



Monterey County

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Budget Committee

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Receive a status report on 2017 Winter Storm Repair Projects.

RECOMMENDATION:

It is recommended that the Budget Committee receive a status report on 2017 Winter Storm Repair Projects.

SUMMARY:

As a result of the 2017 Winter Storms, Monterey County submitted 111 project worksheets to the Federal Emergency Management Agency (FEMA) or the Federal Highway Administration (FHWA) for repair projects totaling over \$62.8 million. At the April 24, 2018 Board of Supervisors (Board) meeting, staff reported 47 projects (\$23.4 million) had been approved and funds obligated by FEMA or FHWA. At this time, there are now 62 projects (\$19.0 million) approved and obligated by FEMA or FHWA.

In April, it was noted that 31 projects were completed and (four) 4 projects were in process. Because two (2) projects were re-categorized to Underway and Ineligible categories, 29 projects have been completed totaling \$10.8 million in cost to date. The Resource Management Agency (RMA) currently has another 15 projects, totaling \$18.2 million, under design or construction. RMA staff can initiate an additional 18 projects totaling \$14.4 million but are pending availability of resources.

In addition to these repair projects, another 16 projects are pending approval from FEMA or FHWA totaling \$12.6 million. To date 33 projects have been determined to be ineligible (\$6.8 million) for reimbursement. The County has received funding from FEMA and the California Governor's Office of Emergency Services (CalOES) totaling \$11.3 million; which includes, \$5.1 million reimbursement for completed projects, \$5.7 million for projects in progress, and the remaining \$0.4 million for projects that are deferred until resources are available.

Attachments A-F have been updated from when they were presented to the Board in April 24, 2018 and Budget Committee in July 25, 2018.

DISCUSSION:

Since January 2017, RMA has been actively working on storm repair projects that meet the following conditions, as authorized by the Board on April 24, 2018:

1. Approved projects for reimbursement by FEMA/FHWA, and
2. Funds obligated by FEMA/FHWA, and
3. Ability to complete work within the timeframes allowed by the funds.

There are 29 repair projects, totaling \$10.8 million, that have been completed and costs have been reimbursed by FEMA/FHWA or are pending reimbursement, see Attachment A. RMA has received \$5.1 million in reimbursements from FEMA for these projects.

Based on information available at the time of the April 24th Board meeting, a total of eleven (11) projects met the criteria listed above with a total cost of approximately \$7.3 million. In addition to these eleven (11) projects, there are four (4) projects that were previously directed by the Board to complete. This brings the total of repair projects underway to 15 and totaling \$18.2 million, see Attachment B. RMA has received \$5.7 million to date in FEMA reimbursements for these projects.

RMA staff is also tracking another 18 projects totaling \$14.4 million that are pending resources to initiate work. Projects in this category have been deemed approved by FEMA and FHWA and funding has been approved or obligated. RMA is evaluating cash flow and resources to initiate these projects, and intends to contract professional services to meet the staffing needs, to the extent that RMA anticipates being able to meet FEMA timelines and resources are available. Projects falling under this category are listed in Attachment C.

There are 16 projects that staff has submitted documentation requesting approval and funding obligations to FEMA or FHWA, and are awaiting a determination and/or obligation. Estimated cost totals \$12.6 million and are listed in Attachment D.

The final category of projects includes 32 incomplete projects totaling \$6.8 million that have been deemed ineligible for reimbursement, see Attachment E. The majority of the repair project deemed ineligible for reimbursement were due to pre-existing wear conditions or damage. RMA incurred \$213,082 for these projects during emergency response.

On March 14, 2017, the Board approved allocating \$16.8 million from the Strategic Reserve to the Disaster Assistance fund balance assignment to make critical repairs in response to Winter Storm damages through February 16, 2017 and the Soberanes Fire of 2016. This allocation did not address an additional atmospheric storm event that continued through February 20, 2017, which raised the total Countywide damages to approximately \$62.8 million. Of the \$16.8 million allocated from the Strategic Reserve, \$8.5 million was designated as the County's share (match) and \$8.3 million was designated to be used as cash flow projects to leverage Federal and State funds.

The Board directed the County Administrative Office (CAO) to review the County's finances to identify additional cash source that could leverage Federal and State funds for repairing County infrastructure damaged by the 2017 Winter Storms. The CAO's office identified up to \$25 million in cash within the Facility Master Plan Project Fund's Unassigned Fund Balance 404-NMC1-3000-8184-RMA014 -3101 that were uncommitted for the next two (2) years.

On April 24, 2018, the Board approved the use of the Facility Master Plan Project Fund's Unassigned Fund Balance up to \$25 million for projects categorized as Completed/Committed and FEMA Approved/Obligated, with the caveat that funds would be repaid within two (2) years. The Completed/Committed projects were estimated to cost \$18.6 million, with Federal and State Share of

\$7.8 million and a County match of \$10.8 million. Projects Approved/Obligated are estimated at \$7.3 million, which includes \$5.1 million in Federal and State Share and \$2.2 million in County match. To fund the County's cash match of \$13 million for both the Completed/Committed and FEMA Approved/Obligated, the Board also approved a modification to the allocation of the \$16.8 million from the Strategic Reserve to the Disaster Assistance fund balance assignment to designate \$13.0 million for the County's match and \$3.8 million for cash flow.

OTHER AGENCY INVOLVEMENT:

RMA staff continues to coordinate with Office of Emergency Services (OES) and the CAO to accurately track and categorize the projects. Staff intends to present monthly updates of these projects to Capital Improvement Committee and the Budget Committee.

FINANCING:

Of the \$64.3 million in projected disaster repair cost for Winter Storms and the Soberanes Fire, the Road Fund has expended \$16.8 million as of June 2018, which includes, \$12.6 million for completed projects, \$3.7 million for projects in progress, \$780,000 for projects pending either a FEMA determination or available County resources, and \$213,000 for ineligible projects. FEMA has accepted \$32.0 million in project estimates, obligated \$19.0 million to date, leaving \$ 13.0 million remaining to be obligated. The County has received \$11.3 million in reimbursements for projects that are completed, underway and pending resources, see Attachment F.

FEMA approvals are based on staff estimates and FEMA evaluation using their rate schedule. County anticipates reimbursements up to 93.75% from FEMA and 88.53% from FHWA. The remaining percentage of 6.25% for FEMA projects or 11.47% for FHWA projects, is the County's responsibility (County match). The Board has provided \$13.0 million from the Strategic Reserve for County match for the disaster repair projects. Out of the \$13.0 million County match, \$6.5 million has been used for Soberanes Fire and completed storm projects, leaving \$6.5 million available for remaining projects to date. RMA will continue to update these estimated amounts as FEMA and FHWA obligates more funds for approved projects.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The listed projects repair and/or reconstruct some of the County's infrastructure damaged as a result of the Winter Storms of 2017 and Soberanes Fire of 2016 resulting in restoration of service and accessibility to the public.

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

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Attachments:

Attachment A - Completed Projects
Attachment B - Projects Underway
Attachment C - Pending Projects
Attachment D - Projects Pending FEMA/FHWA Determination
Attachment E - Ineligible Projects
Attachment F - Financial Summary
Attachment G - County Match & Cash Flow Summary