

San Gorgonio Pass Water Agency

DATE: November 18, 2024

TO: Board of Directors

FROM: Lance Eckhart, General Manager

BY: Emmett Campbell, Senior Water Resources Planner

SUBJECT: Heli-Hydrant Installation and Maintenance Agreement between San Gorgonio Pass Water Agency and Cabazon Water District

RECOMMENDATION

Approve the Heli-Hydrant Installation and Maintenance Agreement between San Gorgonio Pass Water Agency (“SGPWA”) and Cabazon Water District (“CWD”) and authorize the General Manager to effectuate non-substantive changes as needed.

PREVIOUS CONSIDERATION

- October 7, 2024: Approval of Resolution No. 2024-13 to Execute the American Rescue Plan Act Funding Agreement Between the San Gorgonio Pass Water Agency and the County of Riverside for the Construction of Heli-Hydrant Systems

BACKGROUND

On March 11, 2021, President Biden signed the American Rescue Plan Act (“ARPA”) of 2021 (H.R. 1319) into law. The \$1.9 trillion package was intended to combat the public health and economic impacts of the COVID-19 pandemic.

As part of the \$362 billion in federal fiscal recovery aid for state and local governments, \$65.1 billion was provided in direct aid to counties. The County of Riverside's (the “County”) share of the ARPA funding was \$479 million, of which the first installment of \$239.9 million was received on May 10, 2021, and the second installment of the same amount was received on June 6, 2022. The funds must be obligated by December 31, 2024, and expended by December 31, 2026.

On April 30, 2024, the County’s Board of Supervisors voted to allocate \$1.8 million for the construction of six Heli-Hydrants within SGPWA’s service area in Riverside County, subject to the execution of the funding agreement between SGPWA and the County. SGPWA will not construct the Heli-Hydrants itself but rather will act as a pass-through agency for the County’s ARPA funds to the SGPWA retail agencies that would ultimately construct, own, and maintain the Heli-Hydrants utilizing their existing infrastructure.

On October 7, 2024, the SGPWA's Board of Directors voted to approve the ARPA funding agreement with the County. The County's Board of Supervisors voted to approve the ARPA agreement for the Heli-Hydrants on October 29, 2024.

Two of the six preferred sites shown in the ARPA funding agreement will be constructed by CWD, and CWD desires to accept SGPWA's ARPA funding and construct, own, and operate the two heli-hydrants pursuant to the funding agreement. To start the process, an ARPA sub-recipient agreement ("Sub-Recipient Agreement") will need to be executed between SGPWA and CWD.

ANALYSIS

The San Gorgonio Pass area has a history of major fires. In 2020, the Apple Fire burned 33,000 acres north of the City of Banning. The damage caused from the fire did not stop at the immediate burn sites. The charred land and burnt-up trees caused devastating impacts due to debris flowing down after rain events.

To assist with mitigating future fires in the area, SGPWA retail agencies such as CWD have the opportunity to construct six hydrants for helicopters known as "Heli-Hydrants." Heli-Hydrants are large tanks permanently installed and connected that can be remotely operated by firefighting helicopters in the event of a fire. The Heli-Hydrants would be constructed to interface with existing water infrastructure and would be strategically located to provide optimal coverage both north and south of the I-10 freeway within the SGPWA service area in Riverside County.

Initially, several dozen sites were identified with the potential to host a Heli-Hydrant. After flying with Cal-Fire and conferring with local water retailers, the sites were narrowed down to six preferred locations. The site locations are subject to change if circumstances change; however, currently, two sites will be hosted by CWD, two sites may be hosted by High Valley Water District, and the remaining two sites may be hosted by Beaumont-Cherry Valley Water District. In the event that one of the sites falls through or is deemed infeasible, there are several dozen backup sites that could fill in the gap.

The County has allocated \$1.8 Million of their allotment of ARPA funds to the construction of six Heli-Hydrants in the San Gorgonio Pass. The Funding Agreement provides that SGPWA would receive invoices from each retailer for costs related to the construction of their respective hydrants, submit those invoices to the County, and then distribute the ARPA funds upon receipt to the retailers as reimbursement for the work. The current estimate for each Heli-Hydrant system with construction is \$300,000 per site. It is anticipated that the ARPA funds would fully cover the cost of all six sites; however, if there is any shortfall on any particular installation, the retailer (here, CWD) constructing that hydrant would cover the remainder. As the Heli-Hydrant system is patented technology and proprietary engineering that can only be fulfilled by a single vendor (Whaling Fire Line Equipment), sole source procurement is permissible (see <https://www.whalingfire.com/heli-hydrant.html>). Glenn Chavez Construction has an exclusive contract with Whaling Fire Line Equipment for the installation of Heli-Hydrants,

so CWD will be required to contract with Glenn Chavez Construction, which contract would be for the full installation of the Heli-Hydrant system and includes two years of maintenance. For any work falling outside of the Heli-Hydrant installation, CWD will be subject to and responsible for following all procurement rules that may apply to the work, including, but not limited to, public bidding.

