

**SUBRECIPIENT AGREEMENT BETWEEN THE COUNTY OF TEHAMA  
AND THE SKYVIEW COUNTY WATER DISTRICT FOR  
AMERICAN RESCUE PLAN ACT SLFRF FUNDS**

This Subrecipient Agreement ("Agreement") is entered into by and between the County of Tehama (the "County") and the Sky View County Water District (the "Subrecipient"), individually referred to as "Party" and jointly referred to as "Parties." The purpose of this Agreement is to provide funding to the Subrecipient from funds provided to the County by the Department of Treasury ("Treasury") pursuant to Sections 602 and 603 of the Social Security Act, as added by section 9901 of the American Rescue Plan Act of 2021, Pub. L. No.117-2 (Mar. 11, 2021) ("ARPA"), which authorized the Coronavirus State and Local Fiscal Recovery Funds ( "SLFRF") to enable the Subrecipient to carry out specific eligible activities on behalf of the County; and

**WHEREAS**, the County has received SLFRF funds from Treasury under ARPA; and

**WHEREAS**, the County is authorized by ARPA to disburse all or a portion of its SLFRF funds to Subrecipients, which carry out eligible uses on behalf of the County; and

**WHEREAS**, the Subrecipient has requested from the County for an eligible use of SLFRF funds; and

**WHEREAS**, based on the Subrecipient's project request for SLFRF funds, the County has determined that the Subrecipient's Project as detailed in **Exhibit A** is an eligible use of SLFRF funds under ARPA; and

**WHEREAS**, the County has awarded the Subrecipient SLFRF funds in the amount of \$250,000 (the "Award"), subject to the County and the Subrecipient entering into this Agreement with respect to the use of said funds.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the County and the Subrecipient agree as follows:

**1. SCOPE OF PROJECT; ELIGIBLE USE OF AWARD FUNDS**

- A. The County shall pay the Subrecipient the Award to cover necessary expenses related to the activities specifically described in the Subrecipient's project request (the "Project"). If there is a conflict between the terms and provisions in the Subrecipient's project request and this Agreement, the terms of this Agreement shall govern.
- B. The Subrecipient shall only use the Award to cover expenses that are necessary for the completion of the Project and are eligible under ARPA and this Agreement.

- C. The Subrecipient may revise the scope of the Project with the approval from the County of Tehama, where such revisions to the Project do not materially alter the Project or cause the use of the Award for the revised Project to constitute an ineligible use of SLFRF funds or constitute a change in the category of eligible use of SLFRF funds. In no event shall a revision to the scope of the Project entitle the Subrecipient to an additional allocation of SLFRF funds by the County unless Subrecipient makes a request to the County for additional funds. The County of Tehama, in its sole discretion, may approve and authorize additional SLFRF funds for the Project. However, no such additional allocation is guaranteed.
- D. Once the Project is completed, all costs for the management, operation, maintenance, and repair and replacement of the Project (as applicable) shall be the sole responsibility of the Subrecipient. The County shall have no liability, financial or otherwise, with respect to the management, operation, maintenance, repair or replacement of the Project.

## **2. TERM OF AGREEMENT**

The term of this Agreement begins on the date of Project Award by the Tehama County Board of Supervisor, November 22, 2022, and ends on December 31, 2026. Notwithstanding other provisions of this Agreement, this Agreement will remain in effect until the County determines that the Subrecipient has completed all applicable administrative actions, reporting requirements, and all Project work required by and set forth in this Agreement. Should Subrecipient require additional time for auditing of or reporting for the Project in accordance with ARPA and this Agreement shall be deemed automatically extended until said audit and reporting is completed.

## **3. PAYMENTS**

- A. *Reimbursement Payment.* The County shall pay the Award to Subrecipient on a reimbursement basis. The Subrecipient shall submit reimbursement requests to the County Auditor no later than 15 days after the end of each calendar quarter for the duration of the Project. Such requests shall be in a form acceptable to the County and include, where applicable for construction projects, certification by the Subrecipient's engineer that the amounts are eligible Project costs.
- B. *Advance Payment.* The County, in its discretion, may elect to pay the Subrecipient in advance for its allowable costs for the Project identified by this Agreement upon the presentation of all forms and documents as may be required by the County. Advance payments must be limited to the minimum amounts needed and timed to be in accordance with the Subrecipients actual, immediate cash requirements in carrying out and completing the work of the Project.
- C. *Withholding or Cancellation of Funds.* The County reserves the right to withhold payments until Subrecipient timely delivers reimbursement requests or documents as may be required under this Agreement. Upon completion of the Project, the County may cancel payment of any portion of the Award that the County

determines to be surplus. The County shall be relieved of any obligation for payments if funds allocated to the County cease to be available for any cause other than misfeasance of the County itself.

