



Legislation Details (With Board Report)

File #: A 23-037 **Name:** County & MCWRA Advance Funding Agreement
Type: BoS Agreement **Status:** Passed
File created: 1/26/2023 **In control:** Board of Supervisors
On agenda: 1/31/2023 **Final action:** 1/31/2023

Title: a. Consider authorizing the County Administrative Officer to sign on behalf of the County the Advance Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency (MCWRA) in an amount not-to-exceed \$7.0 million to provide cash flow assistance for emergency protective measure projects mitigating damage to Monterey County Water Resources Agency facilities caused by the 2022/2023 winter storm events; and
b. Provide direction to the County Administrative Office to bring a financing plan for Board consideration to address cash flow loan needs of the County’s Public Works projects and MCWRA’s projects repaid with reimbursements from the Federal Emergency Management Agency (FEMA) and other state and federal agencies. (MOVED AND REVISED VIA SUPPLEMENTAL)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Board Report, 2. Advance Funding Agreement, 3. Completed Board Order Item No. 30.1, 4. Advance Funding Agreement between County of Monterey & Monterey County WRA

Date	Ver.	Action By	Action	Result
1/31/2023	1	Board of Supervisors		

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RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the Advance Funding Agreement between the County of Monterey and the Monterey County Water Resources Agency (MCWRA) in an amount not-to-exceed \$7.0 million to provide cash flow assistance for emergency protective measure projects mitigating damage to MCWRA facilities caused by the 2022/2023 winter storm events; and
- b. Provide direction to the County Administrative Office to bring a financing plan for Board consideration to address cash flow loan needs of the County’s Public Works projects and MCWRA’s projects repaid with reimbursements from the Federal Emergency Management Agency (FEMA) and other state and federal agencies.

SUMMARY/DISCUSSION:

Winter atmospheric river events through California began on December 26, 2022, and continued into January of 2023. 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 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).

Regarding the County's areas of responsibility, as of the writing of this report, the Public Works, Facilities and Parks (PWFP) Department is currently assessing the cost and scope of the damages of the County's infrastructure. Early assessments indicate damage to the County's road system throughout the County, including roadway slope failures and erosion, roadway undermining and pavement damage, broken drainage culverts, and eroded and clogged/sediment filled drainage ditches and basins. Two of the County's sanitation systems in Pajaro and Chualar also experienced damage to sewer lines and treatment facilities. Damages to drainage culverts, ditches, and ponds also occurred in various County Service Areas.

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. Preliminary repair cost of damages to MCWRA infrastructure is estimated at \$16 million, which will be further refined over coming weeks, in consultation with FEMA and State Office of Emergency Services (State OES) teams.

The MCWRA is seeking cash flow financing from the County in an amount not to exceed \$7.0 million. These funds will provide an immediate financing source to allow the MCWRA to immediately implement priority emergency protective measures to control erosion at the Nacimiento Reservoir spillway plunge pool (estimated at \$3.5 million), make repairs to the Pajaro Levee (estimated at \$1.5 million), and make repairs to the Salinas Lagoon Road and slide gate (estimated at \$2.0 million). The MCWRA will continue to explore other funding options for the remaining projects.

The MCWRA reimbursement of County funds under the proposed Advance Funding Agreement could be repaid by reimbursements from FEMA, California Disaster Assistance Act, and/or other resources available to the MCWRA, which is not anticipated to occur in Fiscal Year 2022-23. The financing provided as part of the agreement is necessary since MCWRA available fund balances are limited due to restrictions specific to the MCWRA's zones and the costs exceed MCWRA's unrestricted funds. Funding will be used for identified urgent protective measure projects.

If staff's recommendation is approved, the County Administrative Office will work on a financing plan with funding options for funding cash flow loans to the MCWRA and PWFP and will return to the Board as soon as possible for consideration.

OTHER AGENCY INVOLVEMENT:

The County is working with the MCWRA on drafting and funding of the Advance Funding Agreement.

FINANCING:

PWFP and the MCWRA staff are refining their estimates of storm damage to their facilities in consultation with FEMA, and State OES. For the MCWRA, the estimated expense at the Nacimiento Reservoir spillway plunge pool is \$3.5 million, repair at the Pajaro Levee is \$1.5 million, and repairs to the Salinas Lagoon Road and slide gate are \$2.0 million.

FEMA has indicated that it will reimburse 100% of expenses of debris clearing and emergency protective measures completed by February 25, 2023, and reimburse 75% for projects completed thereafter. The advancement of funds not-to-exceed \$7.0 million under the Advance Funding Agreement would be paid with reimbursements from FEMA and other state and federal agencies to the MCWRA, which is not expected to

occur in FY 2022-23. The Agreement states that if there is no or only partial reimbursement from the State or federal agencies, the remaining loan amount will be considered a County contribution to the MCWRA. The County Administrative Office will work on a financing plan with funding options for funding cash flow loans to the MCWRA and PWF and will return to the Board for consideration.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

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

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

Prepared by: Juan Pablo Lopez, Administrative Analyst, 755-5091

Approved by: Ezequiel Vega, County Budget Director, x3078

Approved by: Dewayne Woods, Assistant County Administrative Officer, x5309

Attachment: Advance Funding Agreement