SGPWA's main role in this project is to act as a liaison with the County for the ARPA funds. The ARPA funding agreement between SGPWA and the County of Riverside was fully executed on October 29, 2024. SGPWA requires additional agreements with each participating retailer that wishes to receive the ARPA funding for their respective Heli-Hydrants. The first agreement is the Sub-Recipient Agreement with CWD. The Sub-Recipient Agreement allocates \$600,000 to CWD for the construction of two Heli-Hydrants within its service area.

STRATEGIC PLAN NEXUS

Supporting regional fire protection and supporting small water systems help advance various aspects of the Agency's Strategic Plan, including:

Strategic Goal 1: Align with the current and future water landscape, supporting the region's long-term needs by diversifying the local supply portfolio and advancing water sustainability.

Objective 7 – Support local small water systems in securing funding and resources.

Strategic Goal 6: Maintain, foster, and expand collaboration with local, regional, state, and federal partners to develop strategic solutions to water supply challenges and opportunities.

Objective 1 – Cultivate local, regional, state, and federal partnerships and identify opportunities to promote and expand collaboration with new or existing partners.

Objective 3 – Coordinate with other agencies and organizations on grants and multi-partner project opportunities.

FISCAL IMPACT

No direct impact to the Agency is anticipated, although some *de minimus* costs may be incurred due to the Agency's technical assistance and/or staff time to assist the participating retailers with their respective Heli-Hydrant installations.

If any costs are incurred, they would be charged to the General Fund (Green Bucket), Consulting and Engineering Services Category, On-Call Agency Engineer line item.

ACTION

Approve the Heli-Hydrant Installation and Maintenance Agreement between SGPWA and CWD and authorize the General Manager to effectuate non-substantive changes as needed.

ATTACHMENTS

1. Heli-Hydrant Installation and Maintenance Agreement
 - Exhibit A: Funding Agreement for San Geronio Pass Water Agency Infrastructure Project (Riverside County Agreement)
 - Exhibit B: Site Map

HELI-HYDRANT INSTALLATION AND MAINTENANCE AGREEMENT

This Agreement is made and entered into this 13th day of November, 2024, by and between the San Gorgonio Pass Water Agency ("Agency") and Cabazon Water District ("Grantee"). Agency and Grantee are herein referred to collectively as the "Parties."

The purpose of this Agreement is to memorialize a comprehensive arrangement regarding the installation and maintenance of certain "heli-hydrants" (for clarifying purposes, heli-hydrants are open-air water tanks that integrate into already existing hydrants or municipal water systems and acts as a refillable and efficient water source that firefighting helicopters may access to fill their tanks with ease, reliability, and convenience). This Agreement shall nullify all past agreements between the Parties regarding the Project (defined below), if any.

RECITALS

A. Agency was established by the San Gorgonio Pass Water Agency Act of 1961. Agency's service area of approximately 225 square miles is located in Riverside County and extends from Calimesa to Cabazon, including the incorporated cities of Calimesa, Beaumont, and Banning, and the communities of Cherry Valley, Cabazon, and the Banning Bench.

B. The County of Riverside, a political subdivision of the State of California ("County"), has dedicated a portion of allotted American Rescue Plan Act funds (the "ARPA Funds") to Agency for the implementation of infrastructure projects and measures to lessen or avert the threat of a natural disaster pursuant to that certain Funding Agreement for San Gorgonio Pass Water Agency Infrastructure Project, dated October 29, 2024 (the "Funding Agreement").

C. Grantee is a retail water service provider within the Agency's boundaries and has agreed to construct, own, operate, and maintain two (2) heli-hydrants within its service area (the "Project") as part of the greater Pass Area Heli-Hydrants System Retrofit Project.

D. Agency has agreed to allocate a portion of the ARPA Funds to Grantee in connection with the Project. Grantee acknowledges and agrees that the funds provided by Agency shall be used exclusively for the Project.

E. It is in the best interest of the water consumers, landowners, and inhabitants within the Parties' respective service areas that the Parties define their respective responsibilities for the Project's activities and costs.

F. The Parties hereby desire to delineate their respective rights and obligations regarding the Project's funding, installation, and ongoing maintenance and operation.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the Parties hereby agree as follows:

AGREEMENT

1. Incorporation of Recitals. The recitals of this Agreement are hereby affirmed by the Parties as true and correct and are incorporated herein by this reference.

2. Funding Agreement. Grantee expressly agrees to be bound by the terms and conditions of the Funding Agreement, which is attached hereto as *Exhibit A (Tank 1 site @ 50020 Seminole Drive, Cabazon CA 92230, and Tank 3 site @ 15320 Elm Street, Cabazon CA 92230)* and incorporated herein by reference.

3. Grant. Subject to receipt of ARPA Funds from County, Agency shall provide Grantee funding in an amount equal to Six Hundred Thousand and 00/100 Dollars (\$600,000.00) for the implementation of the Project (the "Grant"), i.e., the installation of two heli-hydrants within Grantee's service area. Grantee shall not be entitled to nor receive from Agency any additional funding or other type of remuneration for the Project. The Grant is specifically for the Project and makes up the entire amount which Agency has authorized to fund for the Project. If the Project costs Grantee less than the Grant, Grantee shall refund Agency the unused portion within (30) days of the Project's completion.

