

The CAO-Budget and Analysis division requested Risk Management to assume responsibility for the payment, and tracking of the fuel spill costs on behalf of the County. In response:

- Risk Management established the new Lakes Fuel Spill Budget Unit 8429 under County Counsel Department 1210, Appropriation COU006.
- As the funding source was not identified in the Agreement, payments are temporarily being issued out of the General Liability ISF.
- The General Liability ISF will be reimbursed upon receipt of the appropriations in the Lakes Fuel Spill Budget Unit 8429.

The FY 2012-13 appropriations request totaling \$1,018,685 is comprised of:

- Costs before Transition to Risk Management (Exhibit A):
Reimburse MCWRA (FY 2007-08 through FY 2011-12) \$ 361,012
FY 2012-13 costs 647,673
- FY 2012-13 Estimated Risk Management costs 10,000
\$ 1,018,685

As part of the FY 2013-14 budget process, Risk Management submitted a budget request of \$662,385 for the Lakes Fuel Spill Budget Unit 8429. The total request includes the FY 2013-14 estimated costs of \$499,673 per Exhibit A (attached) and an additional \$162,712 for costs anticipated to be incurred by Risk Management.

Per Exhibit A (attached), the ten year cumulative fuel spill clean-up costs through FY 2016-17 totals \$2,598,712 before reimbursements. Risk Management is planning to utilize the services of a licensed engineering firm in FY2013-14 to evaluate whether a new updated clean-up plan is warranted to facilitate full remediation.

OTHER AGENCY INVOLVEMENT:

Risk Management met and reviewed this report with CAO - Budget & Analysis, Auditor-Controller, and County Counsel and they concur with this recommendation.

FINANCING:

FY 2012-13 budgeted General Fund Contingencies is \$4,550,162. Thus far, the Board in FY 2012-13 has approved transfers of \$83,300 (pro-rata share cost for the Monterey Peninsula Regional Authority, and \$52,500 (gang violence strategic plan and performance management program) for a total of \$135,800. With this requested action to transfer \$1,018,685 from Contingencies, the remaining General Fund Operational Contingencies budget would be \$3,395,677.

Prepared by:

Nina DeMello, Management Analyst II, ext. 5856

Date: _____

Approved by:

Steve Mauck, Risk Manager, ext. 3006

Date: _____

Approved by:

Charles McKee, County Counsel

Date: _____

Attachments:

Exhibit A - Estimated Fuel Spill Clean-Up Costs (Before Transition to Risk Management)