- D. *Where Payments Are Made.* Payments shall be made by check or electronic deposit into Subrecipient's bank account, according to a process established by the County Auditor.
- E. *Recoupment.* The Award is subject to recoupment by Treasury and/or the County for the Subrecipient's failure to use the funds for the Project in strict accordance with ARPA and this Agreement.

#### **4. OBLIGATION AND EXPENDITURE TIMING REQUIREMENTS; REPORTING REQUIREMENTS**

- A. *Timing Requirements.* Subrecipient may use Award funds to cover eligible costs incurred from March 3, 2021 to December 31, 2026, as long as the obligations are incurred by December 31, 2024 and liquidated by December 31, 2026.
- B. *Reporting Requirements.* The Subrecipient shall submit such reports and adhere to all conditions and obligations as are required by the County including, but not limited to, the SLFRF Reporting Requirements attached to this Agreement as **Exhibit B**. Such reporting requirements shall extend beyond the term of this Agreement. The County reserves the right to inspect, at any time, the Subrecipient's records that are related to the Project and/or Subrecipient's performance of this Agreement. Notwithstanding any record retention policies, Subrecipient shall maintain all documentation associated with the Project for the period required by State law or Federal law or seven (7) years after Closeout, whichever is greater.

#### **5. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS**

In addition to the requirements set forth in ARPA use of the Award may be subject to various other Federal, State, and Local laws. Subrecipient shall comply with all applicable Federal, State, and Local laws and regulations with respect to its receipt and use of the Award pursuant to this Agreement.

#### **6. RETURN OF FUNDS; RECOUPMENT**

The Subrecipient must return Award funds obligated by December 31, 2024 but not expended by December 31, 2026.

If the County determines that the Subrecipient's use of the Award does not comply with ARPA or this Agreement, the County shall provide the Subrecipient with an initial written notice of the amount subject to recoupment, along with an explanation of such amounts.

Within 30 calendar days of receipt of such notice from Treasury or the County, the Subrecipient may submit to the County either (1) a request for reconsideration requesting the County seek a reconsideration of any amounts subject to recoupment or (2) written consent to the notice of recoupment.

If the Subrecipient has not submitted a reconsideration request, or if the County denies the reconsideration request, the Subrecipient shall repay the amount subject to recoupment within 30 calendar days of the request for consideration deadline or the County's denial of the request.

## **7. FAILURE TO PERFORM**

If Subrecipient fails to comply with any terms or conditions of this Agreement, or to provide in any manner the activities or other performance as agreed to herein, the County reserves the right to:

- A. withhold all or any part of payment pending correction of the deficiency;
- B. or suspend all or part of this Agreement. Further, any failure to perform as required pursuant to this Agreement may subject the Subrecipient to recoupment as set forth under ARPA, SLFRF, and this Agreement. The option to withhold funds is in addition to, and not in lieu of, the County's right to terminate as provided in Section 8 below. The County may also consider performance under this Agreement when considering future awards.

## **8. TERMINATION**

- A. *Termination for Cause.* The County may terminate this Agreement for cause if the Subrecipient fails to comply with the terms and conditions of this Agreement and any of the following conditions exist:
  1. The lack of compliance with the provisions of this Agreement is of such scope and nature that the County deems continuation of this Agreement to be substantially non-beneficial to the public interest;
  2. The Subrecipient has failed to take satisfactory corrective action as directed by the County or its authorized representative within the time specified by the same; or
  3. The Subrecipient has failed within the time specified by the County or its authorized representative to satisfactorily substantiate its compliance with the terms and conditions of this Agreement.

The County shall initiate termination for cause by providing notice to the Subrecipient of its intent to terminate for cause, accompanied by a written

justification for the termination. After receiving the notice of termination for cause, the Subrecipient shall have 30 calendar days to cure the cause for termination. If the Subrecipient has not cured the cause for termination within 30 days of receipt of the notice, the County may pursue such remedies as are available by law, including, but not limited to, the termination of this Agreement in whole or in part, and thereupon shall notify in writing the Subrecipient of the termination, the reasons for the termination, and the effective date of the termination. Upon termination, any outstanding Award funds held by the Subrecipient are subject to recoupment by the County in accordance with ARPA, the SLFRF program, and this Agreement. Any costs resulting from obligations incurred by the Subrecipient after termination of this Agreement are not allowable and will not be reimbursed by the County unless specifically authorized in writing by the County.

- B. *Termination for Convenience.* This Agreement may be terminated for convenience, in whole or in part, by written mutual agreement of the Parties.
  