4. Term. The Term of this Agreement shall be from the date of approval of this Agreement until filing of notice of completion for the Project, or on December 31, 2026, whichever is sooner, unless earlier terminated as provided herein.

5. Ownership. All heli-hydrant installations installed by Grantee pursuant to this Agreement shall be the property and responsibility of Grantee and shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including, but not limited to all applicable state and federal storm water compliance laws and American Water Works Association ("AWWA") standards.

6. Pre-Construction. Before beginning construction, Grantee will acquire all necessary permits, approvals, and agreements as may be required by any federal, state, and local resource or regulatory agencies pertaining to the Project's construction, operation, and maintenance. Grantee will also acquire all property rights, both permanent and temporary, necessary to facilitate the construction and ownership of the Project.

7. Project: Scope of Work. Grantee will be solely responsible for completion of all activities associated with the design, implementation, installation and construction of the Project, on or before December 31, 2026, pursuant to the Funding Agreement. Grantee will construct its two heli-hydrants at the locations depicted in *Exhibit B*, which is attached hereto and incorporated by reference. Agency shall bear no responsibility for liability in connection with the implementation, installation, or construction or any future operations and maintenance of the Project. Grantee shall furnish timely reporting and documentation assuring Grantee's compliance with the U.S. Treasury's ARPA 2022 Final rule and ARPA Guidelines (as stated in the 2022 Final Rule of the U.S. Department of the Treasury published in the Federal Register on January 27, 2022, and the 2023 Interim Final Rule published on September 20, 2023), and published ARPA Guidance within the timelines and specifications provided in the Funding Agreement.

8. Project Signage. Grantee shall include appropriate acknowledgement of credit to the County for its support when promoting the Project or using any data and/or information developed under this Agreement. Signage shall be posted in a prominent location at Infrastructure Project site(s) and shall include the U.S. Treasury's, and the County's color logos, along with the following disclosure statement: "Funding for this project has been provided [in full or in part] from the American Rescue Plan Act, and through an agreement with the County of Riverside." The Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Section.

9. Invoicing and Billing.

5.1.1 Grantee shall bear any initial costs of the Project itself but shall submit regular quarterly invoices for reimbursement to Agency via e-mail at ttodd@sgpwa.com. Agency shall then timely submit Grantee's invoices to County for reimbursement pursuant to the Funding Agreement. Grantee's final invoice shall be submitted with enough time for the County to reimburse Grantee via Agency prior to December 31, 2026. Agency may, at its discretion, reimburse Grantee from its own funds as it awaits County's reimbursement, in which case Agency would retain County's reimbursement.

5.1.2 Supporting documentation shall accompany each invoice, including, but not limited to, copies of paid receipts and invoices of all Project costs incurred by Grantee.

5.1.3 To ensure compliance with Federal and State regulations, Agency may require additional supporting documentation or clarification of claimed expenses as follows:

5.1.3.1 Agency shall notify Grantee to obtain necessary additional documentation or clarification.

5.1.3.2 Grantee shall respond within three (3) business days with required additional documentation or clarification to avoid disallowances/partial payment of invoice.

5.1.3.3 All invoices containing expenses that need additional documentation or clarification not provided to Agency within three (3) business days of request shall have those expenses disallowed and only the allowed expenses shall be paid.

5.1.3.4 Grantee may resubmit disallowed expenses as a supplemental invoice only and must be accompanied by required documentation.

10. Failure to Complete Project. Should it be determined at any time by County, in its sole discretion, that Grantee cannot, will not or is unable to complete the Project in accordance with the applicable State and Federal requirements and the provisions of this Agreement on or before December 31, 2026, then Grantee shall return the entirety of the Award distributed to Grantee for the Project as of the date of notification, within thirty (30) days of notification.

11. CEQA. Grantee agrees to act as the lead agency for compliance with the California Environmental Quality Act (CEQA). Grantee will ensure that all necessary CEQA documentation is completed and approved prior to commencing construction of the Project.

12. Procurement Policy. Grantee agrees to follow all applicable procurement policies and procedures, including, but not limited to, competitive bidding (where required), cost analysis, and maintaining records of all procurement activities, along with any and all federal, state, and local rules and regulations regarding the same.

13. Repair; Replacement; Insurance. Grantee will, at its sole expense, shall be responsible for the maintenance and, when necessary, repair of its heli-hydrants to keep them in good-working condition. Grantee, in its sole discretion, agrees to replace its heli-hydrants when necessary to do so. Grantee shall maintain insurance coverage in amounts sufficient to cover any potential liabilities arising from the construction, maintenance, and operation of the heli-hydrants.

14. Training. Grantee agrees to provide thorough training to all relevant personnel so they may properly and safely operate the heli-hydrants.

