



Board Agenda Item 27

DATE: August 23, 2022

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, County Administrative Officer

SUBJECT: State Local Fiscal Recovery Funds - Subrecipient Agreement
Biola Community Service District

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Subrecipient Agreement for American Rescue Plan Act State Local Fiscal Recovery Funds with Biola Community Service District in the amount of \$649,000 to fund the design, surveying and engineering, environmental review, and construction cost for storm drainage improvements in the unincorporated Community of Biola.

Approval of the recommended action will allocate \$649,000 of Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to Biola Community Service District (Subrecipient) to fund the design, surveying and engineering, environmental review, and construction costs to make storm drainage improvements in the unincorporated Community of Biola. The Subrecipient represents that after rainfall events, the Community of Biola generally floods along D Street, Fifth Street, West F Avenue, and North Biola Avenue due to inadequate drainage slopes to convey rainwater into the Subrecipient's nearby storm drainage network and ponding basins. The Final Rule designates necessary investment in water infrastructure that meets the Environmental Protection Agency (EPA) Clean Water State Revolving Fund (CWSRF) requirements as an eligible use of SLFRF. The program is designed to support strong and equitable recovery from the COVID-19 pandemic and economic downturn by making necessary investment in stormwater gray infrastructure systems that support the Community of Biola, a disadvantaged unincorporated community in Fresno County. This item pertains to District 1.

ALTERNATIVE ACTION(S):

If your Board were not to approve the recommended action, SLFRF would not become available to the Subrecipient to fund the design, surveying and engineering, environmental review, and construction costs to make storm drainage improvements in the unincorporated Community of Biola. Storm drainage improvements to address areas that are prone to flooding after rainfall events will be delayed until another funding source is secured by the Subrecipient.

FISCAL IMPACT:

There is no increase in Net County Cost associated with recommended actions. Costs for recommended actions will be funded through Auditor-Controller/Treasurer-Tax Collector Org. 1033 - Disaster Claiming, Fund 0026, Subclass 91021.

DISCUSSION:

The American Rescue Plan Act of 2021 (ARPA) established the SLFRF Program, which delivers \$350 billion

to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency.

The Department of the Treasury's 31 CFR Part 35 Coronavirus State and Local Fiscal Recovery Funds Interim Final Rule ("Interim Final Rule") (for expenditures before April 1, 2022) and Final Rule ("Final Rule") establish a framework for determining the types of programs and services that are eligible under the ARPA. SLFRF may be used for eligible activities under four 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 investments in water, sewer, and broadband.

The Final Rule permits SLFRF to be used to cover costs for eligible activities within those four general categories for the period that begins March 3, 2021, and ends on December 31, 2024. Recipients, including the County, and its subrecipients, must return any funds to the U.S. Department of 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 1, 2022, your Board approved the Ad-Hoc Committee's expenditure plan which earmarked funds for proposals that may be funded either in whole or in part by the County's \$194,063,657 allocation of SLFRF. The approved expenditure plan included \$14,105,219 in SLFRF to be made available to qualifying subrecipients through a 30-day application solicitation period and selection review process. On June 21, 2022, your Board approved the earmarking of \$13,954,929, to provide funding to 22 subrecipient proposals, including the Biola Community Service District storm drain improvement project (\$649,000).

Under Section 602(c)(3) of the ARPA, the County may transfer SLFRF to a special-purpose district for eligible uses for the purpose of meeting ARPA's goals. The Subrecipient is a special purpose district under the ARPA.

In the Final Rule, the U.S. Department of the Treasury (Treasury) interprets "necessary" investment in infrastructure in the Final Rule to mean: 1) responsive to an identified need to achieve or maintain an adequate minimum level of service, which for some eligible project categories may include a reasonable projection of increased need, whether due to population growth or otherwise; and, 2) a cost-effective means for meeting that need, taking into account available alternatives. The Final Rule designates necessary investment in water infrastructure that meets the EPA's CWSRF requirements as eligible use of SLFRF.

The Subrecipient provides street lighting, water, sewer, storm drainage, and solid waste services in the Community of Biola, a disadvantaged unincorporated community of approximately 1,705 residents located in a census tract with a reported median household income of \$54,390 (census tract 06019004100). The Subrecipient represents that historically, after rainfall events the Community of Biola generally floods along D Street, Fifth Street, West F Avenue, and North Biola Avenue due to inadequate drainage slopes to convey rainwater into the Subrecipient's nearby storm drainage network and ponding basins.

SLFRF provided under the Subrecipient Agreement would fund the design, surveying and engineering, environmental review, and construction to install storm drain pipelines and inlets along D Street, Fifth Street, West F Avenue, and North Biola Avenue, which is a necessary infrastructure investment, and will address stormwater drainage issues in areas that are prone to flooding in the Community of Biola. SLFRF would permit the Subrecipient to construct 11 storm water inlets and 1,100 linear feet of underground storm drain pipeline (15-inch to 18-inch diameter pipes) to connect to the Subrecipient's existing storm drainage network in the Community of Biola. The Program is designed for the Subrecipient to manage, reduce, treat, or recapture stormwater or subsurface drainage water, which is an eligible use under ARPA.

The Subrecipient represents that the Program qualifies under the CWSRF eligible category of stormwater gray infrastructure projects, and will help the Subrecipient to recharge 150 acre-feet of water annually back

into the aquifer in support of meeting state and local groundwater recharge mandates and achieving long-term groundwater sustainability goals for the Community of Biola. The program is designed to support strong and equitable recovery from the COVID-19 pandemic and economic downturn by making necessary investment in stormwater gray infrastructure systems that supports the Community of Biola, a disadvantaged unincorporated community in Fresno County.

REFERENCE MATERIAL:

BAI #7, June 21, 2022
BAI #3, February 1, 2022
BAI #7, August 24, 2021
BAI #7, July 13, 2021
BAI #36.1, May 25, 2021

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

Ahla Yang