



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 19-0792, **Version:** 1

Receive a report on the 2017 Winter Storm Projects.

RECOMMENDATION:

It is recommended that the Capital Improvement Committee receive a report on the 2017 Winter Storm Projects, as of June 30, 2019.

SUMMARY/DISCUSSION:

The 2017 Winter Storms and Soberanes Fire generated road and infrastructure damages totaling \$62,746,243, covering 119 projects. Appendix A includes a 2017 Winter Storm Event History, FEMA/FHWA Funding Status, County Funding History, Project Status, and Overall Funding Summary. This report provides detailed information and tables to connect the narrative to each project and its costs and funding. A summary of the 119 projects follows:

- 51 projects were approved by the Board of Supervisors (Board) on April 24, 2018. Estimated costs are \$30,005,091, of which FEMA/FHWA has obligated \$16,360,023 and reimbursed the County \$11,884,575 thus far. The County Match/share of the cost is \$13,645,068, an increase of \$595,528 over the Board approved amount. Noteworthy in this group of projects is the Pajaro Sewer District Project with estimated project costs of \$1,515,000, which was denied by FEMA. The County loaned the Pajaro Sanitation District the funds for this project out of the Disaster Assistance allocation for 2017 Winter Storm projects, with the understanding that funds would be reimbursed through a combination of insurance proceeds and/or user fees. RMA recently learned the insurance claim was denied. However, staff are working with a consultant to conduct a rate study to establish a rate structure that will provide for the repayment of the loan.
- Six (6) Annual Road Fund Work Program Fiscal Year (FY) 2018-19 projects were approved by the Board during budget hearings on June 26, 2018. To date the estimated project costs are \$2,768,006, with FHWA obligating \$1,017,081 and reimbursing the County \$56,244. The County's share is currently \$1,750,925. FHWA obligates funds by project phases, thus staff anticipates FHWA reimbursing 88.53% of the eligible costs (\$2,450,516) and reducing County Match to \$317,490. The County match for these projects is financed by Road Fund revenues.
- Three (3) projects require retroactive approval, with one (1) completed and the remaining two underway/in progress. To date estimated project costs for these projects are \$576,108, with FEMA/FHWA obligating \$422,666 and reimbursing the County \$49,347. The County Match is \$153,442.
- 37 projects were deemed ineligible by FEMA/FHWA and remain on hold. These projects have an estimated cost of \$13,246,033. The County has filed one (1) appeal with FEMA, which is pending, where the County has spent \$437,488 to date (Laguna Seca Recreation Area). Additionally, the County has spent \$200,616 on ineligible projects, including, \$27,324 for staff time assessing initial damages, \$71,866 for Toro Park Maintenance/Emergency Response, and \$101,426 at Old Stage Road for road paving.
- Seven (7) projects with estimated costs of \$3,672,320, which are FEMA/FHWA accepted and obligated,

and pending Board approval. FEMA/FHWA has obligated \$1,803,436, leaving County Match of \$1,868,884. RMA-Public Works Maintenance and Engineering staff determined the scope of work for these projects is within the capability of maintenance forces to perform or staff can procure consultants and contractors and complete the work prior to FEMA 48-month timeline.

- Eight (8) projects with estimated costs of \$2,442,647, have been both accepted and obligated by FEMA/FHWA. FEMA/FHWA obligated \$2,097,091, requiring a County Match of \$345,556. RMA will not be recommending moving forward with these projects. RMA-Public Works Maintenance and Engineering staff determined the scope of work for these projects was beyond the capability of maintenance forces to perform, and that staff would not be able to procure consultants and contractors prior to the FEMA 48-month timeline.
- Seven (7) projects are pending obligation from FEMA/FHWA. Of those, FEMA/FHWA has accepted five (5) of the projects with an estimated accepted amount of \$3,665,857. Until funding is obligated, the County cannot begin work on any of the projects, as expenditures would be disallowed. The estimated costs of these projects are \$10,036,038 and if the County chose to move forward with any of them, the County would be at risk for paying the entire amount.

OTHER AGENCY INVOLVEMENT:

RMA staff continues to coordinate with the County Office of Emergency Services (OES) and County Administrative Office to accurately track and categorize the projects. OES is the County contact to coordinate with CalOES relative to compliance with the state and federal (FEMA) programs, including reimbursements, time extensions, etc.

FINANCING:

Over the last two years, the Board has provided various funding sources to assist in leveraging FEMA/FHWA funds to complete disaster repairs and reconstruction. Appendix A-Table 9 provides a snapshot of the four (4) funding sources available for these projects totaling \$43,850,369; which include, \$16,812,500 in Disaster Assistance Assignment, \$11,752,419 in NMC Facility Master Plan Unassigned Fund Balance, \$12,517,444 in FEMA reimbursements, and \$2,768,006 in Road Fund contributions. Table 9 further depicts the potential erosion of all these funding sources by project groupings to show the worst-case scenario and financial risk of approving additional projects in the future. RMA will return to the Board, through the Capital Improvement and Budget Committees, to discuss project recommendations and funding options, including financing needs for County match increases over the original Board approved amount.

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Attachment:

Appendix A: 2017 Winter Storm Status Update