15. Indemnification and Hold Harmless. Grantee agrees to indemnify, defend at its own expense including attorneys' fees, and hold Agency harmless from and against all claims, costs, penalties, causes of action, demands, losses, and liability of any nature whatsoever, including, but not limited to, liability for bodily injury, sickness, disease, or death, property damage (including loss of use) or violations of law, caused by or arising out of, or related to the actions, omissions, inactions, neglect or breach of any duty (the "Indemnified Liabilities"). Notwithstanding the foregoing, Indemnified Liabilities shall not include liabilities, obligations, losses, damages, suits, claims, costs, expenses and disbursements to the extent caused by the gross negligence or willful misconduct of Agency.

16. Governing Law. This Agreement shall be governed by California Law.

17. Jurisdiction and Venue. In the event of any legal or equitable proceeding to enforce or interpret the terms and conditions of this Agreement, the parties agree that jurisdiction and venue shall lie only in the state courts in the County of San Bernardino, State of California.

18. Modification. This Agreement may not be altered in whole or in part except by written modification approved by and executed by all Parties to this Agreement.

19. Entire Agreement. This Agreement contains all representations and the entire understanding between the Parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its exhibits.

20. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the Parties and on their respective purchasers, successors, heirs and assigns.

21. Unenforceable Provisions. The terms, conditions, and covenants of this Agreement shall be construed whenever possible as consistent with all applicable laws and regulations. To the extent that any provision of this Agreement, as so interpreted, is held to violate any applicable law or regulation, the remaining provisions shall nevertheless be carried into full force and effect and remain enforceable.

22. Representation of Capacity to Contract. Each Party to this Agreement represents and warrants that it has the authority to execute this Agreement on behalf of the entity represented by that individual. This representation is a material term of this Agreement.

23. Opportunity to be Represented by Independent Counsel. Each of the Parties to this Agreement warrants and represents that it has been advised to consult independent counsel of its own choosing and has had a reasonable opportunity to do so prior to executing this Agreement.

24. Interpretation. The terms of this Agreement have been negotiated by the Parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the Parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument or any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under the Agreement. No rule of strict construction will be applied against either Party.

25. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until the execution and delivery between each of the Parties of at least one set of counterparts. The Parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original. Any one of such completely executed counterparts shall be sufficient proof of this Agreement.

26. Funding Agreement. In the event of any ambiguity or conflict between the terms of this Agreement and those of the Funding Agreement, the Funding Agreement shall control.

27. Notices. As used in this Agreement, notice includes but is not limited to the communications of any notice, request, demand, approval, statement, report, acceptance, consent, waiver, and appointment. All notices must be in writing. All such notices from one party to another may be delivered in person, sent via reputable overnight courier, or served by first-class mail, certified or registered, postage prepaid, to each and all of the addresses set forth below.

If to Agency:

San Geronio Pass Water Agency
Attn: Lance Eckhart, General Manager
1210 Beaumont Ave.
Beaumont, California 92223
leckhart@sgpwa.com

If to Grantee:

Cabazon Water District
Attn: Michael Pollack
14618 Broadway St.
Cabazon CA 92230
mpollack@cabazonwater.org

IN WITNESS HEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

Agency:

San Geronio Pass Water Agency, a
California public agency

By: _____

Grantee:

By: 

Exhibit A

FUNDING AGREEMENT FOR SAN GORGONIO PASS WATER AGENCY INFRASTRUCTURE PROJECT

This Funding Agreement ("Agreement") is entered into by and between the County of Riverside, a political subdivision of the State of California, ("County") and the San Gorgonio Pass Water Agency, ("Subrecipient"). County and Subrecipient are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

WHEREAS, on March 11, 2021, the American Rescue Plan Act ("ARPA") was signed into law, amending Section 9901 of Title VI of the Social Security Act which establishes the Coronavirus State and Local Fiscal Recovery Funds ("Fiscal Recovery Funds") to provide state, local and Tribal governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery; and

WHEREAS, on February 8, 2022, Minute Order 3.3, the County's Board of Supervisors approved allocation of ARPA funds to support eligible infrastructure projects within Riverside County; and

WHEREAS, on January 6, 2022, the U.S. Department of Treasury ("U.S. Treasury") adopted a final rule implementing the Fiscal Recovery Funds which took effect on April 1, 2022 ("2022 Final Rule"); and

WHEREAS, on August 10, 2023, the U.S. Treasury released the 2023 Interim Final Rule, adding additional eligible uses for the Fiscal Recovery Funds; and

WHEREAS, the County has dedicated a portion of the allotted ARPA funds to local agencies for the delivery and implementation of vital and eligible infrastructure projects and measures to lessen or avert the threat of a future natural disaster; and

WHEREAS, the County desires to reimburse and the Subrecipient desires to accept ARPA Fiscal Recovery Funds in a total amount not to exceed \$1,800,000, for expenditures identified in Attachment A related to the Pass Area Heli-Hydrants System Retrofit Project (Infrastructure Project); and

