



Board Agenda Item 42

DATE: August 5, 2025

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: American Rescue Plan Act - State Local Fiscal Recovery Funds, Second Amendment to Subrecipient Agreement with Calwa Recreation and Park District

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Second Amendment to Subrecipient Agreement No. 22-128 with the Calwa Recreation and Park District (Subrecipient) for the provision of American Rescue Plan Act - State Local Fiscal Recovery Funds (ARPA-SLFRF), which will reduce the scope of work for the project deliverables, revise the expenditure plan, and will reduce the maximum compensation by \$450,000, for a total not to exceed \$225,000

There is no Net County Cost associated with the recommended action, which will reduce the project's scope in Subrecipient Agreement No. 22-128, revise the expenditure plan, and lower the maximum compensation from \$675,000 by \$450,000, for a new total not to exceed \$225,000. On June 11, 2025, the Subrecipient informed the County of its desire to request a second amendment, which will reduce the scope of project deliverables, with a cost savings of \$450,000, if the amended scope of work and expenditure plan revisions are approved. This item pertains to an area in District 3.

ALTERNATIVE ACTION(S):

If the recommended action is not approved, the current scope of work and expenditure plan will remain the same, with insufficient funds to fully fund the reopening of the Calwa Community Pool. The awarded ARPA-SLFRF will not become available to help the Subrecipient with necessary cost to complete their bid-ready package in support of their commitment to reopen the Calwa Community Pool.

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 are included in the FY 2025-26 Recommended Budget for the Auditor/Controller-Treasurer/Tax Collector Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7845.

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. Per Treasury's Frequently Asked Questions (FAQ 17.16), if those requirements are met, SLFRF funds may be used to cover cost increases contained in the amended agreement.

Treasury's Obligation IFR includes the ability for recipients to reclassify funds when excess funds that were obligated by the deadline but ultimately would not be expended on an eligible activity. For example, recipients may reclassify cost savings from an under-budget project to another eligible project under the SLFRF program rules, including the requirement that the recipient incurred the obligation by December 31, 2024, to expend funds on the activity.

On April 5, 2022, the County and Subrecipient entered into County agreement number 22-128 ("Agreement"), in support of the Subrecipient's efforts to reopen its outdoor community pool.

On February 6, 2024, your Board approved Amendment No. 1 to Subrecipient Agreement, which increased the maximum compensation by \$400,000, for a total compensation of \$675,000, to help the Subrecipient's efforts to reopen its outdoor community pool. The First Amendment revised the Expenditure Plan's detailed cost estimates, consolidated similar categories, increased funding allocations, and included a modification clause to address potential administrative burdens to recover allowable costs for allocated expense line items during the construction process.

Since the Agreement and Amendment No. 1 were executed, the Subrecipient represents that it retained an architect firm and a design group in 2024 to perform the Calwa Swimming Pool Needs Assessment ("Needs Assessment"), which evaluated the pool's construction conditions, prepared cost estimates, and made recommendations to the Subrecipient's Board of Directors to help determine whether to move forward with construction, considering the existing site conditions, or demolish the site and build a new pool.

Under the first scenario, the Needs Assessment estimated the project to cost approximately \$3.2 million to move forward with construction using the existing pool footprint, retrofitting and making necessary utility repairs, install equipment, and secure the needed permits to reopen the community pool. Under the second scenario, the Needs Assessment estimated the pool project to cost approximately \$3.9 million to demolish the existing pool site and start the project as a new project with a modern community pool design. The Subrecipient's Needs Assessment and the Architect determined that the cost of construction of the pool would be five to six times (\$3.2 million - \$3.9 million) the cost of the awarded SLFRF Agreement funds.

On May 20, 2025, the Subrecipient's Board of Directors made the decision to formally request from the County a further amendment to the Agreement which will reduce the scope of the project to instead fund the preparation and completion of a Calwa Pool bid-ready package/Needs Assessment, pool demolition, and project management and development cost through the bid package phase. The Subrecipient believes that these tasks are steps towards completion of the pool that will support the program and help expend a portion of their allocated SLFRF funding.

The Subrecipient represents that although Calwa Park was awarded \$6.6 million in California State Parks grant funding through Prop. 68 for various park renovations in partnership with Fresno Building Healthy Communities, the state grant did not include pool improvements in the scope of the grant. The Subrecipient will continue to pursue available construction funds, and grant funding opportunities to complete the Calwa Pool project and reopen the pool. The Subrecipient's amendment request includes a reduction in the maximum allocation from \$675,000 down to \$225,000, which will help the Subrecipient fund predevelopment costs which are necessary and support its effort to reopen the community pool in the future. The Subrecipient's amendment request also presents a cost savings of \$450,000 that will go unspent by this program. The CAO's Office will return to your Board at a later date with recommendations for the redistribution of funding availability within the County's ARPA-SLFRF program.

REFERENCE MATERIAL:

BAI #21, February 6, 2024

BAI #32, April 5, 2022

BAI #3, February 1, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 2 to Agreement 22-128 Calwa Recreation and Park District
Attachment A - Calwa Recreation and Park District Letter June 11, 2025

CAO ANALYST:

George Uc