

761—163.10(315) Project administration.

163.10(1) *Agreement.* After a funding commitment has been made for a project, the department enters into a project agreement with the applicant. The agreement is to delineate responsibilities for project planning, design, right-of-way, contracting, construction and materials inspection, and documentation. The agreement is to identify any additional stipulations regarding the project relating to specific jobs to be created or retained and land development contingencies consistent with rule 761—163.2(315). Procedures for documenting compliance with the agreement terms will also be identified in the agreement. By executing the agreement, the applicant agrees to comply with all local, state, and federal laws and rules and regulations that may apply to the project.

163.10(2) *Project payments.* Payments from the RISE fund to counties or cities are to be made on a cost reimbursement basis, and financial participation is to be limited to the maximum percentage allowed by the funding commitment. The non-RISE financial participation is to include only those items listed as eligible for RISE funding and may be in the form of cash, the value of design engineering and construction inspection services, or the cost of eligible advance right-of-way acquisitions or preliminary design pursuant to rule 761—163.7(315). Grants from other state agencies or programs may also contribute to the non-RISE financial participation if their laws and rules allow. The applicant is to provide documentation to the department supporting the value of any noncash contribution to the project. The department has the sole authority to determine the value of noncash contributions. Contributions made by a third party may be allowed.

163.10(3) *Project expenditures incurred prior to agreement.* Project expenditures incurred after the commission has made a funding commitment, but before execution of the agreement, are eligible for reimbursement if a project agreement is subsequently executed. Reimbursement is to be paid following execution of the agreement.

163.10(4) *Remedies for noncompliance with project agreement.* The commission may revoke funding commitments, demand repayment of RISE funds loaned or granted or take both actions when the county or city has not fulfilled the terms of the project agreement.

163.10(5) *Cost overruns.* RISE funds committed for projects are for a maximum dollar amount. Cost overruns are the responsibility of the administering jurisdiction.

163.10(6) *Audit.* The department may audit all project costs incurred for compliance with the agreement, including costs that are part of the matching contribution. All force account work performed by a county or city on the project is to be audited.

[ARC 9008C, IAB 3/19/25, effective 4/23/25]