NOW THEREFORE, in consideration of the mutual benefits, covenants, terms and conditions contained herein, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made an operative part of this Agreement.
2. Contract Documents. This Agreement consists of this Agreement and the following attachments, attached hereto and by this reference incorporated herein:
 - 2.1 Attachment A – Infrastructure Project Scope
 - 2.2 Attachment B – U.S. Treasury ARPA Fiscal Recovery Fund 2022 Final Rule
 - 2.3 Attachment C – U.S. Treasury ARPA Fiscal Recovery Fund 2023 Interim Final Rule

- 2.4 Attachment D – Uniform Administrative Requirements, Cost Principles, Federal Provisions and Audit Requirements for Federal Awards – 2 CFR Part 200 *et seq.*
- 2.5 Attachment E – Indemnification and Insurance Requirements
- 2.6 Attachment F – Infrastructure Project Monitoring Requirements
- 2.7 Attachment G – Construction Requirements
- 2.8 Attachment H – Heli-Hydrant Locations

3. Infrastructure Project; Scope of Work. Subrecipient shall be responsible for completion of all activities associated with design, implementation, installation and construction of the Infrastructure Project, as described in **Attachment A**, on or before December 31, 2026, by first using funds received from the County in the amount provided in Section 4 of this Agreement. The Subrecipient shall also furnish timely reporting and documentation assuring Subrecipient's compliance with the U.S. Treasury's ARPA 2022 Final Rule and ARPA Guidelines (as stated in the 2022 Final Rule of the U.S. Department of the Treasury published in the Federal Register on January 27, 2022, and the 2023 Interim Final Rule published on September 20, 2023), and published ARPA Guidance within the timelines and specifications provided in **Attachment F**. Under the provisions of the Agreement, the County shall bear no responsibility for the Infrastructure Project, including without limitation any activities associated with implementation, installation and construction, or any future operation or maintenance of the Infrastructure Project.

3.1 Project Signage. Subrecipient shall include appropriate acknowledgement of credit to the County for its support when promoting the Infrastructure Project or using any data and/or information developed under this Agreement. Signage shall be posted in a prominent location at Infrastructure Project site(s) and shall include the U.S. Treasury's, and the County's color logos, along with the following disclosure statement: "Funding for this project has been provided [in full or in part] from the American Rescue Plan Act, and through an agreement with the County of Riverside." The Recipient shall also include in each of its contracts for work under this Agreement a provision that incorporates the requirements stated within this Paragraph.

4. Funding.

4.1 County shall provide funding to Subrecipient in a total amount not to exceed \$1,800,000 ("Award"), in quarterly payments in accordance with Section 5 of this Agreement, and in compliance with ARPA Guidelines as set forth in **Attachment B**, **Attachment C**, and **Attachment D** attached hereto and by this reference incorporated herein, for the completion of the Infrastructure Project. In the event that there is a conflict in the terms for payment in this Agreement and the terms in **Attachments B, C and D**, the terms in **Attachments B, C and D** shall take precedence. Subrecipient shall provide funding at least equal to the amounts shown in **Attachment A**, attached hereto and by this reference incorporated herein.

4.2 Except as expressly provided in **Attachment A** of this Agreement, Subrecipient shall not be entitled to, nor receive from County any additional funding or other type of remuneration for services rendered under this Agreement. The Award is specifically for the Infrastructure Project and makes up the entire amount which the County has approved to fund for the Infrastructure Project. Subrecipient shall not be entitled by virtue of this Agreement to consideration in excess of the Award amount, and

Subrecipient shall be responsible for any and all costs incurred over the Award amount for its implementation and completion of the Infrastructure Project. Any subsequent amendments to the Infrastructure Project scope or description are not covered by this Agreement, and the funding for any such amendments or for any Infrastructure Project cost overruns shall be the sole responsibility of Subrecipient.

4.3 Should it be determined at any time by the Subrecipient or the County that the Subrecipient cannot achieve Infrastructure Project schedule milestones within the timelines specified in **Attachment A**, or, will not or is unable to complete the Infrastructure Project in accordance with the applicable State and Federal requirements and the provisions of this Agreement on or before December 31, 2026, then the Subrecipient shall return 100% of the Award amount reimbursed to Subrecipient for the Infrastructure Project as of the date of notification, within thirty (30) days of notification.

4.4 In the event the actual cost for Infrastructure Project is less than Award reimbursed to Subrecipient at the completion of the project, Subrecipient shall refund the difference to the County within thirty infrastructure (30) days of filing the Notice of Completion for the Infrastructure Project, or by June 30, 2026, whichever occurs first. Subrecipient shall return any reimbursed Award Funds that have not been expended or are not adequately supported by invoices and documentation to the County, within thirty (30) days of completion of construction of the Infrastructure Project, or upon request by the County, whichever occurs first.

5. Invoicing and Billing.

5.1 Invoices.

5.1.1 Invoices shall be submitted quarterly via e-mail to RIVCOARPA@RIVCO.ORG. The final invoice from the Subrecipient will be submitted with enough time for the County to reimburse the Subrecipient prior to December 31, 2026, per the final rule of ARPA.

5.1.2 Supporting documentation shall accompany each invoice: copies of paid receipts and invoices of all Subrecipient Infrastructure Project costs incurred by Subrecipient.

