



## Board Report

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**File #:** RES 19-173, **Version:** 1

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Adopt a Resolution to:

- a. Receive a report on winter storm project needs for fiscal year (FY) 2019/20, including funding needs for on-going projects and prior year deficits;
- b. Approve adding selected winter storm projects to the RMA FY 2019/20 Work Program;
- c. Authorize and direct the Auditor-Controller to:
  - 1) Retroactively approve three (3) road projects from the 2017 Winter Storm Project list (Hartnell Road, Palo Colorado Milepost (MP) 1-3.2, Metz Road) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$153,442 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$422,666 from Road Fund 002, Unassigned Fund Balance (002-3101); and
  - 2) Approve four (4) 2017 Winter Storm Projects (Argyle Road, Blackie Road, Parkfield Coalinga Road, and Pleyto Cemetery Road) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$213,263 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$571,713 from Road Fund 002, Unassigned Fund Balance (002-3101); and
  - 3) Approve Initial Design/Permitting Phase of Upper Palo Colorado MP 4.0-7.4 using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$500,000 from General Fund 001, Other Financing Uses Appropriation Unit CAO017; and
  - 4) Retroactively approve eleven (11) 2019 Winter Storm Emergency Response and Repair Projects in progress; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using available revenue of \$770,000 from Highway Users Tax Account (HUTA) and \$1,742,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program; and
  - 5) Approve seven (7) 2019 Winter Storm Repair Projects; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using \$1,015,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program and an operating transfer in of \$15,000 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 (4/5<sup>th</sup> vote required).

**RECOMMENDATION:**

It is recommended that the Board of Supervisors Adopt a Resolution to:

- a. Receive a report on winter storm project needs for fiscal year (FY) 2019/20, including funding needs for on-going projects and prior year deficits;
- b. Approve adding selected winter storm projects to the RMA FY 2019/20 Work Program;
- c. Authorize and direct the Auditor-Controller to:
  - 1) Retroactively approve three (3) road projects from the 2017 Winter Storm Project list (Hartnell Road, Palo Colorado Milepost (MP) 1-3.2, Metz Road) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$153,442 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$422,666 from Road Fund 002, Unassigned Fund Balance (002-3101);
  - 2) Approve four (4) 2017 Winter Storm Projects (Argyle Road, Blackie Road, Parkfield Coalinga Road, and Pleyto Cemetery Road) using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$213,263 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 and \$571,713 from Road Fund 002, Unassigned Fund Balance (002-3101);
  - 3) Approve Initial Design/Permitting Phase of Upper Palo Colorado MP 4.0-7.4 using Road Fund 002, Appropriation Unit RMA012, financed by an operating transfer in of \$500,000 from General Fund 001, Other Financing Uses

Appropriation Unit CAO017; 4) Retroactively approve eleven (11) 2019 Winter Storm Emergency Response and Repair Projects in progress; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using available revenue of \$770,000 from Highway Users Tax Account (HUTA) and \$1,742,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program; 5) Approve seven (7) 2019 Winter Storm Repair Projects; adding the projects to the County Capital Project List; and consider funding the projects in the Road Fund 002, Appropriation Unit RMA012 using \$1,015,000 from Road Fund 002, Restricted Fund Balance 3044, Sub BSA SB1 - Local Streets and Roads Funding Program and an operating transfer in of \$15,000 from General Fund 001, Other Financing Uses Appropriation Unit CAO017 (4/5<sup>th</sup> vote required)

**SUMMARY:**

The Resource Management Agency (RMA) is the lead for managing capital projects for County facilities (e.g., roads, bridges, buildings, parks, and grounds). RMA has refined and/or identified multiple capital project needs since the adoption of the Capital Improvement Program and FY 2019/20 budget. RMA staff developed this list based on its understanding of Board direction and with input from the Capital Improvement Committee (CIC) and Budget Committee (BC).

**Attachment A** - Recommended Projects to be added to FY 2019/20 Work Program provides a summary table which itemizes the projects staff is recommending for addition to the FY 2019-20 Work Plan and includes recommendations for corresponding funding sources. The total cost for staff's recommendations is \$5,403,084 that would be funded through the Road Fund with potential reimbursement of up to \$994,379 from the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (Cal OES). This total \$5,304,084 also includes the use of \$881,705 of the Transient Occupancy Tax (TOT) funds set aside for emergency use, from General Fund 001, Other Financing Uses Appropriation Unit CAO017.

With the Road Fund receiving additional revenues as a result of Measure X, SB1 and HUTA, staff has been able to perform the Winter Storm projects without having to borrow funds from Natividad Medical Center. For the most part, RMA is trying to manage within available resources (funding and project management capacity). Therefore, staff does not anticipate needing to request discretionary funds for the projects recommended for addition to the FY 2019/20 Work Program. RMA is also working on plans for Phase II 2017 Winter Storm projects as part of the next CIP cycle. However, should the Board add more Winter Storm projects to the FY 2019/20 Work Program, then staff would need to reassess available funding sources.

