

SUBRECIPIENT AGREEMENT FOR
AMERICAN RESCUE PLAN ACT SLFRF FUNDS

Refurbish Willow Creek Well

This Subrecipient Agreement ("Agreement") is entered into by and between the County of Weber, Utah (the "County") and Liberty Pipeline Company (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 applied to the County for an eligible use of SLFRF funds; and

WHEREAS, based on the Subrecipient's application for SLFRF funds in the form attached hereto as **Exhibit A**, the County has determined that the Subrecipient's Project is an eligible use of SLFRF funds under ARPA and the Final Rule; and

WHEREAS, the County has awarded the Subrecipient SLFRF funds in the amount of \$100,000 (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 application (the "Project"). If there is a conflict between the terms and provisions in the Subrecipient's application 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, The Final Rule, and this Agreement. The Subrecipient shall not use any portion of the Award to pay for any administrative costs of the Project.
- C.** The Subrecipient may make revisions to the scope of the Project with approval from the Weber County Commission, 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 under the Rule. 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 Weber County Commission, in its sole discretion, may approve and authorize additional SLFRF funds for the Project. However, no such additional allocation is guaranteed. For illustration purposes only, a revision to a Project may include a change in the design, implementation, or construction means and methods that results in the ability to make additional improvements to the Project or serve more properties or individuals. Revisions to the scope of the Project that reduce the extent of the improvements to be made or properties or individuals to be served should be avoided unless necessary to keep the Project within the Subrecipient's budget for the Project and/or the Award to Subrecipient set forth in this Agreement.

- 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 this Agreement is fully executed by the Parties 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 the Final Rule, 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 Comptroller 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. The Subrecipient may not request reimbursements under this Agreement for work that has not been completed.
- 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 Subrecipient's 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.
- 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, the Final Rule, 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 June 30, 2026, as long as the obligations are incurred by June 30, 2024 and liquidated by June 30, 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, whichever is greater.

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

In addition to the requirements set forth in ARPA and the Final Rule, use of the Award may be subject to various other Federal, State, and Local laws including, but not limited to, the American Rescue Plan Act. 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**

- A. Subrecipient shall return any Award funds not obligated by June 30, 2024 to the County. The Subrecipient must also return Award funds obligated by June 30, 2024 but not expended by June 30, 2026.

- B. If the County, the State of Utah, or Treasury determines that the Subrecipient's use of the Award does not comply with ARPA, the Final Rule, 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 under the Final Rule, or (2) written consent to the notice of recoupment.
- C. 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; or
- B. 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:
 - i. 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;
 - ii. 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
 - iii. 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 15 calendar days to cure the cause for termination. If the Subrecipient has not cured the cause for termination within 15 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. CLOSE OUT

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 have been resolved to the satisfaction of the County.
- D.** 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 or Treasury 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:

The County	Subrecipient
County of Weber Attn: County Comptroller 2380 Washington Blvd., Suite 320 Ogden, UT 84401 sparke@webercountyutah.gov	Liberty Pipeline Company Attn: Board President P.O. Box 1200 Eden, UT 84310

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. 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 part 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 the Utah Second Judicial District. This Agreement shall be governed by the laws of the State of Utah, 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.

**BOARD OF COUNTY COMMISSIONERS
OF WEBER COUNTY**

By _____
Scott K. Jenkins, Chair

Date _____

ATTEST:

Weber County Clerk/Auditor

LIBERTY PIPELINE COMPANY

By Janis Adcock

Date 7/11/2022

ATTEST:

Jodi D

EXHIBIT A: SUBRECIPIENT'S APPLICATION



LPC Weber County
ARPA Application fo

Weber County ARPA Assistance Application

Please return the completed application, along with any related attachments to
ARPA@webercountyutah.gov by December 31, 2021.

Policy Statement	
<p>The County's intention is to spend its first tranche of ARPA funds on infrastructure and other bricks and mortar projects that would not otherwise receive funding through existing sources. It is not intended to provide support for existing services or other ongoing programs at this time.</p>	

Project Description	
Project Title:	Refurbish Willow Creek Well
Project Location:	Willow Creek Subdivision, Liberty, UT 84310
Summary of Project:	
<p>Liberty Pipeline Company (LPC) placed the Willow Creek Well (previously used to supply Willow Creek Sub Division with water), in an Inactive Status when the homes in that area were connected to LPC. At the time the well water was not needed. Due to the drought and LPCs short supply of water resources for over 600 homes currently being served by the company, the Willow Creek Well source is needed.</p>	
Please attach any additional documents, letters of support, etc. to this application.	