5.1.3 To ensure compliance with Federal and State regulations, County may require additional supporting documentation or clarification of claimed expenses as follows:

5.1.3.1 County Executive Office staff shall notify Subrecipient to obtain necessary additional documentation or clarification.

5.1.3.2 Subrecipient shall respond within three (3) business days with required additional documentation or clarification to avoid disallowances/partial payment of invoice.

5.1.3.3 All invoices containing expenses that need additional documentation or clarification not provided to County within three (3) business days of request shall have those expenses disallowed and only the allowed expenses shall be paid.

5.1.3.4 Subrecipient may resubmit disallowed expenses as a supplemental invoice only and must be accompanied by required documentation.

5.2 Payments.

5.2.1 If the conditions set forth in this Agreement are met, County shall pay, on/or before the thirtieth (30th) day after receipt of a complete and accurate invoice, the sum of money claimed by the approved invoice, (less any credit due County for adjustments of prior invoices). If the conditions are not met, County shall pay when the necessary processing is completed and/or proper backup documentation is provided.

5.2.2 County shall not pay for unauthorized costs incurred by Subrecipient or for the claimed work which County monitoring shows have not been provided as authorized.

5.2.3 County retains the right to withhold payment on disputed claims.

6. Term. The Term of this Agreement shall be from the date of approval of this Agreement until filing of Notice of Completion for Infrastructure Project, or on December 31, 2026, whichever is sooner, unless sooner terminated as provided herein.

7. Subrecipient Compliance Obligations. The Subrecipient agrees to comply with the terms and conditions of this Agreement. The Subrecipient also agrees to apply the terms and conditions of this Agreement to all of its Sub-Awardees and subcontractors (if applicable) and to require their strict compliance therewith. If it is determined that the Subrecipient is noncompliant, County may temporarily withhold or disallow reimbursement of costs, under 2 C.F.R. Part 200.

7.1 Federal Provisions. Subrecipient and all of its Sub-Awardees and subcontractors shall comply with the Uniform Administrative Requirements, Cost Principles, Federal Provisions and Audit Requirements for Federal Awards Provisions contained in **Attachment D**.

8. Contract Representatives.

8.1 County Representative. The County Executive Officer, or designee, shall be the designated representative who shall administer this Agreement on behalf of the County.

8.2 Subrecipient Representative. The General Manager, or designee, shall be the designated representative who shall administer this Agreement on behalf of the Subrecipient.

8.3 The Contract Representatives may be contacted as described in Section 11, below.

9. Records and Audit.

9.1 Subrecipient shall store and maintain all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of five (5) years from the termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof. Any authorized representative of County shall have access to any writings as defined above for the purposes of making a report, audit, evaluation, or examination. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

9.2 If it is determined pursuant to an audit that any funds provided pursuant to this Agreement have been improperly expended, Subrecipient shall, at the direction of the agency performing the audit, reimburse the County within thirty (30) days the full amount of such improperly expended funds. The funds shall be reimbursed in accordance with the recommendations in the audit.

10. Monitoring of Contract Compliance and Infrastructure Progress Reports.

10.1 Contract Compliance. The Subrecipient shall comply with the monitoring arrangements set forth in **Project Monitoring Requirements**, and **Construction Requirements**, attached as **Attachments F and G**, respectively.

10.2 Infrastructure Project Progress Reports and Progress Pay Estimates. Subrecipient shall, as specified herein, provide quarterly reports detailing Infrastructure Project progress, including a financial status report and milestone progress report as described in **Attachment F**.

11. Notices. As used in this Agreement, notice includes but is not limited to the communications of any notice, request, demand, approval, statement, report, acceptance, consent, waiver, and appointment. All notices must be in writing. All such notices from one party to another may be delivered in person, sent via reputable overnight courier, or served by first-class mail, certified or registered, postage prepaid, to each and all of the addresses set forth below.

If to County:

Riverside County Executive Office
Attention: Stephanie Persi and Scott Bruckner
4080 Lemon Street, 4th Floor
Riverside, California 92501

If to Subrecipient:

San Geronio Pass Water Agency
Attention: **General Manager**
1210 Beaumont Avenue
Beaumont, California 92223

12. Conflicts of Interest. Subrecipient covenants that it presently has no interest, including but not limited to, other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Subrecipient further covenants that in the performance of this Agreement, no person having any such interest be retained or utilized for the execution of this Agreement. Subrecipient understands and agrees it must maintain a conflict of interest policy consistent with 2. C.F.R. section 200.318 (c) and that such conflict of interest policy is applicable to each activity funded under this award. Subrecipient must disclose in writing to the U.S. Treasury or through Recipient, as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2. C.F.R. section 200.112.