Four (4) of the projects listed in the funding need list (Attachment A) are for the Upper Palo Colorado Road from MP 4.0-7.4. During the 2017 Winter Storms, RMA requested funding assistance from FEMA for one (1) emergency repair project and six (6) permanent repair projects. The emergency repair project had been completed and two (2) permanent repair projects for lower Palo Colorado Road from MP 1.0 to 3.3 have been in progress. The four (4) projects for Upper Palo Colorado from MP 4.0 to 7.4 have not been completed as the project application for one (1) of the major segments was pending Environmental and Historic Preservation review until October 2019.

The Upper Palo Colorado Road MP 4.0-7.4. Repair Projects were recently reported to receive a \$1,663,670 obligation from FEMA which is specifically for a portion of Upper Palo Colorado from MP 4.0-7.4 from "the Hoist" to "Bottchers Gap". The estimated cost of the four (4) Upper Palo Colorado Road Repair projects from MP 4.0 to 7.4, not including the 3.5 mile Federal road segment between the County Road and Pico Blanco, is \$10,887,344. The total anticipated reimbursement from FEMA and Cal OES is \$3,376,800. These Upper Palo

Colorado Road MP 4.0-7.4 Repair Projects present challenges with timelines, environmental concerns and, have a funding gap of about \$7,510,544 (depending on final design/construction costs) as shown in Attachment D. To date, this portion of road remains damaged in several locations and needs to remain temporarily closed for public safety. Engaging a consultant to begin engineering design is necessary for environmental review and permitting. The first phase of the design/permitting is estimated at \$500,000; the final design is estimated at an additional \$800,000, resulting in a total design/permitting effort of approximately \$1,300,000. Staff recommends starting the first phase of design/permitting of approximately \$500,000, using the TOT funds set aside for emergency use in General Fund 001 Other Financing Uses Appropriation Unit CAO017. The total amount of TOT set aside was \$993,072. This Palo Colorado design/permitting request, plus the local match for these “Phase 2” 2017 Winter Storms and one (1) 2019 Winter Storm request, is a total of \$881,705, resulting in a remaining balance of \$111,367 of TOT funds set aside for emergency use.

DISCUSSION:

On June 19, 2019, the Board of Supervisors adopted a resolution approving the County of Monterey Five-Year Capital Improvement Program (CIP) for FYs 2019/20 through 2023/24.

The approved CIP prioritizes County projects essential to maintain and improve County infrastructure and facilitate the orderly implementation of the County General Plan. In response to the County Administrative Office (CAO) request for a consolidated report of its project funding needs, RMA has added several projects excluded from the approved CIP or that were approved but not funded and other projects that either leverage outside funds or that were identified after the FY 2019-20 Budget was adopted. Attachment A describes projects also recommended to be completed in the current fiscal year. Where available, staff has attached committee reports providing in-depth discussion about the particular project(s) that were placed on hold by the CAO until the RMA could bring forward a comprehensive summary of its project funding needs. Attachment B focuses on the 2017 Winter Storm Projects and Attachment C lists the 2019 Winter Storm Projects.

There are certain ineligible projects, for which costs total approximately \$610,000, listed in Attachment B. At this time, staff is not recommending funding for ineligible projects, nor action on said projects, because the determinations of ineligibility are being appealed with FEMA/Cal OES. However, ineligible projects may be brought back for consideration for funding should the appeals fail.

RMA recommends the addition of the projects identified in Attachment A to the RMA FY 2019/20 Work Program and requests Board direction on preferred funding sources to fund these projects in the current fiscal year.

OTHER AGENCY INVOLVEMENT:

This report was prepared in response to the direction received from the CAO to provide a comprehensive summary of RMA’s project funding needs to the CIC, the BC, and the Board of Supervisors. The report was presented to the CIC on October 14, 2019, and to the BC on November 22, 2019. The CIC and BC support staff’s recommendation.

FINANCING:

As projects, these are one-time costs. Attachment A provides a comprehensive matrix of RMA’s road project needs as well as recommended funding sources. While staff is not requesting General Fund contingencies or cannabis funds for the Winter Storm projects, staff is requesting to use TOT funds that were set aside for emergency use in General Fund 001 Other Financing Uses Appropriation Unit CAO017 for the Road Fund beginning in FY 2019/20 totaling approximately \$993,072.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

This report provides recommendations regarding improvements for accessibility, health and safety of County facilities. Provision of adequate County facilities and infrastructure increases accessibility and safety, enhances the work environment for County staff and accommodations for occupants, and improves the quality of life for County residents while supporting economic development.

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

Prepared by: Randell Ishii, M.S., P.E., RMA Chief of Public Works (831) 784-5647

Reviewed by: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director

The following attachments are on file with the Clerk to the Board:

Attachment A - Capital Needs List

Attachment B - 2017 Winter Storm Projects Update

Attachment C - 2019 Winter Storm Project List

Attachment D - Upper Palo Colorado Project List

Attachment E - Resolution