Project Categories (select up to two options)			
	Housing and Homelessness		Economic Opportunities and Recovery
X	Water and Sewer		Broadband
X	Public Health Impact		Other:

Project Impact
<p>Please explain why you believe this project fits within the allowable uses of ARPA funds as described in the Treasury's Interim Final Rule? Please be specific when explaining your reasoning, including direct text citations and other references from Treasury guidelines that support the justification that this project is eligible. U.S. Treasury Interim Final Rule.</p>
<p>Due to COVID-19 many residents who utilize LPC water sources are working from home. Many more are moving into our area and creating a shortage of available water resources that the company has access too. Trying to obtain maintenance work has been an issue due to the labor shortage brought on by COVID-19. As a result, inflation has impacted the company through high labor rates, supplies for repairs, and equipment. An example is the latest quote for cleaning the well has increased labor costs from \$75 an hour to \$350 an hour.</p>
<p>Will these ARPA funds be used for any ineligible uses as outlined by the U.S. Treasury, such as funding debt service, legal settlements or judgments, or deposits to rainy day funds or financial reserves?</p>
<p>No, all funds would be applied to the cost of refurbishing the inactive Well to help with water which rises significantly during summer months.</p>
<p>Is the project located in a qualified census tract?</p>
<p>Yes, the Well is located within Weber County. LPC supplies culinary water to an unincorporated town within Weber County, Utah.</p>

Yes
How will this project benefit those disproportionately affected by the COVID-19 pandemic and its negative impact on the economy?
This will benefit the residents who now work from home due to COVID-19 working conditions.
What are the long-term benefits of this project?
The long-term benefit of this project is an addition water resource that the company can rely on during high water usage by the residents of LPC.
In what ways could this project be considered innovative?
LPC has attempted to dig a new well to obtain addition water for the community. The results were devastating due to the cost and no water source could be located. Refurbishing a Well that is known to produce water is cost effective and innovative due to the years the well has been in an inactive status.
How are you going to measure the intended benefits of this project?
The benefit of the well can be measured by the amount of water produced and the number of occasions LPC will need to depend on the water source to ensure their shareholders have sufficient culinary water for continued health and well-being.
Does this project require action based off of the National Environmental Policy Act?
LPC will be required to meet all guidelines established by the Utah Division of Water.
Is the project on any local, regional or state plan?
The project is on a local plan established by Liberty Pipeline Company.
Can this project be accomplished using existing funding sources or private funding? If yes, what other sources are available?
LPC can accomplish this project by utilizing existing funds, however, the company recently had a Master Plan completed by an engineering firm. The company has a list of projects required for future growth in the area that far exceeds the amount of revenue available to the company.
Please list any additional ARPA or other state or local fiscal recovery funds you are requesting.
LPC has recently requested our engineering firm to complete funding applications. Specific names of funding that they intend to submit has not yet been received by the company.

Project Timeline	
Anticipated start date:	Spring 2022
Anticipated end date:	Summer 2022
Please summarize the project timeline, including key milestones and when expenditures will be completed.	
The new equipment for the well (Pump, monitoring system, etc.) have been purchased. LPC just received a quote to clean the tank for \$42,150. This must be completed before reconstruction of the well can begin. LPC estimates an additional \$50,000 to complete the project once the cleaning is complete. LPC also has extensive pipeline repairs that will be added to the cost of refurbishing the well to ensure the water flow to residential areas is adequate.	

Project Budget	
Amount Requested from County:	As much as Weber county can afford to award LPC.
Total Project Costs:	\$135,650
Provide a breakout summary of the project costs:	
Maintenance to determine if well is still viable - \$10,000	
Well Video - \$1,500	
New Pump, Meter, & additional equipment to replace existing well parts - \$20,000	
Well Cleaning - \$42,150	
Labor - \$12,000	
Repair and/or replace piping - \$50,000	
Estimated Total - \$135,650	
What are the other sources of funding for the project, including any matching funds?	
Income received from Shareholders monthly utility payments in addition to Impact Fees collected within the past 2 years.	
If this project includes multiple local government entities, please describe each entity's matching amount.	
This project would only involve the Liberty Pipeline Company.	
How will this project be fiscally sustained after these one-time stimulus funds are exhausted?	
The project's maintenance would be paid by the shareholders monthly utility payments.	

Additional Questions – Answer the questions for each Project Category selected above

Housing and Homelessness
Is your project proximate to transit if located within a Metropolitan Planning Organization (MPO) boundary area?
NA
Does your project serve individuals at 50% or below Area Median Income? (MDI)
Yes
Is your project's gross rent no greater than 30% of household income?
LPC's monthly utility cost is below 30% of household income.
Does your project have a perpetual deed restriction to maintain affordability?
No
Does your project provide services to address homelessness such as supportive housing, or access to stable, affordable housing among unhoused individuals?
NA