13. Nondiscrimination. During any period in which Subrecipient is in receipt of funds from Recipient, Subrecipient and its Board, officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any Federal, State or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religious creed, color, national origin, ancestry, physical or mental disability including perception of disability, medical condition, genetic information, pregnancy related condition, marital status, gender/sex, sexual orientation, gender identity, gender expression, age (over 40), political affiliation or belief, or military and veteran status. Subrecipient and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's non-discrimination policy; Title VI of the Civil Rights Act of 1964 (42 U.S.C. sections 2000d et seq.) and

U.S. Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance; The Fair Housing Act, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. sections 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, religion, national origin, sex, familial status, or disability; Section 504 of the Rehabilitation Act of 1973, as amended (42 U.S.C. sections 6101 et seq.), and the U.S. Treasury's implementing regulations at 31 C.F.R. part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. sections 12101 et seq.) which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto; The Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, and 1102; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations, and Riverside County's non-discrimination policy. Subrecipient shall include the non-discrimination and compliance provisions of this Section in all subcontracts to perform work under or as a derivative of this Agreement.

14. Indemnification. The Subrecipient shall be bound by the indemnification, hold harmless and defend provisions contained in **Attachment E**, and shall pass down said indemnity provisions to all tiers of Sub-Awardees and subcontractors working under this Agreement.

15. Insurance. Subrecipient shall obtain, and maintain, or caused to be obtained and maintained, at all times during the Term of this Agreement, insurance coverage in the amounts and coverage specified in **Attachment E**, and shall pass down said insurance coverage requirements to all tiers of Sub-Awardees and subcontractors working under this Agreement.

16. Termination. The County may terminate this agreement upon a determination that Subrecipient will not be able to achieve Infrastructure Project schedule milestones within the timelines specified in **Attachment A**, or is not complying with ARPA terms and conditions. The County may withhold additional planned distributions of funding to Subrecipient pending receipt of requisite reporting requirements by Subrecipient to the County as described herein.

17. Compliance with Laws. The Subrecipient is required to comply with all applicable federal, state and local laws and regulations for all work performed or funded by and through this Agreement. The Subrecipient is required to obtain all necessary federal, state and local permits, authorizations and approvals for all work performed under this Agreement.

18. Disputes. The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. The Subrecipient shall proceed diligently with the Infrastructure Project described in this Agreement pending the resolution of a dispute. The Parties reserve the right to pursue any remedies at law or in equity should any dispute relating to this Agreement not be resolved by the Parties. Notwithstanding the foregoing, prior to the filing of any legal action related to this Agreement, the Parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations.

19. Status of Subrecipient. The Subrecipient is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the County. It is expressly understood and agreed that the Subrecipient (including its employees, agents, and subcontractors) shall in no event

be entitled to any benefits to which County employees are entitled, including but not limited to overtime, any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties nor is there a joint venture; and Subrecipient shall indemnify and hold County harmless from any and all claims that may be made against County based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement.

19.1 All acts of Subrecipient and its officers, employees, agents, representatives, subcontractors, and all others acting on behalf of Subrecipient relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers, or employees of County. Subrecipient, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. No agent, officer or employee of the County is to be considered an employee of Subrecipient. At all times during the term of this Agreement, the Subrecipient and its officers, employees, agents, representatives, or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

19.2 Subrecipient shall determine the method, details, and means of performing the work and services to be provided by Subrecipient under this Agreement. Subrecipient shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Subrecipient in fulfillment of this Agreement. Subrecipient has control over the manner and means for completion of the Infrastructure Project described in this Agreement. If necessary, Subrecipient has the responsibility for employing or engaging other persons or firms to assist Subrecipient in fulfilling the terms and obligations under this Agreement.

19.3 If in the performance of this Agreement any third persons are employed by Subrecipient, such persons shall be entirely and exclusively under the direction, supervision, and control of Subrecipient. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Subrecipient. It is further understood and agreed that Subrecipient must issue W-2 forms or other forms as required by law for income and employment tax purposes for all Subrecipient's assigned personnel under the terms and conditions of this Agreement.

20. Entire Agreement. This Agreement is the result of negotiations between the Parties. This Agreement is intended by the Parties as a full and final expression of their understanding with respect to the matters contained in this Agreement and shall not be modified in any manner except by an instrument in writing executed by the Parties or their respective successors in interest.

21. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

22. Governing Law and Venue. The interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County, California.

23. Construction/Interpretation. Headings or captions to the provisions of this Agreement are solely for the convenience of the Parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

24. No Waiver. Failure of the Parties to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of any rights or powers hereunder at any one time or more times be deemed a waiver or relinquishment of such other right or power at any other time or times.

25. No Third-Party Beneficiaries. There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

26. Severability. It is intended that each paragraph of this Agreement shall be treated as separate and divisible, and in the event that any paragraphs are deemed unenforceable, the remainder shall continue to be in full force and effect so long as the primary purpose of this Agreement is unaffected.

27. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

28. Use of Electronic (Digital) Signatures. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the Party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

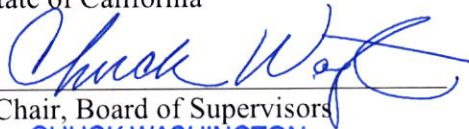
29. Authority to Enter Agreement. Each Party to this Agreement warrants to the other that it is duly organized and existing and that it and the respective signatories have full right and authority to enter into and consummate this Agreement and all related documents and bind the parties thereto.

