



Board Report

File #: RES 23-084, **Version:** 1

Adopt a Resolution to:

- a. Authorize the use of the General Fund Strategic Reserve up to \$20,131,960 to provide advance funding to the Public Works, Facilities and Parks Department (PWFP) to fulfill the 2023 Pineapple Express / March 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 Fiscal Year (FY) 2022-23 included in Attachment A (4/5ths vote required); 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 \$20,131,960 to provide advance funding to the Public Works, Facilities and Parks Department (PWFP) to fulfill the 2023 Pineapple Express / March 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 Fiscal Year (FY) 2022-23 included in Attachment A (4/5ths vote required); 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:

Following the December 2022/January 2023 Winter Storm damages, further winter storm atmospheric river events precipitated through California beginning on March 9, 2023, and continued into mid-March 2023. These winter storms further damaged vital infrastructure and facilities belonging to the County of Monterey and other agencies such as the Monterey County Water Resources Agency (MCWRA) that were already damaged from the January events, as well as causing new damages. Furthermore, the Pajaro River Levee failed on or about March 10, 2023, causing interior flooding of the homes and businesses in the unincorporated community of Pajaro and surrounding homes and agricultural properties.

The Public Works, Facilities and Parks (PWFP) Department's latest estimate for damages to its infrastructure and facilities total \$20.1 million. Most of the damage impacted County facilities in the town of Pajaro, including the Pajaro Mansion and Kents Court Apartment Community, with estimated damages of \$7.6 million. PWFP facilitated the community-wide residential debris removal program, largely in Pajaro, with estimated costs of \$2.2 million. Road damages are estimated at \$7.1 million and include 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 experienced damage to sewer lines and treatment facilities, with project repair costs of \$3.2 million. Jacks Peak Park has estimated damages of \$40,000 for well service line and pole repair.

During the December 2022/January 2023 Winter Storms, the WeatherTech Raceway at Laguna Seca Start/Finish Bridge and Track Repaving Project incurred significant damages and construction delays, which

were exacerbated by the 2023 Pineapple Express / March 2023 Winter Storms. To complete the Start/Finish Bridge project with minimal impacts to scheduled racing events, the Board of Supervisors funded the acceleration of construction and necessary repairs on March 28, 2023, for an amount of \$3.5 million. Currently, PWFP is not requesting additional funding for the Start/Finish Bridge project. Based on a recent meeting with FEMA staff, it appears that the Laguna Seca damages and construction delay costs may be considered for maximum reimbursement.

The County Administrative Office recommends that the Board of Supervisors authorize 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 \$48.4 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 \$20.1 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 PWFP to monitor the progress of the winter storm projects and related intergovernmental agency reimbursements. The Budget Office supports this action.

FINANCING:

Projects under the FEMA Categories A-G will be reimbursed up to 93.75% if approved, estimated at \$18.9 million. The remaining 6.25% is the County's match responsibility, estimated at \$1.3 million. PWFP is coordinating with the Office of Emergency Services in requesting advances and loans from FEMA/CalOES to help cash flow the winter storm projects. CalOES has requested additional supporting documentation before making a determination regarding the County's requests for advances and loans.

The General Fund's Strategic Reserve balance is \$48,373,888. The use of \$20,131,960 of the Strategic Reserve will leave a balance of \$28,241,928, which is 3.6% of the General Fund's adopted revenue.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Providing short-term cash flow loans to 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

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

Attachments:
Attachment A - Resolution w/List of PWFP Reports

