



Board Report

File #: RES 23-022, **Version:** 1

Adopt a Resolution to:

- a. Authorize the use of the General Fund Strategic Reserve up to \$24,552,475 to provide advance funding to the Public Works, Facilities & Parks Department, and the Monterey County Water Resources Agency to fulfill the 2022/2023 Winter Storm Repair Projects to be repaid with reimbursements from the Federal Emergency Management Agency (FEMA) and other state and federal agencies;
- b. Authorize the County Administrative Office and Auditor-Controller to make the appropriate fund balance designations in FY 2022-23 included in Attachment A; and
- c. Authorize and direct the Auditor-Controller to amend the FY 2022-23 adopted budget by increasing appropriations and making the appropriate transfers included in Attachment A (4/5ths vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a Resolution to:

- a. Authorize the use of the General Fund Strategic Reserve up to \$24,552,475 to provide advance funding to the Public Works, Facilities & Parks Department, and the Monterey County Water Resources Agency to fulfill the 2022/2023 Winter Storm Repair Projects to be repaid with reimbursements from the Federal Emergency Management Agency (FEMA) and other state and federal agencies;
- b. Authorize the County Administrative Office and Auditor-Controller to make the appropriate fund balance designations in FY 2022-23 included in Attachment A; and
- c. Authorize and direct the Auditor-Controller to amend the FY 2022-23 adopted budget by increasing appropriations and making the appropriate transfers included in Attachment A (4/5ths vote required).

SUMMARY/DISCUSSION:

Winter atmospheric river events through California began on December 26, 2022, and continued into January of 2023. The winter storms damaged vital infrastructure and facilities belonging to the County of Monterey and other agencies such as the Monterey County Water Resources Agency (MCWRA). On January 10, 2023, the Board of Supervisors ratified a Proclamation of a Local Emergency issued by the County Administrative Officer on January 4, 2023.

The Public Works, Facilities & Parks (PWFP) Department's latest estimate for damages to its infrastructure and facilities total \$17.6 million. Most of the damage impacted the County's road system, costing an estimated \$12.3 million. Damage includes roadway slope failures and erosion, roadway undermining and pavement damage, broken drainage culverts, and eroded and clogged/sediment-filled drainage ditches and basins. At Laguna Seca Recreational Area, slope failure repairs and road damage are estimated at \$3.3 million. At Lake Nacimiento, early assessments include \$203,000 in project costs for facility repairs, tree removal, and navigational signage replacement. Two of the County's sanitation systems in Pajaro and Chualar also experienced damage to sewer lines and treatment facilities, with project repair costs of \$1.3 million. Damage to drainage culverts, ditches, and ponds also occurred in various County Service Areas, costing \$112,000. Minor damages at various County facilities and parks total \$348,475.

From the \$17.6 million in damages assessed by PWFP, only \$14.8 million requires advancing funding now. Laguna Seca Recreational Area has \$3.3 million in damages, but the largest of the projects, with a total cost of \$2.8 million, is pending further FEMA review. PWFP doesn't expect to begin two projects at Lewis Creek

and North Fork roads, with a total cost of \$800,000, until FY 2023-24. If the Board approves the use of the Strategic Reserve, the two projects will be in the FY 2023-24 recommended budget.

Damages to the MCWRA facilities include portions of the Pajaro Levee, the slide gate and levee road of Salinas River Lagoon, the Nacimiento Reservoir spillway plunge pool, and other flood control facilities and supporting infrastructure. The preliminary repair cost of damages to MCWRA infrastructure is estimated at \$16.0 million. On January 21, 2023, the County and the MCWRA entered into an advanced funding agreement not to exceed \$7.0 million for the MCWRA winter storm projects.

The County Administrative Office recommends that the Board of Supervisors authorizes the use of the General Fund Strategic Reserve as the funding source for the advanced funding of the winter storm projects pending FEMA and other state and federal agency reimbursement. Per Board ordinance, the Strategic Reserve may be used for natural disasters and currently has a balance of \$79.3 million. Reimbursements can take many years and the County Administrative Office will monitor reimbursements to replenish the Strategic Reserve. If approved by the Board, the \$21.8 million from the Strategic Reserve will be transferred to the Disaster Assistance Assignment, which will be the funding source for the recommended appropriation increases and fund transfers required to complete the winter storm repair projects listed in Attachment A of the Resolution.

OTHER AGENCY INVOLVEMENT:

The County Administrative Office will continue to work with the MCWRA and PWFP to monitor the progress of the winter storm projects and related intergovernmental agency reimbursements.

FINANCING:

Per PWFP, projects under the FEMA Category A will be 100% reimbursed, estimated at \$5.4 million. The other categories could be up to 93%, but it depends on the final FEMA project review, which could be up to \$10.6 million for PWFP projects. Additionally, FEMA has indicated it will reimburse 100% of expenses of debris clearing and emergency protective measures completed by February 25, 2023, and reimburse 75% for projects completed after that.

The General Fund's Strategic Reserve balance is \$79,335,461. The use of \$21,752,475 of the Strategic Reserve will leave a balance of \$57,582,986, which is 7.3% of the General Fund's adopted revenue.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Providing short-term cash flow loans to the MCWRA and PWFP to repair infrastructure caused by natural disasters aligns with the County's infrastructure initiative, which seeks to provide adequate County facilities and infrastructure.

☐ Economic Development
☐ Administration
☐ Health & Human Services
☒ Infrastructure
☐ Public Safety

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Attachments: Resolution with Attachment A; List of PWFP Reports