[Signature Provisions on Following Page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date as indicated beside each Party's signature.

COUNTY:
COUNTY OF RIVERSIDE, a political
subdivision
of the State of California

By:


Chair, Board of Supervisors
CHUCK WASHINGTON

SUBRECIPIENT:
SAN GORGONIO PASS WATER AGENCY
AGENCY

By:


Lance Eckhart
General Manager

ATTEST:
Clerk of the Board

KIMBERLY A. RECTOR

By:


Deputy

(Seal)

APPROVED AS TO FORM
County Counsel


By:


Kristine Bell-Valdez
Deputy County Counsel

Exhibit B

Heli-Hydrant - Preferred Cabazon Water District Sites

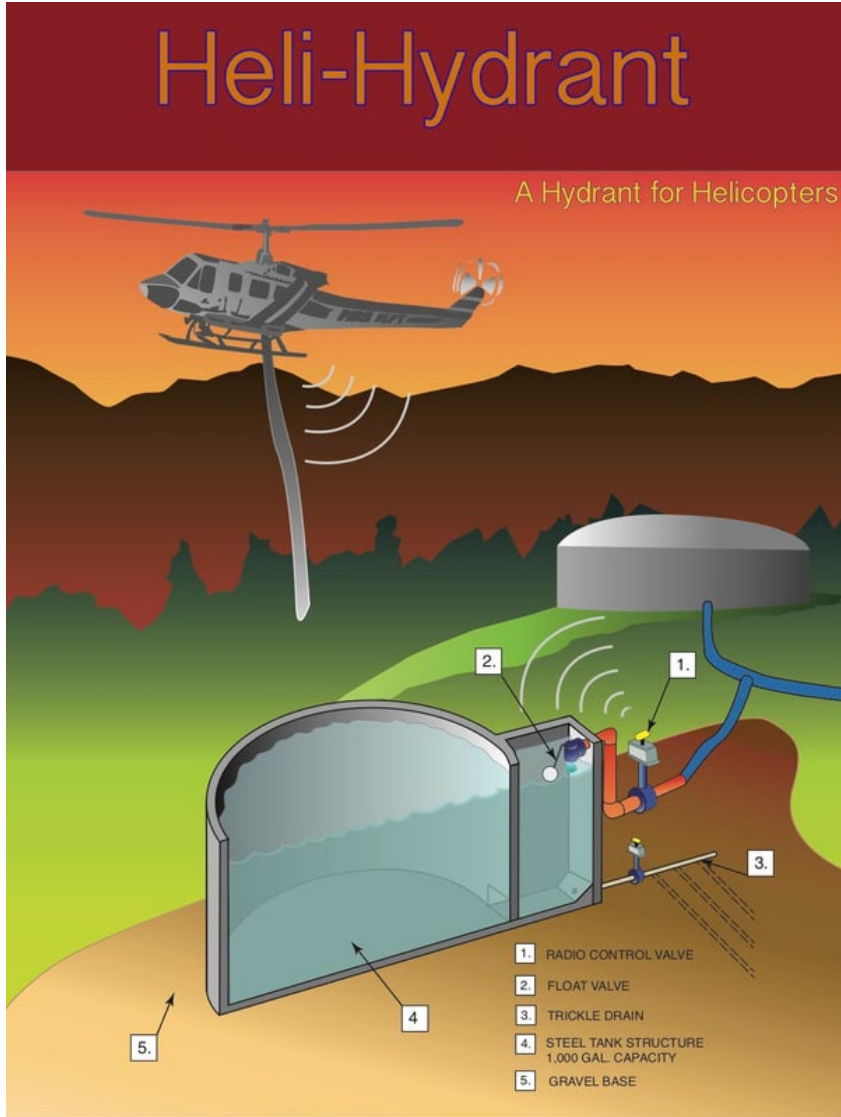




Heli-Hydrant Installation and Maintenance Agreement between San Geronio Pass Water Agency and Cabazon Water District

BOARD OF DIRECTORS

NOVEMBER 18, 2024



In order to combat wildfires, Heli-Hydrants will be constructed in strategic locations in the San Geronio Pass

- Six locations spanning from Beaumont to Cabazon
- Utilizing existing water infrastructure
- Provides wildfire protection north and south of the I-10
- County Board of Supervisor Yxstian Gutierrez secured \$1.8M in ARPA funds for the construction of six Heli-Hydrant systems
- SGPWA will not construct the hydrants itself but rather will serve as a pass-through funding agency for ARPA funds to its retailers who will construct, own, and maintain the hydrants
- Both SGPWA and the County have executed the Funding Agreement



A Sub-Recipient Agreement is necessary for the participating retail water agencies

- Cabazon Water District will go first on the Agreement and the construction
- The Agreement allocates \$600,000 for the construction of two Heli-Hydrants

Heli-Hydrant - Preferred Cabazon Water District Sites



Recommendation

Approve the Heli-Hydrant Installation and Maintenance Agreement between SGPWA and CWD and authorize the General Manager to effectuate non-substantive changes as needed.