- C. *Termination for Withdrawal, Reduction, or Limitation of Funding.* In the event funding is not received from the Federal Government, or is withdrawn, reduced, modified or limited in any way after the effective date of this Agreement and prior to its normal completion, the County may summarily terminate this Agreement as to the funds not received, reduced, modified, or limited, notwithstanding any other termination provision in this Agreement. If the level of funding is reduced to such an extent that the County deems that the continuation of the Project covered by this Agreement is no longer in the best interest of the public, the County may summarily terminate this Agreement in whole notwithstanding any other termination provisions in this Agreement. Termination under this Section shall be effective upon receipt of written notice by the Subrecipient or its representative.

## **9. CLOSEOUT**

Upon termination of this Agreement, in whole or in part for any reason, including completion of the Project, the following provisions apply:

- A. Upon written request by the Subrecipient, the County will make or arrange for payment to the Subrecipient of allowable reimbursable costs not covered by previous payments.
- B. The Subrecipient shall submit within 30 calendar days after the date of expiration of this Agreement, all financial, performance and other reports required by this Agreement, and in addition, will cooperate in a Project audit by the County or its designee;
- C. Closeout of funds will not occur unless all requirements of this Agreement and Federal, State, and Local law are met and all outstanding issues with the Subrecipient are completed. Any unused Award funds in Subrecipient's possession or control shall be immediately returned to the County.

## **10. INDEMNIFICATION**

Any Award funds which are determined by the County to be ineligible under ARPA shall be subject to recoupment. To the greatest extent permitted by law, the Subrecipient shall indemnify and hold harmless the County, its appointed and elected officials, and employees from any liability, loss, costs (including attorney fees), damage or expense, incurred because of actions, claims or lawsuits for damages resulting from misuse of Award funds by the Subrecipient, personal or bodily injury, including death, sustained or alleged to have been sustained by any person or persons and on account of damage to property, arising or alleged to have arisen out of the performance of this Agreement, whether or not such injuries to persons or damage to property is due to the negligence of Subrecipient, its subcontractors, agents, successors or assigns.

## **11. NOTICES**

Any notices required to be given by the County or the Subrecipient shall be in writing and delivered to the following representatives for each party:

## **12. RESERVATION OF RIGHTS**

Failure to insist upon strict enforcement of any terms, covenants, or conditions of this Agreement shall not be deemed a waiver of such, nor shall any waiver or relinquishment of any right or power granted through this Agreement at any time be construed as a total and permanent waiver of such right or power.

### **13. FURTHER ASSURANCE**

Each of the Parties shall cooperate in good faith with the other to execute and deliver such further documents, to adopt any resolutions, to take any other official action and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this agreement.

Subrecipient shall, in good faith and to the greatest extent possible, complete the Project in accordance with the Subrecipient's proposed project timeline in the Subrecipient's application. Subrecipient acknowledges that time is of the essence, and Subrecipient shall exercise due diligence to complete the project in a timely manner.

### **14. NON-ASSIGNMENT**

The Subrecipient shall not assign any portion of the Award, nor responsibility for completion of the Project provided for by this Agreement, to any other party.

### **15. AMENDMENTS**

This Agreement cannot be amended or modified except in writing, signed by both Parties.

### **16. VENUE AND CHOICE OF LAW**

If either party to this Agreement initiates any legal or equitable action to enforce the terms of this Agreement, to declare the rights of the parties under this Agreement, or which relates to this Agreement in any manner, the County and Subrecipient agree that the proper venue for such action is Tehama County, California. This Agreement shall be governed by the laws of the California, both as to interpretation and performance.

### **17. SEVERABILITY**

If any part of this Agreement is held by the courts to be illegal or in conflict with any law, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part held to be invalid.

### **18. INTEGRATED DOCUMENT**

This Agreement, together with all exhibits and attachments, which are incorporated by reference, constitute the entire agreement between the Parties. There are no other agreements, written or oral, that have not been fully set forth in the text of this Agreement.

### **19. NO THIRD-PARTY BENEFICIARY**

Nothing in this Agreement shall create or be interpreted to create any rights in or obligations in favor of any person or entity not a party to this agreement. Except for the

Parties to this agreement, no person or entity is an intended third-party beneficiary under this agreement.

## **20. HEADINGS**

The section headings of this agreement are for the purposes of reference only and shall not limit or define the meaning thereof.

## **21. AUTHORITY TO SIGN**

The persons executing this Agreement on behalf of the Subrecipient represent that one or both of them has the authority to execute this Agreement and to bind the Subrecipient to its terms.

**SIGNATURE PAGE**

**COUNTY OF TEHAMA**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SKYVIEW WATER DISTRICT (SUBRECIPIENT)**

Signature:  \_\_\_\_\_

Printed Name: Victor Crardi

Title: SCWD President

Date: 04/23/2024

## **EXHIBIT A**

### **Project Description**

Sky View Water District provides drinking water services to the Sky View Ranch community in Tehama County. This SLFRF allocation will partially fund the completion of the portion of the system rehabilitation project that delivers water to the residents of Canyon View Loop and Battle Creek View Estates. The system rehabilitation project consists of constructing 2,100 linear feet of 6-inch raw water main, 13,000 linear feet of 6-inch and 8-inch water main, 0.11-million-gallon storage tank, 122 water services and meters, emergency generator, new electrical service to the well, and miscellaneous electrical improvements.

