



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 11, 2026

SUBJECT: Recategorization of ARPA funds to Revenue Replacement and a request to extend the timeline for a grant awarded to the Deschutes River Conservancy

RECOMMENDED MOTIONS:

1. Move approval to recategorize \$607,391 of ARPA funds to the Revenue Replacement category;
2. Award a \$607,333.38 grant from the General Fund to Deschutes River Conservancy to complete its Smith Rock-King Way On-Farm Irrigation Efficiency Project by June 30, 2027.

BACKGROUND AND POLICY IMPLICATIONS:

In 2022, the Deschutes Board of County Commissioners allocated a \$1,075,000 grant from American Rescue Plan Act (ARPA) State and Local Fiscal Recovery Funds (SLFRF) funds to the Deschutes River Conservancy for the Smith Rock-King Way On-Farm Irrigation Efficiency project. Due to delays, the Conservancy has indicated it will not be able to spend the entire remaining amount of \$607,333.38 in grant funds prior to the Department of the Treasury's expenditure deadline of December 31, 2026. Any ARPA funds unspent by this deadline are required to be returned to the Treasury. The Conservancy confirms it is able to complete this project with a six-month extension (see attached for detailed information on the proposed extension).

Staff proposes that the Board recategorize the funds remaining on this project to the category of revenue replacement—thereby increasing available funds within the General Fund by that amount—then award a grant from the General Fund to the Conservancy to allow for completing the project.

Additionally, several completed ARPA projects have small remaining balances which together total approximately \$57. Staff recommends that these balances be included in the recategorization to revenue replacement to allow the full ARPA grant to be closed out with Treasury.

BUDGET IMPACTS:

Funds reallocated to the ARPA Revenue Replacement category will increase funds within the General Fund. Those funds would then be available to spend out of the General Fund for completion of the referenced project.

ATTENDANCE:

Lisa Seales, Senior Program Manager, Deschutes River Conservancy

Cam Sparks, Budget & Financial Planning Manager

Laura Skundrick, Management Analyst