



County of Monterey

Item No.42

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 24-047

March 26, 2024

Introduced: 3/13/2024

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt Resolution to:

- a. Authorize the use of General Fund Strategic Reserve up to \$6,900,000 to provide advance funding to the Public Works, Facilities and Parks Department (~~\$5,250,000~~\$5,000,000); Department of Emergency Management (~~\$800,000~~\$1,050,000); and Water Resources Agency (\$850,000); and
- b. Authorize the County Administrative Office and Auditor-Controller to make fund balance designations in FY 2023-24 included in Attachment D; and
- c. Authorize and direct the Auditor-Controller to amend the FY 2023-24 adopted budget by increasing appropriations and estimated revenues and making the appropriate transfers included in Attachment D (4/5ths vote required)
- d. Approve and authorize the Director of the Department of Emergency Management or designee to execute Amendment No. 1 to the Standard Agreement with AECOM Technical Services, Inc. to continue to provide assistance with cost recovery under State and Federal Disaster Assistance Programs, increasing the not to exceed amount by \$750,000, for a total amount not to exceed of \$1,500,000 with no change to the term dates of March 21, 2023, to March 15, 2025.

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RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize the use of General Fund Strategic Reserve up to \$6,900,000 to provide advance funding to the Public Works, Facilities and Parks Department (~~\$5,250,000~~\$5,000,000); Department of Emergency Management (~~\$800,000~~\$1,050,000); and Water Resources Agency (\$850,000); and
- b. Authorize the County Administrative Office and Auditor-Controller to make fund balance designations in FY 2023-24 included in Attachment D; and
- c. Authorize and direct the Auditor-Controller to amend the FY 2023-24 adopted budget by increasing appropriations and estimated revenues and making the appropriate transfers included in Attachment D (4/5ths vote required)
- d. Approve and authorize the Director of the Department of Emergency Management or designee to execute Amendment No. 1 to the Standard Agreement with AECOM Technical Services, Inc. to continue to provide assistance with cost recovery under State and Federal Disaster Assistance Programs, increasing the not to exceed amount by \$750,000, for a total amount not to exceed of \$1,500,000 with no change to the term dates of March 21, 2023, to March 15, 2025.

SUMMARY/DISCUSSION:

The Department of Emergency Management (DEM) activates and operates the Emergency Communications Center (EOC) during emergency conditions. Public Works, Facilities and Parks (PWFP) and the Monterey County Water Resources Agency (WRA) activates and operates their

Department Operations Center (DOC) during emergency conditions.

In January 2023, the County responded to an emergency resulting in a Federal Disaster Declaration (DR-4683) which authorized access to FEMA's Public Assistance (PA) grant program. In order to optimize cost recovery efforts for the County, the Board of Supervisors approved the execution of an agreement with AECOM Technical Services, Inc. for disaster cost recovery efforts. In March 2023, after the AECOM agreement was executed, FEMA declared an additional Federal Disaster Declaration (DR-4699) and authorized Public Assistance for the March Storm. This second declaration increased the need for additional cost recovery efforts from AECOM, necessitating an increase in the not to exceed amount of the agreement by \$750,000 for a total amount not to exceed of \$1,500,000 with no change in the term dates of March 21, 2023, to March 15, 2025. As outlined in the FEMA Public Assistance Program and Policy Guide, FEMA provides funding for management costs based on actual costs incurred up to 5 percent of the Subrecipient's total award amount. DEM estimates 100% reimbursement for the contractor's costs through FEMA's Public Assistance Program.

WRA continues disaster recovery efforts for DR-4683 and DR-4699 events. FEMA has approved an estimate to repair the Hydroplant Access Road Repair Project, which is a project under DR-4683. However, the WRA is unable to cash flow or absorb these costs. Thus, a request for General Fund Strategic Reserve is being requested. The amount will be reimbursed to the County upon receipts of state and/or federal assistance.

In early February 2024, an additional storm event caused significant damage in Monterey County. At the time of this report, the damage assessment teams have estimated \$5 Million in damages. A list of projects for which the funds will be used can be found in attachment B. The PWFP Road Fund is unable to cash flow or absorb these costs. Thus, a request for General Fund Strategic Reserve is being requested. At the time of this report, the state proclamation and the Federal disaster declaration for the February 2024 storm are pending. Thus, potential reimbursement from state and/or federal disaster assistance programs has not yet been determined.

OTHER AGENCY INVOLVEMENT:

DEM, PWFP, WRA, CAO, ACO, and County Counsel have reviewed and approved as to form.

FINANCING:

PWFP and WRA has been coordinating with DEM and CAO. Due to the short timeline for initiating this work and cash flow issues, PWFP and DEM staff have received approval to bypass the Budget Committee so that this could be presented to the Board of Supervisors at its March 26, 2024, meeting.

DEM was authorized for a restricted funds transfer of \$550,000 from the Cannabis Tax Assignment in FY 2022-23 for the initial AECOM contract amount. Incomplete direction was given in Item C of File ID A 23-081, which limited the Auditor Controller's ability to execute the appropriations transfer. This item serves to refine BOS direction to the Auditor Controllers Office to transfer the pre-authorized \$550,000 from the restricted fund. Due to additional 2023 and 2024 storm-related expenses, DEM's

appropriations are insufficient to cover the additional cost of the AECOM agreement for the current and future fiscal year. DEM is seeking authorization for use of Strategic Reserve Funds for the increased cost of the AECOM agreement. PWF is seeking authorization for use of Strategic Reserve Funds to remedy damages associated with the February 2024 storm.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

- Economic Development
- Administration
- Health and Human Services
- Infrastructure
- Public Safety

Prepared by: Bonnie Perez, Finance Manager

Approved by: Kelsey A. Scanlon, Director of Emergency Management

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

Approved by: Nick Chiulos, Chief Assistant County Administrative Officer

Attachments:

Attachment A: Draft Board Resolution

Attachment B: CalOES 95 / List of Projects, as of March 15, 2024

Attachment C: Amendment No.1 to Standard Agreement with AECOM

Attachment D: Budget Recommendation