## **EXHIBIT B: SLFRF REPORTING REQUIREMENTS**

### **A. Applicable Statutes, Rules, and Guidance**

The statutes, rules, and regulations set forth in the Agreement apply with respect to the reporting obligations set forth herein. All terms used herein have the definitions set forth in the Agreement or, if not specified in the Agreement, as set forth in ARPA. Additionally, Treasury's publication entitled the "Compliance and Reporting Guidance" ("Compliance Guidance ") and Treasury's "Project and Expenditure Report User Guide for State and Local Fiscal Recovery Funds" ("User Guide") apply as noted herein. In addition, the Uniform Administrative Requirements for Federal Awards in 2 CFR Part 200 apply to the Award under this Agreement.

### **B. Recipients, Subrecipients, Subawards, and Projects**

The definition of "recipient" includes counties that receive a payment under section 602(b) or 603(b) of the Social Security Act. 31 CFR § 3. In this case and as set forth in the Agreement, the County is the recipient of SLFRF funds.

A "subrecipient" includes any non-Federal entity that receives a subaward from a recipient to carry out part of a Federal program, in this case the SLFRF program. See 2 CFR §200.93. Entities that receive a subaward from the County to carry out the SLFRF program are subrecipients, as defined in the Agreement.

A "subaward" is an award of SLFRF funds provided to a subrecipient by a recipient to carry out the SLFRF program.

"Projects" are defined as a group of closely related activities that are intended to meet a certain goal or directed toward a common purpose or "new or existing eligible government services or investments funded in whole or in part by SLFRF funding."

### **C. Eligible Costs Timeframe**

Under this Agreement, the Subrecipient may use Award funds to cover eligible costs incurred from March 3, 2021 to December 31, 2026, as long as the obligations are liquidated by December 31, 2026.

### **D. Obligations**

SLFRF funds defines an obligation as "an order placed for property and services and entering into contracts, subawards, and similar transactions that require payment." 31 CFR § 35.3. The Project and Expenditure Report User Guide also includes contracts as obligations. Obligation is similarly defined as "orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period."

For purposes of the Agreement, an obligation is incurred by Subrecipient when the Subrecipient enters into a contract with a contractor, service provider, or supplier with respect to and in furtherance of the Project; the Agreement between the Subrecipient and the County does not constitute an obligation for purposes of Subrecipient's compliance with the Rule.

#### **E. Expenditures**

Reporting must be consistent with the definition of "expenditure" in 2 CFR Part 200. The Uniform Administrative Requirements for federal awards define "expenditures" as "charges made by a non-Federal entity to a project or program for which a federal award was received." 2 CFR § 200.1; 2 CFR § 200.34. However, the definition does not clarify whether the "non-Federal entity" is the recipient or the subrecipient. According to the User Guide, an expenditure is "when the service has been rendered or the good has been delivered to the entity, and payment is due." This definition similarly does not clarify whether "the entity" is the recipient or the subrecipient. For a subrecipient, the service or goods would be delivered to the subrecipient, and then the subrecipient would ask the recipient for funds. Expenditures may be reported on a cash or accrual basis, but the methodology must be disclosed and consistently applied.

For purposes of this Agreement and the Subrecipient's reporting obligations under this Agreement and Exhibit, the County will consider funds "obligated" when the Subrecipient incurs the obligation (enters into a contract with a contractor or supplier) and "expended" payment is due to a contractor or supplier under that contract and payment is made by the Subrecipient.

#### **F. Required Information for Project and Expenditure Reports**

Since the County is required to submit quarterly Project and Expenditure reports (using the **Assistance Listing Number 21.027**), the Subrecipient is required to provide the County with the necessary information on the Subrecipient's Project in a timely manner so that the County can comply with its reporting obligations under ARPA. The Subrecipient shall provide necessary information to the County within 15 days of the end of each quarter to facilitate the County's filing of such reports. The County will furnish Subrecipient with forms or links to submit information for the Project and Expenditure reports.

Subrecipients **must be** registered in SAM.gov and must provide identifying and demographic information (DUNS number, Unique Entity Identifier (UIE) number, or its Taxpayer Identification number (TIN), and location) to the County in order to receive ARPA funds.

#### **G. Civil Rights Compliance**

The Treasury will request information regarding Subrecipient's compliance with Title VI of the Civil Rights Act of 1964 on an annual basis. This may include a narrative describing the Subrecipient's compliance in addition to other questions or assurances.