



# Board Agenda Item 31

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DATE: March 19, 2024

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: Amendment to State Local Fiscal Recovery Funds Subrecipient Agreement with City of Firebaugh

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute first Amendment to Subrecipient Agreement No. 23-075 with City of Firebaugh (Subrecipient) for the provision of American Rescue Plan Act - State Local Fiscal Recovery Funds (ARPA-SLFRF), which will revise the expenditure plan and update the modification clause, with no change to agreement maximum (\$2,832,100); and**
- 2. Authorize the County Administrative Officer or designee to approve and execute written changes to the items in the project budget, which, when added together during the term of the Agreement, do not exceed ten percent (10%) of the total maximum compensation payable to Subrecipient, and which do not result in any change to the maximum compensation amount payable to Subrecipient.**

There is no Net County Cost associated with the recommended actions, which will revise the expenditure plan and update the modification clause of agreement 23-075 (Agreement). The recommended actions will amend the Agreement budget to reallocate cost savings under easement acquisition and construction inspection services to instead be used for construction cost. Recommended action item two will add language to the modification clause of the Agreement, which will delegate limited signature authority to the County Administrative Officer or designee consider and approve written requests for budget revisions that do not exceed a maximum 10% of the maximum compensation under the Agreement, as amended. This item pertains to an area in District 1.

ALTERNATIVE ACTION(S):

If the recommended actions are not approved, cost savings identified in the Subrecipient's expenditure plan under easement acquisition and construction inspection line items will remain in place and will limit the Subrecipient's ability to use available funds to address increasing construction costs.

FISCAL IMPACT:

There is no increase to Net County Cost associated with the recommended actions. The program is fully funded with ARPA-SLFRF. Sufficient appropriations are included in the FY 2023-24 Adopted Budget for the Auditor/Controller-Treasurer/Tax Collector Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021, Account 7845.

DISCUSSION:

The United States Department of the Treasury's (Treasury) Title 31, Code of Federal Regulations, Part 35 Coronavirus SLFRF Interim Final Rule ("Interim Final Rule") and Final Rule ("Final Rule") establish a framework for determining the types of programs and services that are eligible under the ARPA-SLFRF and may be used for eligible activities under the following general categories:

- A. Respond to the COVID-19 public health emergency or its negative economic impacts;
- B. Provide premium pay for essential workers;
- C. Replace public sector revenue loss, subject to certain limitations; and
- D. Make necessary investments in infrastructure such as in water, sewer, and broadband.

The Final Rule permits SLFRF to be used to cover costs for eligible activities within the four general categories for the period that begins March 3, 2021, and ends on December 31, 2024. Recipients and their subrecipients must return any funds to the Treasury which are not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

On February 28, 2023, the County and the Subrecipient entered into Agreement 23-075, to help the Subrecipient fund the project administration, bid support, construction cost, supportive services, construction inspections, and easement applications for the replacement of an aging water storage tank that provides potable water storage and supply for the community of Las Deltas. Since the execution of Agreement, there has been an increase in unexpected construction expenses due to the project's location being identified in the 100-year floodplain. The Subrecipient represents that the replacement of the water storage tank must meet the Flood Zoning regulations issued by the Federal Emergency Management Agency (FEMA), which requires that areas identified in the Flood Zoning be raised above the 100-year floodplain. The Subrecipient represents that construction costs to raise the project site above the floodplain, at an elevation equal or greater than 151-feet above sea level, will exceed construction funding availability provided in the existing Agreement.

The Subrecipient represents that an expenditure plan revision will reallocate funds available due to cost savings under easement acquisition (\$10,000) and construction inspection services (\$27,796) to instead be used for construction cost. Given that the Subrecipient provides water storage and potable water supply for the rate payers in the disadvantaged community of Las Deltas, the Subrecipient will continue to explore other funding opportunities, including local and state grant opportunities, to help fund the completion of the project. The Subrecipient further represents that it will be responsible for all costs incurred for the project that may exceed ARPA-SLFRF provided in this grant.

Approval of the recommended actions will modify the expenditure plan by allocating funding for construction expenditures and will update the Agreement's modification clause to allow 10% of the allocated funds to be moved between the expenditure plan's line items without increasing the maximum total funding originally approved. This change will provide the Subrecipient with needed flexibility within the program budget by adding language to the Agreement's modification clause that will allow the County's Administrative Officer or designee to consider and approve future written requests for budget revisions up to 10% of the maximum compensation, with no change to the maximum compensation.

REFERENCE MATERIAL:

BAI #29, February 28, 2023

BAI #3, February 1, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment 1 to Agreement with City of Firebaugh

CAO ANALYST:

George Uc