for reimbursement with sufficient time to the County by the final submission deadline. If the RPUD submits invoices with incomplete reports or documentation, RPUD will not have another opportunity to rectify their submission. Any project costs incurred after the final submission deadline will be the sole financial and legal responsibility of RPUD.

REFERENCE MATERIAL:

BAI #35, December 17, 2024
BAI #43, June 7, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 2 to Agreement with RPUD

CAO ANALYST:

George Uc