Water and Sewer

How is this project eligible under the EPA's Clean Water or Drinking Water State Revolving funds? Please be specific, using direct citations from the CWSRF or DWSRF.
Clean Water State Revolving Fund: LPC has not applied for this funding in the past.
Drinking Water State Revolving fund: LPC has not applied for this funding in the past.
How does your project directly help to mitigate a public health issue?
Clean sufficient culinary water is required to ensure public health. LPC provides culinary water to residents within its boundaries.
How does your project support community resilience to water, drought, climate change, etc.?
The project would provide an additional water source to be used during drought conditions.
Does your project provide a substantive water quality benefit?
LPC water sources are tested on a regular basis and has continuously met all required standards.
Does your project preserve/ and or expand current water storage?
Yes, this project would expand LPCs current water storage.
How does your project integrate land use and water planning?
LPC has made a strong effort to ensure shareholder water conservation by increasing water usage on a tiered basis as required by the State of Utah. Community involvement efforts have been put into effect by having shareholders share ideas for water conservation with their neighbors. Hours of outdoor watering has been severely restricted and limited to nighttime hours only in an effort to conserve water.
Does your project address an existing or impending water supply need?
Yes, our geographical area has been experiencing drought conditions at a more severe rate than ever recorded by the company. Without additional water sources the company has had to place a moratorium on additional building within the boundaries of LPC.
Will this project be completed in conjunction with a road project or any other infrastructure project?
No, the inactive well is located next to an established road.

Broadband
How does your project serve unserved/underserved areas as defined in the Treasury's Interim Final Rule?
Our project is essential for the community to continue supplying water to the numerous individuals who have transitioned from an office environment to working from home due to COVID-19 restrictions.
Is your project located within an economically distressed area?
No
Does your project target last-mile gaps in network connection?
NA
Describe the role of the private sector or other providers in relation to this project.

The private sector that LPC is most dependent on is the labor force and ensuring quality craftsmanship to complete the project. LPC is a non-profit culinary water supply company that is managed by a board of five volunteers and owned by the shareholders who have access to the culinary water. Until recently the company has been able to maintain all needs without additional funding. COVID-19 has resulted in a population increase and more demand for water resources.
How does your project plan to address digital equity? LPC shareholders are all treated equitably as a noted in the company's bylaws.
What are the planned upload / download speeds of the proposed project? NA
Will there be other entities or businesses involved with this project? Hired maintenance workers who specialize in refurbishing existing wells.

Public Health Impact
How does your project aid in mitigating COVID-19 cases, hospitalizations, deaths, and/or increased vaccination rates? Clean adequate culinary water is a necessity of health.
How does your project address (a) physical or behavioral health issue(s) exacerbated by COVID-19? Sufficient water supplies are essential for good health.
Does your project address a COVID-19 need not funded elsewhere? Unsure
Does your project target populations at higher risk of being impacted by COVID-19? LPC is compatible with other areas impacted by COVID-19.

Economic Opportunities and Recovery
What is the amount of time that your project will need to reach full impact?
What is the longevity of the impact of your project?
How does your project create economic stabilization?
How does your project target areas of lowest recovery and highest impact?
Does your project aid with workforce engagement and/or retention?
How does your project align with existing state or local economic development projects or programs?

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 or the Final Rule. Additionally, Treasury's publication entitled the "Compliance and Reporting Guidance" ("Compliance Guidance")¹ and Treasury's "Project and Expenditure Report User Guide for State and Local Fiscal Recovery Funds" ("User Guide")² 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. Important Concepts

i. 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 purpose³ or "new or existing eligible government services or investments funded in whole or in part by SLFRF funding."⁴

ii. Eligible Costs Timeframe

Under this Agreement, the Subrecipient may use Award funds to cover eligible costs incurred from March 3, 2021 to June 30, 2026, as long as the obligations are incurred by June 30, 2024 and liquidated by June 30, 2026.

iii. Obligations

The Final Rule for 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.⁵ 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," in the Uniform Administrative Requirements for federal awards. 2 CFR § 200.1; 2 CFR § 200.71. For purposes of the Agreement, an obligation is incurred by Subrecipient

¹ United States Department of Treasury, Compliance and Reporting Guidance, State and Local Fiscal Recovery Funds, November 15, 2021, <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>.

² United States Department of Treasury, Project and Expenditure Report User Guide, State and Local Fiscal Recovery Funds, January 24, 2022.

³ User Guide, p. 10

⁴ Compliance Guidance, p. 17

⁵ Project and Expenditure Report User Guide, State and Local Fiscal Recovery Funds, p. 12, <https://home.treasury.gov/system/files/136/Project-and-Expenditure-Report-User-Guide.pdf>

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.

iv. Expenditures

Reporting must be consistent with the definition of "expenditure" in 2 CFR Part 200. The Uniform Administrative Requirements for federal awards defines "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."⁶ 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.⁷

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.

C. Required Information for Project and Expenditure Reports

Since the County is required to submit quarterly or annual 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 and the Final Rule. 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.

III. 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.

⁶ Project and Expenditure Report User Guide, State and Local Fiscal Recovery Funds, p. 12, <https://home.treasury.gov/system/files/136/Project-and-Expenditure-Report-User-Guide.pdf>

⁷ Compliance Guideline, p9